

CANADA-SOUTH KOREA RELATIONS AT 60:

FROM FRIENDLY NEGLECT TO NECESSARY PARTNERSHIP

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INTRODUCTION

Canada and South Korea (formally known as the Republic of Korea or ROK) mark the 60th anniversary of their bilateral relationship in 2023. Throughout these six decades, Ottawa and Seoul have maintained friendly relations, involving regular bilateral political exchanges, similar views about multilateral and global governance, solid trade and investment links, and a degree of military defence cooperation.¹ There has also been a remarkable absence of frictions, save for some market access issues for Canadian agricultural products. But it is fair to say that relations have not reached their full potential. To an extent, the relationship between the two countries thus far has fluctuated between highs, such as the 2014 bilateral FTA, and periods of “friendly neglect.”

Yet, the changing geopolitical and geoeconomic context now make Canada-South Korea relations a “necessary partnership” for both of them. Economic and technological confrontation between China and the US, the Chinese government’s increasing assertiveness and use of coercion, Russia’s aggression of Ukraine, and, more generally, the malfunctioning when not dismantlement of the global governance structures that have benefitted both Canada and South Korea over the decades calls for the two countries to search for reliable and capable partners with which to navigate the changing landscape—while cooperating, together with other middle powers, in trying to preserve as many of these structures from which both benefit. Furthermore, Canada’s and South Korea’s recent launch of their respective Indo-Pacific strategies² and South Korea’s ambition to become a Global Pivotal State (GPS), further reinforce the need for a more robust and

1 Canada-Korea relations can be traced back to the late 19th century, when Canadian missionaries first travelled to the Korean Peninsula. As part of the Commonwealth Brigade, Canada later on was one of 16 countries sending troops to fight together with the South Korean military during the Korean War. Canada provided the third largest number of soldiers among the UN countries, with over 26,000 troops.

2 Government of Canada, *Canada’s Indo-Pacific Strategy*, 2022, available at <https://www.international.gc.ca/transparency-transparence/assets/pdfs/indo-pacific-indo-pacifique/indo-pacific-indo-pacifique-en.pdf> (accessed 31 January 2023); Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*, 2022, available at https://www.mofa.go.kr/eng/brd/m_5676/download.do?brd_id=302&seq=322133&data_tp=A&file_seq=1 (accessed 31 January 2023).

strategically-oriented bilateral relationship.³ In fact, Prime Minister Justin Trudeau and President Yoon Suk-yeol already agreed to upgrade the Canada-South Korea relationship to a Comprehensive Strategic Partnership during their summit in September of last year. The partnership focuses on five pillars: defending the rules based international system, democracy, freedom, human rights, and gender equality; strengthening security and defense partnerships, including peacekeeping and maritime security; enhancing economic prosperity and security, cooperating on supply chains, critical minerals, and ST&I, and promoting trade and investment; addressing climate change and the environment, supporting energy security, and developing sustainable energy source; and deepening partnerships in health and culture.⁴ The Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years, issued following the summit between Trudeau and Yoon in Seoul on May 2023, further expanded on these areas of cooperation.⁵

This report seeks to analyze the Canada-South Korea relationship from the perspective of a necessary partnership from which Canada and South Korea can benefit, both in terms of bilateral ties but also in the context of regional and global cooperation.⁶ Canada needs to strengthen its relationship with one of the few liberal democracies in Asia and the Indo-Pacific, at a time when it cannot rely on the decades-old liberal international order anymore. South Korea has

3 Yoon Suk-yeol, "South Korea Needs to Step Up," *Foreign Affairs*, 8 February 2022, available at <https://www.foreignaffairs.com/articles/south-korea/2022-02-08/south-korea-needs-step> (accessed 31 January 2023).

4 Prime Minister of Canada, "The Republic of Korea and Canada: Stronger Together – Joint Leaders' Statement," 23 September 2022, available at <https://pm.gc.ca/en/news/statements/2022/09/23/republic-korea-and-canada-stronger-together-joint-leaders-statement> (accessed 31 January 2023).

5 Prime Minister of Canada, "Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations Between the Republic of Korea and Canada: Stronger Together for the Next 60 Years," 17 May 2023, available at <https://pm.gc.ca/en/news/statements/2023/05/17/leaders-joint-statement-commemoration-60th-anniversary-diplomatic> (accessed 22 May 2023).

6 Research for this report included one interview with a Canadian government official, and two interviews with Korean government officials from two different departments. Interviews were conducted in January 2023. I would like to thank the interviewees, who conducted the interviews under the condition of remaining anonymous. I am also thankful for the comments and suggestions from multiple Canadian officials, especially from the Embassy of Canada to the Republic of Korea.

to boost its ties with Canada as it seeks reliable partners with which it shares values, if it truly wants to become a Global Pivotal State and also diversify its security partners, energy supplies, and diplomatic allies. Working together as well as with other “like-minded” partners, they may even be able to help reinvigorate the liberal international order while truly delivering on their aim to become comprehensive strategic partners.

This report will thus analyze bilateral relations and the potential for cooperation between Ottawa and Seoul in the areas of politics and diplomacy, security, and economics and technology. The report will focus on realistic, actionable cooperation rather than a long wish list, in the hope of supporting sustainable cooperation between Canada and South Korea. A short conclusion will summarize the key points.

