

MNI POLITICAL RISK ANALYSIS-South Korea Election Briefing

by Tom Lake

South Korea holds a snap presidential election on Tuesday, 3 June, two years ahead of schedule. The election takes place at a time of heightened political, security, and economic tensions for South Korea, with two strongly opposing views of the country's future offered by the main candidates. Under the presidency of Yoon Suk-yeol, South Korea moved to significantly bolster relations with the US and Japan as a bulwark against China in the region. The outcome of this election could see a moderation in this stance should the defeated 2022 candidate Lee Jae-myung win, or an acceleration under foreign policy hawk Kim Moon-soo.

In this briefing, we offer scenario analysis of the most likely election outcomes, with assigned probabilities. The briefing also contains a short explanation on how South Korean presidential elections work and how the course of the election should progress on election night, information on the main candidates contesting the vote, and an opinion polling and betting market chartpack.

Martial Law Sparks Political Crisis

The snap election comes following the impeachment of erstwhile President Yoon Suk-yeol, who sparked a political maelstrom in December 2024 when he imposed martial law, claiming that the National Assembly was conducting "*anti-state activities*" and collaborating with "*North Korean communists*" in order to destroy the South Korean state and create a "*legislative dictatorship*". Following a tense standoff at the National Assembly between lawmakers and security services, the martial law declaration was overturned within a number of hours.

The National Assembly, where the opposition liberal Democratic Party of Korea (DPK) holds a majority, swiftly moved to begin impeachment proceedings against Yoon. The process sparked mass protests in major cities, both demanding Yoon's removal from office and in favour of his actions. Eventually, enough members of Yoon's own conservative People Power Party (PPP) voted to impeach the president that the measure passed the required two-thirds threshold, sending the case to the Constitutional Court. In early April, the Court unanimously upheld the impeachment, removing Yoon from office and firing the starting gun on a two-month election period.

Electoral System

South Korea has a presidential system of government, where executive power is invested in the office of the president. South Korean presidents have one of the shortest legal tenures of any nation, with a single five-year term permitted. An individual cannot serve multiple consecutive or non-consecutive terms. The president is elected in a single-round plurality vote, where the candidate winning the most votes nationwide is elected to office. Citizens over the age of 18 can vote.

Two days of early voting take place from 06:00 to 18:00 local time on 29 and 30 May, with [reports suggesting](#) that record numbers have availed themselves of the opportunity. In the 2022 election, 37% of voters cast their ballots early. Overseas voting took place across 118 countries from 20-25 May, with 223 polling stations set up at embassies and consulates.

On election day, polling stations are open from 06:00 to 20:00KST (07:00ET, 12:00BST, 13:00CET). Three South Korean broadcasters, KBS, MBC and SBS, will conduct an exit poll interviewing ~100k voters in person at polling stations and an additional 11,500 via telephone. This poll will be published 10 minutes after polls close at 20:10KST (07:10ET, 12:10BST, 13:10CET). In the 2022 presidential election, it took nine hours after the close of voting for Yoon Suk-yeol to be declared the winner in what was the closest presidential election in the country's history.

Because this election has come around 'off cycle' due to the impeachment of Yoon Suk-yeol, there will not be the usual two-month transition period between election and inauguration. The winner will be sworn in as soon as the outcome is confirmed by the National Election Commission.

Main Candidates

Lee Jae-myung – Democratic Party of Korea (DPK) – 61 y.o. DPK leader 2022-25, Member of the National Assembly 2022-, Governor of Gyeonggi Province 2018-21, Mayor of Seongnam 2010-18 – Centrist, liberalism, social liberalism, pro-denuclearisation, pro-reunification – DPK Seats in National Assembly: 171/300

Kim Moon-soo – People Power Party (PPP) – 73 y.o. Minister of Employment and Labour (2024-25), Governor of Gyeonggi Province 2006-14, Member of the National Assembly 1996-2006 – Right-wing, conservative, social conservative, economic liberalism, pro-US, anti-communist – PPP Seats in National Assembly: 107/300

Lee Jun-seok – Reform Party (RP) – 40 y.o. Leader of the RP 2024, Leader of the PPP 2021-22, Member of the National Assembly 2024-, – Centre-right, conservative, libertarian, antifeminism – RP Seats in National Assembly: 3/300

Election Scenarios:

Lee Jae-myung Wins Presidency at Second Attempt – 85% Probability:

- Lee has been the most prominent opposition politician during the course of the Yoon presidency, and notably during the course of the now ex-president's impeachment proceedings. While the electorate remains bitterly divided regarding Yoon's imposition of martial law in December 2024 and his subsequent removal from office, it is apparent that Yoon's actions have dealt a significant blow to support for the right-wing PPP among moderate voters.
- The DPK's campaign has also been aided by a split on the right, with Lee Jun-seok's expulsion from the PPP, the establishment of the Reform Party, and his decision to run in the presidential election all serving to damage the electoral fortunes of the PPP.

