Written by Angeline Tan on January 24, 2023

Chinese Exports to North Korea More Than Tripled in 2022

SINGAPORE — China's overall exports to North Korea more than tripled in 2022 over 2021 as freight train operations between the two countries restarted after a suspension to curb the spread of Covid-19.

Chinese outbound shipments to North Korea jumped 247.5 percent year-on-year to US\$894 million, based on trade data unveiled by China's General Administration of Customs (GAC) on Friday.

Soybean oil, rubber tires, granulated sugar, tobacco, and unnamed medicines were counted among the top export items in terms of value.

Besides, Pyongyang had stockpiled huge quantities of Chinese medical goods such as masks and ventilators in early 2022.

North Korea announced its triumph <u>over Covid-19 in August 2022</u>. Nonetheless, it still purchased 2.27 million masks, 12,000 thermometers, and 40,000 pairs of medical rubber gloves in December from China, according to trade data published by Beijing.

Also, North Korea's Parliament laid out plans <u>to normalize industrial production to attain its economic</u> <u>goals</u> this year, state media said last Thursday.

Kim Tok Hun, premier of North Korea's Cabinet, praised the country for "successfully tackling the worst-ever upheaval since the founding of the country" in light of the Covid-19 outbreak, elaborating that the Cabinet hopes to make 2023 "a year of great turn and change in the course of development" reflecting the 75th anniversary of the country's foundation.

He also urged for the normalization of the production of metal factories, the strengthening of iron mines and steel plants, as well as the operations of chemical plants to be "at full capacity" to speed up construction projects.

North Korea will also implement "strong measures" to supply equipment, materials, and funds to boost coal production, Kim added.

The reclusive country closed its borders to nearly all trade during the Covid-19 outbreak. It only started getting supplies and products from China in 2022. That caused bilateral trade to rise to US\$1.03 billion in 2022, increasing by 226 percent from a year earlier. Bilateral trade between the two communist states in 2022 recovered to around 37 percent of the pre-pandemic levels of 2019, government data depicted, with a freight train operation resumed between border cities.

North Korea imported about \$120 million worth of goods from China in Dec. 2022, while exports remained around \$20 million. The figures put the country's fourth-quarter trade volume at \$370 million, or nearly 100 times higher than the same period in 2019 before the Covid-19 outbreak and government-









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imposed lockdowns rippled the global economy.

In 2021, bilateral trade had fallen around 90 percent from 2019 to the lowest level since Kim Jong-un became the nation's supreme leader following the death of his father and predecessor, Kim Jong-il, in December 2011.

Pyongyang stopped land transportation to and from China in September 2020.

A freight train service between China's Dandong and the North's Sinuiju resumed in January last year, but was suspended three months later amid a Covid-19 outbreak in the Chinese border city. The operation fully restarted last September.

China is North Korea's closest and most influential ally in economic terms. While the freight train service was suspended, Pyongyang apparently imported goods from China by ship only.

Additionally, the reclusive country's parliament, the Supreme People's Assembly, conducted a two-day meeting to discuss government budget, economic policy, and personnel changes, the official KCNA news agency revealed.

South Korea's central bank has indicated that the North's economy contracted in 2021 for a second straight year after experiencing its biggest contraction in more than 20 years the year before, due to Covid-19 lockdowns and global sanctions over its missile programs.

In another KCNA dispatch on budget deliberations, Finance Minister Ko Jong-bom stated that 2023's overall spending is poised to increase by 101.7 percent from last year, without elaborating on exact figures.

Some 45 per cent of the total expenditure will be assigned to stimulate the economy and the people's livelihoods, while defense expenditure would consist about 15.9 percent of total spending, about the same as last year, Ko said.

"The state budget for this year should be implemented without fail to financially support the work for bolstering up the country's defense capability, developing the economy and improving the people's standard of living," Ko told parliament.

Last year, Chinese leader Xi Jinping told his North Korean counterpart that China would be willing to cooperate with North Korea for regional and global peace as well as stability and prosperity, North Korea's state media KCNA reported, mentioning Xi's letter to Kim.

In its reports, KCNA failed to include North Korea's missile launches that have raised tensions around the Korean peninsula following joint military exercises between South Korea and the United States.

Chinese foreign ministry spokesperson Mao Ning had urged all parties to prevent the situation from worsening and instead cooperate to create conditions favorable to dialogue.

Communist China's support for North Korea can be traced back to the Korean War (1950–1953), when its troops swarmed the Korean Peninsula to assist its northern ally.

Since the war reached a truce, China has provided political and economic support to North Korea's leaders since the time of Kim Il-sung.

However, tensions in bilateral ties emerged when Pyongyang tested a nuclear weapon in October 2006 and Beijing supported UN Security Council Resolution 1718, which imposed sanctions on Pyongyang. With this resolution and subsequent ones, Beijing reflected a shift in policy from diplomatic support to



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penalties. Following North Korea's missile launch test in November 2017, China urged North Korea to halt its provocative actions that escalated tensions on the Korean Peninsula.

That being said, China's punitive measures have been regarded as somewhat limited by many Western countries. For example, although China has supported UN resolutions, it has sometimes refrained from supporting them until these resolutions were watered down. Western officials and analysts also question China's commitment to enforcing even limited trade restrictions and have occasionally blamed the country for circumventing sanctions.



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