

ASEAN-KOREA STRATEGIC PARTNERSHIP IN NEW ASIAN REGIONALISM

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I. INTRODUCTION

Over the past two decades, Asia has witnessed increasing regional trade integration with the rapid increase of free trade agreements (FTAs), constituting almost half of global trade pacts.¹ Such a phenomenon has been said to give rise to “new Asian regionalism”, which is defined as a fundamental change in the multilateral trading system.² It is a novel and normative integration process which focuses on ASEAN, and in particular the ASEAN Plus Six framework underlying Asia’s increasing economic power.³

This paper analyses new Asian regionalism from the perspective of two middle powers in Asia: the Association of Southeast Asian Nations (ASEAN)⁴ and the Republic of Korea (Korea). ASEAN and Korea are important trading partners, with ASEAN being Korea’s third largest trading partner and Korea being ASEAN’s fifth largest trading partner.⁵ An analysis of ASEAN-Korea relations is important as their cooperation in multiple areas such as digital trade and climate change has the potential to generate new norms in the multilateral trading system. Further, their cooperation on various fronts may bolster regional security and help recover the regional economy which has been greatly affected by the COVID-19 pandemic.

There have also been significant developments in Korea’s integration with the region, such as its recent involvement in regional trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). In relation to ASEAN specifically, Korea has undertaken diplomatic initiatives to advance its ties with the bloc, such as the New Southern Policy (NSP) in 2017 and the recently updated NSP Plus.

This paper explores the Joint Declaration on ASEAN-RoK Strategic Partnership for Peace and Prosperity (Strategic Partnership), which was launched in 2010,⁶ in tandem with Korea’s NSP and NSP Plus. The first part outlines the background of ASEAN and Korea’s relationship leading up to their entry into the Strategic Partnership, followed by key events thus far. Thereafter, the relationship between Korea’s NSP and the Strategic Partnership, as well as Korea’s various trade relationships with ASEAN member states

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¹ Suzie Park, “The Rise of Asia-Pacific Regionalism in Trade Agreements Following the U.S. Withdrawal from the Trans-Pacific Partnership”, (2020) 53 N.Y.U. J. Int’l L. & Pol. 27, available at <https://www.nyujilp.org/the-rise-of-asia-pacific-regionalism-in-trade-agreements-following-the-u-s-withdrawal-from-the-trans-pacific-partnership/> (last accessed 2 May 2022); Asia Regional Integration Center, “Free Trade Agreements”, available at <https://aric.adb.org/fta-country> (last accessed 2 May 2022).

² Pasha L. Hsieh, *New Asian Regionalism in International Economic Law* (Cambridge University Press 2021), chs. 1, 4.

³ Ibid.

⁴ ASEAN consists of 10 member states in Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

⁵ ASEAN-Korea Centre, “2021 ASEAN and Korea in Figures”, x, available at <https://www.aseankorea.org/eng/Resources/publication.asp> (last accessed 1 May 2022).

⁶ Ministry of Foreign Affairs (Republic of Korea), “Overview of ROK-ASEAN Relations”, available at https://www.mofa.go.kr/eng/wpge/m_5466/contents.do (last accessed 3 May 2022).

will be explored. The paper will then analyse Korea's accession into RCEP and its potential accession into CPTPP, as well as consider their impact on ASEAN-Korea relations, before concluding with a summary of business operations of Korean companies in ASEAN. The author hopes that this paper will shed light on ASEAN-Korea relations, as well as offer some insight into Korea's integration within the region.

II. BACKGROUND TO THE STRATEGIC PARTNERSHIP

Relations between ASEAN and Korea underwent several stages of development. ASEAN and Korea first established sectoral dialogue relations in 1989, with Korea only deemed a "sectoral dialogue partner" of ASEAN due to its status as a developing country,⁷ while other advanced countries or superpowers were granted full dialogue partner status.⁸ ASEAN later upgraded Korea's status to that of a full dialogue partner at the 24th ASEAN Ministerial Meeting in 1991.⁹ Being promoted to a dialogue partner was significant, as it meant that Korea and ASEAN had the fullest extent of engagement in terms of breadth and depth.¹⁰

Between 1991 and the adoption of the Strategic Partnership, ASEAN-Korea relations deepened with several notable events. First, Korea joined the ASEAN-led ASEAN Regional Forum in 1994.¹¹ Secondly, the Asian financial crisis in 1997 presented an opportunity for the acceleration of ASEAN-Korea relations, as the two parties had more opportunities to discuss common concerns. ASEAN countries and their counterparts in Northeast Asia, such as Korea, Japan and China, established the ASEAN Plus Three multilateral framework to overcome the crisis.¹² In 2007, the ASEAN-Korea FTA (AKFTA) on trade in goods entered into force.¹³

At the 13th ASEAN-RoK Summit in 2010 in Ha Noi, Vietnam, ASEAN-Korea dialogue relations were elevated from a comprehensive cooperation to a strategic partnership.¹⁴ The Strategic Partnership was adopted by the various leaders,¹⁵ with aspirations to deepen and broaden ASEAN-Korea relations, as well as recognise the progress made since 1989.¹⁶

Three Plans of Action (POA) under the Strategic Partnership have been adopted thus far: the first was for the period of 2011–15, adopted at the inception of the Strategic Partnership; the second was adopted in 2015 for the period of 2016–20 (POA 2016); the third and latest was adopted in 2020 for the period of 2021–25 (POA 2021). The details of each POA will be explained in subsequent sections.

⁷ Ibid.

⁸ ASEAN, "Chairman's Statement of the 13th ASEAN-Republic of Korea (ROK) Summit", available at <https://asean.org/chairmans-statement-of-the-13th-asean-republic-of-korea-rok-summit/> (last accessed 9 May 2022).

⁹ Ministry of Foreign Affairs (Republic of Korea), "Overview of ROK-ASEAN Relations".

¹⁰ Louie Dane C. Merced, "Partners' For Change: Understanding the External Relations of ASEAN" (CIRSS Commentaries, August 2017), available at <https://fsi.gov.ph/partners-for-change-understanding-the-external-relations-of-asean/> (last accessed 4 May 2022).

¹¹ Ibid.

¹² Jaehyon Lee, "30 years of ASEAN-Korea partnership: From prosperity to peace with people" (The Asan Institute for Policy Studies, 29 November 2019), available at <http://en.asaninst.org/contents/30-years-of-asean-korea-partnership-from-prosperity-to-peace-with-people/> (last accessed 20 June 2021).

¹³ Ministry of Foreign Affairs (Republic of Korea), "Overview of ROK-ASEAN Relations".

¹⁴ ASEAN, "Overview of ASEAN-Republic of Korea Dialogue Relations", available at <https://asean.org/wp-content/uploads/2021/12/Overview-of-ASEAN-ROK-Dialogue-Relations-as-of-26-Nov-2021.pdf> (last accessed 21 June 2021).

¹⁵ Ibid.

¹⁶ Ministry of Foreign Affairs (Republic of Korea), "Overview of ROK-ASEAN Relations".

III. TIMELINE OF THE STRATEGIC PARTNERSHIP

An overview of the background to the Strategic Partnership and notable events since its inception is summarised in the table below.