- The policy-making environment would be much-altered under a Lee presidency. The biggest notable change would be that for the first time since the final two years of Moon Jae-in's term from 2020 to 2022, the president and the majority in the National Assembly will both hail from the same party. Through all of Yoon's term, the DPK held the majority, acting as a major obstacle to his policy agenda, which, according to the ousted president, became one of the major factors in his decision to enact martial law. With the National Assembly on side, Lee will face a much smoother process of enacting his policy priorities (at least until the next legislative elections in 2028).
- With regards to foreign policy, a Lee administration could represent a significant shift. Under Yoon, US-South Korean and Japanese-South Korean relations, particularly in the realm of defence and security, have deepened significantly with the first-ever leader-level tripartite meetings taking place. This came at the same time as South Korea moved more firmly into the US-aligned camp when it came to Indo-Pacific security and pursuing a hard line with regards to North Korea's missile tests and wider efforts to destabilise the South.
- In comparison to the PPP, Lee and the wider DPK advocate for more 'trust building' with North Korea, with the eventual aim of reunification. DPK-led administrations have also sought more of a balance in terms of relations with Russia and China, rather than the more overtly pro-US stance of the PPP. Lee has talked up an enhancement in South Korea's defence capabilities in line with US calls for its allies to take on a greater responsibilities. He has also raised the prospect that in the event of the outbreak of war, operational control of joint Korean-US armed forces would come under Seoul's control. This has been a long-term aim for the DPK, but has been not pursued aggressively due to concerns about damaging relations with the US. While the Trump administration has proved keen that allies take on greater burden sharing in terms of military deployment and defence spending, handing over wartime operational control of joint forces to another country may prove a step too far.
- Lee has sought to present himself as a centrist during the campaign, advocating "pragmatic diplomacy" that retains strong military links with the US while also bolstering links with China and Russia. It is not only with regard to security policy that Lee appears cooler on US ties. On trade, Lee has not laid out plans for immediate meetings and negotiations with Washington, D.C., on reciprocal tariffs. While pointing out areas of potential cooperation – shipbuilding, defence, and advanced industries – Lee has said South Korea does not need to be "unilaterally bound" to the US.
- With regards to relations with Japan, Lee has said that he would look to maintain the 2023 agreement between South Korea, Japan, and the US on deepening cooperation on defence, economic security, and supply chains. However, there remains the risk of falling out with Tokyo over WWII reparations. 2025 is the 60th anniversary of the restoration of diplomatic links following Japan's colonisation of the Korean peninsula and the Second World War. In 2023, Yoon ended long-standing claims for reparations for South Koreans forced to work in Japanese factories during the 35-year occupation, a decision strongly denounced by Lee. Should Lee raise this issue again it could end the prospect of closer trilateral relations.
- A win for Lee would not necessarily signal an end to South Korea's political instability. Following the 2022 presidential race, in which Lee lost narrowly to Yoon,

