IN-DEPTH

JUNE 2026

The Future of Canadian Submarines: Weighing New Partners

JARINE KIM

THE INSTITUTE FOR PEACE & DIPLOMACY

About Us

Challenging the conventional. Rethinking foreign policy.

The Institute for Peace & Diplomacy (IPD) is a non-profit and non-partisan North American international affairs think tank operating in Canada and the United States dedicated to promoting dialogue, diplomacy, prudent realism, and military restraint — principles which we believe are the four cornerstones of sustainable peace in an increasingly complex and dynamic international system.

Through publications, diplomatic convenings, conferences, leadership training, and policy briefings, IPD encourages policymakers and leaders in government, civil society, and the business community to adopt a more open-minded and diplomatic approach to managing the strategic challenges and geopolitical risks of the 21st century.

To learn more about us, visit:
peacediplomacy.org

© 2026 Institute for Peace & Diplomacy

Introduction

Confronted with U.S. hostility from the second Donald Trump administration, including a tariff war and '51st state' provocations, the Government of Canada has recalibrated its relationship with the United States and pursued a path to greater self-reliance. To achieve this national interest, Prime Minister Carney ambitiously declared that "we are building that strength at home."[1]

Nowhere is this ambition more visible than in Canada's efforts to strengthen its maritime defence capabilities. Canada is surrounded by three oceans, and much of what protects those waters depends on detecting and deterring what remains hidden underwater. The Government of Canada has sought to modernize the Royal Canadian Navy (RCN) by replacing its aging submarine fleet to address capability gaps and better navigate evolving security dynamics across two critical maritime domains — the Indo-Pacific and the Arctic.

The Department of National Defence (DND) officially launched the Canadian Patrol Submarine Project (CPSP) in July 2024.[2] The procurement bid aims to acquire "up to 12 conventionally-powered, under-ice capable submarines"[3] to replace four Victoria-class fleet and advance the operational reach of the RCN across different coasts. Following the shortlisting of two contenders in August 2025,[4] and submission of final proposals in March 2026, a final partner selection is expected by the end of June 2026.

Beyond fleet renewal, CPSP represents a strategic inflection point: a decision that will improve not only undersea capability, but also facilitate Canada's long-term defence industrial development under the government's Industrial and Technological Benefits (ITB) Policy framework.[5]

---

[1] Mark Carney, "Davos 2026 Special Address by Mark Carney, Prime Minister of Canada," *World Economic Forum*, January 20, 2026, https://www.weforum.org/stories/2026/01/davos-2026-special-address-by-mark-carney-prime-minister-of-canada/.

[2] Government of Canada, "Canada Launching Process to Acquire up to 12 Conventionally Powered Submarines," *National Defence and the Canadian Armed Forces*, July 10, 2024, https://www.canada.ca/en/department-national-defence/news/2024/07/canada-launching-process-to-acquire-up-to-12-conventionally-powered-submarines.html.

[3] Ibid.

[4] Murray Brewster, "Carney Eyes Germany for Trade, Security and Submarines as Canada Narrows Options," *CBC News*, August 2025, https://www.cbc.ca/news/politics/carney-germany-trade-security-submarines-1.7617600; Government of Canada, "Government of Canada Advances to Next Step in Canadian Patrol Submarine Project Procurement," *Public Services and Procurement Canada*, August 26, 2025, https://www.canada.ca/en/public-services-procurement/news/2025/08/government-of-canada-advances-to-next-step-in-canadianpatrol-submarine-project-procurement.html.

[5] The Industrial and Technological Benefits (ITB) Policy ensures that Canada and Canadian industry benefit from government defence and security procurement. See Government of Canada, "Industrial and Technological Benefits Policy," *Innovation, Science and Economic Development Canada*, accessed March 31, 2026, https://ised-isde.canada.ca/site/industrial-technological-benefits/en/industrial-and-technological-benefits.

Beyond fleet renewal, CPSP represents a strategic inflection point: a decision that will improve not only undersea capability, but also facilitate Canada's long-term defence industrial development.

