

JANUARY 2026

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CAPS MONITORING

# INTRODUCTORY WORDS BY THE DIRECTOR

The year 2026 has just begun, and CAPS is once again bringing you an overview of the most important developments across Asia and the Pacific.

The time since our last issue has also given us space to reflect on our own activities and on where we want to take the Centre next.

As we enter our fifth month of operation, we are preparing a new series of events for the first half of the year. Our aim is to focus on parts of Asia that may be less familiar to the Czech audience, yet offer significant economic and commercial potential.



This direction is a key part of our New Year's resolution to strengthen CAPS's role as a practical guide for the Czech policy, business, and academic communities engaging with this vast and fast-changing region. In concrete terms, this means clearer insights, deeper analysis, and more inspiring guests from across Asia coming to our centre. With this in mind, I am confident that 2026 will be a transformative year for CAPS and will offer many new opportunities for you to better understand and explore Asia and the Pacific.

The current edition of CAPS Monitoring, therefore, reflects the accelerating strategic reconfiguration of Asia and its growing interconnectedness with Europe and the Czech Republic. Developments across Central, Southeast, South, and East Asia illustrate a world in which geopolitics, economic statecraft, technological competition, and connectivity are increasingly intertwined, shaping both regional dynamics and the global order.

From Japan's deepening engagement in Central Asia and the European Union's expanding partnership with Kazakhstan, through Southeast Asia's struggle with political instability and humanitarian crises, to India's strategic use of cultural diplomacy and East Asia's recalibration of security, defence, and technological policies, Asia continues to assert itself as a key driver of global change.

At the same time, China's structural trade imbalances with Europe, massive infrastructure modernisation, and innovation-driven ambitions underscore the systemic challenges facing the international economy in an increasingly multipolar environment.

This monitoring also highlights Asia's growing relevance for Czechia. Whether through export diversification, defence industry expansion, new air connectivity with Taiwan, or the activities of Asian diasporas at home, Asia is no longer a distant region but an integral part of Czech economic, political, and societal debates. Equally significant is Asia's prominent presence at global innovation platforms such as CES 2026, confirming the region's central role in shaping future technologies, from artificial intelligence and robotics to advanced manufacturing and digital infrastructure.

Taken together, the developments presented in this monitoring underline the need for informed, nuanced, and forward-looking analysis. At CAPS, we remain committed to providing structured insights that help policymakers, businesses, academics, and the broader public better understand Asia's internal dynamics and its implications for Europe and the Czech Republic. In a period of heightened uncertainty and transformation, such understanding is not a luxury, but a strategic necessity.

**Jan Železný, Ph.D.**

**Executive Director of the Center for Asia-Pacific Studies (CAPS), CEVRO University**



# CENTRAL ASIA

## Japan-Central Asia Summit: A New Strategic Nexus

The inaugural Central Asia + Japan (C5+Japan) leaders' summit in Tokyo marks a major upgrade in Japan's engagement with the Eurasian heartland. Hosted by Prime Minister Sanae Takaichi, the summit institutionalized cooperation with Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan through the CA+JAD Tokyo Initiative, a five-year framework targeting €17.9 billion in business projects. The initiative focuses on green and resilience (energy transition, climate action, critical minerals), connectivity (the Trans-Caspian Middle Corridor and AI cooperation), and human capital development, complemented by new institutional mechanisms such as a Justice Ministers' meeting.

Strategically, the summit signals Japan's shift from primarily soft-power diplomacy toward a more assertive geopolitical role, positioning itself as a credible "third vector" alongside China and Russia. By offering "quality infrastructure," advanced decarbonization technologies, and regulatory standards, Japan provides Central Asian states with an alternative to the Belt and Road Initiative while securing access to critical raw materials vital for its high-tech industries. This mutually reinforcing arrangement strengthens Japan's supply-chain security and embeds long-term technological and institutional ties that support Central Asia's economic sovereignty and diversification.

## EU-Kazakhstan: High-level engagement in Astana

On 3-4 December 2025, European Council President António Costa visited Astana to advance the EU's partnership with Kazakhstan, marking the 10th anniversary of the Enhanced Partnership and Cooperation Agreement (EPCA). The visit underscored growing strategic momentum in EU-Central Asia relations and included the launch of negotiations on visa facilitation and readmission agreements, aimed at strengthening academic ties, innovation and business.

The visit built on progress made since the EU-Central Asia leaders' summit in Samarkand, reinforcing cooperation in connectivity, energy diversification, digitalisation, transport corridors and critical raw materials. Bilateral talk also addressed the broader geopolitical context, including Russia's war against Ukraine and Kazakhstan's role in regional stability.

