



**Atlantic Council**

SCOWCROFT CENTER  
FOR STRATEGY AND SECURITY

KOREA **KF**  
FOUNDATION

한국국제교류재단

# **BEYOND THE PENINSULA:**

Prospects for US-ROK Regional  
Cooperation in the Indo-Pacific

**Miyeon Oh**



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# Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>2</b>
<b>OVERVIEW OF THE NEW SOUTHERN POLICY .....</b>	<b>3</b>
People .....	3
Prosperity .....	3
Peace .....	4
New Southern Policy Plus.....	4
<b>LINKAGES BETWEEN THE NEW SOUTHERN POLICY AND US STRATEGY IN THE INDO-PACIFIC UNDER TRUMP AND BIDEN .....</b>	<b>5</b>
<b>PROSPERITY THROUGH ENERGY .....</b>	<b>6</b>
US-ROK outline for cooperation on energy-related efforts .....	6
Progress on US-ROK energy cooperation .....	6
US efforts on energy .....	7
ROK efforts on energy .....	8
Opportunities and challenges for US-ROK cooperation on energy .....	8
Key opportunity for US-ROK LNG efforts: Vietnam.....	10
Renewable energy.....	11
Key opportunity for US-ROK renewable energy efforts: Indonesia.....	12
Policy recommendations for US-ROK energy cooperation in Southeast Asia .....	14
<b>PROSPERITY THROUGH INFRASTRUCTURE AND DEVELOPMENT FINANCE.....</b>	<b>14</b>
US-ROK outline for cooperation on infrastructure and development finance.....	14
Progress on US-ROK infrastructure and development-finance cooperation.....	14
US efforts on infrastructure and development finance .....	15
ROK efforts on infrastructure and development finance .....	16
Policy recommendations for US-ROK infrastructure and development finance in Southeast Asia .....	18

## Table of Contents continued

<b>PROSPERITY THROUGH THE DIGITAL ECONOMY .....</b>	<b>18</b>
US-ROK outline for cooperation on the digital economy .....	18
Progress on US-ROK digital economic cooperation .....	18
US efforts on the digital economy .....	19
ROK efforts on the digital economy .....	19
Opportunities and challenges for US-ROK cooperation on the digital economy .....	20
Key opportunity for US-ROK engagement on digital connectivity infrastructure development: Indonesia .....	21
Key opportunity for US-ROK engagement on digital economic trade policy: Singapore .....	22
Policy recommendations for US-ROK cooperation on digital economy in Southeast Asia .....	22
<b>PEOPLE: GOOD GOVERNANCE AND CIVIL SOCIETY .....</b>	<b>23</b>
US-ROK outline for cooperation on good governance and civil society .....	23
Progress on US-ROK good governance and civil-society cooperation .....	23
US efforts on good governance and civil society .....	24
ROK efforts on good governance and civil society .....	25
Opportunities and challenges for US-ROK cooperation on good governance and civil society ..	27
Policy recommendations for good governance and civil-society cooperation in Southeast Asia	28
<b>ENSURING PEACE AND SECURITY .....</b>	<b>28</b>
US-ROK outline for potential cooperation on peace and security .....	28
Progress on US-ROK peace and security cooperation .....	29
US efforts on peace and security .....	29
ROK efforts on peace and security .....	30
Policy recommendations for peace and security cooperation in Southeast Asia .....	32

## Executive Summary

As the transformation of the Indo-Pacific continues to shape the global geopolitical and economic landscape, US engagement with allies and partners in the region is crucial. Southeast Asia in particular is becoming a region of strategic importance to the United States; it is an engine of world economic growth facing increasing Chinese political and economic influence. As rapid industrialization, urbanization, and digitization continue to transform the region, the United States is striving to strengthen its partnerships, working with its allies such as Australia, Japan, and the Republic of Korea (ROK) by accelerating and expanding existing engagement efforts. Advancing peace, security, and prosperity in the Indo-Pacific remains a top priority for the Joseph Biden administration, as it was for the Donald Trump administration under the Indo-Pacific Strategy. The Biden administration has a strong commitment to resisting challenges to the free and open rules-based regional order, through collectively responding to challenges working together with its allies and partners that are free and democratic nations, including South Korea.

The Republic of Korea has embarked on the New Southern Policy (NSP) to promote its broader efforts to strengthen its diplomatic and economic ties with Southeast Asia and India under the Moon Jae-In administration. While the New Southern Policy is an independent effort by the ROK government to play a direct role in engaging with Southeast Asia and beyond, the United States and the Republic of Korea agreed in 2019 to explicitly link cooperative efforts between the New Southern Policy and US Indo-Pacific Strategy. This has presented a key strategic opportunity for both countries' regional engagement efforts that merits deeper examination.

This report provides an interim evaluation of US-ROK cooperative efforts in the Indo-Pacific. First, it assesses where priorities converge and diverge between the Moon administration's NSP and the Trump administration's Indo-Pacific Strategy (IPS), as this has policy implications for the US-ROK collaboration under the Biden administration in terms of the joint regional engagement.

It examines how the NSP's pillars of prosperity, security, and people map onto those of the IPS, in order to explore how the Republic of Korea and the United States have approached cooperative efforts to date and to what extent those efforts have achieved their stated objectives or require further development. In pursuing this analysis, the report finds that the progress seen across a range of broad US-ROK cooperative efforts, outlined in joint government fact sheets released in 2019 and 2020, reflects a series of unique opportunities and challenges the two countries face in the region.

Its key finding is that the two countries have not made much progress in terms of bilateral cooperation on economic engagement—in areas such as infrastructure, energy, and digital connectivity—while they were able to make more visible progress in security and people-related issues, such as pandemic response and cybersecurity. This report proposes that this is mainly due to the relative difficulty of linking US and ROK economic efforts, and reflects the core challenge of coordinating strategic priorities on key issues with regard to China's rise, including fifth-generation (5G) technology, infrastructure, maritime security, and more.

Ultimately, the report offers a series of actionable recommendations for the United States and the Republic of Korea to help the allies and partners in the region: connect disparate efforts under more coherent strategic initiatives; target priority countries and issue areas to maximize the impacts of cooperation; and deploy public messaging that effectively conveys the significance and impact of their engagement in the region. Recommendations under these categories address

- mechanisms for forging new public-private partnerships on energy and digital technology;
- targeted energy-investment strategies, including emerging opportunities for liquefied natural gas (LNG) in Vietnam and renewable energy in Indonesia;
- signature, joint high-visibility infrastructure projects in Vietnam and Indonesia, and integration with regional multilateral infrastructure efforts;
- digital economic cooperation on 5G in Indonesia and digital trade policy with Singapore;
- integrated COVID-19 relief efforts, including a trilateral US-Korea-Japan initiative, and multilateral vaccine production and distribution;
- creation of a joint nontraditional security effort that links a range of disconnected international law-enforcement activities;
- acceleration of ongoing cybersecurity cooperation; and
- humanitarian and disaster-relief training exercises with Pacific Island countries.

## Introduction

**A**nnounced by the Republic of Korea's President Moon Jae-In in November 2017, the New Southern Policy represents the signature component of broader efforts under the Moon administration to strengthen its diplomatic and economic ties with Southeast Asia and India.<sup>1</sup> Broadly speaking, efforts under the NSP fall under three pillars—People, Prosperity, and Peace—to synchronize the administration's foreign policy approach to issues beyond the Korean peninsula.<sup>2</sup> With each pillar comprising a subset of policy objectives and initiatives, the Korean government has, thus far, pursued a range of efforts in the region in service of the NSP, including President Moon's visits to all ten Association of Southeast Asian Nations (ASEAN) countries within the first two years of his administration, as well as the Republic of Korea's hosting the ASEAN-Korea Commemorative Summit and Mekong-Korea Summit held in Busan in 2019.

While these efforts have been important in their own right, perhaps the most significant development in the implementation of the policy was President Moon's June 2019 announcement “to put forth harmonious cooperation between Korea's NSP and the United States' Indo-Pacific Strategy.”<sup>3</sup> This announcement, followed in November 2019 by a joint fact sheet issued by the US Department of State and ROK Ministry of Foreign Affairs on their regional cooperation efforts, offers an important foundation for US and ROK cooperation on broader regional engagement efforts in the Indo-Pacific. The joint fact sheet identifies the key areas for further cooperation between the two countries, including development, infrastructure, science and technology, digital connectivity, energy, and smart cities.<sup>4</sup>

In November 2020, President Moon enumerated an expanded vision for the future of NSP—the “New Southern Policy Plus”—at the virtual 21st ROK-ASEAN Summit.<sup>5</sup> The updated policy expands on areas of cooperation outlined in the original NSP—most notably, emphasizing the importance of prioritizing

“comprehensive health and medical cooperation” in light of the COVID-19 pandemic crisis.<sup>6</sup> Shortly after President Moon's announcement, the United States and the Republic of Korea released a second joint fact sheet on their cooperative efforts on the sidelines of the 2020 East Asia Summit.<sup>7</sup> The updated fact sheet elaborates how the two allies have refined their vision for ongoing cooperation in terms of prosperity, people, and peace as an outcome of the inaugural US-ROK Indo-Pacific Strategy-New Southern Policy Dialogue.

Most recently, as an outcome of the May 2021 summit between President Biden and President Moon, both countries reiterated their resolve to “advance cooperation on projects in the region in connection with the Republic of Korea's New Southern Policy and the United States' vision for a free and open Indo-Pacific.”<sup>8</sup> The opportunity to synchronize regional engagement strategies between the two allies presents an important opportunity for strategic coordination in an Indo-Pacific that is rapidly changing, in large part due to China's continuing rise and great-power competition.

The purpose of this report is to provide an interim evaluation of US-ROK cooperative efforts in the Indo-Pacific, including where priorities and efforts converge and diverge, and what that means for the future of joint regional engagement. The report examines the structure of the NSP and how it maps onto that of the US vision for the Indo-Pacific strategy, in order to explore how the Republic of Korea and the United States have approached cooperative efforts to date, and to what extent those efforts have achieved their stated objectives or require further development. The report concludes by offering a series of actionable policy recommendations for the Republic of Korea and the United States to help refine current areas of prioritized cooperation, reconcile areas of diverging priorities, and, ultimately, expand their cooperation to areas that have not yet been addressed.

1 Darren Whiteside, “South Korea's Moon unveils new focus on Southeast Asia,” Reuters, November 9, 2017, <https://www.reuters.com/article/us-indonesia-southkorea/south-koreas-moon-unveils-new-focus-on-southeast-asia-idUSKBNID900C>.

2 “New Southern Policy,” Presidential Committee on New Southern Policy, <http://www.nsp.go.kr/eng/policy/policy02Page.do>.

3 “Moon Signs onto Trump Indo-Pacific Strategy,” Korea JoongAng Daily, July 1, 2019, <https://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3064972>.

4 “Joint Statement on the 4th ROK-U.S. Senior Economic Dialogue,” US Embassy & Consulate in the Republic of Korea, November 2019, <https://kr.usembassy.gov/joint-statement-on-the-4th-republic-of-korea-united-states-senior-economic-dialogue/>.

5 Lee Chi-Dong, “Moon Joins Summit with ASEAN Members, Declares ‘New Southern Policy Plus,’” Yonhap News Agency, November 12, 2020, <https://en.yna.co.kr/view/AEN20201112011351315?section=search>.

6 Ibid.

7 “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy,” US Department of State, January 20, 2021, <https://www.state.gov/the-united-states-of-america-and-the-republic-of-korea-on-working-together-to-promote-cooperation-between-the-indo-pacific-strategy-and-the-new-southern-policy/>.

8 “Fact sheet: United States—Republic of Korea Partnership,” White House, May 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/fact-sheet-united-states-republic-of-korea-partnership/>.



## Overview of the New Southern Policy

It is helpful to begin by reviewing the structure and stated objectives of the NSP as presented by the Moon administration, in order to understand how the policy links to US regional engagement priorities.

### PEOPLE

Under the People pillar, Korea is seeking to enhance mutual understanding between the Republic of Korea and the Southeast Asia region through expanded people-to-people exchanges. Korea and ASEAN have increased people-to-people exchanges since the 2009 signing of a free-trade agreement and the 2010 formation of a strategic partnership.<sup>9</sup> Under NSP, the Korean government has set the policy goals of increasing tourism, expanding two-way cultural and educational exchanges, and protecting the rights of immigrants and migrant workers.<sup>10</sup> ASEAN accounts for 26.6 percent of South Korea's tourists from abroad, and—before the COVID-19 pandemic—visitors to and from ASEAN were expected to reach fifteen million by 2020.<sup>11</sup> The NSP also seeks to leverage the benefits of the Korean Wave, or Hallyu, by promoting cultural products such as K-Pop, K-Beauty, and Korean food abroad.<sup>12</sup> Finally, the ROK has made efforts to help build human capacity by training students, teachers, and public officials to promote better education and good governance in the region.<sup>13</sup>

### PROSPERITY

The Prosperity pillar focuses on accelerating economic integration of the Republic of Korea and the region, mainly through trade and investment, infrastructure development, and cooperation in science, technology, and emerging industries.

When it comes to trade and investment, the NSP prioritizes strengthening trade ties and institutional frameworks through joint efforts to advance bilateral and multilateral free-trade agreements (FTAs) with countries with which South Korea has already made progress. South Korea signed a Comprehensive Economic Partnership Agreement (CEPA) with Indonesia in April 2020 and is preparing to sign an FTA with Cambodia in 2021.<sup>14</sup> It is negotiating agreements with the Philippines and Malaysia, and there are ongoing discussions to upgrade existing agreements with ASEAN and India.<sup>15</sup> The Republic of Korea also signed the Regional Comprehensive Economic Partnership (RCEP) with ASEAN countries, China, Japan, Australia, and New Zealand in November 2020.<sup>16</sup> According to the Ministry of Trade, Industry, and Energy, “RCEP is expected to play a key role in rekindling trade and investment activities of the bloc, which has been hurt by the COVID-19 pandemic.”<sup>17</sup>

Efforts to support Korean companies' involvement in infrastructure is also key to the Prosperity pillar and its goal of improving the region's connectivity. Priority areas for Korean private-firm investment include transportation, energy, and water resources, paired with mutual-cooperation agreements on key business areas for cooperation and expanded market access for micro, small, and medium enterprises (MSME). At the ROK-ASEAN Intra Ministerial Conference held in September 2019, parties agreed to cooperate on twenty of these areas of cooperation with the ten ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam). In supporting infrastructure investment, the ROK government is also seeking to both create and expand channels of bilateral and multilateral cooperation, such as centers for cooperation (e.g., the ROK-Vietnam Transportation Cooperation Center, which opened in Hanoi in March 2018), Economic Development Cooperation Fund (EDCF), the Korea-ASEAN Global Infra Fund, and the Korean Overseas Infrastructure and Urban Development Fund, all of which aim to help facilitate public-private partnership contracts.

9 “Republic of Korea New Southern Policy Information Booklet,” Presidential Committee on New Southern Policy, February 2020, [https://apcss.org/wp-content/uploads/2020/02/Republic\\_of\\_Korea-New\\_Southern\\_Policy\\_Information\\_Booklet.pdf](https://apcss.org/wp-content/uploads/2020/02/Republic_of_Korea-New_Southern_Policy_Information_Booklet.pdf).

10 Ibid.

11 Ibid.

12 Ibid.

13 Ibid.

14 “S. Korea, Indonesia vow to ink FTA amid virus pandemic,” *Bilaterals.Org*, April 6, 2020, <https://bilaterals.org/?s=korea-indonesia-vow-to-ink-fta>; Sok Chan, “The Next Step: Cambodia's Historic Trade Agreement With North Korea,” *Khmer Times*, February 4, 2021, <https://www.khmertimeskh.com/50810545/the-next-step-cambodias-historic-trade-agreement-with-south-korea/>.

15 Yoon Ah Oh, “Korea's New Southern Policy: Progress, Problems, and Prospects,” *East-West Center*, July 16, 2020, <https://www.eastwestcenter.org/publications/koreas-new-southern-policy-progress-problems-and-prospects>; Yonhap, “S. Korea, Cambodia to Hold 3rd Round of FTA Talks,” *Korea Herald*, October 5, 2020, <http://www.koreaherald.com/view.php?ud=20201005000387>.

16 Robin Harding and John Reed, “Asia-Pacific Countries Sign One of the Largest Free Trade Deals in History,” *Financial Times*, November 15, 2020, <https://www.ft.com/content/2dff91bd-ceed-4567-9f9f-c50b7876adce>.

17 “20nyeon FTA Chegyeolgukgwa 603Eok Dalleo Muyeokeukja '20년 FTA 체결국과 603억 달러 무역흑자 [\$60.3 billion trade surplus with FTA partner countries in 2020],” Korea Customs Service, January 1, 2021, <https://www.customs.go.kr/kcs/na/ntt/selectNttInfo.do?mi=2891&nttSn=10055130>; “S. Korea to Push for Conclusion of RCEP This Year Despite Pandemic,” *Yonhap News Agency*, June 9, 2020, <https://en.yna.co.kr/view/AEN20200609001900320>.

The Prosperity pillar also aims to strengthen ROK-ASEAN-India cooperation in science, technology, and new industries to jointly respond to the Fourth Industrial Revolution, such as South Korea's so-called "K-Smart" projects (e.g., smart cities, factories, islands, and farms), and other joint work on domestic and overseas startups, and health and medical technologies.

The Prosperity pillar also provides an outline of areas to facilitate further development of agriculture, fisheries, automobiles, steel, and petrochemical industries. These efforts entail increased ROK investment in these industries within ASEAN, particularly when it comes to sharing technical knowledge and technology cooperation between small-to-medium enterprises (SMEs).

## PEACE

The Peace pillar focuses on increasing cooperation across a range of security issues throughout the region and around the Korean Peninsula, while fostering deeper connections among the leaders of the ROK, ASEAN, and India. As a way to consolidate strategic partnerships through high-level summits and meetings, President Moon visited all ten ASEAN countries in the first two years of his presidency. Efforts to regularize summit and ministerial-level exchanges with the region have also moved forward, including the ROK-ASEAN Special Summit Conference on the thirtieth anniversary of ROK-ASEAN diplomatic ties in 2019, as well as upgrading the ROK-Mekong Foreign Ministers' Conference to a Summit Conference.

Moreover, the Peace pillar has policy goals of strengthening cooperation in terms of defense, terrorism, cyber, maritime security threats, and enhancing emergency-response

capabilities to deal with natural disasters and climate change. Notably, another clear policy goal of NSP is to expand support from the region with regard to the ROK government's efforts to achieve a peaceful and denuclearized Korean Peninsula. Because many Southeast Asian countries engage in diplomacy with North Korea, the region can provide significant diplomatic resources to help facilitate the Moon administration's North Korea policy, as evidenced by the summits in Singapore and Hanoi.<sup>18</sup>

## NEW SOUTHERN POLICY PLUS

In light of the COVID-19 pandemic, President Moon announced an update to the NSP, titled the "New Southern Policy Plus," at the virtual 21st ROK-ASEAN summit in November 2020.<sup>19</sup> Key to the update is the inclusion of "new and practical measures" for cooperation—most notably, on "comprehensive healthcare cooperation" in light of the ongoing pandemic.<sup>20</sup> These efforts will include participation in ASEAN's COVID-19 Response Fund, further medical-supply aid, and declaring support for ASEAN's Comprehensive Recovery Framework.<sup>21</sup> NSP Plus also includes seven initiatives organized under the theme of "Hearts Together, Beat Forever: Moving Forward for People and Community."<sup>22</sup> These include: Combatting COVID-19 and Beyond; People-Centered Education; Gaining a Deeper Mutual Understanding Through Culture; Sustainable Economy, Together; Enhancing Quality of Life Through Infrastructure Development; Developing Industries with Innovative Technology; and Shaping a Community of Great Safety and Peace.<sup>23</sup> For the purposes of this report, however, it is important to note that the "New Southern Policy Plus" is an extension of the original NSP and shares the same fundamental objectives and prospects for US-ROK NSP-IPS cooperation as outlined below.

18 Oh, "Korea's New Southern Policy: Progress, Problems, and Prospects."

19 Lee, "Moon Joins Summit with ASEAN Members, Declares 'New Southern Policy Plus.'"

20 Ibid.

21 Ibid.

22 "NSP+," New Southern Policy Plus, July 20, 2021, <http://www.nsp.go.kr/eng/main.do>.

23 Ibid.

## Linkages between the New Southern Policy and US strategy in the Indo-Pacific under Trump and Biden

**A**nnounced in late 2017, the Indo-Pacific Strategy was the Trump administration's signature strategic concept, which placed China's rise as the focal point of the US grand strategy.<sup>24</sup> While the concept built on the groundwork laid down by the Barack Obama administration's "pivot" or "rebalance" to Asia, it also represented a major departure. It explicitly recognized China as a "strategic competitor" with revisionist intentions, by refusing the idea that engagement could persuade China to become a "responsible stakeholder."<sup>25</sup> The push to more actively compete with and confront China under the Indo-Pacific Strategy was paired with complementary efforts to deepen US economic and diplomatic engagement in the region—particularly in Southeast Asia—in order to provide an alternative to increasing Chinese influence.

The clearest articulation of these efforts comes from two strategy documents: the June 2019 Department of Defense "Indo-Pacific Strategy Report" and the November 2019 Department of State report, "A Free and Open Indo-Pacific: Advancing a Shared Vision."<sup>26</sup> When it comes to the New Southern Policy, the State Department report's outline of efforts on issues such as economic prosperity, energy, infrastructure, the digital economy, civil society, democracy, and human capital appears to offer the clearest overlap and opportunities for US-ROK cooperation on regional engagement. That said, more traditional security and defense cooperation also plays an important role in the New Southern Policy, as discussed later in this report.