POLITICAL AND DIPLOMATIC RELATIONS: VALUES AS THE BASIS FOR STRONGER LINKS

Arguably, political and diplomatic relations is the area in which there is greater scope for a significant uplift in relations between Canada and South Korea. It is fair to argue that Ottawa and Seoul did not necessarily see each other as the closest of political partners, with the former prioritising relations with the US, the UK, and the rest of Europe, and the latter focusing on relations with the US and its neighbours across East Asia. However, both Canada and South Korea are now looking into expanding their links with other partners. As Canada indicates in its Indo-Pacific strategy, Ottawa is turning its attention towards the Pacific, where South Korea is a natural partner as it is a democracy. And as South Korea seeks to become a GPS, it is in need of partners with which it shares values and interests, and Canada is a natural fit. Furthermore, rapprochement between Canada and South Korea also informed by the turmoil in their relationship with the US during the Donald Trump administration; worsening relations with China as a result of the crises brought by, respectively, China’s arrest of the “two

Michaels” and its retaliation against Seoul’s decision to deploy THAAD; and their own interest in becoming a greater presence in global affairs.

Values is the starting point of strengthening cooperation between Canada and South Korea. Policy is never driven by values only, but both of them want a foreign policy in which values play an important role. Also none of them wants to be constrained by having to “choose” between the US and China, but Beijing’s actions and behaviour limit the scope of potential cooperation with Ottawa and Seoul. Furthermore, their respective Indo-Pacific strategies make clear that their interests and values lie closer to the US and other “like-minded” partners, which also limits the type of engagement that is possible with Beijing. In fact, as Trudeau and Yoon pointed out in their September 2022 joint statement, Canada and the ROK have long been like-minded partners on matters of peace and stability.”⁷ While the term “like-minded” can sometimes be overused or overstretched to countries with dissimilar political and economic systems, values have long been a central pillar of Canadian foreign policy and are becoming increasingly important for South Korea—as laid out, most clearly, in its quest to become a GPS.

Thus, the joint statement between Trudeau and Yoon in 2022 as well as Canada’s and South Korea’s respective Indo-Pacific strategies emphasize values as a cornerstone of the relationship between the two countries. This was further reaffirmed in the May 2023 joint statement issued by the two leaders of Canada and South Korea, in which they emphasized a values-driven cooperation in fora such as the Freedom Online Coalition, the Media Freedom Coalition, and the Community of Democracies.⁸ In the case of the Indo-Pacific strategies, meanwhile, Ottawa labels South Korea “a strong democratic partner,”⁹ while Seoul singles out Canada as one of a handful of partners “with common

7 Prime Minister of Canada, “The Republic of Korea and Canada: Stronger Together – Joint Leaders’ Statement.”

8 Prime Minister of Canada, “Leaders’ Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years.”

9 Government of Canada, *Canada’s Indo-Pacific Strategy*.

values.”¹⁰ Beyond the rhetoric, South Korea becoming one of only four Asian countries decisively siding with Canada and other NATO members in supporting Ukraine against Russia’s invasion shows the significance of shared values in practice. Understandably, Canada and other NATO members have been more vocal and provided lethal weapons to Ukraine directly. South Korea, meanwhile, has joined sanctions on Russia, voted in the UN to condemn its actions, provided non-lethal military equipment directly to Ukraine, and provided lethal weapons to NATO members including for shipment to Ukraine—the only country in Asia to do all of this.¹¹ As Trudeau and Yoon emphasised in their May 2023 joint statement to commemorate the 60th anniversary of diplomatic relations between Canada and South Korea, the two sides are committed to provide support to the Ukrainian people and to defend Ukraine’s sovereignty, territorial integrity, and independence.¹²

In practical terms, and leaving a country’s aggression against another aside, Canada’s and South Korea’s shared values lay the groundwork for cooperation in the areas of defence and promotion of democratic values, human rights, a market-driven economy, and the rule of law. These values are being challenged by multiple countries and actors across different parts of the world. And it is very likely that Ottawa and Seoul will more often find themselves cooperating in the Indo-Pacific, where few countries can be classified as full democracies or market economies, and where fundamental human rights are often under attack. These are precisely the reasons why the two countries should work together in their promotion, primarily via aid and assistance projects as well as joint declarations—along with other “like-minded” partners. On the latter, working with other partners will allow them to strengthen their case and show that multiple countries share the goal of promoting their values. Considering that

10 Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

11 Ramon Pacheco Pardo and Saeme Kim, “South Korea: Siding with the West and Distancing from Russia,” *International Politics* (2023), DOI: 10.1057/s41311-023-00431-1.

12 Prime Minister of Canada, “Leaders’ Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years.”

these values are not considered universal by many countries in the world today, aid and assistance projects would be a good way to appeal to the economic needs of countries challenging the validity of these values and whose priority is development and growth. In the current context, promoting values via the United Nations or diplomatic channels and public declarations is unlikely to be effective, given that countries with competing values and deep pockets are using economic tools to promote their worldview.

