

KOREAN MARKET FOR DEFENCE PRODUCTS

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This paper is intended to provide an overview of Korean defence procurement policy and procedure (including industrial offsets), as well as an introduction to the most significant programs that are currently underway or planned. The paper also contains information on Korea's main aerospace and defence products companies. page

The emphasis in Korea's defence policy is changing from labour-intensive Korean Defence Procurement Policy.....1

is a corresponding shift taking place from the traditional dominance of the Army to a more ascendant status for the Air Force and the Navy. This change appears to have several causes. First,

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compensate for relatively low levels of sophistication in its equipment. As well, the Korean forces have to prepare to assume

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Another important factor in the changing nature of the Korean forces is the increasing emphasis on electronic surveillance in

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preparing to deal with any potential threats from Korea's historical antagonists, Japan, China and Russia. In this regard, the Republic of Korea is looking beyond the unification of the

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defence systems.

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1991, with approximately one-quarter of that amount designated for

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fore purchases were of U.S. made goods down from 90% in 1989. Although

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at the Defence Logistics Agency indicate that the U.S. share of

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fore purchases

The United Nations Command in Korea has long stressed the need for

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supplier of aircraft. Lockheed Corporation, for example, is

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filling a contract valued at U.S. \$5.2 billion for the co-

sectors of the Korean military, however, particularly the Navy

(which accounts for about one-third of foreign arms purchases), are pursuing an aggressive policy of diversifying their purchasing relationships away from the traditional reliance on U.S. suppliers. In particular, they have made a number of purchases from European and Israeli companies.

For example, the Korean Air Force took delivery in May 1994 of its first non-U.S. manufactured transport aircraft, the CN-235M medium transport from CASA of Spain. The Korean Government has also