Perhaps the best tool for understanding how the two governments understand linkages between their respective strategies appeared in the two joint fact sheets released

in November 2019 and November 2020, both titled, "The Republic of Korea and the United States Working Together to Promote Cooperation between the New Southern Policy and the Indo-Pacific Strategy."<sup>27</sup> The structure of the initial 2019 fact sheet suggests mutual efforts to reconcile the three NSP pillars with US priorities for engagement with ASEAN and India. Ultimately, it maps five areas for cooperation under the NSP and the Indo-Pacific Strategy. These include: "Prosperity through energy"; "Prosperity through infrastructure and development finance"; "Prosperity through the digital economy"; "People: good governance and civil society"; and "Ensuring peace and security."<sup>28</sup> The 2020 fact sheet maintains the same general structure for cooperation centered on prosperity, people, and peace, with the most notable structural change being its grouping of the first three prosperity-focused lines of effort under a single category, "Enhancing Economic Prosperity."<sup>29</sup>

The combination of multiple lines of effort on prosperity into a single category in the November 2020 fact sheet might suggest that the two countries have not made as much progress in terms of bilateral cooperation on economic engagement as they have for the security and people pillars. This report's analysis suggests that this is mainly due to the Republic of Korea's position in terms of US-China strategic competition—namely, that signature US economic efforts with allies and partners in the Indo-Pacific focus are clearly geared toward responding to the rise of China. ROK hesitance to officially join US efforts on infrastructure development, digital connectivity, data security, Internet governance, and coordination on advanced technologies like 5G and artificial intelligence (AI) may stem from its heavy economic reliance on China. As a result, rather than pursuing joint efforts with the United States in a number of areas, the Republic of Korea seems to prefer to focus on complementary, but independent, efforts in Southeast Asia, a key area of expanding Chinese political and economic influence.

It is important to note that the Biden administration is developing its own particular strategy for engaging allies and partners in the Indo-Pacific, which may lead to new convergences or divergences in how the two countries approach cooperation in Southeast Asia. Presidents Biden and Moon agreed to "advance cooperation on projects in the region in connection

24 "Remarks by President Trump at APEC CEO Summit," White House, November 2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-apec-ceo-summit-da-nang-vietnam/>.

25 Demetri Sevastopulo, "Trump Labels China a Strategic 'Competitor,'" *Financial Times*, December 18, 2017, <https://www.ft.com/content/215cf8fa-e3cb-11e7-8b99-0191e45377ec>.

26 "Indo-Pacific Strategy Report: Preparedness, Partnership, and Promoting a Networked Region," US Department of Defense, June 2019, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>; "A Free and Open Indo-Pacific," US Department of State, November 4, 2019, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

27 "U.S. & ROK Issue a Joint Factsheet on their Regional Cooperation Efforts," US Embassy & Consulate in the Republic of Korea, November 2, 2019, <https://kr.usembassy.gov/110219-joint-fact-sheet-by-the-united-states-and-the-republic-of-korea-on-cooperation-between-the-new-southern-policy-and-the-indo-pacific-strategy/>; "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

28 Ibid.

29 Ibid.

with the ROK's New Southern Policy and the United States' vision for a free and open Indo-Pacific" in the May 2021 Moon-Biden summit.<sup>30</sup> This clearly shows that the established framework for US-ROK cooperation in the region will continue to be the most relevant tool for understanding overlapping efforts moving forward under the Biden administration.

The following sections of this report explore how the United States and the Republic of Korea defined their vision for cooperative efforts across a number of key categories, analyzing their progress, and noting areas where efforts appear to diverge or converge in important ways.

## Prosperity Through Energy

### US-ROK OUTLINE FOR COOPERATION ON ENERGY-RELATED EFFORTS

Major areas of US-ROK cooperation on energy in Southeast Asia were identified in a November 2019 joint fact sheet that was released after a bilateral consultation in Thailand on the sidelines of the East Asia Summit in Thailand.<sup>31</sup> Since then, the two sides have held several other meetings related to energy that have confirmed the continuation of efforts in these areas, and added further areas of cooperation. Together, these include supporting energy sector development in the region, further coordinating NSP with Asia Enhancing Development and Growth for Energy (Asia EDGE), and enhancing energy security in physical and cyber domains, as elaborated below.

- "support[ing] energy sector development in the region, including the deployment of renewable energy and

expansion of liquefied natural gas (LNG) infrastructure, through existing bilateral mechanisms such as the Senior Economic Dialogue, the ROK-US Joint Public-Private Economic Forum, and the ROK-US Commercial Dialogue."<sup>32</sup>

- "identifying prospective joint projects that align with goals of NSP and Asia EDGE (Enhancing Development and Growth through Energy) through existing dialogue mechanisms such as the ROK-US Energy Security Dialogue and Joint ROK-US Roundtable on Indo-Pacific Cooperation in Energy, Infrastructure, Connectivity, and Smart Cities."<sup>33</sup>
- "continu[ing] collaboration to enhance energy security in the physical and cyber domains [and] further deepen cooperation on energy security, including through the Energy Resource Governance Initiative (ERGI)."<sup>34</sup>

### PROGRESS ON US-ROK ENERGY COOPERATION

To date, there appears to be limited progress in advancing joint US-ROK efforts on energy. While there have been several meetings on this front since the release of the 2019 joint statement, there have been limited follow-up public communications regarding progress in these areas, possibly due to the COVID-19 pandemic crisis. The 7th US-ROK Energy Security Dialogue, held in August 2020, identified several areas and mechanisms of cooperation, but few details are available publicly.<sup>35</sup> The announcement mentioned working under multilateral frameworks, including ASEAN and Asia-Pacific Economic Cooperation (APEC), and suggested syncing up NSP with Asia EDGE. There appear to have been no memoranda of understanding (MoU) or agreements on joint projects in energy prior to, or after, the November 2019 statement. The updated November 2020 fact sheet notes that "both sides decided to continue collaboration to enhance energy security in the physical and cyber domains and discussed opportunities

30 "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

31 These meetings included a ADD 2019 MEETING, bilateral consultation on the sidelines of the East Asia Summit in 2020, the 5th US-ROK Senior Economic Dialogue in October 2020, and the 7th US-ROK Energy Security Dialogue in August 2020.

32 "Joint Fact Sheet by the United States and the Republic of Korea on Cooperation between the New Southern Policy and the Indo-Pacific Strategy," US Department of State, November 3, 2019, <https://kr.usembassy.gov/110219-joint-fact-sheet-by-the-united-states-and-the-republic-of-korea-on-cooperation-between-the-new-southern-policy-and-the-indo-pacific-strategy/joint-fact-sheet-by-the-united-states-and-the-republic-of-korea-on-cooperation-between-the-new-southern-policy-and-the-indo-pacific-strategy/>.

33 Ibid.

34 "U.S. and ROK Advance Economic Cooperation at the 5th Senior Economic Dialogue," US Embassy & Consulate in the Republic of Korea, October 2020, <https://kr.usembassy.gov/101620-the-united-states-and-the-republic-of-korea-advance-economic-cooperation-at-the-5th-senior-economic-dialogue/>; "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

35 Roh, Seok-Jo, "Hanmi Je7cha Eneojianbo Daehwa Gaechoe...Korona Ihu Eneoji Hyeomnyeok Bangan Nonui [7th US-ROK Energy Security Dialogue Discusses Post-Covid Energy Cooperation]," *Chosun Ilbo*, August 13, 2020, [https://news.chosun.com/site/data/html\\_dir/2020/08/13/2020081303839.html](https://news.chosun.com/site/data/html_dir/2020/08/13/2020081303839.html).

to further deepen cooperation on energy security, including through the Energy Resource Governance Initiative” (ERGI).<sup>36</sup> While the United States and the Republic of Korea lack signature joint efforts on energy at this stage, examining their independent efforts helps to identify what gaps the two countries can work to fill moving forward.

## US EFFORTS ON ENERGY

The United States has been making a comprehensive set of energy-related economic aid and investments in the broader Indo-Pacific during the Trump administration, and these efforts appear to be largely continuing under Biden. Key among these is the US Asia EDGE initiative, which “aims to support energy security, catalyze private sector investment in energy markets and help partners set transparent, market-based energy policies.”<sup>37</sup> Led by the State Department’s Bureau of Energy Resources, Asia EDGE also brings together the US Departments of Energy, Commerce, and the Treasury, Export-Import Bank of the United States (EXIM), US Agency for International Development (USAID), US Trade and Development Agency (USTDA), and US International Development Finance Corporation (DFC).<sup>38</sup> As a key agency involved in the economic pillar of US Indo-Pacific Strategy, USAID has provided \$2.9 billion in development aid throughout the Indo-Pacific, along with the US State Department.<sup>39</sup> In 2019, USAID signed an agreement with the Asian Development Bank (ADB) “for \$200 million, which is expected to mobilize up to \$7 billion in investment to help reform and expand Asia’s energy sector.”<sup>40</sup>

US private companies have also become involved in US government initiatives to develop ASEAN countries’ energy infrastructure. Most notably, in October 2020, several US companies signed deals on developing LNG infrastructure in Vietnam during the Indo-Pacific Business Forum in Hanoi, which took place during then-US Secretary of State Mike Pompeo’s visit to Vietnam.<sup>41</sup> These included

- ExxonMobil and JERA, a Japanese power company, signing an MoU with the city of Hai Phong for an LNG-to-power project;
- General Electric and venture capital firm VinaCapital signing an agreement to develop a Long An LNG-to-power project in Vietnam’s Long An province;
- AES Corp. and Petro Vietnam Gas launching a joint venture to invest \$1.4 billion in the Son My LNG Import Terminal Project; and
- Delta Offshore Energy, along with Bechtel, General Electric, and McDermott, signing an agreement to develop the Bac Lieu LNG-to-power project.<sup>42</sup>

These deals among private firms also appear to be backed, at least indirectly, by support from several aforementioned US government agencies. During the forum, USAID launched the Vietnam Low Emission Energy Program II, devoting \$36 million to assist Vietnam’s transition to clean energy. USTDA also announced it will provide \$935,060 to Vietnam’s National Power Transmission Corporation to modernize the country’s power grid.<sup>43</sup>

Besides unilateral engagements, the United States has also made progress in terms of energy partnership with other countries, such as Japan. The United States and Japan signed the Japan-United States Strategic Energy Partnership (JUSEP) in 2017, with the goal of expanding universal access and investments in “affordable and reliable energy across the Indo-Pacific region.”<sup>44</sup> This was followed by an agreement in November 2018 to link up the Japanese government’s plan to mobilize \$10 billion in investments in regional LNG development with Asia EDGE.<sup>45</sup> Japan also announced it will commit to mobilizing an additional \$10 billion from public and private finance toward these initiatives in September 2019, and US-Japan major public-finance actors—the Nippon Export

36 “Energy Resource Governance Initiative,” US Department of State, June 2019, <https://www.state.gov/wp-content/uploads/2019/06/Energy-Resource-Governance-Initiative-ERGI-Fact-Sheet.pdf>. The ERGI is a State Department Bureau of Energy Resources initiative announced in July 2019 that focuses on securing access to energy resource materials through efforts on energy-minerals governance, supply-chain resiliency, and clean-energy technologies. “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

37 “Asia EDGE-Enhancing Development and Growth through Energy,” US Department of State, <https://www.state.gov/asia-edge/>.

38 “Asia EDGE Report,” US Department of State, July 2019, [https://www.usaid.gov/sites/default/files/documents/1861/DepartmentStateAsiaEDGEReport\\_July2019.pdf](https://www.usaid.gov/sites/default/files/documents/1861/DepartmentStateAsiaEDGEReport_July2019.pdf).

39 “A Free and Open Indo-Pacific.”

40 Ibid., 17–18.

41 Jia Hui Tan, “US Boosts Energy Infrastructure Push in Vietnam with Raft of LNG-to-Power Deals,” *S&P Global*, October 29, 2020, <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/102920-us-boosts-energy-infrastructure-push-in-vietnam-with-raft-of-lng-to-power-deals>.

42 Tan, “US Boosts Energy Infrastructure Push in Vietnam with Raft of LNG-to-Power Deals.”

43 Ibid.

44 “2019 Japan-U.S. Strategic Energy Partnership Statement: Recent Major Developments,” US Department of State, November 4, 2019, <https://2017-2021.state.gov/2019-japan-u-s-strategic-energy-partnership-statement-recent-major-developments/index.html>.

45 “Fact Sheet: 2019 Indo-Pacific Business Forum Showcases High-Standard U.S. Investment,” US Department of State, November 3, 2019, <https://vn.usembassy.gov/fact-sheet-2019-indo-pacific-business-forum-showcases-high-standard-u-s-investment/>.



and Investment Insurance and Export-Import Bank of the United States—announced intentions to sign a reinsurance and co-financing agreement to deepen finance cooperation.<sup>46</sup>

## ROK EFFORTS ON ENERGY

The Republic of Korea's efforts in Southeast Asia have mostly focused on the improvement of energy-management systems, as well as the development of the renewable-energy sector and LNG infrastructure. In this regard, both government agencies and private firms have been involved. The Korea International Cooperation Agency (KOICA) is the main ROK government agency that oversees the provision of Official Development Assistance (ODA), as well as other supportive efforts with the aim of improving management and utilization of energy resources. KOICA has provided several rounds of ODA to Vietnam, Laos, Myanmar, and the Philippines, to support the development of efficient energy and water resource-management systems, and more. ROK public and private firms are also increasing the number of deals and MoUs on a wide variety of projects, including energy-management systems and LNG infrastructure, as well as the renewable-energy supply chain, including electric-vehicle (EV) batteries, solar energy, and more. See the table below for examples of major ROK energy-related investments and development assistance in Southeast Asia.

One topic that might require some degree of coordination or discussion with the Biden administration is ROK's continued financing of coal-related projects in Southeast Asia, which appears to be inconsistent with the Moon administration's Green New Deal and the Biden administration's efforts to mitigate climate change and transition to a carbon-free economy. South Korea, along with Japan and China, has accounted for the lion's share of public financing for coal projects in Southeast Asia since 2013, when the US government under the Obama administration cut financing for overseas coal plants.<sup>47</sup> Most notably, ROK construction giant

Doosan Heavy Industries & Construction is building two coal-fired power-generating units, with financial backing from ROK public-finance institutions, including the Export-Import Bank of Korea (KEXIM), the Korea Trade Insurance Corporation, and the Korea Development Bank.<sup>48</sup>

## OPPORTUNITIES AND CHALLENGES FOR US-ROK COOPERATION ON ENERGY

### Liquefied natural gas

LNG is the most obvious area of converging US and ROK energy interests in Southeast Asia, particularly as LNG can serve as an important part of meeting the increasing demand for energy to power industrialization and economic growth in the region. Many Southeast Asian countries still rely heavily on coal and hydrocarbon for power generation due to their low costs. For instance, in 2018, oil and coal accounted for 64.2 percent of Southeast Asia's energy mix, according to International Energy Agency. And, in countries like Indonesia, a major economy in the region, coal alone accounted for 62.07 percent of the energy mix for power generation in 2019.<sup>49</sup> At the same time, ASEAN countries have begun to wean themselves off their reliance on coal by building more power-generation capacities, improving energy-management systems, and seeking renewable or other alternative energy sources, such as LNG.<sup>50</sup> Industry analysts predict that Southeast Asia will be a major driver of increased demand for LNG imports and related infrastructure construction in the next twenty years.<sup>51</sup>

The region's increasing demand for energy coincides with the emergence of the United States as a major LNG supplier following the shale gas revolution. In order to meet Asia's rising demand in coming decades, increasing shares of Asia's oil and LNG supplies must be transported through the Indian Ocean, Malacca Strait, and South China Sea from the Middle East and Africa. Thus, the possibility of disruptions to these

46 "2019 Japan-U.S. Strategic Energy Partnership Statement."

47 Lili Pike, "Japan and South Korea Have Started to Ditch Global Coal Projects. Will China Follow Suit?" *Vox*, December 10, 2020, <https://www.vox.com/22151710/china-japan-south-korea-climate-change-coal-finance>.

48 Yuddy Cahya Budiman and Willy Kurniawan, "Indonesian Coal Plant Taints South Korea's Green Pledge," *Reuters*, July 16, 2020, <https://www.reuters.com/article/us-climate-change-indonesia-coal/indonesian-coal-plant-taints-south-koreas-green-pledge-idUSKCN24H0QG>; Seulki Lee, "South Korea Faces a Public Reckoning for Financing Coal Plants in Indonesia," *Mongabay*, April 15, 2021, <https://news.mongabay.com/2021/04/south-korea-faces-a-public-reckoning-for-financing-coal-plants-in-indonesia/>.

49 "Southeast Asia Energy Outlook 2019: Comprehensive Review of a Region on the Rise," International Energy Agency, October 2019, <https://www.iea.org/reports/southeast-asia-energy-outlook-2019>.

50 "Indonesia Plans to Replace Old Coal Power Plants with Renewable Plants: Minister," *Reuters*, January 30, 2020, <https://www.reuters.com/article/us-indonesia-power-coal/indonesia-plans-to-replace-old-coal-power-plants-with-renewable-plants-minister-idUSKBN1ZT17N>; Pamela Simamora, "Why Coal Should Have No Future in Southeast Asia's Energy Mix," *South China Morning Post*, October 9, 2020, <https://www.scmp.com/comment/opinion/article/3104632/why-coal-should-have-no-future-southeast-asias-energy-mix>.

51 Royal Dutch Shell analysts project that Asia will be the key growth region for LNG in the next twenty years, with South and Southeast Asia accounting for more than half of this demand. Similarly, Wood Mackenzie, an energy consultancy firm, predicts that Indonesia will see LNG demand go up to 43 million tpy by 2040, becoming a net importer by 2030s, and LNG import requirements for Malaysia and Thailand will grow to around 20 million tpy in 2040, all of which would increase demand for LNG terminal construction and other regasification infrastructures. Ekaterina Kravtsova and Nina Chestney, "Asia to Absorb LNG Supply Growth from Mid-2020- Shell," *Reuters*, February 20, 2020, <https://www.reuters.com/article/shell-lng/update-2-asia-to-absorb-lng-supply-growth-from-mid-2020-shell-idUSL8N2AK23D>; Tom Mostyn, "LNG Demand in South and Southeast Asia to Quintuple by 2040," *Hydrocarbon Engineering*, July 17, 2019, <https://www.hydrocarbonengineering.com/gas-processing/17072019/lng-demand-in-south-and-southeast-asia-to-quintuple-by-2040/>.

## EXAMPLES OF ROK DEVELOPMENT ASSISTANCE AND INVESTMENTS IN SOUTHEAST ASIA'S ENERGY SECTOR

### Vietnam

- January 2021: SK Group announced decision to invest \$1.5 billion in Plug Power, a US company that produces hydrogen fuel cells, and to form a joint venture with Plug Power to sell hydrogen fuel-cell products in Vietnam and China.<sup>1</sup>
- January 2020: Project for Establishment of Total Water Resources Information Management System in Ma River Basin of Central Vietnam (Thanh Hoa Province) (\$9 million).<sup>2</sup>
- November 2019: Korea Electric Power Corporation agreed to build an integrated energy-management system, “K-SEMS.”<sup>3</sup>
- September 2019: Doosan Heavy Industries & Construction completed construction of a thermal-power station on contract with the largest Vietnamese power company, Vietnam Electricity.<sup>4</sup>
- June 2017: Vietnam Industrial Energy Efficiency Project (VIEEP) (\$1.9 million).<sup>5</sup>

### Malaysia

- April 2021: Malaysian and South Korean trade officials agreed to expand economic cooperation, including in rechargeable batteries and solar energy.<sup>6</sup>
- January 2021: SK Nexilis, part of SK Group, announced it will invest \$589.5 million to build a plant in Malaysia's Kota Kinabalu Industrial Park that produces copper foil, a component of batteries for electric vehicles. The plant will be run entirely on renewable energy.<sup>7</sup>

### Indonesia

- May 2021: An LG Energy Solution-led consortium, including LG Chem, LG International, Posco, and the Chinese firm Huayou, made a nonbinding investment agreement with the state-run Industri Baterai Indonesia (IBI) to establish a complete EV-battery supply chain for South Korean battery and auto producers.<sup>8</sup>

### Laos

- October 2020: KOICA provided a grant of \$11 million for a water resources-management project in the Nam Ngum River Basin.<sup>9</sup>
- August 2019: Wastewater and solid-waste treatment project worth \$6.5 million.<sup>10</sup>
- September 2016: Korean Western Power and SK Engineering & Construction signed an MoU with the Laos government to build a hydropower dam.<sup>11</sup>

### Myanmar

- 2018–2020: Development and distribution business of cooking fuels by recycling agricultural byproducts in Myanmar (\$265,485)<sup>12</sup>

### Philippines:

- September 2019: A product launched to develop a Water Resources Management Information System for the Pampanga River Basin (\$5.8 million).<sup>13</sup>

1 Song Jung-A, “South Korea's SK Group Raises Bet on Renewable Energy in Asia,” Financial Times, January 7, 2021, <https://www.ft.com/content/1327a891-a8ad-4c31-a410-cbe7a36713e6>.

2 “Official Development Assistance Information Portal,” Korea International Cooperation Agency, <http://www.oda.go.kr/opo/bsin/bsnsInfoCnttBsnsInfo.do>.

3 Seon-Ok Yeon, “Hangukjeollyeok, Beteunae Eneojigwallisiseutem Suchulhagi Wihan MOU Chegyeol [Korea Electric Power signs MOU to export energy management system to Vietnam],” Chosun Ilbo, November 19, 2019, [https://biz.chosun.com/site/data/html\\_dir/2019/11/19/2019111901627.html](https://biz.chosun.com/site/data/html_dir/2019/11/19/2019111901627.html).

