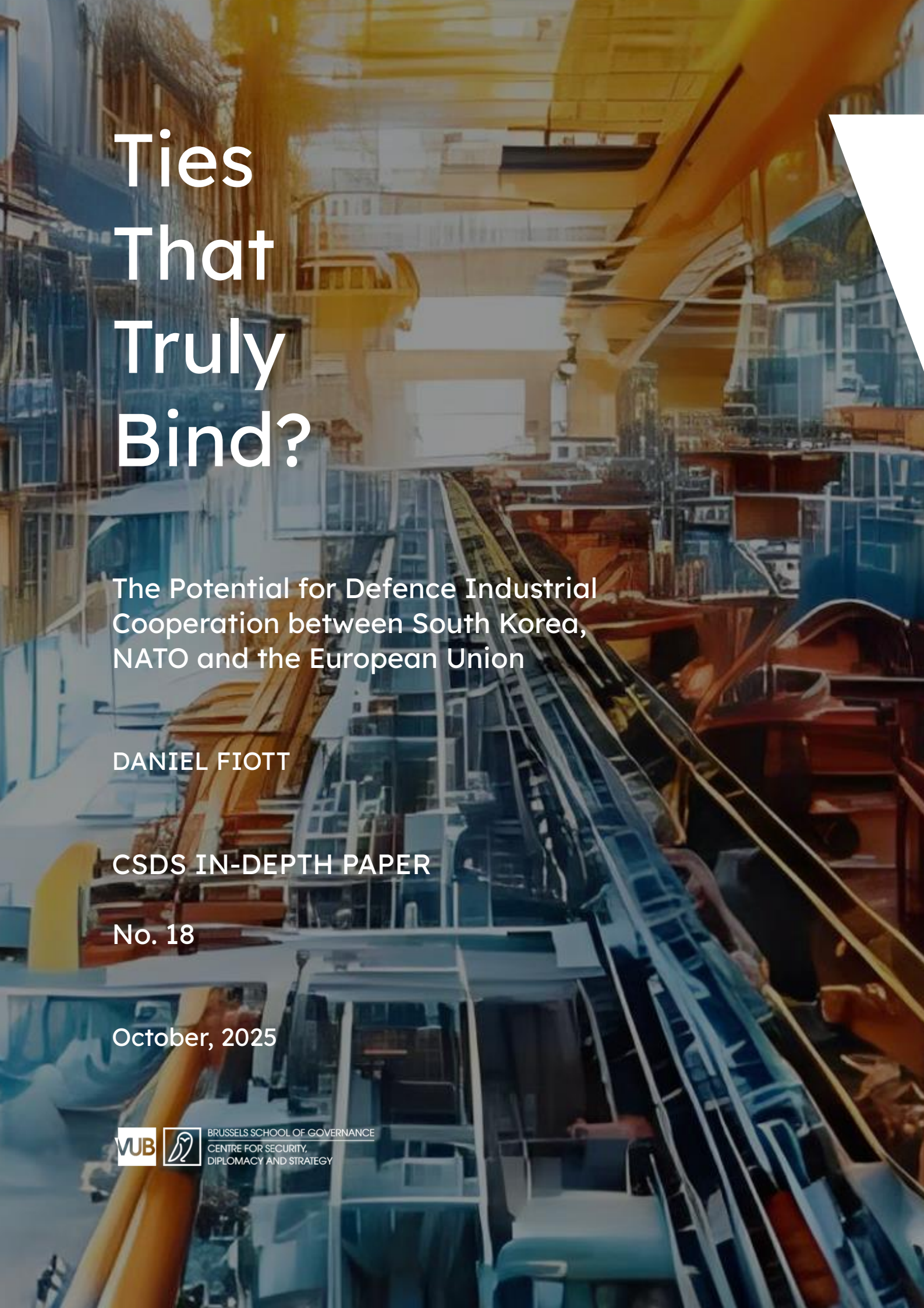

Ties That Truly Bind?

