**Inter-Korean Trade Volume for the First Half of 2011 Reached 830 Million USD**

Despite the current impasse in inter-Korean relations, the trade volume in the Kaesong Industrial Complex (KIC) continues to rise, up about 20 percent against last year.

According to the ROK Ministry of Unification, the inter-Korean trade via Kaesong totaled 825.88 million USD in the first six months of 2011. In comparison to last year's 691.09 million USD, this is a 19.5 percent increase (134.795 million USD) and a whopping 135.8 percent climb (475.64 million USD) from 2009.

The total import reached 444.98 million USD, up 36.4 percent from last year. The total export recorded 389 million USD, a slight increase of 4.3 percent.

As of June 2011, there are about 123 companies reported to be in Kaesong. A total of 560 South Korean staffs work in the KIC, 155 of which joined since June of last year. There was also a boost in the number of North Korean workers; 3,161 new workers joined the complex from the year before, making the current number of North Korean employees 47,172.

In comparison, both commercial trade including general trade (mineral and agricultural products) and noncommercial trade such as humanitarian assistance and socio-cultural exchanges dwindled 16.2 percent (161.34 million USD) from the previous year.

The figure suggests the plunge was triggered by the sanctions imposed by the South Korean government on North Korea since May 24 of last year -- a response to North Korea's deadly provocation in March 2010 -- cutting off most of the humanitarian assistance and exchanges. According to the ministry of unification, before the sanctions went into effect, general trade that comprised 30 percent fell below 1 percent and humanitarian assistance became nonexistent.

According to a recent survey conducted in the complex, economic loss engendered by the May 24 sanctions are estimated to be 3.875 billion USD. Out of the 154 total economic cooperation and trade firms in Kaesong, 104 claimed to have suffered economically, totaling over 430 million USD in losses.

The survey was conducted from January 24 to March 25 with 154 firms: 79.2 percent indicated the recent sanctions have significantly impacted their businesses; 3.2 percent answered "a little" effect; none answered "no effect at all."

Moreover, 78.6 percent responded that the sanctions led to interruption in business operations and 12.3 percent replied that the sanctions resulted in complete shutdown.

In addition, reduction of staffs was also linked to the sanctions, in which 34.4 percent reported to have downsized by 20 percent, while 26.7 percent reported 30 to 40 percent cut backs in the number of staff.