4 “Doosan Heavy Completes Thermal Power Plant in Vietnam,” Yonhap News Agency, September 23, 2019, <https://en.yna.co.kr/view/AEN20190923001700320>.

5 “Official Development Assistance Information Portal,” Korea International Cooperation Agency, <http://www.oda.go.kr/opo/bsin/bsnsInfoCnttBsnsInfo.do>.

6 Kang Yoon-Seung, “S. Korea, Malaysia Agree to Expand Economic Ties,” Yonhap News Agency, April 1, 2021, <https://en.yna.co.kr/view/AEN20210331010200320>.

7 Lee Yoon-Jae and Kim Hyo-Jin, “SK Nexilis Budgets \$589 Mn to Build First Overseas Copper Foil Plant in Malaysia,” Pulse, January 27, 2021, <https://pulsenews.co.kr/view.php?year=2021&no=86484>.

8 “Korean Consortium Led by LG Move on with Project to Create EV Value Chain in Indonesia,” Pulse, May 7, 2021, <https://pulsenews.co.kr/view.php?year=2021&no=441308>.

9 “KOICA of Korea Grants US\$11 Million for Laos' Nam Ngum River Basin Project,” Star, October 22, 2020, <https://www.thestar.com.my/aseanplus/aseanplus-news/2020/10/22/koica-of-korea-grants-us11-million-for-laos039-nam-ngum-river-basin-project>.

10 “Official Development Assistance Information Portal.”

11 Jae-Man Koh, “Hangukseobubaljeon, Raoseu Daehyeong Suryeokbaljeonso Geonseol MOU Chegyeol [Korea Western Power Signs MOU to Build Large Scale Hydropower Plant],” Maeil Kyeongjae, September 11, 2016, <https://www.mk.co.kr/news/economy/view/2016/09/645073/>.

12 “Official Development Assistance Information Portal.”

13 Ibid.

maritime supply routes creates greater challenges for global and regional energy security. China has been eager to increase its influence over these sea lines of communications with its maritime expansion strategy.<sup>52</sup> In this way, it is significant to US national interests to counter China's expansion in the South China Sea and elsewhere, and to reduce the region's dependence on imports from the Middle East and Africa. In this way, engagement on LNG will be important for the IPS.

Meanwhile, the Republic of Korea's increased LNG business in Southeast Asia aligns well with the US objectives of increasing exports of LNG as an energy supplier to help other countries diversify their energy mixes.<sup>53</sup> In particular, the Republic of Korea seems well suited to work with the United States to supply technical expertise in the energy midstream sector, such as building LNG terminals, as well as in the downstream,

such as building power stations, where the Republic of Korea has a comparative advantage over the United States. Since 2019, Korean firms have made a push into Southeast Asia's LNG terminal construction business, particularly in Vietnam and Thailand, seizing on the opportunities created by government initiatives to make imported LNG a significant source of power generation. These and other recent examples of ROK efforts on LNG are outlined in the table below.

### KEY OPPORTUNITY FOR US-ROK LNG EFFORTS: VIETNAM

Vietnam appears to be a key opportunity for US-ROK coordination on LNG efforts. Vietnam is also facing increasing power demands as the country continues to grow rapidly. The country's demand for energy has grown more than 10 percent

## ROK INVOLVEMENT IN SOUTHEAST ASIA'S LNG DEVELOPMENT

### 2020

- Korea Gas Corp. (KOGAS) agreed to provide technical consulting on LNG terminal construction for Thailand energy firm TTCL.<sup>1</sup>
- GS Energy and Vietnamese asset-management firm Vinacapital launched a joint venture to build a \$3-billion LNG power station in Vietnam's Long An province, to be completed in 2025.<sup>2</sup>

### 2019

- KOGAS, Hanhwa Energy, and Korea Southern Power formed a "Korea Consortium" to pursue gas and LNG terminal-construction business in Vietnam.<sup>3</sup>
- KOGAS signed an MoU with Energy Capital Vietnam (a US asset-management company focusing on Vietnam) to develop an LNG-regasification terminal and related infrastructures, as well as a gas-fired power project in Binh Thuan Province, Vietnam.<sup>4</sup> US firm Chart Industries signed an MoU with Energy Capital Vietnam to supply downstream equipment to support ECV's joint project with KOGAS.<sup>5</sup>
- Samsung C&T contracted with Petrovietnam Gas Corporation to build an LNG terminal.<sup>6</sup>

- 1 Byung-in Iark, "Gaseugisulgong, Taeguk LNGTerminal Keonseolting Yong Station Suju [Gas Tech Elite Gets Consulting Contract on LNG Terminal Construction in Thailand]," Today Energy, April 21, 2020, <https://www.todayenergy.kr/news/articleView.html?idxno=224329&lang>.
- 2 Khan Vu, "VinaCapital, GS Energy to Invest \$3 Billion in LNG Power Plants in Vietnam," Reuters, March 22, 2021, <https://www.reuters.com/article/us-vietnam-gsenergy-lng/vinacapital-gs-energy-to-invest-3-billion-in-lng-power-plants-in-vietnam-idUSKBN2BE0KA>.
- 3 Eun-ji Goh, "Gaseugongsu Deung 3Sa, Beteunam LNG Inpeura Gaebalsaeop Chamyeo Chujin [3 Gas and Energy Companies to Participate in Vietnam's LNG Infrastructure Development]," Yonhap News Agency, December 19, 2019, <https://www.yna.co.kr/view/AKR20191219108000003>.
- 4 "Hangukgaseugongsawa Eneojikaepiteolbeteunam, Beteunameseo Hyeomnyeok Wihan MOU Chegyeol [KOGAS and Energy Capital Vietnam Sign MOU to Cooperate in Vietnam]," Yonhap News Agency, July 24, 2019, <https://www.yna.co.kr/view/AKR20190724170400009>.
- 5 "Chart Inks LNG MoU with Energy Capital Vietnam," LNG World News, October 24, 2019, <https://www.offshore-energy.biz/chart-inks-lng-mou-with-energy-capital-vietnam/>.
- 6 "Samseongmulsan, Beteunam Choecho LNG Terminal Gongsa Sujutt2022nyeong 10Wol Jungong Mokpyo [Samsung C&T Gets Contract for Vietnam's First LNG Terminal Construction to Be Completed by 2022]," Maeil Kyeongjae, June 25, 2019, <https://www.mk.co.kr/news/realstate/view/2019/06/452632/>.

52 Miyeon Oh, "Cross-border Oil and Gas Pipelines: The Intersection of Politics, Geography, and Energy Markets," Johns Hopkins University PhD dissertation, School of Advanced and International Studies, November 2015, <https://jscholarship.library.jhu.edu/bitstream/handle/1774.2/58760/OH-DISSERTATION-2015.pdf?sequence=1>

53 While the ability of ASEAN countries' gas markets to absorb the huge volume of new LNG supplies from the United States will depend greatly on reforming and liberalizing their domestic gas markets, this is beyond the scope of this report. For further analysis on the regional gas-market liberalization, please see: Jeanne Choi, et al., "Revolutionizing LNG and Natural Gas in the Indo-Pacific," National Bureau of Asian Research, October 2019, [https://www.nbr.org/wp-content/uploads/pdfs/publications/sr81\\_revolutionizing\\_lng\\_oct2019-1.pdf](https://www.nbr.org/wp-content/uploads/pdfs/publications/sr81_revolutionizing_lng_oct2019-1.pdf).



each year over the past decade and is expected to maintain that pace until at least 2030.<sup>54</sup> While the country has relied on hydropower and fossil fuels, it has begun to seek alternative power-generation sources.<sup>55</sup> For instance, Vietnam plans on building power plants that are to be connected to new LNG-import terminals, as well as transmission networks, as part of its new national power-development plan.<sup>56</sup>

The United States and the Republic of Korea have both been drawn to Vietnam as a key opportunity for LNG. ROK engagement has included both private and public companies. In July 2019, Korea Gas Corporation (KOGAS), a state enterprise, signed an MoU with Energy Capital Vietnam (a US asset-management company focusing on Vietnam) to develop an LNG-gasification terminal, storage, gas-supply system, and a 3,200-NW gas-fired power project near Mui Ke Ga, Binh Thuan Province, Vietnam.<sup>57</sup> Similarly, the energy arm of the Korean conglomerate GS Group, GS Energy, and Vinacapital, a Vietnam-focused asset-management firm, launched a joint venture to build an LNG combined-cycle power plant in 2020.<sup>58</sup> Efforts under Asia EDGE have helped the Virginia-based US firm, AES Corporation, secure approval from the Vietnamese government to develop a 2-gigawatt combined-cycle gas-turbine power plant and the Son My LNG import terminal, worth \$3 billion combined, in support of Vietnam's objectives to diversify its energy mix.<sup>59</sup> In 2020, US firms such as ExxonMobil, Delta Offshore Energy, and Energy Capital Vietnam have also held talks with the Vietnamese government regarding possible investments in LNG-to-power infrastructure, including LNG-import facilities and gas-fired power plants.<sup>60</sup> The kind of nascent US-ROK cooperation as seen between KOGAS and Energy Capital Vietnam points to Vietnam as a key opportunity for the two countries to directly integrate their regional energy efforts, jointly led by the government and private sector. This is discussed further in the policy recommendation section below.

## RENEWABLE ENERGY

While the United States and South Korea have not made much tangible cooperative progress on renewable energy in the region, it is also a clear area of converging interest between the two countries. As mentioned, governments across Southeast Asia are also rolling out measures to stimulate growth in domestic renewable-energy sectors as part of their efforts to reduce their previous heavy reliance on coal and diversify their energy mix, to better meet growing national power demands. The ten ASEAN member states have a target of making renewable energy account for 23 percent or more of their energy supplies by 2025.<sup>61</sup> So far, Indonesia, Vietnam, Malaysia and the Philippines produced a combined 51.1 million kilowatts (kW) of electricity from renewables in 2017, representing an increase of 130 percent over the past decade, according to the International Renewable Energy Agency.<sup>62</sup> The ongoing shift to renewables in Southeast Asia makes engagement in this sector meaningful, and coordinating initiatives in a way that capitalizes on both ROK and US distinct strengths and potential could generate significant gains.

The ROK government, as well as private and public firms, has enhanced efforts in Southeast Asia's renewable-energy deployment in countries such as Indonesia and Vietnam. This is aligned with the Moon administration's "Green New Deal" to invest \$110 billion in renewable-energy sectors, including solar and wind power, as well as other related sectors including electric vehicles, battery storage, recycling plants, and affordable energy-efficient housing.<sup>63</sup>

US government initiatives on Southeast Asia's renewable-energy sector fall under broader engagement on energy and infrastructure development in the region. Initiatives on renewables are particularly focused on major economies like Indonesia and Vietnam, with government plans to transition

54 "Vietnam 2020 Renewable Energy Outlook," Asian Insiders, January 15, 2020, <https://asianinsiders.com/vietnam-bold-ambitions-for-a-greener-future-in-energy-production/>.

55 Ibid.

56 Khanh Vu, "Vietnam Govt Says Needs \$133.3 Bln for Power Projects by 2030," Reuters, September 28, 2020, <https://www.reuters.com/article/vietnam-energy-investment-idUKL4N2GP2OW>; "Vietnam Ramps Up Plans for LNG Import Terminals, Power Plants," *Economic Times*, September 9, 2020, <https://energy.economictimes.indiatimes.com/news/oil-and-gas/vietnam-ramps-up-plans-for-lng-import-terminals-power-plants/78012673>.

57 "Hangukgaseugongsawa Eneojikaepiteolbeteunam, Beteunameseo Hyeomnyeok Wihan MOU Chegyeol [KOGAS and Energy Capital Vietnam Sign MOU to Cooperate in Vietnam]," Yonhap News Agency, July 24, 2019, <https://www.yna.co.kr/view/AKR20190724170400009>.

58 Jae-seo, Choi, "GSEneoji, Beteunam 3GW Daegyumo LNG Baljeonsaeop Chujin [GS Energy to Build 3GW LNG Power Plant in Vietnam]," Yonhap News Agency, November 28, 2019, <https://www.yna.co.kr/view/AKR20191128053500003>.

59 Choi, "GSEneoji, Beteunam 3GW Daegyumo LNG Baljeonsaeop Chujin [GS Energy to build 3GW LNG power plant in Vietnam]."

60 Khanh Vu, "Vietnam City Says Approves LNG Project to be Developed by Exxon Mobil," Reuters, October 2, 2020, <https://www.reuters.com/article/us-vietnam-exxon-mobil-lng/vietnam-city-says-approves-lng-project-to-be-developed-by-exxon-mobil-idUSKBN26N1KZ>; "Delta Offshore Energy Launches RFP for 25 Year LNG Agreement," Associated Press, September 8, 2020, <https://apnews.com/press-release/prcom/ead2af225c218f49c892b37221fb8d8f>.

61 Chris Larson, "Money Flows to Cleantech Projects in Southeast Asia, Away from Coal," *CleanTechIQ*, May 20, 2019, <http://cleantechiq.com/2019/05/money-flows-to-cleantech-projects-in-southeast-asia-away-from-coal/>.

62 Yohei Muramatus, Jun Suzuki, and Yuji Ohira, "Southeast Asia's Energy Majors Pivot Sharply to Green Power," *Nikkei Asia Review*, April 15, 2019, <https://asia.nikkei.com/Spotlight/Environment/Southeast-Asia-s-energy-majors-pivot-sharply-to-green-power2>; Larson, "Money Flows to Cleantech Projects in Southeast Asia, Away from Coal."

63 "Korean New Deal," ROK Ministry of Culture, Sports, and Tourism, July 2020, <https://www.korea.kr/special/policyCurationView.do?newsId=148874860#L4>.

from heavy reliance on coal to renewables and alternative energy. Southeast Asia's renewable-energy sector has received increasing involvement and interest from US private funds, or overseas funds receiving US capital, in recent years. Finance firms focused on renewables, like Global Infrastructure Partners, Stonepeak Infrastructure Partners, and South East Asia Clean Energy Facility (see table below), as well as renewable-energy companies like Omni Navitas, have begun to expand investments in the region.<sup>64</sup> Recent US private-sector interest is part of fast-growing involvement from international private financial institutions in Southeast Asia's renewables sector.<sup>65</sup> Notable activities have included initiatives by the Japan-led Asia Development Bank, which has worked with agencies and governments in Europe, such as the German state-owned development bank KfW, the European Investment Bank, and Agence Française de Développement to mobilize at least \$1 billion for green-infrastructure investments in Southeast Asia. ADB also launched the "ASEAN Catalytic Green Finance Facility" to attract more private capital by mitigating investment risks that previously served as barriers.<sup>66</sup> These developments are also attended by a worldwide trend in financial institutions cutting funding for coal.<sup>67</sup> Singaporean institutions such as OCBC and DBS—which often play a crucial role in both financing energy projects in Southeast Asia and serving as a platform for investments from outside the region—have also said they will no longer fund coal projects in the region.<sup>68</sup> On top of this, former US Secretary of State John Kerry has teamed up with former Vice President Al Gore to lobby the Vietnamese

government to quit coal, and they are also pushing for private financing of wind and solar power in Vietnam.<sup>69</sup>

## KEY OPPORTUNITY FOR US-ROK RENEWABLE ENERGY EFFORTS: INDONESIA

Indonesia is one of the world's fastest growing countries by energy consumption. The country is the largest energy user in ASEAN, accounting for 40 percent of total ASEAN energy consumption.<sup>70</sup> Coal accounts for almost one third of Indonesia's energy supply, and coal is rapidly filling a gap in supply left by sluggish gas and oil production in the country.<sup>71</sup> The current Joko Widodo administration's target is to have 23 percent of energy supply come from renewables by 2025, which would require deregulation of the energy sector, promotion of public-private partnerships, and efforts to attract foreign investment to achieve the goal.<sup>72</sup>

The Republic of Korea has been cooperating with Indonesia on natural resources since 1979, and has expanded bilateral cooperation to a wide range of energy sectors, including research and development (R&D) on minerals, natural-gas power generation, gas logistics systems, compressed natural gas and synthesized gas production.<sup>73</sup> In September 2020, the ROK Ministry of Trade, Industry and Energy, and Indonesia's Ministry of Energy and Mineral Resources held the 11th ROK-Indonesia Energy Forum and made several agreements for South Korean renewable energy firms to gain access to the Indonesian renewable-energy market, including electric-car

- 64 Sebastian Shehai, "South-east Asia is ripe for investment, says solar energy developer," *FDI Intelligence*, January 25, 2019, <https://www.fdiintelligence.com/Companies/South-east-Asia-is-ripe-for-investment-says-solar-energy-developer>.
- 65 While development finance has been important for supporting large hydropower, geothermal, and bioenergy projects, Southeast Asia's renewables are experiencing more and more private-sector involvement from a widening range of actors, including equity and debt financing, as well as green bonds and climate funds, according to a 2018 report by the International Renewable Energy Agency. "Renewable Energy Market Analysis: Southeast Asia," International Renewable Energy Agency, 2018, [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA\\_Market\\_Southeast\\_Asia\\_2018\\_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFE9A63BDED11#:~:text=Between%202006%20and%202016%2C%20cumulative,of%20available%20capital%20has%20expanded;Akane%20Okutsu,%20Southeast%20Asia%20Energy%20Buyers%20Grab%20Chance%20to%20Lock-in%20Green%20Deals;Gabriel%20Wildau,%20Private%20Equity-Led%20Group%20Seals%20\\$5bn%20Asia%20Renewables%20Deal,Financial%20Times,October%2025,%202017,https://www.ft.com/content/02875bc2-b942-11e7-9bfb-4a9c83ffa852](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFE9A63BDED11#:~:text=Between%202006%20and%202016%2C%20cumulative,of%20available%20capital%20has%20expanded;Akane%20Okutsu,%20Southeast%20Asia%20Energy%20Buyers%20Grab%20Chance%20to%20Lock-in%20Green%20Deals;Gabriel%20Wildau,%20Private%20Equity-Led%20Group%20Seals%20$5bn%20Asia%20Renewables%20Deal,Financial%20Times,October%2025,%202017,https://www.ft.com/content/02875bc2-b942-11e7-9bfb-4a9c83ffa852).
- 66 "New Facility to Mobilize \$1 Billion for ASEAN Green Infrastructure," Asia Development Bank, April 4, 2019, <https://www.adb.org/news/new-facility-mobilize-1-billion-asean-green-infrastructure>.
- 67 Larson, "Money Flows to Cleantech Projects in Southeast Asia, Away from Coal."
- 68 Ibid.
- 69 Amy Harder, "Inside John Kerry's Shadow Diplomacy on Climate Change," *Axios*, April 8, 2019, <https://www.axios.com/john-kerry-vietnam-diplomacy-climate-change-5912b5f6-27aa-474b-b129-56180427f821.html>.
- 70 "Indonesia's Energy Policy Strategy: Towards Modern & Green Economy," ASEAN Centre for Energy, October 2, 2018, <https://aseanenergy.org/indonesias-energy-policy-strategy-towards-modern-green-economy/>.
- 71 "Renewable Energy Prospects: Indonesia," International Renewable Energy Agency, March 2017, [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/IRENA\\_REmap\\_Indonesia\\_summary\\_2017.pdf?la=en&hash=F530E18BAFC979C8F1A0254AFA77C9EBC9A0EC44;Indonesia,International%20Energy%20Agency,https://www.iea.org/counties/indonesia](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/IRENA_REmap_Indonesia_summary_2017.pdf?la=en&hash=F530E18BAFC979C8F1A0254AFA77C9EBC9A0EC44;Indonesia,International%20Energy%20Agency,https://www.iea.org/counties/indonesia).
- 72 Fransiska Nangoy, "Indonesian Govt Finalizes New Rules for Renewable Electricity," *Reuters*, October 22, 2020, <https://www.reuters.com/article/indonesia-renewables/indonesian-govt-finalises-new-rules-for-renewable-electricity-idINL4N2HD1JS>.
- 73 Jong-Hyun Lee, "Hangukpsindonesia, Eneoji Jawon Bunya Hyeomnyeok Hwakdaebangan Mosaek [Korea, Indonesia Seek to Strengthen Cooperation on Energy Resources]," *Chosun Biz*, June 2, 2014, [https://biz.chosun.com/site/data/html\\_dir/2014/06/01/2014060101489.html](https://biz.chosun.com/site/data/html_dir/2014/06/01/2014060101489.html); "Je9cha Hanguk-Indonesia Eneojiporeom [9th ROK-Indonesia Energy Forum]," ROK Ministry of Trade, Industry and Energy, September 2016, [http://www.motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs\\_seq\\_n=158552&bbs\\_cd\\_n=81;Myung-Gyu Song,%20Jeongbu,%20Indonesia%20Eneoji%20Market%20Jinchul%20Gihoe%20Hwakdae%20Government%20Opens%20Up%20Access%20to%20Indonesian%20Energy%20Market,Today%20Energy,September%209,%202020,https://www.todayenergy.kr/news/articleView.html?idxno=228485;Han-Indonesia,%20Eneojitpawon%20Siljil%20Hyeomnyeok%20Ganghwa%20ROK,%20Indonesia%20Strengthen%20Practical%20Cooperation%20on%20Energy%20and%20Resources,ROK%20Ministry%20of%20Culture,%20Sports%20and%20Tourism,July%202020,https://www.korea.kr/special/policyFocusView.do?newsId=148663616&pkgId=49500430&](http://www.motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs_seq_n=158552&bbs_cd_n=81;Myung-Gyu Song,%20Jeongbu,%20Indonesia%20Eneoji%20Market%20Jinchul%20Gihoe%20Hwakdae%20Government%20Opens%20Up%20Access%20to%20Indonesian%20Energy%20Market,Today%20Energy,September%209,%202020,https://www.todayenergy.kr/news/articleView.html?idxno=228485;Han-Indonesia,%20Eneojitpawon%20Siljil%20Hyeomnyeok%20Ganghwa%20ROK,%20Indonesia%20Strengthen%20Practical%20Cooperation%20on%20Energy%20and%20Resources,ROK%20Ministry%20of%20Culture,%20Sports%20and%20Tourism,July%202020,https://www.korea.kr/special/policyFocusView.do?newsId=148663616&pkgId=49500430&)

## EXAMPLES OF US FINANCE COMPANIES INVOLVED IN SOUTHEAST ASIA'S RENEWABLE-ENERGY SECTOR

### Global Infrastructure Partners (GIP)

■ GIP led a consortium, including Canada's Public Sector Pension and a Chinese sovereign-wealth fund, CIC Capital, to purchase Equis Energy's portfolio worth \$3.7 billion in a deal that included 1.9 gigawatts of operational construction and shovel-ready onshore wind and solar assets across the Asia-Pacific.<sup>1</sup> This was one of the biggest deals in energy infrastructure in Asia last year.<sup>2</sup> Equis is a major player in Asia, with ownership of renewable-energy assets, including solar, wind, and hydroelectric-power operations in Australia, Japan, India, Indonesia, the Philippines, Thailand, and Taiwan.<sup>3</sup>

### Stonepeak Infrastructure Partners (SIP)

■ In August 2019, SIP purchased a 95-percent stake (worth between \$25–\$101 million) in Swancor Renewable Energy, a subsidiary of the Taiwanese chemicals company Swancor. Swancor Renewable Energy has stakes in the 128-megawatt Formosa 1 and 376-megawatt Formosa 2 offshore wind farms—Taiwan's first commercial offshore windfarms.<sup>4</sup> This

is SIP's first investment in Asian renewables, and SIP is reportedly also planning to expand its portfolio to include assets in Southeast Asia.<sup>5</sup>

### South East Asia Clean Energy Facility (SEACEF)

■ In June 2020, SEACEF made a \$2.5-billion clean -energy investment in Southeast Asia to stimulate renewable-sector growth in the region as part of supporting the region's recovery from the impact of COVID-19.<sup>6</sup>

■ SEACEF is managed by Singapore-based Clime Capital, but receives backing from US-based investors, among others.

