
Possibilities for Cooperation in Energy Issues in the Korean Peninsula and Implications for Northeast Asia

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The historic summit in June 2000 of the leaders of the two Koreas reopened the possibilities for economic cooperation between the two Koreas in the Korean peninsula. Trade between the two Koreas has increased ever since the 1990s, families separated by the Korean War have met several times, and talks concerning cooperation and the development of the North Korean economy started after the summit.

The issues concerning economic cooperation are varied: connection of the railroads; supply of electricity to North Korea through the connection of grids; development of a special economic zone in which South Korean companies would be invited to invest; expansion of tourism; and education and training in technical skills needed for North Korea's economic development. Among the agendas for cooperation between the countries, energy issues are the most compelling item, considering the severity of the energy supply situation in North Korea. Therefore there are discussions for the supply of electricity to the special economic zone, under consideration for development in North Korea, near the common boundary, in addition to the construction of nuclear power plants by the Korean Peninsula Energy Development Organization (KEDO). This would be followed by support for constructing power plants and grid lines and support for supplying natural gas, if the means of financing the projects can be found.

Because of the nature of this cooperation, it would take a long time to start. If it starts, however, it would have meaningful implications for the two Koreas and for Northeast Asia as well. It would stimulate further discussions about energy cooperation in the region, including the development of Russia's energy resources and the interconnection of electricity and gas transmission networks.