The Potential for Defence Industrial Cooperation between South Korea, NATO and the European Union

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CSDS IN-DEPTH PAPER

No. 18

October, 2025

VUB
BRUSSELS SCHOOL OF GOVERNANCE
CENTRE FOR SECURITY, DIPLOMACY AND STRATEGY

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Abstract

Europe and South Korea are increasingly aligned in their pursuit of stronger defence industrial resilience amid intensifying geopolitical competition and technological disruption. Both actors recognise that defence production is now as much about economic sovereignty and technological leadership as it is about security. Europe and South Korea stand to benefit from closer cooperation that diversifies partners, secures supply chains and accelerates access to critical technologies. Cooperation between the two could bridge the Euro-Atlantic and Indo-Pacific theatres, reinforcing deterrence and resilience across regions. Yet, persistent political, institutional and industrial barriers continue to constrain the depth of engagement. Against the backdrop of the war in Ukraine, Indo-Pacific tensions and evolving transatlantic dynamics, this CSDS In-Depth Paper analyses the prospects and limits of Europe–South Korea defence industrial cooperation through the frameworks of the EU and NATO, and offers ten targeted policy recommendations to advance it.

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Introduction

Europe and South Korea share an increasingly convergent outlook on the need to strengthen defence industrial resilience in a world marked by mounting geopolitical uncertainty. The global diffusion of advanced military technologies, the weaponisation of supply chains and the re-emergence of great power competition all point to the need for like-minded partners to cooperate on industrial and technological capacities. For both Europe and South Korea, the defence sector is no longer just a matter of national security but also of economic sovereignty and technological competitiveness. As "middle powers" with strong and growing industrial bases, but differing strategic geographies, cooperation could allow both sides to diversify partners, reduce dependencies on single suppliers and ensure access to critical materials and advanced technologies that underpin next-generation defence systems.

Commercially, South Korea's dynamic defence industry represents a natural complement to Europe's fragmented but highly sophisticated defence ecosystem. Korean firms such as Hanwha, Hyundai Rotem and Korea Aerospace Industries have proven their ability to deliver advanced systems at competitive costs and with rapid production timelines – attributes increasingly valued in a European context marked by the need to replenish stocks and scale production following Russia's war on Ukraine. In turn, Europe offers Korea access to established industrial clusters, advanced component technologies and an experienced regulatory framework for cross-border defence cooperation. Joint ventures and co-development programmes could enable mutual benefits: Europe could tap into Korean efficiencies in technology, production and supply chain management, while Korea could gain entry into European markets and strengthen its credentials as a reliable partner beyond Asia.

Strategically, Europe and South Korea are bound by a shared interest in defending the rules-based international order and ensuring strategic stability across regions. Although they operate in different theatres, both face the challenge of balancing relations with the United States (US) while cultivating greater autonomy in defence capabilities. More importantly, South Korea and Europe also face challenges related to revisionist powers such as Russia and China, which seek to upend the global order that South Korea and Europe have cultivated. Industrial cooperation could therefore serve a broader strategic purpose – linking the Euro-Atlantic and Indo-Pacific theatres through tangible defence partnerships. Joint research on emerging technologies, such as artificial intelligence (AI), missile defence or space-based surveillance, could create a cross-regional network of innovation that

enhances deterrence and resilience. Moreover, such cooperation could demonstrate that the strengthening of regional security architectures in Europe and Asia need not occur in isolation, but can instead reinforce one another through complementary capabilities and shared strategic intent.

> Europe and South Korea share an increasingly convergent outlook on the need to strengthen defence industrial resilience

However, close defence industrial cooperation between South Korea, NATO and the EU faces an array of political, institutional and industrial obstacles rooted in divergent governance frameworks, strategic priorities and market structures. Legal barriers can limit Korean access to European markets, reflecting Europe's tension between protecting its defence industrial base and engaging capable external partners. Institutional fragmentation further complicates matters, as NATO's innovation-oriented mechanisms and the EU's market-building initiatives operate on parallel but poorly aligned tracks, forcing South Korea to navigate inconsistent systems. Industrial competition adds another layer of difficulty, with both sides vying for similar export markets even as they seek cooperation in shared technologies.

