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POLICY PERSPECTIVE

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Summary

- The Royal Canadian Navy (RCN)'s current fleet of Victoria-class submarines is scheduled to be decommissioned in the mid-2030s. To meet its defence objectives and respond to emerging security threats, Canada needs a new fleet of submarines. In July 2024, the Canadian government announced plans to procure up to 12 conventionally-powered, under-ice capable submarines. A Request for Information (RFI) was issued in September 2024.

- Several countries have responded to the RFI, including Germany, Norway, and South Korea. Germany and Norway have been involved in a joint submarine construction project, with six submarines currently under construction. Meanwhile, South Korean companies Hanwha Ocean and HD Hyundai Heavy Industries (HHI) have formed a "One Team" partnership.

- Canada's choice of submarines will carry significant geopolitical implications. If Canada selects South Korean submarines, it would represent a bold shift in its defence posture, marking a symbolic divergence from its more familiar and traditional Western partners. It could also signal a closer, long-term partnership with a key Indo-Pacific ally.

Context

- Canada has the longest coastline in the world, bordered by the Atlantic, Arctic, and Pacific oceans. However, this extensive coastline faces growing challenges due to the accelerating impacts of climate change. The Arctic is warming at four times the global average, making it increasingly accessible to actors with regional military ambitions, such as Russia and China. As such, it is crucial for the RCN to possess advanced underwater capabilities to protect Canada's sovereignty and maritime security.

- Submarines enable Canada to detect and deter maritime threats, secure its maritime approaches, and project power and striking capability further from its shores. The RCN's current fleet of Victoria-class submarines was built in the United Kingdom in the 1980s and purchased by Canada in the 1990s. The Victoria-class fleet is scheduled to be decommissioned in the mid-2030s. Therefore, Canada requires a new fleet of submarines to meet its defence objectives and respond to emerging security threats.

- The April 2024 defence policy update, *Our North, Strong and Free* (ONSAF), commits to enhancing the Canadian Armed Forces' ability to surveil and control Canada's maritime and underwater approaches, and to exploring options for the renewal and expansion of the submarine fleet.

- In July 2024, the government announced plans to procure up to 12 conventionally-powered, under-ice capable submarines. The Canadian Patrol Submarine Project (CPSP) has assessed that the most efficient means of procuring a replacement fleet is to pursue foreign built Military Off-the-Shelf (MOTS) submarines that meet Canadian requirements.

- In September 2024, Public Services and Procurement Canada (PSPC) issued a RFI to gain further information on the procurement, construction, delivery, and operational capabilities of potential bidders. To avoid any gaps, Canada anticipates awarding a contract by 2028, with the first new submarine to be delivered no later than 2035.

Considerations

- Several countries have expressed interest in the CPSP, including France, Germany, Norway, South Korea, Spain, and Sweden.

- Germany and Norway have been involved in the joint submarine construction partnership for several years.

    - Six submarines, called 212CD, are currently under construction – two for Germany and four for Norway – with the German Navy expected to receive its first vessel in 2028.

    - According to the CEO of ThyssenKrupp Marine Systems (tkMS), the German shipyard leading the bid, if Canada were to join the German-Norwegian partnership, it will be possible for Canada to receive its first submarine by the requested timeline. However, he added that joining the production line at this point would likely mean redesigning one of the submarines already allocated to Germany or Norway.

- Two major South Korean shipbuilders, Hanwha Ocean and HHI, have formed a joint venture and committed to delivering their latest KSS-III submarines, with the first four scheduled for delivery by 2035.

    - KSS-III is a diesel-electric attack submarine, capable of firing torpedoes and submarine-launched ballistic missiles (SLBM).

    - Hanwha Ocean and HHI proposed a detailed crew training plan, which outlines that Canadian sailors would receive basic and tactical training in Korea while the submarines are under construction. This would enable the crews to operate the submarines and be ready for deployment almost immediately upon delivery.

    - Hanwha Ocean pitched building maintenance facilities on both coasts and employing Canadian workers. Hanwha has also established strategic partnerships with Canadian companies like CAE, Gastops, and Curtiss-Wright Indal Technologies to support long-term collaboration.

- Canada requires submarines capable of operating effectively in Arctic conditions, including long-duration missions under ice-covered waters.

    - South Korea's KSS-III submarines are powered by lithium-ion batteries, which offer greater cruising speed and longer submerged times with more than 21 days underwater. These capabilities are especially valuable for Canada's Arctic operations. Currently, only the KSS-III and Japan's Taigei-class submarines incorporate lithium-ion batteries.

