

# ASAN KOREA PERSPECTIVE

## US-ROK Relations

US-ROK relations appeared tenuous at times as President Trump stated that the South Korean government agreed to contribute an additional \$500 million towards basing of US troops in South Korea when the actual figure was significantly lower than this.<sup>1</sup> The South Korean government issued an official statement to refute this claim.<sup>2</sup> Experts argued that the remarks were aimed at pressuring South Korea to increase its contribution during the next round of negotiations for the new Special Measures Agreement.<sup>3</sup> It was also interpreted as a signal to other allies that they should raise their contribution as well.

Members of South Korean National Assembly including Speaker Moon Hee-sang and leaders of major political parties visited Washington DC. They met with Nancy Pelosi for a meeting that lasted for an hour.<sup>4</sup> The two sides exchanged views on the upcoming US-DPRK summit. But Pelosi's statements about North Korea and ROK-Japan relations were interpreted as criticisms of the South Korean government's policy.

## ROK-Japan

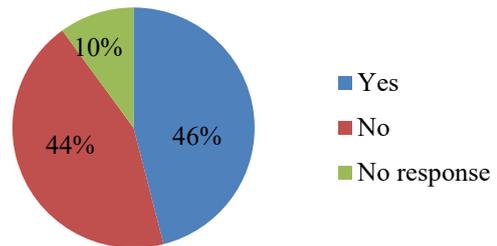
National Assembly Speaker Moon Hee-sang, in an interview with Bloomberg on Feb 8, stated that Japanese Emperor Akihito as "the son of a war criminal" should apologize to the Korean comfort women. During a meeting at the Japanese Diet on Feb 12, Prime Minister Shinzo Abe demanded an apology and retraction from Speaker Moon.<sup>5</sup> In an interview with the Chosun Ilbo on Feb 17, Speaker Moon stated that he did not plan on issuing an apology or saw the need to do so.<sup>6</sup>

## North Korea

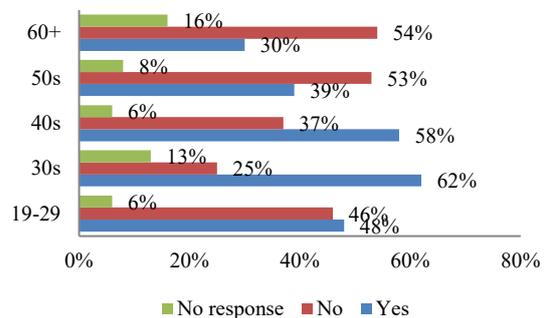
On Feb 15, President Trump stated that there is no timeline for the denuclearization of North Korea. He also stated that he was satisfied with the fact that North Korea has not "tested" any missiles or nuclear devices. Some observers in South Korea held out hope for a deal between the US and North Korea involving the dismantlement of the Yongbyon nuclear facility in exchange for partial sanctions relief or reopening of the Kaesong Industrial Complex and Mount Kumgang tour.<sup>7</sup>

## South Korean Public Attitudes about North Korea

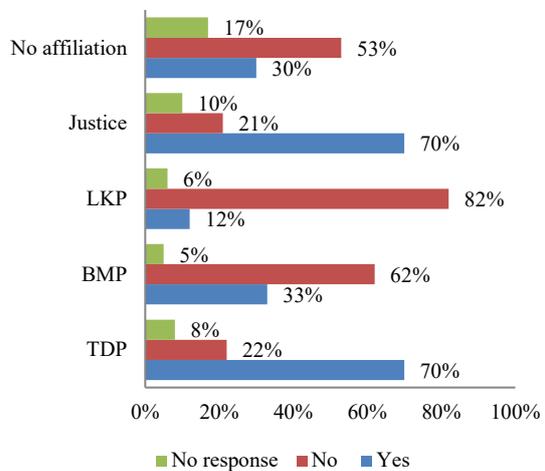
Do you think North Korea will follow through on the agreement if one is reached?<sup>8</sup>



## By Age



## By Political Affiliation<sup>9</sup>



## India's Prime Minister Modi visits Korea

India's Prime Minister Modi visited South Korea during Feb 21-22 for a summit meeting with President Moon.<sup>10</sup>The two countries signed a Memorandum of Understanding (MoU) and agreed to expand cooperation in the areas of science, technology, space, and defense.

