

The Pacific Ledger

An account of the Canada–Korea relationship.

A ledger records both sides. So do we.

JESSE JAMES • VICTORIA, BRITISH COLUMBIA • NPSI.CA • NPSI-20261001-A • SERIAL PENDING

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FROM THE EDITOR

№01 closed on 28 July and promised a second issue for late August. It did not come. The account kept moving while the editor’s attention was on the papers and briefings, which carry no deadline, and the Ledger will not pretend otherwise: the gap is recorded here as a debit against the publication itself.

Issues close when the account warrants one, and the masthead no longer says monthly.

This issue carries one entry, and it earns the space. When Ottawa chose TKMS on 6 July, the Korean bid's headline number, more than C\$70 billion in trade and investment, went into the press as a loss. A ledger cannot book a figure like that without a condition column. The editor's piece sorts every commitment in the package by the terms it was made on, then asks which of the three tiers has capital in the ground. The answer is narrower than the headline, and more useful.

The piece went through a pre-publication source check on 6 October, and the corrections it produced are applied in this edition rather than in a later erratum; the method note at the foot of the issue says what changed. The Deep Roots piece that №01 promised, on the Canadian veterinarian buried among Korea's independence heroes, is held for an issue that can do it justice.

—J.J., Victoria, British Columbia, 14 October 2026

THE LEDE

Pledged, Contingent, Operating

Sorting Korea's Canada investment after the submarine decision.

1 OCTOBER 2026 • JESSE JAMES

The Korean investment actually operating in Canada was never tied to the submarine bid; the pledges conditional on winning have lapsed, been suspended or sit under review, and the unconditional ones survive as research, trade and intent.

What the headline promised

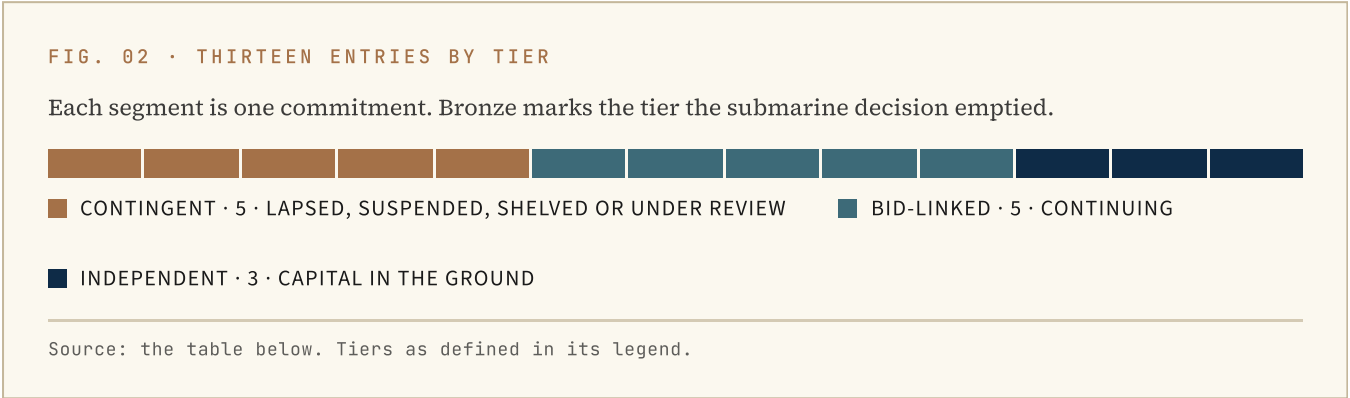
On 6 July 2026, in Halifax, Ottawa named Germany's TKMS preferred supplier for the Canadian Patrol Submarine Project and designated Hanwha Ocean the reserve supplier (Prime Minister's Office; Defence Investment Agency; CBC). Ottawa has said it will conclude contracting no later than the end of 2027, and may designate Hanwha Ocean if talks with TKMS fail (PMO). The Korean bid, led by Hanwha Ocean with HD Hyundai Heavy Industries (Korea Herald), had carried a promise of more than C\$70 billion in trade and investment in Canada (Globe and Mail).

