

## The Strategic Orientation of South Korea–Canada Cooperation Through the Submarine Program<sup>1</sup>

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### ■ How Far Has South Korea's Bid for the Canadian Submarine Program Progressed?

Canada is a traditional close partner<sup>2</sup> of South Korea and occupies a unique strategic position linking the Indo-Pacific, the Arctic, and NATO. South Korea and Canada declared a Comprehensive Strategic Partnership (CSP) in 2022, and the Security and Defense Cooperation Partnership (SDCP) in 2025. The latter is the first partnership of its kind that Canada has established with a nation in the Indo-Pacific, specifically South Korea. It serves as a foundation for the regular review of bilateral security cooperation, encompassing the expansion of military exercises, coordination on the enforcement of sanctions against North Korea, and the sharing of defense technologies. Most recently, the South Korean Cabinet approved South Korea's military intelligence-sharing pact with Canada to establish a formal legal basis for intensifying bilateral cooperation.<sup>3</sup>

Through the Canadian Patrol Submarine Project (CPS), Canada is seeking to introduce up to twelve conventional submarines at a total cost of approximately KRW 60 trillion. The objective of the project is to deliver the first vessels—at least one and preferably four—before 2035, thereby enhancing Arctic

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<sup>1</sup> This article is a translation of the original Korean-language article: Suon Choi, “잠수함 사업을 통해 본 한국-캐나다 협력의 지향점,” KIDA Security Strategy FOCUS, Korea Institute for Defense Analyses, December 17, 2025.

<sup>2</sup> Canada participated in the Korean War, deploying approximately 26,000 troops between 1950 and 1953, of whom 516 were killed in action.

<sup>3</sup> Eun-jung Kim, “Cabinet approves S. Korea's military intel-sharing pact with Canada,” Yonhap News Agency, January 27, 2026.

operational capabilities and securing long-range operational capacity.<sup>4</sup> On August 26, 2025, the Canadian government selected Hanwha Ocean as one of two qualified suppliers, forming a bilateral competitive structure between South Korea and Germany. Canada’s decision is not merely a choice between firms, but a strategic decision between Germany, a traditional NATO partner, and South Korea, which offers supply chain diversification, shares middle-power status, and is situated in the Indo-Pacific region.<sup>5</sup>

Some observers had expressed concern that South Korea might be placed at a disadvantage because Prime Minister Mark Carney was visiting Germany at the time the shortlist was announced. However, such concerns were alleviated when Prime Minister Carney visited Hanwha Ocean’s Geoje shipyard during his trip to South Korea for the APEC Summit on October 30, 2025. He boarded the newly launched Jang Yeong-sil–class submarine and directly evaluated the performance of the Jangbogo-III Batch-II platform.<sup>6</sup> In addition, South Korea’s Ministry of National Defense has hosted the Korea–Canada Defense and Defense Industry Cooperation Conference in Ottawa for two consecutive years, accompanied by meetings between vice ministers of defense and chiefs of naval staff from both countries. These developments indicate that the South Korean proposal is being seriously considered within Canada. Furthermore, the APEC Summit served as an occasion for the announcement of a joint statement in the security and defense domain, including the conclusion of an Agreement on the Protection of Classified Military Information, further strengthening bilateral cooperation.<sup>7</sup> At the same time, Hanwha Ocean has actively conducted outreach and marketing efforts<sup>8</sup> targeting Canada’s Ministry of National Defence, shipbuilding industry, and political community. In this context, the Canadian submarine program represents an opportunity for South Korea to advance beyond defense exports and emerge as a middle-power security partner and strategic industrial hub.

## ■ Why Is the Canadian Submarine Program Important?

### 1. Strategic Implications

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<sup>4</sup> Government of Canada. “Government of Canada Advances to Next Step in Canadian Patrol Submarine Project Procurement,” August 26, 2025.

<sup>5</sup> Steve MacBeth, “Strategic Acceleration—Evaluating South Korea as a Scalable Partner in Canadian Land Power Renewal.” *Inside Policy*, Macdonald-Laurier Institute, August 27, 2025.

<sup>6</sup> Kyeong-pil Kim, “Canadian Prime Minister Visits Hanwha Shipyard for Submarine Project,” *The Chosun Daily*, October 31, 2025.

<sup>7</sup> Republic of Korea Policy Briefing, “South Korea and Canada Conclude Agreement on the Protection of Classified Military Information, Deepening Defense Cooperation,” October 30, 2025.

<sup>8</sup> Hanwha Ocean operates a dedicated KSS-III CPS website. For additional information on industrial cooperation MOUs and briefings, see <https://kss-iii.ca/>.