Alongside sectoral cooperation, both sides signalled plans to modernise the legal framework for travel facilitation, aiming to simplify procedures, expand people-to-people contacts, and enhance mobility between Kazakhstan and EU member states. Further consultations are planned for 2026 in Astana, indicating sustained commitment to deepening the strategic partnership.

# SOUTHEAST ASIA

## Myanmar: Elections amid Civil War and Deepening Humanitarian Crisis

In December, Myanmar remained engulfed in a protracted political, security, and humanitarian crisis, nearly four years after the military takeover of 2021. The ruling military-led government proceeded with phased national elections and were presenting them as a step toward political normalization, despite the fact that large parts of the country remain affected by ongoing intrastate conflict and severe humanitarian need. The first phase of voting took place amid reports of air strikes and explosions, underscoring the contradiction of holding elections in an active conflict environment.

The electoral process has been criticized by domestic opposition and the international community as neither free nor fair. Some major political parties have been dissolved and up to half of the country is expected to remain excluded from voting due to insecurity and military opposition control. As of early January, Myanmar's elections remain ongoing, with final results expected in early 2026. However, given the exclusion of large parts of the county, ongoing fighting and banning of some opposition parties, the outcome is widely viewed as predetermined and lacking international legitimacy.

At the same time, the humanitarian and economic situation continues to deteriorate. The UN estimates that approximately 20 million of Myanmar's 51 million inhabitants require humanitarian assistance. More than 3.6 million people have been internally displaced, and over 6,800 civilians have been killed since the conflict began. Economically Myanmar's trajectory remains fragile. While the World Bank projects GDP growth of around 3 % in the next fiscal year, inflation is expected to remain above 20 %.



## AI Innovation Asia Summit Singapore

In December, Economist Impact hosted the second annual AI Innovation Asia Summit in Singapore. The summit brought together approximately 500 executives, policymakers, regulators and technology providers from across the Asia-Pacific region. The event focused on a growing regional challenge: while businesses increasingly recognise artificial intelligence as a driver of economic growth, governance frameworks, cybersecurity risks, implementation capacity and the ability to achieve measurable returns on investment remain major obstacles.

Particular attention was paid to agentic AI, explainable AI and identity security, highlighting how rapid AI adoption is increasing exposure to cyber threats and reinforcing the need for human oversight, accountability and stronger governance frameworks. Corporate perspectives highlighted that agentic AI is still at an early stage of deployment and that scalable adoption requires domain-specific knowledge and long term investment, rather than short-term experimentation.

A ministerial keynote from Singapore underscored the country's strategy of combining human capital development, public-private partnerships and education to ensure that AI adoption supports both productivity and social inclusion. Overall, the summit highlighted Southeast Asia's growing role as a hub for practical, enterprise-focused AI adoption, rather than purely experimental or research-driven innovation.



# SOUTH ASIA

## India's Cultural Statecraft: Strategic Soft Power at UNESCO 20.COM

The hosting of the Twentieth Session of the Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage (20.COM) in New Delhi represents a significant milestone in India's strategy to consolidate its leadership within the "Global South." By convening over 800 delegates from nearly 140 countries, India utilized the platform not merely for administrative governance, but as a vehicle for cultural diplomacy. The session underscored a shift in the global heritage discourse, moving away from Eurocentric conservation models toward community-centric approaches that resonate deeply with Asian and African nations. For New Delhi, the successful organization of this high-profile event serves to reinforce its narrative of being a "civilizational state" capable of setting global standards for the preservation of living heritage.

Substantively, the session focused on the critical intersection of intangible heritage, sustainable development, and climate resilience—themes of acute relevance to South and Southeast Asia. The inscriptions ratified during this session highlight a growing regional trend: using cultural recognition to bolster local economies and social cohesion in the face of modernization pressures. However, the event also highlighted the geopolitical undercurrents of heritage management; for India, the exclusion of Pakistan from high-level bilateral engagement on the sidelines, despite the shared cultural history, further emphasized the compartmentalization of its cultural foreign policy. Ultimately, 20.COM reaffirmed the utility of heritage lists as instruments of national identity and international prestige in an increasingly multipolar world.



