

R.O.K. Strategy

toward US-China Competition

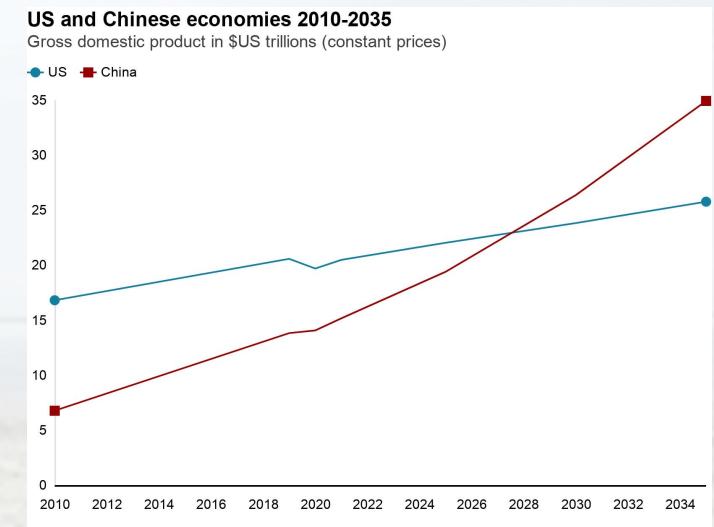
Background

- 2001 China join WTO
- 2008 West's Economic Crisis, China largest holder of US debt
- 2009 China surpassed Germany and became the world's greatest Exporter (Yahuda 2019:162)
- 2012 Xi Administration "Chinese Dream"
- 2015 China's defense budget was already five times higher than all ten ASEAN countries together(steinback2017)
- 2018 Trump Administration announced significant changes on tariff action
- 2020 COVID-19 pandemic
- 2020 Biden administration maintain Trump administration policy and called "Extreme Competition" with China relationship.
- 2022 US Secretary State, Anthony Blinken, addressed the posture of the Biden Administration toward China and introduced new catchphrase: "Invest, align, and compete" (Blinken, May 26 2022)

