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Europe and East Asia's Defense Industry

East Asia has entered the European defense market with a splash. South Korea has a multibillion euro deal with Poland, while it has also clinched agreements with Norway, Finland, Romania, and Spain. Japan has recently relaxed rules that will permit defense exports to Europe.

From one angle these developments are hardly surprising. South Korea and Japan are technology powerhouses; that their defense firms can compete to supply Europe is only to be expected. Yet from another perspective, the entry of East Asian players reflects a new and uncertain mix of

geopolitics and markets. Business and geopolitics are entangled, while formal declarations belie substantive relationships and practices. This duality of the “normal” and the uncertain is a defining feature of East Asia’s burgeoning defense industry cooperation in Europe.

Prepared to deliver

When European defense budgets soared after Russia’s 2022 invasion of Ukraine, South Korea and Japan were prepared to deliver. These “friendly” or “likeminded” non-NATO countries boast solid technologies, reliable delivery, and strong production lines. It helped also that South Korea had excess supply stockpiles.

Recent defense exports came on the back of decades of defense industry development in East Asia. This history helps make sense of current orientations and strategies in these countries.

Japan de-militarized after 1945, but soon went back to producing defense technology. Restrictions required Japanese defense firms to cooperate with Americans and also banned them from exporting. Still, industry development continued alongside broader civilian industry and techno-

logy expansion. In South Korea, postcolonial military expansion happened under American auspices, with the Korean War (1950–53) generating large standing armies on both sides of the peninsula. As South Korea experienced rapid industrialization in subsequent decades, investment in the defense industrial base accelerated. Firms that had helped power the country’s industrial transformation stepped into defense production.

Alliance with the United States has figured into the defense industries of both countries. American involvement in wars in Asia was one connection. Japan supplied the United States during the Korean War. Both Japan and South Korea fulfilled military procurement contracts for the United States during the Vietnam War. South Korea produced mostly vehicles and other non-lethal items. Some scholarship claims that the

influx of orders served as an engine of Korean industrialization.

In Japan, defense industry developments have been designed with inputs from America. Key components came from the United States. In South Korea, frustration with dependence on the United States was a driver of the industry. Developing its own systems was a way to rely less on imports from America. The purpose was less to become a defense exporter and more to supply itself. Having a stronger conventional weapons capability, developed through Korean systems, would strengthen the country's autonomy.

Defense exports should be understood within this context of improving the defense industrial base. Exports provide a commercial outlet that can help with the costs involved in investing in the defense industry. In the early 2000s, the South Korean government intensified resources for the domestic

defense industry. Exports followed. Japan, in 2014, lifted its total export ban on defense items. This move permitted limited exports of defense technologies developed with partners, usually the United States.

After Russia's invasion of Ukraine, the United States could approach South Korea for support. Seoul had stockpiled ammunition that could be quickly transferred to the United States.

In Europe, South Korean defense manufacturing has been valued for the reliable delivery. South Korea has also demonstrated a willingness to localize production, which is attractive for the technology transfer, the speed of delivery, and the employment generated. In Germany, for instance, South Korea has signed deals to produce and deliver defense goods. From the perspective of Korean firms, local production ensures the best chances for continued orders.

Geopolitics entwined with markets

The growth in defense exports is inextricably tied to geopolitical conditions in East Asia that Europe ought not ignore. Defense deals carry multiple levels of meaning.

The growing defense industry is linked to the question of Japan's pacifist stance. In this context, the separation of defense expansion and growth in the defense industry is both unclear and sensitive. Rightwing governments have championed both military expansion and defense exports, while at times claiming the latter is unrelated to the former. Real changes have been made. In April 2026, Japan passed legislation permitting the export of lethal weapons. This move marked a shift from the

postwar pacific position. The current administration has made defense a strategic industry.

Concerns over China have been cited in Tokyo to justify greater and new types of defense spending. These reasons and actions appear sensible to Washington. After all, the United States likes the idea of allies shouldering the burden of defense in that region. Not everyone agrees. Domestically, among Japanese who believe in the need to avoid militarism, defense spending is a cause for concern. Japan's neighbors, including China and both sides of the Korean peninsula, are also worried that defense exports are coupled with a remilitarization of the country. The security implications are alarming in the region.

The South Korean historical context provides a contrast, but Seoul, too, has formal limits on its defense exports. Law prohibits the export of arms to active combat participants. When the current export growth is taken against this background, a tension is highlighted. This is no more obvious than in the case of the Russian war in Ukraine.

