



# Europe's Defense Revival: What's at Stake for South Korea

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## Introduction

When the European Union (EU) leaders were conducting arm-wrestling negotiations in the last week of June over the EU's top jobs following the outcome of the European Parliament elections, a different piece of news from Brussels sent Seoul's and Tokyo's rumor mills churning. Citing an unnamed senior European Commission official, *Nikkei Asia* reported that the EU is attempting to establish security and defense industry partnerships with South Korea and Japan to jointly develop military equipment.<sup>1</sup> No such security and defense-related collaboration has previously occurred in the ROK-EU strategic partnership. However, the capacity and capability of South Korea's defense industry have become important strategic and economic considerations for many EU and NATO member states. Spurred by the dramatic increase in defense expenditures by many European governments following Russia's invasion of Ukraine, as well as rising geopolitical tensions in the Indo-Pacific and the Middle East, South Korea has emerged as a viable alternative to more traditional suppliers offering cost-effective military sales. European countries targeted by Seoul's defense exports already include Poland, Finland, Norway, Lithuania, Estonia, Romania, Slovakia, Czechia, and the UK.

The Yoon administration has been pursuing an ambitious target of climbing from eighth place to fourth place in the global defense export rankings by capturing 5 percent (or more) of the market by 2027.<sup>2</sup> Meanwhile, Europeans have stepped up efforts at the supranational and intergovernmental levels to reduce manufacturing and technology dependencies by ramping up weapons production on the continent. The impetus toward a more strategically autonomous and technologically sovereign Europe comes primarily from a desire to reduce reliance on U.S. leadership and hardware support for European security. That said, its implications may go beyond the transatlantic dimension of defense cooperation, holding significance for third countries and strategic partners, including South Korea.

This *Issue Brief* examines how South Korea can enhance defense engagement patterns with a range of European actors in light of the sizeable arms export deals the country has secured so far and proceeds as follows: First, it provides context for South Korea's approach to arms exports and the key assets that have underpinned its success in the global procurement market, particularly in light of the lessons learned from the ongoing war in Ukraine. Second, it explores Seoul's defense engagements with three European countries—Poland, Germany, and the United Kingdom (UK)—each of which represents particular dynamics that reflect the

fragmented and heterogeneous nature of the region's defense landscape. Finally, it identifies elements that South Korea should consider to consolidate its position. The first element pertains to creating a more conducive financial framework for facilitating defense export deals. The second element refers to ongoing initiatives in the EU aimed at incentivizing its member states to develop the necessary industrial depth. This analysis represents an important and timely intervention that contributes to the debate on South Korea's defense and security choices amid the persisting gap between its quest to assume an integral role in the greater regional and global security architecture and an atmosphere of constraint, especially in South Korea's domestic and immediate neighborhood.

## **Sources of Strength and Lessons Learned**

As Russia's war on Ukraine drags on, the past three years have exposed the limitations of core assumptions about 21st-century military power. Although the war is being fought across multiple domains, the decisive battlespace is on the ground. Unmanned aerial vehicles have been deployed on an unprecedented scale, yet tanks, mechanized infantry, and artillery form the backbone of sustaining a conflict of such intensity.<sup>3</sup> Consumption rates and weapon attrition have pushed conventional guided weapons systems to the top of inventory priorities across Europe. However, no Western exporter has been able to fill emptied stockpiles with immediate mass-production capacity. South Korean companies have thus stepped in, proving better equipped to meet some of the most pressing demands coming from frontline Ukrainian allies seeking to restructure their obsolete Soviet-era inventories while concurrently providing military aid to Kyiv.<sup>4</sup> This has been a consequence of longer-term processes on both sides of the transactions. Prolonged disinvestment and subsequent lack of economies of scale have hampered the European military-industrial sector. In South Korea's case, the existence of an immediate and ongoing threat on its borders has meant that it has never been able to afford to slow down the production of ground systems.

The defining characteristics of the warfare unfolding on European soil have put South Korean contractors into the spotlight. However, the most important lesson from the conflict in Ukraine is the primacy of logistics over strategy and how this has translated into an advantage for Seoul.<sup>5</sup> The thinking and approach of South Korean policymakers and industry players to look beyond the production line of armaments as the be-all and end-all have been particularly important in South Korea's increasing success in global defense procurement. As such, the South Korean domestic defense industry has maintained robust and secure ties with its suppliers, including semiconductors, spare parts, and engine manufacturers.