Public Services and Procurement Canada (PSPC) shortlisted two contenders in August 2025 — Hanwha Ocean of South Korea and TKMS of Germany. Subsequent bidding instructions outline the key evaluation criteria: submarine sustainment package, which entails Maintenance, Repair, and Overhaul (MRO) (50%); platform capability (20%); company's financial capacity (15%); and industrial benefits under the CPSP contract (15%).[6]

Both proposed submarine platforms — Hanwha Ocean's KSS-III Batch II and TKMS's Type 212CD — offer differing potential to deliver long-term industrial benefits and fulfill Ottawa's sustainment requirements. As Canada weighs its options, Hanwha Ocean offers both strong platform capabilities and greater potential to advance Canada's defence-industrial base over the submarine lifecycle. A grounded, interest-based assessment indicates that forging this new partnership will strengthen Canada's sovereign capabilities as well as its strategic positioning across the Indo-Pacific and the Arctic.

Operational Strengths

As a part of DND's announcement of CPSP, it declared that Canada seeks to "acquire a larger, modernized submarine fleet to enable the Royal Canadian Navy to covertly detect and deter maritime threats, control our maritime approaches, project power and striking capability further from our shores, and project a persistent deterrent on all three coasts."[7]

These priorities are measurable by breaking them down into four categories: (1) fleet size, platform design, and delivery timeline; (2) stealth, endurance, and under-ice capability; (3) lethality and long-range strike capability; and (4) interoperability with allies.

[6] Murray Brewster, "Canada's Instructions to Submarine Contract Bidders Highlight Sustainment, Economic Benefits," *CBC News*, October 9, 2024, https://www.cbc.ca/news/politics/military-submarine-contract-bidders-9.6985543.
[7] Government of Canada, "Canada Launching Process to Acquire up to 12 Conventionally Powered Submarines," *National Defence and the Canadian Armed Forces*, July 10, 2024, https://www.canada.ca/en/department-national-defence/news/2024/07/canada-launching-process-to-acquire-up-to-12-conventionally-powered-submarines.html.

Operational Capabilities: Comparative Summary Table

	Evaluation Category	KSS-III Batch-II (Hanwha Ocean/South Korea)	Type 212CD (TKMS/Germany)	Preliminary Assessment
1	**Fleet Size, Platform Design, and Delivery Timeline**	• Length: ~89.4m • Beam: ~9.7m • Displacement: ~3,600t (surface), ~4,000t (submerged) • Crew: ~33 (up to 50) • Design: Larger hull, 2-deck configuration, VLS integration • Delivery: ~2032 (first), ~2035 (total 4), ~2043 (total 12)	• Length: ~73m • Beam: ~10m • Displacement: ~2,500t (surface), ~2,800t (submerged) • Crew: ~30 • Design: Compact, stealth-optimized, diamond-shaped hull • Delivery: ~2036 (total 4)	**Relative advantage: Hanwha Ocean, due to proven, in-service platform in-service + clearer and faster delivery timeline**
2	**Stealth, Endurance, and Under-Ice Capability**	• AIP + battery: Fuel-cell + lithium-ion batteries • Speed: ~20 knots (submerged) • Range: >7,000 nautical miles • Endurance: ~3+ weeks submerged (confirmed) • Hull: HY-100 steel (with coatings + ICCP protection) • Strength: Higher energy density, larger hull for ice-breaking surfacing	• AIP: Fuel-cell (FC4G) • Speed: ~20 knots (submerged) • Range: >7,000 nautical miles • Endurance: ~3+ weeks submerged (estimated) • Hull: Amnox non-magnetic steel • Strength: Excellent cold resistance, no brittle transition, corrosion-resistant	**Mixed advantage: TKMS stronger for agile navigation and cold/corrosion-resistance; Hanwha Ocean stronger for ice-breaking surfacing**
3	**Lethality and Long-Range Strike Capability**	• Launch system: Torpedo tubes + VLS (6 -> 10 cells) • Weapons: SLBM-capable architecture, land-attack missiles (e.g., Hyunmoo series) • Advantage: Greater payload diversity + rapid strike capability	• Launch system: 533mm torpedo tubes • Weapons: Heavyweight torpedoes, mines, potential tube-launched missiles • Advantage: SeaSpider anti-torpedo system • Limitation: No VLS -> limited payload flexibility	**Relative advantage: Hanwha Ocean, due to VLS which provides stronger autonomous strike capability**
4	**Interoperability with Allies**	• Interoperability: Compatible communications + cryptographic systems • Operational alignment: Pacific allies (RIMPAC, NEON) • Strength: Growing NATO supply relevance • Limitation: No prior KSS-III exports	• Interoperability: ~70% of NATO conventional submarine ecosystem • Operational alignment: ORCA Combat Management System (NATO-integrated) • Strength: Established logistics, training, sustainment networks (but not yet for Type 212CD)	**Relative advantage: TKMS, due to immediate interoperability within NATO ecosystem**

