

Relations between Russia and South Korea in the Arctic Region: Current Situation and Perspectives

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Abstract—The authors present a brief overview and motives for expanding of the Korean presence in the Arctic. The bilateral interaction between Russia and Korea in the economic and political sphere is analyzed. The authors conclude with highlighting topical issues of Russo-Korean relations in the Arctic and propose some ideas for the development of relations between the two countries.

Keywords—Arctic; Russia; Republic of Korea; Northern Sea Route (NSR); energy; LNG

I. INTRODUCTION

In the context of the reconfiguration of the international system and the erosion of traditional patterns of actions and expectations, it is important to analyze Russia's interaction with Asian countries in various regions of the world. Currently Arctic is the region least affected by the crisis in relations between Russia and the West, albeit badly affected by the US and EU sanctions. Article 76 of the 2016 Foreign Policy Concept of the Russian Federation notes the importance of the Arctic region: "Russia will firmly oppose any attempts to introduce elements of political and military confrontation into the Arctic, to politicize international cooperation in the region as a whole. The use of the Northern Sea Route as the national transport communication of Russia in the Arctic, as well as its use for transit traffic between Europe and Asia, is essential for the development of the region" [3]. As Canadian researcher Michael Byers points out, "if international cooperation with a basis in international law cannot be achieved in the Arctic where so many tendencies work in its favor, it is hard to imagine it having much potential anywhere else" [10]. There is a gradual rapprochement between Russia and the Asian states in this region, especially this trend was actualized in the conditions of growing confrontation between Russia and China with the United States.

This article analyzes the relations between Russia and the Republic of Korea in the Arctic. At present, three Asian countries are intensifying their activities in the region - China, Japan and the Republic of Korea. In modern literature one can find a statement that the main motive for the involvement of these countries in the Arctic is the economic interest in resources and transport routes. Although this is true, there are also additional reasons for their involvement at the heart of the Arctic policy of each country.

II. METHODOLOGY

The authors apply systemic view to the development of the relations between two countries in a given region. Political, economic and legal aspects of the relations are analyzed discreetly and then summarized in the conclusion presenting some recommendations for further development of the relations. The authors apply the neorealistic approach to the international relations

III. KOREAN INVOLVEMENT INTO THE ARCTIC

The story of the involvement of South Korea in the study of the polar regions began in the late 1970s, when Korea for the first time conducted a research in the waters of Antarctica. In 1986, the Republic of Korea joined the Antarctic Treaty and in 1988 established "King Sejong" research station on King George Island (Waterloo) [16].

The Arctic began to attract South Korean researchers' attention in the early 1990s. In 1991, Korea became the eleventh country, whose expedition reached the North Pole. In 1999, joint scientific expeditions were conducted along with Japanese and Chinese counterparts. The following year, a joint expedition of Korean and Russian scientists took place in the Barents and Kara seas [8].

In 2001, the Korean Arctic Science Council (KASCO) was created, and one year later, Korea joined the International Arctic Science Committee [17]. At the end of April 2002, the Korean research station Dassen was founded in the village of Ny-Alesund on the island of Spitsbergen [7]. In 2004, the Korean Polar Research Institute (KORPI) was founded. In 2009, with the commissioning of its own icebreaker Araon, South Korea's research potential in the Arctic gained complete independence. According to the expert of the Korean Polar Research Institute (KORPI) Jinsuk Kim, before entering the operation of "Araon" Korea itself turned to other countries for help in research, after this event, on the contrary, other countries began to seek cooperation with Korea in this area [5].

In 2008, Seoul applied for the observer status in the Arctic Council. In May 2013, this application was approved, and in December, the First General Plan for Arctic Policy was submitted. At the same time, South Korea became the first

Asian country to adopt a comprehensive strategy for this region. This plan consists of a vision, three political objectives and four main programs. Korea's vision is to develop sustainable future ideas through global, regional and local cooperation. The three political goals are as follows: 1) the establishment of an Arctic partnership; 2) development of research potential; 3) the opening of new business opportunities. The four main programs are: 1) strengthening international cooperation with the Arctic region; 2) the development of research potential; 3) the development of the Arctic business potential; 4) strengthening its own institutional base.

