Prospects of Long-term Cooperation between Russia and South Korea

The coming to power of Moon Jae-in that was elected president of South Korea occurred against the background of the recent aggravation of relations with the Democratic People's Republic of Korea, that keeps on developing its own nuclear capabilities, along with conducting numerous missile test launches. Therefore, it's pretty clear that the task of ensuring the security of the country he was entrusted with leading is the most important goal of the new South Korean leader, and he's been pretty active in conducting discussions with representatives of Europe, the US, China, Japan and Russia to seek a peaceful solution to the problem at hand. However, while addressing the most pressing issues, a sagacious politician doesn't forget about the long-term goals. From this point of view, new contacts between South Korea and Russia may have a special significance.

In May 2017, Russia was visited by a special envoy of the President of the Republic of Korea, Song Yong Gil, where he had an opportunity to meet Russia's President Vladimir Putin. In spite of the fact that the primary topic of discussions between the Korean envoy and Russian leaders was North Korea and the security challenges that it represent, the parties also took the time to discuss matters of economic cooperation. According to Song Yong Gil, the newly elected leader of South Korea is more interested in developing economic ties with Russia more than any of his predecessors.

Although South Korea has been one of the major strategic allies of Washington in the region for decades, it is still seeking ways to develop economic and trade cooperation with China and Russia. Now that Moon Jae-in has been inaugurated, it's a safe bet to say this trend would get even more noticeable. In 2016, the trade turnover between South Korea and Russia exceeded 15 billion dollars. Russia has been exporting oil, coal and liquefied natural gas (LNG) to South Korea, since it has a pretty developed industry, it can even be found on the list of world's largest steel producers, that is why it consumes a lot of energy every year. For instance, in terms of LNG consumption, it occupies second place in the world after Japan, as for oil import it ranks fourth. The majority of South Korea's hydrocarbon needs are being fulfilled by Middle Eastern suppliers, along with China and Australia. However, these days just like China and Japan, Seoul is thinking about diversifying gas and oil imports and reducing its dependence on the Middle East, which has been plagued by instability and conflicts. And doesn't take a rocket scientist to figure out that the easiest way to achieve this goal is to increase the trade turnover with Russia.

Aside from that, South Korea is interested in the possibility of seeking rapprochement with the Eurasian Economic Union (EAEU). Back in September 2016, Second Eastern Economic Forum was held in Vladivostok. During the forum Russia's President Vladimir Putin had an opportunity to meet his South Korean counterpart, Pak Kin He. During the meeting, the two leaders discussed the possibility of introducing a free trade zone between the EAEU and South Korea. Such a possibility seems attractive to a great many representatives of South Korean business circles who would loves to invest in the industries and hydrocarbon fields of Russia's Far East.

Last May, during the meeting that the Russian president held with the special envoy Song Yong Gil, the cooperation between the RK and the EAEU has also been discussed.

A month away from the above mentioned meeting, various media sources started featuring reports that the Republic of Korea is going to significantly increase LNG imports. This is due to the intention of the new leader of the country to reduce the use of coal as fuel for power plants, since this type of fuel goes hand in hand with high air pollution
levels. Over the next couple years a total of 10 thermal power plants are going to be closed across the country. In addition, Moon Jae-in is planning to put a stop to the construction of new nuclear power plants in South Korea, before abandoning nuclear energy altogether. As for now there are four fully operational nuclear power plants in South Korea. Once they produce the designated amount of energy, their operations will not be prolonged, and the era of nuclear energy in South Korea will come to an end. The country’s energy production is going be fueled by natural gas and renewable energy sources. By 2030, the share of natural gas power plants in the total energy output of South Korea should reach 37%. This news is of great importance for Russia: according to representatives of the South Korean Foreign Ministry, the gas that will soon become the main source of energy in the country is going to be imported from Russia.

In June 2017, the Ministry of Foreign Affairs of the Republic of Korea informed members of the press that it was preparing a meeting between President Moon Jae-in and Russia's leader Vladimir Putin, which would take place in early July during the G20 summit in Hamburg. One of the main topics of the talks will be the resumption of tripartite discussions between Russia, South Korea and North Korea. It’s hardly a secret that Moon Jae-in is a supporter of the ideas of rapprochement with both Russia and China, and the People's Republic of Korea, and that he believes that Seoul can improve its relations with North Korea by turning to Russia for assistance. It is reported that the South Korean president wants to resume the discussion of long-term projects, like the gas pipeline and the railway line from Russia to South Korea, that would run across the territories of China and North Korea. The new leader of South Korea hopes that these projects will be of some interest to Pyongyang, which could improve the situation on the Korean Peninsula. It is also expected that Vladimir Putin and Moon Jae-in will discuss the prospects of joint development of Russia's Far East, the Northern Sea Route and the project of the Asian Energy Ring, designed to bring together the electric supply systems of Russia, China, Japan and South Korea. It's possible that if the efforts of South Korea and Russia are going to succeed, then North Korea may decide to join them.

Thus, it can be noted that the Russian Federation and the Republic of Korea share common interests in the immediate future, seeking peaceful settlement of current differences between South and North Korea and the disarmament of the situation in the region, and in long term projects, like joint gas and infrastructure projects that can ensure energy security of South Korea. For Russia, this is an opportunity to start selling huge amounts of hydrocarbons to a new buyer, while gaining a stronger foothold in the Asia-Pacific region. And even in the more distant future, the beginning of the tripartite cooperation between Russia and South and North Korea can result in the final reconciliation between the conflicting parties.

Dmitry Bokarev, expert politologist, exclusively for the online magazine "New Eastern Outlook."