

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

8th Delegation to the Republic of Korea

31 August to 6 September 2024



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Executive Summary

The Australian Political Exchange Council's 8th Delegation to the Republic of Korea (South Korea), offered a comprehensive overview of South Korea's economic, political, and social landscape, highlighting growing opportunities for deeper bilateral cooperation between Australia and South Korea.

The delegation, comprising representatives from across Australia's political spectrum, engaged with key government officials, industry leaders, and academic experts across Seoul and Busan, solidifying the strong and longstanding relationship between the two nations.

Key Insights and Takeaways

Australia-Republic of Korea Relations: The delegation engaged in high-level discussions with South Korean officials, including representatives from the Ministry of Foreign Affairs and the Ministry of Unification. These discussions reinforced the view that Australia and South Korea are like-minded nations with shared values, strategic interests, and growing economic ties, particularly in trade, energy, and defence. South Korea expressed a strong desire to expand its diplomatic footprint in the Pacific and deepen cooperation on critical minerals and hydrogen energy with Australia.

Economic Opportunities: South Korea's significant investments in high-tech industries, such as semiconductors and green steel, present substantial opportunities for collaboration. The delegation's visits to SK Hynix and POSCO underscored South Korea's position as a global leader in advanced manufacturing and its interest in partnering with Australia on hydrogen projects and sustainable industrial practices.

Geopolitical Context: Discussions at the Ministry of Unification emphasised the ongoing challenges with North Korea, including the recent breakdown in communication and the rising influence of China and Russia in the region. The delegation observed how these geopolitical tensions affect South Korea's domestic policies and its strategic partnerships with allies like Australia and the United States.

People-to-People Connections: The delegation recognised the potential to enhance the people-to-people links between Australia and South Korea, particularly in the fields of education, tourism, and business. Expanding direct flight routes and increasing mutual understanding of each nation’s business and governance structures were identified as key areas for future growth.

Cultural and Historical Understanding: A visit to the National Museum of Korean Contemporary History and the United Nations Peace Memorial Hall in Busan provided the delegation with a deep understanding of South Korea’s historical resilience, the Korean War, and the ongoing commitment to peace, particularly through its partnerships with countries like Australia.

Opportunities for Future Collaboration

The delegation identified several areas for future cooperation, including:

Energy and Resources: Expanding collaboration on hydrogen energy, carbon storage, and green steel production.

Technology and Innovation: Strengthening ties in the semiconductor industry and exploring partnerships in AI and automation.

Education and Tourism: Enhancing student exchanges, educational exports, and tourism by increasing awareness and expanding direct flights between both nations.

Defence and Security: Building on shared strategic interests to support regional stability, particularly in response to North Korea and growing regional tensions.

Overall, the delegation’s visit reinforced the importance of the Australia-Korea relationship, highlighting the shared economic and strategic interests that will drive greater collaboration in the years to come.



Day 1: Arrival in Seoul

The delegation departed from Charles Kingsford Smith Airport, Sydney, and arrived at Incheon International Airport, Seoul, South Korea, late on the 31st of August. Upon arrival, we were warmly greeted by representatives from the Korea Foundation and escorted to our accommodation where we were briefed on the upcoming week's itinerary.

Seoul, a city housing approximately 10 million people, is a bustling metropolis divided by the Hangang River into the affluent Gangnam and the older Gangbuk districts. While the city's energy and urban dynamism were palpable, we also observed significant economic challenges such as rising housing prices and intergenerational inequality, similar to those faced in Australian cities.

Day 2: Visit to the Korean Demilitarized Zone (DMZ)

Our delegation's first official activity was a tour of the DMZ, a powerful reminder of the ongoing tensions between North and South Korea. The area remains a highly fortified zone, with millions of unexploded landmines and a network of tunnels. The experience highlighted the tangible threats South Korea faces, even as it continues to modernise and build strong economic ties with the world.

Lunch was a traditional Korean meal, breaking up our three-hour journey to the border. We made several stops on the return trip, including a viewing point and an abandoned train station, before heading back to Seoul.



Day 3: Diplomatic Meetings and National Museum Visit

Meeting with the Ministry of Foreign Affairs

The day began with a meeting at the Ministry of Foreign Affairs, where Mr. Jaepil Moon provided a comprehensive briefing on the Australia-Republic of Korea relations. Discussions centered around deepening our partnership in trade, energy, and defence. South Korea is particularly keen to collaborate on hydrogen projects and critical minerals, positioning Australia as a key supplier.

Key insights included:

- South Korea's Indo-Pacific strategy and its increasing diplomatic footprint in the Pacific.
- Opportunities for Australia to boost tourism from South Korea by expanding direct flight routes.
- The potential for trilateral relations between Australia, South Korea, and Japan, especially given the upcoming 60th anniversary of Korea's normalisation of ties with Japan.



Ministry of Unification

We were also briefed on South Korea's unification policy. The Ministry outlined a seven-step plan focused on increasing North Korean access to economic and social freedoms, improving human rights, and creating pathways for peaceful reunification. The ongoing challenges with North Korea's closed borders, lack of communication, and its dependence on trade with China were made evident.



