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# CANADA-KOREA FORUM 11

*Fifty Years and Counting: Building Korea-Canada  
Partnerships in a Changing World*

November 7-8, 2013

Ottawa, Canada

Fairmont Château Laurier

Co-hosted by: Asia Pacific Foundation of Canada and Seoul Forum for International Affairs

# 11<sup>th</sup> Canada-Korea Forum

November 7-8, 2013

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## Summary Report

On November 7-8, 2013, the 11<sup>th</sup> Canada-Korea Forum met in Ottawa during a year that marked five decades of official relations between the two countries. This year's Forum, titled "Fifty Years and Counting: Building Korea-Canada Partnerships in a Changing World," gave participants the opportunity to reflect on the factors that have sustained the bilateral relationship in the past, and to take stock of the political and economic changes that have occurred within both countries, as well as within the broader (Asia Pacific) regional and international contexts. This year's Forum also gave participants a chance to examine the ways in which the bilateral relationship needs to adapt to these domestic and international circumstances, and to articulate a new paradigm for moving the relationship forward.

Over the two-day Forum, participants highlighted major factors that have sustained this important historical relationship. For example,

- Canada strongly supported Korea's emergence in the 1970s and 1980s as an advanced democracy and market economy.
- Both countries are now major trading nations with a large stake in maintaining international peace and stability, especially in the Asia Pacific region.
- Both Korea and Canada have a large stake in strengthening the rules and norms governing the global economy.

Participants also noted that Canada and Korea have very close relations with the world's major superpower, the United States, and are developing increasingly close ties with the world's other emerging superpower, China. In that regard, Canada and Korea share uncertainties about what kind of China-US relationship will materialize and how it will impact them commercially and strategically. This uncertainty is especially pronounced in light of the many possible sources of China-US tension, not least of all the competing regional claims to the South China Sea and the deteriorating relationship between China and Japan.

Turning to the current state of Korea-Canada bilateral relations, many Forum members described the official relationship as having reached a crossroads; either the two countries will find ways to develop a deeper and more beneficial partnership, or the relationship will slide backwards. One speaker pointed out that despite the many complementarities between the two economies, two-way trade and investment flows are unimpressive. Over the past decade, the value of Canadian exports to Korea rose by only 85%. In contrast, Canadian exports to China over the same period rose by more than 400%, and even exports to the lacklustre UK market tripled. As of 2012, Canadian companies had only \$570 million directly invested in Korea, but they have almost twice that amount invested in New Zealand, which has only one-tenth of Korea's

population. And we do not seem to be turning the corner in our economic relationship anytime soon. The case of Canadian beef is instructive: their marketing office in Korea is being shut down and its resources are being deployed elsewhere. This could be indicative of a broader – and very troubling – trend of Canadian companies not seeing Korea as a market where they will see returns and growth, and thus possibly pursuing opportunities elsewhere.

One of the major constraints on trade and investment is the lack of a bilateral policy framework. Negotiations for the Canada-Korea Free Trade Agreement (FTA), which started in 2005, have stalled and at the moment, show little sign of progress.<sup>1</sup> Meanwhile, Korea has moved forward in its trade agreements with other partners. Canada needs to demonstrate that it is a serious negotiating partner. While it has not had a particularly strong track record since the passage of NAFTA, the recent conclusion of the free trade agreement with the European Union is encouraging because it is significant in scope, and may be a sign that bilateral trade negotiations can be reinvigorated with other countries.

Several other Forum delegates encouraged the group to think about how to reenergize the relationship beyond the trade and investment issue. This would include enhanced collaboration around each country's respective strengths in green technology and energy efficiency; the pursuit of joint initiatives related to improving security in East Asia; commercial and environmental concerns in the Arctic; and boosting scholarly and other people-to-people exchanges.

### **Economic relations and partnerships**

Nearly all Forum members agreed that concluding the Canada-Korea FTA should be a top priority for Ottawa and Seoul. Several expressed concerns that the broader relationship had already lost momentum, and a failure to finalize the FTA would risk eroding the trust the two sides had built up over the past decades. Participants were more sanguine about support for Canada's (and possibly Korea's) participation on the Trans-Pacific Partnership (TPP) agreement. Nevertheless, they also stressed that the TPP should be seen as a complement to – not substitute for – a bilateral FTA, adding that the latter will do more to address important bilateral trade issues than will the TPP.