### Berkeley Energy

■ London-based Berkeley Energy, which is funded by the Missouri-based Mercy Investment Services, invested in the Philippines Hybrid Energy Systems project, a 16-megawatt power project in the province of Oriental Mindoro, which was recently completed.

1 Eduard Fernandez, "Year in Review: Asia Becomes a Renewables Hotspot," Infrastructure Investor, March 4, 2019, <https://www.infrastructureinvestor.com/print-editions/march-2019-issue/year-review-asia-becomes-renewables-hotspot/>.

2 Ibid.

3 P.R. Venkat, "U.S., China Funds Land Asian Renewable-Energy Giant Equis," Wall Street Journal, October 25, 2017, <https://www.wsj.com/articles/u-s-china-funds-land-asian-energy-giant-equis-1508907377>.

4 Jane Rickards, "Making a Hub in Wind Power and Technology R&D," Taiwan Business TOPICS, December 24, 2019, <https://topics.amcham.com.tw/2019/12/wind-power-technology-hub/>.

5 "US Investor to Take Swancor Controls," Renew, August 1, 2019, <https://renew.biz/54602/us-investor-to-take-swancor-controls/>.

6 Michael Taylor, "Climate Fund Targets \$2.5 Billion in Clean Energy Investment for SE Asia," Reuters, June 29, 2020, <https://www.reuters.com/article/us-asia-energy-climatechange-trfn/climate-fund-targets-2-5-billion-in-clean-energy-investment-for-se-asia-idUSKBN2402E6>.

battery-recharging equipment and developing wave power-generation facilities for "off-grid" microgrids that can operate as "islands" for remote regions without being connected to macrogrids.<sup>74</sup> In January 2020, Korea Southern Power, a subsidiary of South Korea's state-owned company Korea Electric Power Corporation, announced a feasibility study on the 230-megawatt Maung hydropower plant in Banjarnegara, Central Java, and to participate as an equity investor and a joint operation with Indonesia Power, a subsidiary of the Indonesian state-owned enterprise Perusahaan Listrik Negara (PLN). PLN is Indonesia's largest power producer and has a goal of achieving 23-percent renewable-power production mix by 2025.<sup>75</sup>

The United States has also supported renewable energy projects in Indonesia. Asia EDGE has facilitated \$806 million in investments for eleven Indonesian renewable-energy projects, including power grids, wind farms, and energy conservation.<sup>76</sup> USAID also provided nearly \$18 million for Clean Energy Development to build capacity for reducing carbon emissions in Indonesia. The Millennium Challenge Corporation maintains the \$332.5-million Green Prosperity Project, which aims to reduce Indonesia's reliance on fossil fuels by facilitating better management of natural resources and other renewable-energy projects.<sup>77</sup>

74 "Han-Indonesia, Eneojitpawon Siljil Hyeomnyeok Ganghwa [ROK, Indonesia Strengthen Practical Cooperation on Energy and Resources]"; "Je11hoe Han-Inni Eneoji Toronhoe Hwasanghoeui Gaechoe [11th ROK-Indonesia Energy Dialogue]," ROK Ministry of Trade, Industry and Energy, September 2020, [http://motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs\\_seq\\_n=163289&bbs\\_cd\\_n=81](http://motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs_seq_n=163289&bbs_cd_n=81).

75 Norman Harsono, "South Korean Power Company Eyes \$650m Renewable Energy Project in Indonesia," *Jakarta Post*, January 20, 2020, <https://www.thejakartapost.com/news/2020/01/20/south-korean-power-company-eyes-650m-renewable-energy-project-in-indonesia.html>.

76 "A Free and Open Indo-Pacific."

77 "Protecting the Environment and Reducing Poverty in Indonesia," Millennium Challenge Corporation, April 23, 2015, <https://www.mcc.gov/blog/entry/protecting-the-environment-and-reducing-poverty-in-indonesia>.

## POLICY RECOMMENDATIONS FOR US-ROK ENERGY COOPERATION IN SOUTHEAST ASIA

Drawing on the analysis presented here, the United States and the Republic of Korea should do the following.

Establish an official mechanism for public-private partnerships (PPP) to enhance bilateral energy cooperation in Southeast Asia. The bilateral mechanism could include government-private-sector steering committees in LNG and renewables, which would empower the private sector to coordinate and work with governments and nongovernmental organizations. The bilateral PPP mechanism can provide cooperative platforms to resolve issues involving multiple stakeholders, such as when the local government's regulations and bureaucracies hamper or delay foreign investment and joint-venture consortium, as well as open a channel of regular, working-level communication. It can also serve as a key vehicle for US and ROK government support for private firms navigating relations with state-owned enterprises (SOEs) in the region that blur the line between public and private sectors.

Adopt an official cooperation strategy that focuses efforts in targeted countries and energy projects in a way that maximizes the mutual benefits of engagement, rather than spreading limited resources too thin. The two countries should individualize their approaches to each target country depending on its different energy needs and ability to fulfill their individual goals. To this end, the existing mechanisms for dialogue highlighted in the 2019 and 2020 joint fact sheets should expand beyond exchanges of broad strategic energy priorities to include focused, regular working-level efforts to identify specific countries and projects as strategic priorities.

Leverage emerging opportunities for LNG in Vietnam and renewable energy in Indonesia, to amplify nascent joint efforts and demonstrate the added value of US-ROK cooperation to other countries in the region. Successful launch and completion of joint pilot projects will enable the two countries to replicate their successful practices in other areas and countries. Based on the analysis above, two early priority areas should be: expanding on early-stage US-ROK cooperative LNG efforts in Vietnam, such as those seen between KOGAS and Energy Capital Vietnam; and launching a signature renewable-energy project in Indonesia that links ongoing independent US and ROK efforts. Beyond leveraging mutual strengths to deliver better results to particular countries, signature projects also provide an opportunity for the kind of clear public messaging that will facilitate buy-in from other countries moving forward.

## Prosperity Through Infrastructure and Development Finance

### US-ROK OUTLINE FOR COOPERATION ON INFRASTRUCTURE AND DEVELOPMENT FINANCE

In the 2019 joint fact sheet, the US State Department and ROK Ministry of Foreign Affairs emphasized US-ROK cooperation on infrastructure and development finance focused on

- “further[ing] bilateral cooperation in support of infrastructure development throughout the Indo-Pacific region through market-oriented, private sector investment”;
- “deepening ties between our development finance institutions to catalyze investment and growth”; and
- “contributing to the establishment of smart cities in the region.”<sup>78</sup>

The 2020 and 2021 joint fact sheets update these further, noting that the two countries are

- “engaging on potential joint financing opportunities in the Indo-Pacific, aiming to catalyze investment in Mekong infrastructure”;
- “continu[ing] to exchange views on the Blue Dot Network for quality infrastructure”;
- and continuing efforts on smart cities in the region.<sup>79</sup>

### PROGRESS ON US-ROK INFRASTRUCTURE AND DEVELOPMENT-FINANCE COOPERATION

The United States and the Republic of Korea signed an initial MoU between the US Department of Treasury and ROK Ministry of Economy and Finance for their joint efforts on infrastructure development in October 2019.<sup>80</sup> The document provides a “cooperative framework” for the two countries to “address regulatory, market, and legal barriers to private sector investment,” and is meant to be the basis for bilateral cooperation on private sector investment in

<sup>78</sup> “Joint Fact Sheet by the United States and the Republic of Korea on Cooperation between the New Southern Policy and the Indo-Pacific Strategy.”

<sup>79</sup> “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

<sup>80</sup> “United States and Republic of Korea Sign Framework to Strengthen Infrastructure Finance and Market Building Cooperation,” US Department of Treasury, press release, November 18, 2020, <https://home.treasury.gov/news/press-releases/sm795>.

the region.<sup>81</sup> As noted in the 2020 fact sheet, the United States and the Republic of Korea also launched the ROK-US Infrastructure Finance Working Group in the year that followed the signing of the MoU, meeting for the first time in February 2020 in Seoul.<sup>82</sup> The US International Development Finance Corporation (DFC) and ROK Export-Import Bank also reportedly have regular interactions regarding possible joint opportunities in the region.<sup>83</sup> Regional smart-city development efforts between the two countries also seem to have taken a step forward, with KOICA agreeing to support the Smart City Valley Program in Vietnam, in cooperation with the US-ASEAN Smart Cities Partnership (USASCP).<sup>84</sup> It is worth noting, however, that it seems the two governments have not yet secured the MoU between the Korea Overseas Infrastructure and Urban Development Corporation (KIND) and the US Overseas Private Investment Corporation (OPIC—since replaced by DFC) mentioned in the original 2019 joint fact sheet. Despite their efforts to coordinate at the government level, however, the two countries have not yet launched any joint infrastructure projects in the region, and have instead continued to pursue largely independent efforts on infrastructure in the region.

## US EFFORTS ON INFRASTRUCTURE AND DEVELOPMENT FINANCE

The new foundation for US global infrastructure and development finance efforts is the 2018 Better Utilization of Investments Leading to Development Act (BUILD Act), which reorganized the Overseas Private Investment Corporation and USAID Development Credit Authority into the new US International Development Finance Corporation (DFC) and doubled the US government's finance capacity to \$60 billion.<sup>85</sup> In the Indo-Pacific more specifically, an additional initiative—the Infrastructure Transaction and Assistance Network (ITAN), launched in July 2018—is meant to facilitate private-sector

investment in infrastructure by helping strengthen partner countries' ability to evaluate projects, improve processes for regulation and procurement, and increase their capacity for project preparation.<sup>86</sup> Under ITAN, the US government has also invested \$30 million to establish the Transaction Advisory Fund (TAF), which is supposed to empower the United States to advise partner countries to help them avoid infrastructure deals that may have large hidden costs—a common criticism levied by the United States against Chinese infrastructure projects under the Belt and Road Initiative (BRI).

The United States has also sought to work with key US allies and partners in the region to create a multilateral mechanism for facilitating infrastructure investment. OPIC (now DFC), in partnership with Australia's Department of Foreign Affairs and Trade (DFAT) and the Japan Bank for International Cooperation (JBIC), launched a new flagship multistakeholder effort in November 2019, the Blue Dot Network, which is meant to “evaluate and certify nominated infrastructure projects based upon adherence to commonly accepted principles and standards to promote market-driven, transparent, and financially sustainable infrastructure development in the Indo-Pacific region and around the world.”<sup>87</sup> The principles come from key recent multilateral agreements on what constitutes quality infrastructure, found in the “G20 Principles for Quality Infrastructure Investment, the G7 Charlevoix Commitment on Innovative Financing for Development, and the Equator Principles.”<sup>88</sup> Although not officially branded as an alternative to BRI, the Blue Dot Network appears to emphasize principles of transparency and openness that BRI projects have been criticized for lacking.<sup>89</sup>

In addition, the Biden administration recently announced the Build Back Better World (B3W) Partnership at the Group of Seven (G7) Summit in June 2021. B3W plans to mobilize “private-sector capital in four areas of focus—climate, health,

81 Ibid.

82 “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

83 Ibid.

84 Ibid.

85 “Who We Are,” US International Development Finance Corporation, <https://www.dfc.gov/who-we-are/overview>.

86 “Infrastructure Transaction and Assistance Network,” International Trade Administration, US Department of Commerce, <https://www.trade.gov/infrastructure-transaction-and-assistance-network-itani>; “Advancing Sustainable Infrastructure in the Indo-Pacific Region,” USAID, 2019, <https://www.usaid.gov/indo-pacific-vision/fact-sheets/advancing-sustainable-infrastructure-indo-pacific-region>.

87 “The Launch of Multi-Stakeholder Blue Dot Network,” US International Development Finance Corporation, press release, November 4, 2019, <https://www.dfc.gov/media/opic-press-releases/launch-multi-stakeholder-blue-dot-network>.

88 “Blue Dot Network,” US Department of State, <https://www.state.gov/blue-dot-network/>.

89 Wade Shepard, “How China Is Losing Support For Its Belt And Road Initiative,” *Forbes*, February 28, 2020, <https://www.forbes.com/sites/wadeshepard/2020/02/28/how-beijing-is-losing-support-for-its-belt-and-road-initiative/?sh=303c3b052199>.



digital technology, and gender equity/equality in coordination with the updated BlueDot Network.”<sup>90</sup> B3W will receive financial backing through US-led development-finance institutions, including Development Finance Corporation, USAID, the US Trade and Development Agency, and Millennium Challenge Corporation, in partnership with those of G7 allies.<sup>91</sup>

## ROK EFFORTS ON INFRASTRUCTURE AND DEVELOPMENT FINANCE

Infrastructure investment has been an important part of the New Southern Policy since its inception. Indeed, President Moon’s announcement of NSP included the signing of an MoU for a \$1.9-billion light-rail project in Jakarta.<sup>92</sup> Notable ROK infrastructure efforts since then have included: the launching of a global infrastructure fund, set to reach \$200 million by 2022 (half of which is meant for ASEAN and India); creation of a \$1.3-billion fund supporting export of ROK smart-city technologies; \$9 million to assist its flagship smart-city project in Tam Ki city in Vietnam; \$355 million in support of green infrastructure via the Asian Development Bank; and more.<sup>93</sup> In addition to ROK efforts with the United States, the Korea Development Bank—in partnership with the Japan Bank for International Cooperation and the China Development Bank—launched the ASEAN-plus-Three Inter-Bank Cooperation Mechanism in November 2019 to help increase cooperation on finance for infrastructure in the region.<sup>94</sup>

In particular, the Republic of Korea has been involved in a variety of infrastructure in Vietnam and Indonesia. In Indonesia, the Korean Railway Network Authority was heavily involved in light-railway transit projects in various parts of the country, with funding from Korea Overseas Infrastructure & Urban Development Corporation (KIND). South Korean private firms are also involved in an industrial-zone development project, which includes a seaport, and the South Korean government has financed feasibility studies for this project. In Vietnam, the ROK government has funded infrastructure projects, including

highways and railway tunnels, through loans and grants. And, in June 2019, the Republic of Korea promised to get more Korean firms involved in Vietnam’s infrastructure projects, including an airport.

## OPPORTUNITIES AND CHALLENGES FOR US-ROK COOPERATION ON INFRASTRUCTURE AND DEVELOPMENT FINANCE

The greatest challenge to impactful US-ROK infrastructure investment efforts in Southeast Asia stems from the enormous regional infrastructure investment that will be required through 2030 in order to maintain current growth rates. According to an often-cited 2017 ADB report, ASEAN alone will need between \$2.8 and \$3.1 trillion of infrastructure investment, depending on the impacts of climate change, between 2016 and 2030.<sup>95</sup> For reference, Morgan Stanley estimates the total value of Belt and Road Initiative investments worldwide will reach \$1.2 to \$1.3 trillion by 2027—meaning even if the enormous Chinese investment effort directed all of its funds to ASEAN, it would cover less than half of the total investment needs.<sup>96</sup> As ASEAN countries work to close the gap between available and required infrastructure investments, the United States and the Republic of Korea will need to integrate their complementary infrastructure efforts with those of other key stakeholders in the region to meet the tremendous challenge ahead.

A key opportunity for US-ROK cooperation in this context stems from the potential to link the ongoing US expansion of infrastructure-financing capacity under the BUILD Act and Asia EDGE with the demonstrated comparative advantage of ROK construction firms. This is especially true when it comes to actually building the necessary infrastructure in the region, such as rail, roads, and ports, seen in multiple ongoing light-rail projects and seaports in Indonesia, as well as large-scale road construction and repair projects in Vietnam and Cambodia, as outlined in the previous section.

90 “Fact Sheet: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership,” White House, June 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>.

91 Ibid.

92 Kristine Lee, “South Korea’s Infrastructure Vision,” *Reconnecting Asia*, April 24, 2018, <https://reconnectingasia.csis.org/analysis/entries/south-koreas-infrastructure-vision/>.

93 Tae-Jun Kang, “South Korea Eyes ASEAN’s Port Project Amid Domestic Slowdown,” *Diplomat*, February 16, 2019, <https://thediplomat.com/2019/02/south-korea-eyes-aseans-port-projects-amid-domestic-slowdown/>; “Republic of Korea Pledges \$355 Million to Support ASEAN Green Infrastructure and Ocean Health,” Asian Development Bank, press release, May 4, 2019, <https://www.adb.org/news/republic-korea-pledges-355-million-support-asean-green-infrastructure-and-ocean-health>; Michael Herh, “S. Korea to Create 1.5 Tril. Won Fund to Boost Smart City Exports,” *Business Korea*, February 11, 2019, <http://www.businesskorea.co.kr/news/articleView.html?idxno=28986>; Jung Min-Hee, “Korean Gov’t to Set up US\$200 Mil. Infra Fund for Overseas Construction Firms,” *Business Korea*, November 16, 2018, <http://www.businesskorea.co.kr/news/articleView.html?idxno=26629>; “RoK Provides Tam Ky with US\$9 Million to Build Smart City,” *Nhan Dan*, December 7, 2019, <https://en.nhandan.org.vn/society/item/8196602-rok-provides-tam-ky-with-us9-million-to-build-smart-city.html>; Sungil Kwak, “Planning the Future of Korea’s New Southern Policy,” *Asia Pacific Bulletin* 516, July 16, 2020, <https://www.eastwestcenter.org/publications/planning-the-future-koreas-new-southern-policy>.

94 “JBIC Signs MOU for ASEAN+3 Inter-Bank Cooperation Mechanism,” Japan Bank for International Cooperation, media release, November 6, 2019, <https://www.jbic.go.jp/en/information/press/press-2019/1106-012759.html>.

95 “Meeting Asia’s Infrastructure Needs,” Asian Development Bank, February 2017, <https://www.adb.org/publications/asia-infrastructure-needs>.

96 Andrew Chatzky and James McBride, “China’s Massive Belt and Road Initiative,” Council on Foreign Relations, January 28, 2020, <https://www.cfr.org/backgrounders/chinas-massive-belt-and-road-initiative>; “Inside China’s Plan to Create a Modern Silk Road,” Morgan Stanley, March 14, 2018, <https://www.morganstanley.com/ideas/china-belt-and-road>.

## ROK INFRASTRUCTURE EFFORTS IN INDONESIA AND VIETNAM

### Vietnam

- April 2019: ROK's Economic Development Cooperation Fund agreed to provide \$430 million in concessional loans to Vietnam for five transportation-infrastructure projects, including highways and a railway tunnel between Hanoi and Ho Chi Minh City.<sup>1</sup>
- June 2019: ROK Minister of Economy and Finance Hong Nam-Ki signed an agreement with Vietnam's Deputy Prime Minister Vuong Dinh Hue to have ROK companies support large-scale infrastructure projects, including an airport.<sup>2</sup>
- August 2020: Korea Economic Development Cooperation Fund (EDCF), via the Export-Import Bank of Korea, granted \$166.47 million in untied ODA loans for the My An-Cao Lanh road project connecting Dong Thap's My An Town and the provincial capital city of Cao Lanh.<sup>3</sup>
- Representatives of VKBIA Central Vietnam, the Korea International Technology Exchange Association (KAITE), the Centre of Trade Promotion and Support Investment in the South, VKBIA Group Joint Stock Company, and C&N Vina Company (a Korean FDI enterprise) agreed to sign an MoU on "coordinating promotion, investment attraction, and trade cooperation between Vietnam and the Republic of Korea."<sup>4</sup>
- February 2019: A consortium led by an ROK private firm, PT Dragon Land, announced that it will invest \$6.5 billion to build a new industrial zone, port, and power plant in Indonesia's North Kalimantan province. The seaport is expected to cost \$700 million and will facilitate Indonesia's natural resource trade. Feasibility studies for these projects are said to be bankrolled by the ROK government.<sup>6</sup>
- September 2019: Korea Rail Network Authority (KRNA) signed an MoU with Eddie Rahmayadi, governor of North Sumatra, to help promote the Medan Metropolitan Light Rail project, including providing construction technology and transfer of railway-management expertise.<sup>7</sup> KRNA will conduct feasibility studies on the LRT project and eventually form a consortium involving local firms to participate in the project.<sup>8</sup>
- December 2019: KRNA agreed to take charge of managing phase 2 of LRT construction in Jakarta and for exporting trains. Previously, KRNA was in charge of systems construction for phase 1 of Jakarta's LRT project.<sup>9</sup>
- January 2020: Korea Overseas Infrastructure & Urban Development Corporation (KIND) and Korea Rail Network Authority signed a \$20-million contract to build LRT in Bali's Ngurah Rai International Airport.<sup>10</sup>

### Indonesia

- November 2017: During President Moon's visit to Indonesia, South Korea and Indonesia signed an agreement to develop a light-rail transit system in Indonesia, in a deal worth up to \$1.9 billion.<sup>5</sup>
- December 2020: The Republic of Korea and Indonesia signed a historic free-trade agreement, the Comprehensive Economic Partnership Agreement (IK-CEPA) in Seoul.<sup>11</sup>

1 "Hangukjeongbu, Beteunam Gytonginpeura Jiwone 5000Eok Ssonda [Korean Government Spends 500 Billion Won in Aid to Vietnam]," Business Plus, April 10, 2019, <http://www.businessplus.kr/news/articleView.html?idxno=19750>.