Within three weeks, Korea's Defense Acquisition Program Administration (DAPA) said its commitments had depended on winning from the start, so there was nothing to cancel (Korea Times). Korean firms that joined the bid are now weighing which pledges to keep.

For anyone tracking Korean capital in Canada, the useful question is not how large the package was. It is how much of it was ever investment that could arrive without the contract. Sorting each commitment by its condition answers that.

Three tiers of commitment

Of the thirteen Korean commitments below, the three independent of the bid are the only ones with capital in the ground: NextStar and LNG Canada are operating, and Ultium CAM is scheduled to start production in late October. The five pledges conditional on the contract have lapsed, been suspended, been shelved or are under review; the five bid-linked pledges with no stated condition continue, as research, trade and stated intent.



ENTRIES ON THE ACCOUNT — THIRTEEN KOREAN COMMITMENTS, BY CONDITION

COMMITMENT	KOREAN PARTY	STATED VALUE	TIER	LATEST REPORTED STATUS
CONTINGENT conditional on a CPSP award, by the instrument’s terms or its sponsor’s statement				
Industrial and technology support package	Defense Acquisition Program Administration (DAPA)	Not itemized	CONTINGENT	Lapsed; DAPA says it was conditional from the outset and will not pursue it
Beam mill support and steel purchases, Sault Ste. Marie	Hanwha Ocean, with Algoma Steel	Up to US\$250M (about C\$345M at signing)	CONTINGENT	Binding MOU, subject to a CPSP award to Hanwha Ocean and definitive agreements; suspended by Algoma (29 July) “unless and until Hanwha Ocean is selected” (Algoma, Q2 2026); Algoma in talks with TKMS
Project Beaver hydrogen trucks and infrastructure	Hyundai Motor Group, proposed by Seoul’s special envoy	More than C\$3.1B and about 9,000 jobs, phase 1 from 2030 (about US\$2.23B)	CONTINGENT	Under review per Hyundai (23 July); Business Korea reported it withdrawn (9 July, via Biofuels Digest, unreachable 14 Oct 2026)

COMMITMENT	KOREAN PARTY	STATED VALUE	TIER	LATEST REPORTED STATUS
Military-vehicle joint venture with APMA, extended to Algoma steel	Hanwha (Hanwha Aerospace), APMA, Algoma	Not disclosed	CONTINGENT	Shelved; Hanwha would revisit if Canada's army modernisation offers an opening (The Elec, 9 July)
Shipbuilding training hub with Ontario Shipyards and Mohawk College	Hanwha Ocean, with Ontario Shipyards and Mohawk College	Not disclosed	CONTINGENT	Stopped; Hanwha Canada says the agreements were premised on winning. Ontario Shipyards says its Mohawk partnership predates Hanwha and continues (CBC, 7 July, read through Seoul Shinmun)
BID-LINKED offered within the Team Korea package with no stated condition				
Defence-industry investment proposal	LIG D&A (formerly LIG Nex1)	Not disclosed	BID-LINKED	Company says it will keep pursuing Canadian projects
Additional Canadian crude purchases	HD Hyundai Oilbank	Trillions of won over the programme; no volume given (Korea Herald, 28 January)	BID-LINKED	Imports continue; volume undecided
Research MOU with the University of British Columbia (8 June 2026)	HD Hyundai (HD Korea Shipbuilding & Offshore Engineering)	Not disclosed	BID-LINKED	Remains in place
AI collaboration with Hanwha Ocean and Hanwha Systems	Cohere (Toronto), with Hanwha	Not disclosed	BID-LINKED	Continuing; Cohere "remains deeply committed to Korea" (23 July)
Energy expansion pitched with the bid: LNG Canada stake raised as later phases advance; crude imports of about 16M barrels in 2026 and up to 20M in 2027	Seoul's special envoy, for KOGAS and Korean refiners	LNG Canada stake from about C\$1.6B to C\$3.2B; crude volumes as stated	BID-LINKED	No stated condition; LNG Canada Phase 2 decision expected by end-2026 (№01); crude imports continue (row above)