Also building on values but equally driven by self-interest, Canada and South Korea should work to uphold and promote the rules-based international order, particularly the centrality of the UN as a guarantor that most disagreements, conflicts, and global challenges are addressed via talks and negotiations. In fact, the joint statement between Trudeau and Yoon refers to this aspect of bilateral relations between their two countries.¹³ Meanwhile, Canada's Global Affairs department and South Korea's Ministry of Foreign Affairs point out their support for the existing international order as part of their respective foreign policies.¹⁴ Likewise, Canada's and South Korea's respective Indo-Pacific strategies point out at the importance of multilateralism and international norms as part of the architecture of the region.¹⁵ Considering the benefits that middle powers derive from a well-functioning international order, this is logical.

Thus, Canada and South Korea should boost links with "like-minded" middle powers at the global level but also within UN institutions and the G20, including Australia, France, Germany, Italy, Japan, Spain, or the UK—as well as with the EU.¹⁶ These are countries with similar worldviews, with formal alliances or

13 Prime Minister of Canada, "The Republic of Korea and Canada: Stronger Together – Joint Leaders' Statement."

14 Global Affairs Canada, "2022-23 Departmental Plan," 2022, available at <https://www.international.gc.ca/transparency-transparence/assets/pdfs/departmental-plan-plan-ministeriel/gac-2022-23-departmental-plan.pdf> (accessed 31 January 2023); Ministry of Foreign Affairs of the Republic of Korea, *2021 Diplomatic White Paper*, 2021, available at https://www.mofa.go.kr/upload/ebook/2021_whitepaper_en/ecatalog5.html (accessed 31 January 2023).

15 Government of Canada, *Canada's Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

16 In the case of Spain, in its capacity as a "permanent guest" of the G20.

strong partnerships with the US, and, crucially, with robust diplomatic and economic capabilities. In other words, they have strong incentives to cooperate in trying to mobilize votes and actions within the UN system and also beyond—for example, within the WTO, which is being undermined by the position of both China and, more recently, the US towards global trade norms. Together, a coalition including these countries and, on ad hoc basis, others such as Brazil, India, Indonesia, Mexico, Netherlands, New Zealand, Singapore, or South Africa is a powerful force. While a middle power is unable to determine the structure of the international order in and by itself, a coalition including several of them can shape the structure and help determine decisions at the international level.

Finally, Canada and South Korea should work together within existing or potential minilaterals in the Indo-Pacific region. This ought not be incompatible with a robust defence of the rules-based international order. Instead, it is a recognition that minilateralism increasingly matters across different parts of the world—and, it seems, especially within the Indo-Pacific. In particular, the US seems to be moving away from a so-called “hub-and-spoke” alliance system across the region and pressing ahead with the creation of minilateral frameworks. South Korea is no stranger to this move, since US-South Korea-Japan trilateralism arguably is the most advanced and operationalized minilateral that Washington has been able to develop in Asia. In this respect, Canada and South Korea could have an interest in promoting a quadrilateral grouping in the North Pacific together with Japan and the US, considering their confluence of values and interests as well as, importantly, their material resources. Compared to the US-South Korea-Japan trilateral, a quadrilateral including Canada arguably would be more focused on dialogue and less focused on traditional security, at least initially. It could serve to discuss North Pacific issues and come up with joint statements and positions. In fact, Trudeau and Yoon specifically included cooperation in the North Pacific region as a deliverable in their May 2023 joint statement.¹⁷ In the meantime, Canada could think about joining ad hoc Quad+ meetings and groups, as South Korea has done. Considering that the Quad is

17 Prime Minister of Canada, “Leaders’ Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years.”

yet to become particularly relevant to the Indo-Pacific beyond declarations and discussions, Canada could this way boost its ties with South Korea and the other Quad members.

At the same time, the geopolitics of the Indo-Pacific and Transatlantic theatres are coming closer to each other. NATO's growing interest in cooperation with the AP4 is a case in point. Russia's invasion of Ukraine is another example, but so is China's undeniable centrality to global affairs. Plus, Asia has become a political, security, and economic centre as important as any other. In this respect, the G7 is seen as increasingly obsolete by a growing number of countries and actors outside of the West. Canada could help reinvigorate it by making the case for the G7 to evolve into a G7+ or D10, also including South Korea along with Australia and India. To their credit, Trump and former UK Prime Minister Boris Johnson understood this and invited the three of them to attend their G7 summits.¹⁸ More recently, Japanese Prime Minister Kishida Fumio also invited South Korea to the G7 Summit held in May 2023. As the host of the 2025 summit, Canada could show similar leadership. The joint statement issued by Trudeau and Yoon following their May 2023 summit in which they labelled Canada and South Korea "partners collaborating through and with NATO and the G7" suggests that Ottawa is thinking in this direction.¹⁹ An expanded G7 would be more credible and be more representative of the state of global affairs in the 21st century.

Potential areas for political and diplomatic cooperation between Canada and South Korea

- Joint support for democratic values, human rights, a market-driven economy, and the rule of law, together with "like-minded" partners, globally but especially in the Indo-Pacific.
- Joint support for the rules-based international order, the UN system, and the

¹⁸ In the case of Trump, the summit was cancelled due to the pandemic.

¹⁹ Prime Minister of Canada, "Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years."