Hanwha Ocean can claim a relative advantage when evaluated against the RCN's most pressing task: the urgency to replace aging submarines and prevent a potential undersea capability gap. In this context, production maturity and delivery certainty emerge as decisive factors.

Hanwha Ocean's KSS-III platform, also known as the Dosan Ahn Chang-ho class,[8] is already in service with the Republic of Korea Navy, with the first Batch-II vessel completed and currently undergoing sea trials.[9] While both bidders nominally meet Canada's 2035 delivery target of the first submarine, Hanwha Ocean offers a more confident and accelerated timeline, committing delivery of the first submarine by 2032, four by 2035, and the full fleet of twelve by 2043.[10]

[8] South Korea names its KSS submarine classes after historical figures who contributed to overcoming national crises: KSS-I after naval commanders, KSS-II and KSS-III after independence movement and post-1945 national development leaders, and KSS-III Batch-II after Jang Yeong-sil, a 15th-century scientist, mechanics engineer, and inventor of the Joseon Dynasty, reflecting South Korea's emphasis on maritime technological autonomy and self-reliant defence.
"Korean Submarines Named After Heroes Who Overcame National Crises," (translated by author; originally published as "한국의 위기를 극복한 영웅 이름을 딴 잠수함"), *Seoul Shinmun*, November 28, 2021, https://www.seoul.co.kr/news/plan/military-story/2021/11/28/20211128500002.

[9] Noah Gairn, "Jang Yeong-sil: The First KSS-III Batch II," *True North Strategic Review*, October 22, 2025, https://www.truenorthstrategicreview.ca/p/jang-yeong-sil-the-first-kss-iii.

[10] James Careless, "KSS-III Cleared for Launch: Hanwha Ocean – Cover Story," *Canadian Defence Review*, September 26, 2025, https://canadiandefencereview.com/kss-iii-cleared-for-launch-hanwha-ocean-cover-story/.

In contrast, TKMS's Type 212CD remains at an early stage in its production cycle and faces timeline constraints caused by its substantial existing order book, including 12 submarines planned for the German and Norwegian navies.[11] While TKMS initially provided firm delivery timelines only for the first two submarines — projected for 2034 and 2037 — it has since recommitted to delivering four boats by 2036, partly by reallocating one submarine each from existing German and Norwegian Navy orders.[12] While this may accelerate near-term delivery, it still leaves greater uncertainty around the production schedule and delivery timeline for the remainder of the fleet.

Beyond delivery, the KSS-III Batch-II also aligns more closely with Canada's defence posture toward enhanced lethality and assertive power projection. As the RCN seeks not only to defend Canada's sovereignty but also to deter adversaries across expansive maritime domains collectively with security allies and partners, the platform's larger hull and integrated vertical launch system (VLS)[13] provide a significant operational advantage.[14] The hull size is well-suited for ice-breaking surfacing and deep water operations, while the VLS — engineered to support submarine-launched ballistic missiles (SLBMs) — enables greater payload diversity, rapid strike capability, and long-range precision engagement.

However, this advantage is not without trade-offs. TKMS's Type 212CD offers clear strengths in Arctic optimization and NATO interoperability. Its non-magnetic Amanox steel enhances performance in extreme cold and corrosion resistance,[15] while its hull is well-suited for under-ice navigation. Moreover, TKMS benefits from a deep NATO integration supported by the ORCCA Combat Management System[16] and institutional frameworks such as the EU's Security Action for Europe (SAFE).[17] This positions it as a lower-risk option for allied operations and Arctic missions.