    - Canada's new submarines must be able to break through ice and surface in emergencies. This requires a minimum displacement of 3,000 tons, and only South Korea and Japan currently manufacture 3,000-ton-class conventional submarines. However, Japan has decided to not take part in the CPSP procurement bid, leaving South Korean submarines the only others on the market currently in-service.

- Canada's current Victoria-class submarines are an "orphan class" with no other units in-service elsewhere. This means the RCN had to build or repair parts on its own whenever something breaks. Therefore, for the future submarine acquisition, it is critical to select a partner with robust supply chains and readily available spare parts to ensure timely maintenance of vessels.

Implications for Canada

- Amid ongoing trade tensions with the U.S. and a shifting geopolitical landscape, Canada must diversify its defence partnerships beyond the U.S. and strengthen ties with other NATO allies.

    - At the 2024 NATO Summit, then-Minister of National Defence Bill Blair signed a trilateral Letter of Intent with Germany and Norway to establish a strategic partnership aimed at strengthening maritime security cooperation in the North Atlantic.

    - In May 2025, Prime Minister Carney stated that Canada is considering joining the ReArm Europe Plan – a major European military buildup initiative – as a step toward reducing the country's dependency on the U.S. At the EU-Canada Summit in June 2025, Canada signed the EU-Canada Security and Defence Partnership.

    - Senior German and Norwegian defence officials noted that the trilateral agreement and the ReArm Plan are important for both Canada and Europe as the West faces the threat of potential Russian aggression. They also added that these agreements could facilitate Canada's purchase of submarines from its traditional NATO allies.

- At the same time, Canada recognizes the significant strategic opportunities presented by the Indo-Pacific region and has been actively engaging with key partners, including South Korea.

    - Canada and South Korea have long been like-minded partners. In September 2022, the two countries elevated their relationship to a Comprehensive Strategic Partnership based on five shared priorities – one of which is strengthening security and defence cooperation, including peacekeeping and maritime security.

    - The ROK Navy and the RCN already conduct joint military exercises through Operation HORIZON and Operation NEON. Canada also participates alongside South Korea in major multinational maritime exercises, such as RIMPAC and Exercise PACIFIC VANGUARD.

- By procuring South Korean submarines, the RCN would operate shared technology with the ROK Navy for several decades. This would enhance interoperability between the two navies and further strengthen joint operations in the Pacific.

- Additionally, South Korea is already working closely with its Western allies and NATO member states, demonstrating that its defence sector is capable of producing NATO compatible equipment.

  - For example, since 2022, Poland has signed an estimated USD $22 billion worth of contracts with South Korean firms, including K2 Black Panther tanks, K9 self-propelled howitzers, and K239 Chunmoo multiple rocket launchers.

  - Hanwha Ocean has also signed a Master Ship Repair Agreement (MSRA) with the U.S. Navy, which validates the company's capability to undertake large-scale maintenance, repair and overhaul (MRO) services for the RCN and its partners. In March 2025, Hanwha completed its first MRO service for the U.S. Navy.

- When selecting new submarines, Canada must consider not only operational capabilities, costs, and procurement timelines, but also the broader geopolitical and strategic implications of its decision. This decision requires rethinking defence objectives, long-term relationships, and identifying the most reliable partner for such a critical procurement project. Canada can either deepen its alignment with NATO partners or turn to the Indo-Pacific to diversify its defence and security partnerships.

About the Author

Julie Kim *is a Post-Doctoral Fellow leading the Korea Program at the Canadian Global Affairs Institute (CGAI) and a Country Expert on North Korea for the Bertelsmann Transformation Index (BTI). She received a PhD in Political Science from Heidelberg University as a German Academic Exchange Service (DAAD) scholar. Her dissertation explores the social control system and autocratic regime stability in North Korea. She has a Master of Arts in North Korean Studies and a Bachelor of Arts in German Language and Literature from Ewha Womans University.*

Julie has previously worked as a Research Intern at the Stockholm International Peace Research Institute (SIPRI) and a Global Asia Fellow at the East Asia Foundation. She has published various articles and a book chapter, including in the Journal of East Asian Studies, BTI Country Report – North Korea, and Global Asia. Her research interests include authoritarian regimes, geopolitics with a regional focus on the Korean Peninsula, and Canada-Korea defence cooperation.

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