- G20, together with “like-minded” middle powers.
- Joint development of or participation in minilaterals, including a potential North Pacific quadrilateral grouping, Quad+, and G7+/D10.

SECURITY RELATIONS: INTERNATIONAL NORMS AND SHARED INTERESTS

Long-simmering tensions in the Korean Peninsula, the Taiwan Strait, or the South China Sea, coupled with the return to full-scale inter-state war to Europe for the first time in decades demonstrate that the so-called post-Cold War peace dividend is gone. The perceived threat of China and the real threat of Russia have led to growing cooperation among Indo-Pacific countries on the one hand and European and NATO allies on the other. Yet, policy-makers and security strategists are increasingly discussing the interconnectedness between the Transatlantic and Indo-Pacific security theatres, as teased out above. This calls for greater cooperation between the actors in each of them, including Canada and South Korea. The need for cooperation is further exacerbated by the experience of the Trump years, when Washington threatened the foundations of its security alliances and partnerships—including those with Canada, NATO, and South Korea. Neither Canada nor any other country can replace the role of the US as South Korea’s security partner. But they can support each other’s security, and they can work together to mitigate the effects of potential isolationist policies from Washington. While the Joe Biden administration has made amends and also led the group supporting the defence of Ukraine against Russia, Canada and South Korea cannot “go back to normal,” for there is no guarantee that Trump or a US president with a similar worldview will not be elected in the future, and in any case China’s and Russia’s approach to security matters calls for others to work together to protect themselves. With similar values and an emphasis on upholding international norms, Canada and South Korea can enhance their security cooperation.

Starting with traditional security, Trudeau and Yoon specifically highlighted maritime security as an area in which to strengthen the security and defence partnership between Canada and South Korea.²⁰ In the case of Canada, this builds on its 2017 defence policy strategy, which makes clear that Canada wants to continue to contribute to maritime security globally.²¹ As for South Korea, its defense white papers demonstrate the growing centrality to maritime security to its overall strategy.²² Furthermore, and unsurprisingly, the respective Indo-Pacific strategies issued by Ottawa and Seoul in 2022 highlight the importance of their commitment to maritime security in the region, including issues such as the rule of law, freedom of navigation, illegal, unreported, and unregulated fishing (IUU), or human trafficking.²³

It should be noted that cooperation between the Canadian and South Korean navies and coastguards, and more broadly maritime security cooperation between the two countries, would not be starting anew. Most notably, the Canadian and South Korean navies have been part of a multilateral coalition countering piracy in the Gulf of Aden and surrounding region—as well as working on capacity-building with the navies of different countries in the area. Under the aegis of the Combined Maritime Forces and as part of a 34-country strong coalition, the two navies have been working together to counter piracy, smuggling, and other illicit activities.²⁴ (It should be noted that this region is considered by South Korea to

20 Prime Minister of Canada, “The Republic of Korea and Canada: Stronger Together – Joint Leaders’ Statement.”

21 National Defence Canada, *Strong, Secure, Engaged: Canada’s Defence Policy*, 2017, available at <https://www.canada.ca/content/dam/dnd-mdn/documents/reports/2018/strong-secure-engaged/canada-defence-policy-report.pdf> (accessed 31 January 2023).

22 Ministry of National Defense of the Republic of Korea, *2020 Defense White Paper*, 2020, available at https://www.mnd.go.kr/user/mndEN/upload/pblictN/PBLICTNEBOOK_202301171100181360.pdf (accessed 31 January 2023).

23 Government of Canada, *Canada’s Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

24 Combined Maritime Forces, “Combined Maritime Forces (CMF),” 2023, available at <https://cmf24.wordpress.com/> (accessed 31 January 2023).

be part of its Indo-Pacific strategy.)²⁵ In addition, the Canadian and South Korean navies have also participated in joint multinational naval exercises, including Rim of the Pacific (RIMPAC) and Pacific Dragon in 2022.²⁶ Canada's Operation NEON to support UNSC sanctions against North Korea is another case of the Royal Canadian Navy working with partners in the Indo-Pacific region.²⁷ In other words, Canada and South Korea already have maritime cooperation experience in the Pacific Ocean. Considering these experiences, it would make sense for Canada and South Korea to increase the number of joint exercises together with partners, including in the South China Sea where freedom of navigation is being threatened and possibly in the North Pacific, where Canada already exercises freedom of navigation through the Taiwan Straits, due to their geographical location; engaging in capacity-building across and beyond the Indo-Pacific, particularly in Southeast and South Asia; and launch regular port calls in each other. Concurrently, IUU and human trafficking are areas in which Canada and South Korea can boost their ties without generating significant opposition, since they are usually considered non-traditional security matters that often involve criminal gangs rather than states. Cooperation could be done within a Quad+ framework if applicable, or even NATO-AP4 considering the organization's renewed interest in maritime affairs.²⁸ Canada and South Korea could also explore the possibility of doing so via a potential North Pacific quadrilateral grouping.