Events prior to entry into Strategic Partnership	
1989	Initiation of sectoral dialogue relations in November. ¹⁷
1990	Launch of the ASEAN-Republic of Korea Cooperation Fund. ¹⁸
1991	Korea was accorded full Dialogue Partner status at the 24th ASEAN Ministerial Meeting in July. ¹⁹
1997	First ASEAN-Korea Summit held in Kuala Lumpur, Malaysia, elevating the partnership to Summit level. ²⁰
2004	Signing of the Joint Declaration on Comprehensive Cooperation Partnership at the 9th ASEAN-RoK Summit in Vientiane, Laos, advancing ASEAN-RoK relations in a more comprehensive and substantive manner. ²¹
2005	Adoption of the ASEAN-RoK Plan of Action, implementing the Joint Declaration at the 9th ASEAN-RoK Summit in December in Kuala Lumpur, Malaysia. ²²
2007	Entry into force of the AKFTA. ²³
2009	Inauguration of the ASEAN-Korea Centre, and entry into force of the ASEAN-Korea FTAs on Service and Investment. ²⁴
2010	Adoption of the Strategic Partnership and its corresponding POA (covering 2011–15) at the 13th ASEAN-RoK Summit in Ha Noi, Vietnam. ²⁵
Events following entry into Strategic Partnership	
2012	Korea established its Mission to ASEAN in Jakarta in September and appointed its first resident Ambassador to ASEAN in October. ²⁶
2014	A Commemorative Summit was held in Busan in December to celebrate 25 years of ASEAN-RoK dialogue relations. The Joint Statement on the 25th Anniversary of the ASEAN-RoK Dialogue Relations: Our Future Vision of ASEAN-RoK

¹⁷ ASEAN, “Overview of ASEAN-Republic of Korea Dialogue Relations”.

¹⁸ ASEAN-Korea Cooperation Fund, “About”, available at <https://www.aseanrokfund.com/about> (last accessed 7 May 2022).

¹⁹ Ministry of Foreign Affairs (Republic of Korea), “Overview of ROK-ASEAN Relations”.

²⁰ ASEAN, “Overview of ASEAN-Republic of Korea Dialogue Relations”.

²¹ Ministry of Foreign Affairs (Republic of Korea), “Overview of ROK-ASEAN Relations”.

²² ASEAN, “Overview of ASEAN-Republic of Korea Dialogue Relations”.

²³ Ministry of Foreign Affairs (Republic of Korea), “Overview of ROK-ASEAN Relations”.

²⁴ Ibid.

²⁵ Ibid.

²⁶ ASEAN, “Overview of ASEAN-Republic of Korea Dialogue Relations”.

	Strategic Partnership, “Building Trust, Bringing Happiness”, was adopted at this Summit. ²⁷
2015	The POA 2016 of the Strategic Partnership was adopted. ²⁸
2017	International Conference on ASEAN-Korea Partnership was held in Seoul. ²⁹ President Moon Jae-in (President Moon) unveiled the NSP. ³⁰
2018	First ASEAN-RoK Infrastructure Ministerial Meeting was held in Seoul. ³¹
2019	The Commemorative Summit was held in Busan to celebrate the 30th Anniversary of ASEAN-Korea Dialogue Relations, ³² attended by all 10 ASEAN member states. At the Summit, leaders reaffirmed the crucial roles of ASEAN and Korea in building up the political security, economic and socio-cultural agendas of the Asia-Pacific region. They also agreed to continue working closely together in support of global peace, security, prosperity and sustainable development. ³³
2020	The POA 2021 of the Strategic Partnership was adopted; ³⁴ President Moon introduced the NSP Plus at the 21st ASEAN-RoK Summit in November. At the Summit, parties emphasised the need to strengthen regional solidarity and maintain ASEAN Centrality to respond effectively to current and future challenges. ³⁵ One area of focus was the unprecedented challenge posed by the COVID-19 pandemic, and parties underscored the importance of enhanced international cooperation. ³⁶ ASEAN leaders expressed their appreciation for Korea’s assistance to ASEAN’s efforts on COVID-19 response, including the contribution of medical supplies, as well as the conduct of in-country training for laboratory officers under the US\$5 million project on enhancing detection of the virus. ³⁷
2021	The 22nd ASEAN-RoK Summit was held in October via videoconference. ³⁸

²⁷ Ibid.

²⁸ Ibid.

²⁹ ASEAN-Korea Centre, “International Conference on ASEAN-Korea Partnership”, available at https://www.aseankorea.org/eng/Activities/activities_view.asp?BOA_NUM=11924&BOA_GUBUN=99 (last accessed 20 June 2021).

³⁰ Darren Whiteside, “South Korea’s Moon unveils new focus on Southeast Asia” (Reuters, 9 November 2017), available at <https://www.reuters.com/article/us-indonesia-southkorea-idUSKBN1D900C> (last accessed 8 June 2022).

³¹ ASEAN, “Overview of ASEAN-Republic of Korea Dialogue Relations”, 6.

³² Ibid, at 1.

³³ ASEAN Secretariat, “Co-Chairs’ Statement of the 2019 ASEAN-Republic of Korea Commemorative Summit”, para. 7, available at <https://asean.org/wp-content/uploads/2021/03/FINAL-Co-Chairs-Statement-of-the-2019-ASEAN-ROK-Commemorative-Summit.pdf> (last accessed 20 June 2021).

³⁴ Ministry of Foreign Affairs (Singapore), “7th ASEAN-Republic of Korea Joint Cooperation Committee Meeting on 19 October 2020”, available at <https://www.mfa.gov.sg/Overseas-Mission/Ministry-of-Foreign-Affairs---Permanent-Mission-of-the-Republic-of-Singapore/Recent-Highlights/2020/10/7th-ASEAN-Republic-of-Korea-Joint-Cooperation-Committee-Meeting> (last accessed 20 June 2021).

³⁵ ASEAN, “Chairman’s Statement of the 21st ASEAN-Republic of Korea Summit”, para. 2, available at https://www.aseankorea.org/aseanZone/downloadFile2.asp?boa_filenum=4504 (last accessed 22 June 2021).

³⁶ Ibid, at para. 4.

³⁷ Ibid.

³⁸ Ministry of Foreign Affairs (Republic of Korea), “Overview of ROK-ASEAN Relations”.

IV. RELATIONSHIP BETWEEN THE NSP AND STRATEGIC PARTNERSHIP

Broadly, Korea's NSP and the Strategic Partnership are complementary to each other. The Strategic Partnership serves as a constructive source of regional stability, while the NSP provides a framework for establishing the partnership's common goal.³⁹ The similarities in their goals are also closely intertwined, and the success of each initiative depends on the other.

A. *Background to the NSP*

In November 2017, President Moon unveiled the NSP in Jakarta, Indonesia.⁴⁰ The NSP is Korea's new foreign policy paradigm which aims to serve as a meaningful foundation for the development of cooperation between Korea and ASEAN member states.⁴¹ It also seeks to elevate Korea's partnership with ASEAN to the same level which Korea maintains with four major powers of the world: the US, China, Japan and Russia.⁴² This policy is significant because it is Korea's first formal policy initiative concerning ASEAN, displaying its commitment to strengthening ties with the bloc.⁴³

The NSP also signifies Korea's pivot to Southeast Asia, as its diplomacy in the region was previously centered around Japan and China.⁴⁴ This shift in focus can be attributed to Korea's need to diversify its foreign policy strategy and reduce the potential impact of any superpower fallout, such as the US-China trade friction.⁴⁵ There were also strong pull factors such as vast opportunities in ASEAN's fast-growing economy, and push factors such as Korea's economic tensions with China.⁴⁶

The NSP consists of three main pillars: People, Prosperity and Peace.⁴⁷ The People aspect is concerned with socio-economic cooperation, which encompasses issues such as two-way travel and people-to-people exchanges.⁴⁸ The Prosperity pillar relates to economic cooperation between ASEAN and Korea, which includes matters such as free trade and investment.⁴⁹ The Peace component concerns political-security cooperation, which addresses issues such as peacebuilding efforts and cybersecurity.⁵⁰

In November 2020, President Moon unveiled the NSP Plus, which aims to strengthen and build on the existing NSP.⁵¹ While the NSP mainly focuses on economic cooperation

³⁹ Steven C.M. Wong, "The New Southern Policy & A Middle Power Strategy for ASEAN-Korea: An ASEAN Perspective" in Yoon Jung Choi (ed.), *Navigating Power Dynamics: Korea's New Southern Policy and Korea-ASEAN Partnership* (Sejong Institute 2020).

