

NEW DPRK MARKET RESTRICTIONS FROM OCTOBER*

From October 11, restrictions on the sale of certain goods went into effect in markets countrywide in North Korea. In order to maintain the market system and secure stores of supplies, leakage of military-use goods into society will be blocked.

Restricted goods are primarily goods used for military purposes. Civilians are prohibited from having military clothing and hats, belts, shoulder straps, military boots, communications lines, and other goods, and are particularly prohibited from trading these items in markets. In addition, selling of supplies and machine parts for particular industries or factories is prohibited. Household goods such as furniture, beds, sheets, sofas, refrigerators, televisions, VCRs, tape players, computer CDs, fans, and gas cylinders are also on the banned-items list.

This means that goods from South Korea and the United States that were, up until now, implicitly allowed in markets, will once again be banned. One peculiar point is the banning of female contraceptive products and medicines. This appears to be because they run contrary to the policy of childbirth promotion.

This latest ban on market trading is nothing new. There are likely a number of reasons these restrictions have been passed down from government authorities, but more than anything is that the competitiveness of government-run marts and foreign-currency stores

* Source: Good Friends International.

has fallen considerably. Price, quality, and selection in the markets far out-pace that of the government-controlled sales schemes, sharply driving down government profits.

When sofas, beds, and other furniture, used bicycles, and more are bought from individuals rather than from government-run stores, individuals make goods-to-order, and even used goods can be well repaired and refinished for resale, greatly increasing the breadth of selection available. Delivery is also available, so there is no reason to make trip to a government-run store carrying poor quality goods at twice the price. Authorities must resort to last-ditch measures such as blunt restrictions on market trading, but these measures are almost completely ineffective. Vendors do not display wares for direct sale in the market; rather, they make direct contact with a buyer, then have the buyer accompany them to individual homes to complete deals, making market crackdowns useless.