Turning to specific areas for economic cooperation, participants pointed to two separate, but potentially complementary, possibilities. The first is research and commercial opportunities that could arise in the fields of science/bioscience, technology and innovation. Korea has already established itself as an economy with considerable strengths in high-tech innovation, and Canada is looking to advance its own capabilities, in part by strengthening its international partnerships. The second area is energy and green growth (discussed more fully below).

### **Energy and green growth**

Given the strong complementarities between Canada and Korea – the former is a major energy exporter, and the latter a major energy importer – Forum members proposed that energy sector cooperation be elevated to

the rank of a “principal interest” between the two countries. This cooperation would include, for example, support for private sector ventures that could be incorporated into the FTA negotiations. One participant added that energy is not currently recognized as a separate chapter in the FTA as it was in the Canada-US trade relationship. Such a move would provide some political assurances that energy trade and investment could take place within a context of non-discrimination.

Participants were somewhat less uniform in their feelings about what role fossil fuels should play in a Canada-Korea energy partnership. For example, in the aftermath of Japan’s 2011 Fukushima-Daiichi nuclear disaster, Korea halted its plans to expand the role of nuclear energy in its overall energy mix, and it therefore remains dependent on imported fossil fuels such as oil and gas. Moreover, because Korea depends heavily on a handful of other countries for liquefied natural gas (LNG) imports, it is looking to diversify its range of suppliers. LNG imports from Canada could be important in helping Korea meet its near-term energy security goals. In addition, the commercial opportunities for the two countries extend all along the LNG supply chain, including building ships and LNG plants.

Some Forum members pressed for environmental and climate change concerns to be given higher priority than fossil fuel trade. One delegate pointed out that in order to help prevent global temperatures from rising to perilous levels, Canada and Korea should focus on working together to develop green energy sources and conducting collaborative research around smart technologies such as smart grids and electric cars, as well as carbon capture and storage technology. Others proposed that a green energy and green growth partnership could be bolstered by developing cooperative business education programs that offer training not only for green growth, but also for technologies and practices that support sustainable oil and gas development and recovery, as well as sustainable water usage.

Finally, Forum members observed that nuclear safety and storage was a promising area for Canada-Korea partnership. Canada is a major producer and exporter of uranium, and both countries develop technology for peaceful uses of nuclear energy. In addition, Canada and Korea have faithfully complied with the international rules governing civil nuclear power generation. Post-Fukushima caution notwithstanding, nuclear power will undoubtedly be an important component in Korea meeting its energy needs. But Korea is also approaching the saturation point for storage of its nuclear waste, and could therefore benefit from international assistance and guidance, possibly from Canada, in developing safe storage capabilities.

Korea-Canada cooperation on nuclear safety could also extend to the international arena. Several Southeast Asian states are building, planning and proposing nuclear energy facilities, and experts from Canada and Korea could make an important contribution in helping these and other countries develop technological cooperation for peaceful civil nuclear power generation.

### **Security cooperation**

Canada’s commitment to peace and security on the Korean Peninsula, a commitment that was forged through Canada’s contribution during the Korean War, remains a longstanding and immutable pillar of its

relationship with Korea. Nevertheless, several Canadian participants observed that Canada's contributions to international security, especially Asia Pacific security, have receded considerably. One Canadian delegate described Canada's engagement with Asia as largely one-dimensional and narrowly focused on economic ties, adding that engagement must be more comprehensive in order for Canada to be seen as a serious regional player. Others added that whereas Canada was once seen as providing leadership and expertise on a range of non-traditional security matters, including peacekeeping, human security, and the Responsibility to Protect principle, its role in advancing all of these has waned.

Nevertheless, all agreed that there were several ways Canada and Korea could work together to support regional and international security. For example, while Canada is not in a position to make a hard-security commitment to Korea and/or the broader Asia Pacific, it does have considerable naval assets that could be used for the type of humanitarian and disaster relief operations for which Korea is also developing capabilities. In addition, Canada is still viewed as being able to play a substantial role in other non-traditional security areas such as food security and movement of peoples. It can also provide leadership on matters relating to compliance with International Atomic Energy Agency (IAEA) rules.