The Union and NATO are moving forward at scale and pace to develop financing and cooperative tools to stimulate Europe's rearmament and defence industrial revival. However, in the context of the war in Ukraine, tensions in the Indo-Pacific and shifting transatlantic relations, defence industrial cooperation between Europe and South Korea is becoming imperative. This CSDS In-Depth Paper analyses Europe-South Korea defence industrial cooperation, with a specific focus on developments in the EU and NATO. To this end, this In-Depth Paper is organised into three main sections. Part one focuses on what South Korea, the EU and NATO offer each other in terms of defence industrial cooperation. Part two probes the challenges facing deeper defence industrial cooperation between the three actors. The concluding part offers some final observations, and it makes ten specific policy recommendations.

Chapter One
What does each partner offer the other?

Europe–South Korea defence industrial ties have moved from episodic contacts to a pattern of systematic engagement driven by South Korea's rapid export growth and Europe's urgent rearmament needs. Seoul's defence exports rose sharply in recent years – reaching roughly US$14 billion to 12 countries in 2023, putting South Korea in the top ten global arms exporters[1] – and Korean firms have consequently become prominent partners and competitors on global markets. Korean prime contractors are now tangible industrial actors in Europe: Hanwha has won large supply contracts (including a US$1 billion K9 howitzer deal with Romania[2]) and is pursuing production and joint venture arrangements on the continent, while Hyundai Rotem's multiple K2/K2-derived tank deals with Poland[3] and other European partners increasingly embed Korean manufacturing in European supply chains. These deals demonstrate both localisation (production in-country) and technology transfer as the default model for deeper industrial ties.

Reciprocity is visible in the presence of European defence prime contractors in Korea and in cross-platform cooperation: Airbus Helicopters and Korea Aerospace Industries (KAI) have advanced the Light Armed Helicopter serial production programme, with an agreement signed in 2023 to help ramp up production of helicopters at KAI's Sacheon facility in South Korea[4]. Additionally, MBDA and KAI have signed cooperation agreements to integrate European missiles on Korean platforms — illustrating co-development and systems integration rather than simple buyer-seller dynamics. This builds on the existing partnership between MBDA and KAI, where KAI is working to integrate the "Meteor" beyond visual range air-to-air missile on the KAI-led KF-21 Boromae fighter aircraft[5]. In this sense, there

[1] Nam; H. and Wilder Sanchez, A. "South Korea's Growing Role as a Major Arms Exporter: Future Prospects in Latin America", *War on the Rocks*, 21 August 2024. See: https://warontherocks.com/2024/08/south-koreas-growing-role-as-a-major-arms-exporter-future-prospects-in-latin-america/.
[2] Ng, J. "Hanwha Aerospace confirms Romanian K9 buy", *Asian Military Review*, 12 July 2024. See: https://www.asianmilitaryreview.com/2024/07/hanwha-aerospace-confirms-romanian-k9-buy/.
[3] Shin, J-E. and Lee, H-I. "Hyundai Rotem seals record $6.5 bn K2 tank deal with Poland", *The Korea Economic Daily*, 2 July 2025. See: https://www.kedglobal.com/us/aerospace-defense/newsView/ked202507020010.
[4] Airbus, "Airbus and Korea Aerospace Industries to Launch Light Armed Helicopter Serial Production", 31 August 2023. See: https://www.airbus.com/en/newsroom/press-releases/2023-08-airbus-and-korea-aerospace-industries-to-launch-light-armed.
[5] MBDA, "MBDA and KAI to Deepen Cooperation", 24 November 2023. See: https://www.mbda-systems.com/mbda-and-kai-deepen-co-operation.

is clear evidence of Europeans benefiting from engagement with the South Korean defence industry, with the development of cutting-edge technologies.

