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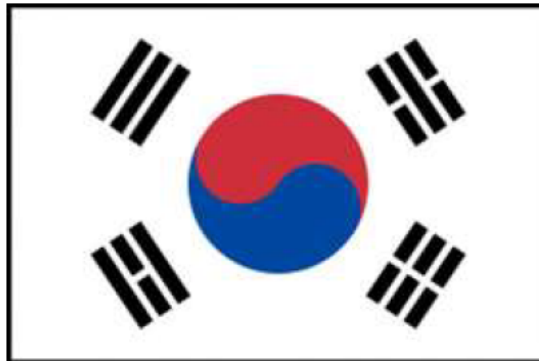


Australian Government

**Department of Industry,
Science and Resources**

BRIEFING PACK REPUBLIC OF KOREA

FOR THE VISIT BY



**THE HON MADELEINE KING MP
MINISTER FOR RESOURCES
MINISTER FOR NORTHERN AUSTRALIA**

SOFT COPY

31 January to 4 February 2024

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KEY MESSAGES | REPUBLIC OF KOREA

- Recognise the importance of the ROK's energy security and emphasise Australia's commitment to being a reliable supplier of resources and energy now and into the future.

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Your meetings and engagements are an opportunity to:

- Highlight Australia's long-standing role as a stable and trusted supplier of energy and resources to the ROK.

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Delegation

For your visit, you will be accompanied by:

- [S 22](#), Senior Adviser.
- [S 22](#), Senior Adviser.
- Mr Peter Chesworth, Head of Division, Minerals and Resources Division, Department of Industry, Science and Resources.
- (In the ROK) Mr Samuel Hwang, Counsellor, Republic of Korea, Department of Industry, Science and Resources will accompany you on the ground.

Briefing

In addition to your visit overview and key messages, your briefing includes:

- **Facts and Statistics Brief.**
- **Country Overview** for information on the Republic of Korea.
- **Background Briefs** on key topics relevant to your trip.
- **Bilateral/Meeting and/or Event Briefs** for each engagement during your trip.
- **Logistics Brief** including key contacts, flight and accommodation details, COVID protocols and mitigations and country information.

FACTS AND STATISTICS – REPUBLIC OF KOREA

Bilateral resources and energy relationship

- The Republic of Korea (ROK) is Australia’s fourth-largest trading partner overall, with two-way exports worth \$81.8 billion (2022), and Australia’s third-largest export market, accounting for \$53.9 billion (2022).
 - Specifically, the ROK is Australia’s third largest export market for resources and energy, with \$47.5 billion in exports in 2022.

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- The ROK is Australia’s third biggest market for LNG, after Japan and China. Australian exports to Korea in 2022-23 were worth \$19.1 billion.

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- Korean investment in Australia is worth \$28.1 billion (2022), our 19th largest foreign investor. Major ROK investments in Australia are primarily concentrated in the resources sector, though there has been a recent trend towards diversification into other sectors such as food and agriculture.

Gas exports to ROK

Rank LNG Exports to ROK	Country	Export Volume in 2022	Percentage change in export volume in 2019
1	Australia	12 Mt	Increased by 55%
2	Qatar	9.8 Mt	Decreased by 12%
3	United States	5.8 Mt	Increased by 8%
4	Malaysia	5.6 Mt	Increased by 18%
5	Oman	4.7 Mt	Increased by 24%

Source: Kpler


- [s 33\(a\)\(iii\)](#)
- Since 2020, Australian LNG exports accounted for around a quarter (25%) of Korea’s LNG imports. Australia is ROK’s largest source of LNG since 2020.
 - The value of Australian LNG exports to ROK has increased by around 200%, from \$6 billion (\$6,358 million) in 2018-19 to \$19 billion (\$19,057 million) in 2022-23.
 - Exports increased from 8 Mt in 2018-19 to 12 Mt in 2022-23.

- Korean LNG demand is forecasted to be relatively flat at 41 Mt annually out to 2030, as nuclear power plants ramp up in generating electricity.

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EL Brief Contact	S 22 S 22	Resources (North Asia, Oceania, North America, Europe) - Telephone:
SESB1 Clearing Officer		Science and Resources Branch - S 22
Consultation	AID, MRD, OGD, CMO, DFAT.	

