

SPEAKERS DEBATE

John Andrews, Author, journalist and contributing editor to *The Economist*

I am tempted to have a second round but I do not think we will because we want to have questions from the audience. What I note in all your presentations is that I do not think North Korea was mentioned once and yet in a sense, it dominated the first, and personally I hope the last, Trump presidency. Mr. Kim, what is happening to your neighbor to the north?

Kim Chang-beom, Vice Chairman and CEO of the Federation of Korean Industries

Interestingly, *The Economist Intelligence Unit* recently published *Risk Outlook 2024*, and listed the top-10 risk elements and whether on nuclear or missile proliferation, North Korea did not appear, it was not singled out as a top-10 risk. The South Korean people are more or less getting used to the perennial threat coming from the North but I think it is a kind of given factor for Korean business. Also, some Western and other foreign business partners take into account this as a constant factor in their business locations. I think that is one part of the answer to why the North Korean factor was not on the list.

John Andrews

Do you think there is a dangerous complacency?

Kim Chang-beom

I think the level of threat or the level of threat perception has remained more or less the same. Of course, they have included the first use of nuclear weapons in their constitution, which is quite alarming, as well as the series of intercontinental ballistic missile tests. I still think that in the boardroom, CEOs are more concerned about the intensifying US-China hegemonic rivalry.

John Andrews

It was Doug who brought us back to the CPTPP and sensibly in my opinion said how foolish it was of America to duck out of the TPP. Of course, South Korea is not in the CPTPP.

Kim Chang-beom

We are not yet but I think next year the Korean government will try to make a push for participation in the CPTPP.

John Andrews

Britain, which is a long way away, is also joining it. I wonder, Yuichi, originally when the TPP was envisaged, it was a way of keeping China out but China wants to join the CPTPP. From a Japanese point of view, would China be welcome?

Yuichi Hosoya, Professor of International Politics at Keio University in Tokyo



That is an interesting question. I think many officials in the Japanese government are examining the possibility as well as the result of Chinese participation. First, the hurdle is extremely high and it is quite unlikely that China will get past it.

John Andrews

You mean this would be a way of keeping China out?

Yuichi Hosoya

In addition to the original members, the UK is now going to be a member of the CTPP and that makes it a higher hurdle for Chinese entrance. If China cleared all the barriers for entrance, it would mean that China would promote political and economic strength and Japan and other members would welcome this. In both cases, the hurdles is still very high so it is quite unlikely that China could join. However, if China can reform its own system politically and economically, it would also be very welcome but at the same time we need to stick to the original plan. We should not be pushed to lower the hurdles by Chinese pressure and as long as this continues, I think it will be okay.