South Korea

South Korea's defence industry brings a number of distinctive strengths which make it a valuable partner for both the EU and NATO. These can be grouped into production capacity, technological innovation, dual-use spillovers, strategic industrial resilience and diplomatic/strategic benefits. The first such benefit is industrial capacity and "ever-warm factories". South Korea maintains production facilities that are kept ready ("ever-warm") so that large orders can be fulfilled rapidly. This is a major advantage in a period of intense demand (e.g. for artillery shells, armoured vehicles, munitions), especially in Europe post-Ukraine war, where there is an emphasis on the speed and scale of production. Additionally, South Korea's scale – its defence R&D spending and its economies of scale (large armed forces, domestic procurement) means that it has experience in mass production and systems integration.[6] For Europe or NATO members faced with the need to develop military capabilities or replenish stockpiles, Korean producers are credible suppliers.

South Korea is in the top ten global arms exporters

South Korea has shown its willingness to engage in technology transfers and localisation (i.e. producing in Europe under license or co-developing), which can help with European defence production capacity expansion in certain countries. There are already instances (e.g. Polish co-production of K9 howitzers, tanks, etc.) where Korean firms have demonstrated their willingness to localise manufacturing, which can aid Europe's domestic defence resilience in certain member states. This is part of a new "Made in Europe by Korea" strategy by Korean defence firms that recognises that

[6] Uk, Y. and Fiott, D., "Manufacturing Defence: Europe, the Republic of Korea and Defence Industrial Cooperation", *CSDS Policy Brief*, 35/2024. See: https://csds.vub.be/publication/manufacturing-defence-europe-the-republic-of-korea-and-defence-industrial-cooperation/.

localisation strategies are perhaps more conducive to defence industrial cooperation than via EU or NATO financial/investment mechanisms[7].

What is more, South Korea is not only strong in conventional systems (tanks, howitzers, armoured vehicles, aircraft, missiles) but also in dual-use and high-technology sectors: semiconductors, EDTs, R&D and innovation that bring together government, industry, academia and military actors. These capabilities offer EU and NATO partners the opportunity to co-develop advanced technologies, to source key components and to benefit from technological spillovers. Relatedly, for the EU and NATO, a reliance on too few suppliers or dependencies in certain critical technologies (e.g. electronics/chips, advanced materials) is a vulnerability. South Korea can help diversify supply chains, thus reducing strategic bottlenecks.[8]

The European Union

The EU offers a set of tools and frameworks which represent both opportunity and challenge for a partner like South Korea. One key tool is the European Defence Fund (EDF), established to support joint research and development among EU member states. Through the EDF, the European Commission is directing €8 billion until 2027 into collaborative defence R&D and cross-border capability projects. For South Korea, access (even if conditional) to EU-funded R&D consortia and joint procurement frameworks could allow South Korean firms to embed themselves into European defence innovation efforts, to benefit from economies of scale and to share risk and cost with EU partners in the development of next-generation defence technologies. The EU's ambition to reduce duplication and de-fragment the European defence market, to simplify cross-border regulatory and technology transfer hurdles and to harmonise standards are tools that could, in theory, ease barriers for South Korean innovation cooperation with Europe.

The European Defence Industrial Programme (EDIP) is intended to complement the EDF by providing more structured support for joint procurement and cross-border industrial capacity. Through the EDIP, EU member states will aim to pool their development and buying power, encourage shared production and stimulate capacity increases in critical segments. For South Korea, the EDIP offers potential – albeit limited – access to European defence procurement projects and a chance to deepen collaboration in advanced systems. However, it is not unqualified. The EDIP mirrors many of the security and participation rules of the EDF, and such

[7] Kim, J-W. and Ryu, E., "Korea's Defense Firms Aim For Global Top 4 with 'Made in Europe by Korea' Strategy", The Korea Economic Daily, 15 September 2025. See: https://www.kedglobal.com/kiw-2025/newsView/ked202509150010.
[8] Op. Cit., "Manufacturing Defence: Europe, the Republic of Korea and Defence Industrial Cooperation".