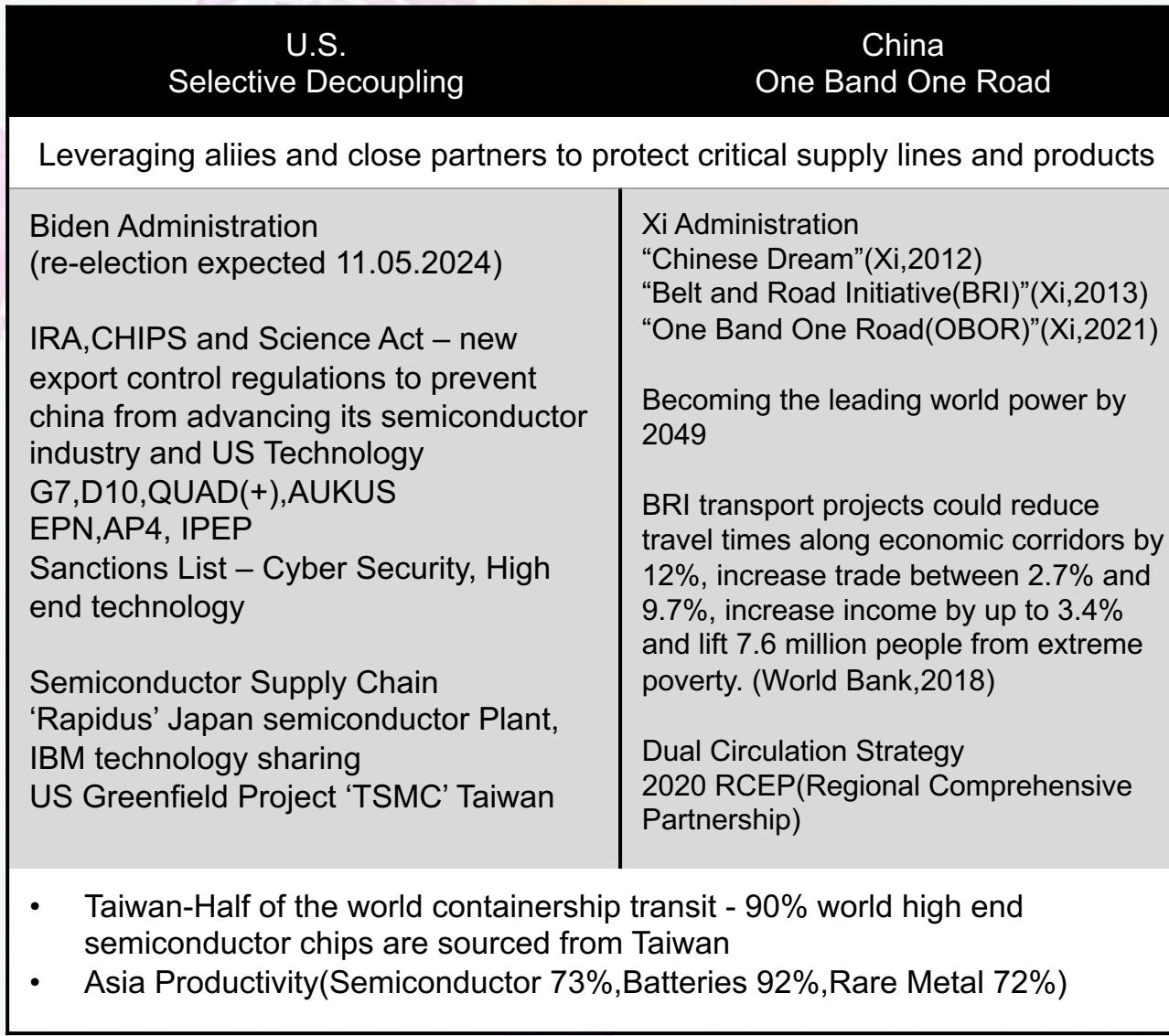


Most Powerful Country		
Country	Attributes	Score
United States (100)	a leader	100
	Economically influential	99.4
	Has Strong Exports	80.9
	Politically influential	95.2
	Strong international alliances	100
	Strong military	95.3
China (96.3)	a leader	84.5
	Economically influential	100
	Has Strong Exports	100
	Politically influential	92.5
	Strong international alliances	78.1
	Strong military	94.2

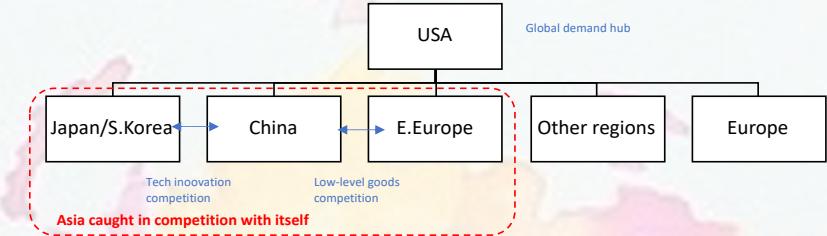
Source:usnews



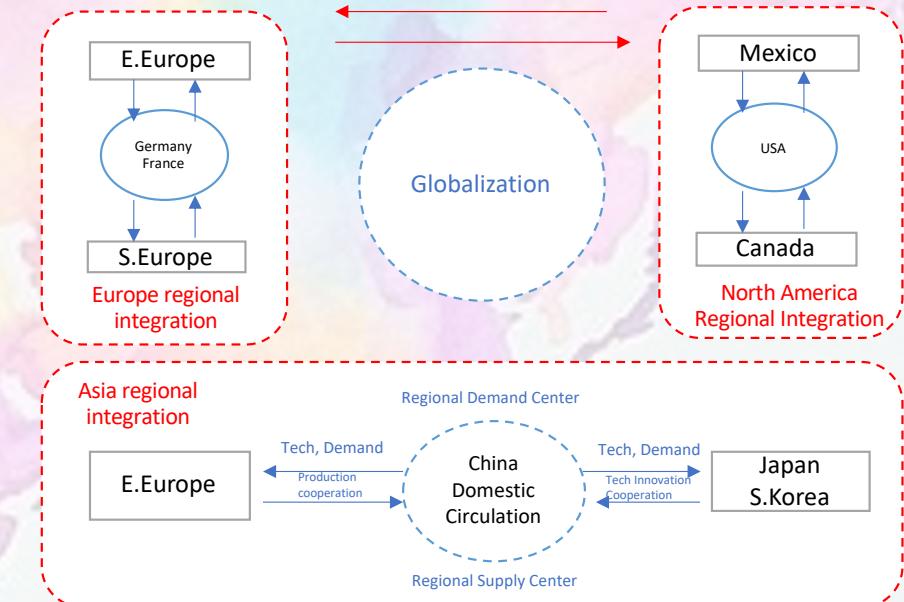
Background



Prior round of globalization: ‘The World is Flat’