While analyzing Korean Arctic policy, one should realize that the country's motives in this region fall into three categories: political, economic and scientific. It is important to understand that despite the fact that the Republic of Korea is situated on the Korean Peninsula, in fact it is an island nation. Geographical circumstances, along with security issues, impose certain restrictions on its foreign policy. Given the country's remoteness from the Arctic Ocean, it is logical to assume that the Arctic is not a priority for South Korea's foreign policy. However, it plays an important role in the foreign policy concept of the "middle power". Former Minister of Foreign Affairs and Trade of the Republic of Korea Yun Byung-se wrote an article in which he noted that Korean diplomacy as a "middle power" is not a diplomacy of a middle-level country (diplomacy of mid-level state). A middle-level country literally takes a "middle", inactive stance in international regulatory matters, while the "middle powers" abandon their passive role and take an active part in international relations. The diplomacy of the "middle powers" is aimed at ensuring that the country becomes one of the "architects" of the international order, a mediator between other countries. In an interview with the Russian International Affairs Council (RIAC) Donming Jin, head of the polar logistics department of the Korean Polar Research Institute (KORPI), said that the Arctic foreign policy direction is important for the Korean people in terms of international status [19].

The development of Arctic research capabilities also partly serves the purpose of raising the country's status in the global arena. Currently, the country's leading scientific organization, the Korean Polar Research Institute (KORPI), is developing relations with relevant centers in Russia, Norway, Canada, the USA, Sweden, Denmark, Japan, China, Great Britain, Germany, France, Portugal, Italy and etc. [6]. In addition, as traditionally the Korean economy has depended on the manufacturing industry, the South Korean leadership has realized in recent years that if the country wants to maintain its competitive advantages in the modern world, it should turn into a knowledge-based economy. According to Bennet, "the interest of the state in science and research and development as a path to economic growth is the country's main interest in the Arctic" [11]. In 2017, the share of R & D in South Korea's GDP was about 4.55%, which was the best indicator in the world.

Korea is in the top 10 countries in the import and consumption of primary energy [2]. The absence of hydrocarbons in the country makes it dependent on imports, thus suppliers' diversification becomes an important issue. Currently, most hydrocarbons are imported from the Middle East. Cooperation with Russia in the development, production

and transportation of oil and gas seems lucrative for South Korean companies. The development of Arctic transport routes is of interest to Korea, since the bulk of trade falls on Europe. In 2011, an agreement on the FTA between the EU and the Republic of Korea entered into force, which, in turn, leads to an annual increase in trade. Despite this, most private companies still doubt the possibility of a full-fledged transformation of the NSR into an international transport artery. It is also worth noting that the Republic of Korea is one of the world leaders in the shipbuilding industry, and the development of the Arctic routes will create demand for the products of such shipbuilding giants as Daewoo Shipbuilding & Marine Engineering, STX Offshore & Shipbuilding Company, Hyundai Heavy Industries, Samsung Heavy Industries, etc. Another reason for the interest of South Korea in the development of the polar route is the possibility of turning the country's large ports (Busan, Ulsan, Kwansan) into international maritime hubs.

IV. RUSSIAN-KOREAN RELATIONS IN THE ARCTIC

In recent years, relations between the two countries have been developing dynamically. In 2017, the turnover increased by 27.3% to \$19.2 billion. After coming to power, President Moon Jae-in announced the "New Northern Policy", which provides for the creation of a single economic space covering the Korean Peninsula and the Russian Far East. The key point of the new policy is the creation of a Eurasian economic community based on cooperation between the Republic of Korea and Russia. Speaking at the Eastern Economic Forum in September 2017, President Moon Jae Ying proposed to expand economic cooperation between South Korea and Russia in a wide range of areas, including energy, infrastructure and agriculture. He also added: "South Korea is the second largest importer of natural gas in the world. We want not only to import it, but also to participate in joint energy plans" [11]. The concept of the Nine Bridges, which should bring Russia closer to South Korea, was presented. This concept includes the development of cooperation in nine areas: gas, rail, port, electric power, Arctic transport, shipbuilding, agriculture, fisheries and the capital market areas.

At the end of November 2017, the first Russian-Korean Arctic consultations were held in Seoul. It is worth noting that the format of bilateral Arctic consultations is also used by South Korea in relations with the Scandinavian countries. The main objective of these meetings is to discuss the burning issues of the bilateral relations of countries in the Arctic. At the first meeting, the main topics were scientific cooperation, Korea's participation in the use of the NSR and joint energy projects [12]. Despite the fact that no more meetings were held within this format, Arctic issues are included in the agenda of all bilateral consultation meetings between the governments of the two countries.