2 "Vietnam to Cooperate for S. Korean Firms' Participation in Infrastructure Projects," Korea Herald, June 21, 2019, <http://www.koreaherald.com/view.php?ud=20190621000632>.

3 "Vietnam PM Consents to Accepting S.Korean ODA for Key Mekong Delta Road," Tuoi Tre News, April 20, 2020, <https://tuoitrenews.vn/news/society/20200820/vietnam-pm-consents-to-accepting-skorean-oda-for-key-mekong-delta-road/56256.html>.

4 "Vietnam, ROK Strengthen Trade and Investment Cooperation," VTV Vietnam News, December 3, 2020, <https://english.vtv.vn/news/vietnam-rok-strengthen-trade-and-investment-cooperation-20201231233142642.htm>.

5 Cindy Silviana, "Indonesia, South Korea Sign MOU on Light Rail Project—Minister," Reuters, November 9, 2017, <https://fr.reuters.com/article/idUSJ9N1DH01X>.

6 Park Chan-Kyong, "Consortium Led by South Korean Company to Build US\$6.5 Billion Industrial Zone in Indonesia," South China Morning Post, February 14, 2019, <https://www.scmp.com/news/asia/southeast-asia/article/2186169/consortium-led-south-korean-company-build-us65-billion>.

7 Michael Herh, "Korea Rail Network Authority Signs MOU on Light Rail Project in Indonesia," Business Korea, September 27, 2019, <http://www.businesskorea.co.kr/news/articleView.html?idxno=36441>.

8 "Cheoldogongdan, Indonesia Medan Gwang Station Gyeongjeoncheol Saeop Yanghaegakseo Chegyeol [Korea Railway Network Authority Signs MOU on Indonesia's Medan LRT Project]," Hanguk Gyeonjae, September 26, 2019, <https://www.hankyung.com/society/article/201909265648h>.

9 "Cheoldogongdan, Jakareuta Gyeongjeoncheol 2Dangye Saeopgwallyiyong Station Suju [Korean Railway Network Authority Procures Management Contract for Jakarta LRT Phase 2]," Yonhap News Agency, December 4, 2019, <https://www.yna.co.kr/view/AKR20191204095000063>.

10 "Nindya Karya, Korea's Firm Signs US\$20M LRT Project in Bali," Insider Stories, January 22, 2020, <https://theinsiderstories.com/nindya-karya-koreas-firm-signs-us20m-for-bali-airport-projects/>.

11 "Moon Expects Closer S. Korea-Indonesia Ties with Free Trade Pact," Korea Herald, December 18, 2020, <https://www.koreaherald.com/view.php?ud=20201218000783>.

## POLICY RECOMMENDATIONS FOR US-ROK INFRASTRUCTURE AND DEVELOPMENT FINANCE IN SOUTHEAST ASIA

The United States and the Republic of Korea should do the following.

Work to operationalize their infrastructure-financing MoUs by identifying and pursuing a series of signature, high-visibility infrastructure projects in the region that link US financing capacity with ROK construction capacity. The two countries should target high-visibility infrastructure projects in the region to send an important message to regional stakeholders that raises awareness of the allies' increasing commitment to the region. A major railway project or road project in Vietnam or Indonesia could be an ideal opportunity that builds on existing, but independent, US and ROK infrastructure efforts.

Integrate US-ROK bilateral infrastructure efforts into broader multilateral efforts with other countries that are also invested heavily in the region. As ASEAN countries have argued, filling the region's infrastructure gap will require stakeholders to "connect the connectivities" by linking the numerous infrastructure-development initiatives in the region into a more effective, coordinated network.<sup>97</sup> As they deepen their bilateral cooperation, the United States and the Republic of Korea should also seek further opportunities to participate in multilateral efforts with stakeholders such as Australia, Japan, and ASEAN member countries themselves.

Explore opportunities for expanding to work with multiple stakeholders, such as Japan and Australia, under existing multilateral frameworks through a joint pilot program. As the United States and the Republic of Korea pursue a range of new joint projects, the two countries should select one or two to use as test cases for what US-ROK cooperation under an existing mechanism, such as the Blue Dot Network, could look like. The pilot program would likely confirm that their infrastructure projects in the region already meet the high standards for quality infrastructure, underscoring the Republic of Korea as a reliable new stakeholder in the region and opening the door to additional internationally certified projects in the future. Cooperation between the United States, Japan, and Australia on infrastructure will likely continue to evolve moving forward, as the Biden administration plans to link the recently announced B3W Initiative with planned infrastructure projects in the Indo-Pacific under the updated Blue Dot Network.<sup>98</sup>

## Prosperity Through the Digital Economy

### US-ROK OUTLINE FOR COOPERATION ON THE DIGITAL ECONOMY

In the 2019 joint fact sheet, the US State Department and ROK Ministry of Foreign Affairs emphasized US-ROK cooperation on infrastructure and development finance focused on

- "providing digital economy-related capacity building and technical support to Indo-Pacific countries, including the Pacific Islands"; and
- "coordinat[ing] with other like-minded partners to build cyber capacity. This includes helping countries develop cyber strategies, policies, and legal frameworks; enhancing incident response and cyber defense capabilities; improving financial sector cybersecurity to protect Indo-Pacific economies; countering the use of the internet for terrorism; increasing cybersecurity awareness in both the public and private sectors; and promoting rule of law, privacy, internet freedom, and responsible governance frameworks when considering cybersecurity needs."<sup>99</sup>

The 2020 joint fact sheet notes that the two countries are

- "working together to promote international collaboration for enhancing 5G security."<sup>100</sup>

### PROGRESS ON US-ROK DIGITAL ECONOMIC COOPERATION

The two countries have taken a number of small steps toward cooperation on digital economic issues in Southeast Asia, such as hosting a joint training for ASEAN members and Indo-Pacific partners on 5G deployment in May 2019, partnering with Singapore under the International Programme Committee at the ASEAN-Singapore Cybersecurity Center of Excellence, participating in the Prague 5G Security Conference in September 2020, and hosting the fifth US-ROK ICT policy forum that same month.<sup>101</sup> These efforts to cooperate on the digital economy appear to be at the early stage of concrete substance. This reflects the reality that the key question about

97 "7th ASEAN-US Summit," ASEAN-Thailand Secretariat, press release, November 4, 2019, <https://www.asean2019.go.th/en/news/7th-asean-us-summit-2/>.

98 "Fact Sheet: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership."

99 Ibid.

100 "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

101 "Joint Fact Sheet by the United States and the Republic of Korea on Cooperation between the New Southern Policy and the Indo-Pacific Strategy"; "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."



the digital economy under the Trump administration centered on 5G technology, which remains a sensitive topic between US-ROK, and across the region more broadly.

## US EFFORTS ON THE DIGITAL ECONOMY

Originally, the signature US effort in the region was the Digital Connectivity and Cybersecurity Partnership (DCCP), through which the United States pursued “improving partner countries’ digital connectivity and expanding opportunities for US technology exports.”<sup>102</sup> The initiative worked to forge public-private partnerships for digital infrastructure and provide technical assistance for regulatory policies and cybersecurity.<sup>103</sup> However, there is not much publicly reported substance to this effort. There is a US-ASEAN Cyber Security Dialogue, but the contents of the 2019 meeting have not been disclosed in detail.<sup>104</sup> Although DCCP is a central branded effort, the relative lack of publicly available information on the output of that effort suggests that US efforts have instead been focused on diplomacy to convince allies and partners behind closed doors that Chinese 5G presents unacceptable national security risks, meaning there will be less to report on in terms of concrete projects or lines-of-effort initiatives under DCCP.

The Trump administration pivoted its diplomatic efforts to focus specifically on the Clean Network Initiative (CNI) as its signature global digital-connectivity effort, discussed more below.<sup>105</sup> Under President Biden, the future of the “Clean Network” as a branding term for US policy is not clear, but the administration’s emphasis on working with techno-democracies suggests that efforts to coordinate an alternative to Chinese technology will continue. Discussed in greater detail below, the ROK government has not expressed its official position in terms of signing on to the CNI or a similar effort under the Biden administration, but it is worth noting that some major South Korean companies (KT and SK Telecom) are officially listed by the State Department as “5G Clean Telecommunications Companies,” meaning they engage in practices that meet the new US government standards, even if the ROK government is not officially participating in the CNI. This may leave the door open for opportunities for public-private cooperation via the US government working with US

companies that are partnered with Korean companies.

## ROK EFFORTS ON THE DIGITAL ECONOMY

On the ROK side, there have been a number of efforts to help engage on digital economic issues in the region. While most of these efforts do not seem particularly deep, there seem to be more meaningful attempts at publicly visible engagement when compared to the US DCCP.

In May 2019, the ROK and US missions to ASEAN convened an “ASEAN’s 5G Capacity Building Workshop” in Bangkok, which came after the ROK and US agreement to strengthen economic cooperation in Southeast Asia in their “3rd Senior Economic Dialogue” in December 2018. In September 2019, the ASEAN-Korea Centre hosted “ASEAN Smart Cities Network (ASCN) Cooperation Forum” and “Smart City Technology Forum” and invited local officials from twenty-six pilot cities of the ASEAN Smart Cities Network to expand smart-city development cooperation with South Korea.<sup>106</sup>

In October 2019, at the Telecommunication and Information Technology Ministers Meeting (TELMIN), South Korea and ASEAN outlined a mutual agreement to expand cooperation in 5G communication networks and AI.<sup>107</sup> In November 2019, during the ASEAN-Republic of Korea Commemorative Summit held in Busan, South Korea, announced: its recognition of ASEAN-Korean Business Council (AKBC) and ASEAN-Korea Centre (AKC)’s effort to prepare people for emerging technological sectors including 5G, AI, banking and finance, and e-commerce; its commitment to the ASEAN ICT Masterplan 2020 (AIM 2020) to help ASEAN with its digital transformation; the establishment of an ASEAN-ROK ICT Convergence Village in Busan; and the formation of an ROK-ASEAN consultative body at the ministerial level for sustainable cooperation in the smart-city sector.<sup>108</sup> Finally, in May 2020, the ROK Ministry of Land, Infrastructure, and Transport (MOLIT) selected the twelve project proposals from eleven countries for the K-City Network Global Cooperation Program in May 2020; each will receive help with planning and implementation, as well as training for officials. South Korea plans to allocate up to \$850,000 per project.<sup>109</sup>

102 “Digital Connectivity and Cybersecurity Partnership,” US Department of State, <https://www.state.gov/digital-connectivity-and-cybersecurity-partnership/>.

103 “Digital Connectivity and Cybersecurity Partnership (DCCP),” US Trade and Development Agency, <https://ustda.gov/initiatives/digital-connectivity-and-cybersecurity-partnership/>.

104 Prashanth Parameswaran, “What’s Behind the New US-ASEAN Cyber Dialogue?” *Diplomat*, October 4, 2019, <https://thediplomat.com/2019/10/whats-behind-the-new-us-asean-cyber-dialogue/>.

105 “The Clean Network,” US Department of State, <https://www.state.gov/the-clean-network/>.

106 “ASEAN Smart Cities Forum,” Centre Activities, ASEAN-Korea Centre, [https://www.aseankorea.org/eng/Activities/activities\\_view.asp?BOA\\_NUM=14780&BOA\\_GUBUN=99](https://www.aseankorea.org/eng/Activities/activities_view.asp?BOA_NUM=14780&BOA_GUBUN=99); “ASEAN Smart Cities Network,” Association of Southeast Asian Nations, <https://asean.org/asean/asean-smart-cities-network/>.

107 “S. Korea, ASEAN Agree to Expand Cooperation in 5G, AI,” Yonhap News Agency, October 27, 2019, <https://en.yna.co.kr/view/AEN20191027000600320>.

108 “Special Update on the 2019 ASEAN-Republic of Korea (ROK) Commemorative Summit,” CIMB ASEAN Research Institute, January 20, 2020, <https://www.carriasean.org/special-update-on-the-2019-asean-republic-of-korea-rok-commemorative-summit/#.X2UGKS2zIZ0>.

109 Sarah Wray, “South Korea Unveils the First Global Projects under its Network Cooperation Program,” *Cities Today*, May 4, 2020, <https://cities-today.com/south-korea-unveils-the-first-global-projects-under-its-network-cooperation-program/>.

## OPPORTUNITIES AND CHALLENGES FOR US-ROK COOPERATION ON THE DIGITAL ECONOMY

The digital economy and digital connectivity more broadly are areas of apparent divergence between the United States and the Republic of Korea that need to be reconciled. These divergences stem from the big questions of how to respond to China's efforts to lead the global development of 5G and information and communications technology (ICT) infrastructure. At the end of the Trump administration, it was safe to say that the divergence on this issue had not been resolved, with the United States urging the Republic of Korea at the 2020 Senior Economic Dialogue (SED) to embrace the Clean Network Initiative.<sup>110</sup> Unlike the Blue Dot Network, the Clean Network explicitly cited the "Chinese Communist Party" as a malign actor from which sensitive information must be protected.<sup>111</sup> Participation in the Clean Network required a multiyear commitment to carriers, app stores, cloud computing, and subsea cables by a coalition of trusted partners. The ROK government reiterated its 5G stance at the 2020 SED, stating that this is a matter for private businesses to decide based on the relevant local law, requiring more time to discuss with relevant institutions and agencies.<sup>112</sup> In particular, during the 2020 SED, the United States asked the Republic of Korea to join the 5G Clean Path, an expansion of the Clean Network framework added later by the Trump administration, to establish "an end-to-end communication path that does not use any transmission, control, computing or storage equipment from untrusted IT vendors, such as Huawei and ZTE."<sup>113</sup> Most recently, the joint leaders' statement and fact sheet released following the Moon-Biden summit in May 2021 reiterated the importance of security, diversity, and resiliency in supply chains, including for 5G and sixth-generation (6G) networks, but still need to articulate a specific vision for the US-ROK technological relationship with China.

Overall, in recent years, the United States has argued that allowing Chinese firms to construct national 5G networks presents a core national security risk that should drive governments to ban Huawei and other Chinese companies outright. There has been some movement from US allies in Europe—notably, with a change in the UK's position—in support of the so-called "D-10 club" of democracies banding together to provide, among other things, secure 5G.<sup>114</sup> The United Kingdom has played a leading role in pushing for the formation of the D-10 club, consisting of the G7 members plus India, Australia, and South Korea. However, the ROK government and private sector have some fundamental concerns about the US and allied approach to Huawei and 5G, due to Chinese potential retaliation.<sup>115</sup> In 2019, Huawei made up 17 percent of electronics exports from the Republic of Korea to China.<sup>116</sup> The company both purchases parts from the Republic of Korea and provides 5G-related equipment to ROK companies, such as LG.

The issue of 5G and the US-China technology competition presents South Korea's growing dilemma that ROK firms are likely to gain in terms of global market share in the 5G-related industries from Huawei's lost share in the long term, which will be at the expense of short-term business and growth from Huawei and other Chinese tech firms.<sup>117</sup> Notably, President Xi Jinping laid out his "dual circulation" strategy to reduce long-term reliance on international markets and technology and increase production, distribution, and consumption within China.<sup>118</sup> This is a clear policy shift resulting from US-China strategic competition. South Korea has to figure out how to balance between the positive market opportunity for companies, particularly Samsung, should Huawei be crippled in the global 5G market while navigating the reality that restrictions on ROK tech exports to Chinese companies could create a major economic disruption.

110 "Fact Sheet: The United States and the Republic of Korea Advance Economic Cooperation at the 5th Senior Economic Dialogue," US Department of State, October 2020, <https://www.state.gov/the-united-states-and-the-republic-of-korea-advance-economic-cooperation-at-the-5th-senior-economic-dialogue/>.

111 "The Clean Network."

112 "US Reiterates Calls for S. Korea to Join Its Clean Network Against Chinese Tech," *Hankyoreh*, October 15, 2020, [http://english.hani.co.kr/arti/english\\_edition/e\\_international/965928.html](http://english.hani.co.kr/arti/english_edition/e_international/965928.html).

113 US Department of State, *The Clean Network*.

114 *D-10 Strategy Forum*, Atlantic Council, <https://www.atlanticcouncil.org/programs/scowcroft-center-for-strategy-and-security/global-strategy-initiative/democratic-order-initiative/d-10-strategy-forum/>.

115 "China Issues Warning to S. Korean Companies to Maintain Trade with Huawei," *Hankyoreh*, June 10, 2019, [http://english.hani.co.kr/arti/english\\_edition/e\\_business/897311.html](http://english.hani.co.kr/arti/english_edition/e_business/897311.html).

116 Ju-Min Park and Heekyong Yang, "Huawei Ban Puts South Korea in a Familiar Place: Caught Between the U.S. and China," Reuters, May 28, 2019, <https://www.reuters.com/article/us-huawei-tech-usa-samsung-analysis/huawei-ban-puts-south-korea-in-a-familiar-place-caught-between-the-u-s-and-china-idUSKCN1SZ0AG>.

117 John Hemmings and Sungmin Cho, "South Korea's Growing 5G Dilemma," Center for Strategic and International Studies, July 2020, [https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/207007\\_South%20Korea's%20Growing%205G%20Dilemma\\_v2.pdf](https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/207007_South%20Korea's%20Growing%205G%20Dilemma_v2.pdf).

118 Kevin Yao, "What We Know About China's 'Dual Circulation' Economic Strategy," Reuters, September 15, 2020, <https://www.reuters.com/article/china-economy-transformation-explainer/what-we-know-about-chinas-dual-circulation-economic-strategy-idUSKBN2600B5>.

Despite US-ROK divergence on how best to approach 5G, there are still key opportunities for cooperative efforts on the digital economy in Southeast Asia.

## KEY OPPORTUNITY FOR US-ROK ENGAGEMENT ON DIGITAL CONNECTIVITY INFRASTRUCTURE DEVELOPMENT: INDONESIA

Indonesia's telecommunications industry is highly attractive due to its growing and relatively young population, yet its archipelago geography makes fast and reliable connections a major challenge.<sup>119</sup> The lack of infrastructure requires government policies and foreign investment to further develop the telecom sector.<sup>120</sup> As the country is still extensively covered by third-generation (3G) and long-term-evolution (LTE) networks, 5G development has been hampered by the lack of available spectrum.<sup>121</sup> Major telecom operators, such as Telkom Indonesia and Indosat Ooredoo, have struck deals with ZTE and Huawei in recent years on 5G cooperation. Telkom Indonesia, the largest telecom operator in Indonesia, signed an MoU with ZTE over 5G cooperation in 2019.<sup>122</sup> Indosat Ooredoo partnered with Ericsson and Huawei to launch a new digital operating model in June 2020, and announced its continued partnership with Huawei to build a 5G-ready transport network.<sup>123</sup> In addition, Indonesia's Agency for the Assessment and Application of Technology (BPPT) signed an MoU with Huawei on October 12 "to develop Indonesia's

digital ecosystem and to develop talent through the transfer of knowledge and technology. The agency and Huawei will focus on developing AI, the cloud and 5G."<sup>124</sup>

The GSM Association, an industry organization representing mobile-network operators, described Indonesia in a February 2020 report as "an emerging digital economy giant."<sup>125</sup> Google Indonesia also predicts that Indonesia's digital economy will be worth about \$124 billion by 2025, and started offering services such as data storage, security, and big-data analytics in the country.<sup>126</sup> Industry analysts anticipate steady growth in the Indonesian telecom tower market, as well as mobile broadband, through 2025, while 5G is expected to roll out in 2022, as it requires extensive infrastructure.<sup>127</sup>

While digital-economy development is not explicitly outlined in President Joko Widodo's five-year reform plan, the president has consistently encouraged digital-economy growth. President Widodo also reported Indonesia's digital economy was worth \$40 billion during 2019, far exceeding that of other ASEAN countries. He also stated that Indonesia was fifth in terms of the most active startup ecosystem in the world after the United States, India, the United Kingdom (UK), and Canada.<sup>128</sup> Indonesia is a key opportunity for US-ROK digital-connectivity efforts for three reasons. First, its digital economic potential is enormous. Second, it still has a long way to go to build high-speed connectivity for its 271 million citizens to empower that digital economic growth. Third, Indonesia's demonstrated

119 "Indonesian Telecommunications—An Increasingly Mobile Market," Global Business Guide, [http://www.gbgingonesia.com/en/services/article/2015/indonesian\\_telecommunications\\_an\\_increasingly\\_mobile\\_market\\_11108.php](http://www.gbgingonesia.com/en/services/article/2015/indonesian_telecommunications_an_increasingly_mobile_market_11108.php).