Australian Embassy Briefing

The delegation then met with Mr. Martin Walker, Deputy Head of Mission at the Australian Embassy. We were provided with an in-depth analysis of South Korea's political system, economic priorities, and Australia's strong diplomatic and trade relationships. The conversation highlighted the significance of Australia's energy exports to Korea and explored future collaboration in hydrogen and carbon storage.

Tour of the National Museum of Korean Contemporary History

In the afternoon, we visited the National Museum of Korean Contemporary History, where we traced the timeline of Korea's transformation from the late 19th century through its struggle for independence, the Korean War, and its rise as a global economic powerhouse. The exhibits provided deep insight into the resilience and determination of the Korean people.



Dinner with Academic Experts

The day concluded with an insightful dinner with South Korean academic leaders, where topics such as economic challenges, education, and security policies were discussed.

Day 4: Welcome Luncheon and National Assembly Visit

Luncheon with the Korea Foundation

The delegation attended a welcome luncheon hosted by Mr. Jong Kook Rhee, Executive Vice-President of the Korea Foundation. Over a traditional Korean meal, discussions covered a broad range of topics, focusing on the depth of the Australia-Korea relationship. Mr. Rhee emphasized the importance of cultural diplomacy and people-to-people exchanges between the two nations, particularly in the fields of education, tourism, and business.

The luncheon provided an informal setting to strengthen ties and explore future opportunities for collaboration, particularly through programs facilitated by the Korea Foundation.

The delegation discussed the potential for expanding cultural exchange programs and increasing awareness of educational and professional opportunities between the two nations.



National Assembly Visit and Meeting with the Foreign Affairs and Unification Committee

The delegation was honoured to visit the South Korean National Assembly, where we were given a guided tour of the institution and an opportunity to meet with Mr. Seok-Ki Kim, Chairman of the Foreign Affairs and Unification Committee, and Mr. Sung-Lac Wi, MP. Mr. Wi shared his experience as a former diplomat and ambassador, providing deep insights into the unique security challenges on the Korean Peninsula and the ongoing diplomatic efforts with North Korea.

The discussions highlighted South Korea's evolving foreign policy priorities, including its approach to managing relationships with major powers like the United States and China, and its strategy for engagement with North Korea. Mr. Wi also expressed interest in learning from Australia's diplomatic strategies in the Indo-Pacific, which have relevance to South Korea's own Indo-Pacific strategy.



Dinner with Members of the National Assembly

The delegation enjoyed a dinner with a senior member of the National Assembly, focusing on education policy, disability support, and demographic challenges faced by both nations. The discussion provided a valuable opportunity to compare approaches to these issues, particularly around the aging population and efforts to attract younger demographics to certain regions, such as Busan.

Both parties discussed the importance of fostering innovation and investment in education systems and creating sustainable employment opportunities for future generations. The dinner also provided a platform to discuss how each country's policies are adapting to changing economic and social conditions, further strengthening the bond between the two legislative bodies.

Day 5: SK Hynix Meeting and Visit to Busan

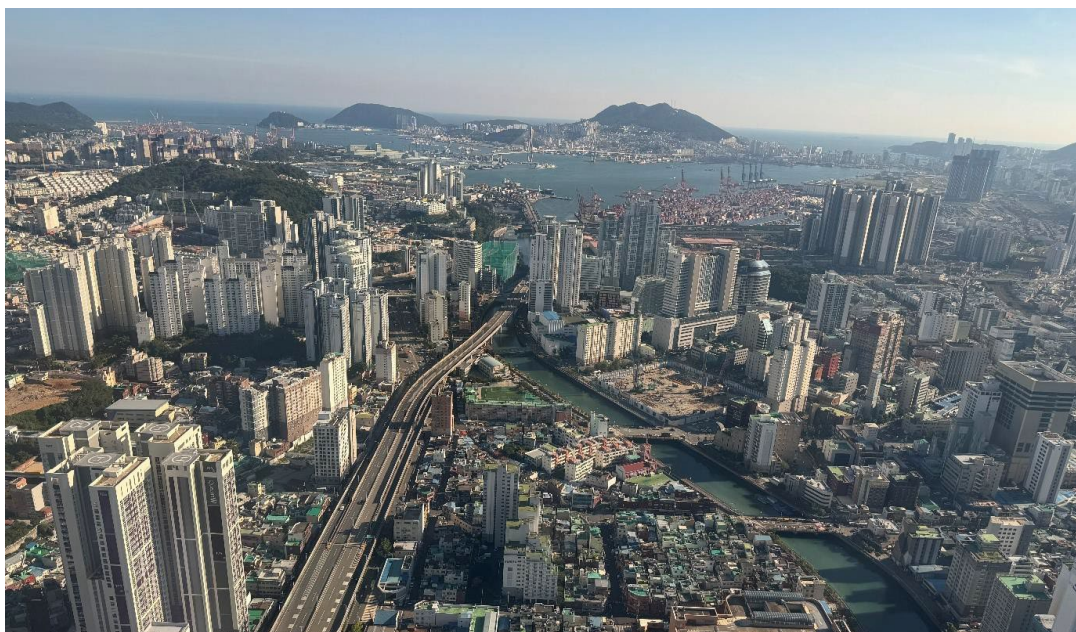
SK Hynix Meeting

We visited SK Hynix, one of the world's largest semiconductor manufacturers. The delegation met with Executive Vice President Mr. Joon Choi, who shared the company's strategy for growth, particularly in AI and automation. The meeting highlighted the geopolitical dimensions of semiconductor production and the critical role South Korea plays in the global supply chain, particularly as tensions between the US and China impact the industry.



