

NORTH KOREAN ECONOMY 2006: A FOCUS ON AGRICULTURE

North Korea stressed in its January 1 Public Announcement that economic policy for 2006 -- just as it was in 2005 -- will be centered on agriculture. Included in economic growth plans were the 1) strengthening of the role of government and uniform leadership; 2) strengthening of order over planning, labor management, and finance; 3) specializing and standardizing of production; 4) and stressing of the scientific administrative and entrepreneurial strategies and utilitarianism of economic bureaucrats.

The announcement stated that “this year as well, as agriculture represents the front line of the economic battle, once again all focus and mobilization must be on agricultural capacity.” And while labor, equipment and material support for the agricultural sector are a priority, establishing “new advancements” in seed development, potato farming, double cropping, and bean farming was emphasized. As this is not much different from last year, it reflects the aim of deepening the independent supply of food as a basis for social stability.

Recent North Korean grain harvests (4.3 million tons in 2004; 4.8 million tons in 2005) are the highest recorded since the 1990s, but are not yet high enough for the North to be self-sufficient. In fact, if we look at the National Intelligence Service estimate of April 2005, sufficiency would require 6.45 million tons to be produced; Pyongyang fell short of this mark by 1.65 million tons. The UN World Food Program also announced that despite the North’s revival of its national public ration system, ration sizes fell short of initial goals.

The announcement also stressed last year’s steady push for economic development and modernization: “The task now urgent at hand in order to build the economy is to focus on projects to modernize and develop the people’s economy.” It also stated that “it is vital to

revive independent efforts and take a utilitarian, step-by-step approach to press on development and modernization.”

The announcement also showed the North to be confident in its vision to increase current energy, coal, and metal production as the economy begins down a “new road to development.” “Last year’s socialist economy continued to produce greater results over the last few years” and “many targets carrying important significance for the improvement of the economy and lives of the people have been developed and modernized.”

This year, the development plan calls for mass production of daily necessities and resolution of housing issues by developing the light industry and construction sectors in order to answer the needs of the people. “As harvests, machinery, chemicals, construction, forestry, and all sectors of the people’s economy are improved, a physical, technical base will be strengthened” as the economy is evenly developed and substantially strengthened.