



CANADIAN GLOBAL AFFAIRS INSTITUTE
INSTITUT CANADIEN DES AFFAIRES MONDIALES

The Republic of Korea and Canada's Defence Industrial Future

By Dr. Alexander Salt

June 2026

POLICY PERSPECTIVE

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Introduction

Canadian Prime Minister Mark Carney made international headlines with his Davos speech at the 2026 World Economic Forum, where he bluntly asserted that the international community is “in the midst of a rupture, not a transition.” In many ways, this was a call to arms for Canada and other middle powers, warning that their future outlooks depend on strategic diversification rather than overreliance on any single international partner. Carney’s message was one of realism and resilience, urging governments to become more adaptive and abandon complacency. For Canada, this means that strengthening national security will require forming new defence partnerships and reducing supply chain vulnerabilities.

Canada wasted little time in turning rhetoric into action with the release of its first ever Defence Industrial Strategy in February 2026. This document marked a fundamental shift for Canada, as historically, successive governments have refrained from managing industrial policy in the defence sector, treating it as a peripheral economic interest. Prime Minister Carney, however, has instead identified the defence sector as an area that can help drive economic growth in Canada while also accelerating the modernization of the Canadian Armed Forces (CAF). Since the release of the strategy, commentators have identified that the biggest challenge is now its effective implementation.

Against this backdrop, the Republic of Korea has positioned itself to become a key partner in Canada’s defence industrial ecosystem. This effort has been sustained and intensely enthusiastic; government and corporate leadership in Seoul clearly view Canada as a priority for new partnerships. To that end, there have been numerous official delegations dispatched to Ottawa over the last several years to build deeper relations between the two countries. This has included visits from Korean government ministers, industry representatives, and even a special envoy tasked with promoting Korea’s ability to compete for Canadian procurement projects for next generation submarines, artillery systems, and other types of industrial cooperation. However, despite this enthusiasm, Korean defence firms remain relatively unfamiliar to many Canadian stakeholders due to their limited historical presence in the Canadian defence market.

The author recently visited the Republic of Korea as part of a Canadian stakeholder delegation examining opportunities for expanded defence industrial cooperation between the two countries. Drawing on observations from that visit, this article explores what South Korean industry partners can offer Canada, and how both countries can advance mutually beneficial strategic objectives through closer defence integration. It argues that the Republic of Korea is particularly well positioned to support the Defence Industrial Strategy's "build-partner-buy" framework and that upcoming procurement decisions present an opportunity to establish a long-term strategic partnership.

The Republic of Korea and Implementing “Build-Partner-Buy”

Canada is entering a period of defence procurement activity not seen in several decades. The CAF is replacing aging platforms, introducing new technologies, and rebuilding capabilities that have



long suffered from continuous underinvestment. This effort encompasses everything from new fighter jets and artillery systems to the future replacement of the Royal Canadian Navy's submarine fleet. Simply put, even at full capacity, Canada's domestic defence industrial base is unlikely to meet this unprecedented demand on its own. The country lacks sufficient manufacturing capacity, shipbuilding infrastructure, and specialized defence firms to deliver the required volume of equipment at the pace necessary to support this modernization effort.

The Defence Industrial Strategy in turn has responded to this challenge through its “build-partner-buy” framework. While much of the Defence Industrial Strategy focuses on the “build” component, where the government seeks to strengthen domestic industry and foster the development of sovereign intellectual property in Canada, it also pragmatically recognizes that it cannot approach every procurement requirement in this manner. Accordingly, the Defence Industrial Strategy emphasizes partnering with trusted allied countries and multinational firms through joint development, co-production, and technology sharing agreements, while also allowing for direct foreign procurement when necessary. The strategy notes that, “in areas where domestic capacity is limited, working with trusted allies will deepen Canada’s role in global supply chains, secure new intellectual property, and support the development of new capabilities at home.” The strategy thus situates its “partner” and “buy” pillars as a means to generate economic and industrial benefits, strengthen sovereign capabilities, and reduce strategic vulnerabilities by leveraging procurement to establish enduring international relationships.