COMMITMENT	KOREAN PARTY	STATED VALUE	TIER	LATEST REPORTED STATUS
INDEPENDENT announced before and apart from the bid				
NextStar Energy battery plant, Windsor	LG Energy Solution	More than C\$5B invested	INDEPENDENT	Operating; cells since November 2025, opened 5 March 2026 (NextStar); highlighted during the bid campaign, but LGES says it is unrelated
Ultium CAM cathode plant, Bécancour	POSCO Future M (85%), with GM	About C\$500M announced in 2022 (Sustainable Biz); phase 1 now about C\$600M; above US\$1B with phase 2, on hold (CBC)	INDEPENDENT	Phase 1 start targeted for late October 2026 (GM Canada: “production expected to begin in 2026”); phase 2 on hold indefinitely (CBC)
Stake in LNG Canada, Kitimat	KOGAS (5 percent)	About C\$1.6B invested (envoy’s remarks, June 2026)	INDEPENDENT	Operating; the first LNG Canada cargo for KOGAS reached Incheon on 3 June 2026 (№01)

Contingent means conditional on a CPSP award, by the instrument’s terms or its sponsor’s statement. *Bid-linked* means offered within the Team Korea package with no stated condition. *Independent* means announced before and apart from the bid. Rows without links draw on the Korea Times report of 23 July 2026. Values are as stated by the party or the report cited; Canadian dollars unless marked.

Interest note.

Three entries on this account concern energy trade: HD Hyundai Oilbank’s crude purchases, KOGAS’s stake in LNG Canada, and the energy expansion pitched with the bid. The editor manages Western operations for an international energy facilitation firm. That interest, and the imprint’s standing statement that no client of that firm is a subject of or source for any NPSI document, are recorded at /disclosure/. The three entries rest on the public reports cited beside them.

INDEPENDENT CAPITAL STILL MOVES

The unconditional tier has also shifted in owner, product and timing since announcement. A tracker has to follow it past the headline too.

NextStar began in 2022 as an LG Energy Solution–Stellantis joint venture to build Canada’s first large-scale EV battery plant. In February 2026, Stellantis agreed to sell its 49 percent stake to LGES for a nominal US\$100 as it scaled back its EV targets (Electric Autonomy); the sale closed on 31 March, leaving LGES the sole owner (Stellantis, interim report at 31 March 2026; semi-annual report at 30 June 2026). For now the plant makes cells for stationary energy storage rather than vehicles, though Stellantis remains a customer (electrive; NextStar, 6 February).

Ultium CAM was expected to finish construction in 2023 (Korea Herald). With phase 2 on hold indefinitely, Vale cancelled a planned Quebec nickel sulphate plant meant to supply it (CBC). Nearby, Ford had withdrawn in late 2024 from its C\$1.2-billion Bécancour cathode partnership with SK On and EcoPro BM (Sustainable Biz Canada; Benchmark).

The Korean capital that stayed is where North American market access justifies it. In October 2025, industry insiders told the Korea Herald that Ultium CAM's output would likely qualify as originating under CUSMA's rules of origin and so be exempt from US tariffs (Korea Herald). That exemption has since narrowed: US duties in force since 22 August apply even to CUSMA-qualifying goods in listed categories, though critical minerals are excluded (Blakes; CBC). No report found says on which side of that line cathode material falls.

THE WATCH — WHAT THIS MEANS FOR TRACKING AND POLICY

Announcement-based trackers should record a pledge's condition beside its value, and Ottawa should work the surviving MOUs as standalone projects.

01 Record conditionality as a field. APF Canada's Investment Monitor tracks announcements to fill gaps in official statistics (APF Canada). A procurement-linked pledge entered at face value overstates Korean FDI. Tagged as contingent, it can be held apart and rolled forward at each decision point.

