The Republic of Korea’s Interests & Priorities in the Arctic

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History of Involvement

Located at the geostrategic centre of Northeast Asia, the Korean peninsula has a long history of invasions from its neighbours such as China, Mongolia, and Japan, long before the division of two Koreas and the Korean War in the 1950s. Since the Korean War only ended in a stalemate, maintenance of peace and security on the Korean peninsula has been a central preoccupation for the South Korean government, as the soldiers across the 38th parallel are still armed to teeth to this date. As such, carefully managing the relationship with the United States, China, Russia, Japan, and North Korea – all of whom have different priorities and interests on the Korean peninsula – has always been a key guiding principle in the Republic of Korea’s foreign policy outlook. This brief overview highlights South Korea’s key interests and priorities in the Arctic region, under this broader geopolitical context.

When it comes to the Arctic region, it is only in the last three decades that the South Korean government and industry actors began to pay more focused attention, and arguably only in the last decade in terms of serious and sustained policy discourse. South Korea’s first forays into the Arctic region took the form of scientific studies in the 1990s, including joint ventures with Japan in 1996 and with China in 1999.¹ In the new millennium, however, South Korea’s interest in the region has pivoted from scientific studies to commercial engagement, stimulated by the prospect of practical Arctic shipping routes that would bring increased efficiency to global trade.² On this basis, South Korea established the Korea Arctic Science Council in 2001 to conduct further scientific and prospective commercial research. South Korea joined international Arctic efforts in 2002 as a member of the International Arctic Science Committee and established its first Arctic research station at Dasan in Svalbard, Norway that year.³ In 2009, South Korea’s first research icebreaker, the Araon, entered into service, and in 2013, South Korea officially became an observer at the Arctic Council.

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Since then, the Republic of Korea (ROK) government adopted a key framework of the Arctic Policy, under the vision of becoming a “pioneering” nation state leading sustainable development in the Arctic region. Three key policy objectives of the ROK government included:

1. Strengthening international cooperation for Arctic partnership to make meaningful contributions in the international community;
2. Investing in scientific research to contribute towards common challenges for humanity; and
3. Creating new commercial opportunities through active business engagement.

Starting with the Lee Myung-Bak administration, successive South Korean political leaders have made the Arctic a policy priority. In 2012, Lee visited Greenland and Norway to discuss Korea’s role in Arctic development, while President Park Geun-Hye ranked the Arctic 13th among 140 national priorities at the outset of her presidential term. President Moon Jae-In established the New Northern Policy as a core foreign policy element, which included the development of Arctic shipping routes to pursue cooperation with Russia and countries north of the Korean Peninsula. In 2018, the South Korean government issued the 2050 Polar Vision Statement, reaffirming its commitment to expanding international cooperation in the polar regions. Moon also became the first South Korean leader to make a state visit to Norway, where he raised Arctic issues in 2019.

Economic Interests

The cornerstone of South Korea’s Arctic policy is based on economic opportunities, specifically concerning energy, shipping, and technology. As a country which imports 97% of its energy and sources 84% of its liquid fuel from the Middle East, South Korea is extremely interested in diversifying its energy sources—including through Arctic oil and gas. Beyond geopolitical considerations, the underlying motivation is economic; the Korea Maritime Institute estimates transportation savings of US $1 billion with just 10% of oil consumption being switched to Arctic sources. The South Korea Gas (KOGAS) Corporation has acquired a 20% stake in the Canadian Umiak gas field in the Northwest Territories, though development has been suspended amid depressed LNG prices. The KOGAS Corporation also signed an MOU with Russia’s Novatek to enter the Arctic LNG-2 Project. South Korea is also interested in exploring and extracting methane hydrates, estimated to comprise more than half of the planet’s fossil fuels.

Beyond oil and gas, fishing also presents an enticing economic opportunity for South Korea. Climate change is expected to increase fish stocks in the Arctic, and with most of its fish already imported or caught by domestic vessels outside its EEZ, South Korea stands to benefit significantly from this new possibility. Moreover, South Korea is very keen on using Arctic shipping routes to reduce shipping times between Asia and Europe, with potential time savings of 10 days and fuel savings of 25%. In 2012, South Korea committed US $3...
billion for Arctic shipping research and made its first Arctic cargo sailing between St. Petersburg and Seoul in 2013. With more than 85 million tonnes of cargo expected annually between Asia and Europe by 2030, Arctic shipping would prove a major boon for South Korean ports and for the competitiveness of South Korean products—the effects of which are already being felt.

