
Abstract

Until now, research on inter-Korean economic cooperation and economic integration has been limited to the areas of the two Koreas. However, Korea is connected with many countries in Asia through the global value chain. Thus, if inter-Korean trade deepens, it may affect the trade structure of neighboring countries. In order to establish a specific inter-Korean economic integration policy when North Korea becomes a normal state in the future, an analysis that reflects the trade structure including Northeast Asia should be preceded. Therefore, in this paper, the impact of inter-Korean trade on Korea, China and Japan was analyzed using the international input output table containing actual trade data. The results show that trade between the two Koreas did not have a significant effect of production and value added. but when China and Japan participate in trade with North Korea, the production effect was calculated to be as high as 670 million dollars in Korea and up to 300 million dollars in Japan. And China showed up to 2,600 million dollars. In addition, the value-added effect was calculated up to 690 million dollars in Korea, up to 62 million dollar in Japan, and up to 170 million dollars in China.

Keyword Global Production Network, Trade Structure, Economic Integration