rules are strict with technology controls, intellectual property rules and conditions for "third countries" and partner firms – rules that are more flexible even than those imposed by the US on defence partners. For example, the EDIP insists that the total cost of non-EU/EEA components in EU-financed end products cannot exceed 35%.[9]

Furthermore, following the release of the EU Joint White Paper on Defence, the Union developed a new defence loan facility called the Secure Action for Europe (SAFE) instrument. SAFE is endowed with €150 billion borrowed from capital markets with the sole purpose of stimulating defence production in Europe. SAFE loans benefit from a 10-year grace period where no repayment of interest is required, and the loan period is 45 years at very favourable rates of interest. SAFE is open to international partners, although strict access rules are maintained for many weapons categories, including like-mindedness and a Security and Defence Partnership (which South Korea already has with the Union). Additionally, SAFE also maintains a strict design authority rule on certain products to safeguard the European defence market: up to 35% of the cost of SAFE-funded defence projects can come from non-EU sources, which admittedly limits the scope of involvement of third countries[10].

Finally, there are also opportunities for engagement in the area of dual-use technologies and research via cooperation on Horizon Europe. With Seoul having joined Horizon Europe in January 2025 under a transitional arrangement, this means that Korean and European researchers and organisations can participate in technology and innovation calls. This could open the door to further cooperation in dual-use domains related to cyber, maritime and space – all priority areas in the EU-Republic of Korea Security and Defence Partnership[11]. Such close collaboration under Horizon Europe should not be overlooked, especially given the changes that Horizon Europe will undergo under the next Multi-annual Financial Framework (2028-2034), where the budget is set to double and focus on a range of strategic "moonshot" projects, under a set of more streamlined and efficient funding rules. There is a potential here to build European-South Korean defence cooperation from the bottom up through dual-use R&D cooperation.

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[9] Council of the EU, "European Defence Industry Programme: Council and Parliament Reach Provisional Agreement", 16 October 2025. See: https://www.consilium.europa.eu/en/press/press-releases/2025/10/16/european-defence-industry-programme-council-and-parliament-reach-provisional-agreement/

[10] Council of the EU, "Regulation establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument", Regulation 2025/1106, 27 May 2025. See: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202501106.

[11] "Security and Defence Partnership Between the European Union and the Republic of Korea", 4 November 2024. See: https://www.eeas.europa.eu/sites/default/files/documents/2024/EU-RoK%20Security%20and%20Defence%20Partnership.pdf.

NATO

NATO offers a different set of tools to the EU, often more flexible in relation to partners and with a strong focus on interoperability, emerging technologies, innovation and capacity building. One major NATO tool is the Defence Innovation Accelerator for the North Atlantic (DIANA). DIANA is designed to bring together innovators, start-ups, research institutions, industry and end-users from across the Alliance to address defence and security challenges via EDTs, dual-use innovations, test centres and accelerator sites. Through DIANA, South Korea can gain early exposure to NATO's requirements for emerging and disruptive technologies, learn how innovation is translated into operational capability across multiple Allies and perhaps participate (depending on the status of partnership or formal agreements) in accelerator or challenge programmes. This offers South Korea access to knowledge, best practices, standards, test and validation environments and potential partnerships.

Another tool is the NATO Innovation Fund (NIF). The NIF is a multi-sovereign venture capital instrument, designed to make strategic investments in early-stage and growth-stage firms working on dual-use technologies relevant to Alliance security. Its long-term investment horizon and focus on ambitious R&D in "deep tech" can help link innovators with the Alliance as a buyer or as a partner. Through the NIF, South Korean firms might be able to attract investment, co-investment or joint ventures with NATO entrepreneurs, thus easing financing barriers for technology development. Furthermore, South Korean innovators and SMEs might gain legitimacy and visibility within the Alliance's innovation ecosystem by engaging the NIF.