The strategic significance of securing the CPSP contract can be analyzed along four dimensions. First, CPSP provides an opportunity to jointly implement of Indo-Pacific strategies.<sup>9</sup> Both South Korea and Canada announced independent Indo-Pacific strategies in 2022 and explicitly designated each other as Comprehensive Strategic Partners. Canada, in particular, identified security and defense cooperation, critical minerals, clean energy, and supply chain connectivity as priority areas within the Indo-Pacific.<sup>10</sup> Accordingly, a South Korean win in CPSP would go beyond defense industrial cooperation and serve as a focal point for middle-power collaboration at the intersection of both countries' Indo-Pacific strategies. In recent South Korea–Canada relations, a narrative of middle-power solidarity centered on Indo-Pacific strategy and defense cooperation has gained prominence, and CPSP has emerged as a key vehicle for translating this narrative into practice.<sup>11</sup>

Second, Canada is a partner with extensive Arctic experience and expertise. The South Korean government has designated the establishment of a “K-Maritime Power Leading the Arctic Sea Route Era” as a national policy task and has significantly increased related budget allocations.<sup>12</sup> Canada, as an Arctic nation and a key actor in Arctic security, resources, and sea routes, possesses advanced know-how in Arctic navigation, polar maritime environments, and ice-capable vessel operations. If South Korea secures CPSP, the two countries could jointly develop Arctic sea routes using South Korea's submarine technology while enhancing blue-water operational capabilities. Furthermore, cooperation could extend to a continuous operational space linking the Arctic and the Indo-Pacific. Specifically, if Canadian submarines are operated under a concept spanning the Arctic, North Atlantic, North Pacific, and Indo-Pacific, South Korea could provide a foundation for combined submarine operations connecting the Arctic and Indo-Pacific regions. As integration between the two countries' submarine platforms deepens through CPSP, opportunities may arise for joint patrols and combined exercises spanning the Arctic and Indo-Pacific.

Third, South Korea and Canada are countries with complementary strengths—Canada in resources and diplomatic influence, and South Korea in manufacturing and technological capacity. Canada is a major supplier of critical minerals such as lithium, nickel, cobalt, and rare earth elements,<sup>13</sup> and has

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<sup>9</sup> For a detailed analysis of Indo-Pacific strategy linkage between the two countries, see Suon Choi, “Analyzing Strategic Linkages Between South Korea and Canada: Focusing on Indo-Pacific Strategies” [한국과 캐나다의 전략적 연계성 분석: 인태전략을 중심으로], *KIDA Security Strategy FOCUS*, Korea Institute for Defense Analyses, December 17, 2025.

<sup>10</sup> Government of Canada. 2022. *Canada's Indo-Pacific Strategy*.

<sup>11</sup> Ju Hyung Kim and Hongju Oh. 2025. “Institutionalizing Middle-Power Security Cooperation: Strategic Convergence Between South Korea and Canada in the Indo-Pacific.” *Asia-Pacific Journal of Canadian Studies* 31(1): 17–36; Julie Kim, “The Future of Canada–ROK Defence Cooperation,” *Policy Perspective*, Canadian Global Affairs Institute, April 2025.

<sup>12</sup> So-young Ahn, “Lee Jae-myung government allocates 550 billion won to pioneer Arctic Routes,” *Chosun Biz*, December 3, 2025.

<sup>13</sup> Government of Canada, “Memorandum of Understanding Between the Department of Natural Resources of Canada, the Department of Industry of Canada, and the Ministry of Trade, Industry and Energy of the Republic of Korea on Cooperation in Critical Mineral Supply Chains, the Clean Energy Transition, and Energy Security,” May 16, 2023.

exerted global influence through extensive ODA and peacekeeping activities as well as its networks within the G7, NATO, and OECD.<sup>14</sup> South Korea, meanwhile, has gained global recognition for its manufacturing and technological capabilities in semiconductors, batteries, automobiles, and shipbuilding, and is emerging as a security provider capable of supplying military and industrial capabilities to numerous allies and partners. Strengthened cooperation through CPSP would therefore generate substantial synergy.

Fourth, CPSP could function as a gateway for South Korea's entry into the NATO defense market. Canada is one of NATO's twelve founding members and has continuously contributed to alliance security capabilities from the Cold War to the present.<sup>15</sup> If South Korea secures CPSP, it could leverage Canada as an entry point into NATO markets in defense, shipbuilding, and advanced technologies. Moreover, if CPSP is combined with the operation of South Korean platforms within NATO, South Korea could enhance its strategic standing as a NATO partner linking the Indo-Pacific and the Atlantic.

## **2. Industrial and Economic Implications**

CPSP is not only strategically significant but would also represent the largest defense export contract in South Korea's history if secured.<sup>16</sup> The submarine acquisition contracts alone are valued at up to KRW 20 trillion, and when operating and maintenance costs over a 30-year period are included, the total project value could reach KRW 60 trillion.