⁴⁰ Sungnam Lim, "NSP+: Future direction of ASEAN-Korea strategic partnership" (The Jakarta Post, 30 November 2020), available at <https://www.thejakartapost.com/paper/2020/11/29/nsp-future-direction-of-asean-korea-strategic-partnership.html> (accessed 19 June 2021).

⁴¹ Ibid.

⁴² Ibid.

⁴³ Lee, "30 years of ASEAN-Korea partnership".

⁴⁴ ASEAN Post Team, "South Korea's pivot to ASEAN" (The ASEAN Post, 24 February 2019), available at <https://theaseanpost.com/article/south-koreas-pivot-asean> (last accessed 5 May 2022).

⁴⁵ Andrew Yeo, "South Korea's New Southern Policy and ASEAN-ROK Relations" (The Diplomat, 28 July 2020), available at <https://thediplomat.com/2020/07/south-koreas-new-southern-policy-and-asean-rok-relations/> (last accessed 2 May 2022).

⁴⁶ Ibid.

⁴⁷ Sungnam Lim, "Strengthening Korea-ASEAN strategic partnership" (The Jakarta Post, 26 June 2020), available at <https://www.thejakartapost.com/academia/2020/06/26/strengthening-korea-asean-strategic-partnership.html> (last accessed 19 June 2021).

⁴⁸ Aaron Jed Rabena, "An Asia-Pacific view of South Korea's New Southern Policy", available at <https://unravel.ink/an-asia-pacific-view-of-south-koreas-new-southern-policy/> (last accessed 20 June 2021).

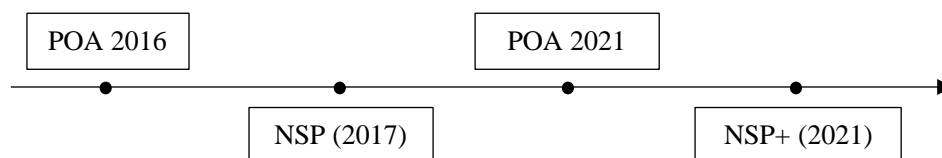
⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Moe Thuzar, "The New Southern Policy Plus: What's New and What's Next?" (2021) 11(12) World Economy Brief, 2, available at <https://www.think-asia.org/bitstream/handle/11540/13365/WEB21-12.pdf> (last accessed 1 May 2022).

with ASEAN, the NSP Plus was formulated with goals such as recovery from various challenges posed by the COVID-19 pandemic in mind.⁵² Accordingly, the NSP Plus enlarged cooperation between ASEAN and Korea in seven key areas:⁵³ (1) public health; (2) education/human capital development; (3) cultural exchanges; (4) trade and investment; (5) rural and urban infrastructure; (6) future industries (e.g. 5G, IOT, AI, start-ups, e-commerce and fintech); and (7) non-traditional security issues (e.g. environmental disasters and climate change). These seven aspects closely relate to the “People” pillar of the NSP, as many of them aim to mitigate the negative effects of the COVID-19 pandemic on health and education.⁵⁴

B. The Relationship Between the NSP and Strategic Partnership



The timeline above shows the close chronological progression of the POA 2016, POA 2021, NSP and NSP Plus. To examine the relationship between the NSP and Strategic Partnership, this paper will analyse two issues – the common focus areas of cooperation between the POAs and the NSP, as well as how the POAs and NSP change in tandem with or in response to each other.

First, the areas of cooperation stipulated in the POAs and NSP correspond with one other. This paper argues that this reflects a complementary relationship between the NSP and Strategic Partnership, where the NSP signifies Korea’s internal efforts to realise the goals of the Strategic Partnership.

The table below illustrates non-exhaustively the similarities of the areas of cooperation in the POA 2016 and the three NSP pillars, where each pillar has a corresponding section in the POA 2016.

NSP Pillars	POA 2016
Peace (political security cooperation) <ul style="list-style-type: none"> Defence industry cooperation Cybersecurity 	Chapter 1: Political and Security Cooperation <ul style="list-style-type: none"> Non-traditional security (para. 1.4)
Prosperity (economic cooperation) <ul style="list-style-type: none"> Free trade and investment Support for small and medium enterprises 	Chapter 2: Economic Cooperation <ul style="list-style-type: none"> Trade and investment (para. 2.1) Micro, Small and Medium Enterprises (para. 2.5)
People (socio-economic cooperation) <ul style="list-style-type: none"> Two-way travel People-to-People exchanges 	Chapter 3: Socio-Cultural Cooperation <ul style="list-style-type: none"> Labour and migrant workers (para. 3.10)

⁵² Ibid.

⁵³ Rabena, “An Asia-Pacific view of South Korea’s New Southern Policy”.

⁵⁴ Thuzar, “The New Southern Policy Plus”, 3.

	<ul style="list-style-type: none"> Youth and people-to-people exchange (para. 3.7)
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Secondly, the updated areas of the NSP and POA 2016 – NSP Plus and POA 2021 – are almost parallel with each other. There are several differences between the text of the POA 2016 and of the POA 2021, with some added areas of cooperation, as well as the broadening of some sections. A comparison of the NSP Plus’s seven enlarged areas of cooperation, as well as new or updated sections of the POA 2021 is briefly summarised in the table below.

NSP Plus’s Enlarged Areas of Cooperation	POA 2021
Peace (political security cooperation) <ul style="list-style-type: none"> Non-traditional security issues 	Chapter 1: Political and Security Cooperation <ul style="list-style-type: none"> (New section) Defence (para. 1.4) (New section) Nuclear energy and nuclear weapons (para. 1.3)
Prosperity (economic cooperation) <ul style="list-style-type: none"> Trade and investment Rural and urban infrastructure Future industries 	Chapter 2: Economic Cooperation <ul style="list-style-type: none"> Micro, Small and Medium Enterprises (para. 2.4). Formerly “Small and Medium Enterprises” (para. 2.5 of POA 2016) (New section) Smart Cities (para. 4.3)
People (socio-economic cooperation) <ul style="list-style-type: none"> Public health Education/human capital development Cultural exchanges 	Chapter 3: Socio-Cultural Cooperation <ul style="list-style-type: none"> (Elaboration) Health (para. 3.3) Chapter 5 (new): Sustainable Development Cooperation

Thus, it appears that the goals enshrined in the NSP and the Strategic Partnership’s POAs are aligned, and they have been updated with similar inclinations to respond to current crises such as the COVID-19 pandemic. For example, while paragraph 3.3.3 of the POA 2016 on public health merely addressed the establishment of “effective monitoring and surveillance systems for newly emerging infectious diseases”, paragraph 3.3.2 of the POA 2021 specifically emphasised the need for preparedness in combating public health emergencies, as well as support for the COVID-19 ASEAN Response Fund and post-pandemic recovery.

Ultimately, the NSP strengthens ASEAN-Korea relations and their joint efforts towards cooperation on multiple fronts due to its alignment with the various POAs to the Strategic Partnership.

V. KOREA’S FTAs AND BILATERAL INVESTMENT TREATIES (BITs) WITH ASEAN MEMBER COUNTRIES

Prior to the entry of the Strategic Partnership, Korea already had existing economic relationships with individual ASEAN member states.

