

The Economic Dimension of China-North Korea Relations

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Much of the talk about how long the DPRK regime will last under sanctions and the country’s “self-isolation” in the wake of the COVID-19 pandemic is rooted in the question of what role Beijing will play in supporting Pyongyang. In 2019, China accounted for about 95 per cent of North Korea’s total trade, according to the website North Korea in the World. According to Chinese customs data, China’s exports to the country [dropped](#) from more than US\$250 million in November 2019 to just US\$3,000 in February.

This is why experts react vigorously to every rumor about the possible border opening, but although they have arisen periodically during 2021, no return of cross-border trade has occurred.

In March 2021, the Presidium of the Supreme People’s Assembly of the DPRK passed a law making the disinfection of all imported goods mandatory. Following this, disinfection facilities were built in record time in Sinuiju on the border with China.

On March 16, some Japanese media reported that the two countries are preparing to open a new three-kilometer New Amnokgang Bridge connecting Sinuiju and China’s Dandong. The bridge was built in 2014 but never opened due to the inability of cash-strapped North Korea to cover the necessary costs of road and customs facilities. If opened, the bridge is expected to significantly increase trade and travel between the two countries. Radio Free Asia reported that Chinese officials were inspecting and repairing railway tracks so that trains between China and North Korea could start running from April. NHK television reported that a freight train was spotted in Dandong, apparently heading for North Korea.

In April, Yonhap News Agency said it noticed flights between Beijing and Pyongyang listed on a timetable posted on the [Air Koryo website](#). Even though online flight trackers showed no sign of the two flights.

Russian Ambassador to North Korea **Alexander Matsegora** also [said](#) the border would reopen and the country's trading companies were on standby. Still, each time the dates were postponed amid new strains of the virus and related waves of infection in China.

The Nikkei Shimbun publication citing sources of foreign economic companies working with the DPRK in Dandong reported on August 9 that trade might partially resume from the end of August. According to Japanese journalists, most cargo will consist of cereals, food, medicine, and other necessities; Pyongyang is also exploring opportunities to restore trade with Russia.

On October 8, **Cha Deok-cheol**, deputy spokesperson at South Korea's unification ministry, noted that there had been no confirmation on the resumption of cargo transportation by road and rail between Dandong and Sinuiju. However, the World Health Organization said the day before that it had begun shipping medical supplies to North Korea through the Port of Dalian.

On November 4, the deputy spokesperson at South Korea's unification ministry said North Korea was in the final stages of preparing to resume rail routes, with signs indicating preparations to continue trade, such as quarantine facilities, in regions bordering China.

A little earlier, the ROK National Intelligence Service [reported](#) that the North is in talks with China and Russia to resume rail traffic across the border and the border cities of North Korea and China, connecting Sinuiju and Dandong, respectively could resume it as early as November.

More data on maritime trade is confirmed. As reported by [NKNews](#), at least five North Korea-linked ships took turns at Longkou Port for possible coal sales between March 29 and April 13, a level comparable to the pre-pandemic.

However, the only operational channel for Sino-North Korean trade is the Port of Nampo, but it is overloaded due to the congestion of cargoes subject to mandatory quarantine. In this regard, there are signs of possible preparations to open and receive cargo at Ryongcheon station, North Pyongan Province.

Another vital supply line is the oil pipeline. According to [NK Pro](#) analysis of recent satellite imagery, construction work began in April both at China Petroleum Pipeline Engineering Co. facilities on the edge of the Yalu River and across the water on North Korean territory. Meanwhile, fresh construction began in late June at the new but unfinished import disinfection center located just south of the oil pipeline crossing point, presumably, an extension of the crude oil pipeline, built in 1975 next to the crude oil pipeline but was shut down and terminated in 1981. China continued to ship crude oil, as evidenced by stable fuel prices.

Specific data on trade between the two countries is somewhat scattered and shows (so far) a declining trend. According to Seoul's Korea Trade-Investment Promotion Agency, North Korea's [total foreign trade](#) fell by 73.4 percent to \$863 million in 2020. Meanwhile, from January to July this year, North Korea-China trade amounted to \$86 million 660,000, down 82.1 percent due to the prolonged border closure due to the coronavirus pandemic. With other data showing it exceeded \$185 million in the first nine months of 2021, it remains 1/3 less than the same period in 2020 and does not exceed 29% of the 2019 figures. Ending the first quarter of 2021, the trade volume between China and the DPRK had dropped to almost

zero.

Thus, the sense of light at the end of the tunnel persists. The problem is how long is the haul.

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