Such extensive industrial capacity has particularly favored swift product delivery as logistical competition has unfolded. This achievement can be credited in large part to the Ministry of National Defense and the Defense Acquisition Program Administration (DAPA) for having focused on customizing and accommodating offerings to prospective buyers that address their specific defense and security needs.<sup>6</sup> This tailored approach can be seen most clearly in the recent arms deal with Poland, which included not only a speedier provision that assuaged Warsaw's concerns about delays in delivery schedules from other suppliers—most notably Germany—but also the pledge to invest in the Polish industry through technology transfers and local manufacturing of K2 tanks.<sup>7</sup> Such flexibility to maneuver has been made possible by a higher level of symbiosis among the Korean government, armed forces, and businesses that

have integrated diplomatic, military, and industrial considerations to achieve broader objectives.<sup>8</sup>

The Yoon administration has doubled down on efforts to establish a more resilient and broad-ranging national defense industry, as evidenced by the Industrial Supply Chain 3050 Strategy, which aims to lower South Korea's overall dependence on 185 critical items, including components used to manufacture weapons and weapons parts, by 50 percent by 2030. In this context, a crucial point is to foster greater participation of small- and medium-sized enterprises (SMEs) in the defense industry market, as their export share—around 7 to 10 percent of total exports—remains low compared to that of bigger firms. Initiatives like the Global Value Chain 30 Strategy, which is intended to promote the entry of SMEs from the defense industrial space into the global value chain, are a positive step both in terms of sourcing materials and locating markets for their products.<sup>9</sup>

Current and potential European buyers have been incentivized toward “K-defense” contractors not only because of their ability to deliver at speed but also because the hardware supplied offers an exceptional price-to-quality ratio. On the other side of the transaction, South Korean firms are attracted to the European market because of the growth opportunities afforded by elevated defense budgets and growing demand, particularly in a mid-range segment where they do not necessarily have to compete with the U.S. and other Western producers that focus on high-end weaponry. Nevertheless, their ability to climb up the ladder of the global arms procurement market more broadly, which is notoriously difficult to break into given high barriers to entry and high levels of protectionism surrounding domestic industries, is a reflection of South Korea's *modus operandi*. In the case of the European defense market, this is particularly notable given the presence of a range of major arms manufacturing dynamos, including France, Germany, Italy, and the UK. Having made an entry into the notoriously competitive European procurement market, the question Seoul must grapple with is how to maintain its presence and ensure sustainable defense cooperation.

## **State of Affairs of ROK-Europe Defense Engagement**

### *Buying on the Frontlines*

To further contextualize South Korea's rise as an arms exporter to Europe, it is worth isolating different patterns of engagement as reflected in Seoul's bilateral relations with various European countries. Perhaps the most discussed defense cooperation measure developed between South Korea and a European partner is the 2022 mega-deal worth \$12.4 billion struck with Poland, followed by a more recent \$1.6 billion addendum in 2024. The contract signed between the two countries for K239 Chunmoo multi-barreled missile launchers, K-2 tanks, K-9 self-propelled howitzers, and FA-50 light combat aircraft broke a multitude of records for both countries. In addition to representing the largest-ever South Korean arms export agreement and single-handedly eclipsing the total revenue of \$7.1 billion for the entire defense industry in 2021,<sup>10</sup> it was also a key component of the dramatic growth of Poland's military spending, which rose by 75 percent—the highest increase of any EU member state—between 2022 and 2023, reaching \$31.6 billion.<sup>11</sup> However, the follow-up deal worth \$14.5 billion has faced major hurdles in securing the required loans from the Export-Import Bank of Korea

(EximBank) due to the deal exceeding its credit ceiling. Additionally, the new administration of Donald Tusk, who has pledged to honor agreements signed by his predecessors, is reluctant to accede to new procurement contracts.<sup>12</sup> Poland has notably raised its defense budget, but that has proved to be insufficient. Facing a funding shortfall, Seoul had to take immediate action. Days before the last legislative elections, the National Assembly passed amendments to the Export-Import Bank of Korea Act. These amendments increased EximBank's capital reserves limit from \$11.3 billion to \$18.8 billion, thereby securing the viability of the second contract. The negotiations with Warsaw opened up a pathway for South Korean defense exports into neighboring countries, most notably Estonia, Lithuania, and Romania.<sup>13</sup> Similarly exposed to the threat of Russia's aggression in the past three years, these Central and Eastern European countries have fast-tracked their military modernization as they consistently highlight the Russian threat to their security due to their territorial proximity to Russia and their history of having been within the Soviet sphere of influence.

