

North Korea's Trade with China Continues to Collapse from COVID-19

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By Troy Stangarone

North Korea's decision to put in place strict border controls and quarantines at the onset of the COVID-19 outbreak in China continues to have a significant effect on trade as new March trade figures with China show even sharper declines than the figures for the January-February period.

According to China's General Administration of Customs, North Korea's exports to China fell to only \$616,000 last month, down from a combined \$10.7 million in January and February. This is by far the lowest monthly North Korean export figure to China since the United Nations began placing stricter sanctions on North Korean exports in 2016. The previous low was \$9.4 million in February of 2018.

The drop in North Korean imports from China are nearly as drastic. In March, North Korean imports from China were only \$18 million. This is down from imports of \$197.4 million in the January-February period. Imports from China had previously not fallen below \$89 million in February of 2019 since the stricter UN sanctions were put in place.

While China changed its reporting this year to combine January and February trade data, the March figures suggest that with the quarantine and border controls in place most of the trade early this year likely took place in January. Had China maintained monthly statistics, the February numbers would likely show a similar decline in North Korean trade with China.

With China beginning to reopen its economy these figures may rise, but as long as North Korea maintains measures to limit the potential spread of COVID-19 we should expect trade figures to remain below the normal levels that have developed under sanctions.

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