

Activation of Russian policy towards the Korean states

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On 2 November the presidents of Russia and South Korea met during the economic forum in St. Petersburg. The main topic of the talks was a project to build a gas pipeline with an annual capacity of about 10 billion m³ to South Korea through North Korea. Russia expressed its readiness to start supplying gas from 2017. President Lee Myung-Bak declared that South Korea was interested in developing Siberia and the Russian Far East. However, no comprehensive agreement on cooperating in modernisation was negotiated – just an agreement to establish a joint venture was signed, with South Korea declaring to invest US\$1 billion in electricity infrastructure in the North Caucasus region.

Russian policy towards the Korean Peninsula has been intensifying for several months. In August 2011 the North Korean leader, Kim Jong-Il, paid a visit to Russia; the main topic was the construction of the trans-Korean pipeline. In September, representatives of Gazprom signed memoranda on this issue with their counterparts from the two Korean states.

Commentary

- Russia's activity towards the Korean states is primarily an attempt to diversify its Asian policy and reduce the degree of its focus on China. The intensively promoted trans-Korean gas pipeline project has become the most visible manifestation of Moscow's approach. It is a demonstration of Russia's role in the region, as well as an attempt to put pressure on Beijing in the ongoing negotiations on exporting Russian gas to China, which so far have been fruitless. However, it seems unlikely that the pipeline project will be implemented, primarily because of the unpredictability of the North Korean regime. South Korea has already stipulated that guarantees of the gas's safe transit through the territory of the DPRK is a condition for constructing the pipeline. Meanwhile, the possibility of Russia having any real influence on the North Korean regime remains small, as evidenced by Moscow's negligible contribution to previous attempts to resolve the Korean crisis. Furthermore, the size of the planned gas exports to Korea (10 billion m³) is not large enough to incline Beijing to make more concessions in its talks on gas supplies from Russia.
- Moscow is keenly interested in attracting non-Chinese investment to develop Siberia and the Russian Far East, in order not to become dependent on a single partner. Given the poor relationship between Russia and Japan, South Korea is becoming the most serious alternative to China, thanks to its capital and technology, and its interest in natural

resources. Moscow also seems to expect that a closer relationship with Korea could lead Japan to becoming more involved in the Russian Far East. However, regardless of Moscow's political efforts, the unfavourable investment climate in Russia remains a key barrier to investment from Asian countries other than China.

- Activity on the Korean Peninsula is also a matter of prestige for Moscow. The trans-Korean pipeline is being presented as a Russian idea for easing tensions between the Korean states. Moscow's participation in resolving the crisis over North Korea, which has escalated since the suspension of six-party talks (both Korean states, the USA, China, Russia and Japan) in late 2008, demonstrates Russia's great-power ambitions in East Asia.