A. Trade and Investment

Korea and ASEAN are important trading and investment partners. As Korea lacks natural resources, it relies on neighbouring ASEAN member states to fulfil its needs.⁵⁵ In the 1990s, Korea’s imports from ASEAN were largely made up of raw materials and capital goods.⁵⁶ Since then, the total trade volume between the two parties has grown steadily. For example, the total trade volume between ASEAN and Korea nearly quadrupled from US\$38 billion in 2000 to US\$176 billion in 2021.⁵⁷ As of 2021, ASEAN is Korea’s third largest trading partner and Korea is ASEAN’s fifth largest trading partner.⁵⁸ Amongst ASEAN member states in 2021, Korea had the largest trading volume with Vietnam, followed by Singapore and Malaysia.⁵⁹

As for investments, Korea is an important source of foreign direct investment (FDI) inflow to ASEAN, being its eighth largest source in 2020.⁶⁰ In 2021, Korea’s total FDI to ASEAN was about US\$5.6 billion.⁶¹ Amongst ASEAN member states, Korea invested the most in Vietnam, followed by Singapore and Indonesia in 2021.⁶² Korea invested most heavily in ASEAN’s manufacturing industry, with its investments in this sector accounting for almost a third of its total FDI in ASEAN.⁶³

B. Individual BITs/FTAs

Apart from the Strategic Partnership, Korea has many ongoing BITs with individual ASEAN member countries, most of which came into effect before its entry into the Strategic Partnership. These BITs co-exist alongside the ASEAN-Korea Investment Agreement. A summary of these agreements can be found in the table below.

Country	Year	Title of BIT ⁶⁴
Malaysia	1988	Republic of Korea-Malaysia BIT (in force 1989)
Thailand	1989	Republic of Korea-Thailand BIT (in force 1989)
Indonesia	1991	Indonesia-Republic of Korea BIT (in force 1994)
Philippines	1994	Republic of Korea-Philippines BIT (in force 1994)
Laos	1996	Republic of Korea-Lao People’s Democratic Republic BIT (in force 1996)

⁵⁵ Nurliana Kamaruddin and Jan Vincent Galas, “The ASEAN-ROK Economic Relations: Challenges and Opportunities” in Aida Idris and Nurliana Kamaruddin (eds.), *ASEAN Post-50: Emerging Issues and Challenges* (Springer 2019), 39.

⁵⁶ *Ibid.*

⁵⁷ ASEAN-Korea Centre, “2021 ASEAN and Korea in Figures”.

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*, at 120.

⁶¹ *Ibid.*

⁶² *Ibid.*, at 123.

⁶³ *Ibid.*, at 129.

⁶⁴ UNCTAD, “International Investment Agreements Navigator”, available at <https://investmentpolicy.unctad.org/international-investment-agreements> (last accessed 30 May 2022).

Cambodia	1997	Cambodia-Republic of Korea BIT (in force 1997)
Brunei	2000	Brunei Darussalam-Republic of Korea BIT (in force 2003)
Vietnam	2003	Republic of Korea-Viet Nam BIT (in force 2004)
Myanmar	2014	Republic of Korea-Myanmar BIT (in force 2018)

Korea’s FTAs with individual ASEAN member states are more limited, with only four concluded as of May 2022. The list can be found below.

Country	Year	Title of FTA
Singapore	2005	Korea-Singapore Free Trade Agreement (in force 2006) ⁶⁵
Vietnam	2015	Viet Nam-Korea Free Trade Agreement ⁶⁶
Indonesia	2020	Korea-Indonesia CEPA ⁶⁷
Cambodia	2022	Cambodia-Korea Free Trade Agreement ⁶⁸

Korea currently has two FTAs which have yet to be formally entered into with the Philippines and Malaysia. Korea and the Philippines kickstarted official negotiations of the Philippines-Republic of Korea FTA in June 2019 and concluded negotiations in October 2021.⁶⁹ While the FTA was originally slated to be signed in February 2022,⁷⁰ parties have yet to sign the agreement as of May 2022, purportedly due to the need for “legal scrubbing” of the agreement.⁷¹ The progress of the FTA between Korea and Malaysia is more limited, as negotiations began in 2019 but no updates or anticipated timelines have been given to date.⁷²

C. AKFTA and Potential Updates

In July 2021, Korea and ASEAN launched discussions to update the AKFTA and further lower trade barriers.⁷³ This development is in line with Korea’s attempts to diversify its trade portfolio and manage growing protectionism in the world.⁷⁴ While the areas for updates have yet to be confirmed, Singapore’s Prime Minister Lee Hsien Loong has noted that concluding an air services agreement between ASEAN and Korea would spur

⁶⁵ Enterprise Singapore, “Korea-Singapore Free Trade Agreement (KSFTA)”, available at <https://www.enterprisesg.gov.sg/non-financial-assistance/for-singapore-companies/free-trade-agreements/ftas/singapore-ftas/ksfta> (last accessed 3 May 2022).

⁶⁶ WTO Center, “Vietnam-South Korea”, available at <https://wtocenter.vn/fta/189-vietnam---south-korea/1> (last accessed 3 May 2022).

⁶⁷ Eun-joo Lee, “S. Korea signs CEPA with Indonesia for near tariff-free trade” (Pulse, 18 December 2020), available at <https://pulsenews.co.kr/view.php?year=2020&no=1299046> (last accessed on 20 June 2021).

⁶⁸ HKTDC Research, “Cambodia: South Korea Free Trade Agreement Ratified”, available at <https://research.hktdc.com/en/article/OTg2OTYxNzcx> (last accessed 3 May 2022).

⁶⁹ Department of Foreign Affairs (Philippines), “Philippines, ROK Conclude Free Trade Agreement Negotiations”, available at <https://dfa.gov.ph/dfa-news/news-from-our-foreign-service-postsupdate/29640-philippines-rok-conclude-free-trade-agreement-negotiations> (last accessed 4 May 2022).

⁷⁰ HKTDC Research, “Philippines: South Korea Free Trade Deal Set to Be Signed in February”, available at <https://research.hktdc.com/en/article/ODk0MzEzNjEy> (last accessed 3 May 2022).

⁷¹ Tyrone Jasper C. Piad, “DTI sees PHL-Korea free trade pact signing ‘soon’” (Business Mirror, 28 February 2022), available at <https://businessmirror.com.ph/2022/02/28/dti-sees-phl-korea-free-trade-pact-signing-soon/> (last accessed 3 May 2022).

⁷² Yoon-seung Kang, “S. Korea, Malaysia agree to expand economic ties” (Yonhap News Agency, 1 April 2021), available at <https://en.yna.co.kr/view/AEN20210331010200320> (last accessed 19 June 2021).

⁷³ “S. Korea, ASEAN to upgrade their FTA” (The Korea Herald, 27 July 2021), available at <http://www.koreaherald.com/view.php?ud=20210727000496> (last accessed 6 May 2022).

⁷⁴ Ibid.

economic growth, as well as people-to-people ties.⁷⁵ Other potential areas of collaboration raised include digital technology, such as the ASEAN Smart Cities network, cybersecurity and fintech.⁷⁶

In considering the areas for updates in the AKFTA, some challenges facing ASEAN-Korea relations should be kept in mind. First, security cooperation between Korea and ASEAN have lagged in comparison to other areas.⁷⁷ There appears to be some delay on Korea's part in proposing an annual ASEAN-Korea Defence Ministers' meeting, despite it being a core policy task of the NSP and its Peace pillar.⁷⁸ As such, parties can consider making security cooperation a priority when updating the AKFTA.