### Competitive Partnering

In contrast to their positive reception within the Central and Eastern European markets, seeking to promote K-defense items in Northern and Western Europe comes with much more intense scrutiny. This scrutiny has translated into a complex positionality in relation to its partners. Defense manufacturing powerhouses like France and Germany have voiced concerns about South Korean tanks—which compete with their own offerings of heavy armor—entering European markets<sup>14</sup> while emphasizing the necessity for European solidarity. The case in point can be seen in the recent efforts by Paris and Berlin to reboot the Main Ground Combat System (MGCS) project, intended to replace their current-generation main battle tanks, which had been languishing for years.<sup>15</sup> On the other hand, in the last few years, the South Korean government has managed to upgrade bilateral relations to a strategic partnership level with Italy (2018), the Netherlands (2022), the UK (2023), and Germany (2023). With regard to the latter, during Yoon's visit to Berlin in 2023, the two sides signed an agreement to enable better defense cooperation through the sharing and protection of confidential military data as well as the optimization of their defense industrial supply chains to minimize possible disruptions.<sup>16</sup> This was followed up in August 2023 with Germany seeking to help speed up the transfer of defense material between the two partners from September, by streamlining the current elaborate defense export procedures, which require 6 to 12 months of approvals processes carried out by the Federal Office for Economic Affairs and Export Control (BAFA).<sup>17</sup> Under this new arrangement, South Korean companies would be able to procure non-sensitive defense and dual-use materials from their German counterparts directly and without going through BAFA approval, creating new synergies that would improve distribution channels both between the two countries and more broadly on the global defense procurement market.<sup>18</sup>

### Spearheading Joint Defense Production

In addition to Berlin, the bilateral relation with the UK has recently seen interesting developments in defense with the signing of the Downing Street Accord and a joint Defense Memorandum of Understanding in 2023, emphasizing defense cooperation as a matter of priority for both governments.<sup>19</sup> This was further explicated in a Joint Ministerial Statement of Intent, which outlined the establishment of a new Defense Partnership for Industrial and Capability Cooperation, emphasizing the importance of facilitating the development of joint

defense industrial projects between public and private sector stakeholders from both countries. As outlined in the statement, both governments envision policymakers creating a pathway to “enable greater integration between our export and capability requirements, including industrial collaboration and supply chain integration for joint defense exports.”<sup>20</sup> The UK is the first other G20 country that South Korea has collaborated with on this level, setting a precedent and potential launching point for others.

## The Push for “Made in the EU” Defense

From the EU’s perspective, cementing defense industrial partnerships with countries in the Indo-Pacific, particularly like-minded partners like South Korea, is not trivial in the context of discussions about the next cabinet of commissioners, which will be voted on in autumn. Ursula von der Leyen has secured a second mandate as President of the European Commission and, from the onset of her first term, has attached high priority to reshaping Europe’s defense footing. Efforts to integrate the European defense industrial sector go back to the 1990s, but it is only as a result of more recent crises—from Russia’s annexation of Crimea in 2014 to the subsequent large-scale invasion of Ukraine eight years later, from Brexit to the rise of U.S. protectionism under Trump—that the Commission has shifted towards institutionalization rather than outlining norms.<sup>21</sup> Following years of underinvestment, the outgoing “geopolitical Commission” sought to reverse the post-Cold War “peace dividend” and expand its competencies into defense policy.<sup>22</sup> Contemporary shortfalls are clear when comparing the 2022 average military spending by European countries, amounting to 1.6 percent of total GDP, to the average during the Cold War, which was almost double at 3.5 percent of total GDP.<sup>23</sup>