120 "Indonesia's 5G Progress Depending on End-2020 Auction," BuddeComm, last updated October 20, 2020, <https://www.budde.com.au/Research/Indonesia-Telecoms-Mobile-and-Broadband-Statistics-and-Analyses>.

121 Ibid.

122 "ZTE and Telkom Indonesia Sign Business Cooperation MoU in 5G," ZTE, June 21, 2019, <https://www.zte.com.cn/global/about/news/20190621e1.html>.

123 Ray Sharma, "Indosat Ooredoo Partners with Ericsson and Huawei to Launch New Digital Operating Model," *Fast Mode*, July 1, 2020, <https://www.thefastmode.com/technology-solutions/17563-indosat-ooredoo-partners-with-ericsson-and-huawei-to-launch-new-digital-operating-model>; "Indosat Ooredoo Selects Huawei to Build Transport Network," *TelecomLead*, November 2, 2020, <https://www.telecomlead.com/telecom-equipment/indosat-ooredoo-selects-huawei-to-build-transport-network-97453>.

124 "BPPT, Huawei Collaborate on AI, Cloud Computing, 5G," *Jakarta Post*, October 15, 2020, <https://www.thejakartapost.com/paper/2020/10/14/bppt-huawei-collaborate-on-ai-cloud-computing-5g.html>.

125 "Spotlight on Indonesia: Seizing the Digital Transition Opportunity Now," GSMA Association, February 2020, <https://www.gsma.com/spectrum/wp-content/uploads/2020/02/Indonesia-Digital-Dividend.pdf>.

126 Antara, "Google Says Indonesia's Digital Economy Will Be Worth \$124.1b by 2025," *Jakarta Globe*, February 18, 2020, <https://jakartaglobe.id/tech/google-says-indonesias-digital-economy-will-be-worth-1241b-by-2025>; Erwida Maulia, "Google Expands in Indonesia's Cloud Services Battleground," *Nikkei Asian Review*, July 8, 2020, <https://asia.nikkei.com/Business/Business-trends/Google-expands-in-Indonesia-s-cloud-services-battleground>.

127 "Indonesia Telecom Tower Market to Reach US\$ Million at 27.1% CAGR During the Forecast Period 2019–2027," *TechnoWeekly*, November 3, 2020, <https://technoweekly.com/technologies/690102/indonesia-telecom-tower-market-to-reach-us-million-at-27-1-cagr-during-the-forecast-period-2019-2027/>; "Indonesia's 5G Progress Depending on End-2020 Auction"; "Forecast on Indonesia Telecoms 5G Capex and Spectrum Auction," *TelecomLead*, November 2, 2020, <https://www.telecomlead.com/5g/forecast-on-indonesia-telecoms-5g-capex-and-spectrum-auction-97431>.

128 Jeff Paine, "In Challenging Times, Digital Economy and E-Commerce Can Chart a Path Towards Recovery," *Jakarta Post*, April 21, 2020, <https://www.thejakartapost.com/academia/2020/04/21/in-challenging-times-digital-economy-and-e-commerce-can-chart-a-path-toward-recovery.html>.

willingness to work with Huawei and ZTE should drive the United States and the Republic of Korea to see Indonesia as a place where bilateral engagement efforts are especially strategically important. While Indonesia can continue to work with Chinese companies for its digital economic development, participation of ROK and US companies could eventually build a broad coalition to push for a diverse 5G competitive market by increasing the number of players in the market, which could minimize the market power of Huawei.

### KEY OPPORTUNITY FOR US-ROK ENGAGEMENT ON DIGITAL ECONOMIC TRADE POLICY: SINGAPORE

The digital economy is not just about infrastructure. As more and more countries develop their digital economies, developing nuanced digital trade policy will be critical to connecting the global digital economy. To that end, Singapore stands out as a key target for US-ROK engagement on digital economic trade policy in ASEAN and beyond. Singapore already has cutting-edge technology, is committed to the digital economy, and plays a leading role in ASEAN. It provides an opportunity for the United States and the Republic of Korea to work with an in-region stakeholder that has already been working to address the most pressing policy questions surrounding the digital economy, not merely the question of who builds telecom infrastructure.

Notably, Singapore announced its Digital Economy Framework for Action in May 2018, which includes three pillars of growth: Accelerate—Digitalizing Industries; Compete—Integrating Ecosystems; and Transform—Industrializing Digital. It seeks to enable: talent; research and innovation; policy, regulations, and standards; and physical and digital infrastructure.<sup>129</sup> Additionally, Singapore has so far negotiated two Digital Economy Agreements: the Digital Economy Partnership Agreement (DEPA) with Chile and New Zealand in June 2020; and the Singapore-Australia Digital Economy Agreement (SADEA) in August 2020.<sup>130</sup> The agreements address key issues surrounding the digital trade policy, including “personal data protection and cross-border data flows, digital identities,

fintech, and artificial intelligence governance frameworks.”<sup>131</sup> They also aim “to support and foster greater collaboration between both countries’ SME communities in the digital economy.”<sup>132</sup> Singapore clearly leads the region in seeking to address proactively the key questions of the digital economy and can be an invaluable partner in US-ROK efforts to link the United States, Republic of Korea, and ASEAN digital economies.

### POLICY RECOMMENDATIONS FOR US-ROK COOPERATION ON DIGITAL ECONOMY IN SOUTHEAST ASIA

The United States and the Republic of Korea should do the following.

Cooperate to promote responsible global development and deployment of 5G infrastructure. While the US restrictions on Huawei created a challenge for ROK companies, there is still room for collaboration between the two countries under the Biden administration. They should cooperate to offer a platform for discussion about reconciling national security and economic security concerns. These bilateral efforts could eventually be linked to emerging multilateral efforts to coordinate the world’s ten leading democracies on 5G.<sup>133</sup>

Establish a mechanism for public-private partnerships on the digital economy, which can provide a platform that ROK companies can participate in any US efforts, together with US companies, to coordinate construction of trusted 5G networks in the region. Samsung, as an example, enjoys a plurality of trust in ASEAN in terms of leading 5G development efforts. A recent poll of “1,300 experts, analysts and business leaders in the region” revealed that a plurality (39 percent) said Samsung was their preferred 5G developer for the region.<sup>134</sup> Joint participation and commitment from South Korean and US companies in broader efforts could be a roadmap to establish D-10 public-private partnerships on 5G in the Indo-Pacific.

Prioritize joint efforts on digital connectivity in targeted countries like Indonesia, while working to fill the gap in

129 “Digital Economy Framework for Action: Singapore,” Infocomm Media Development Authority, 2018, <https://www.imda.gov.sg/-/media/Imda/Files/SG-Digital/SGD-Framework-For-Action.pdf>.

130 “What are Digital Economy Agreements (DEAs)?” Singapore Ministry of Trade and Industry, <https://www.mti.gov.sg/Improving-Trade/Digital-Economy-Agreements>.

131 “Singapore, South Korea Ink Digital Partnership Deal,” *Singapore Business Review*, June 23, 2020, <https://sbr.com.sg/information-technology/news/singapore-south-korea-ink-digital-partnership-deal>.

132 Ibid.

133 Robert Dohner, Markus Garlauskas, Miyeon Oh, Barry Pavel, Todd Rosenblum, Alexander Vershbow, “The Future of the US-ROK Alliance”, Atlantic Council, February 2021, <https://www.atlanticcouncil.org/wp-content/uploads/2021/03/The-Future-of-the-US-ROK-Alliance-Report-FIN.pdf>

134 Dewey Sim, “5G: Why is Samsung Cool, Chinese Tech Brands Cold and US Brands Domineering?” *South China Morning Post*, January 16, 2020, <https://www.scmp.com/week-asia/economics/article/3046417/5g-why-samsung-cool-chinese-tech-brands-cold-and-us-brands>.

mutual understanding on 5G. Given that Indonesia's digital economy has enormous potential and the country continues to work with Chinese companies for its digital-connectivity development, joint efforts led by the United States and the Republic of Korea will be strategically important. The United States and the Republic of Korea do not yet see eye to eye on the best approach to global 5G in terms of direct bilateral cooperation. While ROK participation in the Clean Network—or a new, similar effort under the Biden administration—may be unfeasible for the time being, the two countries can still work together on digital connectivity in a country like Indonesia. As Indonesia continues to work with Chinese companies for its digital-connectivity development, participation of ROK and US companies can help drive a more competitive, diverse 5G market by increasing the number of players and reducing potential market dominance by Chinese companies like Huawei and ZTE.

Target outreach to Singapore as the key in-region partner for developing a platform for regionwide US-ROK-ASEAN digital trade policy. As outlined above, Singapore is well experienced and equipped to help integrate the digital economies of the United States, the Republic of Korea, and ASEAN by jointly developing innovative trade policy agreements and solutions to the nuanced challenges of the digital economy. Given the digitalization trend has been accelerated by the COVID-19 pandemic, discussion of digital trade across the region is strategically important to national security in the United States, the Republic of Korea, and Singapore, as well as their industries related to the digital trade.

## People: Good Governance and Civil Society

### US-ROK OUTLINE FOR COOPERATION ON GOOD GOVERNANCE AND CIVIL SOCIETY

In the 2019 joint fact sheet, the US State Department and ROK Ministry of Foreign Affairs emphasized US-ROK cooperation on good governance and civil society focused on

- “invest[ing] significantly in the people of South and Southeast Asia, both in terms of development assistance and private sector-led investments”;
- “prioritiz[ing] the strengthening and promotion of democratic and responsive governments.”;
- “strengthen[ing] natural resource management”; and
- “work[ing] to promote women’s empowerment.”<sup>135</sup>

The People pillar saw the most significant expansion of scope under the 2020 joint fact sheet, largely due to the worldwide humanitarian crisis created by the COVID-19 pandemic. Updated cooperation now includes an emphasis on the importance of health-related efforts and support on the pandemic response across the region.<sup>136</sup>

### PROGRESS ON US-ROK GOOD GOVERNANCE AND CIVIL-SOCIETY COOPERATION

As with efforts under other pillars, US-ROK cooperation on People is founded on an MoU between USAID and the ROK Ministry of Foreign Affairs (MOFA) that expands cooperation on development including women’s empowerment, youth, health, and education, among other categories.<sup>137</sup> Given the broad scope of the People pillar, US-ROK joint efforts have been similarly broad.

Joint efforts to date have focused on human-resource development, anticorruption, women’s empowerment, climate change in Pacific Islands, health, and COVID-19. On anticorruption, KOICA and USAID have highlighted their work with the government of Indonesia on its National Complaint

<sup>135</sup> “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

<sup>136</sup> Ibid.

<sup>137</sup> “Memorandum of Understanding for Development Cooperation Between the United States Agency for International Development and the Ministry of Foreign Affairs of the Republic of Korea,” USAID, <https://www.usaid.gov/open/mou/mofa-republic-of-korea>.



Handling System as a signature US-ROK cooperative project.<sup>138</sup> These efforts on anticorruption complement ongoing US and ROK work to develop human resources in the region by funding a range of programs, including the Inclusive Growth in ASEAN through Innovation, Trade, and E-Commerce project and the Partnership for Regional Optimization within the Political-Security project, as well as the ASEAN Policy Implementation project.

On climate change, both KOICA and USAID have worked to fund projects that help with climate-change response and resilience in Pacific Island countries. These include two USAID efforts on the environment: Institutional Strengthening in Pacific Island Countries to Adapt to Climate Change (ISACC), which “boosts government capacity to manage their climate finances more effectively, promotes regional coordination, and builds multi-sectoral approaches to climate resilience”; and Climate Ready, which has supported mobilization of \$54 million of international funding to help Pacific Island nations “become more environmentally and disaster resilient to protect the lives and livelihoods of their peoples.”<sup>139</sup> KOICA is also currently funding “climate change response and health care capacity building projects” in the Pacific Islands, including Fiji, the Solomon Islands, Tuvalu, and Kiribati.<sup>140</sup>

The 2020 joint fact sheet indicates that women’s empowerment is an area in which the two countries have taken a number of steps toward pursuing joint efforts. A joint US-ROK “public-private Domestic Violence and Cyber-Exploitation Working Group dedicated to ending the abuse of women online and offline” is set to be created in 2021.<sup>141</sup> The two countries have also developed an action plan for women’s economic empowerment in the region and convened two roundtables in December 2019 and September 2020.<sup>142</sup> They are also cooperating on the Women Entrepreneurs Finance Initiative (We-Fi), which supports women-owned and women-led SMEs in global supply chains, as well as on the State Department’s Providing Opportunities for Women’s Economic Rise (POWER) Initiative.<sup>143</sup> Finally, in October 2020, the two countries joined the Core Group of UN Member States launching the latest

Call to Action on Women’s Economic Empowerment, as well as co-sponsoring the East Asia Summit Leaders’ Statement on Women, Peace, and Security.<sup>144</sup>

Finally, on health, the two countries are leveraging an October 2019 MoU signed between the Korea Center Disease Control and Prevention (KCDC, now its own agency) and the US Centers for Disease Control and Prevention (CDC) to help coordinate regional disease control and prevention efforts.<sup>145</sup> Notably, KOICA, KDCA, USAID, and the CDC have worked together on helping Cambodia implement a Roadmap for the Global Health Security Agenda.<sup>146</sup> In June 2020, through a technical teleconference, US and ROK health experts also “shared information on COVID-19 reinfection cases.”<sup>147</sup>

A major recent development is the establishment of the KORUS Global Vaccine Partnership in May 2021, aimed at strengthening joint US-ROK response capabilities for infectious diseases through international vaccine cooperation. Through the partnership, the United States and the Republic of Korea have begun actively cooperating on scaling up global COVID-19 vaccine supply to countries around the world, including ASEAN nations.<sup>148</sup>

As with other pillars, however, the most impactful efforts on good governance and civil society are not yet joint US-ROK initiatives, but are rather complementary, independent efforts of each government.

## US EFFORTS ON GOOD GOVERNANCE AND CIVIL SOCIETY

A key piece of US regional efforts to support good governance and civil-society development in recent years is the Indo-Pacific Transparency Initiative (IPTI), announced at the 2018 APEC CEO Summit by former Vice President Michael Pence.<sup>149</sup> IPTI includes \$600 million (expanded by \$68 million in November 2019) worth of funding for more than two hundred programs funded under the Trump administration focused on “civil society, rule of law,

138 “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

139 “Environment,” USAID, <https://www.usaid.gov/pacific-islands/environment-and-global-climate-change>.

140 “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

141 “Fact Sheet: United States—Republic of Korea Partnership,” White House, April 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/fact-sheet-united-states-republic-of-korea-partnership/>.

142 “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

143 Ibid.

144 Ibid.

145 Ibid.

146 Ibid.

147 Ibid.

148 “Fact Sheet: United States—Republic of Korea Partnership,” White House, April 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/fact-sheet-united-states-republic-of-korea-partnership/>.

149 “Fact Sheet: Indo-Pacific Transparency Initiative,” US Department of State, November 3, 2019, <https://www.state.gov/indo-pacific-transparency-initiative/>.

and transparent and accountable governments.”<sup>150</sup> The sheer number of projects that fall under IPTI makes it difficult to cover in detail here, but efforts generally fall under the categories of “anticorruption and fiscal transparency,” “democracy assistance,” “youth and emerging leader development,” “media and internet freedom,” and “fundamental freedoms and human rights.”<sup>151</sup> The B3W global infrastructure initiative launched by the Biden administration and its G7 partners in June 2021 is slated to include developing nations in the Indo-Pacific. B3W’s main goal is “to help narrow the \$40+ trillion infrastructure need in the developing world, which has been exacerbated by the COVID-19 pandemic.”<sup>152</sup> Through B3W, the G7 plans to work together to mobilize private-sector capital on climate, health and health security, digital technology, and gender equity and equality.

As it has with the Republic of Korea, the United States has worked to support the fight against COVID-19 in the region, including supporting the COVID-19 response in Pacific Island countries with more than \$130 million in funding. Efforts to combat COVID-19 and its aftermath will also be a key effort under the new Mekong-US Partnership (which replaces the eleven-year-old US Lower Mekong Initiative), launched in September 2020, which better integrates US efforts across a range of issue areas with Cambodia, Laos, Myanmar, Thailand, and Vietnam.<sup>153</sup> Since the start of the pandemic, the United States has also provided about \$18.3 million to ASEAN states to help support their response—an amount which, the State Department notes, adds to the “nearly \$3.5 billion dollars in public health assistance the United States has provided to ASEAN Member States over the last twenty years.”<sup>154</sup> US

efforts to support the COVID-19 response in individual ASEAN states are outlined in the table below, which is adapted from the State Department’s official fact sheet on its early support for ASEAN during the initial COVID-19 pandemic.<sup>155</sup>

## ROK EFFORTS ON GOOD GOVERNANCE AND CIVIL SOCIETY

ROK outreach under the people pillar of the NSP focuses on building a “community that values and connects people” by implementing an expanding number of measures focused on people-to-people ties and support for human-resource development. Key to these efforts is the Republic of Korea’s annual contribution of \$14 million to the ASEAN-ROK Cooperation Fund, which was launched in 1990 and has funded more than four hundred joint projects in the region.<sup>156</sup> In addition to the fund, KOICA provides ODA to many ASEAN countries.<sup>157</sup> Notably, in May 2019, KOICA announced it will more than double ODA to the region, from approximately \$70 million to \$151 million by 2023.<sup>158</sup> ROK MOFA also announced in October 2020 that it will provide \$10 million in humanitarian assistance to support Rohingya refugees, and the ROK Ministry of Agriculture, Food, and Rural Affairs (MAFRA) is supporting the rural development of ASEAN nations—particularly Cambodia and Myanmar—with the United Nations Development Programme (UNDP) by committing \$5 million from 2020 to 2022.<sup>159</sup> During the same month that the United States launched its new Mekong-US Partnership, the 10th ROK-Mekong Foreign Ministers Meeting concluded with a new joint statement reaffirming the importance of their cooperation and highlighting the ROK’s expansion of its contribution to the Mekong-ROK Cooperation Fund to \$3

150 Ibid.

151 Ibid.

152 “Fact Sheet: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership” White House Press, June 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>

153 “Media Note: Mekong-U.S. Partnership Joint Ministerial Statement,” US Mission to ASEAN, September 15, 2020, <https://asean.usmission.gov/mekong-u-s-partnership-joint-ministerial-statement/>; Ralph Jennings, “New US Aid for Southeast Asia Takes Aim at Chinese Influence,” VOA News, October 8, 2020, <https://www.voanews.com/east-asia-pacific/new-us-aid-southeast-asia-takes-aim-chinese-influence>.

154 “Fact Sheet: US Support for ASEAN in Fighting COVID-19,” US Department of State, March 2020, <https://www.state.gov/u-s-support-for-asean-in-fighting-covid-19/>.

155 Ibid.

156 “ASEAN-Republic of Korea,” ASEAN-Korea Cooperation Fund, <https://www.aseanrokfund.com/about>.

157 Hee-Sang Lee, “Koika, Dongnama 6Gaeguk ODA Hwakdae [KOICA Expands ODA to 6 Southeast Asian Countries],” Vina, May 21, 2019, <http://www.insidevina.com/news/articleView.html?idxno=10248>.

158 “S. Korea’s Aid Agency to Double ODA to ASEAN Countries by 2023,” Yonhap News Agency, May 17, 2019, <https://en.yna.co.kr/view/AEN20190517009000325>.

159 “Vice Minister of Foreign Affairs Lee Attends Conference on Sustaining Support for Rohingya Refugee Respons,” Republic of Korea Ministry of Foreign Affairs, press release, October 27, 2020, [http://www.mofa.go.kr/eng/brd/m\\_5676/view.do?seq=321308](http://www.mofa.go.kr/eng/brd/m_5676/view.do?seq=321308); “ASEAN-Republic of Korea Plan of Action to Implement The Joint Vision Statement for Peace, Prosperity and Partnership (2021–2025),” Association of Southeast Asian Nations, <https://asean.org/asean-republic-korea-plan-action-implement-joint-vision-statement-peace-prosperity-partnership-2021-2025/>.

## US COVID-19 ASSISTANCE TO ASEAN MEMBER COUNTRIES DURING THE EARLY COVID-19 PANDEMIC\*

### Brunei

- Conveyed request to US companies for availability of respirators and personal protective equipment (PPE) after US demands are met.
- Total health assistance since 2000: not listed.

### Cambodia

- \$2 million in health assistance.
- Total health assistance since 2000: \$730 million.
- CDC assistance with contact tracing clinical management, lab testing, surveillance, and infection control.
- US National Institutes of Health (NIH) infectious-disease physician supporting efforts at Royal Phnom Penh Hospital.

### Indonesia

- \$2.3 million in health assistance.
- Total health assistance since 2000: more than \$1 billion.
- Received technical assistance from CDC.

### Laos

- Nearly \$2 million in health assistance.
- Total health assistance since 2000: \$92 million.
- Department of Defense (DOD) working to provide testing equipment.
- Six CDC specialists traveled to provide epidemiology, surveillance, and lab training.
- CDC and DOD led a tabletop exercise and simulation on COVID-19 in March 2020.
- US Defense Threat Reduction Agency (DTRA) support and training, including for the Biological Threat Reduction Program, helping Ministry of Health capacity to professionally test for COVID-19.

### Malaysia

- Total health assistance since 2000: not listed.
- State Department identifying US companies that can supply ventilators and PPE after US domestic demands are met.
- In 2020, the Department of State sought to link the Malaysian Institute of Medical Research with appropriate companies and agencies for assistance with antigen testing and vaccine-development training.

