

PRESS RELEASE



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Gross Domestic Product Estimates* for North Korea in 2022

* North Korea's economic indicators related to the national accounts (such as growth rate, industrial structure, economic size, and per capita GNI) are estimated based on South Korea's prices and value-added ratios, and thus should not be directly compared with those of other countries.

I . Overview

- North Korea's real GDP decreased by 0.2% in 2022.
- Production in the agriculture, forestry & fishing and mining & manufacturing sectors decreased, while production in the electricity, gas & water, construction and services sectors increased.

North Korea's Real GDP Growth Rates¹⁾

(percentage change over previous year)

'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22
1.3	1.1	1.0	-1.1	3.9	-3.5	-4.1	0.4	-4.5	-0.1	-0.2
(2.4)	(3.2)	(3.2)	(2.8)	(2.9)	(3.2)	(2.9)	(2.2)	(-0.7)	(4.3)	(2.6)

Note: 1) Figures in parentheses represent South Korea's GDP growth rates.

(Real Gross Domestic Product)

- Production in the agriculture, forestry & fishing sector decreased by 2.1% in 2022 (6.2% in 2021), due mainly to a decrease in agriculture.
- Mining production increased by 4.6% in 2022 (-11.7% in 2021), owing to increases in coal mining.

- Manufacturing production decreased by 4.6% (-3.3% in 2021), due to a decrease in heavy & chemical industry production.
 - Light industry production registered a 5.0% increase (-2.6% in 2021) as food, beverages & tobacco products increased.
 - Production in the heavy & chemical industry fell by 9.5% (-3.7% in 2021), as production of primary metal products decreased.
- Electricity, gas & water production increased by 3.5% (6.0% in 2021), due to a rise in thermal and hydroelectric power generation.
- Construction shifted upward by 2.2% (1.8% in 2021), driven mainly by growth in residential building construction.
- The services sector increased by 1.0% (-0.4% in 2021), as production in sub-sectors such as transportation increased.

Real GDP Growth Rates by Type of Economic Activity

(percentage change over previous year)

	North Korea		South Korea	
	2021	2022	2021	2022 ^P
Agriculture, forestry & fishing	6.2	-2.1	5.2	-1.0
Mining & manufacturing	-6.5	-1.3	7.1	1.4
Mining	-11.7	4.6	4.7	-5.4
Manufacturing	-3.3	-4.6	7.1	1.5
(Light industry)	(-2.6)	(5.0)	(3.0)	(-1.9)
(Heavy & chemical industry)	(-3.7)	(-9.5)	(8.0)	(2.1)
Electricity, gas & water supply	6.0	3.5	2.7	1.9
Construction	1.8	2.2	-1.9	0.7
Services	-0.4	1.0	3.8	4.2
(Government)	(0.1)	(0.6)	(3.6)	(2.7)
(Other services) ¹⁾	(-2.0)	(2.7)	(3.8)	(4.5)
GDP	-0.1	-0.2	4.3	2.6

Note: 1) Includes sub-sectors such as (i) wholesale & retail trade and accommodation & food services, (ii) transportation & communications, and (iii) finance, insurance & real estate.

II. Industrial Structure

- A look at North Korea's industrial structure in 2022 showed decreases in the share of GDP (in nominal GDP terms) accounted for by the agriculture, forestry & fishing and electricity, gas & water supply sectors, but increases in the shares of mining & manufacturing, construction, and services sectors.
- The share of total GDP contributed by agriculture, forestry & fishing decreased by 0.6%p to 23.1%.
 - The share of mining & manufacturing rose by 2.1%p to record 30.5%, with mining (9.5%) decreasing by 0.5%p and manufacturing (21.0%) increasing by 2.7%p.
 - The share of electricity, gas & water supply decreased by 2.6%p to 2.2%.
 - The share of construction shifted upward by 0.6%p to 10.8%.
 - The share of services increased by 0.5%p to stand at 33.4%.

North Korea's Industrial Structure¹⁾

	(%)			
	North Korea		South Korea	
	2021	2022	2021	2022 ^P
Agriculture, forestry & fishing	23.8	23.1	2.0	1.8
Mining & manufacturing	28.3	30.5	28.1	28.1
Mining	10.0	9.5	0.1	0.1
Manufacturing	18.3	21.0	28.0	28.0
(Light industry)	(6.2)	(6.3)	(4.5)	(4.2)
(Heavy & chemical industry)	(12.1)	(14.7)	(23.5)	(23.8)
Electricity, gas & water supply	4.8	2.2	1.9	0.9
Construction	10.2	10.8	5.6	5.7
Services	32.9	33.4	62.4	63.5
(Government)	(26.0)	(26.5)	(11.4)	(11.6)
(Other services) ²⁾	(6.9)	(6.9)	(50.9)	(51.9)
GDP ³⁾	100.0	100.0	100.0	100.0

Notes: 1) Proportion of each industry's production in total nominal GDP.

2) Includes sub-sectors such as (i) wholesale & retail trade, and accommodation & food services, (ii) transportation & communications, and (iii) finance, insurance & real estate.

