

PRESS RELEASE



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Gross Domestic Product Estimates* for North Korea in 2023

* 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 increased by 3.1% in 2023.
 - Production in the agriculture, forestry & fishing, and mining & manufacturing sectors returned to growth, and the increase in the construction sector expanded.

North Korea's Real GDP Growth Rates¹⁾

(percentage change over previous year)

'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23
1.1	1.0	-1.1	3.9	-3.5	-4.1	0.4	-4.5	-0.1	-0.2	3.1
(3.3)	(3.2)	(2.9)	(3.2)	(3.4)	(3.2)	(2.3)	(-0.7)	(4.6)	(2.7)	(1.4)

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

(Real Gross Domestic Product)

- Production in the agriculture, forestry & fishing sector increased by 1.0% in 2023 (-2.1% in 2022), due mainly to an increase in agriculture.
- Mining production increased by 2.6% in 2023 (4.6% in 2022), owing to increase in coal mining.

- Manufacturing production increased by 5.9% (-4.6% in 2022), due to increases in both light industry and heavy & chemical industry production.
 - Light industry production registered a 0.8% increase (5.0% in 2022), as processing production including wigs increased.
 - Production in the heavy & chemical industry increased by 8.1% (-9.5% in 2022), as production of primary metal products increased.
- Electricity, gas & water production contracted by 4.7% (3.5% in 2022), due to a decline in both thermal and hydroelectric power generation.
- Construction shifted upward by 8.2% (2.2% in 2022), driven mainly by growth in residential building construction.
- The services sector increased by 1.7% (1.0% in 2022), 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	
	2022	2023	2022	2023 ^P
Agriculture, forestry & fishing	-2.1	1.0	0.8	-2.6
Mining & manufacturing	-1.3	4.9	2.4	1.7
Mining	4.6	2.6	-9.6	1.3
Manufacturing	-4.6	5.9	2.5	1.7
(Light industry)	(5.0)	(0.8)	(1.9)	(-2.9)
(Heavy & chemical industry)	(-9.5)	(8.1)	(2.6)	(2.5)
Electricity, gas & water supply	3.5	-4.7	3.5	-2.9
Construction	2.2	8.2	0.9	3.1
Services	1.0	1.7	3.8	2.1
(Government)	(0.6)	(0.7)	(2.7)	(1.8)
(Other services) ¹⁾	(2.7)	(5.5)	(4.0)	(2.1)
GDP	-0.2	3.1	2.7	1.4

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 2023 showed decreases in the share of GDP (in nominal GDP terms) accounted for by the agriculture, forestry & fishing and services sectors, but increases in the shares of mining & manufacturing, electricity, gas & water supply and construction sectors.
- The share of total GDP contributed by agriculture, forestry & fishing decreased by 1.1%p to 22.0%.
 - The share of mining & manufacturing rose by 0.2%p to record 30.7%, with mining (9.0%) decreasing by 0.5%p and manufacturing (21.6%) increasing by 0.7%p.
 - The share of electricity, gas & water supply increased by 3.2%p to 5.4%.
 - The share of construction shifted upward by 0.2%p to 11.0%.
 - The share of services decreased by 2.5%p to stand at 30.9%.

North Korea's Industrial Structure¹⁾

	(%)			
	North Korea		South Korea	
	2022	2023	2022	2023 ^P
Agriculture, forestry & fishing	23.1	22.0	1.6	1.5
Mining & manufacturing	30.5	30.7	28.9	27.7
Mining	9.5	9.0	0.1	0.1
Manufacturing	21.0	21.6	28.8	27.6
(Light industry)	(6.3)	(6.9)	(4.5)	(4.9)
(Heavy & chemical industry)	(14.7)	(14.7)	(24.3)	(22.7)
Electricity, gas & water supply	2.2	5.4	0.8	1.9
Construction	10.8	11.0	5.7	5.9
Services	33.4	30.9	63.1	63.0
(Government)	(26.5)	(24.3)	(10.8)	(10.8)
(Other services) ²⁾	(6.9)	(6.7)	(52.3)	(52.2)
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 40.9 trillion for 2023, 1/60 (1.7%) of the South Korean economy.
- GNI per capita stood at KRW 1.59 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	
	2022	2023	2022	2023 ^P	2022	2023
Nominal GNI (KRW trillion)	36.7 (1.2)	40.9 (11.3)	2,351.8 (4.7)	2,443.3 (3.9)	64.1	59.8
Per capita GNI (KRW 10 thousands)	143.0 (0.5)	158.9 (11.1)	4,551.4 (4.9)	4,724.8 (3.8)	31.8	29.7
Population (thousands)	25,660	25,709	51,673	51,713	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 2.77 billion in 2023, an increase of 74.6% from the USD 1.59 billion during 2022.
 - Exports totaled USD 0.33 billion, an increase of 104.5% compared to the year before.
 - o Exports of footwear, hats, and wigs (1,319.3%) increased.
 - Imports totaled USD 2.44 billion, an increase of 71.3% from the year before.
 - o Imports of fertilizer (1,404.0%) and plastic products (78.1%) increased.

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

(USD 100 million)

	North Korea (A)		South Korea (B)		B/A	
	2022	2023	2022	2023	2022	2023
Trade amount	15.9 (122.3)	27.7 (74.6)	14,149.5 (12.3)	12,748.0 (-9.9)	892.4	460.4
Exports	1.6 (94.0)	3.3 (104.5)	6,835.8 (6.1)	6,322.3 (-7.5)	4,299.2	1,944.3
Imports	14.3 (126.0)	24.4 (71.3)	7,313.7 (18.9)	6,425.7 (-12.1)	512.7	262.9

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).

There were no goods transported between North and South Korea* in 2023.

* 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	'22(A)	'23(B)	(B-A)
South-to-North	1,262.1	147.0	0.9	20.7	6.7	3.9	1.1	0.1	0.0	-0.1
North-to-South	1,452.4	185.5	0.0	10.5	0.2	0.0	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	0.0	-0.1

< Appendix >

North Korea's GDP by Type of Economic Activity

(KRW billion, %)

	Real		Rate of change	Nominal		Share (2023)
	2022	2023		2022	2023	
Agriculture, forestry & fishing	7,146.7	7,216.0	1.0	8,369.9	8,858.4	22.0
Mining & manufacturing	8,173.3	8,570.8	4.9	11,033.6	12,322.9	30.7
Mining	2,751.4	2,823.7	2.6	3,440.1	3,629.8	9.0
Manufacturing	5,433.5	5,752.8	5.9	7,593.5	8,693.1	21.6
Electricity, gas & water supply	2,064.3	1,967.8	-4.7	786.5	2,170.9	5.4
Construction	3,073.2	3,325.1	8.2	3,920.6	4,412.0	11.0
Services	10,912.1	11,096.2	1.7	12,103.6	12,430.0	30.9
Government	8,279.5	8,337.3	0.7	9,588.5	9,747.2	24.3
Other services	2,596.0	2,737.6	5.5	2,515.1	2,682.7	6.7
(Wholesale & retail trade and Accommodation & food services)	74.1	78.7	6.2	78.0	86.4	0.2
(Transportation & communication)	386.1	531.0	37.5	352.8	490.3	1.2
(Finance, insurance & real estate)	2,114.3	2,114.3	0.0	2,084.3	2,106.0	5.2
GDP	31,361.8	32,320.1	3.1	36,214.2	40,194.2	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.