

Gross Domestic Product of North Korea in 2009

North Korean real annual GDP decreased 0.9% in 2009, which represented a shift of its growth rate from positive into negative territory over the year.

The negative economic growth in 2009 was mainly attributable to decreased agricultural production due to damage from particularly severe cold weather and sluggish manufacturing production owing to a lack of raw materials and electricity.

North Korean GDP Growth

Unit: %, change in real GDP											
'90	'95	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09
-4.3	-4.4	0.4	3.8	1.2	1.8	2.1	3.8	-1.0	-1.2	3.1	-0.9
(9.3)	(8.9)	(8.8)	(4.0)	(7.2)	(2.8)	(4.6)	(4.0)	(5.2)	(5.1)	(2.3)	(0.2)

Note: Figures in parentheses represent South Korean GDP growth rates.

Looking at North Korea's GDP growth by industry, agriculture, forestry & fisheries marked a 1.0% decrease mainly due to damage from particularly severe cold weather.

Production in mining declined 0.9% in 2009 owing to the contraction of metallic minerals production which offset increased production of coal and non-metallic minerals.

Manufacturing production decreased 3.0% in 2009. In light industries, there was a 2.1% production decrease, due to declines in food, tobacco, clothes and shoes. In heavy industries, production fell 3.5%, led downward by contractions in steel products, transport equipment and machinery products.

Electricity, gas & water production remained unchanged owing to an increase in hydroelectric power generation which offset a decrease in thermal power generation.

Construction industry production moved up 0.8% due to increased housing construction and civil engineering.

Production in services edged up 0.1% thanks to an upswing in government services which offset the stagnation of whole-sale & retail trade.

North Korean GDP Growth by Industry

	Unit: %, change in real GDP				
	North Korea			South Korea	
	'07	'08	'09	'08	'09
Agriculture, forestry & fisheries	-9.1	8.0	-1.0	5.6	1.6
Mining & manufacturing	1.0	2.5	-2.3	2.8	-1.6
Mining	1.5	2.4	-0.9	0.6	-1.4
Manufacturing	0.7	2.6	-3.0	2.9	-1.6
(Light industry)	(-2.2)	(1.3)	(-2.1)	(-0.1)	(-6.4)
(Heavy industry)	(2.2)	(3.2)	(-3.5)	(3.5)	(-0.7)
Electricity, gas & water	4.8	6.0	0.0	6.2	4.9
Construction	-1.5	1.1	0.8	-2.5	1.9
Services	1.7	0.7	0.1	2.8	1.0
(Government)	(1.8)	(0.3)	(0.5)	(1.7)	(2.9)
(Other services)	(1.5)	(1.7)	(-0.8)	(3.0)	(0.6)
GDP growth	-1.2	3.1	-0.9	2.3	0.2

Looking at North Korea's industrial structure in 2009, there was a rise in the GDP shares of mining & manufacturing and electricity, gas & water production. However, the shares of agriculture, forestry & fisheries, construction, and services all decreased.

North Korean Industrial Structure

Unit: nominal terms, %

	North Korea			South Korea	
	'07	'08	'09	'08	'09
Agriculture, forestry & fisheries	21.2	21.6	20.9	2.7	2.6
Mining & manufacturing	31.3	34.6	34.8	28.1	28.0
Mining	11.4	12.1	12.7	0.3	0.2
Manufacturing	20.0	22.5	22.1	27.9	27.7
(Light industry)	(6.5)	(6.7)	(7.0)	(4.7)	(4.7)
(Heavy industry)	(13.5)	(15.8)	(15.2)	(23.1)	(23.1)
Electricity, gas & water	4.6	3.4	4.1	1.3	1.8
Construction	8.8	8.3	8.0	7.0	6.9
Services	34.1	32.2	32.1	60.8	60.7
(Government)	(24.0)	(22.8)	(22.8)	(10.7)	(11.0)
(Other services)	(10.1)	(9.4)	(9.3)	(50.2)	(49.7)
GDP	100.0	100.0	100.0	100.0	100.0

The North Korean economy (nominal GNI) in 2009 was valued at 28,634 billion won, one thirty-seventh (2.7%) that of South Korea, while its per capita GNI stood at 1.2 million and twenty-five thousand won, approximately one eighteenth (5.6%) that of South Korea.