25 Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

26 U.S. Indo-Pacific Command, "Pacific Dragon 2022 Concludes," 16 August 2022, available at <https://www.pacom.mil/Media/News/News-Article-View/Article/3130315/pacific-dragon-2022-concludes/> (accessed 31 January 2023); U.S. Indo-Pacific Command, "RIMPAC 2022: Building Relationships and Warfighting Readiness," 5 August 2022, available at <https://www.pacom.mil/Media/News/News-Article-View/Article/3118873/rimpac-2022-building-relationships-and-warfighting-readiness/> (accessed 31 January 2023).

27 Government of Canada, "Operation NEON," 9 December 2022, available at <https://www.canada.ca/en/department-national-defence/services/operations/military-operations/current-operations/operation-neon.html> (accessed 10 March 2023).

28 The AP4 are NATO's four key Asia/Indo-Pacific partners with which the organization is boosting security ties: Australia, Japan, New Zealand, and South Korea.

In the area of weapons systems, Canada and South Korea recently signed a Memorandum of Understanding (MOU) on Defence Materiel and Research & Development Cooperation. Among the areas for cooperation, the two sides have agreed to “the exchange of technical information, loans of materiel, joint test and evaluation activities, and harmonizing defence and national security requirements.”²⁹ This is an ambitious agenda. Yet, South Korea has been developing a substantial part of its military equipment to NATO standards for years. This should facilitate cooperation with Canada in the implementation of this MOU. The MOU could also open the door to joint development of weapons systems with other interested NATO members.

Moving on to non-traditional security threats, cybersecurity is an area ripe for greater cooperation between Canada and South Korea. It is certainly a priority for Ottawa, as per its National Cyber Security Strategy of 2018.³⁰ It is also of growing importance for Seoul, which launched a National Cybersecurity Strategy of its own in 2019, under President Moon Jae-in.³¹ This was partly in response to North Korean cyber activities, which often target South Korean firms and government departments, and which also help to fund Pyongyang’s nuclear and missile programme. The respective Indo-Pacific strategies issued by Canada and South Korea also highlight cybersecurity as an area of concern in the region.³² The threats that Canada and South Korea face are similar and well-known: cyberattacks targeting critical infrastructure, government institutions, and the private sector, cyber espionage, cyber theft, or disinformation campaigns. The perpetrators are also well-known, and they include China, Iran, North Korea,

29 Prime Minister of Canada, “Leaders’ Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years.”

30 Public Safety Canada, *National Cyber Security Strategy: Canada’s Vision for Security and Prosperity in the Digital Age*, 2018, available at <https://www.securitepublique.gc.ca/cnt/rsrscs/pblctns/ntnl-cbr-scrtrstrtg/ntnl-cbr-scrtrstrtg-en.pdf> (accessed 31 January 2023).

31 National Security Office of the Republic of Korea, *National Cybersecurity Strategy*, 2019, available at https://www.itu.int/en/ITU-D/Cybersecurity/Documents/National_Strategies_Repository/National%20Cybersecurity%20Strategy_South%20Korea.pdf (accessed 31 January 2023).

32 Government of Canada, *Canada’s Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

Russia, and criminal and terrorist networks. Other “like-minded” partners are also targeted in these ways and by these actors. South Korea joined NATO’s Cooperative Cyber Defence Centre of Excellence (CCDCOE) in May 2022, building on previous cooperation with the institution.³³ Therefore, Ottawa and Seoul already have the foundations to boost cooperation in this area. In this context, it would make sense for the two of them to engage in bilateral and multilateral discussions, information sharing, and tabletop exercises. It would also be sensible to engage in capacity-building, particularly in Southeast and South Asia where both of them have an interest in strengthening links and security ties with regional countries. NATO-AP4, Quad+, and a potential North Pacific quadrilateral grouping could also be suitable minilaterals for cooperation in this area.

Climate change was an area that the joint statement issued by Trudeau and Yoon also specifically highlighted.³⁴ The Indo-Pacific strategies issued by Canada and South Korea also include climate change as an area of action for both of them in the region.³⁵ In fact, Seoul specifically states that it seeks “increased cooperation on climate change response” with Canada. Plus, South Korea wants to lead regional cooperation on climate change, according to the same strategy.³⁶ Therefore, there is a clear political will to work together in this area, as exemplified by the annual consultation between their Environment ministries, launched in 2019. In addition, Ottawa and Seoul plan to launch an annual Climate Change Dialogue between their Climate Change ambassadors later in 2023. Potential cooperation in this area is exacerbated by Canada’s and South Korea’s respective commitments to green growth and to achieve carbon neutrality by 2050. Considering that climate change can only be solved via interstate cooperation, the two of them should seek to work bilaterally but also to

33 CCDCOE, “NATO Cooperative Cyber Defence Centre of Excellence,” 2023, available at <https://ccdcoe.org/> (accessed 31 January 2023).