## Employment

According to the Korea National Statistics Office (KOSTAT), approximately 26.2 million people were employed last month. The overall unemployment rate for January was the highest on record (4.5 percent) since 2010 (5.0 percent) when the country was struggling with the global financial crisis.<sup>11</sup>

## Real Estate

According to the Ministry of Land, Infrastructure, and Transport (MOLIT), South Korea's property sales decreased to 50,286 last month, the lowest level in six years. Housing sales in the capital decreased by 30.8 percent while property sales in rural areas dropped by 15.8 percent compared to January 2018. Experts claim that the decline is primarily due to government regulation which has decreased investor confidence.<sup>12</sup>

## Exports

Exports from South Korea dropped by 11.7 percent from a year earlier, according to data released by Korea Customs Service (KCS) on Feb 21. This is mainly due to the decline of semiconductor prices as well as the continued slowdown in sales to China.<sup>13</sup>

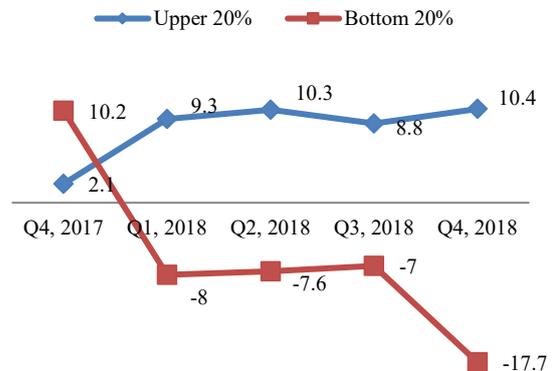
## Financial Sector

South Korea's five major commercial banks logged record net profits (KRW 9.77 trillion) in 2018 due to a surge in interest revenue. Shinhan Bank logged the highest net profit (nearly KRW 2.28 trillion) followed by Kookmin (KRW 2.22 trillion), KEB Hana (KRW 2.09 trillion), Woori (KRW 1.88 trillion), and NongHyup (KRW 1.22 trillion). The combined interest revenue of the country's five major banks grew 10.5 percent (KRW 27.28 trillion).<sup>14</sup>

## Income Gap

South Korea's household income disparity hit a record high during the fourth quarter of last year. According to data released by KOSTAT on Feb 21, the average monthly household income of the bottom 20 percent dropped by 17.7 percent (to KRW 1.238 million) during the fourth quarter of last year. This marks the biggest decline since 2003 when KOSTAT began compiling this type of data. Experts cite the sharp decline in the number of employed workers as the main culprit. In comparison, the average household

income of the upper 20 percent increased by 10.4 percent (to KRW 9.32 million) during the fourth quarter of last year.<sup>15</sup>



1 “트럼프 “한국 방위비 분담금 올라가야 해...몇년간 오를 것”, *조선일보*, 2019년 2월 13일.

2 “강경화 ‘방위비 5억불 더’ 트럼프발언에 “합의액 분명 1조389억”, *연합뉴스*, 2019년 2월 13일.

3 “트럼프 “전화 몇통으로 5억달러 늘려”... 방위비 사전청구서?”, *동아일보*, 2019년 2월 14일.

4 “펠로시, 문희상 면전서 “김정은, 남한 무장해제 원한다”, *중앙일보*, 2019년 2월 13일.

5 ‘아베, 일왕 사죄 발언 철회 요구... 문희상 “진정한 사과 필요하단 취지”, *조선일보*, 2019년 2월 13일.

6 ‘문희상 “전·쟁인론 범죄에는 시효없어... 日王사죄 요구 발언, 사과할 생각없다”, *조선일보*, 2019년 2월 18일.

7 “[사설] 트럼프 “북핵·미사일 실험 원치 않을 뿐” 이라니”, *조선일보*, 2019년 2월 18일; “문정인 “영변 핵시설 해체에 응하면 北제재 해제 조건 돼”, *중앙일보*, 2019년 2월 8일.

8 Gallup Korea, Date: Feb 12-14; sample size: 1,002; margin of error: ±3.1 at the 95% confidence level.

9 [Abbreviations] LKP: Liberty Korea Party; BMP: Bareun Mirae Party; TDP: Together Democratic Party

10 “모디 인도총리 21일 국빈방한...22일 한·인도 정상회담”, *조선일보*, 2019년 2월 14일.

11 “1월 실업률 4.5%, 2010년 이후 최고... 실업자 122만명(2보)”, *매일경제*, 2019년 2월 13일.

12 “주택매매거래는 6년래 최저, 전월세는 5년만에 최대”, *이데일리*, 2019년 2월 18일.

13 “2월 수출 11.7%↓...반도체 조정에 3개월째 감소 우려”, *한국경제*, 2019년 2월 21일.

14 “지난해 5대 은행 순이익 10조 육박”, *한국경제*,

2019년 2월 19일.

15 “빈곤층 가계소득 17% 급감... 빈부격차 역대 ‘최악’으로,” *매일경제*, 2019년 2월 21일.

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