Under this context, the Republic of Korea represents a particularly attractive partner for Canada under the Defence Industrial Strategy's "build, partner, buy" framework. The country combines advanced defence-industrial capabilities with a demonstrated willingness to localize production and invest in allied industrial bases. South Korea has needed to maintain strategic readiness against North Korea since the 1950s; as such, its leading defence companies, such as Hanwha Aerospace and Hyundai, maintain robust manufacturing capabilities and the ability to outproduce many of their Western counterparts in terms of military systems and munitions. However, unlike many traditional “commercial off-the-shelf” purchases involving foreign defence contractors, South Korean firms often engage co-production and joint industrial coordination as they have done in Australia, Poland and Romania, that can strengthen Canada's domestic defence ecosystem.

As the Carney government looks to aggressively increase defence spending while simultaneously fostering sovereign defence industrial capabilities, South Korea offers a partnership model whose industrial approach aligns closely with many of the objectives outlined in the Defence Industrial Strategy. It provides an opportunity to pursue the dual goals of accelerating CAF modernization while diversifying Canada's international defence relationships. To examine this further, the author recently participated in a stakeholder research delegation to the Republic of Korea, visiting major defence industrial facilities and engaging directly with defence representatives. These observations provide useful insights into what the Republic of Korea could offer Canada beyond the acquisition of individual military platforms and suggest the foundations of a broader strategic partnership.



Firsthand Observations from the Republic of Korea's Defence Industry

There is little substitute for firsthand observations when assessing industrial capacity. Across visits to various South Korean defence industrial sites, including Hanwha Ocean's shipbuilding facilities in Geoje (along with their research and development campus), Hanwha Aerospace's manufacturing complexes, and Hanwha Systems' advanced technology campus, it became evident that South Korea's defence industry is operating at an impressive scale, with a substantial degree of technological integration. These were not aging facilities sustained by legacy contracts; rather, they were modern, expanding, and heavily invested in emerging technologies that will help define the next generation of military capability. However, for Canada, this research trip suggested that their significance extends beyond the prospect of a few procurement contracts. What was visible across these facilities and in discussions with Korean counterparts was not simply industrial capacity, but the foundations of a potential long-term strategic partnership.

Some of the most striking insights came from Hanwha Ocean's shipyard in Geoje, where the KSS-III submarine is built. Employing around 30 000 workers, the scale of the facility was immense. The yard simultaneously supports commercial shipbuilding operations while also maintaining a naval construction portfolio. In many respects, it functions almost as a self-contained industrial ecosystem. Workers move across the sprawling complex primarily by bicycle; there are dedicated training facilities utilizing virtual reality environments; an international school serves the families of foreign workers; and even a full-sized fire station operates on site. The result of this setup is a shipyard that produces dozens of vessels annually. During the tour, seeing a KSS-III submarine out of the water undergoing work on dry land, alongside multiple Korean naval surface combatants underscored the breadth of capability concentrated within a single industrial site.

The shipyard's Smart Yard Operation Center automates and monitors a substantial portion of production activities, while advanced sensor networks and digital management systems provide real-time oversight of operations. During the tour of the facility, one could observe the automation firsthand, including several robotic welding systems operated under the supervision of a small number of workers, providing a tangible example of human-machine teaming already being implemented at scale. Further discussions with Hanwha Ocean personnel, including at their Siheung Research and Development Campus, helped clarify their approach to maritime manufacturing modernization. Significant resources have been devoted to research and development of new technologies, including the construction of one of the world's largest acoustic water tanks, cavitation tunnel, and a towing tank to support efforts aimed at reducing submarine noise and other maritime capabilities. This engineering research has produced tangible results, including a new generation of lithium-ion batteries which enable longer submerged operations for the KSS-III while improving vessel energy management.

That emphasis on innovation was equally apparent at Hanwha Aerospace. The tour of the company's primary manufacturing facilities for the K9 self-propelled howitzer and K10 ammunition resupply vehicle demonstrated significant production capacity. Company



representatives spoke confidently about the platform's export success and extensive international customer base, including several NATO members. Conversations with the engineering team, however, illustrated an equally strong emphasis on continuous capability development. There are ongoing efforts focused on reducing crew requirements, increasing autonomous functionality, and integrating new technologies informed by lessons emerging from contemporary conflicts, such as in Ukraine. These initiatives include measures to maximize crew protection and improve mobility, better enabling artillery units to rapidly “shoot and scoot” under combat conditions. Further, there are also developments underway to build a wheeled variant of the traditionally tracked artillery system. The facility's international orientation was readily apparent, with flags of export customers displayed throughout the complex.