Beyond DIANA and the NIF, however, NATO offers South Korea a strong partnership through the NATO-IP4 framework. Not only does this potentially open up NATO cooperation through standardisation, science and technology cooperation and exercises, but mechanisms such as the NATO Defence Production Action Plan (DPAP) or NATO's Defence Planning Process (NDPP) can help. Indeed, there is greater scope for an alignment of military requirements, standardisation and capability development through a closer engagement of IP4 countries in the NDPP, so that countries such as South Korea can fully immerse themselves in NATO capability and technology plans[12]. The DPAP also potentially allows IP4 countries to enhance cooperation in the area of defence production, with an emphasis on efficient defence procurement. In this sense, NATO offers IP4 countries a flexible and tailored defence industrial cooperation pathway.

[12] Simón, L. et al., "Primed for Deterrence? NATO and the Indo-Pacific in the Age of Great Power Competition", *CSDS In-Depth Paper*, 14/2025: 33. See: https://csds.vub.be/publication/primed-for-deterrence-nato-and-the-indo-pacific-in-the-age-of-great-power-competition/.

Chapter Two
What challenges persist?

Ensuring closer defence industrial cooperation between South Korea, NATO and the EU engenders several political, institutional and industrial challenges that stem from differing regulatory frameworks, strategic priorities and market dynamics. Although there is a shared recognition of the need to deepen partnerships among like-minded democracies, the political and bureaucratic realities of how defence industries are governed and financed remain difficult to reconcile. Europe's fragmented defence market, NATO's intergovernmental structure and South Korea's strong state–industry nexus each shape the contours of cooperation in complex ways. Achieving deeper cooperation will therefore require bold and ambitious leadership from both sides on export control laws, technology transfer restrictions and differing approaches to industrial sovereignty.

A first and persistent obstacle lies in the legal and regulatory frameworks that govern participation in EU defence programmes. The EDF, for example, restricts access to firms that are not established within the EU or not majority-controlled by entities from member states. While third-country participation is not impossible, it is subject to stringent conditions related to intellectual property, data security and technology control. For South Korean firms, these restrictions complicate participation in EU-funded projects and limit their ability to contribute technologies that might otherwise complement European capabilities. From the EU's side, the fear of technology leakage and political sensitivities about defence dependence on non-EU actors all combine to reinforce a cautious approach designed to protect the EU's defence industrial interests. This tension between strategic openness and industrial policy remains at the heart of Europe's dilemma in cooperating with capable external partners such as South Korea.

A second challenge emerges from the different institutional logics of NATO and the EU, which complicate the coordination of their respective industrial initiatives. On the one hand, NATO is called the cornerstone of Europe's defence, and the Alliance sets down in capability and spending targets to this end (beyond what it does on deterrence and defence in an operational sense). Under NATO, defence industrial policy has been developed, but mainly in relation to the setting of defence standards (STANAGs) and bringing together the allied industry voice through the NATO Industrial Advisory Group (NIAG). Despite these instruments, NATO does not have the financial or regulatory means to shape the European defence market and we should consider that the US exercises a high degree of defence industrial influence within the Alliance.

On the other hand, the EU does not clearly have a role for Europe's deterrence and defence, but, in accordance with the EU Treaties, it can make law that affects the functioning of the European defence market (e.g. intra-EU weapons transfers and defence procurement). From an operational point of view, the EU has traditionally focused on crisis management, but this has changed since Russia invaded Ukraine – today, the Union provides ammunition and weapons to Ukraine, and it even helps train Ukrainian forces. Still, in defence, the EU should be considered mainly as a defence industrial actor. It seeks to encourage European defence cooperation through financial incentives, and it also wants to create a genuine single market in defence where member states can jointly develop and procure defence capabilities. There is then a subtle but important difference between NATO and the EU.

> Achieving deeper cooperation will therefore require bold and ambitious leadership from both sides

The differences between the organisations can confuse partners. NATO's instruments, such as the DIANA and the NIF, are open to a broader set of partners, but they are designed primarily to serve military interoperability and innovation objectives rather than to sustain a market or industrial ecosystem. The EU, in contrast, is motivated by a political desire to foster a self-sustaining European Defence Technological and Industrial Base (EDTIB). For South Korea, this bifurcation creates uncertainty: engagement with NATO may yield access to innovation networks and interoperability schemes, while engagement with the EU could open procurement and co-development pathways – yet the two remain only loosely aligned. The differences between the EU and NATO mean that Korean partners often have to navigate two parallel systems with different governance logics and political sensibilities.