34 Prime Minister of Canada, “The Republic of Korea and Canada: Stronger Together – Joint Leaders’ Statement.”

35 Government of Canada, *Canada’s Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

36 Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

work together with partners to build a regional Indo-Pacific consensus or even cooperation mechanism to support a reduction in the emission of pollutants, the building of green infrastructure, the promotion of green shipping, and other climate change mitigation and adaptation measures. As a case in point, Canada would like South Korea to join its Global Carbon Pricing Challenge (GCPC), launched by Trudeau at the 2022 United Nations Climate Change Conference (COP 27). According to the joint statement issued by the Canadian prime minister and Yoon in May of this year, South Korea has now committed to join.³⁷

Canada also co-leads the Powering Past Coal Alliance (PPCA) with the UK. Although South Korea is not yet a member of the PPCA, eight subnational members from the country, representing 80 percent of the country's coal capacity, are part of the alliance. If South Korea were to join, it would send a strong message in the Indo-Pacific region about the need to phase out coal. Meanwhile, Canada and South Korea are both members of the High Ambition Coalition (HAC) aimed at ending plastic pollution by 2040. Both countries are also part of the HAC for Nature and People, which seeks to conserve 30 percent of the world's marine and terrestrial areas by 2030.

NATO's announcement that Montreal will host its Climate Change and Security Centre of Excellence is another avenue for cooperation in this area from a purely security perspective.³⁸ Certainly, the fight against climate change is global. But since both Ottawa and Seoul have Indo-Pacific strategies including a commitment to this fight, it makes sense to focus on this region to begin with.

Health is another area in which multilateral cooperation is necessary, as the COVID-19 pandemic has so vividly illustrated. It is also an area specifically

37 Prime Minister of Canada, "Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years."

38 Government Canada, "NATO Climate Change and Security Centre of Excellence," 6 March 2023, available at https://www.international.gc.ca/world-monde/international_relations-relations-internationales/nato-otan/centre-excellence.aspx?lang=eng (accessed 10 March 2023).

highlighted by Trudeau and Yoon in their joint statement.³⁹ And it is area that the Indo-Pacific strategies of both Canada and South Korea pay special attention to.⁴⁰ Building on this consensus that it is an area in which the two countries need to focus on, it makes sense to deepen bilateral dialogue, exchanges, and information sharing. Yet, it is even more important for Canada and South Korea to work across the Indo-Pacific together with partners to boost the region's health and medical infrastructure and strategies, improve access to vaccines and medicines, improve sanitation and food access, or boost pandemic prevention and response mechanisms. Similarly to climate change, health is a global issue. But, again, Ottawa and Seoul should first focus on the region to which both are committed to.

Last, but certainly not least, and going back to traditional security, Canada should continue its contribution to the security of the Korean Peninsula. This is in fact a commitment that Canada has included in its Indo-Pacific strategy.⁴¹ And of course Canada is a long-standing contributor to the United Nations Command helping to uphold the armistice between the two Koreas, dating back to its participation in the Korean War.⁴² Ottawa should continue to support South Korea's denuclearization efforts, whether these take the form of dialogue or sanctions, as well as efforts to supporting a peaceful and prosperous Korean Peninsula. In this respect, Canada could indicate its interest in joining any potential Northeast Asia grouping promoted by Seoul, as was the case with NAPCI or NAPCR, since they tend to include partners beyond the region itself. Furthermore, Canada could consider volunteering to host track-2 discussions with North Korean participants, as other countries in Europe and Southeast Asia has done in the past. Ottawa could also consider launching an official dialogue with Pyongyang, to discuss not only its nuclear programme but also other matters such as human rights abuses or economic support.

39 Prime Minister of Canada, "The Republic of Korea and Canada: Stronger Together – Joint Leaders' Statement."

40 Government of Canada, *Canada's Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

41 Government of Canada, *Canada's Indo-Pacific Strategy*.

42 United Nations Command, "Canada," 2023, available at <https://www.unc.mil/Organization/Contributors/Canada/> (accessed 31 January 2023).

Potential areas for security cooperation between Canada and South Korea

- Enhance bilateral and multilateral maritime security cooperation with “like-minded” partners, focusing on joint exercises, third-party capacity-building, and regular port calls; potentially also via NATO-AP4, Quad+, or a North Pacific quadrilateral grouping.
- Enhance bilateral and multilateral cyber security cooperation with “like-minded” partners, focusing on discussions, information sharing, tabletop exercises, and third-party capacity-building; potentially also via NATO-AP4, Quad+, or a North Pacific quadrilateral grouping.
- Use the recently signed MOU on Defence Materiel and Research & Development Cooperation as the basis for joint development of new weapons systems, including in cooperation with “like-minded” partners and in particular NATO military equipment manufacturers.
- Boost bilateral and multilateral climate change cooperation, focusing on Indo-Pacific consensus- or mechanism-building, supporting a reduction in the emission of pollutants, the building of green infrastructure, the promotion of green shipping, and other climate change mitigation and adaptation measures, such as carbon pricing, energy transition, plastics pollution, and biodiversity conservation.
- Boost bilateral and multilateral health cooperation, focusing on Indo-Pacific health and medical infrastructure and strategies, improving access to vaccines and medicines, improving sanitation and food access, and pandemic prevention and response mechanisms.

