



The History and Prospects of Economic Relations Between Japan and North Korea

——Transitions in Trade and Investment and Preparations to Move Forward After the Resolution of Outstanding Issues

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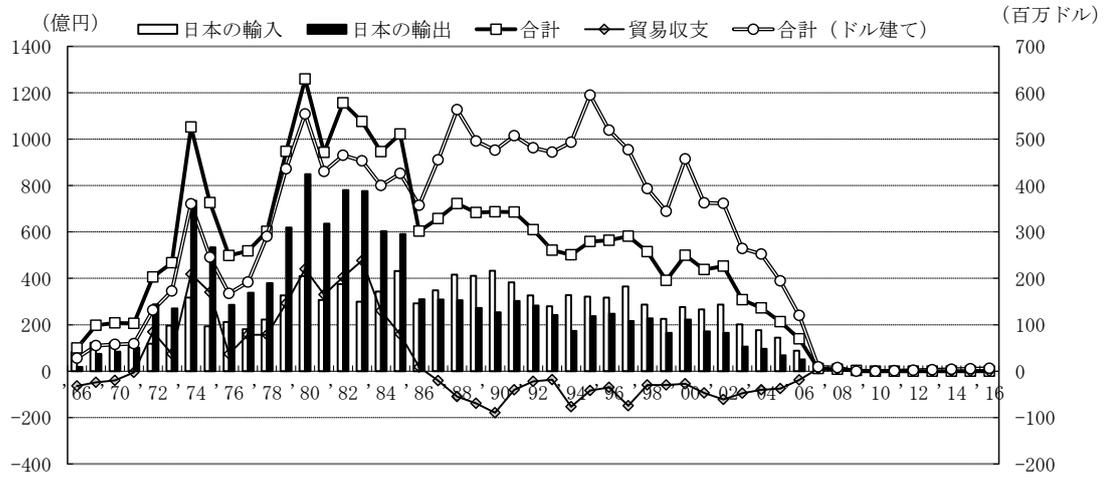
[Key Points]

- Pre-war Japan sought to integrate Manchuria and the Korean Peninsula into its regional economic sphere by building railways running to the east and west from the northern part of the peninsula and developing ports in these areas. Industrial development focused on harvesting anthracite, minerals, timber, and other resources to ensure the provision of electric power as a priority, along with iron and steel manufacture, smelting, the coal-chemical industry, and paper manufacture.
- After the war, North Korea needed economic exchange with Japan to finance capital investment in its machine industry and other sectors. Japan, too, needed to import minerals, metals, and marine produce from North Korea and trade between the two countries took place from the mid-1950s under a policy of the separation of politics and economics, even though they had no diplomatic ties.
- In response to changes in the international environment due to the North Korean nuclear issue, among other factors, the Japanese government adopted a policy of coordinating its political and economic stances. As well as being a party to United Nations sanctions, Japan has imposed its own sanctions on North Korea. Although Japan and North Korea agreed to the normalization of diplomatic relations through economic cooperation in the Japan–DPRK Pyongyang Declaration, the resolution of outstanding issues of concern, such as the nuclear and abductions issues, is a prerequisite for this.



Key Data

Changes in Trade Between Japan and North Korea



Source: Ministry of Finance customs statistics

(¥100 million)

Japan: Imports

Japan: Exports

Total

Trade Balance

Total (US dollars)

(\$1 million)