Moreover, a successful CPSP bid would generate broad positive spillover effects beyond a single defense export case. First, it would enhance the reputation of South Korean defense and shipbuilding industries—often referred to as K-Defense and K-Shipbuilding—in global markets, including the U.S. and Canada. CPSP would signify South Korean firms' simultaneous entry into both markets, demonstrating that their capabilities have been validated by both countries. In the United States, South Korean firms would be recognized as “procurement-validated companies” through their MASGA, MSRA, and U.S. Navy MRO experience. In Canada, they would be evaluated as firms that have adapted to the Canadian defense market and regulatory environment through CPSP participation and local partnerships. South Korean companies could thus gain reciprocal credibility in both markets, which would likely extend to third countries as well. In particular, NATO members may develop a more favorable perception of South Korea as it exports its first naval platform to Canada, a core NATO state. CPSP could therefore serve as a valuable reference case for future third-country defense exports.

Second, cooperation is likely to expand beyond submarines into other sectors. Canada has already

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<sup>14</sup> Government of Canada, “75 Years of the NATO Alliance: Canadian Contributions to the Alliance Profiled at the Texas Summit,” March 27, 2024.

<sup>15</sup> Government of Canada, “North Atlantic Treaty Organization (NATO): Canadian Armed Forces Partner in Defence, Security, and Peace,” January 21, 2019.

<sup>16</sup> Nakgyu Yang, “Korean Shipbuilders Advance to Final Round for Canadian Submarine Contract,” *The Asia Business Daily*, August 27, 2025.

expanded joint investments and long-term supply contracts with South Korean firms such as LG Energy Solution to secure EV and battery supply chains. In addition, reports indicate that Hyundai Motor Group has discussed Canada with the Canadian government as a potential site for its second North American EV plant. If submarine and naval cooperation is added to these industrial partnerships, a virtuous cycle linking critical minerals, batteries, EVs, shipbuilding, and defense could emerge.<sup>17</sup> In this sense, CPSP could serve as a catalyst not only for submarine exports but also for broader industrial exports in automobiles, batteries, and hydrogen. Reports suggest that South Korea has proposed a comprehensive deal worth USD 20–24 billion, bundling submarines with armored vehicles and artillery systems.<sup>18</sup> If realized, such an agreement would enable defense cooperation to evolve into a comprehensive economic and industrial package.

Finally, CPSP could enhance connectivity with AUKUS Pillar II.<sup>19</sup> Canada has held ongoing discussions with the United States, the United Kingdom, and Australia regarding participation in AUKUS Pillar II,<sup>20</sup> while South Korea has also been mentioned alongside Canada, Japan, and New Zealand as a potential Pillar II partner.<sup>21</sup> If cooperation between the South Korean and Canadian navies in Pillar II-related areas deepens through CPSP, the project could serve as infrastructure for future joint projects within AUKUS Pillar II over the medium to long term.

## ■ Conclusion

To prevent CPSP from being a one-off defense export success, the South Korean government and policy community must establish an official narrative that defines Canada not merely as a CPSP customer but as a middle-power partner. For example, South Korea and Canada can be characterized as security partners that link Indo-Pacific and Arctic strategies, leverage complementary strengths to serve as a gateway to NATO, and span cooperation from critical minerals to shipbuilding.

To this end, South Korea should explicitly designate Canada as a core partner in future Indo-Pacific strategies, defense white papers, and defense industrial strategy documents, and align the CSP Action Plan with national-level priority implementation tasks. In addition, CPSP acquisition strategies should be designed as economic and industrial package deals that extend beyond submarine performance and price competitiveness to include automobiles, batteries, and other sectors. Ultimately, by exploring

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<sup>17</sup> Korea.net, “Korea and Canada Sign MOUs on Critical Minerals Supply Chain Cooperation,” September 26, 2025.

<sup>18</sup> Tom Freebairn, “South Korea Pitches USD 18 Billion Submarine and Arms Deal to Canada Amid U.S. Tensions,” *Defense and Security Monitor*, May 21, 2025.

<sup>19</sup> Parliament of Australia. “AUKUS Pillar 2,” August 15, 2024; John Christianson, Sean Monaghan, and Di Cooke, “AUKUS Pillar Two: Advancing the Capabilities of the United States, United Kingdom, and Australia,” Center for Strategic and International Studies (CSIS), July 10, 2023.

<sup>20</sup> Tim Kelly, “Canada in talks about joining expanded AUKUS, defence chief Blair says,” *Reuters*, September 13, 2024.

<sup>21</sup> Yun-hwan Chae, “(2<sup>nd</sup> LD) S. Korea discussed possible participation in AUKUS Pillar 2 with Australia: defense minister,” *Yonhap News Agency*, May 1, 2024.

linkages with AUKUS Pillar II, CPSP could transcend the success or failure of an individual project and instead become a structural opportunity for South Korea to emerge as a middle-power security provider and strategic industrial hub.