

The Pacific Ledger

A monthly account of the Canada–Korea relationship

캐나다·한국 관계 월간 브리프

A ledger records both sides. So do we.

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FIG. 01 · THE ACCOUNT AT A GLANCE

C\$25B

TWO-WAY TRADE, 2025

№7

KOREA'S RANK AMONG
CANADA'S TRADE PARTNERS

C\$17.6B

KOREAN FDI STOCK IN
CANADA

99%

DUTY-FREE UNDER CKFTA

Source: Global Affairs Canada, 2026

FROM THE EDITOR

In May I watched a Korean submarine tie up at CFB Esquimalt, fourteen thousand kilometres from her home pier at Jinhae. The longest voyage in the history of the ROK submarine force ended a twenty-minute drive from my desk. It made the news for a day.

Two countries did twenty-five billion dollars of merchandise trade last year, and nobody keeps the books. Korean media covers Canada when a prime minister lands. Canadian media covers Korea when a submarine surfaces. In between — the cargoes, the contracts, the fifty-year partnerships — the account goes unrecorded.

Starting now, NPSI keeps it. Monthly. Every entry sourced, both sides recorded. That is what a ledger is for.

—J.J., Victoria, British Columbia

THE LEDE

The Submarine We Lost. The Friendship We Kept.

On July 6 in Halifax, Prime Minister Carney announced that Germany's TKMS had won preferred-supplier status for the Canadian Patrol Submarine Project — a program worth up to C\$60 billion over its life — over the KSS-III Batch II offered by Hanwha Ocean and HD Hyundai. The Korean bid finished second. Ottawa named it the reserve supplier, retaining the right to designate the KSS-III if negotiations with TKMS fail. Carney called it "a difficult, close decision between two highly qualified suppliers."

[Source: PMO announcement, Halifax, July 6, 2026]

The script for what happens next is familiar. The losing side issues a stiff statement, the investment packages quietly dissolve, and the relationship cools for a procurement cycle.

Nobody followed the script.

President Lee Jae-myung posted the next day that Korea's submarines had "proven their outstanding performance and technological capabilities by competing with the world's leading submarine builders." [Source: presidential statement, July 7, 2026] Pride, not grievance. And the entries kept posting. LG Energy Solution confirmed its Windsor battery plant continues regardless of the bid. HD Hyundai Oilbank keeps importing Canadian crude. HD Hyundai's research agreement with the University of British Columbia remains in place. Hanwha Ocean, asked about its Canadian commitments: "we cannot just erase them all now." Cohere, the Toronto AI firm, reaffirmed it "remains deeply committed to Korea" under the Comprehensive Strategic Partnership. [Sources: company statements to Korean media, July 2026]

Honest accounting requires the debit column. Hanwha Aerospace's proposed armoured-vehicle joint venture and a pledged DAPA equity stake — both contingent on winning — are shelved. Hyundai's Project Beaver hydrogen-truck program is "under review," which can mean anything. [Source: Korea Times, July 23, 2026]

FIG. 02 • THIRTY DAYS OF ENTRIES

How July posted, after the loss



Sources: PMO, July 6, 2026 • ROK presidential statement, July 7, 2026 • Korea Times, July 23, 2026

But the balance is the story. A transactional relationship ends when the transaction dies. This one lost a sixty-billion-dollar competition on July 6 and spent the rest of the month posting new entries anyway. That is what structural looks like.

THE LEDGER — JULY ENTRIES

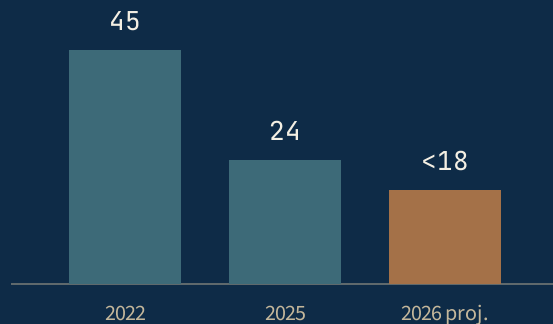
LNG. The first LNG Canada cargo for KOGAS departed Kitimat May 20 and reached Incheon June 3 — a Pacific route that never touches the Strait of Hormuz. KOGAS holds a 5 percent stake in the project, worth roughly 700,000 tonnes a year for 40 years. Korea's Middle East LNG dependence: 45 percent in 2022, 24 percent in 2025, projected under 18 percent this year. A Phase 2 investment decision, doubling capacity to 28 million tonnes a year, is expected by end-2026. [Sources: KOGAS briefing, June 5, 2026; LNG Canada]