In terms of Korean Peninsula security, several Korean participants felt that although Canada would not be a natural fit for dialogue at the level of the Six-Party Talks, it could still play a very constructive role as a 'second circle' country. Canada's previous leadership in Asia Pacific track two security dialogues, as well as its role as an interlocutor in bringing North Koreans to a neutral table, are a solid foundation in the event that Canada chooses to re-engage on regional security matters.

Forum members added that moving forward on security cooperation would require some kind of regular and formalized interface between Korea and Canada. There was support for establishing a version of the Australia-Korea '2 x 2 talks' between foreign and defence ministers. In addition, Korea could signal its encouragement of Canada's re-engagement on security issues by articulating its support for Canada to join two of the Asia Pacific's premier multilateral forums: the East Asia Summit (EAS) and the ASEAN Defense Ministers Meeting Plus (ADMM+).

### **Korea and Canada as 'Constructive' Powers**

As a follow-up to the 10<sup>th</sup> Korea-Canada Forum in Seoul, a team of Korean and Canadian delegates presented their joint research, which focused on identifying a set of international issue areas that were well suited for Canada-Korea bilateral and international cooperation. Based on an initial scan of the issue landscape, the research team narrowed its focus to the following areas: a) nuclear safety and security; b) complex humanitarian emergencies; c) Arctic collaboration; d) new international development paradigms; and e) green growth and energy security.

In light of the day's earlier discussions, the Forum settled on two issue sets – nuclear safety and security, and green growth and energy security – as compelling areas for future Korea-Canada collaboration (and therefore focal points for the next Canada-Korea Forum). The third issue area that received Forum support

was cooperative initiatives in the Arctic. While Korea, unlike Canada, is not an Arctic country, its industries will have a strong interest in the development of newly opening Arctic shipping and transportation routes. There are already many countries that are investing in Arctic vessels and tankers, and Korea and Canada obviously have clear advantages arising from their expertise in shipbuilding and icebreakers.

At the same time, some Forum members argued that future initiatives on Arctic collaboration should be consistent with the commitment to green growth. Sustainable extraction and delivery of natural resources was offered as one possibility, and green tech focused on cold northern climates (designing energy-efficient buildings, for example) was another.

In thinking about how to convert these policy areas into a concrete plan of action, one of the delegates urged the Forum to consider the following:

1. **The need to be pragmatic:** If the Forum is to succeed in moving this new agenda forward, it must give serious thought to what it can actually achieve, and how it can get traction among decision makers in each country. Given the political reality, especially Canada, the issues selected for future focus need to be ones that serve Canadian and Korean self-interest.
2. **The need for targeted engagement:** Rather than advancing broad recommendations on general policy areas, the Forum should think about defining concrete deliverables to specific policy communities. In addition, it should give serious consideration to having stakeholders, including from the private sector, actively participating in future Korea-Canada Forums.
3. **The need for new labels:** Although the terms ‘middle power’ and ‘constructive power’ have become more frequent in Korean official and scholarly discourse, such terms no longer resonate in the Canadian context. That does not mean, however, that the action the Forum is proposing cannot happen under a different term such as Canada and Korea as vital ‘gateway states’ to North America and East Asia.

### About the Canada-Korea/Korea-Canada Forum

The Canada-Korea/Korea Canada Forum was created in 1996 to serve as a channel for informal, high-level discussion between leading figures in the two countries in government, universities, research institutes, business and the broader community. It meets on an annual or biennial basis, alternating between Canada and Korea.

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1 In the weeks following the Canada-Korea Forum, the two governments resumed negotiations, but had not yet concluded an agreement at the time of this report.