# EAST ASIA

## South Korea

South Korea and China achieved a restoration of diplomatic relations at President Lee Jae Myung and Xi Jinping's summit in Beijing, consolidating momentum from the APEC meeting hosted by South Korea in Gyeongju while signing 14 government-level memorandums of understanding and over 30 private-sector accords, though experts caution that the summit's significance lies less in immediate agreements than in the restored tone of high-level engagement after years of diplomatic stagnation. The improved atmosphere characterized by the absence of excessive stage-management and unnecessary tension marks the most important progress. The two countries committed to annual leaders' meetings and vice minister-level talks on maritime economic zones, cultural-exchange expansion, and reaffirmation that peace and stability on the Korean Peninsula are a common interest, reflecting diplomatic common sense that carries freshly significant meaning given inter-Korean tensions. The summit, therefore, functioned primarily as a mechanism to prevent further bilateral deterioration while establishing platforms for dialogue on specific issues including illegal fishing, investment negotiations, and Hallyu restrictions.

## Japan

### **Japan's Military Spending Hits Postwar Peak as China Tensions Escalate**

Japan's government approved a record 122 trillion yen (US\$782 billion) budget for fiscal year 2026, with nine trillion yen dedicated to defense the largest peacetime military allocation in the country's postwar history. It reflected Prime Minister Sanae Takaichi's determination to rapidly enhance Japan's military capabilities amid deteriorating relations with China and the most severe security challenges since World War II. The defense budget includes 100 billion yen for the SHIELD (Synchronised, Hybrid, Integrated, and Enhanced Littoral Defence) coastal defense system featuring drone-based capabilities to prevent foreign invasions, expected to become operational by March 2028, alongside continued expansion of counterstrike capabilities and defense spending reaching 2 percent of GDP. The broader 122 trillion yen budget (surpassing the previous fiscal year's record of 115 trillion) yen combines defense expansion with escalating social security costs amid persistent inflation, raising financial-market concerns about the sustainability of Japan's already substantial public debt burden, yet signaling Tokyo's strategic determination to establish autonomous military deterrence to se extend independent of U.S. security guarantees.

## Japan Joins Horizon Europe as Largest Non-EU

Japan has become the 23rd non-EU country and the largest yet to join Horizon Europe Programme, the EU's €93.5 billion research and innovation programme, with a transitional agreement already in force allowing Japanese researchers and companies to apply for grants and lead consortia on equal footing with EU entities starting in January 2026, pending official agreement signing in 2026.

The breakthrough, announced December 22, 2025, represents the culmination of EU efforts to forge stronger links with the world's major science powers Japan spends 3.4 percent of GDP on research and development, matching the United States and surpassing the EU itself and demonstrates Brussels's strategic pivot toward global science leadership as the Trump administration cuts research funding and attacks top universities.



# CHINA

## China's Doubled EU Trade Surplus

China's trade surplus with the European Union has nearly doubled to €300 billion over the past decade as U.S. tariffs and subdued Chinese domestic consumption redirect exports toward Europe, creating unsustainable macroeconomic imbalances rooted in both weak EU productivity and China's export-driven growth model. Rather than unilateral tariffs or quotas, the EU and China possess mutual capacity to address these imbalances through structural reforms: Europe must complete its internal market in energy, health, and digital sectors; massively invest in innovation and disruptive technologies leverage its approximately €30 trillion in savings (with €300 billion annually flowing abroad) to finance European companies through the proposed Savings and Investments Union; and establish credible trade defense mechanisms including anti-coercion measures while supporting strategic domestic production in automotive, energy, healthcare, and technology sectors. Simultaneously, China must address its internal structural imbalances by shifting fiscal policy toward reducing savings and promoting domestic consumption and service-sector development, while rebalancing foreign direct investment flows. The alternative to cooperative rebalancing is European protectionism, making immediate and coordinated action urgent, with the G7 French presidency and a coalition of major and emerging economies positioned to forge a genuinely multilateral macroeconomic agenda addressing global imbalances.

## China's Infrastructure Modernization: Highway, Railway, and Aviation Sector Developments

China has advanced its domestic transportation infrastructure through three significant projects demonstrating integrated regional connectivity strategies. The Tianshan Shengli Tunnel, completed in 2025 as the world's longest highway tunnel at 22.13 kilometers, reduces travel time across northwestern China's challenging mountain terrain from several hours to 20 minutes, facilitating resource distribution between northern and southern Xinjiang. The newly operational Guangzhou-Zhanjiang high-speed rail corridor, spanning 401 kilometers at 350 kilometers per hour operational speed, decreases transit duration between Guangdong Province's major economic centers and southern coastal regions to 1 hour 32 minutes. Concurrently, international aviation partnerships have strengthened, with Airbus securing substantial orders from Chinese carriers totaling over 140 aircraft, reflecting sustained demand for expanded domestic flight capacity and the strategic significance of China's aviation market for European manufacturers.

