

KOREA NEWSLETTER

Vol 2 | Issue 8
August 2025

Contents

- South Korea and Artificial Intelligence
- President Lee Jae Myung's Dilemma over China Visit
- North Korea Promotes Tourism Industry
- Welfare Policy of President Lee Jae Myung in South Korea



MANOHAR PARRIKAR INSTITUTE FOR
DEFENCE STUDIES AND ANALYSES

मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

South Korea and Artificial Intelligence

South Korea has been putting efforts to promote the development of artificial intelligence (AI) in the country. It was reported that Koo Yun-cheol would [lead](#) South Korea's initiative in the promotion of AI under the Lee Jae Myung administration, and it would be the country's "main growth engine". During his talks with the foreign leaders, President Lee Jae Myung has also been urging for collaboration on the issue of AI. In another report, the South Korean mobile carrier KT announced that it would [release](#) an indigenously developed AI model called Mi:dm 2.0 as an open source. The South Korean semiconductor manufacturing companies are also gearing up for the projected "[explosive growth](#)" in the demand for the AI chip sector. The application of the AI in the education sector and by the students is also [rising](#) in South Korea. Remarkably, the AI chatbots have become a part of the personal life and as "[friends](#)" for many people. However, there are [concerns](#) in South Korea that the AI tools could be used to create fake news and pornographic materials. Also, in an interview reported in the South Korean media, it was mentioned that AI cannot [replace](#) human intelligence. Earlier this year, the popularity of Chinese AI app DeepSeek took the South Korean government and business groups by surprise, and there were [apprehensions](#) about the privacy and data safety issues related to it.

President Lee Jae Myung's Dilemma over China Visit

In July, it was reported that China would possibly invite South Korean President Lee Jae Myung to [attend](#) the Victory Day event in Beijing on September 3 this year. The Victory Day would celebrate the 80th anniversary of China's victory over Japan in 1945. Earlier, the former South Korean President Park Geun-hye had participated in the 2015 Victory Day event in China. Reportedly, President Lee's attendance in this Chinese event would be a [test](#) for his "pragmatic diplomacy", as in 2015 leaders of several Western countries had declined to participate. This year's Victory Day celebrations in China also coincide with the 80th anniversary of South Korea's liberation from the Japanese colonial occupation (1910-1945). As a result, the official invitation by China to President Lee Jae Myung was [described](#) by the South Korean media as a "diplomatically touchy" issue. The issue for the invitation of President Lee was also discussed during the director-general-level talks between South Korea and China in Seoul on July 1. Remarkably, the United States had raised [concerns](#) on the increasing "Chinese interference" in democratic nations after the victory of Lee Jae Myung in the June 2025 presidential election. Also, an editorial in *The Korea Times* [suggested](#) that President Lee should not attend this event in China. Later, it was reported that President Lee Jae Myung was "[unlikely](#)" to participate in the Victory Day parade in Beijing.

North Korea Promotes Tourism Industry

North Korea has been [developing](#) its tourism sector to attract foreign tourists and earn foreign currency. In this regard, the Kim Jong-un regime in Pyongyang has shown strong desire to [boost](#) the tourism industry. In July, it was reported that the newly-built Wonsan Kalma coastal tourist area has started [functioning](#). The photos released by the *KCNA* showed North Korean people enjoying on the beaches. This tourist zone was reported to have a 4 km-long sandy beach and has more than 400 beautifully constructed buildings, along with several other recreational and commercial spots. Apart, from the domestic tourists, this sea-side resort also aims to promote international tourism in the country. This tourist zone on the eastern coast of North Korea was reported to be [attracting](#) visitors from far away provinces of the country, such as Ryanggang, North Hamgyong and Jagang, and foreign tourists from Russia were also scheduled to arrive here in July. Reportedly, the construction [work](#) for this new tourist resort began in 2014, but was delayed due to the scarcity of resources and COVID-19 pandemic. The hotels and other guest houses here could accommodate about 20,000 tourists from within and outside North Korea. However, later in July, entry of foreign tourists to Wonsan Kalma beach resort was [adjourned](#) by Pyongyang. Earlier this year, it was reported that North Korea had [suspended](#) the visit of foreign tourists in Rason area.

Welfare Policy of President Lee Jae Myung in South Korea

The South Korean President Lee Jae Myung had pledged for the expansion of the welfare programmes and reduce economic disparities in the country. In July, the South Korean government announced for the [provision](#) of cash handouts to all South Korean citizens. According to the report, all citizens would get benefit of one-time payment of 150,000 Won from July 21. This strategy of the South Korean government is to promote domestic consumption. More assistance will be provided to the citizens of the country on the basis of their economic situation and needs. Foreigners with permanent residence and those married to South Korean nationals may also [receive](#) this financial benefit. In July, the National Assembly of South Korea also [passed](#) a supplementary budget worth around US\$ 23 billion to revive the economy. President Lee Jae Myung urged to swiftly [implement](#) the extra budget as the economy of the country required immediate attention. He emphasised on the urgent need to improve the livelihood of the people. President Lee Jae Myung also raised concerns on the issue of rising [concentration](#) of wealth in the national capital region and among few big business groups, and increasing regional disparities in the country. However, the members of the opposition People Power Party [walked](#) out of the National Assembly during the passing of the supplementary budget in protest against the “unilateral decision-making” of the ruling Democratic Party of Korea.