



Luxury Goods Enter North Korea in Violation of U.N. Sanctions

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Despite the fact that the sanctions imposed on North Korea, both by the United States and the United Nations, are among the most restrictive in the world, the government in North Korea continues to obtain goods – even certain luxury goods specifically controlled under those sanctions programs. In 2006, at the request of President George W. Bush’s administration, the United Nations imposed sanctions to keep luxury goods out of North Korea. Those sanctions are not working, according to research by the [Center for Advanced Defense Studies](#) (C4ADS), a nonprofit group that looks at smuggling networks, and an investigation by [The New York Times](#).

C4ADS’s report, [*Lux & Loaded: Exposing North Korea’s Strategic Procurement Networks*](#), endeavors to map the Kim regime’s active procurement routes, commercial facilitators, and capabilities by investigating North Korea’s ability to obtain high-end luxury goods, such as \$500,000 armored Mercedes-Maybach cars. C4ADS and *The New York Times* traced the path of these armored cars through five countries using open-source material, including shipping records and satellite images.

Further investigation by C4ADS found that as many as 90 countries, most notably China, have served as luxury-good procurement sources for North Korea. C4ADS also determined that the Kim regime continues to maintain sophisticated procurement capabilities through U.S.-allied countries, such as Germany and the Netherlands, despite sanction regulations.

These evasions point to the difficulties of using sanctions as a tool to pressure North Korea and the Kim regime. However, they also demonstrate the relative ease with which third parties can investigate and uncover supply chains and sales paths that connect companies to North Korea. Companies that have any reason to think their goods are of interest to North Korea, would be wise to undertake their own diligent investigation to prevent unwittingly running afoul of these sanctions. Indeed, it is likely that U.S. regulators would take a dim view of those companies whose compliance programs were unable to detect diversions of their products when unrelated journalists could do so using only public information and their own intellectual curiosity.

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