## China and its East Asian Peers Show Their Technological Advantage at CES 2026

CES is the world's largest technology trade show, held every January in Las Vegas, where companies present new products and concepts before they reach the market. CES 2026 brought together more than 4,000 exhibitors from over 150 countries, filling 2.5 million square feet with innovations ranging from AI robotics and foldable devices to smart vehicles and health wearables. Asian companies dominated the event, securing the majority of CES Innovation Awards and setting the overall technological agenda.

Asian innovation at CES 2026 was broad, diverse, and highly differentiated. Rather than acting as a single bloc, Asian firms demonstrated distinct national strengths across physical AI, robotics, and intelligent systems. Chinese exhibitors led in scale, particularly in humanoid robotics, showcasing production-ready models such as Unitree's R1 and AgiBot systems designed for industrial and service applications. South Korean firms, led by Hyundai (via Boston Dynamics' Atlas) and LG, focused on platform integration, embedding robotics within smart home, mobility, and industrial ecosystems.

Japanese companies, strongly supported by JETRO, emphasized precision, autonomy, and reliability, presenting advanced drones, micro-gravity platforms, and multi-angle imaging technologies such as SwipeVideo. Japan also highlighted the convergence of mobility and digital ecosystems through the Sony-Honda AFEELA Prototype 2026, an open-platform electric vehicle combining autonomous driving, immersive entertainment, and developer co-creation tools.

Taiwan positioned itself as a backbone of global innovation, with Foxconn presenting AI-driven factories and humanoid robot deployments developed in partnership with NVIDIA and TSMC. These solutions target electric vehicles, smart manufacturing, and urban automation. Hong Kong emerged as a major startup hub, hosting a record pavilion of 61 companies and securing three CES Innovation Awards, making it one of the most visible showcases of early-stage Asian innovation.

Overall, CES 2026 underscored Asia's role as a networked innovation powerhouse. China excels in scaling hardware and manufacturing; Korea and Japan lead in platforms, integration, and precision systems; Taiwan supplies critical chips and advanced computing; Singapore pioneers new mobility concepts; India contributes human-centered design and cultural intelligence; and Hong Kong functions as a launchpad for startups in healthtech, robotics, and sustainability. The most transformative technologies on display did not emerge from a single country, but from Asia's interconnected ecosystem of complementary capabilities and regional specialization.

# AUSTRALIA AND OCEANIA

## Australia is Expanding into Southeast Asia

Australia is accelerating business expansion into Southeast Asia to diversify trade away from overreliance on China and the United States. Under Prime Minister Anthony Albanese, the Labor government has appointed 10 senior business leaders (led by regional envoy Nicholas Moore) to guide companies into the region. Trade with Southeast Asia rose by A\$5.7 billion in 2024 to A\$85 billion, supported by major public commitments including A\$75 million for Singapore's clean energy transition, a A\$2 billion trade stimulus facility, and A\$225 million for infrastructure partnerships, with projections that trade could double over the next decade as regional GDP growth reaches 5–6%.

Private-sector engagement is expanding but constrained by structural risks. High-profile moves (such as Breville shifting production from China to Indonesia and Monash University investing A\$1 billion in Kuala Lumpur) signal momentum, yet investors cite currency volatility, uneven competition with politically connected local firms, weaker legal certainty, and limited liquidity. Sustaining growth will require Australia to move beyond "fly-in-fly-out" deals toward deeper, long-term regional integration.

## Australia Finances Google's Undersea Cables in PNG

Google will build three new subsea cables linking Papua New Guinea under Australia's 2023 Pukpuk Treaty, which grants Australian Defence personnel access to PNG communications systems. The project includes a A\$120 million domestic cable connecting northern and southern PNG and the autonomous region of Bougainville, forming part of Canberra's broader A\$450+ million investment in Pacific and Timor-Leste connectivity, alongside systems such as the Coral Sea Cable linking PNG, Solomon Islands, and Australia. Strategists in Australia and the United States view PNG's strategic location north of Australia as critical infrastructure amid China's growing regional influence."