South Korea maintains a formal position of supporting neither side in the war. This is in part because the war is widely seen within South Korea as a matter unrelated to Korea, and Koreans do not wish to be pulled in. However, in reality, South Korea has become among the most prominent suppliers of ammunition to Ukraine's defense. The superficial story is that Korean-made ammunition, vehicles, and mobile, cannon-like howitzers are transferred to the United States and Poland to replace their stocks, which have been deployed to Ukraine, while only a few nonlethal products have been deployed directly. Substantively, it is abundantly clear that South Korea arms NATO friends to fight in Ukraine.

A further layer is that North Korea supplies Russia. In other words, Seoul and Pyongyang are indirectly in conflict through support for opposing belligerents. South Korea-made ammunitions have surely hit North Korean soldiers. Unexpected results on the Korean peninsula can follow from events in Ukraine and Russia. Defense cooperation in Europe is just a few steps removed from geopolitical relations around a major East Asian flashpoint.

The Ukraine example illustrates the lack of reckoning in Seoul between defense business and security strategy. South Korea finds itself in a new place. As a former colony and as a society divided from the outside, the country is accustomed to being shaped by global politics rather than having the opportunity to shape its place in the world. In practice, the country does not have a clear set of principles that are actually guiding defense exports – even if it has formal processes and commitments. Might sales lead to arming future rivals? This question is new territory. As a country that has technically been at war for seven decades, South Korea has a large, diverse field of defense voices. Some do not see how exporting defense systems is a task for the defense: their only purpose is to defend the country, not to participate in industrial strategy. In any case, there is yet to be a substantive alignment of national security and the defense industry.

On paper, the East Asian countries have processes and ideas, or doctrines, governing the defense industry that are not unfamiliar in Europe. They pledge not to export to active conflicts, require export licenses, and run assessments for security risks. The key, though, is the divergence of actual defense trade practices from the formal regimes governing them. Formal commitments on defense exports are a poor and decreasingly realistic guide to the East Asian defense industry. Uncertainty and double meanings permeate the field today, much more so than in the recent past.

The NATO question

The business of defense cooperation between Europe and East Asia is also tied to NATO. Both South Korea and Japan have special relationships

with the security alliance. These relationships undergird the defense deals in a further entanglement of security with business.

An immediate question is whether and to what extent deepened security cooperation between NATO members and East Asia is necessary to sustain further defense trade. From one point of view, defense products are not like other commodities. Purchases involve long-term commitments that are tied to national security. Buyers look beyond quality, reliability, and cost to consider the defense thinking of sellers and their home countries. A sense of shared security goals can be important in defense procurement. More practically, interoperability, or the extent to which military technologies and practices can link up across militaries, is also a priority in procurement. On these grounds, NATO countries might prefer purchasing from other NATO members. That seemed to be the message in July 2026 when Canada opted for a German submarine design over a completed South Korean system.

Neither Japan nor South Korea has extensive experience of joint exercises or security cooperation with NATO or its members, with the United States as the obvious exception. Recent East Asian sales to Europe have come despite this situation.

Intriguingly, South Korea's defense exports to Southeast Asia in the past two decades came on the back of greater security cooperation. These exports gained less attention both internationally and domestically within South Korea. The country's defense forces and private industry worked rather quietly to establish long-term relationships. The more similar geopolitical conditions between East Asia and Southeast Asia perhaps permitted a ready development of security partnerships.

Whether security cooperation between East Asia and Europe can strengthen is complex. Such cooperation requires a new type of global engagement from the East Asian countries. Japan has been excluded from such engage-

ment because of past aggression, and South Korea has only recently been invited. Furthermore, East Asia might not read security affairs the way that Europe does. Conflicts in Ukraine and the Middle East hold specific implications for Europe. Japan and South Korea are not tied into those conflicts in the same ways. This difference does not make South Korea or Japan any less supportive of democracy or human rights than Europe; it is just that geography shapes priorities anywhere.

East Asians might also be reluctant to enhance security cooperation with NATO. In South Korea, for instance, the strongest advocates for NATO cooperation tend to be foreign policy hawks who ratchet up tension on the Korean peninsula and call for supporting the United States at all costs. Other, more autonomy- and peace-oriented voices are more tepid, worried that they could get pulled into conflicts.