However, the limitations of the KSS-III Batch-II are better understood as adaptable rather than structural. While its HY-100 steel is less optimized for Arctic conditions, proposed

[11] Thyssenkrupp Marine Systems, "TKMS Wismar Ramp-Up Progresses: Over 140 New Employees at the Start of the Year," January 5, 2026, https://www.TKMSgroup.com/news/article/TKMS-wismar-ramp-up-progresses-over-140-new-employees-at-the-start-of-the-year

[12] Murray Brewster, "Germany and Norway Offer Canada Two Submarines from Their Own Order to Sweeten Defence Deal," *CBC News*, May 30, 2024, https://www.cbc.ca/news/politics/subs-germany-norway-canada-nato-9.7214590.

[13] A vertical launch system (VLS) is an advanced missile-launching system used on mobile naval platforms such as submarines, consisting of multiple vertical cells that store and fire different types of long-range missiles.

[14] Noah Gairn, "Happy CPSP RFP Day! Everything You Need to Know About the RFP, What's Currently on the Table, and Answering Some Questions," *True North Strategic Review*, March 2, 2026, https://www.truenorthstrategicreview.ca/p/happy-cpsp-rfp-day-everything-you.

[15] Noah Gairn, "The History of Submarine Steel: How It Shapes Modern Submarines," *True North Strategic Review*, January 26, https://www.truenorthstrategicreview.ca/p/the-history-of-submarine-steel-how.

[16] The ORCCA Combat Management system, jointly developed by TKMS and Kongsberg Defence & Aerospace, integrates platform control and combat operation, enabling real-time sensor data exchange across European allied networks. "Kongsberg to Deliver ORCCA Combat System for Type 212CD Submarines," *Naval News*, December 19, 2025, https://www.navalnews.com/naval-news/2025/12/kongsberg-to-deliver-orcca-combat-system-for-type-212cd-submarines/.

[17] SAFE is the EU's new financial instrument designed to provide financial loans to Member States up to €150 billion for investments in defence capabilities, financing urgent and large-scale procurement efforts to ensure Europe's defence industry. See European Commission, "SAFE: Security Action for Europe," accessed April 27, 2026, https://defence-industry-space.ec.europa.eu/eu-defence-industry/safe-security-action-europe en.

mitigation measures can reduce associated risks and can be further improved through sustainment. Although South Korea lacks the same depth of NATO integration, its rapid growth as a major defence exporter — ranking second in arms supply to NATO members between 2021 and 2025[18] — signals an increasing alignment with NATO standards and an expanding interoperability over time.

An interest-based assessment of platform requirements positions Hanwha as a more operationally advantageous platform for Canada. It is able to do so not by outperforming Germany across all categories, but by more effectively addressing key CPSP categories, particularly timely delivery and enhanced lethality that strengthen naval capability.

Industrial Benefits and Strategic Autonomy

In February 2014, the Government of Canada introduced the Industrial and Technological Benefits policy, administered by Innovation, Science, and Economic Development Canada (ISED), to leverage long-term industrial benefits from defence procurement.[19] The policy is centred on the Value Proposition (VP), a weighted component of bid evaluation that assesses bidders' economic commitments to Canada across five key pillars: (1) work in the Canadian defence industry; (2) Canadian supplier development; (3) research and development (R&D); (4) skills development and training; and (5) exports.[20]

The continued application of the ITB Policy aligns with the broader direction of Canada's defence agenda. On February 20, 2026, Prime Minister Carney announced the launch of Canada's Defence Industrial Strategy,[21] marking a significant step toward realizing his earlier commitment to "strategic autonomy."[22] Alongside rearming the Canadian Armed Forces, including the RCN, the strategy aims to rebuild defence capacity and reinvest in the domestic defence industry. These are objectives reinforced through the ITB framework.

In this context, the five VP pillars of the ITB Policy serve as a critical and interest-based benchmark for assessing defence-industrial partnerships under the CPSP.

---

[18] Stockholm International Peace Research Institute (SIPRI), "Trends in International Arms Transfers, 2025," March 9, 2026, https://www.sipri.org/sites/default/files/2026-03/fs_2603_at_2025.pdf.