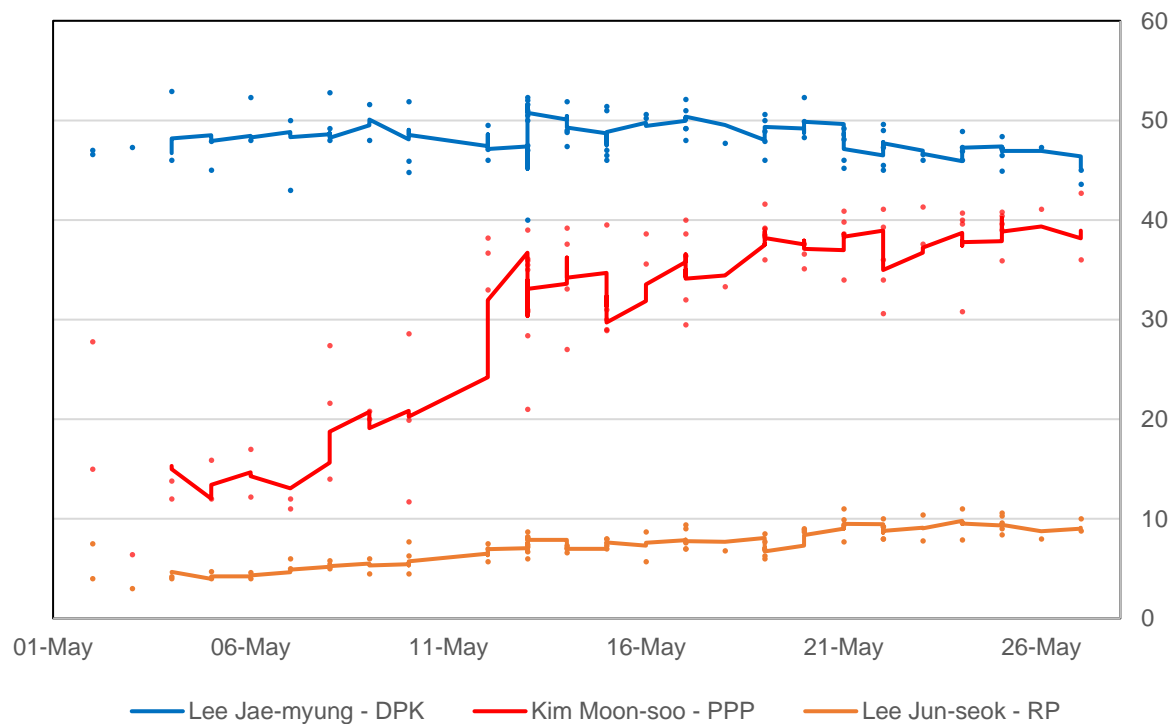
Lee was charged and convicted of election law violation for denying involvement in a corruption scandal during a presidential debate. In March Lee was cleared of violating the law by an appeals court. However, in May the Supreme Court ordered the reversal of this acquittal, effectively finding Lee guilty and moving the case on to sentencing. This will not happen until after the election, but there remains the uncertainty regarding whether Lee would risk removal from office if he is fined above a threshold of KRW1mn (USD728). While the president enjoys wide ranging immunity it is unclear if this relates to ongoing trials or just those that would occur during his presidency. Moreover, [a number of other legal challenges](#) could also pose threats to the sustainability of his presidency further down the line.

Kim Moon-soo Secures Unexpected Victory – 15% Probability

- A win for the PPP candidate would come as a major shock to the political system, with opinion polls and political betting markets showing the DPK's Lee as the overwhelming favourite. The PPP has pushed the idea during the campaign that a win for Lee will provide the DPK with untrammelled power in policy-making, and that this in turn could lead to major shifts in the country's political direction. For a sizeable section of the electorate, the PPP's warnings of Lee's dovish stance towards the North could see an unexpected shift towards the conservative Kim's candidacy.
- In stark contrast to the more dovish stance of the DPK towards regional and international relations, Kim is viewed as one of the most hardline hawks in the PPP. He has advocated bolstering military links and interoperability between South Korea's armed forces and those of the United States.
- This would come in the form of revisions to the US-Korean Mutual Defense Treaty to put South Korea under the US' nuclear umbrella, and have a rotation in the deployment of US strategic nuclear assets that makes them essentially a permanent presence in South Korea. The US has not deployed nuclear weapons in South Korea since 1991. Kim and the PPP do not favour Seoul taking wartime operational control, arguing it could act as a harbinger to a US troop withdrawal that would leave South Korea weakened in defence.
- Kim has proposed a meeting with US President Donald Trump as one of the first acts of his presidency, with a focus on highlighting his intention to remain closely tied to the US, and as part of efforts to reduce trade tensions and reach an agreement on tariffs.