Crude. Korea will expand Canadian crude imports from 4.88 million barrels in 2025 to as much as 16 million barrels in 2026 — roughly 3.3 times — making Korea the third-largest buyer of Canadian crude after the United States and China. [Source: ROK Ministry of Trade, Industry and Resources, June 2, 2026]

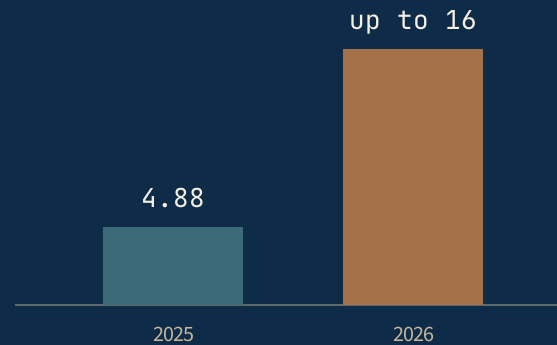
FIG. 03 • THE ENERGY LEDGER

The Hormuz Exit

Korea's Middle East LNG dependence, %

**Crude, ×3.3 in One Year**

Canadian crude to Korea, million barrels



Bars from zero. Bronze marks the 2026 story. Sources: KOGAS briefing, June 5, 2026 • ROK MOTIR, June 2, 2026 • LNG Canada

Trade. Two-way merchandise trade reached C\$25 billion in 2025; Korea is Canada's seventh-largest trading partner. The Canada–Korea FTA, now past its tenth year, gives 99 percent duty-free coverage. Korean FDI stock in Canada: C\$17.6 billion. [Source: Global Affairs Canada, 2026]

Batteries. NextStar Energy in Windsor — Canada's first commercial-scale battery plant — held its grand opening March 5 after producing its one-millionth cell in February. Investment above C\$5 billion; 1,300 employees onboarded toward a 2,500 target. LG Energy Solution took full ownership in February, buying out Stellantis's 49 percent. [Sources: NextStar Energy; LGES, March 2026]

Critical minerals. On June 2, Energy Minister Tim Hodgson and presidential chief of staff Kang Hoon-sik agreed the two governments will draft a joint critical-minerals stockpiling plan by end-2026, alongside a KIGAM–Geological Survey of Canada MOU on natural hydrogen. Energy was Canada's top 2025 export category to Korea (C\$2.2 billion); ores and minerals second (C\$1.5 billion). [Sources: Natural Resources Canada; MOTIR, June 2026]

Nuclear. Candu Energy and KHNP marked 50 years of collaboration, meeting at KHNP headquarters in Gyeongju on April 1. Since 2024, Candu has issued more than C\$2.35 billion in CANDU supply-chain purchase orders. [Source: AtkinsRéalis, April 2026]

Defence architecture. At the June 16 G7 bilateral in Évian, Carney and Lee launched negotiations for a Defence Cooperation Agreement, building on the Security and Defence Cooperation Partnership signed at Gyeongju in October 2025 — Canada's first in the Indo-Pacific — and an information-security agreement now in force. The first Canada–Korea Cyber Policy Consultations were held this year. [Source: PMO readout, June 16, 2026]

The receipts. The second Team Canada Trade Mission to Korea (March 30 – April 2) brought over 180 delegates from more than 100 organizations and produced nine signed agreements, including Prairie Lithium–Hydro Lithium, ZeroKey with Inatech and Ascen Korea, and Destination Canada–MyRealTrip. Export Development Canada closed its first transaction with SK ecoplant. [Source: Global Affairs Canada, April 2026]

THE PEOPLE

Choi Yeon-hye

PRESIDENT & CEO • KOREA GAS CORPORATION

On June 5, with the Strait of Hormuz closed and the region repricing every molecule that transits it, she delivered the most reassuring sentence of the Korean summer:

"Currently, not a single Korean LNG carrier is trapped inside the Strait of Hormuz."