[19] Government of Canada, "Canada's Defence Industrial Strategy: What It Means for Defence Team Members," *The Maple Leaf*, February 20, 2026, https://www.canada.ca/en/department-national-defence/maple-leaf/defence/2026/02/canada-defence-industrial-strategy-what-mean-defence-team-members.html.

[20] Government of Canada, "Industrial and Technological Benefits Policy," *Innovation, Science and Economic Development Canada*, accessed March 31, 2026, https://ised-isde.canada.ca/site/industrial-technological-benefits/en/industrial-and-technological-benefits.

[21] Prime Minister of Canada, "Prime Minister Carney Launches Canada's First Defence Industrial Strategy," *Prime Minister of Canada*, February 17, 2026, https://www.pm.gc.ca/en/news/news-releases/2026/02/17/prime-minister-carney-launches-canadas-first-defence-industrial.

[22] Mark Carney, "Davos 2026 Special Address by Mark Carney, Prime Minister of Canada."

Industrial Benefits: Comparative Summary Table

	ITB Policy Pillar	Hanwha Ocean (South Korea)	TKMS (Germany)	Preliminary Assessment
1	**Work in the Canadian Defence Industry**	Offers a more operationally grounded ISS/MRO model, supported by proven KSS-III sustainment experience and partnership with Babcock Canada, Ontario Shipyards, PCL Construction	Offers a credible but more prospective sustainment model through Seaspan and future Type 212CD-related infrastructure, though the 212CD platform and its tailored ISS ecosystem remain under development	**Relative advantage: Hanwha Ocean, due to greater demonstrated readiness and transferability of MRO/ISS capabilities + Hyundai's hydrogen fuel-cell facility proposal**
2	**Canadian Supplier Development**	Presents a broader and horizontally diversified Canadian partner network (+45) across steel, AI, satellite communications, maritime systems + early-stage localization hub (e.g., Australia H-ACE plant)	Presents a more selective but high-value Canadian partner network (+15), with stronger formalized Indigenous partnership structures and a curated Team 212CD framework	**Mixed, slight advantage: Hanwha Ocean for breadth of supplier engagement; TKMS stronger on formalized Indigenous partnership**
3	**Research and Development**	Builds R&D partnerships with twelve Canadian universities focused on AI-enabled naval systems, digital simulation, underwater acoustics	Launches the Canadian Defence & Dual-Use Innovation Ecosystem (CDDE), a 15-year framework linking TKMS with three Canadian universities, SMEs, and Indigenous partners	**Relative advantage: TKMS, due to a more integrated ecosystem-based R&D framework**
4	**Skills Development and Training**	Uses trilateral partnerships with Babcock Canada; and with Ontario Shipyards, Mohawk College with clearer pathways to shipbuilding training and employment	Emphasizes advanced simulation-based training through CAE and workforce inclusion through Indigenous partnerships, with details more future-oriented	**Relative advantage: Hanwha Ocean, due to stronger linkage between training, infrastructure, and immediate employment pathways**
5	**Exports from Canada**	Offers access to South Korea's full-spectrum defence industrial ecosystem, including cross-domain opportunities in land-based artillery systems, military vehicles, and potentially aerospace, supported by customization and localized production models	Benefits from Canada's participation in the EU's SAFE initiative, creating a more institutional pathway into European defence supply chains and joint procurement markets	**Mixed: TKMS/Germany stronger on institutional market access and engagement with European partners through SAFE initiative; Hanwha Ocean/South Korea stronger on industrial scalability and cross-domain export potential**

Across the first four pillars, Hanwha Ocean presents a more flexible and immediately deployable model. With the initial KSS-III Batch-II submarine completed production, Hanwha Ocean guarantees a credible transfer of structured in-service support (ISS)[23] capabilities, including Maintenance, Repair, and Overhaul (MRO)[24] activities, shipyard infrastructure development, and training of domestic workforce and submarine crews within Canada.

In addition, Hanwha's extensive network of Canadian partners, trilateral industry-academia collaborations,[25] and demonstrated localization strategies in other

[23] In-Service Support (ISS) is a broad management of technical, logistical, and engineering services to support the submarines throughout their operational lifecycle.

