

Korea Chair Monitor

January 1 - January 14, 2015

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

U.S.-ROK RELATIONS

U.S.-ROK Naval Drill

The United States and ROK began a two-day joint naval drill on January 13 that included two U.S. Aegis destroyers (USS *Martin* and USS *John McCain*) and several ROK naval vessels, including the destroyer *Gwanggaeto the Great*, off the eastern coast of South Korea. According to Lt. Arlo Abrahamson, spokesman for the commander of Naval Forces Korea, the naval exercise includes communication drills, ship maneuvers, antisubmarine warfare training, and liaison officer exchanges. The ROK navy spokesman said the exercise was meant to reinforce the allies' readiness posture against the North Korean threat.

TRADE AND ECONOMICS

President Park's 2015 New Year's Press Conference

On January 12, President Park Geun-hye held her 2015 New Year's Press Conference. In her speech, she emphasized the economy and urged representatives from labor, management, and the government to work together on labor market reform by the end of March. President Park also said that the government will utilize Korea's free trade agreements (FTAs) to foster agriculture into an export-oriented industry and a future growth engine. President Park concluded the press conference by promising to achieve her Three-year Plan for Economic Innovation, which is to accomplish 4 percent growth in the economy, a 70 percent employment rate, and per-capita income of US\$40,000.

Sixth Round of CJK Free Trade Negotiations to be Held in Tokyo

The Ministry of Foreign Affairs of Japan issued a press release on January 9 announcing that the sixth round of negotiations for a free trade agreement among Japan, ROK, and China will be held in Tokyo from January 16 to 17. Negotiations for Japan, ROK, and China will be led respectively by Deputy Minister for Foreign Affairs Yasumasa Nagamine, Assistant Minister for Trade Woo Taehee, and Assistant Minister of Commerce Wang Shouwen.

REGIONAL RELATIONS

Economic Consultation Between ROK and Japan Takes Place

The 13th ROK-Japan High-level Economic Consultation took place on January 8 at the Ministry of Foreign Affairs in Seoul. ROK deputy minister for economic affairs Ahn Chong-ghee and Japanese deputy minister for foreign affairs Yasumasa Nagamine led their delegations. The two sides discussed issues of mutual concern in the economic sector including trade, investment, and cooperation in the private sector.



U.S. Congressional Hearing on North Korea

The U.S. Department of State's special representative for North Korea policy and deputy assistant secretary for Korea and Japan Sung Kim, the U.S. Department of the Treasury's assistant secretary for terrorist financing in the Office of Terrorism and Financial Intelligence Daniel Glaser, and the U.S. Department of Homeland Security's assistant secretary for terrorist financing Brigadier General (Ret.) Gregory J. Touhill served as witnesses in the U.S. House hearing on North Korea.

Photo credit: CSPAN twitter.



National Assembly Passes Bills for Economic Growth

On January 12, the ROK National Assembly passed bills aimed at supporting economic growth. It passed the Mariana Bay Infrastructure Vitalization Act and the Cruise Industry Act. The Mariana Bay Infrastructure Act will lower real estate and investment taxes on bay development projects, and the Cruise Industry Act will legalize large-scale casinos for cruises over 20,000 tons.

Photo credit: ROK National Assembly.

INTER-KOREAN RELATIONS

President Park Calls for Family Unions and Inter-Korea Summit

In her New Year's Press Conference on January 12, President Park continued her calls for family reunions to take place before or after the upcoming Lunar New Year in February. She also answered questions from the press and told them that she is open to an inter-Korea summit and has no preconditions for it.

NORTH KOREA

U.S. House Committee on Foreign Affairs Convenes Briefing on North Korean Sanctions, Other Concerns

On January 13, the U.S. House of Representatives Committee on Foreign Affairs convened a briefing entitled "The North Korean Threat: Nuclear, Missiles, and Cyber." In his opening remarks, the chairman of the committee, Representative Ed Royce (R-CA), reemphasized the committee's work regarding human rights violations in North Korea and also stressed the emerging cyber capabilities of the country. The witnesses discussed the November 2014 hack on Sony Pictures Entertainment, Japan-ROK relations, and the implications of Executive Order 13687 on sanctions against North Korea.



Canada-Korea FTA Comes into Effect

On January 1, the Canada-Korea Free Trade Agreement (CKFTA) entered into force. Under the agreement, both countries will eliminate their import tariffs on 97.5 percent of all products within 10 years, and Canadian exports to South Korea are estimated to increase by 32 percent. The CKFTA covers all aspects of the Canada-Korea bilateral trade relationship, including trade in goods and services, investment, government procurement, intellectual property, environment and labor cooperation, and other areas of economic activity. It is South Korea's 11th free trade agreement and Canada's first FTA in the Asia-Pacific region.

Photo credit: Márcio Cabral de Moura's Flickr photostream.

Looking Ahead

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

- **January** | Ambassador Sung Kim will make his second trip to Northeast Asia, with planned stops currently in Japan and China.
- **February 4** | Center for Strategic and International Studies and the Institute of Foreign Affairs and National Security co-host a symposium, "*Korean Unification and the United States*."
- **February 17** | The one-year anniversary of the release of the UN Commission of Inquiry on Human Rights in the Democratic Republic of Korea's report.
- **February/March** | Annual U.S.-ROK joint military exercises Foal Eagle and Key Resolve will be held.

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