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THE PENINSULA

The New Arsenal of Democracy: Enhancing the South Korea-NATO Relationship in the New Cold War

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South Korea's defense industry, known domestically as "K-Bangsan," is emerging as a major global player. Defense exports (in terms of orders) have skyrocketed in recent years, having exported a total of \$38 billion from 2021 to 2023 (\$7.3 billion in 2021, \$17.3 billion in 2022, and \$13.5 billion last year). That comes to an annual average of just over \$12.5 billion, meaning South Korea has overtaken several major players in the global defense export market. In fact, according to a recent report by the Stockholm International Peace Research Institute (SIPRI), K-Bangsan ranked second globally in the number of major arms export contracts, at 2,972 units (the United States ranks first, with 5,631 units). Noting the rapid growth in K-Bangsan exports, SIPRI Senior Researcher Siemon T. Wezeman said in a *Wall Street Journal* article that South Korea is set to become one of the top five global arms export powerhouses within a few years.

In 2024 so far, South Korea has exported more than \$6 billion worth of weapons to clients across the globe. The country sold Chunmoo multiple launch rocket systems (MLRS) to Poland in a deal valued at \$1.6 billion, \$3.2 billion worth of Cheongung-II surface-to-air missile (SAM) systems to Saudi Arabia, frigates to Peru valued at \$460 million, and \$920 million worth of K9 Thunder self-propelled howitzers to Romania. Other deals are in the works, with South Korea set to export weapons systems to Poland, Romania, and Slovakia (all NATO members) in the second half of the year. The government seems likely to achieve its 2024 goal of \$20 billion in defense exports.

According to a 2023 report from the Korea Institute for Industrial Economics and Trade (KIET), South Korea is pushing to reach an aggregate total of \$120 billion in arms exports to more than 30 countries by the end of 2030 in deals for tanks, armored vehicles, self-propelled howitzers, trainer jets, submarines, and munitions, among other items. Accordingly, K-Bangsan is set to assume a larger presence in the global market next year, including for major NATO countries such as Poland, Romania, the United States, the United Kingdom, Canada, and NATO partners such as Australia.

K-Bangsan as a Gap Filler for Major NATO Members

Russia's invasion of and subsequent war with Ukraine is widely recognized as the most significant security threat to Ukraine's neighbors, many of which are NATO members, since the end of the Cold War. Several of these neighbors (including Poland) transferred a significant portion of their Russian-made weapons (MiG-series fighter jets and T-series tanks, among others) to Ukraine following the outbreak of the war. Other countries in Eastern Europe scrambled to fill the arms gap, but this ultimately did not do much to tip the scales.

One fundamental problem that Ukraine faced at the time of the invasion was that the advanced weapons systems possessed by key NATO members, such as the United States and Germany, were expensive and nearly impossible to rapidly source and supply. The cutting-edge NATO tanks, armored vehicles, and MLRS that Ukraine could have used to combat the invasion were simply not available; it was revealed that it would take more than 10 years for Ukraine to receive 50 Leopard 2 tanks from Germany.

By comparison, South Korea completed the delivery of 46 tanks to Poland just 18 months after signing a deal in August 2022. The first 10 units were delivered that same year. 18 more were sent over in 2023, and 18 units have been delivered in 2024 as of this writing. South Korea should complete the delivery of 180 units by the end of 2025.

Notably, K-Bangsan was born of necessity: North Korea has posed a constant military threat to the South in the 70-plus years following the ceasefire in 1953. This has made South Korea one of the vanishingly few countries that have maintained a continuous production capability for tanks, armored vehicles, and MLRS, the production of which has been neglected by the United States and major European countries since the end of the Cold War. This gives South Korean defense products several advantages, including high cost-effectiveness, rapid delivery, consistent technical and logistical follow-up services, and financial support. Previously, the South Korean government faced difficulties in adequately facilitating the implementation of the second contract with Poland due to financial assistance needs. This was rectified when the legal framework governing export support was amended to increase government guarantees.

These strengths are what have allowed K-Bangsan to fill the power gap for Poland, and South Korea is poised to play an increasingly larger role as a gap filler for other NATO members including Romania, Slovakia, Latvia, and Finland, among others.

Expanding South Korea-NATO Defense Cooperation as President Yoon Attends NATO Summit for Third Consecutive Year

As of this writing, South Korean President Yoon Suk Yeol attends the NATO Summit, marking its 75th anniversary, for the third consecutive year since his inauguration in 2022. His attendance demonstrates South Korea's desire to strengthen comprehensive cooperation with NATO allies outside of the Indo-Pacific region in the New Cold War era. Yoon's continued attendance is designed principally to bolster South Korea's position as a key contributor to global defense leadership in the democratic world in the face of a rising tide of authoritarianism represented by China and Russia. But South Korea also hopes that forging stronger ties with NATO will allow it to draw on the support of the alliance vis-à-vis North Korea, the military capabilities of which are continually improving and contributing to an ever-more tense security situation on the Korean Peninsula.