[24] Maintenance, Repair, and Overhaul (MRO) consists of specific, technical activities performed on the submarine to prevent failures, fix defects, and extend its lifecycle through overhaul processes.

[25] Canadian Companies and Universities Join Hanwha Ocean's Global Submarine Supply Chain," *Naval News*, March 8, 2026, https://www.navalnews.com/naval-news/2026/03/canadian-companies-and-universities-join-hanwha-oceans-global-submarine-supply-chain; Mohawk College, "Hanwha Ocean, Ontario Shipyards and Mohawk College Partner to Strengthen Shipbuilding Capacity and Workforce Development," *Mohawk Newsdesk*, February 18, 2026, https://www.mohawknewsdesk.ca/hanwha-ocean-ontario-shipyards-and-mohawk-college-partner-to-strengthen-shipbuilding-capacity-and-workforce-development/.

customer countries[26] indicate deep industrial integration, proactively engaging Canadian firms — small and medium enterprises (SMEs), Indigenous businesses, and research institutions — into submarine supply chains.

In contrast, TKMS's strengths lie in long-term R&D through its launch of the Canadian Defence & Dual-Use Innovation Ecosystem (CDDE)[27] and in formalized Indigenous partnerships,[28] reflecting the growing significance of Indigenous sovereignty to Canada's Arctic context. However, much of its offering remains prospective and developmental. As its sustainment ecosystem has yet to be operationalized, its immediate contribution to Canada's defence industry is limited.

But the trade-offs are most clearly pronounced when developing Canada's export potential. Germany's proposal stands out in institutional integration and export market access, notably through Canada's participation in the SAFE initiative within established European defence supply chains. This provides a more stable, rules-based pathway for Canada to learn from European partners, train its domestic workforce through joint procurement, and gradually develop the capacity to compete in high-standard European markets.

On the other hand, Hanwha Ocean's approach, while broader and more ambitious, raises questions about the depth of integration across its wide partner network, as well as the absence of a multilateral framework comparable to SAFE for direct market access.

These limitations are better understood as manageable risks rather than structural constraints, given Hanwha's proven track record in localization and export-oriented industrial expansion. Notable examples include the AS9 variant of the K9 Thunder self-propelled howitzer (SPH) for Australia and the HOMAR-K variant of the K239 Chunmoo multiple rocket launcher system (MRLS) for Poland, both adapted to national requirements and supported by localized production.

[26] There are two prominent examples. In Australia, Hanwha Defence Australia (HDA) established the Hanwha Armoured Vehicle Centre of Excellence (H-ACE) in 2019 to collaborate with domestic suppliers and localize production of the AS9 Huntsman self-propelled howitzer, an Australian variant of the K9 Thunder. In Poland, Hanwha Aerospace and WB Group formed a joint venture, Hanwha-WB Advanced Systems, in September 2025 and announced plans to localize production of the CGR-800 guided missile system. See "Hanwha Welcomes Australian-Made AS9 Huntsmans," Australian Defence Magazine, February 27, 2026, https://www.australiandefence.com.au/defence/land/hanwha-welcomes-australian-made-as9-huntsmans; Hanwha Aerospace, "Hanwha Aerospace Expands Global Defense Presence with Advanced Technologies," December 30, 2025, https://www.hanwhaaerospace.com/eng/media/newsroom/view.do?seq=591.

[27] The Canadian Defence and Dual-Use Innovation Ecosystem (CDDE) is a structured 15-year framework designed to translate research into operational maritime defence solutions. Its initial phase brings together three Canadian universities—Western University, the University of British Columbia, and Dalhousie University.
See Thyssenkrupp Marine Systems, "TKMS Launches the Canadian Defence & Dual-Use Innovation Ecosystem (CDDE)," https://www.tkmsgroup.com/news/article/tkms-launches-the-canadian-defence-dual-use-innovation-ecosystem-cdde.