A third set of challenges is industrial and strategic in nature. European and South Korean defence industries, though complementary, also compete in

certain markets and technologies. Both sides are major exporters of armoured vehicles, artillery systems and naval platforms. As a result, there is an inherent commercial tension between cooperation and competition, particularly in export markets such as Central and Eastern Europe or the Middle East. While European firms might see value in South Korean production efficiencies and rapid delivery capacity, they may also perceive Seoul's industry as a competitor able to undercut prices or outpace European bureaucratic cycles. Moreover, differing export control policies – South Korea's cautious stance on lethal exports to conflict zones, and Europe's divergent national regimes – introduce political frictions that complicate joint ventures and coordinated exports.

Finally, the strategic geography and alliance politics surrounding each actor exert subtle but significant influence. South Korea remains deeply embedded in the US-led Indo-Pacific security architecture, while the EU and NATO are primarily oriented toward the Euro-Atlantic area. This divergence of strategic focus creates questions about the political sustainability of long-term defence industrial partnerships. Europeans, for instance, may hesitate to integrate an Asian partner into core defence supply chains due to concerns about technology security or strategic coherence with US policy. Likewise, Seoul may calculate that overexposure to European programmes could complicate its defence relations with Washington or its balancing strategy *vis-à-vis* China.

In short, the ambition to deepen defence industrial cooperation between South Korea, NATO and the EU must contend with overlapping yet distinct regimes of security governance. Regulatory barriers, institutional misalignment, commercial rivalry and geopolitical asymmetries combine to limit the pace and scope of engagement. Yet these challenges are not insurmountable. Incremental trust-building through technology-specific projects, alignment on export control and procurement standards and the creation of formal channels for industry dialogue could gradually narrow these gaps. The key will be to reconcile Europe's drive for strategic autonomy in the defence sector with South Korea's pursuit of global defence competitiveness.

Conclusions
Recommendations

Despite the challenges outlined in the previous section, there are several pathways for South Korea to deepen its defence industrial cooperation with the EU and NATO. Below are several policy pathways that could be considered. Each recommendation assumes that all partners will face tense or worsening geopolitical contexts, and that defence industrial cooperation will be necessary to sustain defence efforts in the Euro-Atlantic and Indo-Pacific regions. In this respect, South Korea, NATO and the EU need to maintain joint strategic dialogue on defence industrial cooperation. The EU-South Korea Security and Defence Partnership and the NATO-IP4 format are precious diplomatic fora that can maintain a high level of dialogue on defence and defence industrial matters. Such dialogue will be important to reinforce the notion of strong security links between Europe and Asia, and to dispel any fears that the new administration in Seoul will shift towards its own neighbourhood[13]. Even if defence industrial ties do not strengthen between South Korea, NATO and the EU, there remains a need to stiffen the sinews on a shared geopolitical understanding.

The recommendations are as follows:

1) Deepen joint political and strategic dialogues, but focus more on defence industrial cooperation and challenges. Such dialogues are already foreseen by the EU and NATO in their respective partnerships with South Korea, but they could include a joint effort to include bodies such as DG DEFIS (European Commission) and the Defence Investments Division (NATO). Such a dialogue could address military requirements, intellectual property rights, technology transfers, export control, the use of offsets and more.

2) Hold an annual defence industrial forum, with partners from South Korea, Japan, Australia, India and other close partners for Europe in the Indo-Pacific region. Such a public forum could serve, in its basic function, as a defence trade fair, but it can also mirror the existing "Schuman Forum" format organised by the EU. This brings together core partners to discuss foreign policy and security matters, but a dedicated "Defence Industry Forum" would bring together senior government and institutional officials, parliamentarians and industrial

[13] Lipke, A. "The Plus Sides of Pragmatism: How the EU Can Engage with South Korea's New President", *ECFR Commentary*, 3 June 2025. See: https://ecfr.eu/article/the-plus-sides-of-pragmatism-how-the-eu-can-engage-with-south-koreas-new-president/.

representatives. The Forum could be organised on an annual basis and rotate through capitals (Seoul, Brussels, Tokyo, Canberra, New Delhi, etc.).