### Myanmar

- Approximately \$3.8 million in funding for water and sanitation supplies, COVID-19 case management, event-based surveillance, coordination, etc.
- Total health assistance since 2000: more than \$176 million.
- CDC helped the Ministry of Health and Sports launch a nationwide online telementoring session on COVID-19.
- CDC provided two rounds of technical consultation, as well as technical assistance on epidemiology, surveillance, and laboratory case detection to Myanmar's Central Epidemiology Unit and the National Health Laboratory.

### Philippines

- Nearly \$4 million in health assistance.
- Total health assistance since 2000: more than \$582 million.
- DTRA provided PPE from local sources, training, exercises, and laboratory equipment and materials.

### Thailand

- Nearly \$1.2 million in health assistance.
- Total health assistance since 2000: \$213 million.
- CDC and in-country team in Bangkok provided lab support and assistance with processing Thai patients returning from Wuhan.
- CDC provided advice on a range of technical and public-health issues.
- DTRA provided a genetic sequencer for diagnostic, surveillance, and PPE.

### Vietnam

- Nearly \$3 million in health assistance.
- Total health assistance since 2000: \$706 million.
- CDC, in conjunction with the World Health Organization (WHO), provided training to fifteen hospitals, helped train sixty-three provinces, and supported Vietnam in developing its National Infection Prevention and Control guidelines.
- DTRA coordinating for local sourcing of testing reagents.

\*Adapted from US Department of State, Fact Sheet: US Support for ASEAN in Fighting COVID-19 (Washington DC: Office of the Spokesperson, March 2020), <https://www.state.gov/u-s-support-for-asean-in-fighting-covid-19/>



million in 2020.<sup>160</sup> The Republic of Korea also has provided \$1.8 million to a ROK-Pacific Islands Climate Prediction Service Project, with these funds directed toward protecting the Pacific Islands against natural disasters and global warming.<sup>161</sup>

In terms of boosting people-to-people ties, ROK efforts have focused on boosting two-way tourism and exchanges with ASEAN countries. The reduction of visa barriers, increased financial opportunities for study-abroad scholarships, and increasing interest in Korean culture all helped drive mutual tourism up 11.4 percent from 2016 to 2019.<sup>162</sup> Of course, these trends will almost certainly be reversed as a direct result of restrictions on international travel during the COVID-19 pandemic. At the same time, ASEAN and the Republic of Korea are both trying to lay the initial groundwork for a resumption of more normal tourism in a post-pandemic era, such as the ASEAN-KOREA Centre's convening of a September 2020 virtual conference on "Smart Tourism" in the post-COVID-19 era.<sup>163</sup> Seoul also contributes \$14 million each year to the ASEAN-ROK Cooperation Fund, which funds human-resource development, as well as academic and cultural exchanges between the ROK and ASEAN countries.<sup>164</sup>

Most importantly, however, as mentioned above, the pandemic has driven a significant shift under the People pillar to focus on providing ROK support for COVID-19 response and relief efforts in ASEAN, including: \$5.2 million in humanitarian aid to ASEAN and Pacific Island countries<sup>165</sup>; \$10 million under the COVID-19 Comprehensive Rapid Response Program for Cambodia, Indonesia, Laos, Myanmar, the Philippines, and Vietnam; \$1 million to the COVID-19 ASEAN Response Fund<sup>166</sup>; \$20 million of emergency concessional loans to partner countries to

support their pandemic responses; and a \$100 million loan to the Philippines, the largest ROK loan so far.<sup>167</sup> The importance of addressing the short- and long-term impacts of COVID-19 was at the heart of President Moon's announcement of the expansion of NSP into the "New Southern Policy Plus" at the 10th annual ROK-ASEAN Summit in November 2020.<sup>168</sup>

## OPPORTUNITIES AND CHALLENGES FOR US-ROK COOPERATION ON GOOD GOVERNANCE AND CIVIL SOCIETY

Cooperating to assist the COVID-19 response in Southeast Asia is a key opportunity for the United States and the Republic of Korea to achieve direct, positive impact on human lives in the region at a time of global crisis, outlined in Washington's strategy for the Indo-Pacific and Seoul's New Southern Policy. While both countries have actively worked to support the region's response and relief, joint US-ROK efforts on COVID-19 remain in early stages.<sup>169</sup> Another important example is the Bill and Melinda Gates Foundation's \$3.6-million funding of SK Bioscience to develop a COVID-19 vaccine.<sup>170</sup> The two countries have the resources, technical know-how, and human capital necessary to make cooperation on COVID-19 the flagship NSP-IPS effort in 2021.

Prospects for joint US-ROK cooperation in promoting good governance and civil society in Southeast Asia have significantly improved since the beginning of Biden's presidency. On its first day, the Biden administration formally rejoined the WHO and immediately began formulating policies aimed at addressing the needs of developing countries in the Indo-Pacific. The Moon-Biden summit in May 2021 concluded

160 "S. Korea, Mekong Nations Vow Closer Ties Amid COVID-19 Pandemic," *Korea Herald*, September 28, 2020, <http://www.koreaherald.com/view.php?ud=20200928001048>.

161 "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

162 Kwak, "Planning the Future of Korea's New Southern Policy."

163 "ASEAN, ROK to Hold Webinar on Smart Tourism Amid COVID-19," Association of Southeast Asian Nations, September 3, 2020, <https://asean.org/asean-rok-hold-webinar-smart-tourism-amid-covid-19/>.

164 "Fact Sheet by the USA and the Republic of Korea on Cooperation between the Indo-Pacific Strategy & the New Southern Policy" US Department of State, <https://kh.usembassy.gov/fact-sheet-by-the-usa-and-the-republic-of-korea-on-cooperation-between-the-indo-pacific-strategy-the-new-southern-policy/>.

165 US Department of State, The United States of America and The Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy (Washington DC: US Department of State), November 13, 2020, <https://www.state.gov/the-united-states-of-america-and-the-republic-of-korea-on-working-together-to-promote-cooperation-between-the-indo-pacific-strategy-and-the-new-southern-policy/>

166 Ibid.

167 "Koika, 2025 Nyeonkkaji Cambodia Gamnyeombyeong Daeung Chegye Ganghwa Saeop Chujin [KOICA to Support Capacity to Combat Infectious Diseases in Cambodia Until 2025]," KOICA press release, September 25, 2020, [http://koica.go.kr/koica\\_kr/990/subview.do?enc=Zm5jdF8QEB8JTJGYmJzJTJGa29pY2Ffa3lIMkYxNTEIMkYzNjM0ODkiMkZhcncRjbfZpZXcuZG8lM0ZwYWdlJTNEMSUyNnNyY2hDb2x1bW4lM0QIMjZzcmNoV3JkJTNEJTl2YmJzQ2tZXEIM0QIMjZiYnNpCgVvV3JkU2VxJTNEJTl2cmdzQmduZGVtdHlIM0QIMjZyZ3NFbmkZVN0ciUzRCUyNmIld01pbmUlM0RmYWxzZSUyNnBhc3N3b3JkJTNEJTl2](http://koica.go.kr/koica_kr/990/subview.do?enc=Zm5jdF8QEB8JTJGYmJzJTJGa29pY2Ffa3lIMkYxNTEIMkYzNjM0ODkiMkZhcncRjbfZpZXcuZG8lM0ZwYWdlJTNEMSUyNnNyY2hDb2x1bW4lM0QIMjZzcmNoV3JkJTNEJTl2YmJzQ2tZXEIM0QIMjZiYnNpCgVvV3JkU2VxJTNEJTl2cmdzQmduZGVtdHlIM0QIMjZyZ3NFbmkZVN0ciUzRCUyNmIld01pbmUlM0RmYWxzZSUyNnBhc3N3b3JkJTNEJTl2); "Joint Fact Sheet by the United States and the Republic of Korea on Cooperation between the New Southern Policy and the Indo-Pacific Strategy"; Pilar Manuel, "PH, South Korea Sign \$100-M Loan for Coronavirus Response," CNN Philippines, November 2, 2020, <https://www.cnnphilippines.com/news/2020/11/2/PH-Korea-loan-coronavirus-response.html>.

168 "Moon Unveils 'New Southern Policy Plus Strategy,'" *KBS World*, November 13, 2020, [https://world.kbs.co.kr/service/news\\_view.htm?lang=e&Seq\\_Code=157572](https://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=157572).

169 David Vergun, "Defense Department Aids U.S. Delivery of Ventilators to Indonesia," *Dod News*, August 31, 2020, <https://www.defense.gov/Explore/News/Article/Article/2330953/defense-department-aids-us-delivery-of-ventilators-to-indonesia/>.

170 "SK Bioscience Co., Ltd.," Bill and Melinda Gates Foundation, <https://www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database/Grants/2020/05/INV-006462>.

with the establishment of the KORUS Vaccine Partnership, which is set to play a significant role in the distribution of vaccines to Southeast Asian countries.

## POLICY RECOMMENDATIONS FOR GOOD GOVERNANCE AND CIVIL-SOCIETY COOPERATION IN SOUTHEAST ASIA

The United States and the Republic of Korea should do the following.

Work on a broader coordinated public-messaging campaign by launching an interactive online database of all US and ROK efforts in the region. As the previous sections make clear, the United States and the Republic of Korea are already clearly invested in the people of Southeast Asia. Despite this, however, key information about their efforts is scattered across a number of government webpages and online fact sheets. The lack of strong, coordinated communications prevents US, ROK, and ASEAN citizens alike from understanding their commitment to, and impact on, the region. Poor communications may help explain why, for example, “The State of Southeast Asia: 2020 Survey Report” published by Singapore’s ISEAS-Yusof Ishak Institute, found that “only 0.9% of respondents believe that [the Republic of] Korea is a country that provides leadership in maintaining the rules-based order and upholding international law.”<sup>171</sup> Matching real-world efforts to communications efforts will be key to US-ROK strategic impact.

Focus on the response to COVID-19 in Southeast Asia as the flagship people-focused joint effort under the NSP-IPS in 2021. This should include more effective and close coordination between their complementary, but independent, relief efforts, as well as deeper integration into multilateral aid efforts in the region. President Biden has rejoined the WHO, but he should also commit to joining COVAX, which he is reportedly still evaluating.<sup>172</sup> While the two countries will need to remain realistic about the need to focus on caring for their own citizens first, the two have provided consistent, significant support to the region in the midst of the crisis.

Seek trilateral cooperation between the United States, Japan, and South Korea on the response to COVID-19 in Southeast Asia. The United States, Japan, and South Korea

should recognize this crisis as an opportunity to reinvigorate trilateral cooperation and galvanize the global collective response, starting from Southeast Asia as a geopolitically strategic region and important engine of economic growth for the Indo-Pacific. The United States’ Indo-Pacific strategy, Japan’s Free and Open Indo-Pacific vision, and Korea’s New Southern Policy have positioned the three countries well for increased engagement with Southeast Asia, and this crisis is an opportunity to demonstrate their deep commitment to the region. The three countries should work together to diversify supply chains for essential medical goods in the region, and strengthen public-private partnerships on vaccines and medical goods and supplies.<sup>173</sup>

## Ensuring Peace and Security

### US-ROK OUTLINE FOR POTENTIAL COOPERATION ON PEACE AND SECURITY

The 2019 joint fact sheet offers a list of broad nontraditional and traditional security efforts in the region. It also includes references to humanitarian and development assistance, as well as global health threats, which have now been moved squarely under the previous pillar. The 2020 joint fact sheet is more useful in this context, as it restructures the grouping of these efforts into more appropriate categories, including

- “countering transnational crimes”;
- “counternarcotics”;
- “maritime security”;
- “cybersecurity”;
- “marine environmental protection”;
- “water security”; and
- “disaster response and preparedness.”<sup>174</sup>

<sup>171</sup> Kwak, “Planning the Future of Korea’s New Southern Policy.”

<sup>172</sup> Maria Godoy, “Biden Said He’d Walk Back Trump’s WHO Walkout,” National Public Radio, November 9, 2020, <https://www.npr.org/sections/goatsandsoda/2020/11/09/932065656/biden-said-hed-walk-back-trump-s-who-walkout-can-all-the-damage-be-undone>; “Vaccine Alliance Expects to Hold Talks with Biden Team on COVAX,” Reuters, November 13, 2020, <https://www.reuters.com/article/us-health-coronavirus-vaccines-covax-bid/vaccine-alliance-expects-to-hold-talks-with-biden-team-on-covax-idUKKBN27T1BT>.

<sup>173</sup> Miyeon Oh, *US-Japan-Korea Trilateral Cooperation on COVID-19*, Atlantic Council, April 18, 2020, <https://www.atlanticcouncil.org/wp-content/uploads/2020/04/US-Japan-Korea-Trilateral-Cooperation-on-COVID-19.pdf>.

<sup>174</sup> “The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy.”

## PROGRESS ON US-ROK PEACE AND SECURITY COOPERATION

A number of US-ROK cooperative efforts on peace and security remain at early stages. Notable examples of cooperation on countering transnational crimes mentioned by the two governments are the United States' "reviewing" a possible partnership with the Korean National Policy Agency's capacity-building program, "K-Cop Wave" in the Philippines, Indonesia, and Vietnam, as well as the two countries "considering" ways to cooperate via Bangkok's International Law Enforcement Academy (ILEA) and the Korean National Police University.<sup>175</sup> The 2020 fact sheet highlights joint efforts to "establish a cyber-working group focused on enhancing cooperation among law enforcement and homeland security agencies" between Washington and Seoul.<sup>176</sup> In addition, it states the United States and the Republic of Korea will take steps to eradicate illegal, unreported, and unregulated (IUU) fishing in the Indo-Pacific by sharing information on IUU occurrences.<sup>177</sup>

Similarly, with counternarcotics, the two countries are reportedly coordinating efforts but have not yet launched any official joint programs. The 2020 fact sheet also notes that the two countries are "working to increase transparency and strengthen maritime law enforcement capacity" but does not go into significant detail.<sup>178</sup> Noticeably, the South China Sea and US freedom-of-navigation operations (FONOPs), arguably the most important maritime security activity undertaken by the United States in the region, are not covered in detail in the fact sheets.<sup>179</sup>

That being said, there appear to be more active joint efforts taking shape under the remaining identified areas of peace and security cooperation. On cybersecurity, the two countries continued to make progress in 2020, including their use of the August 2020 US-ROK Indo-Pacific Strategy-New Southern Policy Dialogue to identify "common areas for cyber capacity building cooperation, including facilitating ROK participation

in the International Narcotics and Law Enforcement Affairs-funded US Transnational and High-Tech Crime Global Law Enforcement Network (GLEN), continued coordination on the Joint US-ROK Symposium on countering cyber-attacks to financial institutions, and sharing best practices to assist the Supreme Prosecutors' Office's work to establish the Asia-Pacific Cybercrime (APC) Hub."<sup>180</sup> The 2021 US-ROK fact sheet highlights new plans for both countries to "promote ASEAN centrality and advance new development cooperation between USAID and the Korea International Cooperation Agency (KICA) in Southeast Asia to enhance public health cooperation; expand cooperation on connectivity, build digital capacity and cyber-security," specifically through the NSP and US strategy for the Indo-Pacific region.<sup>181</sup> The two countries also routinely held the US-ROK Bilateral Cyber Consultations in the past, but the current status of the dialogue remains unclear.<sup>182</sup>

On water security and the environment, the United States and Republic of Korea will coordinate on convening the 2022 7<sup>th</sup> International Marine Debris Conference in Busan.<sup>183</sup> ROK MOFA, the Korea Water Resources Corporation, the State Department, the National Aeronautics and Space Administration (NASA), and the US Army Corps of Engineers have also partnered for a signature effort to support water management in Mekong countries.<sup>184</sup> Finally, the two countries are both investing heavily in the Pacific Islands to help support natural-disaster preparedness and resilience to climate change, including \$1.8 million for the ROK-Pacific Islands Climate Prediction Service Project and \$8.3 million from USAID for disaster preparedness.<sup>185</sup>

## US EFFORTS ON PEACE AND SECURITY

The United States has pursued a number of efforts on nontraditional security issues referenced in the joint fact sheets. The new Mekong-US Partnership, discussed in detail in the previous section, also includes \$55 million to support efforts to combat transnational crime, \$1.8 million to support

175 "The K-Cop Wave," *Economist*, June 18, 2015, <https://www.economist.com/asia/2015/06/18/the-k-cop-wave>; "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

176 "Fact Sheet: United States—Republic of Korea Partnership."

177 Ibid.

178 Ibid.

179 "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

180 Ibid.

181 "Fact Sheet: United States—Republic of Korea Partnership."

182 "The 5th U.S.-Republic of Korea Bilateral Cyber Consultations," US Department of State, June 21, 2018, <https://www.state.gov/the-5th-u-s-republic-of-korea-bilateral-cyber-consultations/>.

183 "Busan Chosen to Host 2022 International Marine Debris Conference," *KBS World*, May 29, 2020, [http://world.kbs.co.kr/service/news\\_view.htm?Seq\\_Code=153779&lang=e#&:text=Busan%20Chosen%20to%20Host%202022%20International%20Marine%20Debris%20Conference,-Write%3A%202020%2D05&text=Busan%20has%20been%20chosen%20to,edition%20of%20the%20international%20event](http://world.kbs.co.kr/service/news_view.htm?Seq_Code=153779&lang=e#&:text=Busan%20Chosen%20to%20Host%202022%20International%20Marine%20Debris%20Conference,-Write%3A%202020%2D05&text=Busan%20has%20been%20chosen%20to,edition%20of%20the%20international%20event).

184 Michael Herh, "K-Water to Carry out Joint Research on Mekong River Water Resources Management with 5 Countries," *Business Korea*, November 22, 2019, <http://www.businesskorea.co.kr/news/articleView.html?idxno=38369>.

185 "The United States of America and the Republic of Korea on Working Together to Promote Cooperation between the Indo-Pacific Strategy and the New Southern Policy."

the Mekong River Commission and its work “to strengthen and expand access to water data for science-based policy planning,” as well as support for coordination of disaster-relief exercise and engagement (DREE) in the region.<sup>186</sup>

When it comes to more traditional security activities in the region, the United States has expanded its maritime security involvement in the South China Sea in recent years. This has included: shifting military posture in the wider Pacific; expanded arms sales to, and military exercises with, vulnerable claimant states; increased frequency of FONOPs and surveillance flights around disputed areas; clarifying bilateral security commitments to claimant states’ maritime security; and taking a position on maritime disputes over water and seabed rights in the South China Sea. Between 2017 and 2019, the US Navy conducted seventeen FONOPs near Chinese-claimed islands within Scarborough Shoal, the Paracels, and Spratlys Islands.<sup>187</sup> Against this backdrop, claimant states such as the Philippines, Vietnam, and Indonesia, as well as Australia, appear to have become interested in taking a more proactive stance, in cooperation with the United States, in pushing back on China’s expansionary activities.<sup>188</sup> In response, while China also increased its military activities in the South China Sea, East China Sea, and Yellow Sea (the three seas that it considers “near seas”), it has also appeared to take caution in doing so.<sup>189</sup> For instance, in August 2020, it issued explicit orders to the Chinese military not to fire the first shot in a standoff with US forces.<sup>190</sup> While a full accounting of US strategy and maritime security activity in the South China Sea is beyond the scope of this report, a condensed timeline of major recent maritime security developments is presented below.

## ROK EFFORTS ON PEACE AND SECURITY

Water security has been a key area of ROK action in the region. Like the United States, the Republic of Korea has been primarily involved with promoting water security in the Mekong countries. It convened the Mekong-ROK Summit in Busan in November 2019, where participants discussed increasing

contributions to the ROK-Mekong Cooperation Fund and ROK-Mekong Water Resources Management.<sup>191</sup> Major decisions included: upgrading ROK-Mekong cooperation to summit level; launching the ROK-Mekong Water Resources Joint Research Center to strengthen cooperation on water resources management; launching the ROK-Mekong Biodiversity Center to increase cooperation on biodiversity conservation and discover other valuable life resources; and more.<sup>192</sup> In addition to its environmental efforts in the Pacific Islands, the Republic of Korea is also making efforts to deepen its economic and diplomatic connections to Pacific Island countries. Recent meetings have included the December 2019 Korea-Pacific Islands Business Forum in Seoul and the October 2019 Korea-Pacific Business Forum in Fiji.<sup>193</sup>

ROK efforts on maritime security and maritime-science cooperation received relatively less attention in the joint fact sheets, but have seen steadily increasing engagement in Southeast Asia in recent years. The Moon administration upgraded relationships with Vietnam, Indonesia, and the Philippines to “strategic partnerships” on the heels of the South Korea-ASEAN summit in November 2019. As for Indonesia and the Philippines, the Moon administration has been increasing arms sales that are related to maritime security, while with Vietnam, it has increased its engagement on more maritime economic and governance issues such as marine resources management and port development. The table below outlines a number of recent ROK-Vietnam, ROK-Indonesia, and ROK-Philippines developments.

## OPPORTUNITIES AND CHALLENGES FOR US-ROK COOPERATION ON PEACE AND SECURITY

One of the key challenges for coordinating US-ROK efforts on peace and security in Southeast Asia stems from the sheer scope of nontraditional security challenges facing the region. Overlap between efforts on transnational crime, counternarcotics, cybersecurity, and anti-piracy might

<sup>186</sup> “Media Note: Mekong-U.S. Partnership Joint Ministerial Statement.”

<sup>187</sup> “US-China Strategic Competition in South and East China Seas: Background and Issues for Congress,” Congressional Research Service, October 27, 2020, <https://crsreports.congress.gov/product/pdf/R/R42784/117>.

