

The Sixth Nuclear Test

On Sept 3, North Korea conducted its sixth nuclear test. Seismic readings suggest that the test was conducted in Punggyeri nuclear test site in North Hamgyong province. The explosion is estimated to be five to six times more powerful than the previous nuclear test with seismic reading indicating a magnitude of 5.7-6.3.¹ The North Korean state media announced that it has successfully conducted a hydrogen bomb test and emphasized that the miniaturized nuclear weapon can now fit on top of an ICBM.

Timeline of North Korea’s Nuclear Tests

Nuclear Test	Date	Magnitude	Yield
1 st	2006.10.9	3.9	1kt
2 nd	2009.5.25	4.5	3~4kt
3 rd	2013.2.12	4.9	6~7kt
4 th	2016.1.6	4.8	6~7kt
5 th	2016.9.9	5.0~5.2	10~20kt
6 th	2017.9.3	5.7~6.3	50~100kt

The analysts claim that the sixth nuclear test is a ‘game changer.’² The sixth test may be a turning point for the Moon administration as President Moon moved to expedite the deployment of four additional THAAD launchers. Conservatives welcomed the move while progressives including the Justice Party condemned the Blue House for changing its stance on the missile defense system.³

The US and South Korea also agreed to revise the missile guideline capping the development of ROK’s ballistic missiles.⁴ South Korea’s missile development was previously limited to a range of 800 km and payload weight of 500 kg. The new agreement lifts the upper limit on the payload allowing South Korea to develop more powerful missiles.⁵

Various media outlets also reported that the Defense Minister Song Young-moo mentioned the possibility

of considering the reintroduction of the US tactical nuclear weapons.⁶ He later denied making such statement.

Polls suggest that the South Koreans are warming to the idea of nuclear weapons on the Korean Peninsula. For instance, the latest poll by Gallup Korea indicates that 60% of South Koreans support nuclear weapons on the Korean Peninsula while 35% opposes.⁷

THAAD

On Sept 7, President Moon Jae-in ordered the deployment of four additional Terminal High Altitude Area Defense (THAAD) launchers.⁸ This is a significant departure from the administration’s previous position which was to delay additional deployment until the completion of the environmental impact assessment.⁹ This position, however, was not sustainable given the rise in the scale and frequency of nuclear/missile tests conducted by North Korea.

Due to rising criticism, President Moon officially announced that the deployment is only “temporary,” and that “it is the best measure that the government can take under the present circumstance.” Experts claim that the decision is virtually impossible to reverse and that the deployment will soon become permanent.¹⁰

Moon Goes to Vladivostok

On Sept 6, President Moon traveled to Vladivostok to attend the Eastern Economic Forum and hold bilateral talks with Prime Minister Abe Shinzo and President Vladimir Putin.

During his meeting with Prime Minister Abe, President Moon agreed to put aside history issues and focus on managing the North Korean threat.¹¹ The two sides agreed to work together in passing a new UN Security Council resolution which would suspend oil exports to North Korea.¹²

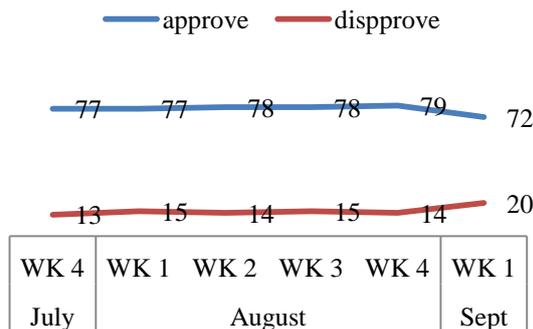
President Moon also asked President Putin to support tougher sanctions on North Korea.¹³ President Putin responded that Russia condemns North Korea’s nuclear test but that he could not agree to tougher sanctions.¹⁴ Instead, he argued that the North Korean

nuclear issue cannot be resolved by pressures and sanctions alone.

No More Honey-Moon?

President Moon's popularity appears to be declining with his approval rating hitting 72%, which is the lowest level recorded since the inauguration. Much of this appears to be driven by his failure to address the North Korean nuclear problem.