Finally, South Korea, as the world’s top shipbuilder and one of the powerhouses for the artificial intelligence revolution, is very much looking forward to developing an industry specializing in Arctic navigation technology, specifically surrounding the various icebreakers, tankers, and icebreaking technologies required. Anticipating an Arctic resource development boom, South Korean companies like Hyundai Heavy Industries, Samsung Heavy Industries, and Daewoo Shipbuilding and Maritime Engineering have already established themselves as key suppliers of polar-capable vessels. Two-thirds of worldwide LNG tankers in service, including those in the Arctic, were built in South Korea, while the country has surpassed all others except Russia in its ice-breaking innovation. There are, however, considerations and risk factors that have impeded Korea’s economic initiatives in the Arctic. Bearish oil price, high operation costs of icebreaking vessels, lack of infrastructure, and Western sanctions against Russia – Korea’s key partner in the Northern Policy – are the headwinds that South Korea must overcome to produce tangible economic results in the Arctic.

**Arctic Policy**

South Korea released its official Arctic Policy Master Plan in 2013, the first Asian country to do so, soon after joining the Arctic Council as an observer. The Policy represents a whole-of-government approach as it was drafted by the Ministry of Oceans and Fisheries in consultation with six other ministries, as well as various national research institutes. The Policy outlines four strategic goals, ranging from “strengthen international cooperation,” to “encourage scientific and technological research capacity,” to “pursue sustainable Arctic businesses,” and to “secure institutional foundation” (for polar policy development).

In 2018, South Korea renewed the Policy with its Second Arctic Policy Master Plan, set to guide the country’s Arctic approach through 2022.

- **To foster international cooperation**, the Policy seeks to enhance South Korea’s participation in the Arctic Council, including through working groups and task forces, to cooperate more with fellow observer states like Japan and China on Arctic sustainability, to pursue further research efforts by opening an Arctic laboratory and pursuing joint projects with Arctic institutes, to develop various shipbuilding materials and technologies suitable for the Arctic, and to cooperate with Indigenous groups to preserve the Arctic’s history and culture.

- **To encourage scientific and technological research capacity**, the Policy seeks to expand the Dasan Station in Svalbard and to pursue wider research at it, to use the *Araon* icebreaker to
conduct further Arctic marine research, to establish a domestic Arctic research consortium comprising relevant institutions and sectors, to collectively establish a Polar Research International Cooperation Centre with Arctic states, to support studies on the polar impacts of climate change, including forecasts of sea ice around shipping routes, and to study and plan to build a second research icebreaker.  

- To pursue **sustainable Arctic business**, the Policy defines goals to improve navigation experience and capacity for Arctic shipping routes, to provide financial incentives to use Arctic shipping routes, to hold international seminars promoting the use of Arctic shipping routes, to develop and prepare Korean ports for Arctic traffic, and to pursue international cooperation in sustainable Arctic research exploration. Finally, to secure institutional foundation, the Policy seeks to adopt a law on polar cooperation, to establish a committee to promote polar activities, and to create a Polar Information Service Centre to collect and analyze information on the Arctic Council, Arctic states, and Arctic business activities.

**Conclusion**

This primer document summarized some notable aspects of South Korea’s recent turn to the Arctic region, although it is by no means intended to be an exhaustive survey. South Korea’s core interest in the Arctic stems from economic and commercial interests, consistent with the international trade-based ‘global Korea’ strategy. Technological development also remains as the central focus of South Korea’s arctic policy. In light of the shared global responsibility to combat climate change, South Korea sees the Arctic as an important region in which to take climate action. South Korea has cultivated highly amicable and mutually beneficial relationships with Arctic states, especially Norway. As an important ally of the United States and a member of the NATO alliance, South Korea also shares common interest in promoting a stable security environment. Overall, it is well-placed to benefit economically from new developments in the Arctic. In the current climate of the new Biden administration in Washington, as well as the economic constraints stemming from COVID-19, the ROK’s Arctic policy will likely evolve quite significantly in the coming decade. Moreover, considering that the current South Korean president Moon Jae-In only has one year left in his term, it remains to be seen what his successor will see as the key priorities in the post-COVID world, as we continue to see the rise of new geopolitical uncertainties in the Asia-Pacific region.
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