Russia’s aggression against Ukraine has acted as a catalyst for Brussels to adopt a more interventionist approach since it seeks to coordinate the modernization and replenishment of military stocks while member states send equipment and ammunition to Kyiv at a faster rate than they can be replaced through domestic production. This process culminated in the first-ever European Defense Industrial Strategy (EDIS)<sup>24</sup> at the EU level, launched on March 5 2024, together with its financial leg, the European Defense Industrial Program (EDIP).<sup>25</sup> While defining the EU’s defense procurement objectives in the medium and long term, the timing of the EDIS’s and EDIP’s release is noteworthy, given that the U.S.<sup>26</sup> and Australia<sup>27</sup> unveiled similar first-ever documents in the prior weeks to orient industrial action and resource prioritization to ensure more resilient domestic defense industrial ecosystems. What is more, at the 2023 Vilnius Summit, NATO allies endorsed a Defense Production Action Plan to “aggregate demand, address defense industrial challenges and increase interoperability.”<sup>28</sup> More recently, on July 3, the United States Department of Defense (DoD) published the much-awaited Interim Implementation Report, tracking progress toward implementing the actions laid out in its National Defense Industrial Strategy (NDIS).<sup>29</sup> Overall, these documents codify a series of specific actions and projects to foster a robust and flexible defense industry and deliver a sustainable supply chain to enhance deterrence and defense in Europe and the Indo-Pacific.

The EDIS boldly outlines an end-to-end approach that covers planning, research, development, production, procurement, maintenance, and deliveries. If successful, this approach would expedite the emergence of a strong European Defense Technological and Industrial Base (EDTIB). The intertwined aims of the strategy and the accompanying EDIP



can be summed up by the Commission's exhortation to invest "more, better, together, European," with the latter point raising questions about how this strategy would impact the growth of South Korea's defense exports to the European market given the emphasis on procurement within the bloc.<sup>30</sup> In seeking to encourage greater defense cooperation, Brussels aims to boost its flexibility and that of its member states to react decisively against security challenges. The ongoing war on European soil has prompted a hard look at the bloc's overreliance on the U.S. as the primary supplier of arms and ammunition. In 2022 and 2023 alone, more than 75 percent of defense goods procured within the EU came from external sources, with the U.S. accounting for 63 percent of the arms trade.<sup>31</sup> Translated into real terms, this means that more than €70 billion out of a total of €100 billion has been spent on arms flowing from outside the regional bloc. In an effort to reverse this trend, the EDIS lays out three targets for member states to aim for by 2030: purchasing a minimum of 40 percent of defense equipment collaboratively, spending half or more of procurement budgets on European-made goods, and ensuring that trade of material within the EU makes up 35 percent of the defense market's total value.<sup>32</sup> Therefore, collaboration is expected to take place between member states and their defense companies by stimulating joint funding and acquisition of arms and equipment at scale in order to reduce duplication and other inefficiencies present in the current system.

Defense analysts have praised the ambitious nature of these targets and the development of a concrete defense industrial strategy as a whole, but have highlighted a range of issues. Reflecting the intergovernmental nature of the EU and long-standing challenges of developing common policies, the EDIS and EDIP are nonbinding and rely on member states to choose whether to implement them. Defense industrial policy has primarily been the jurisdiction of national governments rather than European institutions and as such, this has led to a distinctly segmented market in which each of the EU-27 largely maintains independent domestic defense industries with only limited cooperation on a case-by-case basis. Brussels' limited influence on these matters can be seen in the preference for member states to utilize Article 346 of the Maastricht Treaty to exempt defense goods from EU public procurement requirements.<sup>33</sup> Furthermore, the provision of only €1.5 billion in funding to the EDIP in an effort to operationalize the strategy is insufficient, given that the combined defense industries within the EU accounted for €70 billion in sales in 2021, a figure that has risen significantly due to developments in the last three years. Implementation of the EDIS and EDIP remains piecemeal, reflecting wide divergences on how to take EU defense efforts forward and how to fund them. While both documents mention strategic partners and like-minded third countries as part of Brussels' strategic calculus, the inclusion of specific close allies—South Korea, Japan, and the United Kingdom—presents a degree of ambiguity that policymakers in Seoul ought to monitor as they develop closer bilateral ties with the EU and individual member states.<sup>34</sup> The passing mentions of mutually beneficial partnerships are open to interpretation in terms of what this would entail, which currently leaves South Korea in an unclear position regarding how it would fit within efforts to reduce external dependencies.

## Policy Recommendations

This Issue Brief has shown that South Korea's efforts to expand defense procurement patterns with European counterparts have occurred against the backdrop of initiatives at the EU and national levels to boost the member states' own sovereign military capabilities. Arguably, this is a long and costly road, and no guarantees are given that such projects will become the go-to capabilities for Europeans. In the meantime, as the South Korean government aims to maximize the country's defense industrial potential, past negotiations with European buyers can already provide valuable opportunities for addressing potential setbacks within this rapidly evolving market.