3) South Korea's GDP figure is based on Gross Value-Added (GVA) at basic prices.

III. Gross National Income & External Trade

- North Korea's gross national income (nominal GNI) was valued at KRW 36.7 trillion for 2022, 1/60 (1.7%) of the South Korean economy.
- GNI per capita stood at KRW 1.43 million, approximately 1/30 (3.4%) of South Korea.

National Income and Per Capita GNI of North and South Korea

	North Korea (A)		South Korea (B)		B/A	
	2021	2022	2021	2022 ^P	2021	2022
Nominal GNI (KRW trillion)	36.3 (3.7)	36.7 (1.2)	2,103.6 (7.5)	2,193.5 (4.3)	58.0	59.8
Per capita GNI (KRW 10 thousands)	142.3 (3.2)	143.0 (0.5)	4,065.4 (7.6)	4,248.7 (4.5)	28.6	29.7
Population (thousands)	25,484	25,660	51,745	51,628	2.0	2.0

Notes: Figures in parentheses are the year-on-year rates of growth.

(External Trade)

- The volume of North Korea's external trade (sum of exports and imports of goods, excluding goods transported between North and South Korea) amounted to USD 1.59 billion in 2022, an increase of 122.3% from the USD 0.71 billion during 2021.
 - Exports totaled USD 0.16 billion, an increase of 94.0% compared to the year before.
 - o Exports of products of mineral origin (260.7%) and fiber (159.7%) increased.
 - Imports totaled USD 1.43 billion, an increase of 126.0% from the year before.
 - o Imports of products of mineral origin (39.9%) and plastic & rubber (170.5%) increased.

External Trade of North and South Korea^{1), 2)}

(USD 100 million)

	North Korea (A)		South Korea (B)		B/A	
	2021	2022	2021	2022	2021	2022
Trade amount	7.1 (-17.3)	15.9 (122.3)	12,594.9 (28.5)	14,149.5 (12.3)	1,765.6	892.1
Exports	0.8 (-8.2)	1.6 (94.0)	6,444.0 (25.7)	6,835.8 (6.1)	7,862.1	4,298.8
Imports	6.3 (-18.4)	14.3 (126.0)	6,150.9 (31.5)	7,313.7 (18.9)	974.2	512.5

Notes: 1) Excludes goods transported between North and South Korea.

2) Figures in parentheses represent rates of growth over the previous year.

Source: Korea Trade-Investment Promotion Agency (KOTRA), Korea Customs Service (KCS).

Goods transported between North and South Korea* recorded USD 0.1 million in 2022.

* Includes general exports and imports, economic cooperation, and non-commercial transportation.

— Since the shutdown of the Kaesong Industrial Complex in 2016, there has been almost no trade between North and South Korea.

Volume of Goods Transported between North and South Korea

(USD million)

	'15	'16	'17	'18	'19	'20	'21(A)	'22(B)	(B-A)
South-to-North	1,262.1	147.0	0.9	20.7	6.7	3.9	1.1	0.1	-0.9
North-to-South	1,452.4	185.5	0.0	10.5	0.2	0.0	0.0	0.0	0.0
Total	2,714.5	332.6	0.9	31.3	6.9	3.9	1.1	0.1	-0.9

< Appendix >

North Korea's GDP by Type of Economic Activity

(KRW billion, %)

	Real		Rate of change	Nominal		Share (2022)
	2021	2022		2021	2022	
Agriculture, forestry & fishing	7,302.3	7,146.7	-2.1	8,525.4	8,369.9	23.1
Mining & manufacturing	8,280.9	8,173.3	-1.3	10,165.5	11,033.6	30.5
Mining	2,629.2	2,751.4	4.6	3,604.1	3,440.1	9.5
Manufacturing	5,693.6	5,433.5	-4.6	6,561.4	7,593.5	21.0
Electricity, gas & water supply	1,995.2	2,064.3	3.5	1,716.8	786.5	2.2
Construction	3,007.7	3,073.2	2.2	3,665.5	3,920.6	10.8
Services	10,802.5	10,912.1	1.0	11,817.7	12,103.6	33.4
Government	8,232.3	8,279.5	0.6	9,338.0	9,588.5	26.5
Other services	2,528.3	2,596.0	2.7	2,479.7	2,515.1	6.9
(Wholesale & retail trade and Accommodation & food services)	74.1	74.1	0.1	77.2	78.0	0.2
(Transportation & communication)	327.7	386.1	17.8	315.3	352.8	1.0
(Finance, insurance & real estate)	2,104.0	2,114.3	0.5	2,087.2	2,084.3	5.8
GDP	31,409.5	31,361.8	-0.2	35,890.8	36,214.2	100.0

How North Korea's GDP is Estimated

The Bank of Korea 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 has been undertaken for the purpose of evaluating the North Korean economy from South Korea's perspective and utilizing the results in policy-making.

The estimation therefore follows the System of National Accounts (SNA),* which is also applied in GDP estimation for South Korea.

* Nations in transition to a market economy also compile their GDP statistics based on the SNA, as is the practice in most market economies including South Korea.

GDP at current prices is estimated with the use of South Korea's prices and value-added ratios.