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North Korea's Exports to China Collapse Amid Coronavirus

Chinese data from January and February hints that the border closure is taking a serious economic toll.



By [Troy Stangarone](#)

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Credit: [Wikimedia Commons/ Prince Roy](#)

UN sanctions prohibiting the export of key items such as coal, textiles, and seafood had already shrunk North Korean exports to China to minimal levels over the last two years, but the outbreak of the coronavirus has seen what remained of North Korea's exports to China largely collapse in the first two months of 2020.

In an effort to prevent the spread of the coronavirus in North Korea, the regime in Pyongyang was one of the first governments to [close its borders](#) and [implement quarantines](#) on incoming cargo. With the release of new trade data by China's General Administration of Customs we now know the extent to which North Korea's efforts and the outbreak of the virus in China have impacted trade.

North Korea's combined exports to China in January and February declined by [71.9 percent](#) to \$10.7 million. The two month figure is the lowest North Korean export figure since Pyongyang exported just [\\$9.4 million](#) to China in February of 2018.

In prior years, China released trade data on a monthly basis, but changed its release for 2020

that combine data for the first two months of the year. As a result, direct comparisons with prior years are not possible. But in 2019, North Korean exports to China were [\\$20.1 million](#) in January and [\\$18 million](#) in February.

Most of the two-month total was likely exported to China prior to North Korea implementing restrictions in late January, with exports possibly falling to almost nothing in February. March trade data and the extent of China's economic recovery should help provide insight into what the February numbers may have been.

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North Korean imports from China over the same period, however, only declined by 23.2 percent to \$197.4 million. While the decline in imports was less severe, the two-month figure is relatively close to the \$168 million worth of goods that North Korea imported from China in January of last year alone.

What the trade data tells us about the [broader impact](#) of the coronavirus on the North Korean economy is more difficult to discern. If the coming months' trade data also show a significant decline in trade with China, it could reflect a wider slowdown in the North Korean economy.

The more interesting question, however, is whether these figures are also reflective of declines in smuggling by North Korea. The UN has reported that North Korea is still able to [smuggle large quantities](#) of coal, for example, to help support the economy and North Korea's weapons programs. There is [anecdotal evidence](#) to suggest that smuggling has decreased as well.

If that is the case we should expect the economic decline in North Korea to be steeper.

While unanswered questions remain, the extent of the decline in exports to China is an initial data point to suggest that North Korea has not been able to avoid the economic effects of dealing with the coronavirus.

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