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KAI, Hanwha vie to become Korean version of SpaceX

By Park Joo-hyuk
pjh@koreatimes.co.kr

Korea Aerospace Industries (KAI) and Hanwha Aerospace are now in direct competition with each other to lead the project to upgrade a domestically developed launch vehicle, after previously cooperating on the successful Nuri space rocket launch in June, according to industry officials, Tuesday.

The Korea Aerospace Research Institute (KARI) invited tenders for the 303 billion won (\$225 million) project until Aug. 30, about a month after it announced the project. Late last month, the state-run institute also held a briefing on the project, attended by representatives from both KAI and Hanwha Aerospace.

Given that eligible bidders for the project are companies that have generated over 50 billion won in revenue from space-related businesses over the past five years, the competition is highly likely to become a two-way battle between KAI and Hanwha Aerospace.

The preferred bidder will be selected next month.

KARI plans to launch four additional Nuri rockets in collaboration with the bid winner by the end of 2027 and transfer its technologies to the winner, so that a Korean private enterprise can emulate SpaceX, a U.S. private agency that can handle the entire process for launching rockets design, assembly, launch and control.

With this project, the government aims for a transition to the era of "New Space," which refers to the private sector taking the initiative in space exploration.

Both KAI and Hanwha Aerospace played major roles in the Nuri's development.

KAI, which has been participating in the Nuri project since 2014, assembled components supplied by over 300 companies and tested the



The names of Korea Aerospace Industries and Hanwha Aerospace are seen written on the Nuri space rocket at Naro Space Center in Goheung, South Jeolla Province, in this file photo. Courtesy of Korea Aerospace Research Institute

rocket's performance and systems. The company also manufactured the first-stage stage fuel tank and oxidizer tanks.

"We can enable systematic integration better than other companies," a KAI employee said in the company's newsletter. "We are confident that we can play the leading role in development of the next-generation launch vehicle."

Hanwha Aerospace produced the Nuri's engines. In particular, its 75-ton liquid thrust engines were key components for the rocket to overcome Earth's gravity and extreme conditions until reaching orbit.

In addition, Hanwha Group organized "Space Hub" controlling the group's space-related businesses last year, with the aim of investing 2.6 trillion won in the aerospace sector. Last month, the group decided to merge the defense systems businesses of its three affiliates, enabling Hanwha Aerospace to better focus on space explorations.

Both KAI and Hanwha Aerospace also both appointed new CEOs recently, in apparent attempts to enhance their competitiveness.

KAI's board of directors recommended retired Air Force Lieutenant General Kang Goo-young as its new

CEO to be appointed after a general meeting of shareholders in September. The former fighter jet pilot supported President Yoon Suk-yeol during his election campaign and refuted claims that Yoon's reelection of the presidential office could jeopardize national security.

Hanwha Aerospace nominated Hanwha Group Chairman Kim Seung-young's oldest son, Vice Chairman Kim Dong-kwan, and Hanwha Defense CEO Son Jae-il as co-CEOs. Given that the vice chairman has led Space Hub, he is expected to accelerate the group's efforts to foster its space-related businesses.