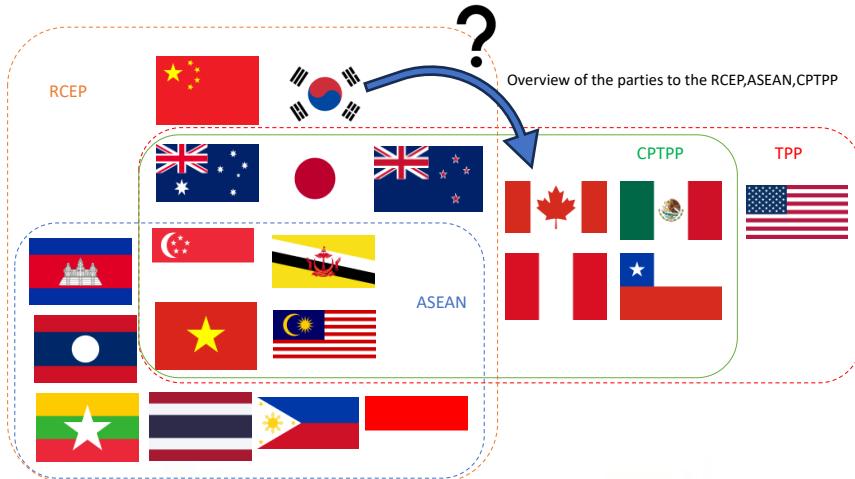
New Round of globalization: ‘Multi-model structure’



Anthony Cordesman (CSIS) described 4Cs (Cooperation, Competition, Containment, Conflict) for US and China international relationship

Strategic Response of ROK

- International Relation
 - US, Primary Security partner
 - China, Primary Trade partner



- GPS(Global Pivot State)
Grow Middle Power Diplomacy role(Geopolitical)
AP4(NATO Asian-Pacific partners),
South Korea tend to join CPTPP ?
- Comprehensive Partnership going beyond security and defense issues
to encompass multi-faceted economic and diplomatic terrain
(AUS, EU, Vietnam, India and JAPAN)

KO Export List		
	China	US
1	Memories	Car(<1500cc)
2	Integrated circuits	Car(<3000cc)
3	Metal oxide	Car(>3000cc)
4	p-xylene	Lithium-ion accumulators
5	Aerial,reflector,transmission,reception	Vehicles, with only electric motor for propulsion

KO Import List		
	China	US
1	Memories	Petroleum oils,crude oil
2	Lithium-ion accumulators	semiconductor devices or electronic integrated circuits
3	Lithium oxide and hydroxide	Propane
4	Metal oxide	Processors and controllers
5	Processors and controllers	Natural gas

Source:KOTRA,CLIP

Korea Top 5 Export Country					
Rank	Country	Export(\$)	Import(\$)	Market Share of Export	Market Share of Import
1	China	10,486,549,525	11,799,701,463	19.39%	22.23%
2	US	9,577,563,792	5,527,273,791	17.71%	10.41%
3	Vietnam	4,313,147,335	2,035,255,872	7.97%	3.83%
4	Japan	2,553,669,357	4,332,747,520	4.72%	8.16%
5	Hongkong	2,359,788,200	151,730,363	4.36%	0.29%

Korea Top 5 Import Country					
Rank	Country	Export(\$)	Import(\$)	Market Share of Export	Market Share of Import
1	China	11,799,701,463	10,486,549,525	22.23%	19.39%
2	US	5,527,273,791	9,577,563,792	10.41%	17.71%
3	Japan	4,332,747,520	2,553,669,357	8.16%	4.72%
4	Germany	2,528,564,022	1,228,942,012	4.76%	2.27%
5	Australia	2,507,082,531	1,329,037,765	4.72%	2.46%

Resource:KOTRA

Strategic Response of ROK



Invest

Semiconductor, Electronic vehicle(EV) batteries, artificial intelligence, quantum computing, advanced robotics, biotechnology, rare earth metal



Build

Smart Supply Chain Management and Logistic system, Data Center, Digital Twin

Shore Up Supply Chain
and Resilience in
Critical Sector

Support

Domestic corporation by government state financial and R&D Collaborating with country



Develop

Early warning system(Risk Management System), Monitor and Collect US and China Sanctions List Trade, Corporate Finance- developing geopolitical risk model by data relation

Strategic Response of ROK Honing

- G20 Summit Sherpa & Finance Track
 - Digital Public Infrastructure, DPI
 - Data Governance(Data can flow across borders with Trust, DFFT)
 - Common Digital Future: Affordable, Accessible and Inclusive Digital Public Infrastructure
 - Why?
 - 2008 Lihman, 2019 Covid-19, 2023 SVB collapse, Credit Swiss
 - World Influence like Domino, Data free flow with Trust is emphasized

