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South Korea: Building ties in Southeast Asia

30 Aug 2019

Seoul looks south to build a more resilient economy amidst rising trade tensions. Singapore plays a key part

When South Korean President Moon Jae-in visited Singapore in November last year for ASEAN-Republic of Korea Summit, he made a point to emphasise his country's New Southern Policy (NSP) in strengthening ties with Southeast Asia. Bilateral trade volume, he noted, had risen six percent in the first nine months of 2018 compared to the same period a year ago.

Seoul's desire to cultivate co-operation with the region was made even clearer by the fact that this was President Moon's second visit to the island state in four months. He had been in Singapore on a state visit in July, which was notable in itself for being the first such visit since 2003.

"It's exceptional that a sitting Korean president would visit a country twice in one year," mused **Ahn Young-jip**, the Ambassador of the Republic of Korea to Singapore. "In addition to the President's visits, there were more than 10 ministerial visits. The foreign minister visited Singapore four times last year. The defense minister visited six times.

"The trade minister visited eight times. He once said half-jokingly, 'I'm so sorry to be here again.' South Korea and Singapore have a close relationship."

PEOPLE, PROSPERITY, PEACE

Ambassador Ahn made those remarks at the recent SMU Wee Kim Wee Centre Conversation with Ambassadors event, "Perspective and Prospect on the Partnership between Korea and Singapore". Ambassador Ahn pointed out that Singapore was Korea's fourth largest foreign investor while Korea rank as Singapore's eighth largest trading partner in 2018.

But with multiple ongoing trade wars – U.S.-China, Japan-Korea – Ambassador Ahn is concerned about the inevitable impact on the global economy and the obstacles they will throw up against cross-border co-operation.

"The trade dispute between U.S. and China also affects Singapore and Korea," he emphasised. "Korean companies had investment plans in ASEAN countries but some have rescheduled their plans because of the uncertainty.

"On the other hand, some Korean companies with factories in China are planning to relocate production facilities to Southeast Asia. Vietnam is the prime beneficiary although other countries are also being considered. For Singapore, because of the high wage level, it is difficult to relocate production here.

"However, Singapore is often used as the regional headquarters. More than 400 Korean companies have their regional hubs here. There are risks and opportunities at the same time. We hope uncertainties can be removed quickly and there will be more opportunities for co-operation."

Ambassador Ahn also noted Singapore's role in promoting peace, one of the 3Ps (People, Prosperity, People) of the NSP, by hosting the summit between U.S. President Donald Trump and North Korean Kim Jong-un.

"We appreciate very much Singapore's contribution to the peace and stability in the region," he said while sparking chuckles among the audience when he recounted how his Singaporean counterparts pleaded "once is enough" on plans for a follow-up summit. He also pointed out that

Singapore had benefitted from daily international media coverage albeit at considerable financial and manpower expense.

“When I go to Sentosa island and the Marina Bay area, I always hear Korean being spoken,” said Ambassador Ahn, who was presented with his credentials at the end of May last year. “When Koreans visit Singapore, they always ask me where to find the most delicious chilli crab. It is a difficult question to answer.”

A CULTURE THAT WORKS

The increase in tourist traffic is no doubt boosted by the popularity of Korean entertainment content, with K-pop and K-drama leading the way. However, Korea’s infamously long working hours might prove to be a stumbling block for foreigners contemplating moving long-term to Korea. When asked how the recently implemented 52-hour work week has improved work-life balance, Ambassador Ahn conceded that it was still a work in progress.

“For Koreans, we are accustomed to work long hours,” he replied to the question posed by *Perspectives@SMU*. “It’s a drastic policy which has produced some side effects. Government officials are proposing a revision of the system. I had several MPs who visited Singapore, and we discussed this issue and the unforeseen side effects, and they are working on revisions on the current policy.

“The basic reason for introducing the 52-hour work week was that, without a clear policy workers would be forced to work more hours. Korea, like Singapore, is notorious for long working hours. But my personal feeling is that there will be some revision to the existing system.”

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