Visit to Busan

Our delegation travelled to Busan, South Korea's second-largest city and the country's primary trading hub. While less globalised than Seoul, Busan's strategic geographic position makes it a vital part of South Korea's economy. We observed how historical events, such as serving as the capital during the Korean War, have shaped Busan's identity as a city of resilience and growth.



Day 6: POSCO Pohang Steelworks

The delegation toured POSCO's steelworks in Pohang, a company that plays a significant role in global steel production. As a major buyer of Australian iron ore, POSCO's future investments in green steel were discussed as part of a broader conversation about sustainability and reducing emissions in heavy industries.

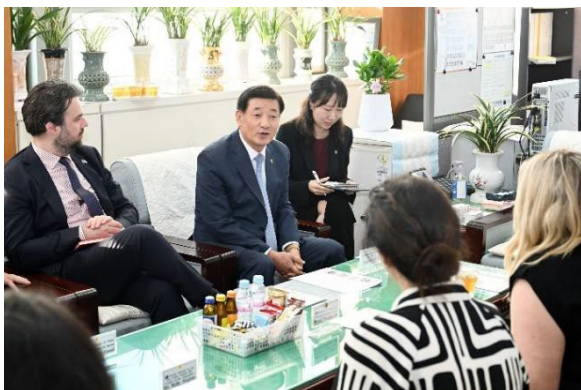


Busan Metropolitan Council

The delegation met with Mr. Dae-Suk Lee, Deputy Chairperson of the Busan Metropolitan Council. Mr. Lee discussed the challenges Busan faces as South Korea's second-largest city, particularly in the areas of housing, urban development, and demographic shifts. Busan is home to the highest proportion of citizens aged 65+ in the country, and this demographic change is a critical concern for local authorities as they work to attract and retain a younger workforce.

Mr. Lee also emphasised Busan's strategic importance as a port city and its growing aspirations to become a global finance and innovation hub. The council is working to attract international investment, particularly in infrastructure and housing. The Comprehensive Strategic Partnership between Australia and South Korea was mentioned as a key framework for deeper collaboration on urban planning and investment.

The delegation and Mr. Lee discussed potential avenues for cooperation in urban development, particularly in sustainable housing and disaster resilience projects. The conversation also explored opportunities for greater cultural and business exchanges between Busan and Australian cities, especially in education, tourism, and finance.

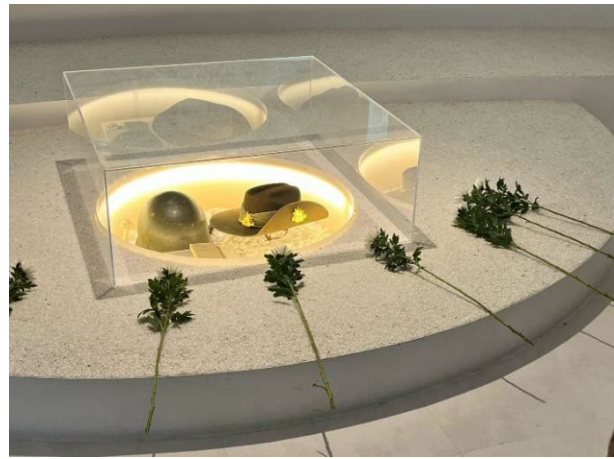


Busan Finance Centre

We also met with Mr. Myung-ho Rhee, President of the Busan Finance Center, who briefed us on Busan's efforts to become a global financial hub. We discussed infrastructure investments, particularly in sustainable development, and opportunities for collaboration between Australian and Korean finance sectors.

Day 7: United Nations Peace Memorial Hall

The final day of our visit took us to the United Nations Peace Memorial Hall in Busan. We were guided by Mr. Kwang Woo Kim, who provided a moving tour of the exhibition, commemorating the role of the United Nations, including Australia, in securing peace during the Korean War. The memorial underscored the sacrifices made by many, including over 340 Australians who did not return from the conflict.



Conclusion: Opportunities for the Future

The delegation's visit reinforced the depth of the Australia-Korea relationship, highlighting shared strategic interests and economic potential. Both nations are increasingly interconnected, with overlapping geopolitical and economic priorities.

Looking ahead, there are significant opportunities for greater cooperation, particularly in energy, technology, and education. Strengthening people-to-people ties, increasing awareness of Australia's business landscape in South Korea, and exploring areas such as hydrogen production, green steel, and semiconductor technology could further enhance this critical bilateral relationship.