Secondly, ASEAN's level of integration may pose a challenge to attaining comprehensive ASEAN-Korea relations.⁷⁹ Unlike the European Union, ASEAN is not a cohesive economic community, which means that member states ratify economic agreements less expediently as compared to their European counterparts. While both parties signed the AKFTA, the focus is likely to remain on bilateral trade efforts between Korea and individual ASEAN member states.⁸⁰

D. Other Cooperation

Korea has expressed its support for initiatives led by ASEAN, such as the ASEAN Outlook on the Indo-Pacific which was adopted in June 2019.⁸¹ In 2020, ASEAN and Korea successfully launched a series of cooperation projects in areas such as human resource development and disaster management, totalling approximately \$34 million.⁸²

One key source of collaboration between ASEAN and Korea is the ASEAN-Korea Cooperation Fund (AKCF) which was established in 1990.⁸³ The AKCF was created to strengthen ASEAN-Korea relations by funding projects which are jointly agreed on by both parties in various fields such as technology transfer and human resource development.⁸⁴ The annual contribution to the AKCF was doubled under the NSP to US\$14 million a year.⁸⁵ Korea's total contribution of US\$124 million to the AKCF has supported 423 programmes, with 14 ongoing projects as of May 2022.⁸⁶

There are several other noteworthy areas of cooperation between ASEAN and Korea. First, ASEAN and Korea have cooperated in managing the recent COVID-19 pandemic. At the 8th ASEAN-RoK Joint Cooperation Committee meeting held via videoconference in June 2021, parties reaffirmed their commitment to enhance cooperation amid the pandemic.⁸⁷ Following that, cooperation has been strengthened in areas such as public

⁷⁵ Grace Ho, "Singapore, Asean can boost tourism with South Korea and collaborate in many areas: PM Lee" (The Straits Times, 23 November 2019), available at <https://www.straitstimes.com/politics/singapore-asean-can-boost-tourism-with-south-korea-and-collaborate-in-many-areas-pm-lee> (last accessed 23 June 2021).

⁷⁶ Ibid.

⁷⁷ Bárbara Teixeira de Sousa Sénécaut, "ASEAN-ROK Relations and NSP 2.0: A Bright Future Ahead?" (European Institute for Asian Studies Policy Brief 09/2020), 9, available at <https://www.eias.org/wp-content/uploads/2019/07/Barbara-T.-S.-Seneca-Final-Policy-Brief.docx.pdf> (last accessed 2 May 2022).

⁷⁸ Ibid, at 6.

⁷⁹ Kamaruddin and Galas, "The ASEAN-ROK Economic Relations", 46.

⁸⁰ Ibid, at 46.

⁸¹ Lim, "NSP+: Future direction of ASEAN-Korea strategic partnership".

⁸² Ibid.

⁸³ ASEAN-Korea Cooperation Fund, "About".

⁸⁴ Ibid.

⁸⁵ Lim, "Strengthening Korea-ASEAN strategic partnership".

⁸⁶ ASEAN-Korea Cooperation Fund, "Our Works", available at <https://www.aseanrofund.com/our-works-data-detail> (last accessed 7 May 2022).

⁸⁷ Azlan Othman, "ASEAN, Korea renew cooperative ties" (Borneo Bulletin, 9 June 2021), available at <https://borneobulletin.com.bn/asean-korea-renew-cooperative-ties/> (last accessed 20 June 2021).

health and disaster management.⁸⁸ For example, Korea was ASEAN's first dialogue partner to make a substantial contribution to its COVID-19 ASEAN Response Fund.⁸⁹ Further, parties have launched a US\$5 million project on "Enhancing the Detection Capacity for COVID-19 in ASEAN Countries" under the AKCF.⁹⁰

As the global pandemic crisis began to wane and countries around the world started to ease their border control measures, ASEAN and Korea sought to rekindle their tourism sectors. This was done through a symposium, "Seminar on ASEAN-Korea Culture and Tourism 2022", which was hosted by the ASEAN-Korea Centre in April 2022.⁹¹ Prior to the pandemic, parties had a vibrant tourism culture, with over 12 million people travelling between Korea and ASEAN member states in 2019.⁹² This collaboration between ASEAN and Korea will help the region return to pre-pandemic normality.

Secondly, ASEAN and Korea recently increased cooperation in technological development. In June 2021, Korea's Ministry of Trade, Industry and Energy announced an ASEAN-Korea International Joint Technology Development Project which seeks to support joint technological development between businesses in Korea and ASEAN member states.⁹³ After inviting and accepting applications for the project, parties agreed to increase joint research and development in green and digital technologies in 2022.⁹⁴ Six projects are slated to be launched this year, and the governments of Korea and ASEAN member states will support these projects through the provision of up to \$1 billion won per project over the next three years.⁹⁵ These projects include the development of an electric bus and a smart livestock farming management system.⁹⁶

In other areas of technology, parties are seeking to establish the ASEAN-Korea Industrial Innovation Centre which aims to enhance the innovation capacities of businesses.⁹⁷ While Korea has mentioned the establishment of this centre in the near future, no definite date has yet been given.⁹⁸

In a similar vein, parties are expected to strengthen cooperation in digital trade. Korea has expressed interest in entering into a pact on digital trade with ASEAN which is akin to the Digital Economy Partnership Agreement amongst Chile, New Zealand and Singapore.⁹⁹ However, increased collaboration on digital trade may take place through bilateral agreements between Korea and individual ASEAN member states instead. For example, Korea and Singapore recently concluded negotiations on the Korea-Singapore

⁸⁸ Ibid.

⁸⁹ ASEAN-Korea Cooperation Fund, "Our Works".

⁹⁰ Ibid.

⁹¹ Mee-yoo Kwon, "ASEAN-Korea Centre seeks sustainable tourism as some pandemic restrictions are lifted" (The Korea Times, 2 May 2022), available at https://www.koreatimes.co.kr/www/nation/2022/05/113_328381.html (last accessed 5 May 2022).

⁹² Ibid.

⁹³ "ASEAN, RoK bolster technology development cooperation" (Vietnam+, 17 June 2021), available at <https://en.vietnamplus.vn/asean-rok-bolster-technology-development-cooperation/203248.vnp> (last accessed 5 May 2022).

⁹⁴ "Six major Korea-Asean R&D projects to be started this year" (Korea JoongAng Daily, 26 January 2022), available at <https://koreajoongangdaily.joins.com/2022/01/26/business/economy/south-korean-major-southeast-joint-development/20220126183204911.html> (last accessed 5 May 2022).

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ ASEAN, "ASEAN-Republic of Korea Plan of Action to Implement the Joint Vision Statement for Peace, Prosperity and Partnership (2021-2025)", para. 2.4.4, available at <https://asean.org/wp-content/uploads/2012/05/ASEAN-ROK-POA-2021-2025-Final.pdf> (last accessed 5 May 2022).

⁹⁸ Sungnam Lim, "New horizons of ASEAN-Korea cooperation" (The Jakarta Post, 10 November 2021), available at <https://www.thejakartapost.com/academia/2021/11/10/new-horizons-of-asean-korea-cooperation.html> (last accessed 6 May 2022).

⁹⁹ "S. Korea proposes digital trade pact with ASEAN" (The Korea Herald, 13 September 2021), available at <http://www.koreaherald.com/view.php?ud=20210913000871> (last accessed 27 May 2022).

Digital Partnership Agreement in 2021 and are expected to sign the deal soon.¹⁰⁰ The agreement is expected to allow for easier transmission of data across borders to create a secure digital environment for individuals and businesses.¹⁰¹

Lastly, Korea's change in presidency in May 2022, with the inauguration of President Yoon Suk-yeol (President Yoon), is likely to result in policy shifts. For example, President Yoon has expressed his intention to tackle global challenges such as climate change and supply chain management.¹⁰² Thus, these areas have significant potential for increased cooperation between Korea and ASEAN.

Regarding climate change and the rising demand for energy and resources worldwide, President Yoon aims to launch an international cooperation network involving ASEAN and other countries,¹⁰³ which may involve the building of digital infrastructure.¹⁰⁴ As for global supply chain management, President Yoon intends to reduce Korea's reliance on China by diversifying imports and forging "supply chain alliances" with Indo-Pacific economies.¹⁰⁵ One example is the recently concluded Cambodia-Korea FTA, which aims to strengthen the partnership between the Cambodia and Korea by augmenting regional supply chains.¹⁰⁶ The FTA presents Korean businesses with opportunities to invest in downstream processing industries and expand their supply chain networks to Cambodia.¹⁰⁷ As President Yoon only recently took office, it remains to be seen how ASEAN-Korea cooperation will evolve with the new presidency.

