

Humanitarian Aid

On June 5, the South Korean government decided to provide \$8 million in humanitarian aid to North Korea. The money will be used by the World Food Programme and UNICEF to deliver food to women and children within North Korea.¹ The delivery of this aid was delayed since 2017 due to sanctions and disagreements within South Korea.

ROK-US Alliance and OPCON

South Korean Defense Minister Jeong Kyeongdoo and US Acting Secretary of Defense Patrick Shanahan met on June 3 to discuss the future of ROK-US alliance and OPCON transfer. Both sides agreed that South Korea's four-star general will lead the Combined Forces Command (CFC) following OPCON transfer.² The CFC is currently led by an American commander with a South Korean deputy commander. Progressive observers regard OPCON transfer as a necessary prerequisite for protecting South Korea's sovereignty. Conservatives believe that South Korea's dependence on the US for its defense will not decline as a result of this process. Experts argue that the US is likely to demand a further increase in South Korea's share of defense costs in order to meet the needs of OPCON transfer. The transfer is expected to be completed by 2022.

Moon in Scandinavia

On June 9, President Moon began his 8-day state visit to Finland, Norway, and Sweden. He first held a summit with Finnish President Niinistö and discussed ways to enhance bilateral relations. President Moon highlighted the importance of inclusive growth, peace, and global cooperation.³ The two countries signed an MOU related to cooperation on aviation, energy, innovation, and gender equality.

On June 12, President Moon delivered a speech at the Oslo Forum in the University of Oslo. He emphasized "Peace for People" as a way to advance peace on the Korean Peninsula.⁴ He stated that it is possible to hold a fourth inter-Korean summit by the end of June, before President Trump's visit to South Korea. Minister of Unification Kim Yeon Chul, however, mentioned in Seoul that it would be difficult for the fourth inter-Korean summit to take place in June.⁵ President Moon is expected to deliver another speech

on denuclearization in the Swedish parliament in Stockholm.

North Korea on the Move

In the meantime, Kim Jong-un sent a letter to President Trump. He also sent his sister Kim Yo-jong to Panmunjom to deliver a message of condolence and flowers to pay respect to Lee Hee-ho's death on June 10. Ms. Lee was the ex-first lady and wife of President Kim Dae-jung.

The New Prosecutor General

On June 13, the Ministry of Justice shortlisted four candidates for the Prosecutor General position:⁶ Kim Oh-su, Vice Minister of Justice; Bong Wook, Assistant Prosecutor General of the Supreme Prosecutor's Office; Lee Keum-ro, Suwon District Prosecutor's Office chief; and Seoul Central District Prosecutors' Office chief Yoon Seok-yeol.

The President will nominate one candidate and the chosen nominee will go through National Assembly hearings before the final appointment.⁷ The nomination is likely to take place after June 16 upon President Moon's arrival from his state visit to Scandinavia. The incumbent prosecutor general will step down on July 24.

President Moon has been emphasizing the need to limit the investigative powers of prosecutors and experts expect considerable changes under the new leadership in the Ministry of Justice.

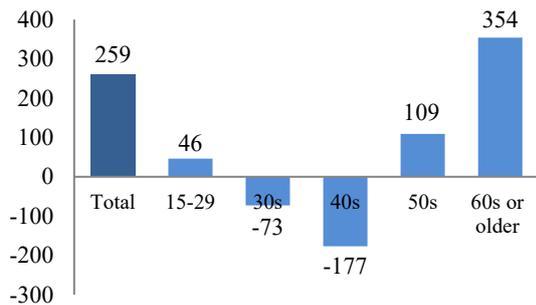
Employment

According to the latest data released by Statistics Korea (KOSTAT) on June 12, the number of employed persons totaled 27.3 million in May, is a 259 thousand increase year-over-year. The employment rate for people aged 15-64 also increased by 0.1 percent from a year earlier to 67.1 percent last month. This is the highest figure in May since the agency began compiling such data in 1989. The numbers indicate that the increase was mainly led by increased employment among 60-or-older workers, which grew by 354 thousand persons from a year ago. However, employment among people in their 30s and 40s fell by 73 thousand and 177 thousand persons from a year ago, respectively. KOSTAT official cited the sluggish manufacturing

sector as the main reason for the significant decline in the number of employed in their 40s. Job creation in the manufacturing sector shrank 73 thousand in May from a year earlier. Jobs in the finance/insurance and public administration contracted by 46 thousand while defense and social security sectors also decreased by 40 thousand. The figure grew in the health and social welfare service (124 thousand), lodging and restaurant service (60 thousand), and the arts, sports and leisure (47 thousand).⁸

Year-on-Year Change in Employment

(Unit: thousand persons)



Source: KOSTAT

5G

As of June 10, the number of 5G mobile network subscribers in South Korea has exceeded 1 million. The number of 5G base stations increased to 61,246 across the country.⁹ Samsung Electronics has also opened a new research center called the Advanced Communications Research Center under the Samsung Research division to begin R&D on 6G technology.¹⁰

Bond Market

According to data released by the Bank of Korea (BoK) on June 13, foreign investors made a net-investment worth over USD 6 billion in the South Korean bond market last month. This is the largest increase since April 2008 when foreigners made a net-investment worth over USD 6.1 billion in the same market. Analysts point to the depreciation of the Korean Won (KRW) as the main contributing factor. The KRW-USD exchange rate surged from 1,168.2 at the end of April to 1190.9 at the end of May.¹¹

Korea-UK FTA

On June 10, South Korea and the UK have signed a preliminary agreement on free trade between the two countries to maintain stability after Britain leaves the

European Union (EU). The agreement allows businesses of the two countries to continue to enjoy preferential terms under the existing Korea-EU FTA after the Brexit – even in a no-deal case.¹²

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2 “제2 한국전쟁 발발한다면 한국 대장이 연합사 지휘,” *중앙일보*, 2019년 6월 4일.

3 Blue House official website, [available at: <https://www1.president.go.kr/articles/6459>]

4 Blue House official website, [available at: <https://www1.president.go.kr/articles/6495>]

5 “김연철 "남북정상회담 접촉 중이지만 이달 중 어려워"(종합),” *Newsis*, 2019년 6월 12일.

6 “차기 검찰총장 후보에 봉욱·김오수·이금로·윤석열 추천,” *조선일보*, 2019년 6월 13일.

7 “[속보] 검찰총장 후보 4명...봉욱·김오수·이금로·윤석열,” *한겨레*, 2019년 6월 13일.

8 “5월 취업자 26만명 늘었지만...실업자 114만명 사상 최다,” *한국경제*, 2019년 6월 12일.

9 “5G 가입자, 상용화 69일 만에 100만 명 돌파,” *MBN*, 2019년 6월 13일.

10 “벌써 6G...삼성전자, 최대 규모 '6G 연구센터' 꾸렸다,” *한국경제TV*, 2019년 6월 4일.

11 “지난달 外인 채권자금 60억달러 순수입...11년래 최대규모,” *헤럴드경제*, 2019년 6월 13일.

12 “韓·英, FTA 원칙적 타결...브렉시트에도 교역조건 그대로,” *조선비즈*, 2019년 6월 10일.

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Address 11, Gyeonghuigung 1ga-gil, Jongno-gu, Seoul 110-062, Republic of Korea

Website <http://www.asaninst.org>

Email info@asaninst.org

Chairman Han Sungjoo

Acting President Choi Kang

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Contributing Staff (in alphabetical order by last name):

Hong Sanghwa

Kim Seonkyung

Editor:

J. James Kim