While the large manufacturing facilities were impressive, Hanwha Systems' main campus which is among the newest facilities within the broader Hanwha conglomerate, highlighted the importance of emerging technologies. Uncrewed underwater vehicles, uncrewed surface vessels, next-generation naval combat systems, radar technologies, and air defence capabilities were all under development and on display. Equally notable was the company's growing involvement in the space sector. Discussions with company officials revealed significant interest in partnering with Canadian firms, particularly in areas related to space technologies where Canadian intellectual property and expertise was highly prized. This was perhaps one of the most important observations from the research trip. Canadian engagement was not viewed solely through the lens of customer-supplier relationships. Rather, Korean officials consistently emphasized that Canada possesses capabilities and expertise that could contribute to mutually beneficial collaboration.

Overall, these tours revealed a defence industrial ecosystem that combines manufacturing scale, technological development, and a clear international outlook. The Republic of Korea's defence sector is not simply producing legacy platforms; it is investing heavily in the next generation of capabilities and the industrial capacity to produce them at an export necessary scale. For Canada, this presents the opportunity to move beyond just acquiring “commercial off-the-shelf” equipment toward deeper forms of industrial cooperation. Discussions with Korean industry representatives demonstrated a strong willingness to collaborate, co-develop, and build enduring industrial relationships. As Canada seeks to strengthen its defence industrial base and expand its engagement in the Indo-Pacific, partnerships with South Korean firms offer the potential for something more significant than procurement alone. They provide an opportunity to build a strategic relationship grounded in shared interests, technological co-development, and long-term defence collaboration, while embedding Canadian firms within global defence innovation networks.

Conclusion

Canada's Defence Industrial Strategy and recent comments from the Prime Minister acknowledge that Canada needs to equip its military with modernized equipment while also forming stronger and more diversified international partnerships. The observations presented in this article suggest that the Republic of Korea offers a strong test case for how the “partner” component of this new “build-partner-buy” framework could be operationalized in practice. Its defence industry combines production scale, technological innovation, and a demonstrated willingness to engage



in co-production and long-term industrial collaboration that could support Canada's current and future needs. More importantly, Korean industry appears willing to engage with Canada through a long-term partnership horizon rather than a purely transactional procurement relationship.

From this perspective, several upcoming procurement decisions, including the Canadian Patrol Submarine Project, must be understood as much more than the commercial acquisition of military equipment. They represent key decision points that will shape both the structure of Canada's defence industrial ecosystem and its international partnerships for the decades to come. In the case of the Republic of Korea, there are clear signals that these decisions are viewed not as isolated transactions, but as entry points for deeper industrial integration and sustained strategic cooperation. Such an approach could sustain a broader bilateral relationship, embedding both countries within a long term partnership horizon, that extends well beyond any single defence project.

At the same time, Canada's decision is not occurring in a vacuum. Competing proposals, such as the German–Norwegian Type 21CD submarine bid, demonstrate that multiple international partners can provide credible platforms alongside meaningful industrial benefits and access to established allied supply chains. The central policy implication, therefore, is not simply which international partner offers the best economic value in isolation, but which partnership model is best positioned to effectively advance Canada's longer term strategic objectives including, industrial resilience and geopolitical positioning. As Canada seeks to diversify its defence relationships and reduce vulnerability within global supply chains, decisions made today will define not only how the Canadian military is equipped, but also how Canada positions itself within an increasingly competitive and fragmented global defence industrial landscape. As the Canadian government finalizes its procurement decisions in the coming months and years, it must choose wisely, as the implications are far broader than many assume.



About the Authors

Dr. Alexander Salt has a PhD from the University of Calgary's Centre for Military, Security and Strategic Studies and an MA in Political Studies from the University of Manitoba. His dissertation explores to what extent has the battlefield experience of the U.S. military influenced post-war organizational innovation. His research has been awarded the Social Sciences and Humanities Research Council of Canada's Joseph-Armand Bombardier Doctoral Award, as well as a General Lemuel C. Shepherd, Jr. Memorial Dissertation Fellowship. He has published research relating to international security and defence policy with *Strategic Studies Quarterly*, *Journal of Military and Strategic Studies*, *Canadian Foreign Policy Journal*, and *The Canadian Network for Research on Terrorism, Security, and Society*. Previously, he was a Visiting Political Science Instructor with Macalester College and has also held positions with the Centre for Defence and Security Studies, as well as the Consulate General of Canada in Dallas, Texas, and the Consulate General of Canada in Minneapolis, Minnesota.



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