# 11<sup>th</sup> Canada-Korea Forum

November 7-8, 2013  
Ottawa, Canada

## *Fifty Years and Counting: Building Korea-Canada Partnerships in a Changing World*

**Thursday, November 7**    **Opening Reception and Panel Discussion**  
Parliament Hill, Centre Block  
Aboriginal Room, 160 S

**5:00 – 6:00 pm**            **Reception**

**6:00 – 7:30 pm**            **Panel Discussion: “Past, Present and Future of the Korea-Canada Partnerships”**

**Hosts:** Senator Yonah Martin; Mr. Barry Devolin, MP

**Panelists:**

Amb. Sung-joon Yim, Senior Advisor, Lee International; Former Ambassador to Canada  
Mr. Leonard Edwards, Distinguished Fellow, Centre for International Governance Innovation; Former Ambassador to Korea  
Mr. Barry Devolin, Member of Parliament, Co-Chair, Canada Korea Inter-parliamentary Association  
Dr. Jin Park, Chair, Graduate School of International and Area Studies, Hankuk University of Foreign Studies

**Moderator:** Dr. Stephen Toope, President and Vice-Chancellor, University of British Columbia

**Friday, November 8**    **Canada-Korea Forum**  
**Venue: Fairmont Chateau Laurier**  
**Laurier Alcove/Room (Lobby Level)**

7:30                            Breakfast, Laurier Alcove

8:00 – 8:30 am            **Formal Opening**  
Welcoming Remarks, Forum Co-chairs

*Theme 1: The Future of the Canada-Korea Economic Partnership in the Asian Century*

8:30 – 9:15 am      **Keynote Address:** “The Future of the Canada-Korea Economic Partnership in the Asian Century,” Hon. Perrin Beatty, President & CEO, Canadian Chamber of Commerce and Chancellor, University of Ontario Institute of Technology

9:15 – 10:30 am      **Working Session One: Opportunities in Trade and Investment and the New Trade Architecture in the Asia Pacific**

- What is the future of the economic relationship with or without an EPA? How do various bilateral talks and the TPP reshape trade and economic dynamics in Asia, and what does it mean for Canada and Korea? What is the potential for economic partnership in the region?
- What are the principal trends in our economic interface, and what do governments and businesses need to do to ensure that it moves in a positive direction?
- How can Canada and Korea work together to shape the evolving trade architecture and governance in the Asia Pacific towards more open, rules-based outcomes?

**Panelists:** Mr. Donald Campbell; Dr. Dukgeun Ahn

**Moderator:** Mr. Leonard Edwards

10:30 – 10:45 am      Coffee Break

10:45 am – 12:00 pm      **Working Session Two: Energy Security and Green Growth**

- What are the regional trends in energy demand? Are they giving rise to pressure for green models of growth? How do these dynamics affect energy security more generally?
- What is the outlook for Canada-Korea energy relations, and what is the basic ‘bargain’ at work in light of energy security issues?
- What is the potential for Canada and Korea to work together multilaterally on energy security matters?

**Panelists:** Dr. Jae-seung Lee; Mr. Nicholas Parker

**Moderator:** Dr. Hoesung Lee

*Theme 2: Security in the Asia Pacific and the Outlook for Canada-Korea Partnerships*

12:15 – 1:30 pm      **Lunch**  
**Venue: Burgundy Room**

1:30 – 3:00 pm      **Working Session Three: Partnerships in Regional Security in the Asia Pacific and Peace-Building on the Korean Peninsula**



- What are the recent developments on the Korean Peninsula, and what are the implications for regional and global security? What does this mean for the possibility of Canada-Korea partnerships?
- Are there prospects for a bilateral partnership in the broader security sphere, including in shaping regional governance?

**Panelists: Dr. David Dewitt; Dr. Jin Park**

**Moderator:** Professor Fen Hampson

3:00 – 3:15 pm          Coffee Break

***Theme 3: Canada and Korea Partnerships as Constructive Powers***

3:15 – 4:45 pm          **Working Session Four: Further Prospects for Constructive Partnerships as Middle Powers**

- Which areas for cooperation have the greatest potential? Are there specific opportunities with the areas of nuclear non-proliferation, new paradigms in international development, green growth and energy efficiency, and complex humanitarian emergencies?
- What does the research suggest in terms of what issue areas and strategies work, and what governments should prioritize?