The mega-deal with Poland has raised a major issue in terms of putting in place the necessary financial regulatory system in support of arms sales. While raising EximBank's debt ceiling resolved an immediate problem, the South Korean government should revise its defense financing system due to the high financial risks associated with defense exporting. This could be paired with the creation of a defense export financing institution that would operate similarly to the export credit agencies of other defense-exporting countries, including the U.S. (U.S. Foreign Military Financing Program), France (Bpifrance), and Sweden (Swedish Export Credit Corporation and Swedish Export Credit Agency), which provide grants and loans to importing countries for military and other strategic products. From the perspective of buyer countries, export financing can increase confidence in the reliability of the exporting country's commitment. In turn, the supply of financing can shield supplier states from some of the uncertainties linked to buyer countries with limited or unreliable defense budget allocations or that are facing significant political and economic instability that clouds the viability of procurement deals.

From a broader perspective, South Korea's industrial defense governance should implement a multilayered approach that considers not only the political and economic specificities of the buyer country's domestic context but also the intra-regional dynamics within the European market. The war in Ukraine has reinforced the reality that there are many Europes when it comes to the issue of security and defense, given varying threat perceptions, understandings of strategic autonomy, and defense procurement priorities, not only in terms of specific materiel required but also what objectives they are meant to secure. This is seen in two instances where South Korean companies went up against their German counterparts in Poland and Norway. Warsaw's decision to favor Seoul over Berlin has been partially a consequence of the latter's distance from historical animosities, a potent recurrent factor in bilateral relations across Europe. Conversely, the preference for German tanks over Korean ones did not reflect a divergence in quality but rather Oslo's desire to prioritize a fellow NATO ally in closer proximity—a consideration that might weigh more heavily in the EU member states' calculus if the EDIS takes hold. For the Korean defense sector to further climb up the ranks, the tailored approach to arms sales by DAPA must go hand-in-hand with a deeper, more nuanced understanding of both the individual European countries they are exporting to and the broader dynamics at play. While national governments have retained the lion's share of decision-making in defense procurement so far, it is also necessary to consider the supranational elements of the EU, intra-regional undercurrents, and the trans-Atlantic intergovernmental considerations of NATO. This means that selling arms to one country can

have direct and indirect flow-on effects on others due to both longer-term and recent historical factors.

## Conclusion

Burgeoning ROK-Europe defense cooperation has gained additional significance in recent months as new questions have arisen over Seoul's potential military contribution to Kyiv, given closer relations between Moscow and Pyongyang. There is now greater impetus than ever before to understand the security and defense dynamics between the two ends of the Eurasian continent. Defense industrial cooperation is central to debates on how to bridge U.S.-led alliances in the Euro-Atlantic and Indo-Pacific regions as Washington's long-term priorities lie in the latter. The aftermath of Russia's invasion of Ukraine has spurred an expansion and deepening of South Korea's bilateral ties with individual European countries, leading to various forms of defense cooperation. The case of Poland highlights the opportunities and challenges of exporting arms to Central and Eastern European states seeking to build up their arsenals to counter the looming threat of Russia at their borders. Germany, meanwhile, serves as a demonstration of the complexities involved in entering a market in which like-minded partners are often viewed as competitors because of the presence of a significant domestic defense industry. In the case of the United Kingdom, which has left the EU but continues to be a major security player in the Euro-Atlantic and Indo-Pacific theaters, striking deals on joint defense industrial cooperation with a fellow G20 member state suggests a potential path forward, albeit not without its own complications.

At the EU level, while Ursula von der Leyen's vision of a "European Defence Union" will have to contend with a dearth of funding and the prominence of radical right leaders within member states and EU institutions<sup>35</sup>, continuing on the path of strengthening defense cooperation could result in the EU deepening its involvement in defense industrial matters beyond its already advanced research role. This should be of particular concern for South Korea's defense ecosystem governance because the question of collaboration with third parties like Seoul remains unsettled. Ultimately, the role of external partners like South Korea and how they fit within the implementation of EDIS will depend on how the balance between the EU and its member states on defense and security issues plays out.

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<sup>1</sup> Tsuji Takashi, "EU eyes security, defense partnerships with Japan and South Korea," *Nikkei Asia* (June 23, 2024), <https://asia.nikkei.com/Politics/International-relations/EU-eyes-security-defense-partnerships-with-Japan-and-South-Korea>.