02 Keep metric types apart. Hanwha's figure of more than C\$70 billion counted trade and investment together (Globe and Mail). Its estimate of over C\$120 billion was GDP contribution (APF Canada; The Elec, citing KPMG), and TKMS claimed C\$167 billion in economic activity (Globe and Mail). None of these is FDI, and none can be added to it.

Like for like takes care even between the bidders: the same report has TKMS at over C\$86 billion in economic impact, and Hanwha's own GDP figure rose from C\$94.1 billion in April (Hanwha) to more than C\$120 billion by late June (The Elec).

03 Treat contingent pledges as dormant, not dead. Contract talks with TKMS are expected to run through 2027 (APF Canada); Ottawa has said it will conclude contracting no later than the end of 2027, and may designate Hanwha Ocean if talks fail (PMO; DIA). If talks fail, the Algoma terms come back into play: Algoma's own filing says the MOU "will remain suspended unless and until Hanwha Ocean is selected by the Government of Canada as the contractor for the CPSP" (Algoma, Q2 2026 MD&A).

04 Convert what survives. A January 2026 Canada–Korea MOU on future mobility created an Industrial Cooperation Committee for automotive, EV and battery investment (ISED; Osler). That is the channel to test whether Project Beaver can stand without a submarine; the Algoma beam mill sits outside its remit, and Algoma says it is pursuing the mill with government and private-sector partners (Northern Ontario Business).

The standalone test moved two weeks before this piece was dated. The Productivity Mega Deduction announced on 15 September would let the full cost of a broad range of new depreciable property, about two-thirds of capital investment, be expensed in the year it enters use, permanently; most buildings, regulated gas pipelines and liquefaction equipment are excluded, so the effect differs by project component (PMO; Blakes; McCarthy Tétrault). That improves the standalone arithmetic for both.

APF Canada has argued that Ottawa must now keep Seoul close. The ledger shows where that closeness already has capital behind it: in Windsor, Bécancour and Kitimat, not in the bid book.

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METHOD, CORRECTIONS AND OPEN ITEMS

PRE-PUBLICATION CORRECTIONS

The piece is dated 1 October 2026. Before publication it was read against its own links and the primary record: the PMO and Defence Investment Agency releases, Algoma's filings, Stellantis's SEC reports and the Korea Times report of 23 July, row by row. The check, completed 6 October, found about fifty claims confirmed and five statements wrong as printed; all were corrected here rather than in a later erratum. The summary had said every bid-linked pledge had lapsed, while the table showed three continuing; Ultium CAM had been counted as operating when it is scheduled for late October; Project Beaver's value, disclosed by Seoul's envoy at more than C\$3.1 billion, had been carried as undisclosed; the NextStar sale had been dated to February when it closed on 31 March; and the CUSMA sentence had dropped its attribution and its date and had been overtaken by the August tariff change. Project Beaver was moved from bid-linked to contingent on the envoy's own statement of condition, and the tier legend was rewritten to match. Five entries were added to the table: the Hanwha–APMA vehicle venture, the Ontario Shipyards and Mohawk College training hub, Cohere, KOGAS's stake in LNG Canada and the energy expansion pitched with the bid.

OPEN ITEMS

Project Beaver's status is reported inconsistently: a withdrawal reported on 9 July, read here at second hand, against Hyundai's statement of 23 July that nothing has been determined. No report after October 2025 confirms that Ultium CAM has begun production. No report found says whether cathode active material falls inside the product lists of the US duties in force since 22 August. The CBC report of 7 July on Ontario Shipyards and Mohawk College was read through Seoul Shinmun's Korean account. Hanwha's own statement of the C\$70 billion figure was not found; the Globe and Mail is the source. The Korean masthead line carried by №01 is withheld from this issue pending native-speaker review.

CADENCE

Issues close when the account warrants one. №01 closed 28 July 2026; №02 closed 1 October 2026.

ASSISTANCE

Researched and drafted with AI assistance (Claude); the editor is responsible for every claim. Declared interests are at /disclosure/.

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