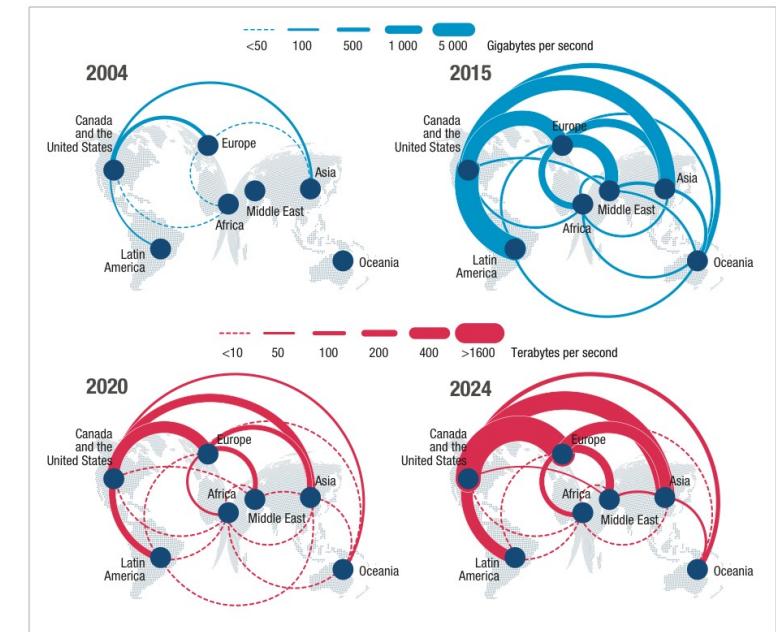


Workstreams



- Affordable & Accessible Digital Public Infrastructure
- Digital Financial Inclusion and Social Protection
- Interoperability of Digital Services and Standard Setting
- Digital Entrepreneurship, Skills, and Jobs

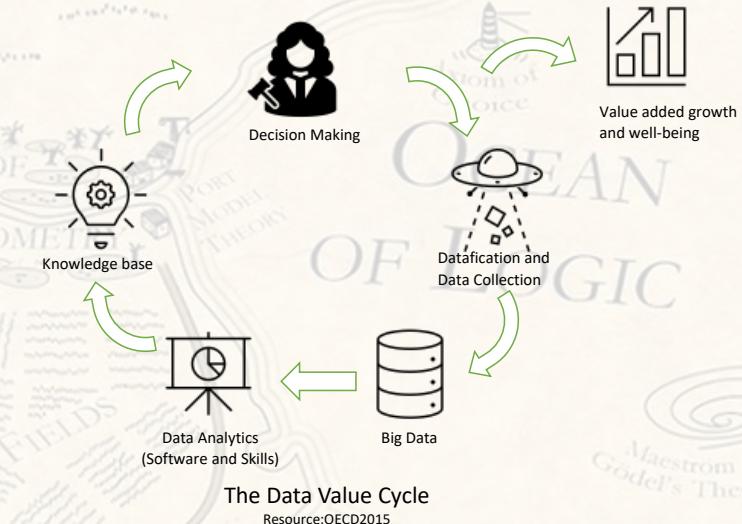
Figure 1: Evolution of interregional international bandwidth, selected years



Source: UNCTAD (2021), based on TeleGeography (2015, 2019, 2021).
Note: One Terabit is equal to 1,000 Gigabites. Data for 2024 are forecasts.

Strategic Response of ROK

- Context and Scene setting
 - Data is increasingly critical resource, generating benefits across society
 - The Effective use of data boosts productivity and enables economic activity across all sectors
 - Manufacturing in US estimate that being the frontier of data-driven decision is linked with improvements in revenue-based productivity of 4-8% (Brynjolfsson and McElheran, 2019[6])
 - Agriculture, By some estimates the economic benefits from precision agriculture can be around USD 12 billion annually for the US. This represents about 7% of the total valued-added of USD 177 billion contributed by farms to the GDP of the US in 2014 (Schummelpfenning and Ebel, 2016[7])



Strategic Response of ROK

- The data ecosystem value chain is global
 - Micro, small and medium-sized enterprises(MSMEs)
 - Enable new breed of 'micro multinationals'-'born Global'(MGI,2016[11])
- Data sharing enables increasing returns to scale and scope
 - Social and Economic benefits worth between 0.1% and 1.5% of GDP in public sector data(MGI,2016[12])
- Measure that affect data sharing and cross-border data flows can restrict the functioning of markets
 - Restrictions to cross-border data flows, could severely affect the functioning of global value chain(GVC)(OECD,2015,(OECD,2019[5]))
- Mapping the evolving environment will help better focus efforts towards more data sharing

Categories of laws and regulations affecting "all data"

Data Governance	Data bases/information systems/cloud computing	Cybersecurity
Telecommunications/electronic information	Law enforcement	Competition
Health	(Public) procurement	Public sector

Resource: UNCTAD, Survey responses from G20 member States and invited guests



The background of the image is a repeating pattern of stylized, diverse human faces in grayscale. Each face is unique, with different hair colors, styles, and accessories like glasses and hats. The faces are arranged in a grid-like fashion across the entire slide.

Thank You!

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