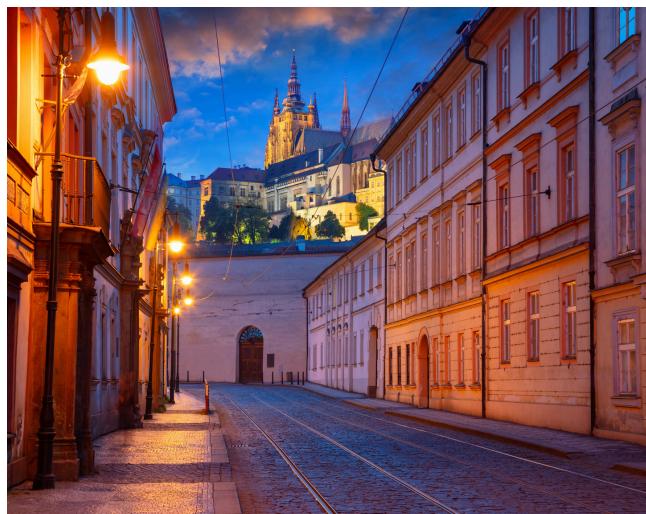
The cables are intended to lower internet costs, boost education and economic growth, and position PNG to attract global digital firms and hyperscalers. Canberra and Washington have increasingly funded subsea cable projects across the Pacific to counter China's telecom expansion, following concerns raised after PNG's 2018 cable was built by Huawei with Chinese financing. Separately, Google announced a data hub on Christmas Island, turning the Indian Ocean outpost into a major data crossroads through new east-west cable links connecting defence-linked Australian cities, Africa, and Asia as part of a 42,000-kilometre transoceanic system designed to strengthen regional digital resilience.

# ASIA IN CZECHIA

The new Czech government's policy statement commits to actively supporting diversification of Czech exports and strengthening economic relations with countries across Asia and the Pacific, Latin America, the Middle East, Africa, and Australia, with the explicit objective of opening new markets, promoting direct investment and trade cooperation, while simultaneously minimizing risks of excessive dependence on individual markets.

## Czech Defence Supplier CSG Breaks Into Southeast Asian Market

Czech defence conglomerate Czechoslovak Group (CSG), owned by entrepreneur Michal Strnad, has secured a major contract worth several hundred million US dollars to supply small-calibre ammunition to the defence ministry of an unspecified Southeast Asian state, with exact customer identity and ammunition types withheld for security reasons. Production will be handled by the CSG Ammo+ division, which operates multiple plants in Europe and the United States and specializes in small-calibre ammunition, with division CEO Petr Marijczuk highlighting the group's ability to deliver large volumes flexibly while expanding from the civil market into defence and security customers. CSG, which employs over 14,000 people and owns key firms such as Excalibur Army, Tatra Trucks, MSM Group, The Kinetic Group, and radar maker Eldis, reported 2023 revenues of €5.2 billion and EBITDA of €1.4 billion, and recently acquired majority stakes in Czech arms producer ZVI Vsetín and Serbian UAV propulsion specialist MUST Solutions as it consolidates its position as a global defence supplier.



## Taiwan's Starlux Airlines to Launch Prague Route in 2026

Taiwan-based Starlux Airlines plans to launch flights to Prague in 2026 as part of an expansion into four new destinations announced by CEO Chieh-Hua Chieh at an investor briefing, joining Zurich, Busan, and Bali on the carrier's growth roadmap. The airline, which was founded in 2020 by former EVA Air chairman Chang Kuo-wei with the ambition to build a luxury carrier competing with world-leading operators, is headquartered at Taipei Taoyuan International Airport and currently operates primarily to Asian and North American destinations including Los Angeles and San Francisco. Starlux's fleet consists exclusively of Airbus aircraft as the narrow-body A321neo and wide-body A330-900 and A350-900, with orders for A350-1000 and cargo A350F variants supporting planned expansion into Oceania, including New Zealand and Australia, by late 2026 or early 2027. Previous negotiations between Prague Airport and Starlux Airlines were confirmed in August 2025, with the carrier simultaneously advertising positions in its planned Prague office on job portals, positioning itself as a full-service luxury airline expanding global operations with emphasis on onboard comfort and premium services.

## India-Czech Friendship Forum Meeting

In December, the Indian Ambassador to the Czech Republic, Raveesh Kumar, chaired a meeting of the India-Czechia Friendship Forum at the Embassy of India in Prague. This meeting brought together representatives of 14 Indian community and cultural associations. The meeting reviewed activities since August 2024 and outlined priorities for 2025, including the preparation of a toolkit for newcomers, creation of a mentorship programme for the Indian community in Czechia and proposals for closer engagement with Czech officials. Participants also aimed at showcasing the role of the Indian diaspora in Czech society.