3) South Korea will continue its co-production and licensed manufacturing strategy in Europe as a means of building industrial capacity in the European market. South Korean firms will likely seek to continue to develop joint production lines in Europe, and, in partnership with European states, this could lead to procurement and financial benefits. It could also provide South Korea with defence industrial depth and facilities outside of the Korean peninsula. A greater South Korean industrial presence in Europe could also help boost the visibility of South Korea's defence industry and help build political trust between Seoul and Brussels.

4) Develop innovation exchange and joint testbeds that link NATO's DIANA and NIF-backed accelerators with South Korean research institutes and SMEs. Shared test facilities, interoperability labs and challenge competitions can help accelerate technology maturation, harmonise standards and create a pipeline of SMEs to scale up. NATO and South Korea could work on clear rules on intellectual property licensing and commercialisation to help provide certainty and harmonised rules for NATO-IP4 SMEs engaging in defence innovation and development.

5) NATO can use the Defence Production Action Plan to deepen defence industrial dialogue and cooperation with IP4 countries such as South Korea. A closer linkage between NATO's Defence Planning Process, the DPAP and IP4 countries could be beneficial for building a stronger, more resilient defence industrial base across the Euro-Atlantic and Indo-Pacific. It could open up opportunities for technology cooperation, with a focus on EDTs, such as AI, quantum computing and cyber warfare, as well as deepening existing cooperation in space, maritime domains and munitions. The DPAP could also help NATO and the IP4 nations enhance interoperability through common standards.

6) South Korea, NATO and the EU could develop technology-specific pilot projects that are time-bounded, transparent and targeted to mutual defence needs. Such pilot projects can reduce risk by limiting scope, building trust through delivery and generating best practices for contracting, export control alignment and intellectual property arrangements. Here, implementation could prioritise dual-use areas and EDTs and specific capability areas such as munitions, sensors, C2, secure microelectronics and maritime domain awareness.

7) South Korea and the EU could prioritise defence industrial resilience and supply-chain security through a strategic mapping exercise. This could lead to jointly funding strategic stockpiles and surge capacity for critical items, and undertaking an audit of supply-chain chokepoints (e.g. chips, alloys and specialised components). Where vulnerabilities are identified by the EU and South Korea, the partners could develop cooperative plans for diversification, licensed production or shared stockpile inventories.

8) South Korea is encouraged to increase its involvement and partnership in Horizon Europe projects, especially for those projects that are dual-use in nature. Horizon Europe is undergoing a strategic shift, and there is likely to be more financial resources channelled into Horizon Europe. This offers scope for the EU and South Korea to build up R&D and dual-use innovation cooperation from the bottom up.

9) The EU and South Korea could jointly address global competition and market-distortion risks by developing anti-dumping safeguards and trade defence instruments. Europe's concerns about being undercut by lower-priced suppliers from China are legitimate, and these measures by Beijing are harming Europe's rearmament. Here, South Korea and the EU could explore joint strategies for mitigating the ill effects of dumping, supply restrictions and economic coercion. Seoul and Brussels could lead international efforts with other partners to develop resilient supply, safe inward investments and trade defence mechanisms.

10) South Korea can technically participate in new EU defence industrial schemes such as the SAFE loan instrument and EDIP, although it should consider whether doing so is in its commercial interests, given participation rules. As the EU is unlikely to alter its "third country" participation rules in its instruments, any rationale for engaging with EU financing mechanisms should be based on objectives other than commercial gain. Cooperation with the EU through these tools is designed to boost cooperation between partners and to produce critical defence capabilities, but they are not suited for third countries seeking a new source of investment and unfettered control over commonly developed technologies or products.

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