VI. KOREA'S ACCESSION TO THE RCEP AND CPTPP

Korea formally joined the RCEP in 2018 and recently initiated its accession process regarding the CPTPP. The two regional FTAs are complementary, with seven common members and similar areas of liberalisation.¹⁰⁸ As Korea's involvement in the RCEP and CPTPP are very recent, this paper will critically examine their potential impact on ASEAN-Korea relations.

¹⁰⁰ May Choon Chang, "S'pore, S. Korea ties maintained positive momentum through pandemic: President Halimah" (The Straits Times, 9 May 2022), available at <https://www.straitstimes.com/singapore/politics/spore-s-korea-ties-maintained-positive-momentum-through-pandemic-president-halimah> (last accessed 27 May 2022).

¹⁰¹ Yasmin Begum, "Singapore and South Korea conclude negotiations on digital economy agreement" (Channel NewsAsia, 15 December 2021), available at <https://www.channelnewsasia.com/singapore/singapore-south-korea-digital-economy-agreement-negotiations-2380641> (last accessed 27 May 2022).

¹⁰² Michelle Ye Hee Lee, "South Korean President-elect Yoon Suk-yeol unveils foreign policy goals" (The Washington Post, 14 April 2022), available at <https://www.washingtonpost.com/world/2022/04/14/south-korea-president-interview/> (last accessed 27 May 2022).

¹⁰³ Yibo Wang, "New ROK leader brings both changes and chances" (China Daily, 10 May 2022), available at <https://global.chinadaily.com.cn/a/202205/10/WS6279a9b2a310fd2b29e5b907.html> (last accessed 27 May 2022).

¹⁰⁴ Ibid.

¹⁰⁵ Bo-eun Kim, "South Korea looks to break China import dependence and establish 'supply chain alliances'" (South China Morning Post, 20 May 2022), available at <https://www.scmp.com/economy/global-economy/article/3178370/south-korea-looks-break-china-import-dependence-and> (last accessed 28 May 2022).

¹⁰⁶ Mee-yoo Kwon, "Cambodia hopes to attract more investment via Korea-Cambodia FTA" (The Korea Times, 28 October 2021), available at https://www.koreatimes.co.kr/www/nation/2021/10/176_317837.html (last accessed 28 May 2022).

¹⁰⁷ Timothy Standen, "The Cambodia-South Korea Free Trade Agreement: Increasing Potential for Downstream Sectors" (ASEAN Briefing, 25 May 2022), available at <https://www.aseanbriefing.com/news/the-cambodia-south-korea-free-trade-agreement-increasing-potential-for-downstream-sectors/> (last accessed 28 May 2022).

¹⁰⁸ Peter A. Petri and Michael Plummer, "Why South Korea should join the CPTPP" (Brookings Institution, 2 December 2021), available at <https://www.brookings.edu/blog/order-from-chaos/2021/12/02/why-south-korea-should-join-the-cptpp/> (last accessed 6 May 2022).

A. RCEP

The RCEP is an Asia-wide, comprehensive regional FTA covering trade in goods, services, investment and other issues such as intellectual property.¹⁰⁹ It is the biggest FTA in the world, with the gross domestic product (GDP) of its member countries constituting roughly 30% of global GDP.¹¹⁰ While negotiations began in 2012, it was only in November 2020 that 15 countries, comprising 10 ASEAN member states, Korea, Australia, China, Japan and New Zealand, officially signed the RCEP agreement.¹¹¹ Korea ratified the RCEP on 3 December 2021, and the agreement officially came into force in the country on 1 February 2022.¹¹² The RCEP is Korea's first FTA with Japan, as it already had existing FTAs with all other RCEP member countries.¹¹³

The RCEP is significant for Korea's export-driven economy as it will eliminate tariffs on Korean exports to a greater extent than the current AKFTA.¹¹⁴ Under the RCEP, ASEAN markets have agreed to lower tariffs on between 91.9% to 94.5% of key Korean export goods, up from 79% to 89% under the AKFTA.¹¹⁵ Exports to RCEP member countries constitute half of Korea's total exports, with 17% of exports going to ASEAN member states.¹¹⁶ Most greatly affected will be the automobile and steel sectors, as tariffs on vehicles will gradually be reduced to zero in the ASEAN market. Other products such as auto parts and steel will similarly receive lower tariffs, causing them to be more competitive in the region.¹¹⁷

Despite all its benefits, Korea's accession to the RCEP does not come without challenges or drawbacks. First, Korean companies may not be able to compete on a level playing field with businesses from other RCEP member countries.¹¹⁸ This is due to the lack of sufficient legal protection in areas such as labour and competition – for example, there is no chapter to address state-owned enterprises despite China's propensity to empower them.¹¹⁹ However, Korea's Ministry of Trade, Industry and Energy has been supporting domestic businesses in this aspect by amending legislature such as the Act on the Investigation of Unfair International Trade Practices and Remedy against Injury to Industry.¹²⁰ Secondly, the RCEP tariff and quota reforms have substantial timeframes for

¹⁰⁹ Department of Foreign Affairs and Trade (Australia), "Regional Comprehensive Economic Partnership", available at <https://www.dfat.gov.au/trade/agreements/in-force/rcep> (last accessed 5 May 2022).

¹¹⁰ "RCEP pact to take effect for S. Korea next month" (The Korea Herald, 27 January 2022), available at <http://www.koreaherald.com/view.php?ud=20220127000715> (last accessed 7 May 2022).

¹¹¹ Ibid.

¹¹² Ministry of Economy, Trade and Industry (Japan), "The Regional Comprehensive Economic Partnership (RCEP) Agreement will enter into force in South Korea", available at https://www.meti.go.jp/english/press/2021/1206_002.html (last accessed 7 May 2022).

¹¹³ Ramon Pacheco Pardo, "Korea Chair Explains – South Korea and the RCEP", available at <https://brussels-school.be/publications/other-publications/korea-chair-explains-south-korea-and-rcep> (last accessed 5 May 2022).

¹¹⁴ "Korea joins RCEP, a light but significant trade agreement" (Korea JoongAng Daily, 1 February 2022), available at <https://koreajoongangdaily.joins.com/2022/02/01/business/economy/RCEP-Mega-trade-deal-Korea-FTA/20220201000008892.html> (last accessed 7 May 2022).

¹¹⁵ Ibid.

¹¹⁶ Kyle Ferrier and Sophie Joo, "What Will RCEP Mean for South Korea?" (The Peninsula, 23 November 2020), available at <https://keia.org/the-peninsula/what-will-rcep-mean-for-south-korea/> (last accessed 7 May 2022).