BILATERAL | MINISTER AHN DUK-GEUN, MINISTER FOR TRADE, INDUSTRY AND ENERGY

 <p>Addressed as: Minister <u>AHN</u></p>	<p>Profile:</p> <ul style="list-style-type: none">• <u>AHN</u> Duk-geun was appointed Minister for Trade, Industry and Energy on 3 January 2024. He was previously the Minister for Trade and met regularly with Australian Trade Ministers.• Minister Ahn was Professor of International Trade Law and Policy at Seoul National University, and Commissioner for the Korea Trade Commission. He has advised many developing country governments, international organisations and various ROK ministries concerning trade law and policy issues, trade negotiation and trade policy making. <ul style="list-style-type: none">• S 22
<p>Prior meetings</p>	<ul style="list-style-type: none">• s 33(a)(iii)• You previously met his predecessor, Minister <u>BANG</u> Moon-Kyu, in September 2023 in the sidelines of the International Energy Agency's Critical Minerals and Clean Energy Summit 2023.
<p>What we want?</p>	<p>s 33(a)(iii)</p>
<p>What they want?</p>	<p>s 33(a)(iii)</p>

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Interpreter Present	<ul style="list-style-type: none">• No
Sensitivities	S 47

Handling

- This is your first-time meeting Minister Ahn. You can congratulate him on his recent appointment as Minister of Trade, Investment and Energy. You will affirm the role Australian gas will play for the ROK in the future.

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BILATERAL | MINISTER AHN DUK-GEUN, MINISTER FOR TRADE, INDUSTRY AND ENERGY

Attachments

A: Talking Points

B: Attendees

EL2 Policy Contact	S 22 Manager, International Resources S 22
SESB1 Clearing Officer	Richard Samuels, General Manger, International Science and Resources S 22
Consultation	MRD, OGD, SCSC, DFAT, DCCEEW

ATTACHMENT A – TALKING POINTS

- I wish to congratulate you on your appointment as Minister of Trade, Industry and Energy in the Republic of Korea (ROK). I look forward to working with you as Australia remains committed to being a reliable, stable and secure energy provider, particularly for gas, during the ROK's energy transition.
- Australia and the ROK are strong and complementary energy and resources partners. The ROK is a key and valued partner for Australia, with the ROK being Australia's fourth largest trading partner. The relationship built over decades provides a strong foundation to capture new and emerging opportunities to address global challenges, while affirming existing commitments.
- I am looking forward to working with you to progress our priorities under the resources portfolio, as well as with my colleague, the Hon Chris Bowen, Minister for Climate Change and Energy, to progress our objectives under the climate change and energy portfolio.

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Australia's regulatory settings impact on Korean gas investment

- Our government continues to provide a stable investment environment for gas explorers and producers. The Australia Government's regulatory settings to ensure adequate gas supply domestically while meeting our energy supply commitments to international partners, including the ROK.

- The Gas Mark Code of Conduct includes an exemptions framework to incentivise producers committing gas to the Australian market in the short term and facilitate new investment to meet ongoing demand in the medium term. This in turn reduces the risk of activating the Australian Domestic Security Mechanism (ADGSM) and provide our key partners certainty on gas supply. The Code will be reviewed in 2025.
- The ADGSM also includes measures to protect long-term international contracts that underpin investments in Australia's gas industry. The ADGSM guidelines will be reviewed in 2025.

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BILATERAL | MINISTER AHN DUK-GEUN, MINISTER FOR TRADE, INDUSTRY

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BILATERAL | MINISTER AHN DUK-GEUN, MINISTER FOR TRADE, INDUSTRY
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Closing remarks

- Ensuring regional energy security is important for Australia and we see the ROK as a natural partner on these issues. I welcome our continued work under the Joint Committee on Energy and Minerals Resources Consultation and Cooperation (JCEM) on these matters and acknowledge the long-standing cooperation between our two governments in energy and resources for the last 32 years.
- We look forward to building on our existing cooperation and collaboration on energy security and resources, while maximising opportunities to mutually benefit from the growing green economy and energy transition.

ATTACHMENT B – ATTENDEES



<p>Mr ^{S 22} Dire or Resources Industry Policy Ministry of Trade, Industry and Energy Republic of Korea</p>		
	<p>Biography No CV available.</p>	



<p>Ms ^{S 22} Director for Resources Security Policy Division (Supply Chain) Ministry of Trade, Industry and Energy Republic of Korea</p>		
	<p>Biography No CV available.</p>	

<p>Ms ^{S 22} Director for Energy Technology Division (CCUS) Ministry of Trade, Industry and Energy Republic of Korea</p>		
	<p>Biography No CV available.</p>	

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BILATERAL | MINISTER AHN DUK-GEUN, MINISTER FOR TRADE, INDUSTRY AND ENERGY

<p>Mr S 22 Director for Coal and Mineral Resources Division (CM) Ministry of Trade, Industry and Energy Republic of Korea</p>	 <p>Ministry of Trade, Industry and Energy</p>
	<p>Biography No CV available.</p>