<sup>188</sup> Tri Indah Oktavianti, “Bakamla Drives Chinese Coast Guard Vessel off North Natuna Waters,” *Jakarta Post*, September 13, 2020, <https://www.thejakartapost.com/news/2020/09/13/bakamla-drives-chinese-coast-guard-vessel-off-north-natuna-waters.html>; Zack Cooper and Charles Edel, “Australia Is Having a Strategic Revolution, and It’s All About China,” *Foreign Policy*, July 22, 2020, <https://foreignpolicy.com/2020/07/22/australia-military-strategy-regional-policy-china/>.

<sup>189</sup> Kristin Huang, “China’s Navy Drills in 4 Regions Show Ability to Counter US, Observers Say,” *South China Morning Post*, August 24, 2020, <https://www.scmp.com/news/china/military/article/3098671/chinas-navy-drills-4-regions-show-ability-counter-us-observers>; Liu Zhen, “US-China Relations: PLA Navy Conducts Live-Fire Exercise in East China Sea,” *South China Morning Post*, August 20, 2020, <https://www.scmp.com/news/china/military/article/3098170/us-china-relations-pla-navy-conducts-live-fire-exercise-east>.

<sup>190</sup> Wendy Wu and Minnie Chan, “South China Sea: Chinese Military Told Not to Fire First Shot in Stand-off with US Forces,” *South China Morning Post*, August 11, 2020, <https://www.scmp.com/news/china/diplomacy/article/3096978/south-china-sea-chinese-military-told-not-fire-first-shot>.

<sup>191</sup> “Mun Daetongnyeong-Mekongjeongsang Thangangtmekonggang Seoneont3daebunya Hyeomnyeok Ganghwa [President Moon and Mekong Leaders Make ‘Han-Mekong River Declaration,’ Pledges to Strengthen Cooperation in 7 Major Areas],” ROK Ministry of Culture, Sports and Tourism, November 2019, <https://www.korea.kr/news/policyNewsView.do?newsId=148866945&pWise=main&pWiseMain=A2>.

<sup>192</sup> Ibid.

<sup>193</sup> “Korea-Pacific Islands Business Forum,” Fiji Embassy Seoul, January 8, 2020, <https://fijiembassy.co.kr/korea-pacific-islands-business-forum/>.

## RECENT MARITIME SECURITY DEVELOPMENT

**June 2021:** Indonesia and the United States began construction on a new \$3.5-million maritime training center in the strategic area of Batam, situated in the Riau Islands near the world's busiest shipping lanes.<sup>1</sup>

**June 2021:** The 27th annual Cooperation Afloat Readiness and Training (CARAT) exercise series between the US Navy, Japan, and Sri Lanka commenced with CARAT Sri Lanka.<sup>2</sup>

**April 2021:** Naval warships from the United States, Japan, Australia, India, and France took part in a three-day military exercise in the Bay of Bengal. This was the first naval exercise between the Quadrilateral Security Dialogue (Quad) countries that also included France, a key US European ally and founding member of NATO.<sup>3</sup>

**October 2020:** Australia announced it would participate in the India-led Malabar 2020 naval exercise with the United States and Japan in November 2020, the first naval exercise for the Quad.<sup>4</sup>

**July 2020:** Secretary of State Mike Pompeo announced a notable change for US policy in the South China Sea, saying that "Beijing's claims to offshore resources across most of the South China Sea are completely unlawful".<sup>5</sup> This is a firmer endorsement of the 2016 ruling by the International Court of Arbitration that China cannot assert "historic rights" or make additional claims beyond those permitted by the United

Nations Convention on the Law of the Sea (UNCLOS).<sup>6</sup> On July 29, Malaysia submitted to the UN a rejection "in its entirety" of an earlier Chinese submission to the UN regarding its claims in the South China Sea.<sup>7</sup> The Philippines decided to postpone its decision to terminate the US-Philippines Visiting Forces Agreement (VFA), largely due to Chinese aggression in South China Sea. The agreement enables US military forces to work with the Philippines to respond to Chinese assertiveness.<sup>8</sup>

**May 2020:** The United States, for the first time, intervened in a local standoff in a contested area of the South China Sea. The drillship West Capella, contracted by Malaysian national oil and gas company Petronas, was exploring a contested area and was harassed by Chinese Coast Guard and militia. The United States sent naval vessels into the area for a sustained period.<sup>9</sup>

**February 2019:** Secretary Pompeo confirmed that the United States would come to the aid of the Philippines should it come under any form of Chinese armed attack in the South China Sea. This represented a clear departure from the Obama administration's nonresponse to China's seizure of Scarborough Shoal, which was under Filipino administration.<sup>10</sup>

**January 2019:** Then-US Chief of Naval Operations Admiral John Richardson warned his Chinese counterpart that the US Navy would respond to provocations by Chinese Coast Guard and Chinese maritime militia vessels, just as it would to People's Liberation Army Navy vessels.<sup>11</sup>

- 1 Rudy Woro Yunair, "US Funds Indonesian Maritime Training Centre at Edge of South China Sea to Counter 'Domestic and Transnational Crime,'" South China Morning Post, June 28, 2021, <https://www.scmp.com/week-asia/politics/article/3139087/us-funds-indonesian-maritime-training-centre-edge-south-china>.
- 2 Lt. Lauren Chatmas, "CARAT Series 2021 Begins, Elevating Partnerships with U.S., Sri Lanka, Japan," Commander, U.S. Pacific Fleet, June 23, 2021, <https://www.cpf.navy.mil/news.aspx/130883>.
- 3 Kunal Purohit, "India Joins French-Led Naval Exercise, Revealing Quad's Plans to Contain China in Indo-Pacific," This Week in Asia, April 4, 2021, <https://www.scmp.com/week-asia/politics/article/3128236/india-joins-french-led-naval-exercise-revealing-clues-about>.
- 4 Megan Eckstein, "Australia to Join U.S., India, Japan for Malabar 2020 in High-End Naval Exercise of 'The Quad,'" USNI News, October 20, 2020, <https://news.usni.org/2020/10/20/australia-to-join-u-s-india-japan-for-malabar-2020-in-high-end-naval-exercise-of-the-quad>.
- 5 "Statement by Secretary Michael R. Pompeo, U.S. Position on Maritime Claims in the South China Sea", U.S. Embassy in Laos, July 21, 2021
- 6 Greg Poling, "How Significant Is the New U.S. South China Sea Policy?" Center for Strategic and International Studies, July 14, 2020, <https://www.csis.org/analysis/how-significant-new-us-south-china-sea-policy>.
- 7 Derek Grossman, "US Indo-Pacific Strategy is Working, Mainly Thanks to China," Nikkei Asian Review, September 13, 2020, <https://asia.nikkei.com/Opinion/US-Indo-Pacific-strategy-is-working-mainly-thanks-to-China>
- 8 Ibid.
- 9 Blake Herzinger, "Learning in the South China Sea: The U.S. Response to the West Capella Standoff," War on the Rocks, May 18, 2020, <https://warontherocks.com/2020/05/learning-in-the-south-china-sea-the-u-s-response-to-the-west-capella-standoff/>.
- 10 Regine Cabato and Shibani Mahtani, "Pompeo Promises Intervention If Philippines Is Attacked in South China Sea Amid Rising Chinese Militarization," Washington Post, February 28, 2019, [https://www.washingtonpost.com/world/pompeo-promises-intervention-if-philippines-is-attacked-in-south-china-sea-amid-rising-chinese-militarization/2019/02/28/5288768a-3b53-11e9-b10b-f05a22e75865\\_story.html](https://www.washingtonpost.com/world/pompeo-promises-intervention-if-philippines-is-attacked-in-south-china-sea-amid-rising-chinese-militarization/2019/02/28/5288768a-3b53-11e9-b10b-f05a22e75865_story.html).
- 11 Demetri Sevastopulo and Kathrin Hille, "US Warns China on Aggressive Acts by Fishing Boats and Coast Guard," Financial Times, April 28, 2019, <https://www.ft.com/content/ab4b1602-696a-11e9-80c7-60ee53e6681d>.



lend themselves more naturally to strategic joint efforts, but it is difficult to imagine a policy framework or initiative for cooperation that can coherently address these as well as marine environmental protection, water security, and disaster preparedness. A comprehensive nontraditional security equivalent to Asia EDGE, the Blue Dot Network, or the Indo-Pacific Transparency Initiative may be difficult to formulate. Moving forward, nontraditional peace and security efforts may need to remain split into smaller, piecemeal projects targeting specific challenges in limited geographic areas (water in the Mekong region, climate change in the Pacific Islands, etc.). The most natural way to conceptualize cooperative efforts moving forward may be those efforts focused on nontraditional security threats related to law enforcement and threats related to the environment. As they seek to cooperate more closely on nontraditional security issues in the region, the United States and Republic of Korea will also need to define a comprehensive agenda for cooperation on traditional maritime security. Strengthening traditional security cooperation in maritime Southeast Asia is difficult, however, due to the complex geography and the attendant conflict of multiple interests that characterize the region.

### **POLICY RECOMMENDATIONS FOR PEACE AND SECURITY COOPERATION IN SOUTHEAST ASIA**

Establish a joint initiative on interrelated nontraditional regional security threats in Southeast Asia that links existing US and ROK efforts on countering transnational crimes, counternarcotics, counterterrorism, cybersecurity, and anti-piracy. Connecting the dots between currently disconnected lines of effort into a single, coherent initiative will better empower the two countries to work with in-region stakeholders to build capacity, share technology, and pursue

deeper multilateral cooperative responses to diversifying nontraditional security threats in the region.

Define a maritime security-cooperation agenda that leverages both countries' strengths in the region. Currently, the Republic of Korea is clearly committed to helping equip and build maritime security capacity around the region, but its role in maritime security operations is less clearly defined. This presents an opportunity for the two countries to define a set of priorities for maritime security cooperation that leverages the strong US presence in the region and the acceleration of ROK connections to regional maritime forces through its arms sales and capacity-building efforts.

Relaunch and expand the US-ROK Bilateral Cyber Consultations. The dialogue represents a key opportunity to coordinate a bilateral whole-of-government approach to key cybersecurity challenges and opportunities. However, there have been no meetings since the fifth consultations in 2018. The two countries should relaunch the Bilateral Cyber Consultations to increase collaboration across government, civil society, and the private sector to share cyber security intelligence and best practices. The two countries should also use the consultations as a model for launching an annual US-ROK-ASEAN Cyber Consultation.

Launch a joint humanitarian-assistance and disaster-relief training exercise with Pacific Island countries. Although the NSP and IPS are more specifically focused on Southeast Asia, support for Pacific Island countries dealing with the threat of climate change and natural disasters is an area of clear convergence on security and peace cooperation between the United States and Republic of Korea. A joint exercise is a perfect way to build people-to-people ties and increase exchanges while building capacity and increasing security in the region.

## NOTABLE ROK MARITIME SECURITY AND SCIENCE COOPERATION

### Vietnam

- November 2019: Following President Moon's summit with Vietnamese Prime Minister Nguyen Xuan Phuc, three MoUs were signed, one of which was an agreement to enhance cooperation in capacity building for sailors and in maritime affairs. South Korea will also transfer a training vessel used by the Korea Maritime and Ocean University to Vietnam.<sup>1</sup>
- November 2018: The Korea Maritime Institute (KMI) signed an MoU with Vietnam's Can Tho University to cooperate on developing Vietnam's aquaculture and related R&D.<sup>2</sup>
- October 2018: ROK Ministry of Oceans and Fisheries signed an MoU with Vietnam's Ministry of Transport to cooperate on developing the Lach Huyen port in northern Vietnam, enlisting ROK firms to participate.<sup>3</sup> ROK Ministry of Oceans and Fisheries said the MoU was to support NSP.
- March 2018: The Korea Maritime Institute (KMI) signed an MoU with Vietnam's Ministry of Foreign Affairs National Boundary Committee to cooperate on joint marine resources survey, exploration, and development, maritime law enforcement and security, policy, and strategy personnel training.<sup>4</sup> KMI said this was part of NSP. KMI followed this up with "Korea-Vietnam Joint Seminar 2019," which featured a session on NSP and maritime law and policy, as well as a session on economic cooperation on fisheries and maritime energy.<sup>5</sup>
- 2016–2017: The ROK Navy agreed to donate two Po Hang-class corvettes to Vietnam.<sup>6</sup>

### Philippines

- May 2021: Philippines Department of National Defense Assistant Secretary for Logistics and Acquisition (ASEC) Jesus Rey. R Avilla visited the Korean Navy Submarine Force Command, where both sides "discussed various areas of cooperation to enhance the Philippine Navy's future submarine capabilities."<sup>7</sup>
- November 2020: The ROK government inked a \$100-million loan to the Philippines to support its coronavirus response, the largest COVID-19-related assistance from the Republic of Korea to another country.<sup>8</sup>
- August 2020: During their first Navy to Navy Talks, the Philippines and ROK Navy shared their best practices for battling the COVID-19 pandemic while maintaining maritime operational capability.<sup>9</sup>
- November 2019: Moon and Rodrigo Duterte agreed to elevate their ROK-Philippines bilateral ties to a "strategic partnership" during a bilateral meeting in Seoul, after having no previous formal partnership.<sup>10</sup>
- April 2019: South Korea's Samyang Comtech and Boo Heung Precision Machinery commenced a joint effort in partnership with the Philippines' Government Arsenal that includes building facilities that produce ammunition and equipment such as helmets and vests.<sup>11</sup>

1 Choi He-Suk, "[ASEAN-Korea Summit] Korea, Vietnam Pledge Cooperation on ASEAN, Global Issues," Korea Herald, November 27, 2019, <http://www.koreaherald.com/view.php?ud=20191127000805>.

2 "Hanguktpbeteunam Susanyangsiksaneop Baljeon Wihae Hyeomnyeok [Korea, Vietnam to Cooperate on Acquacultural Industry]," Hyeondae Haeyang, November 4, 2018, <http://www.hdhhy.co.kr/news/articleView.html?idxno=8174>.

3 "Sinnambangjeongchaek Haeksim Pateuneoin Beteunamgwa Hangmanhyeomnyeok Hwakdae [Expanding Cooperation on Harbor Development with New Southern Policy Core Partner Vietnam]," ROK Ministry of Oceans and Fisheries, October 2018, <http://www.mof.go.kr/article/view.do?articleKey=23661&searchSelect=title&boardKey=10&searchStartDate=2018-09-16&searchEndDate=2018-10-17&currentPageNo=1>.

4 "KMI, Beteunam Oegyobugukgyeongwiwonhoewa MOU Chegyeol [Korea Maritime Institute Signs MOU with Vietnam's Ministry of Foreign Affairs National Boundary Committee]," Korea Maritime Institute, press release, March 22, 2018, <https://www.kmi.re.kr/web/view.do?rbsldx=164&idx=3044>.

5 "Haeyangbunya Hyeomnyeok Ganghwa Gidaetthan-Beteunam Semina Gaechoe," [Korea, Vietnam Hold Seminar on Industry Cooperation...More Cooperation on Maritime Economy Expected]," Korea Maritime News, July 25, 2019, <http://www.haesaneews.com/news/articleView.html?idxno=85903>.

6 "SIPRI Arms Transfers Database," Stockholm International Peace Research Institute, [https://www.sipri.org/databases/armstransfers\\_](https://www.sipri.org/databases/armstransfers_).

7 "South Korea, Philippines Discussing Future Submarine Capabilities Enhancement," Naval News, May 27, 2021, <https://www.navalnews.com/event-news/madex-2021/2021/05/south-korea-philippines-discussing-future-submarine-capabilities-enhancement/>.

8 "Philippines Gets \$100-M Loan from South Korea for COVID-19 Response," ABS CBN News, November 2, 2020, <https://news.abs-cbn.com/business/11/02/20/philippines-gets-100-m-loan-from-south-korea-for-covid-19-response>.

9 Rambo Talabong, "PH, South Korea Navies Share Best Practices vs COVID-19," Rappler, August 13, 2020, <https://www.rappler.com/nation/philippine-navy-hosts-first-talks-with-south-korea>.

10 "Philippines, South Korea to Elevate Level of Cooperation to Strategic Partnership by 2020," Republic of the Philippines Presidential Communications Operations Office, press release, November 25, 2019, [https://pcoo.gov.ph/news\\_releases/philippines-south-korea-to-elevate-level-of-cooperation-to-strategic-partnership-by-2020/](https://pcoo.gov.ph/news_releases/philippines-south-korea-to-elevate-level-of-cooperation-to-strategic-partnership-by-2020/).

11 "S. Korean Firms, Philippine Gov't Hold Groundbreaking Ceremony for Defense Factories," Yonhap News Agency, <https://en.yna.co.kr/view/AEN20190405009800315>.

## NOTABLE ROK MARITIME SECURITY AND SCIENCE COOPERATION

- April 2018: Filipino Defense Minister Delfin Lorenzana visited Seoul to celebrate the completion of the two 2,600-ton frigates the Philippine Navy had purchased from the ROK in 2016.<sup>12</sup>
- 2017: Korea Aerospace Industries/Lockheed-Martin exported 12 F/A-50PH light attack fighters in an approximately \$360-million deal.<sup>13</sup> Philippines also acquired six close-air-support aircraft, thirteen AW-109 helicopters, and eight Bell-412 combat helicopters from Korean Aerospace Industries.<sup>14</sup> S&T Daewoo also sold seven thousand light machine guns to the Philippine Army.<sup>15</sup>
- September 2020: The Indonesian Defense Ministry set to renegotiate funding for the KFX/IFX program. The agreement for the project was signed in 2015, and the initial prototype was meant to be completed by 2019.<sup>18</sup>
- April 2020: The Indonesia Defense Ministry reevaluated a \$900-million deal with ROK shipbuilder Daewoo Shipbuilding and Marine Engineering (DSME) for the purchase of a second round of three Type 209/1400 Nagapasa-class (Chang Bogo-class) diesel-electric attack submarines (SSK).<sup>19</sup>
- 2017: President Moon and President Widodo elevated their bilateral relationship to a “special strategic partnership,” in hopes of “exploring new consultation mechanisms such as a two-plus-two meeting,” and continuing to pursue cooperation “in the field of defense industry with a stronger emphasis on capacity-building, research and development, and joint production.”<sup>20</sup>
- November 2020: The two countries set to sign the Indonesia-South Korea Comprehensive Economic Partnership Agreement (IK-CEPA). The agreement improves access for Indonesian industrial, fisheries, and agricultural products to the ROK market, and increases Indonesian purchases of raw industrial materials.<sup>17</sup>

### Indonesia

- 12 Yonhap, “Korea, Philippines Vow Close Military Ties,” Korea Herald, April 30, 2018, [http://www.koreaherald.com/view.php?ud=20180430000733&ACE\\_SEARCH=1](http://www.koreaherald.com/view.php?ud=20180430000733&ACE_SEARCH=1).
- 13 “Philippines Plans to Buy 12 More FA-50 Fighters From South Korea,” Defense World, August 7, 2017, [https://www.defenseworld.net/news/2017/Philippines\\_Plans\\_To\\_Buy\\_12\\_More\\_FA\\_50\\_Fighters\\_From\\_South\\_Korea#:~:text=Philippines%20Plans%20To%20Buy%2012%20More%20FA%2D50%20Fighters%20From%20South%20Korea,-Our%20Bureau&text=Philippines%20President%20Rodrigo%20Duterte%20has,50PH%20aircraft%20from%20South%20Korea](https://www.defenseworld.net/news/2017/Philippines_Plans_To_Buy_12_More_FA_50_Fighters_From_South_Korea#:~:text=Philippines%20Plans%20To%20Buy%2012%20More%20FA%2D50%20Fighters%20From%20South%20Korea,-Our%20Bureau&text=Philippines%20President%20Rodrigo%20Duterte%20has,50PH%20aircraft%20from%20South%20Korea).
- 14 Pitz Orpiano, “The Philippine Air Force Combat Utility Helicopter Project,” Pitz Defense Analysis, May 13, 2019, <https://pitzdefanalysis.blogspot.com/2019/05/the-philippine-air-force-combat-utility.html>.
- 15 “The Daewoo K3 is Designed Along the Same Lines as the Fabrique Nationale FN Minimi and Serves Multiple Battlefield Purposes,” Military Factory, March 12, 2020, [https://www.militaryfactory.com/smallarms/detail.asp?smallarms\\_id=387](https://www.militaryfactory.com/smallarms/detail.asp?smallarms_id=387).
- 16 Brian Kim, “South Korea UNVEILS Prototype of Homegrown KF-X Fighter Jet,” Defense News, April 12, 2021, <https://www.defensenews.com/industry/techwatch/2021/04/09/south-korea-unveils-prototype-of-homegrown-kf-x-fighter-jet/>.
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## About the Author



**Dr. Miyeon Oh** is director and senior fellow of the Asia Security Initiative in the Atlantic Council's Scowcroft Center for Strategy and Security. She joined the Council in 2016 to craft A Strategy for the Trans-Pacific Century: Final Report of the Atlantic Council's Asia-Pacific Strategy Task Force. In Fall 2021, she has also been appointed director and senior faculty lead of Korea Studies at John Hopkins University's School of Advanced International Studies, where she received her PhD. She was selected as the 2017 Strategy and Policy Fellow by the Smith Richardson Foundation and was a foreign policy pre-doctoral fellow at the Brookings Institution in 2013-2014. Additionally, Dr. Oh has a significant background in public policy and international affairs with master's degrees from both the Harvard Kennedy School of Government and Yonsei University in Korea, and public-sector experience with the United Nations and Korea's Ministry of Foreign Affairs and Trade. Her areas of expertise include global supply chains of emerging technology that is critical to national security, energy security, infrastructure development and digital connectivity in the Indo-Pacific, changing political and economic architecture in the Asia-Pacific, Sino-Russian relations, US-China strategic competition/cooperation and the Belt Road Initiative, US-Japan-ROK trilateral cooperation, and the US-ROK alliance.

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