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

¹²⁰ Ministry of Trade, Industry and Energy (Republic of Korea), "RCEP takes effect for Korea as of February 1", available at https://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs_cd_n=2&bbs_seq_n=917 (last accessed 7 May 2022).

implementation.¹²¹ For example, the elimination of tariffs is expected to take place gradually over the next 10 to 15 years.¹²²

Nevertheless, the RCEP integrates and may augment the multitude of bilateral pacts concluded between Korea and ASEAN member states, improving their trading relations.¹²³ It also serves as a common set of trading rules for all 15 countries, further integrating their trading markets.¹²⁴ This is particularly beneficial for Korean businesses operating in the ASEAN region.¹²⁵

B. CPTPP

CPTPP is an FTA among 11 countries – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam – which was signed in March 2018.¹²⁶ This FTA is a renegotiation of the Trans-Pacific Partnership Agreement after the United States’ withdrawal by then President Donald Trump in 2017, despite original negotiations being led by the administration of former President Barack Obama.¹²⁷ In April 2022, Korea officially decided to join the CPTPP.¹²⁸

While Korea has existing FTAs with all CPTPP countries, either bilaterally or via the RCEP, the CPTPP is more comprehensive than these FTAs in terms of the extent of trade liberalisation and the scope of rulemaking obligations.¹²⁹ Benefits of joining the CPTPP include boosting Korea’s trade and investment and potentially increasing its GDP by 0.33% to 0.35%.¹³⁰ These economic benefits are likely to arise from the CPTPP’s potential to strengthen Korea’s central role in Asian and North American supply chains.¹³¹ In addition, the CPTPP may help to improve Korea’s contentious trading relationship with countries such as China, Japan and the US.¹³²

Similar to the RCEP, Korea faces some potential obstacles in its accession to the CPTPP. First, the Korean government faces strong pushback from the agricultural and fishery industries.¹³³ Under the CPTPP, the removal of import duties may lead to inflows of cheaper foreign agricultural and marine products into Korean markets, threatening the livelihoods of local farmers and fishermen.¹³⁴ The opposition to CPTPP by these farmers

¹²¹ Jean-Marc F. Blanchard and Wei Liang, “Revisiting RCEP’s Trade Implications” (The Diplomat, 20 September 2021), available at <https://thediplomat.com/2021/09/revisiting-rceps-trade-implications/> (last accessed 6 May 2022).

¹²² David Wilkins, “RCEP is transforming trade in Asia Pacific and creating advantages for companies”, available at <https://www.thomsonreuters.com/en-us/posts/international-trade-and-supply-chain/rcep-asia-pacific-advantages/> (last accessed 6 May 2022).

¹²³ Jeffrey J. Schott, “RCEP Is Not Enough: South Korea Also Needs to Join the CPTPP” (Peterson Institute for International Economics Policy Brief 21-17), 5, available at <https://www.piie.com/sites/default/files/documents/pb21-17.pdf> (last accessed 6 May 2022).

¹²⁴ *Ibid.*

¹²⁵ *Ibid.*, at 7.

¹²⁶ “S. Korea decides to join CPTPP trade agreement” (The Korea Herald, 15 April 2022), available at <http://www.koreaherald.com/view.php?ud=20220415000647> (last accessed 5 May 2022).

¹²⁷ *Ibid.*

¹²⁸ *Ibid.*

¹²⁹ Schott, “RCEP Is Not Enough”, 7.

¹³⁰ “S. Korea decides to join CPTPP trade agreement” (The Korea Herald, 15 April 2022), available at <http://www.koreaherald.com/view.php?ud=20220415000647> (last accessed 5 May 2022).

¹³¹ Petri and Plummer, “Why South Korea should join the CPTPP”.

¹³² *Ibid.*

¹³³ Jin Kyo Suh, “New government, same hurdles for South Korea’s CPTPP ambitions” (East Asia Forum, 22 March 2022), available at <https://www.eastasiaforum.org/2022/03/22/new-government-same-hurdles-for-south-koreas-cptpp-ambitions/> (last accessed 6 May 2022).

¹³⁴ Kyung-min Lee, “Farmers, fishermen strongly oppose Korea joining CPTPP” (The Korea Times, 29 March 2022), available at https://www.koreatimes.co.kr/www/nation/2022/03/281_326319.html (last accessed 6 May 2022).

manifested in protests near the Sejong Government Complex in March, where a public hearing on the implications of the CPTPP was being held by the government.¹³⁵

Secondly, Korea's political environment may pose a challenge to its entry into CPTPP due to its new presidency. The Korean government's original intention was to submit the application for accession before President Moon ended his term in May 2022. Thereafter, the new government of President Yoon would enter into negotiations for Korea's membership.¹³⁶

However, the application for accession to CPTPP was not filed before the end of President Moon's term.¹³⁷ As President Yoon was elected with a very narrow margin of 0.72%, it is likely that the new presidency will prioritise unity rather than tackle the contentious entry into CPTPP.¹³⁸ Thus, the accession to the CPTPP will likely be delayed for the foreseeable future. Either way, Korea's entry into RCEP is likely to have a greater impact on ASEAN-Korea relations as compared to the CPTPP due to its augmentation of existing bilateral treaties.¹³⁹

VII. OPERATION OF KOREAN COMPANIES IN ASEAN

Korean companies have been able to conduct business operations in various ASEAN member states and benefit from tariff concessions in shipment of goods within ASEAN.¹⁴⁰ Following the AKFTA which came into effect in 2007, Korean companies increased their investments in ASEAN member states.¹⁴¹ ASEAN was a relatively attractive business destination for Korean firms, and multinational corporations such as Samsung and LG began new investments or expanded their businesses in ASEAN.¹⁴² The increased exposure in ASEAN allowed Korean firms to benefit from the network of FTAs, such as the ASEAN-China and ASEAN-Japan FTAs, to gain enhanced access to these markets.¹⁴³

The introduction of the NSP has made it easier for Korean firms to set up production networks and supply chains in Southeast Asia due to the systematic support mechanism in place.¹⁴⁴ Prior to the implementation of the NSP, Korean businesses had to seek opportunities in ASEAN member states by themselves. However, under the NSP, the Korean government offers support to businesses that seek to enter Southeast Asian markets.¹⁴⁵ The assistance comes in the form of connecting Korean firms with target markets by organising trips and meetings with potential partners and local agencies, as

¹³⁵ Ibid.

¹³⁶ "S. Korea decides to join CPTPP trade agreement" (The Korea Herald, 15 April 2022), available at <http://www.koreaherald.com/view.php?ud=20220415000647> (last accessed 5 May 2022).

¹³⁷ Suh, "New government, same hurdles for South Korea's CPTPP ambitions".

¹³⁸ Ibid.

¹³⁹ Schott, "RCEP Is Not Enough", 5.

¹⁴⁰ ASEAN, "Benefits of AKFTA", available at <https://akfta.asean.org/index.php?page=benefits-of-akfta> (last accessed 20 June 2021).

¹⁴¹ Rujhan Mustafa and Won Ik Kim, "ASEAN-Korea Free Trade Area: Towards Economic Integration in East Asia" (2010) 58 *The Ritsumeikan Economic Review* 705, 724.

¹⁴² Ibid.

¹⁴³ Mustafa and Kim, "ASEAN-Korea Free Trade Area", 726.

¹⁴⁴ "New Korean policy broadens horizons" (Vietnam Investment Review, 13 December 2018), available at <https://vir.com.vn/new-korean-policy-broadens-horizons-64523.html> (last accessed 7 May 2022).

¹⁴⁵ Kathryn Botto, "South Korea Beyond Northeast Asia: How Seoul Is Deepening Ties With India and ASEAN" (Carnegie Endowment for International Peace Working Paper, 19 October 2021), available at <https://carnegieendowment.org/2021/10/19/south-korea-beyond-northeast-asia-how-seoul-is-deepening-ties-with-india-and-asean-pub-85572> (last accessed 5 May 2022).

well as working directly with the governments of ASEAN member states to eliminate potential barriers.¹⁴⁶

To that end, the Korean presidential committee has set up two platforms to assist businesses: the Korea-South and Southeast Asia Business Coalition (the Coalition) and the ASEAN and India Business Desk at the Korea Trade-Investment Promotion Agency (KOTRA).¹⁴⁷ The Coalition is a forum which convenes government officials and representatives, as well as other trade-related organisations, whereas KOTRA is an institution which assists South Korean companies in penetrating the markets of NSP partners.¹⁴⁸

Some examples of Korean companies with business operations in ASEAN member countries are briefly listed in the table below. Vietnam is a popular destination for Korean companies to set up factories and manufacturing plants for reasons such as its geographical proximity to Korea, their cheap labour, favourable FDI policies, as well as strong people-to-people ties.¹⁴⁹

Company	ASEAN City/Country	Opportunities Sought / Impact
Samsung Electronics Group	Vietnam	Samsung has six manufacturing plants in various cities: Bac Ninh, Thai Nguyen and Ho Chi Minh City. ¹⁵⁰ Since 2009, Samsung has operated the largest mobile phone factory in Hanoi, manufacturing most of Vietnam’s smartphone exports to the rest of the world. ¹⁵¹ In 2022, Samsung injected an additional \$920 million into its factory in Thai Nguyen. ¹⁵²
	Seremban, Malaysia	Samsung SDI has established plants to produce lithium cylinder batteries in Seremban. In 2022, Samsung SDI announced a plan to invest 200 billion won to expand the battery plant’s capacity, which is expected to produce over one million batteries a month. ¹⁵³
LG Electronics	Hai Phong, Vietnam	LG Electronics established a production factory in Haiphong in 2015 which serves as a global production hub for LG products. ¹⁵⁴ In 2019, LG relocated all its smartphone

¹⁴⁶ “New Korean policy broadens horizons” (Vietnam Investment Review, 13 December 2018), available at <https://vir.com.vn/new-korean-policy-broadens-horizons-64523.html> (last accessed 7 May 2022).