# UPCOMING EVENTS

15 January

On Thursday 15th January at 3 pm, we will welcome to the premises of the CEVRO University Ms. Marina Sheikh, who is not only a new member of our CAPS Advisory Board, but mainly a philanthropist and founder of the Rising World Foundation in. We will discuss issues related to development, charity and women empowerment in India and Asia in general.



## Charity, Development and Women Empowerment in India

**Discussion with Marina Shaikh**  
Founder of the Rising World Foundation

**Date:** January 15, 2026 at 15:00  
**Place:** Classroom D223 (Drtinova 467, Praha 5)

 **CAPS**

# PREVIOUS EVENTS

## Dr. Mher Sahakyan presented a new publication on China's Belt and Road Initiative at CEVRO University

On Thursday, 11 December, the official presentation of the newly published academic volume Routledge Handbook of China's Belt and Road Initiative in Eurasia took place at CEVRO University in Prague. The main guest of the event was the editor of the book and internationally recognised expert on Eurasian geopolitics, Dr. Mher Sahakyan, who travelled to Prague at the invitation of the Center for Asia-Pacific Studies (CAPS).

Dr. Sahakyan, the founder of the Routledge Research in Eurasian Geopolitics series and Chairman of the China-Eurasia Council for Political and Strategic Research, presented the key themes of the publication during his lecture. In his presentation, Dr. Sahakyan focused on an in-depth analysis of China's Belt and Road Initiative (BRI) in the context of the Eurasian continent as a whole, highlighting the geopolitical and economic impacts of this strategy on regional powers and on the transformation of the international system toward multipolarity.

"What distinguishes today's 'multipolar world 2.0' from historical eras is the rise of advanced technologies and cyberspace. Major powers no longer compete solely for spheres of influence in the traditional sense, but increasingly for dominance in the digital domain and control over high-tech supply chains. High-tech sectors now have a decisive impact on geopolitics," explained Dr. Sahakyan.

"The Eurasian continent needs investment in transport and infrastructure development. Whether it is the Belt and Road Initiative, the European Global Gateway, or other corridors, all projects are welcome if they deliver real investment in regional connectivity. Connectivity is the key to economic development," Dr. Mher Sahakyan stated during the presentation.

The book, to which Czech experts from CEVRO University, Dr. Jan Železný and Dr. Zdeněk Rod, also contributed as authors, offers a comprehensive perspective on China's strategic connectivity with Europe and Asia, including topics such as the Digital Silk Road and the Space Silk Road.

"I have been working with Dr. Sahakyan for several years, since our first meeting in Oxford, which led to the publication of a previous volume in the Routledge handbook series. From the very beginning of CAPS, I wished to invite him to CEVRO. Dr. Sahakyan is not only an outstanding expert on the geopolitics of Europe and Asia; above all, through his projects he is able to connect leading academic figures from west to east and from north to south. This creates a highly heterogeneous and stimulating mix of perspectives, which is also reflected in our latest volume. I consider it important that our students and the Czech public have the opportunity to hear views from other parts of the world, shaped by different historical experiences," added the Director of CAPS, Dr. Jan Železný.

"Dr. Sahakyan is a researcher of exceptional calibre and at the same time a personal inspiration for further academic growth. He is also among the leading experts on China in the field of international relations; scholars of this level are rare in today's global environment. The publication we had the opportunity to launch, released by the prestigious London-based publisher Routledge, represents a unique collection of texts on China in the context of international relations, security studies, international political economy, and geopolitics. I would especially recommend the book to domestic readers, encouraging them to step outside their local interpretative bubble and explore how China is analysed by leading scholars from around the world," concluded Dr. Zdeněk Rod, Head of Research at CAPS.

The event, which concluded with an expert discussion moderated by CAPS Director Dr. Jan Železný, confirmed the growing importance of the Eurasian region for contemporary international relations and the global security architecture.





# CAPS INTERVIEW

In the current issue of our Monitoring, we present an exclusive interview with Chung Eui-yong (born 1946), a distinguished South Korean diplomat and politician who served as Minister of Foreign Affairs of the Republic of Korea from 2021 to 2022 and previously as the first Director of the Office of National Security under President Moon Jae-in between 2017 and 2020.

The interview was conducted by our analysts, Daniela Finkousová and Kateřina Kovács, on the occasion of Mr. Chung's lecture at CEVRO University. We are also pleased to note that Mr. Chung has recently joined the CAPS Advisory Board.