ECONOMIC AND TECHNOLOGICAL RELATIONS: COMPLEMENTARITIES AND COMMON THREATS

Economic relations between Canada and South Korea have been running smoothly for years hitherto. The bilateral FTA signed in 2014 and which entered into force in January 2015—known as CKFTA and Canada’s first with an Asian country—served to create a predictable framework for economic exchanges between the two of them, including in areas such as Canadian natural resources, South Korean manufactured goods, investment, or e-commerce.⁴³ Yet, even though the CKFTA is less than a decade old it seems to belong to another era when Sino-American economic and technological competition seemed to be non-existent, decisions on supply chains were driven by economic rather than politico-security considerations, or access to critical minerals was not top of the political agenda. Underpinning these considerations, the WTO was seen as a successful organization in setting the basic rules of international trade and managing disputes. This approach to international economic and technological relations has now disappeared. As the joint statement between Trudeau and Yoon stresses, “enhancing economic prosperity and security [and] cooperating on supply chains, critical minerals, and ST&I” is a priority in the bilateral relations between Canada and South Korea.⁴⁴ In fact, the two sides signed an MOU on Cooperation in Critical Supply Chains, the Clean Energy Transition and Energy Security during Trudeau’s visit to South Korea this May, further reinforcing their push to boost practical cooperation in this area.⁴⁵ Likewise, the two countries’ respective Indo-Pacific strategies also highlight the extent to which decisions on trade, investment, and technology are linked to political and security considerations.⁴⁶

43 Free Trade Agreement between *Canada and the Republic of Korea*, June 2014, available at http://www.sice.oas.org/TPD/CAN_KOR/CAN_KOR_Final_FTA/ENG/ckfta-tofa-eng.pdf (accessed 31 January 2023).

44 Prime Minister of Canada, “The Republic of Korea and Canada: Stronger Together – Joint Leaders’ Statement.”

45 Prime Minister of Canada, “Leaders’ Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years.”

46 Government of Canada, *Canada’s Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

Both Canada and South Korea are in need of economic diversification. As of 2021, the US accounted for slightly over 75 percent of Canada's trade; South Korea came in as Canada's seventh largest trading partner, accounting for roughly 1 percent of the total. In the case of South Korea, China accounted for slightly over 25 percent of its total trade in 2021, with the US coming in second with around 15 percent of the total; Canada was South Korea's 18th largest trading partner, accounting for 1 percent of the total.⁴⁷ In terms of investment, the US accounts for half of the total stock in Canada. In the case of South Korea, the EU, Japan, the US, and Southeast are the four largest investors in terms of stock, with none of them reaching anywhere close to the share of US investment in Canada. Canadian firms and their South Korean counterparts, meanwhile, are not among the largest investors in the other country.⁴⁸ Therefore, there is ample opportunity for Canadian and South Korean firms to boost trade and investment links between the two countries. This is particularly the case since Canada and South Korea have economies that are complementary, given Canada's strength in resources, minerals, and fossil energy, and South Korea's in high-tech goods and innovation—sectors in which Canada is seeking to strengthen its position. Therefore, an improvement in Canada-South Korea economic relations would not only be the result of political considerations, but would also be underpinned by economic fundamentals.

It should be noted that there are over 240,000 people of Korean descent—including over 218,000 Korean Canadians—in Canada, and over 27,000 Canadians reside in South Korea. These diasporas could support stronger economic and technological links between the two countries. To begin with, diasporas have networks in their home countries, or the home countries of their parents and grandparents, which they can tap for business and investment opportunities. The example of South Korea's growing start-up ecosystem is a case in point. In addition, diasporas can have the cultural awareness that other groups may lack, thus helping navigate the societal and political barriers that can prevent stronger business ties. Finally, the diasporas can help to overcome the language barrier that some may feel prevents stronger relations between Canada and

47 See data from the WTO's Stats Portal.

48 See data from the IMF's Coordinated Direct Investment Survey.

South Korea.

The starting point of stronger economic links between Canada and South Korea would be the continuation of the High-Level Economic Security Dialogue launched in May 2023 at the ministerial level.⁴⁹ The Dialogue was included in the Trudeau-Yoon joint statement of 2022, and also singled out in Canada's and South Korea's respective Indo-Pacific strategies.⁵⁰ Continuation of the newly launched dialogue would show the political commitment that both sides have to their economic partnership. It would also allow them to analyze their trade, investment, and technology links from an economic-security perspective, which will probably be the dominant framework in the short- to mid-term future.

In this respect, the first priority for Canada and South Korea probably is the development of resilient supply chains, including the two countries but also "like-minded" partners such as Australia, Europe, Japan, Taiwan, or the US. Supply chains have been disrupted by US-China trade and technology competition, the COVID-19 pandemic, the weakening of the WTO-centered multilateral trading system, and, more recently, Russia's invasion of Ukraine. Canada and South Korea could work together, along with their partners, in crucial sectors where South Korean firms are competitive at the global level. This includes semiconductors, electric batteries, biotech, green shipping, robotics, or steelmaking. The Canadian economy is in need of all these technologies, particularly as other exporters of critical minerals, oil, and gas are located in more unstable regions or are having troubled economic relations with South Korea and Western countries, particularly China and Russia. On top of that, the South Korean government and private sector are also moving into sectors such as AI, clean technologies, and life sciences. There are thus opportunities to partner with South Korean high-tech firms, both in R&D and, potentially, manufacturing.

