In November 1993, Hyundai Electronic Industries announced that it had concluded an agreement with Space Systems/Loral of the U.S. for the transfer of technology relating to the design, development, manufacture and testing of satellites. Hyundai also reported that the two companies had agreed to tender joint bids for Korean and other satellite projects. Under the technical cooperation agreement, Hyundai said that it would be allowed to participate in Space Systems' Globalstar project which is intended to provide telecommunications services through a global network of satellites.

The companies principally engaged in satellite communications work are Hyundai Electronics, Samsung Aerospace, Daewoo Telecom and Goldstar Information and Communications.

Aircraft

Although there is extensive production of aircraft components in Korea, only one project has actually been carried out from start to finish here. That is the design, development and construction of the Changpong-91, a five-seat light aircraft that was developed under the leadership of the Korea Institute of Aeronautical Technology, an institution that is run by Korean Air. The Changpong-91 received its airworthiness type approval from the Korean Ministry of Transportation in August 1993, and the consortium that built the aircraft is now looking for markets within Korean as well as abroad.

The Korean Government is examining the possibility of concluding bilateral airworthiness agreements with the U.S. and Japan in order to facilitate exports of the Changpong-91, as well as civilian aircraft that Korea intends to produce in the future.

At the same time that it announced its plans to develop a medium sized multi-purpose satellite, the Korean Government also declared its intention to create the prototype for a twin turbo prop regional aircraft by 1988. The code name for this project is the "phoenix".

During May and June of 1993, a ten-person study team led by the Korea Aerospace Research Institute (and including representatives of Samsung, Daewoo, Korean Air and the Halla Group) visited a number of aircraft manufacturers in North America and Europe principally for the purpose of identifying potential joint venture partners in the project. Although the report of the study group is not expected to be available until the end of this year, it is understood that CASA, ATR, IAI and Jetstream Aircraft are the favoured prospective partners.

The structure and the prospects of the proposed Korean consortium remain somewhat unclear. It seems, however, that if the project proceeds, it will include Samsung, Korean Air and Daewoo, together with one overseas manufacturer. As well, the Korean Government has indicated an intention to use aerospace firms in the former Soviet Union as sources of affordable technology. The Government announced at the outset of the project that it would contribute at least U.S. $400 million, although nothing has been heard from the Government concerning this project for some time.