Economic Scale and Per Capita GNI in South and North Korea

	North Korea (A)		South Korea (B)		B/A	
	'08	'09	'08	'09	'08	'09
Nominal GNI (₩ billion)	27,347.2	28,634.6	1,034,115.4	1,068,654.1	37.8	37.3
Per capita GNI (₩ 10 thousand)	117.4	122.5	2,128.0	2,192.0	18.1	17.9

North Korea's trade volume (goods-based) during 2009 amounted to 3,410 million dollars, 1/201 that of South Korea.

North Korea's exports decreased by 6.0% and its imports decreased by 12.5%.

External Trade of South and North Korea

	North Korea (A)		South Korea (B)		B/A	
	'08	'09	'08	'09	'08	'09
Trade Amount (\$ 100 million)	38.2	34.1	8,572.8	6,866.2	224.4	201.4
Exports	11.3	10.6	4,220.1	3,635.3	373.5	343.0
Imports	26.9	23.5	4,352.7	3,230.8	161.8	137.5

Note : Bilateral trade between North and South Korea is excluded.

Bilateral trade between South and North Korea stood at 1.68 billion dollars in 2009, a 7.8% year-on-year decrease.

South-to-North trade declined 16.1% year-on-year, due to the decrease of private and government humanitarian support. North-to-South trade climbed 0.2%, owing to increased imports from Gaeseong Industrial Complex.

Volume of Bilateral Trade between South and North Korea

							Units: \$ million, %	
	'04	'05	'06	'07	'08(A)	'09(B)	(B-A)	Rate of Increase (B/A)
South-to-North	439.0	715.5	830.2	1,032.6	888.1	744.8	-143.3	-16.1
North-to-South	258.0	340.3	519.5	765.3	932.3	934.3	2.0	0.2
Total	697.0	1,055.8	1,349.7	1,797.9	1,820.4	1,679.1	-141.3	-7.8

Major Economic Indicators in South and North Korea in 2009

	Unit	North Korea (A)	South Korea (B)	B/A
1. Population	Thousand persons	23,380	48,747	2.1
2. GDP growth rate	%	-0.9	0.2	-
3. Nominal GNI	₩billion	28,634.6	1,068,654.1	37.3
4. Per Capita GNI	₩10 thousands	122.5	2,192.0	17.9
5. External transactions				
Trade total	US\$100 mil.	34.1	6,866.2	201.4
(Exports)	"	10.6	3,635.3	343.0
(Imports)	"	23.5	3,230.8	137.5
Exchange rate	₩(N.K.,S.K.) /US\$	134.2	1,276.4	-
6. Energy industry				
Coal production	10,000 tons	2,550.0	247.5	0.1
Capacity of power generation	10,000 kW	693.0	7,347.0	10.6
Volume of actual power generation	100 million kWh	234.7	4,333.1	18.5
Crude oil imports	10,000 bbl	381.2	83,516.3	219.1

	Unit	North Korea (A)	South Korea (B)	B/A (times)
7. Agricultural & fisheries products				
Grains	10,000 tons	410.8	555.3	1.4
(Rice)	"	191.0	491.6	2.6
Fishery products	"	82.8	318.2	3.8
8. Mining goods production				
Iron ore	10,000 tons	495.5	45.5	0.1
Nonferrous metals	"	9.1	12.7	1.4
9. Manufacturing goods production				
Automobiles	10,000 vehicles	0.44	351.3	798.4
Steel	10,000 tons	125.5	4,893.1	39.0
Cement	"	612.6	5,012.7	8.2
Fertilizer	"	46.6	255.8	5.5
Synthetic fibers	"	3.0	134.6	44.9
10. Infrastructure				
Length of railroads	Km	5,242	3,378	0.6
Length of roads	Km	25,854	104,983	4.1
Port loading/unloading Capacity	10,000 tons	3,700	80,053	21.6
Shipping tonnage	10,000 tons	84	1,392	16.6

Brief Explanation of Estimation Method

- The Bank of Korea (BOK) has been estimating the "Gross Domestic Product of North Korea" annually since 1991, using the basic data on production quantities supplied by relevant institutions.
- This estimation project had been undertaken for the purpose of evaluating the North Korean economy from a South Korean perspective and utilizing the estimated data in policy-making.
- Therefore, the estimation follows the System of National Accounts (SNA), which is also applied in GDP estimation for South Korea.
- * Recently, nations in transition to market economies have been adopting the SNA for estimating their GDP, as is the practice in almost all market economies including South Korea.
- GDP at current prices is estimated with the use of South Korean prices, value-added ratios and the USD-KRW exchange rate.