**Panelists:** Dr. Eva Busza, Dr. Shin-wha Lee, Dr. Jae-Seung Lee, Dr. Dong-Joon Jo, Dr. Seung-Hyok Lee

**Moderators:** Dr. Stephen Toope, Ambassador Sung-joon Yim (Forum Co-chairs)

4:45 – 5:30 pm **Concluding Remarks** by Forum Co-chairs

7:00 – 8:30 pm          **Reception and Dinner**  
**Venue: Embassy of the Republic of Korea**  
**Host: Ambassador Cho Hee-yong**

## 11<sup>th</sup> Canada-Korea Forum Participants List

### Korean Delegates

1. **Ambassador Sung-joon Yim (Co-chair)**, Senior Advisor, Lee International; Former Ambassador of Republic of Korea to Canada
2. **Ambassador Hee-yong Cho**, Ambassador of Republic of Korea to Canada
3. **Prof. Dukgeun Ahn**, Professor of International Trade Law and Policy, Associate Dean for International Affairs, GSIS, Seoul National University
4. **Prof. Dong-Joon Jo**, Professor, Department of Political Science and International Relations, Seoul National University
5. **Dr. Ku-Hyun Jung**, President, Seoul Forum for International Affairs; Visiting Professor, KAIST School of Business
6. **Prof. Hoesung Lee**, Professor, Graduate School of Energy and Environment, Korea University
7. **Prof. Jae-Seung Lee**, Professor of International Studies, Korea University
8. **Prof. Shin-wha Lee**, Professor of Political Science and International Relations, Korea University
9. **Dr. Jin Park**, Chair, Graduate School of International and Area Studies, Hankuk University of Foreign Studies
10. **Mr. Yoon-joe Shim**, Member of the National Assembly, Republic of Korea
11. **Prof. Minsoon Song**, Visiting Professor Emeritus, Kyungnam University; Former Minister of Foreign Affairs

### Canadian Delegates

12. **Dr. Stephen Toope (Co-Chair)**, President and Vice-Chancellor, University of British Columbia
13. **Hon. Perrin Beatty**, President and CEO, Canadian Chamber of Commerce
14. **Dr. Eva Busza**, Vice-President, Knowledge and Research, Asia Pacific Foundation of Canada
15. **Mr. Barry Devolin**, Member of Parliament; Co-Chair, Canada Korea Inter-parliamentary Association
16. **Prof. David Dewitt**, Vice President of Programs, Centre for International Governance Innovation
17. **Mr. Leonard Edwards**, Distinguished Fellow, Centre for International Governance Innovation (CIGI), Former Ambassador to Korea
18. **Prof. Fen Hampson**, Distinguished Fellow and Director, Global Security Program, Centre for International Governance Innovation
19. **Hon. Donald Johnston**, Former Member of Parliament; Former Visiting Professor, Yonsei University
20. **Hon. Yonah Martin**, Deputy Leader of the Government in the Senate
21. **Prof. Kyung-ae Park**, Director, Centre for Korean Research, University of British Columbia
22. **Mr. Nicholas Parker**, Chairman, Parker Ventures Management

Observers

1. **Young-Hee Chun**, Director, North America Division 2, Ministry of Foreign Affairs, Republic of Korea
2. **Ms. Amanda Garay**, Acting Director for Northeast Asia Division, DFATD
3. **Mr. Kisoo Kim**, Managing Director, KOGAS Canada Ltd.
4. **Prof. Seung Hyok Lee**, Adjunct Assistant Professor of East Asian Studies, University of Waterloo
5. **Ms. Young-Hae Lee**, President, Canada Korea Society
6. **Minister Song Oh**, Embassy of the Republic of Korea
7. **Mr. Chong-suk Park**, Cllr, Embassy of the Republic of Korea
8. **Prof. Chun-Il Park**, Professor of Communication, Sookmyung University
9. **Ms. Tina Park**, PhD Candidate in History, University of Toronto
10. **Mr. Keon-ki Roh**, Commercial Attache, Embassy of the Republic of Korea
11. **Ms. Grace Seear**, Executive Assistant to Senator Yonah Martin
12. **Ms. Kara Shin**, Post-graduate Research Fellow, Asia Pacific Foundation of Canada
13. **Ms. Jieun Song**, Third Secretary, North America Division 2, Ministry of Foreign Affairs, Republic of Korea
14. **Prof. Swoo Kyung Suh**, Professor of Environmental Design, Sookmyung Women's University
15. **Ms. Erin Williams**, Program Manager, Asia Pacific Foundation of Canada