That sentence was purchased years in advance — the LNG Canada stake, the forty-year offtake, a diversification program that cut Middle East dependence nearly in half in three years. The first Canadian cargo reached her Incheon terminal two weeks into a war.

Energy security rarely photographs well. It looks like load schedules and berth windows. Statecraft, delivered as logistics.

THE LONG GAME

The honest weather report first. Seoul under Lee Jae-myung halted loudspeaker broadcasts along the DMZ in June 2025 and began dismantling the arrays that August, paired with an explicit renunciation of unification by absorption. Pyongyang has so far declined the hand — folding inter-Korean liaison

functions into its Foreign Ministry in April, and, through Kim Yo Jong in July, calling the nuclear arsenal the state's "ultimate shield." [Sources: ROK MND, 2025; KCNA and DPRK state media, April and July 2026] Nobody serious is forecasting a spring.

Canada's seat at this table is older than most remember. Canadian officers have served continuously in the United Nations Command since 1950, and a Canadian holds the Deputy Commander post today.

[Source: Government of Canada, UNC contributions] The middle-power contribution is not mediation theatre; it is architecture — trade, energy, and infrastructure ties that keep the economic door open whatever the political weather. The case for a Korea–Canada Pacific Infrastructure Facility is made in NPSI Working Paper №01 at npsi.ca.

Korean civilization is fifty centuries old. The division is seventy-eight years — a fence, not a foundation. Ledgers are patient documents. So is this one.

DEEP ROOTS — KAPYONG AT 75

Seventy-five years ago this spring, the 2nd Battalion, Princess Patricia's Canadian Light Infantry held Hill 677 above the Kapyong valley through the night of April 24–25, 1951, against successive Chinese assaults — at one point calling artillery onto their own position. The battalion received the US Presidential Unit Citation, the only Canadian unit ever so honoured. [Source: Veterans Affairs Canada]

26,000+

CANADIANS SERVED IN KOREA

516

NEVER CAME HOME

75th

KAPYONG ANNIVERSARY

Korea has not filed this away. On April 24 this year, Gapyeong County hosted 26 Commonwealth veterans and family members at the Commonwealth memorial, with a flyover by the Black Eagles. And in Alberta, Airdrie became the fifth Canadian city to raise a Kapyong monument — its stone quarried from Hill 677 itself. [Sources: ROK commemorative coverage, April 2026; Veterans Affairs Canada statement, April 25, 2026]

Next month in this space: the Canadian veterinarian buried among Korea's independence heroes.

THE WATCHLIST — WHAT WE'RE TRACKING FOR №02

TKMS contract talks. The reserve-supplier clause keeps Hanwha's KSS-III alive. Any stall in Ottawa–Kiel negotiations reopens the file.

LNG Canada Phase 2. Final investment decision expected by end-2026. A green light doubles the Pacific route.

Critical-minerals stockpiling plan. Joint draft due by end-2026; watch for scope and mineral list.

Defence Cooperation Agreement. First negotiation rounds following the June 16 launch.

Project Beaver. Hyundai's hydrogen-truck program for Canada, officially "under review." Unresolved; conflicting reports.

Hormuz and the war. The US–Iran conflict's trajectory directly prices the Canada–Korea energy story. A first pause in new strikes was reported in late July.

DPRK–Russia. Claims of a possible additional 30,000 North Korean troops for Russia circulated in late July — attributed to President Zelensky and not independently verified. Watch for NIS assessment.

SOURCES & VERIFICATION

Primary sources this issue: PMO (July 6 and June 16, 2026); ROK presidential statements (July 7, 2026); KOGAS (June 5, 2026); ROK Ministry of Trade, Industry and Resources (June 2, 2026); Global Affairs Canada (April 2026); NextStar Energy/LG Energy Solution (February–March 2026); AtkinsRéalis (April 2026); Veterans Affairs Canada (April 25, 2026); Korea Times (July 23, 2026); KCNA/DPRK state media (April, July 2026).

Open items, published in the spirit of keeping honest books: Project Beaver's status is reported inconsistently across July sources and is carried here as unresolved. The Korean masthead subtitle is pending native-speaker review. The DPRK troop-deployment figure in the Watchlist is a claim, not a confirmation.

The Pacific Ledger posts monthly from the North Pacific Strategy Initiative, Victoria, BC.

№02 closes late August. The account stays open.