<sup>2</sup> Chae Yun-hwan, "Large-Scale Ground-Based Arms Exhibition to Open in September," *Yonhap News Agency* (January 26, 2024), <https://en.yna.co.kr/view/AEN20240126005700315>.

<sup>3</sup> Frederik Mertens *et al.*, "Lessons from land warfare: One year of war in Ukraine," *The Hague Centre for Strategic Studies (HCSS)* (February 2023), <https://hcss.nl/wp-content/uploads/2023/02/Lessons-Learned-Paper-English-Version-Final.pdf>.

<sup>4</sup> Anthony V. Rinna, "The Russia Factor in South Korea's Arm Sales to Poland," *The Diplomat* (May 31, 2024), <https://thediplomat.com/2024/06/the-russia-factor-in-south-koreas-arm-sales-to-poland/>.

<sup>5</sup> On the significance of the Russo-Ukrainian conflict in terms of contested logistics, see Ronald Ti and Christopher Kinsey, "Lessons from the Russo-Ukrainian Conflict: The Primacy of Logistics over Strategy," *Defence Studies* 23, no. 3 (July 2023), pp. 381–98.

<sup>6</sup> Francesca Frassinetti, "South Korea's Greater Engagement with NATO and Europe: Becoming a Reliable Security Partner Through a Thriving Defense Industry", in *The Future of the Korean Peninsula and Beyond: Next*



*Generation Policy Perspectives*, National Committee on American Foreign Policy (December 2022), p. 78, <https://ncafp.org/next-gen-policy-perspectives-the-future-of-the-korean-peninsula-and-beyond/>.

<sup>7</sup> Ministry of National Defence of the Republic of Poland, “K2 tanks will be produced in Poland,” (June 20, 2024), <https://www.gov.pl/web/national-defence/k2-tanks-will-be-produced-in-poland>

<sup>8</sup> In some cases, this has involved ROK forces agreeing to delayed deliveries of materiel from domestic manufacturers in the service of ensuring that exports are fulfilled in a more timely manner. In others, defense exports have acted as a launchpad for developing further cooperation in other strategic industries as can be seen in technical cooperation on nuclear power plants between Seoul and Warsaw following in the wake of the 2022 arms deal. See: Gordon Arthur, “How South Korea’s Defense Industry Transformed Itself into a Global Player,” *Breaking Defense* (November 6, 2023), <https://breakingdefense.com/2023/11/how-south-koreas-defense-industry-transformed-itself-into-a-global-player/>.

<sup>9</sup> DAPA, “Gathering of SMEs Driving Innovation in the K-Defense Sector [in Korean],” (July 2, 2024), <https://www.korea.kr/briefing/pressReleaseView.do?newsId=156639071>

<sup>10</sup> Troy Hong, “2022 in Review: South Korean Arms Exports,” *Korea Economic Institute of America* (December 22, 2022), <https://keia.org/the-peninsula/2022-in-review-south-korean-arms-exports/>.

<sup>11</sup> “Global Military Spending Surges amid War, Rising Tensions and Insecurity,” *Stockholm International Peace Research Institute* (April 22, 2024), <https://www.sipri.org/media/press-release/2024/global-military-spending-surges-amid-war-rising-tensions-and-insecurity>.

<sup>12</sup> Lee Hyo-jin, “Korea-Poland Mega Arms Deal Jeopardized by Financial Hurdles,” *The Korea Times* (April 22, 2024), [https://www.koreatimes.co.kr/www/nation/2024/07/205\\_373220.html](https://www.koreatimes.co.kr/www/nation/2024/07/205_373220.html).

<sup>13</sup> Joyce Lee and Josh Smith, “Insight: Inside South Korea’s Race to Become One of the World’s Biggest Arms Dealers,” *Reuters* (May 29, 2023), <https://www.reuters.com/business/aerospace-defense/inside-south-koreas-race-become-one-worlds-biggest-arms-dealers-2023-05-29/>; Jung Min-ho, “Number of Korean Arms Importers Triples in 2023,” *Korea Times* (December 20, 2023), [https://www.koreatimes.co.kr/www/nation/2024/07/205\\_365494.html](https://www.koreatimes.co.kr/www/nation/2024/07/205_365494.html).

