

Korea Chair Monitor

May 14 - May 28, 2014

The Korea Chair team takes a biweekly look back at events of interest in Washington, Seoul, and the region.

REGIONAL RELATIONS

Potential for U.S., ROK, and Japan Trilateral Cooperation?

On May 22, the U.S. House of Representatives passed the 2015 National Defense Authorization Act which included a legal requirement that the U.S. Secretary of Defense identify ways to strengthen trilateral ballistic missile defense with the ROK and Japan. Secretary of Defense Chuck Hagel will meet with counterparts Kim Kwan-jin of Korea and Itsunori Onodera of Japan on the sidelines of the upcoming Asia Security Summit in Singapore to discuss trilateral intelligence sharing.

Foreign Minister Wang Yi of China Visits Seoul

Foreign Minister Wang Yi of China arrived in Seoul on May 26 for a two-day visit, his first to the country since taking office last year. During his meeting with Foreign Minister Yun Byung-se of South Korea on May 26, they touted progress made in advancing the ROK-China strategic cooperative partnership since ROK President Park Geun-hye's June 2013 visit to Beijing. Wang noted that the upcoming trip by Chinese president Xi Jinping to South Korea would advance the relationship to a higher level. On the same day, Wang also met with President Park at the Blue House.

SOUTH KOREA

President Park Responds to the Sewol Ferry Disaster

President Park issued her second official apology for the *Sewol* ferry disaster on May 19. She also promised to undertake several initiatives to improve the enforcement of public safety standards, the failure of which is seen as the principal cause for the disaster. Park proposed the launch of a fact-finding commission, the appointment of independent special prosecutors, and announced a major government structural reform. Among the key undertakings has been the disbandment of the ROK Coast Guard, the founding of a new Ministry of National Safety, and the reorganization of the Ministry of Security and Public Administration into the Ministry of Government Administration and Home Affairs.

President Park's Cabinet Undergoes Overhaul and Reform

In the aftermath of the *Sewol* disaster, President Park announced a cabinet reshuffle, accepting the resignations of Director of the National Intelligence Nam Jae-joon and Director of National Security Kim Jang-soo on May 22. On the same day she also announced a nominee for prime minister, a post vacated after Chung Hong-won resigned on April 27. However, the nominee, former Supreme Court justice Ahn Dae-hee withdrew on May 28 in the face of public outcry over his personal wealth. A new nomination has yet to be announced.



Whither Northeast Asia? Security, Strategy, & Politics

The 2014 JoongAng Ilbo-CSIS Forum was held in Seoul on May 27, bringing together regional experts, scholars and former government officials to discuss critical issues in several panels entitled "Is China Changing Its North Korea Policy?," "Is There a Way Forward in Japan-Korea Relations?," and "The U.S. Pivot to Asia."

Photo credit: KIM Sang Sun/ JoongAng Ilbo.



President Park Visits UAE Nuclear Reactor

On May 20, President Park of South Korea, along with Deputy Prime Minister Sheikh Mansour bin Zayed Al Nahyan and other UAE officials, attended the installation ceremony of a nuclear reactor in Barakah, the United Arab Emirates. The APR-1400 is the first reactor that South Korea developed and installed overseas. South Korea signed a contract with UAE in 2009 to export four reactors by 2020.

Photo credit: The Blue House.

SOUTH KOREA *(continued)*

Campaigns Continue for June 4 Local Elections

Perhaps among the most important election among the municipal and provincial elections set to take place on June 4, the Seoul mayoral election is currently following the national polling trend with the New Politics Alliance for Democracy (NPAD) ahead of the Saenuri party in most of the contested races. On May 28, the two candidates in the Seoul mayoral election, Saenuri Party's Chung Mong-joon and NPAD's Park Won-soon, held their third and final televised debate.

TRADE AND ECONOMICS

ROK and Vietnam Continue FTA Negotiations

South Korea and Vietnam held a fifth round of negotiations for their bilateral Free Trade Agreement (FTA) on May 20-23 in Seoul, aiming to conclude their negotiation before the end of 2014. The two countries made meaningful progress in areas such as products, services, investments, rules of origin, customs, and cooperation. South Korea expects the new FTA to help develop the bilateral relationship by liberalizing trade and investment much more than Korea-ASEAN FTA. The next round of FTA negotiations will be held in June.

ROK and China to Hold 11th FTA Negotiations

South Korea and China are held the 11th round of negotiations for their bilateral FTA on May 26 to May 30 in Sichuan, China. The two countries are expected to have discussions on products, services, investments and protocols. The previous round of negotiations was held in Ilsan, Korea, in April 2014.

NORTH KOREA

North Korean Provocations Continue

The ROK Joint Chiefs of Staff (JCS) announced that three North Korean ships crossed the Northern Limit Line (NLL) at 4 pm on May 20 near Yeonpyeong Island. This prompted the ROK military to fire warning shots at the ships, which retreated an hour after the intrusion. Two days later on May 22, the JCS also reported that North Korea had fired two artillery shells around 6:00 p.m. near a ROK navy ship patrolling near Yeonpyeong Island by the NLL.



Korea and Malaysia Agree to Currency Swap

The Bank of Korea (BOK) and the Central Bank of Malaysia agreed to use their bilateral currency swap (5 trillion won/15 billion Malaysian ringgits) for trade settlement, which is expected to be implemented in June, 2014. Given that most bilateral settlements currently use the U.S. dollar, the policy will help to enhance the countries' financial safety as well as internationalize the local currencies. The BOK plans to expand the measure to other countries including Indonesia, the United Arab Emirates and Australia.

Photo credit: Hari Merdeka by Spreng Ben/flickr.com.



China Begins New Bridge to North Korea

Xinhua News Agency reported on May 28 that China has begun construction on the new bridge connecting the Chinese city of Tumen to the North Korean city of Chonjin over the Tumen River. This makes it the second new cross-border bridge to be under construction, the first connecting the Chinese city of Dandong to the North Korean city of Sinuiju over the Yalu River. *Photo credit: Wikimedia Commons.*

Looking Ahead

Our Friday morning preview of events to watch in the weeks ahead.

- **May 30-June 1** | The 13th International Institute for Strategic Studies (IISS) Asia Security Summit, also known as the Shangri-La Dialogue, will be held in Singapore.
- **May 30-June 1** | Trilateral defense minister meeting among the United States, South Korea, and Japan on the sidelines of the Shangri-La Dialogue.
- **June 4** | Republic of Korea municipal and regional elections take place, including the election for the mayor of Seoul.

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