**In the Asia-Pacific region, we are witnessing an increased great power competition. South Korea, like many other countries in the region, faces the consequences of this rivalry. What is the current position of Seoul? Are there any general recommendations or patterns that other states could follow when dealing with this situation?**

This is a very important and complex question, and there is no simple answer to it. The entire situation in Northeast Asia is highly complicated, primarily due to the intensified strategic rivalry between the United States and China. This heightened competition has a significant and direct impact on the security dynamics on the Korean Peninsula and in the region as a whole. Also, all the countries in the region become much exposed to the geopolitical pressures that might complicate diplomatic efforts to maintain a stable and predictable security environment in the region. These dynamics also carry the potential to strengthen bloc-based alignments that are reminiscent of the Cold War era. For instance, South Korea, the US, and Japan on one side, and North Korea, China, and Russia on the other. I think this kind of confrontational security structure in the region is very dangerous. To avoid such structure, we need to have secure strategic flexibility, and that is not an easy task for countries like South Korea because we have very important and essential bilateral relations both with China and the US. Military alliance with the US has been the center of our security policy. The US-Korea alliance played a pivotal role in deterrence, regional security and regional stability.

On the other hand, China is a very important economic partner, our largest trading partner. We heavily depend on China, so we need to maintain a predictable and mutually beneficial economic partnership with China. So, we hope we can avoid a situation where we are forced to make a binary choice between China and the United States.

**How does this geopolitical setting influence the security situation on the Korean Peninsula? Is North Korea reacting differently now compared to, say, ten years ago?**

Well, North Korea has changed over the last couple of years. I think after the breakdown in Hanoi between the US and North Korea on the nuclear talks. North Korea's capabilities became clearer, not only their nuclear capabilities but also their missile fields. They are believed to have at least 50 nuclear warheads at the time of breakdown in 2019. Back then, we were not certain about the number of nuclear warheads they possessed, maximum of several, and we were not certain whether those weapons would work. But now it seems that they have succeeded not only increasing the number of warheads, but also in improving their delivery capabilities. Recently they unveiled a new type of long-range ICBM, actually on October 10<sup>th</sup>, on the occasion of the 80th anniversary of the Party's establishment, which can reach the continental United States. They also claim that they have succeeded in developing tactical nuclear weapons as well, which would be a direct threat to our security. So, it is a totally different equation we have to deal with, and a North Korea that is much stronger than before. That complicates our situation. And besides, as you know, North Korea is participating in the Ukrainian war, and they have become much closer to Russia. Russia is providing a lot of military and economic assistance to North Korea. So, what I'm saying is we are now dealing with a totally different North Korea.

**In your opinion, what are the key factors driving Korean companies to choose the Czech Republic as an investment destination rather than other countries?**

The Czech Republic is located right in the center of Europe, which is one of the main reasons why Korean companies choose it as an investment destination. At the same time, it has a highly skilled industrial workforce that is difficult to find elsewhere in Europe. Another factor is its strong and well-developed infrastructure, which creates a stable and attractive environment for investors. That is why major Korean companies, such as Hyundai, are making extensive investments. As a matter of fact, Hyundai motors has made a very large investment, they are producing 350,000 units per year, which is a very substantial level of production. Also, Nexen Tires integrated the whole European operation in this country last year, and they produce about 10 million tires a year. So, I think more and more companies would be interested in coming to the Czech Republic as time goes by. And the Dukovany nuclear project is another example of economic partnership. It is more than just a commercial transaction, as a matter of fact I think it will become a strategic pillar of our bilateral relations in the future. We are very excited about the Dukovany project.

**Regarding the Dukovany nuclear power plant project – do you view it mainly as a commercial transaction, or do you see it as a strategic pillar for future bilateral relations between the Czech Republic and South Korea?**

Well, as I said, it goes well beyond a commercial economic partnership. As I mentioned, it has a strategic aspect in our bilateral relations. And of course, we believe the project will provide many benefits to your country first, because it will help expand your nuclear capacity and support your efforts to double nuclear output. I understand that you have a plan to increase the output to 50–60% of your total electricity demand by 2050. So, the two units the KHPN is going to design, and build could contribute to increasing your nuclear share in the future, we hope. And there are also many benefits for Korea as well. For instance, KHPN would gain a flagship reference project within the European Union. This would strengthen its industrial presence not only in the European market, but also globally, and it would enhance and reinforce its competitiveness in the global market. In the long term, KHPN with the partners in the Czech Republic, could explore our global markets together. So, I think that this project can create a kind of synergy between Korea and the Czech Republic.