President Moon's Approval Rating (%)¹⁵



The KORUS Free Trade Agreement

The latest statement by the US Trade Representative Robert Lighthizer on Sept 5 suggests that the US will move to amend the KORUS FTA rather than scrap the deal altogether. Many observers in Seoul are quite anxious as to how to interpret President Donald Trump's remarks about "terminating" the longstanding FTA between South Korea and the United States.¹⁶ South Korean government's official position is to wait until the US issues an official statement about its plans for the KORUS FTA. However, the Minister of Trade, Industry and Energy (MOTIE) Paik Un Gyu stated that the government is preparing for different scenarios.¹⁷

The Qualcomm Debacle

On Sept 4, the Seoul High Court dismissed Qualcomm's request to reconsider the US\$927 million penalty levied by the Korea Fair Trade Commission (FTC). The Court ruled that Qualcomm should observe its obligations to fair, reasonable, and non-discriminatory terms (FRAND) based on findings that the company was engaged in unfair cross-licensing agreements.¹⁸ These agreements effectively left mobile phone manufacturers like Samsung with no alternative supplier than Qualcomm. Following the decision by the Seoul High Court, Qualcomm announced on Sept 5 that it will file an appeal to the Supreme Court.¹⁹ Two primary points of contention in these proceedings will be (1) the extent to which Qualcomm will face significant deprivation as a result of the FTC penalty and (2) if Qualcomm violated its due diligence in

observation of FRAND.²⁰

Samsung Electronics

Samsung's market performance appears to be unaffected by the sentencing of its beleaguered leader, JY Lee. Samsung stock price appears to be buoyed by the rise in the sale of its semiconductors and new Galaxy S8 mobile phones. Analysts are expecting the sales to reach 15.5~16.6 trillion KRW in the 4th quarter.²¹

Samsung Electronics Stock Price



- 1 "북 6차 핵실험 "5차보다 5~6배 강력"...수소탄 성공", *중앙일보*, 2017년 9월 3일.
- 2 "북한의 6차 핵실험 게임의 룰이 바뀌었다", *중앙일보*, 2017년 9월 6일.
- 3 "이정미 "사드, 박근혜 때는 절대악이고 문재인 때는 아니냐", *경향신문*, 2017년 9월 7일.
- 4 "한미 정상 '미사일 탄두 중량 제한'해제 합의...북한 지휘부 병커 뚫는다", *중앙일보*, 2017년 9월 5일.
- 5 "미사일 탄두 2t으로 늘리면... 北병커 대부분 파괴 가능", *조선일보*, 2017년 9월6일.
- 6 "또 "전술핵 배치" 꺼낸 송영무 장관", *한겨레*, 2017년 9월 4일.
- 7 Gallup Korea. Date: Sept 5-7; sample size 1,000; margin of error: ± 3.1 at the 95% confidence level.
- 8 "문재인정부마저..." *한겨레* 2017년 9월 8일.
- 9 Ibid.
- 10 "지지층 '사드 반발' 거세져...직접 나서 '불가피성' 호소", *한겨레* 2017년 9월 8일.
- 11 "한-일, 북핵 집중 위해 당분간 과거사 부각 안 한다... 문 대통령 "긴밀 관계 절실," *중앙일보*, 2017년 9월 7일.
- 12 Ibid.
- 13 "한-미 "대북 원유 끊어달라" 중-러는 냉랭," *동아일보*,

2017년 9월 7일.

14 Ibid.

15 Ibid.

16 "백악관 "한미FTA 폐기 논의 당분간 안해"... 의회에 보고," *한국경제*, 2017년 9월 7일; "백악관 "한미 FTA 폐기 논의 안하겠다," *한국일보*, 2017년 9월 8일.

17 "'한미FTA 폐기' 일단 수면 아래로...정부 "여러 가능성 대비"," *연합뉴스*, 2017년 9월 7일.

18 "퀄컴 효력정지 신청 기각...삼성과 재협상 단초될까," *중앙일보*, 2017년 9월 5일.

19 "퀄컴, 효력정지 신청 기각 불복..."대법원에 항고하겠다"," *한겨레*, 2017년 9월 5일.

20 "'1조 과징금 가처분 소송' 퀄컴 대리한 세종·울춘·화우 연합군 패소," *조선비즈*, 2017년 9월 8일.

21 "'4분기 16조 넘는다"...삼성전자 실적전망 '고고'," *한국경제*, 2017년 9월 8일.

The Asan Institute for Policy Studies is an independent, non-partisan think tank with the mandate to undertake policy-relevant research to foster domestic, regional, and international environments conducive to peace and stability on the Korean Peninsula, as well as Korean reunification

Published by The Asan Institute for Policy Studies

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

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

Email info@asaninst.org

President/Chairman: Hahm Chaibong

Copyright © 2017

Contributing Staff (in alphabetical order by last name):

Kim Kildong

Kim Seonkyung

Lee Soo-hyun

Editor:

J. James Kim