A potential asymmetry characterizes the relationship between NATO and East Asia. NATO can have a clear interest, from a defense perspective, in procuring defense systems from East Asia. What South Korea or Japan gains in defense terms – and not just in sales – is less clear. Europeans would benefit from an exercise in strategic empathy to see this imbalance.

There is a degree of ambiguity, then, around NATO – East Asia relationships. When Korean and Japanese officials engage with NATO, are they trying to secure defense contracts or establish defense ties – or both? Simply stating that the countries are “likeminded” is a handwaving gesture that fails to take seriously these ambiguities.

Korean and Japanese actors might be grabbing opportunities created by the new security environment in Europe, but governments are also planning for sustained defense industry development and export.

Innovation systems and government-industry-university cooperation

Both American allies have defense development and acquisitions agencies that are inspired by the United States' Defense Advanced Research Projects Agency (DARPA). Situated within the defense ministries in Seoul and Tokyo, these agencies have adjusted to support the growing defense exports. These adjustments include overseeing training for the defense industry workforce.

In Japan, universities are conducting more research related to defense and the defense industry. Given the nation's pacifist commitments this trend has been controversial. In 2022, the Japanese Science Council decided that universities could engage in research involving potential dual-use technologies, because determining what is or is not dual-use is impractical. Two years later, the formation of the Defense Innovation Science and Technology Institute further signalled growing collaboration between universities, defense authorities, and the private sector. In 2025, educational institute-based applications to the Ministry of Defense's acquisitions agency soared to record numbers.

The agency in South Korea leading similar initiatives is the Defense Acquisition Program Administration (DAPA), which is nested within the Ministry of National Defense. DAPA sponsors a number of contract education programs that are hosted by universities. For example, KAIST, a premier engineering school, runs a short course supervised by DAPA on Defense Industry Export Specialist Training. KAIST also offers other training for private sector representatives of the defense industry.

Through a contract education model, DAPA selects universities to run a set of certificate

programs in defense industry management. In 2025, for example, Jeonbuk National University was selected to host a program. One track is for full-time university students, while another is for employees in regionally-based defense firms and firms seeking to break into the sector.

In other examples, entire academic departments devoted to defense industry subjects have been created. A university has recently established a department of "defense semi-conductors."

These training initiatives are not all led by government agencies. Defense firms set up direct ties with education institutions. In 2026 Sejong University made an agreement with a defense firm to establish a contract-based program in defense convergence technology. This arrangement is planned to lead to a full undergraduate and graduate program in defense industry studies. Sejong University already has defense engineering programs for members of the South Korean armed forces. At another university, the French defense firm Thales has recently established a scholarship for undergraduates in a defense studies program.

These examples illustrate the new alliances forming between industry, government, and higher education to support the defence sector push. Such programs reflect an education shift that maintains traditional degrees but incorporates industry-specific needs. These programs complement civilian engineering degrees and military academy engineering degrees.

Universities have jumped at these opportunities. South Korean higher education institutions

admit a greater proportion of secondary school graduates than counterparts in any OECD country, but demographic decline means that the study base is set for a precipitous drop. Outside the top universities, the struggle for

students and resources is gaining speed. Initiatives that involve cooperation with industry or government become attractive under these conditions.

Conclusion

East Asia is devoting resources to the development of the defense industry. Legal changes in Japan and new education initiatives in South Korea reflect the commitment to this sector. Export is a way to make investments worthwhile. This approach is aimed both towards enhancing domestic defense capabilities and towards long-term trade.

The questions that remain for European defense purchases from East Asia revolve around geopolitics. Whether Japan and South Korea involve themselves more heavily in European security cooperation is an issue that sits beyond values. It is also an open question if intensifying such cooperation would be good for Europe: linking security matters on opposite ends of the Eurasian continent brings risks of any conflict widening.

Take-away points

- Resist simplified views of East Asian defense exports. There is a difficult combination of the familiar and the new in this cooperation. Learning about partners is crucial.
- Geopolitics cannot be taken out of East Asian defense exports to Europe. Procurement can implicate Europe in changing security conditions in East Asia. Potential strategic implications for Europe should be fully examined. It should also be kept in mind that there can be varying views within East Asia on the extent of desirable involvement in European security cooperation.
- East Asia offers intriguing examples of innovation in cooperation between government, industry, and universities in the defense sector. For improving training and research, these examples can be worth following for potential lessons.

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