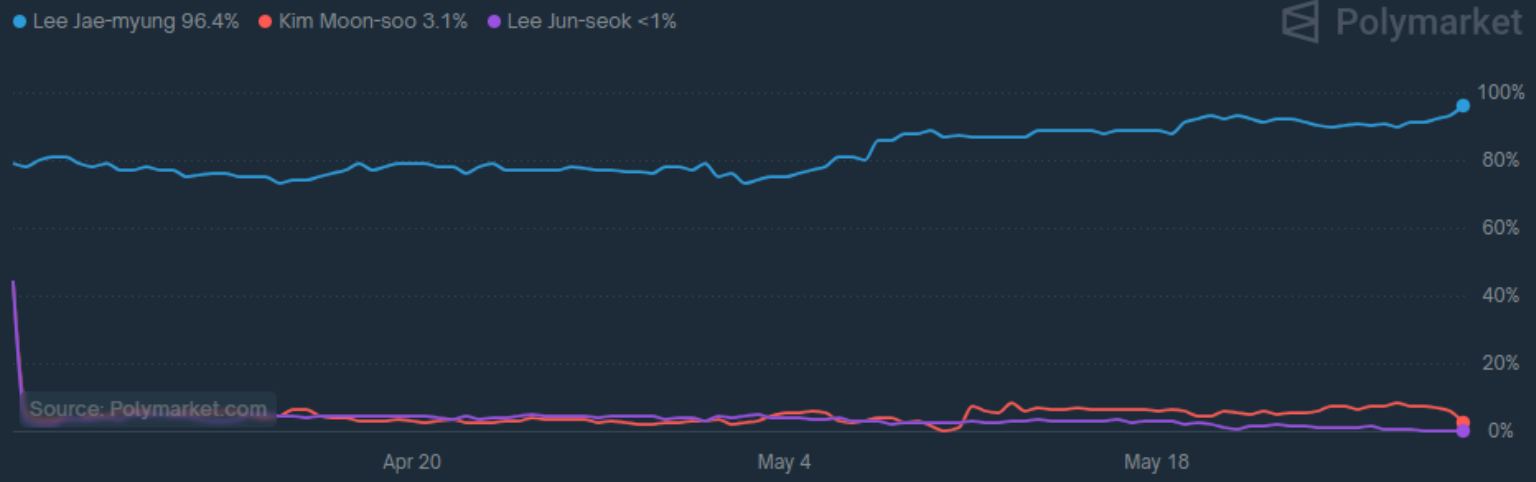
Opinion Polling Chartpack

Chart 1. Presidential Election Opinion Polling (Short-Term), % and 2-Poll Moving Average



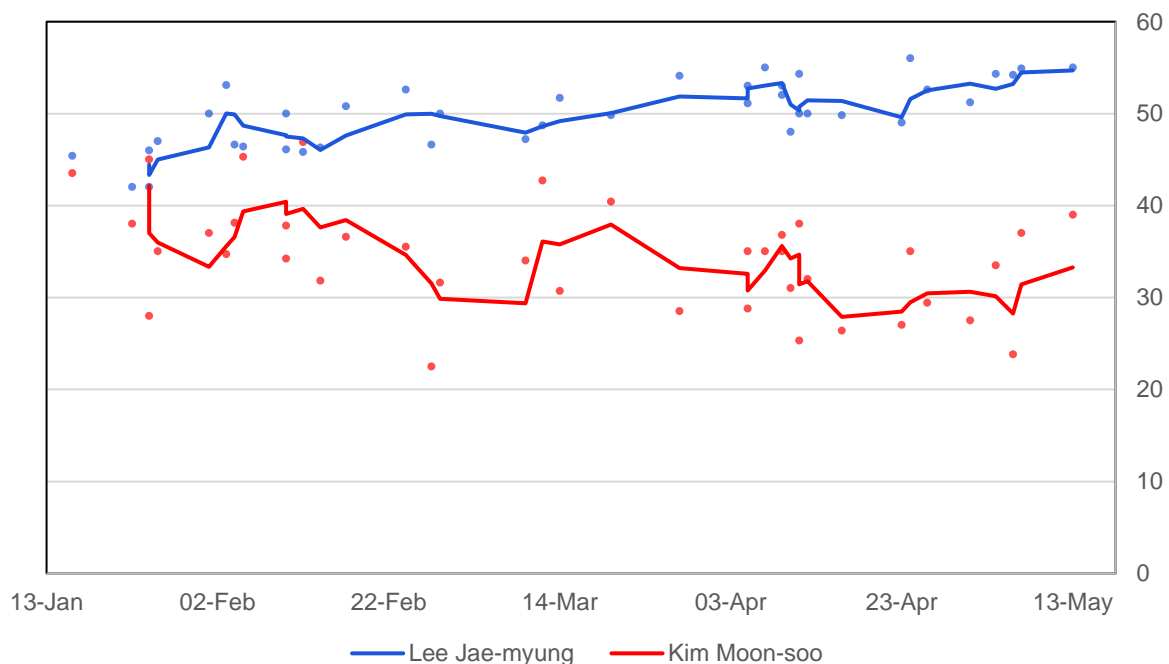
Source: Realmeter, KIR, WinG Korea, Embrain Public, Gallup Korea, Research&Research, Flower Research, Korea Research, Ace Research, KOPRA, Ipsos, Hankook Research, Researchview, Gongjung, Jowon C&I, Hangil Research, MNI

Chart 2. Betting Market Implied Probability of Winning Presidential Election, %



Source: Polymarket

Chart 3. Pre-Campaign Hypothetical Polling, Lee Jae-myung vs Kim Moon-soo, % and 3 Poll Moving Average



Source: Realmeter, KIR, WinG Korea, Embrain Public, Gallup Korea, Research&Research, Flower Research, Korea Research, Ace Research, KOPRA, Ipsos, Hankook Research, Researchview, Gongjung, Jowon C&I, Hangil Research, MNI

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