At his first NATO summit in June 2022, President Yoon said in a meeting with Polish President Andrzej Duda that he expects ongoing defense cooperation discussions between the two countries to make substantial progress. He was not wrong: not long after the summit had concluded, South Korea signed its largest-ever arms export contract with Poland in a deal valued as much as \$45 billion for four types of tanks and armored vehicles. At the same time, South Korea agreed to strengthen defense cooperation with Australia at a summit with the Australian prime minister, and South Korea successfully exported \$2.4 billion worth of the AS21 Redback infantry fighting vehicle (IFV) to Australia in August 2023.

At his second NATO summit in 2023, President Yoon met with Romanian President Klaus Werner Iohannis. The two countries announced shortly thereafter that they would seek to enhance ties and expand defense cooperation. By June 2024, South Korea had signed a \$920 million deal to export K9 howitzers to Romania. The two countries are also in talks over a potential \$14 billion deal for K2 tanks, Redback IFVs, and Cheongung-II SAM missiles.

Defense exports are a type of government-to-government business, and the fact that President Yoon's meetings at the NATO summits have ultimately led to arms deals exemplifies this.

K-Bangsan as a New Arsenal of Democracy in the New Cold War

President Yoon attending his third NATO summit, this time in Washington, DC, makes South Korea set to further strengthen its position as an arsenal of liberal democracies in North America, Europe, and the Indo-Pacific in the New Cold War era.

Recently, North Korea and Russia signed a Comprehensive Strategic Partnership Treaty. South Korea should follow suit by strengthening security cooperation with major defense partners in the NATO camp as well as its neighboring allies and partners. South Korea should also strive to bolster its military alliance with the United States.

To these ends, South Korea should establish a consultative body for military and defense cooperation with major NATO countries and other IP4 countries including Japan, Australia, and New Zealand. This is because firm bilateral and multilateral cooperation between the world's liberal democracies is essential to counter the rising authoritarian bloc emerging in the New Cold War era. Alongside its partners, South Korea should pursue the establishment of a military defense cooperation council, which is currently being promoted by NATO. South Korea should also gain accession to Pillar 2 of AUKUS—the trilateral security partnership between the United States, the United Kingdom, and

Australia—to strengthen cooperation in defense artificial intelligence (AI) and other advanced technologies. South Korea should also work to include itself in the US-Japan Joint Arms Development and Production Council (DICAS) in the near future.

Additionally, it is necessary to strengthen K-Bangsan defense cooperation with states in Eastern and Northern Europe that have major security concerns. South Korea has already established such relationships with Poland (2022) and Romania (2024), two of Ukraine's neighbors in the shadow of Russia. The instability and security anxieties present in the region have led to a spike in demand for defense products. K-Bangsan is equipped to meet this demand with its high cost-effectiveness and rapid delivery capabilities in the fields of firepower, guidance, and aviation. But doing so will require reinforcing military and defense cooperation with NATO countries, establishing co-production, and transferring technologies. Arms exports are just one element of a defense relationship. South Korea should thus strive to upgrade the ability of K-Bangsan to rapidly supply weapons to NATO members and look to upgrade its relationship with these states to a more comprehensive strategic partnership that includes mutual military support and cooperation in the event of a security emergency.

Finally, South Korea should consider sending military observers to the EU Defense Innovation Office, which is scheduled to be established in Kyiv. Doing so allows South Korea to gain actual battlefield know-how and experience, which could then be leveraged to further enhance defense cooperation between South Korea and NATO. South Korea has supported Ukraine with non-lethal weapons (NLW) since the outbreak of the war, having provided about \$300 million worth of mine removal equipment, ambulances, and body armor to Ukraine. This figure is behind only Japan in terms of support to Ukraine from Asian countries. South Korea has also pledged \$2 billion in support to Ukraine in the future. Just last month, in response to the conclusion of a military alliance between North Korea and Russia, the South Korean government announced that it would consider providing weapons directly to Ukraine.

President Yoon's attendance at the NATO Summit for the third consecutive year is a strong sign of South Korea's expanding role in the global security landscape. There is also the possibility that South Korea may eventually alter its current policy of providing only NLWs to Ukraine and offer more direct support going forward, especially given last month's military agreement between North Korea and Russia. By actively engaging with the NATO alliance, South Korea is demonstrating its commitment to contributing to the defense of the democratic world and a rules-based international order.

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