

# The Moon Jae-In Administration's National Defense Policy on Acquiring Weapon Systems

## 1. The Government's National Defense Policy Initiatives

North Korea's recent reckless behavior, including continued nuclear tests and missile launches, have increased tensions over Northeast Asia, especially between the United States, North Korea, China and South Korea, each of which is directly interested in strengthening UN sanctions against North Korea. Due to the unpredictable and grave security situation on the Korean peninsula, the recently elected Moon Jae-In administration has declared that South Korea's top national defense policy initiative is to strengthen the country's military response capabilities in order to counter any potential North Korean nuclear threat. The Moon Jae-In administration defense policy initiatives include (i) increasing the national defense budget from its current level of approximately 2.4% of GDP to 3%, (ii) expanding the procurement of necessary weapon systems to face North Korea's continuous provocations, (iii) the early recovery of wartime operation control, and (iv) reinforcing military strength by advancing the schedules for existing weapons systems.

## 2. The 3-Axis System

The key to the government's national defense plan is developing a 3-axis system which includes (i) developing monitoring and quick strike capabilities ("Kill Chain"), (ii) increasing the ability to defend key facilities ("KAMD")<sup>1</sup>, and (iii) building the mechanism through which the government may perform massive punishment and retaliation ("KMPR")<sup>2</sup> strategies. The development of each axis in the above system requires a comprehensive examination on procuring the relevant, specific weapon systems in order to pursue military and defense initiatives.

---

1. Korea Air and Missile Defense

2. Korea Massive Punishment & Retaliation

## (i) “Kill Chain”

The development of the Kill Chain axis will likely include the government’s aggressive promotion of surveillance systems projects, such as reconnaissance satellites and drones, thereby providing surveillance and monitoring capabilities throughout all of North Korea.

With respect to reconnaissance satellites, currently five reconnaissance satellite projects are being developed primarily by the Agency for Defense Development (“ADD”) and the Korea Aerospace Research Institute (“KARI”). With respect to drone projects, the government will likely purchase high-altitude drones from foreign supplier and medium-altitude drones from a domestic one.

In order to improve South Korea’s missile strike systems, the government is also expected to procure ground-to-ground, surface-to-ground, and air-to-ground missiles, and, in particular, introduce additional Taurus KEPD 350 and Hyunmoo-2C missiles.

## (ii) KAMD

With respect to KAMD, the research and development of low-altitude and medium-altitude missiles defense systems is currently underway. For an advanced high-altitude missile system, the government is likely to consider the Terminal High Altitude Area Defense (“THAAD”) system.

In addition, the government will consider additional purchases of early airborne warning and control systems in addition to anti-missile defense radars.

## (iii) KMPR

In order to develop the KMPR axis, the government is currently consulting with the United States with regards to enhancing the weight of warheads from the current 500 kg to 1~2 tons. In addition, plans for improving the performance of the Boeing CH-47D Chinook military helicopters are set to begin in 2018. Further, the government is having ongoing discussions on whether to acquire a nuclear powered submarine as part of the military response to North Korea’s nuclear threats.

Given the Moon administration’s strong initiatives set out in the national defense policy and the escalated tension on the Korean peninsula, the government, through the Defense Acquisition Program Administration (the main body in charge of weapons systems procurement) (“DAPA”), is expected to move quickly to build the 3-axis system. In particular, an early response to wartime

operation control (as described above) requires the urgent reinforcement of Korean military capabilities.

Due to the urgency of the potential conflict, the government is more likely to choose the option of procuring weapon systems through overseas purchases rather than pursuing time-intensive domestic research and development projects. The anticipated increase in the national defense budget makes Korea's procurement of overseas weapon systems and additional capabilities highly likely in the near future.

### 3. Shin & Kim is the Expert in Providing Legal Advice for All Areas of National Defense in Korea

Shin & Kim has set itself apart from other Korean law firms, especially in regard to the procurement of weapon systems, thanks to its advisers and attorneys who are among the most skilled, experienced, and highly respected specialists throughout the military procurement and defense industries. Our Military Procurement and Defense Industry ("MPDI") Group consists of more than 20 professionals, including attorneys from various specializations and advisors, all of whom bring their collective expertise to develop a coordinated, one-stop approach to finding solutions to complicated legal and business issues.

In particular, the MPDI Group at Shin & Kim boasts some of Korea's finest professionals who are among the leaders at the highest levels of the military and defense procurement industries. Our group includes:

- **Seok Ko**, a Partner who is highly experienced throughout all stages of the processes for procuring and enhancing weapon systems. In his capacity as Head of Legal Affairs Support Team, he oversaw all legal and contractual matters arising from DAPA. Mr. Ko also served as Staff Judge Advocate for the Joint Chiefs of Staff (for legal advice regarding the requirements of weapon systems), The Judge Advocate General for the Army (TJAG), and President of the High Court for the Armed Forces;
- **In-Hyoung Cho**, a Partner with hands-on experience in the procurement area who was in charge of the weapon systems procurement in the Korean Air Force, and who has been the Head of Naval Ships Program in the Legal Affairs Division of DAPA, Deputy Staff Judge Advocate for the Joint Chiefs of Staff, Chief of Legal Affairs Division at the Office of the Judge Advocate

General, and served in the Republic of Korea Air Force, among other high-ranking positions;

- a procurement expert who served as President of DAPA and also a Commissioner of the Fair Trade Commission;
- a leading military expert who served in key positions in Korea's initiatives to enhance and procure weapon systems, such as the Assistant Chief of Staff of Air Combat Command of the Republic of Korea Air Force;
- a security expert who was in charge of weapon systems procurement at Defense Security Command and who also served as Commander of the Supporting Defense Security Command at DAPA; and
- Numerous other attorneys specialized in international arbitration, M&A, and litigation, for example.

The military procurement and defense industries in East Asia are in constant flux and the recent developments in North Korea have once again set the wheels in motion. Please do not hesitate to contact Shin & Kim should you have any questions regarding your business or legal issues in Korea.

Should you have any questions regarding any of the foregoing, please feel free to contact us at any time.

---

## Contacts

Seok Ko (Partner)	TEL : 82 2 316 4072	E-Mail: sko@shinkim.com
In-Hyoung Cho (Partner)	TEL : 82 2 316 1615	E-Mail: ihcho@shinkim.com
Philippe Shin (Senior Foreign Attorney)	TEL : 82 2 316 4206	E-Mail: pjshin@shinkim.com