Thus, an equally relevant priority would be for South Korea to increase its imports

49 Prime Minister of Canada, "Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years."

50 Prime Minister of Canada, "The Republic of Korea and Canada: Stronger Together – Joint Leaders' Statement"; Government of Canada, *Canada's Indo-Pacific Strategy*; Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

of critical minerals, in particular from Canada. In fact, South Korea's Indo-Pacific strategy specifically mentions Canada as a partner to stabilize supply chains.⁵¹ From Seoul's perspective, this means accessing the country's critical minerals, primarily. This links well with The Canadian Critical Minerals Strategy issued by Ottawa in 2022, and which aims to boost Canada's centrality to providing the necessary resources to underpin green growth globally.⁵² This includes developing a value chain in Canada in this sector, at least for initial processing, or the supply of processed minerals to South Korean firms, including for their factories in North America. At the same time, the strategy calls for Canada to develop the necessary infrastructure to increase the production of critical minerals. South Korea's high-tech firms should be able to support this ambition, as noted above.

Canada and South Korea should also concentrate on trying to uphold and even strengthen the multilateral trading system as much as possible—but with an eye at also becoming central to regional economic frameworks, which are becoming predominant across the Indo-Pacific. Canada was one of the original signatories to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Yoon government has indicated that it wants South Korea to join the agreement even if the US-led Indo-Pacific Economic Framework (IPEF) seems to be a bigger priority at the moment. Ottawa should encourage both Seoul and its CPTPP partners to accelerate South Korea's accession. After all, the CPTPP only includes three of the ten largest economies in the world—Japan and Canada itself, as well as the UK if its membership is ratified—and only one of Asia's four biggest. South Korean accession would provide an economic and politico-diplomatic boost to the agreement. South Korea, meanwhile, supports Canada's bid to join IPEF as per the joint statement issued by Trudeau and Yoon

51 Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

52 Government of Canada, *The Canadian Critical Minerals Strategy: From Exploration to Recycling: Powering the Green and Digital Economy for Canada and the World*, 2022, available at <https://www.canada.ca/content/dam/nrcan-rncan/site/critical-minerals/Critical-minerals-strategyDec09.pdf> (accessed 31 January 2023).

in May of this year.⁵³ Even though not a trade agreement and not granting market access, unlike CPTPP, the leading role of the US means that IPEF could play a role in setting rules, regulations, and standards in the region. Canada and Korea are negotiating membership of the Digital Economic Partnership Agreement (DEPA), and both nations are expected to contribute to set up rule-based digital trade and promote digital economy.

One final aspect of their economic relationship that Canada and South Korea should prioritize is boosting cooperation in the Arctic region, along with other countries that also have an interest in the economic opportunities that it presents. Canada's Indo-Pacific strategy lays out the importance of the region for Ottawa.⁵⁴ In the case of Seoul, it has shown growing interest in the region in recent years. Both Canada and South Korea are a member and an observer of the Arctic Council, respectively.⁵⁵ They should work together to prevent the militarization of the Arctic, and, if its economic exploitation became inevitable, seek to make this sustainable. Furthermore, the Arctic may well become an important shipping lane for goods and natural resources. For Ottawa and Seoul, making sure that this lane remains open to all countries and actors, including themselves, should be a top priority. In the particular case of South Korea, it would also help its GPS credentials were it to become more involved in safeguarding the stability of the region.

Potential areas for economic and technological cooperation between Canada and South Korea

- Boost trade and investment links to promote economic diversification,

53 Prime Minister of Canada, "Leaders' Joint Statement in Commemoration of the 60th Anniversary of Diplomatic Relations between the Republic of Korea and Canada: Stronger Together for the Next 60 Years."

54 Government of the Republic of Korea, *Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region*.

55 Arctic Council Secretariat, "Arctic Council," 2023, available at <https://www.arctic-council.org/> (accessed 31 January 2023).

building on Canada's strength in resources, minerals, and fossil energy, and South Korea's in high-tech goods and innovation.

- Continue the bilateral economic security dialogue launched in 2023 to demonstrate political commitment to economic and technological cooperation, as per the Trudeau-Yoon joint statement.
- Jointly develop resilient supply chains, together with other "like-minded" partners, building on Canada's and South Korea's strengths.
- Seek to uphold the multilateral trading system, together with other "like-minded" partners, while cooperating in multilateral frameworks such as CPTPP, DEPA or IPEF
- Boost cooperation in the Arctic region to prevent its securitization and unsustainable economic exploitation, together with other countries.

CONCLUSION

Canada's and South Korea's recently published Indo-Pacific strategies present the perfect opportunity for Ottawa and Seoul to take their bilateral relationship to a new level. The two countries are middle powers with similar values, strong capabilities, and a wish to diversify their political, security, and economic links. While, understandably, the US will continue to be the key partner for both of them and Canada and South Korea will also look into strengthening ties with other "like-minded" partners such as Australia, the EU, European countries, Japan, or New Zealand, their relationship has great promise based on the synergies highlighted in this report.

In this sense, Canada-South Korea relations arguably are a necessary partnership at a point in time in which Sino-American competition creates uncertainty, China's aggressive behaviour has led to political and economic problems for both Ottawa and Seoul, the US has become a less reliable partner in the aftermath of the Trump presidency, and the liberal international order is under multiple pressures. Working together at the bilateral and global levels, as well as with "like-minded" partners, Canada and South Korea can strengthen their position in the Indo-Pacific and beyond.



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