

SNU-UC San Diego Joint Webinar Series



The Economic Costs of Trade Sanctions: Evidence from North Korea

May 2 (Monday) | 5 p.m. PDT

May 3 (Tuesday) | 9 a.m. in Seoul



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This presentation provides evidence on the economic costs of the recent United Nations sanctions on North Korea. Exploiting a novel data set on North Korean firms, we construct measures of regional exposure to export and intermediate input sanctions and show that they cause sharp declines in local nighttime luminosity. Additional analysis of newly available product-level price data reveals that import sanctions led to significant increases in market prices. We then estimate a quantitative spatial equilibrium model using cross-region variations. The model implies that the sanctions reduced the country's manufacturing output by 20%. We further quantify the potential impact of alternative sanction scenarios.

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This joint webinar series between Seoul National University and University of California San Diego is designed to be a forum for discussion of new research and major policy issues in Korea. We hope that you will join us. This series has received generous support from the National Research Foundation of Korea (NRF-2020S1A3A2A02104190).