<sup>14</sup> Direct competition with ROK firms both within and outside the European defense market was on display for instance when Kraus-Maffei Wegmann’s Leopard 2A7 beat out Hyundai Rotem’s K2 Black Panther for a \$1.9 billion contract to become the Norwegian army’s next-generation main battle tank in 2022 while the following year, Hanwha’s Redback outpaced Rheinmetall’s Lynx to secure a \$4.5 billion procurement to supply infantry fighting vehicles to the Australian Defence Force.

<sup>15</sup> “France, Germany sign deal on ‘tank of the future,’” *France24* (April 26, 2024), <https://www.france24.com/en/live-news/20240426-france-germany-sign-deal-on-tank-of-the-future>.

<sup>16</sup> “Germany, South Korea to sign military secrets pact,” *Deutsche Welle* (May 21, 2023), <https://www.dw.com/en/germany-south-korea-to-sign-military-secrets-pact/a-65690224>.

<sup>17</sup> “Germany to simplify procedures for exports of defense goods to S. Korea: DAPA,” *The Korea Times* (August 2, 2023), [https://www.koreatimes.co.kr/www/nation/2024/06/113\\_356215.html](https://www.koreatimes.co.kr/www/nation/2024/06/113_356215.html).

<sup>18</sup> Alongside procurement links, South Korea’s participation together with Germany and a range of other European partners including Belgium, Denmark, France, Italy, and the Netherlands to the Rim of the Pacific (RIMPAC) Exercise 2024 has represented another critical aspect of defense engagement through enhancing interoperability among their navies and gaining practical experience for carrying out joint operations.

<sup>19</sup> UK Government, “The Downing Street Accord: A United Kingdom–Republic of Korea Global Strategic Partnership,” (November 22, 2023), <https://www.gov.uk/government/publications/the-downing-street-accord-a-united-kingdom-republic-of-korea-global-strategic-partnership>.

<sup>20</sup> UK Government, “UK and Republic of Korea to Enforce Sanctions against North Korea through Joint Sea Patrols,” (November 21, 2023), <https://www.gov.uk/government/news/uk-and-republic-of-korea-to-enforce-sanctions-against-north-korea-through-joint-sea-patrols>.

<sup>21</sup> Samuel B H Faure and Dimitri Zurstrassen, “The EU Defence Industrial Strategy: The ‘Colbertist Revolution’ Will Have to Wait,” *Luiss Guido Carli University Institute for European Analysis and Policy* (March 2024), pp. 3-4, <https://leap.luiss.it/publication-research/publications/s-b-h-faure-d-zurstrassen-the-eu-defence-industrial-strategy-the-colbertist-revolution-will-have-to-wait%ef%bf%bc/>.

<sup>22</sup> Joseph Borrell, “European defence industry: Time for a Leap Forward,” (March 20, 2024), [https://www.eeas.europa.eu/eeas/european-defence-industry-time-leap-forward\\_en](https://www.eeas.europa.eu/eeas/european-defence-industry-time-leap-forward_en).

<sup>23</sup> World Bank Group, “Military expenditure (% of GDP) – European Union,” <https://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?locations=EU> (accessed on July 11, 2024).

<sup>24</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, “A New European Defence Industrial Strategy: Achieving EU Readiness through a Responsive and Resilient European Defence Industry,” (March 5, 2024), [https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063\\_en?filename=EDIS%20Joint%20Communication.pdf](https://defence-industry-space.ec.europa.eu/document/download/643c4a00-0da9-4768-83cd-a5628f5c3063_en?filename=EDIS%20Joint%20Communication.pdf).

<sup>25</sup> European Commission, “Regulation of the European Parliament and of the Council Establishing the European Defence Industry Programme and a Framework of Measures to Ensure the Timely Availability and Supply of Defence Products (“EDIP”),” (March 5, 2024), [https://defence-industry-space.ec.europa.eu/edip-proposal-regulation\\_en](https://defence-industry-space.ec.europa.eu/edip-proposal-regulation_en).

<sup>26</sup> United States Department of Defense, “The National Defense Industrial Strategy,” (January 12,) 2024, <https://www.businessdefense.gov/docs/ndis/2023-NDIS.pdf>.

- <sup>27</sup> Commonwealth of Australia Department of Defence, “Defence Industry Development Strategy,” (February 29, 2024), <https://www.defence.gov.au/about/strategic-planning/defence-industry-development-strategy>.
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