The main areas in which Russian-Korean cooperation in the Arctic is developing are energy and transport. South Korean shipyards are the world's leading companies in the production of LNG tankers. With an increase in the demand and supply of this resource all over the world, the demand for LNG transportation vessels rises accordingly. Yamal LNG is currently the largest Russian project for the production of LNG with a capacity of about 16.5 million tons per year on the basis of the South Tambeyskoye gas condensate field, whose

gas reserves are estimated at 926 bn m³. The main shareholder of the Yamal LNG project, NOVATEK, in July 2013, was offered an order to build 15 ice-class LNG tankers from the Korean company Daewoo Shipbuilding & Marine Engineering (DSME). The company's choice of the Korean shipyards is explained by the favorable price (while LNG tankers are considered the most expensive seagoing ships) and the quality of the tankers themselves.

Today, Korean shipyards are negotiating the construction of 194 LNG tankers around the world. 45 orders have been received from Russia, including 15 for the Yamal LNG project. The importance of cooperation in this area is confirmed by the visit of President Moon Jae-in to the DSME shipyard on January 3, 2018, during which he noted: "These tankers will play an important role in implementing the policy of northern economic cooperation, developing the Arctic sea routes" [18]. Sovcomflot, in turn, signed an agreement with the Korean shipyards on the construction of 7 Aframax and 1 Arctic class tankers. In addition, an interesting fact is the production of propellers for the Yamal LNG tankers at the Severodvinsk ship repair center Zvezdochka.

A problem for the development of cooperation is the recent ban on the use of ships manufactured in foreign shipyards for the transportation of oil and gas in the NSR by. Despite the fact that NOVATEK, the main player in this field, was allowed, as an exception, to use foreign ships by 2021 due to the absence of an alternative, the author assumes that the bill hinders the development of relations with Asian countries, namely with South Korea, China and Japan. It seems that the internal shipbuilding potential should be developed not through the use of protectionist measures, but by expanding cooperation with the world's leading research and development and design centers of the relevant areas. A positive point is the interest shown by some Korean private companies in the development of shipping on the NSR. So, Hyundai Merchant Marine plans to use the NSR as a transportation route for container ships of 2500-3500 TEU in 2020 already [4].

Korea is the third largest LNG importer in the world. Its main partners are Qatar, Australia and the United States, Russia ranks sixth in the list of LNG exporters to Korea [16]. Russian companies developing relations with Korea in this area are NOVATEK and Gazprom. In 2016, Gazprom and KOGAS signed a cooperation agreement. The main volume of interaction at the moment falls on cooperation within the framework of the Sakhalin-2 project. In June 2018, NOVATEK and KOGAS signed a memorandum of understanding, which expressed the mutual interest of the two companies in the participation of the latter in the Arctic LNG project [13].

It should be noted that the Asia-Pacific countries are increasing LNG imports every year. For example, in November 2018, China refused to import American LNG against the background of a trade war with the United States; now, despite the 15% duty negotiations are underway to purchase this type of fuel for 16-18 billion US dollars, which according to the experts will end with the signing of the contract [9]. Since April 2019, South Korea has reduced LNG taxes for generating companies by 75% and increased coal usage fees, in order to promote the natural gas market as a more environmentally friendly resource [15]. Therefore,

Russia has every chance to take a more serious position in the list of LNG importers among the North-Asian countries.

V. CONCLUSION

Based on the mutual interests of Russia and South Korea, on the development of the resource base and transport routes in the Arctic, it seems that in future activities it is important to focus on the following aspects of cooperation:

- 1) Creating a full-fledged intergovernmental commission on the development of cooperation in the Arctic.
- 2) Preparation of interstate agreements aimed at ensuring full-fledged and mutually beneficial cooperation between the business circles of the two countries.
- 3) Preparation of investment projects, primarily the reconstruction of seaports at the NSR, in order to attract Korean companies to the Arctic.
- 4) The final legislative design of the rules and procedures for the use of the NSR by international vessels confirming Russia's sovereignty over the sea route and presenting favorable conditions for foreign commercial vessels.
- 5) Development of the scientific cooperation in the Arctic.

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