¹⁴⁷ Botto, “South Korea Beyond Northeast Asia”.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

¹⁵⁰ Hai Yen, “Samsung injects \$920 million for operation expansion in Vietnam” (Hanoi Times, 16 February 2022), available at <http://hanoitimes.vn/samsung-injects-920-million-for-operation-expansion-in-vietnam-320001.html> (last accessed 7 May 2022).

¹⁵¹ “Korean businesses venture into ASEAN in search of new opportunities” (The Korea Herald, 15 October 2018), available at <http://www.koreaherald.com/view.php?ud=20181015000812> (last accessed 20 June 2021).

¹⁵² Yen, “Samsung injects \$920 million for operation expansion in Vietnam”.

¹⁵³ “Samsung plans to invest 200 billion won to expand the capacity of Malaysia’s lithium battery factory” (Shanghai Metals Market, 15 June 2021), available at <https://news.metal.com/newscontent/101504618/Lithium-iron-phosphate-battery-output-has-exceeded-that-of-ternary-batteries-Samsung-plans-to-invest-200-billion-won-to-expand-the-capacity-of-Malaysias-lithium-battery-factory/> (last accessed 6 May 2022).

¹⁵⁴ “Korean businesses venture into ASEAN in search of new opportunities” (The Korea Herald, 15 October 2018), available at <http://www.koreaherald.com/view.php?ud=20181015000812> (last accessed 20 June 2021).

		production lines from Korea to Haiphong. ¹⁵⁵ In 2021, LG further invested \$1.4 billion in this manufacturing plant. ¹⁵⁶
KT (mobile carrier)	Hanoi, Vietnam	In 2022, KT entered the healthcare market in Vietnam with a pilot telemedicine service. ¹⁵⁷ The company and Hanoi Medical University entered into an agreement to conduct this service. Parties also agreed to conduct research into AI technology for the various purposes such as diagnosis. In 2018, KT signed a partnership with Hoa Binh Corporation, Vietnam's largest construction group, to build AI-enabled hotels and embark on smart city projects in Southeast Asia. ¹⁵⁸ However, as of May 2022, there has been no news on the progress of these projects.
Hyundai Motor Group	Cikarang, Indonesia	In 2022, Hyundai launched an automotive plant in Cikarang to produce the country's first locally assembled electric vehicle. ¹⁵⁹ In 2019, Hyundai announced that it would invest a total of US\$1.55 billion in the plant until 2030.
LS Cable & System	Langkawi, Malaysia	LS Cable obtained a 40 billion won project from the Malaysian government to supply extra-high voltage submarine cables to connect the state of Perlis to Langkawi. ¹⁶⁰ The construction of the 26.5km long submarine cable was completed in 2019. ¹⁶¹
	Jakarta, Indonesia	LS Cable entered into a joint venture with Indonesia's Artha Graha Network to build a new power cable plant near Jakarta. ¹⁶² The plant opened in 2022.
Hanwha Group	Hanoi, Vietnam	In 2018, Hanwha inaugurated its new factory at Hoa Lac Hi-Tech Park in Hanoi. ¹⁶³ The facility manufactures airplane engine parts and components for prominent aviation companies. This investment was made in response to the NSP and its focus on technology. ¹⁶⁴

¹⁵⁵ Eun-jin Kim, "LG Electronics to Turn Mobile Phone Plant in Vietnam into Home Appliance Plant" (Business Korea, 21 April 2021), available at <http://www.businesskorea.co.kr/news/articleView.html?idxno=65273> (last accessed 7 May 2022).

¹⁵⁶ Duc Minh, "LG invests \$1.4 bln more in Hai Phong plant" (VN Express, 31 August 2021), available at <https://e.vnexpress.net/news/business/companies/lg-invests-1-4-bln-more-in-hai-phong-plant-4349293.html> (last accessed 5 May 2022).

¹⁵⁷ Han-Gyeol Seon, "KT taps Vietnam for digital healthcare and AI-powered diagnosis" (The Korea Economic Daily, 13 April 2022), available at <https://www.kedglobal.com/healthcare/newsView/ked202204130017> (last accessed 7 May 2022).

¹⁵⁸ "KT to Open AI Hotels, Smart Cities in SE Asia with HBC" (Markets Insider, 11 October 2018), available at <https://markets.businessinsider.com/news/stocks/kt-to-open-ai-hotels-smart-cities-in-se-asia-with-hbc-1027607842> (last accessed 7 May 2022).

¹⁵⁹ "Hyundai launches plant to produce Indonesia's first electric car" (The Business Times, 16 March 2022), available at <https://www.businesstimes.com.sg/transport/hyundai-launches-plant-to-produce-indonesias-first-electric-car> (last accessed 7 May 2022).

¹⁶⁰ "LS Cable wins US\$36 mln deal in Malaysia" (Yonhap News Agency, 4 September 2018), available at <https://en.yna.co.kr/view/AEN20180904003400320> (last accessed 20 June 2021).

¹⁶¹ "Figure 2-5", available at https://www.researchgate.net/figure/5-Langkawi-Island-Malaysia-b-Solution-Technical-solution-a-265km-submarine-cable_fig2_344892495 (last accessed 8 May 2022).

¹⁶² Yoo Hong, "LS Cable & System completes new cable plant in Indonesia" (The Korea Herald, 26 January 2022), available at <https://www.koreaherald.com/view.php?ud=20220126000741> (last accessed 6 May 2022).

¹⁶³ Jee-Hee Kim, "Hanwha head opens engine factory in Vietnam" (Korea JoongAng Daily, 6 December 2018), available at <https://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3056598> (last accessed 5 May 2022).

¹⁶⁴ "New Korean policy broadens horizons" (Vietnam Investment Review, 13 December 2018), available at <https://vir.com.vn/new-korean-policy-broadens-horizons-64523.html> (last accessed 7 May 2022).

VIII. CONCLUSION

The myriad of developments in ASEAN-Korea relations, beginning with the Strategic Partnership and more recently Korea's accession into RCEP, makes this relationship between the two Asian middle powers more deserving of academic attention. With the areas of cooperation between ASEAN and Korea increasing both qualitatively and quantitatively, their discussions on various issues may generate new norms in the multilateral trading system, or lead discussions in Asia and at the World Trade Organisation.

There is significant potential for both parties to reap benefits from their relations, but the future of ASEAN-Korea relations ultimately depends on how much the Korean people and society appreciate the importance of ASEAN for their interests.¹⁶⁵ With the new President Yoon administration, it remains to be seen how Korea's relations with ASEAN will evolve, particularly with respect to Korea's possible entry into CPTPP.

¹⁶⁵ Lee, "30 years of ASEAN-Korea partnership".