

BACKGROUND

KOREAN AEROSPACE INDUSTRY

PROCEDURES FOR LICENCE PRODUCTION	
MND	Provides offset project of licence production with selected domestic company to DLA
DLA	Issues RFP to foreign contractor
	Provides general guidelines for negotiation with MND's offset requirements to domestic company
FC	Submits a detailed proposal and MOA to DLA
KIP	After negotiating with FC about delegated matters, domestic company shall report the results of negotiations with a plan of licence production
DLA/FC	Negotiate and modify the result of KIP's negotiations
KIP	Submits MOU and subcontract made between foreign contractor and domestic company to DLA
DLA	Reports the results of negotiations to working level committee for offset evaluation
	Reports the evaluation results with initialled MOA and proposal
MND	Analyzes the results of evaluation and approves the MOA
DLA	Signs MOA and notifies foreign contractor and the party concerned
FC/KIP	Report quarterly the results of performance to DLA
DLA	Notifies the confirmation of performance reports to foreign contractor and domestic company

In September 1993, Korea and China concluded an agreement for the joint development of an observation and communications satellite which will be seven times larger than the 50kg Uribyol II. This satellite, tentatively named Uribyol III, is to be launched in 1997. It has been reported that Korea intends to acquire a capability to develop and build satellites independently, based on the technology with respect to medium sized satellites that it expects to acquire from the joint project with China. Scientists and engineers from Korea and China are expected to begin work on the joint project at the Taedok science town in Taejeon this year.