**And more broadly, do you see an opportunity for deeper, long-term energy cooperation between the European Union and South Korea, or perhaps with other Asian partners?**

Yes. KHPN, as I understand it, has a wide network of business and research cooperation with other countries. Not only in Europe, but also in Asia. For example, in the UAE they have a very good project, and there are opportunities with other countries in the region, such as Japan. Not with China actually, but eventually yes, why not. We do have a very strong economic partnership with China as well.

**What inspired you to pursue a career in diplomacy?**

That's a tough question. Well, I was only four years old when the Korean War broke out in 1950. I was living in Seoul with my family, but my father had to escape from Seoul because he was afraid of being taken by the North, since he was a medical doctor, and there were not many medical doctors at that time. So, he decided to flee to the South. But the invasion was so sudden that there was not enough time to prepare the whole family to move, so he left, leaving behind his young wife and young children. My mother, who was only in her twenties, very young lady, had to survive under the North Korean rule for about three or four months before Seoul was taken back by South Korean forces. And during that period, I experienced a lot of things that a young child should never have to experience. Those memories are still very vivid. For instance, I still remember the young kids playing in the streets while unidentified corpses were lying around barely covered by straw mats. And one night we had a heavy bombardment by American Air Force. Our house was two-story building, and we all went upstairs to see what was going on.

I saw the entire neighborhood being flattened, completely destroyed. Miraculously, our house was the only structure that survived. I still remember the whole area burning. Many years later, when I heard the phrase meant to describe Seoul as a "sea of fire", I immediately imagined what that actually looked like. Maybe those kinds of early experiences, the fear of war, the awareness of how destructive it can be, shaped my thinking. I eventually decided to join the foreign service to help my country avoid such tragic experiences again. Maybe that was one of the motivations for choosing a career in diplomacy.

**If you look back, which moment in your career would you consider the most pivotal or defining?**

I should say that the most pivotal moment was my experience in 2018, when I was able to successfully arrange the historic first meeting between the sitting President of the United States and the Supreme Leader of North Korea. I was sent by President Moon Jae-in, at the time I was working as Director of National Security, and I was appointed as the head of our special envoy delegation to visit North Korea. So, I went to North Korea and met Chairman Kim Jong Un. As a matter of fact, I was the first politician from the West to have a meeting with him. I spent about four hours with Chairman Kim, and he readily agreed to our suggestion to meet not only with my president, but also to meet with President Donald Trump. He said he was willing to change his nuclear policy and that he was prepared to negotiate with the Americans on the conditions for denuclearization. I met Kim Jong Un on March 5<sup>th</sup>, returned to Seoul the following day, and then immediately flew to Washington. I met President Donald Trump on March 8<sup>th</sup> and conveyed Kim's message him, and President Trump also agreed to meet. And it happened. They produced a very good joint statement in Singapore in early June 2018, and it was the beginning of very exciting diplomacy regarding peace and security on the Korean Peninsula. Eventually, however, it ended without a concrete result, and I'm very sorry about that. But I am very proud that I was a part of the efforts that brought the situation to a stage where we could find a solution. And I believe we can still do it.



## And if you could give advice to your 25-year-old self, what would it be?

I don't quite know what to say to my 25-year-old self, because at that time I had just graduated from college, and I was serving in the Navy as a young navigation officer. I was on board a small vessel and far too busy doing my job to think about anything else. In Korea, military service is compulsory for young men, usually during their early university years, and many use that period to reflect on their future path. In my case I had already decided to pursue a career in the Ministry of Foreign Affairs, which meant preparing for a highly competitive exam while at the same time fulfilling my military duties. So at 25, I was very busy, and honestly, I don't know what to say to this young South Korean who was focused on his future. All I can say is what I would tell any 25-year-old who is at a similar stage in life. My advice to them is develop a clear sense of purpose, know what you want to do in the future, not only in your career but in life in general. And develop a firm conviction about the path you are going to take and prepare yourself for it. That is my advice. I think that is what I would say to myself at the age of 25.



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Sandra Burdová, the Honorary Reporter of the South Korean Ministry of Culture, Sports and Tourism reported on the lecture by Mr. Chung Eui-yong (organized by CAPS) for the Ministry's official website Korea.net.

[https://honoraryreporters.korea.net/board/detail.do?pageidx=2&board\\_no=33392&tpln=1&articlecate=1&searchtp=&searchtxt=](https://honoraryreporters.korea.net/board/detail.do?pageidx=2&board_no=33392&tpln=1&articlecate=1&searchtp=&searchtxt=)

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