<p>Mr S 22 Deputy Director for Resources Security Policy Division (International Cooperation) Ministry of Trade, Industry and Energy Republic of Korea</p>	 <p>Ministry of Trade, Industry and Energy</p>
	<p>Biography No CV available.</p>

BACKGROUND BRIEF | OIL AND GAS POLICY

What Is It

- Australia has recently changed a number of climate and industry policy settings to address market volatility, forecast domestic shortfalls and net zero commitments.
- Communication with trading partners has been a priority to keep them updated.
 - On 29 September 2022, the Australian Government signed a domestic gas supply commitment, the Heads of Agreement, with the east coast LNG exporters. KOGAS is a joint venture partner to GLNG, which is a signatory.
 - On 22 December 2022, the Australian Government introduced a 12-month emergency cap on gas prices at \$12 per gigajoule (GJ) to put downward pressure on gas prices, while also ensuring a reasonable rate of return for gas producers.
 - This price cap applied to new domestic wholesale gas contracts by east coast producers executing during the emergency price cap period which expired on 22 December 2023.
 - Reforms to the Australian Domestic Gas Security Mechanism (ADGSM) took effect on 1 April 2023. The reforms include the introduction of protections for long-term foundational contracts, enabling export permits to be traded and quarterly activation consideration.
 - Safeguard Mechanism reforms commenced 1 July 2023 to support Australia's national climate targets of 43 per cent emissions reduction below 2005 levels by 2030. Under the Safeguard Mechanism, new offshore gas projects supplying new or existing LNG facilities receive zero baselines for reservoir CO₂ venting.
 - On 11 July 2023, the Mandatory Gas Code of Conduct (the Code) came into effect for the east coast wholesale market with a 2-month transition period. The Code introduces:
 - market conduct and transparency provisions
 - a \$12 per gigajoule gas price anchor
 - a process for qualifying for exemptions from the price anchor on the basis of making satisfactory enforceable supply commitments.
 - On 27 November 2023, the Government announced ministerial exemptions had been granted for Australia Pacific LNG and Senex totalling up to 300 PJ of gas to 2030. Senex is 50.1 per cent owned by Korean steelmaker POSCO.
 - Other exemptions are expected to be announced in coming months.

Future Gas Strategy (FGS)

- Australia, through its Future Gas Strategy (FGS), will deliver a clear long-term strategy to help governments, industries and communities make decisions. The FGS aims to:
 - support Australia's decarbonisation
 - promote energy security and affordability in Australia

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BACKGROUND BRIEF | OIL AND GAS POLICY

- maintain Australia's trade and investment relationships, ensuring we remain a reliable and trusted supplier of LNG to our region and build our clean energy exports
- assist our trade partners on their own paths to net zero.

Why We Care

- ROK relies on Australian LNG to meet around 25 per cent of its imports.
- ROK is one of Australia's largest LNG trade and investment partners with SK E&S, POSCO International and KOGAS all investors in Australia gas projects and companies.
- Australia's gas sector supports economic prosperity at home and for our trading partners. However, it also contributes to greenhouse gas emissions and climate change.
- The Future Gas Strategy aims to support Australia's energy system to meet its legislated climate targets (reduce emissions by 43 per cent by 2030 on the path to net zero by 2050) while maintaining our reputation as a trusted energy supplier to our region.

Recent Developments/Interactions

- [s 33\(a\)\(iii\)](#), [s 33\(b\)](#)

- [s 33\(a\)\(iii\)](#)

- [s 33\(b\)](#)

- [s 33\(a\)\(iii\)](#)

EL2 Brief Contact	S 22 , Future Gas Strategy, Oil and Gas Division S 22 S 22 , Manager, Gas Compliance, O S 22
SESB1 Clearing Officer	David Lawrence, General Manager, Gas Branch, Oil and Gas Division +S 22
Consultation	Nil

BACKGROUND BRIEF | REPUBLIC OF KOREA INVESTMENTS IN LNG

What Is It

- ROK companies are major investors in Australian offshore oil and gas projects, including the Barossa project, and is a major customer of Australian LNG exports.

Why We Care

- ROK is one of Australia's largest LNG trade and investment partners with SK E&S, POSCO International and KOGAS all investors in Australian gas projects and companies. Australia is ROK's second-largest supplier of LNG.
- ROK has committed to net zero by 2050 and recognises the important role gas will play in its energy transition.
- Your visit presents an opportunity to reassure the Korean government and industry that Australia is a safe and trusted investment destination and a reliable energy partner.

EL2 Brief Contact	S 22 A/g Manager, Offshore Development, Oil and Gas S 22
SESB1 Clearing Officer	David Lawrence, General Manager, Gas Branch, Oil and Gas Division +S 22
Consultation	Nil