Reflecting this approach, Hanwha's partnership[28] with Canada's Automotive Parts Manufacturers' Association (APMA) and Algoma Steel would, conditional on winning the CPSP award, establish a Canadian-owned manufacturing facility for military vehicles and systems. This includes domestic production of K9 SPH, which has been proposed under the Canadian Army's Indirect Fires Modernization (IFM) program,[29] and integrates Canadian-made steel into defence manufacturing and submarine sustainment. This creates opportunities for Canadian firms to co-develop and produce customized variants with South Korean defence firms across multiple defence sectors, thereby strengthening their export credibility without reliance on European partners.[30]

Industrial benefits are a critical component of an interest-based judgment of Canada's search for new defence partnerships. Understanding which proposed partners can credibly develop Canada's defence supply chains, exportability, and strategic autonomy is key.

An Interest-Based Choice

The CPSP embodies the broader significance of "building strength at home." It begins not only by equipping the RCN with modernized submarine capabilities to safeguard national sovereignty, but also by leveraging procurement as a strategic tool to reinforce Canada's position across the Indo-Pacific and the Arctic.

The choice between competing submarine partners extends beyond platform performance to encompass long-term industrial development and Canada's role in a far-reaching maritime security environment. While a critical assessment of the competing proposals from TKMS and Hanwha Ocean remains essential, the outcome will depend on the Government of Canada's ability to translate procurement into sustained operational

[28] Hanwha Corporation, "South Korean Presidential Envoy Pledges Full Government Support for Expanded Partnership Between Canada's Auto Parts Sector, Algoma Steel and Hanwha to Advance a Build-in-Canada Vehicle Manufacturing Capability," *Hanwha Newsroom*, April 23, 2026, https://www.hanwha.com/newsroom/news/press-releases/south-korean-presidential-envoy-pledges-full-government-support-for-expanded-partnership-between-canadas-auto-parts-sector-algoma-steel-and-hanwha-to-advance-a-build-in-canada-vehicle-manufacturing-capability.do.

[29] The Indirect Fires Modernization (IFM) program is a Canadian Army procurement initiative aimed at replacing its existing M777 155mm towed howitzers with approximately 80-90 new 155mm self-propelled howitzers. PSPC issued a RFI in February 2026 outlining the program's preliminary requirements. See Colby Badhwar, "Canadian Army's Artillery Modernization Plan Takes Shape," *Defense Archives*, February 21, 2025, https://defensearchives.com/news/canadian-armys-artillery-modernization-plan-takes-shape/.

[30] A notable example of this approach is the joint venture announced in April 2026 between Hanwha Corporation and Canada's Automotive Parts Manufacturers' Association (APMA), which aims to establish a Canadian-based manufacturing facility for non-commercial industrial vehicles and heavy military systems. The initiative suggests the potential for localized production of platforms such as the K9 Thunder self-propelled howitzer and the K239 Chunmoo Multiple Launch Rocket System (MLRS), both proposed by Hanwha Aerospace under Canada's Indirect Fires Modernization (IFM) program. See "Automotive Parts Manufacturers' Association (APMA) and Hanwha Corporation Announce Landmark Canada–South Korea Joint Venture," *Canadian Manufacturing*, April 29, 2026, https://www.canadianmanufacturing.com/manufacturing/the-automotive-parts-manufacturers-association-apma-and-hanwha-corporation-announce-landmark-canada-south-korea-joint-venture-318351/.; Martin Chomsky, "Hanwha Offers Canada Full Military Vehicle Production and Twelve Submarines by 2043 if KSS-III Submarine Is Selected," *Defence Industry Europe*, April 29, 2026, https://defence-industry.eu/hanwha-offers-canada-full-military-vehicle-production-and-twelve-submarines-by-2043-if-kss-iii-submarine-is-selected/.

readiness and industrial competitiveness through concrete commitment and implementation.

> **A measured and interest-based approach to new partners will determine how effectively Canada can reduce its overreliance on the United States, strengthen sovereign capabilities, and assert strategic autonomy.**

A measured and interest-based approach to new partners will determine how effectively Canada can reduce its overreliance on the United States, strengthen sovereign capabilities, and assert strategic autonomy.

Author

Jarine Kim

Jarine Kim is Director of Research at the Canada Korea Business Council. She holds a Master of Global Affairs from the Munk School of Global Affairs & Public Policy at the University of Toronto. Her research focuses on Canada-Korea relations, defence-industrial cooperation, and Indo-Pacific security.

To learn more about us, visit:
peacediplomacy.org

© 2026 Institute for Peace & Diplomacy