# Geopolitical Strain in Asia as Line Joint Venture Faces Challenges



In recent developments affecting geopolitical tensions in Asia, a joint venture between South Korea's Naver and Japan's SoftBank, created to co-own the popular messaging app Line, is under strain. Established in 2019 as a symbol of cooperation during a period of heightened diplomatic friction, this venture now faces challenges that could affect the improving, but fragile, relations between Japan and South Korea.

The tension has escalated since LY Corporation, the operator of Line, reported in November 2023 that a third party had accessed its systems through Naver's cloud storage. This prompted Japan's communications ministry to issue a statement widely interpreted as a directive for Naver to sell its stake in the joint venture. In South Korea, this was seen as a politically motivated move against one of its major companies, causing significant backlash and statements from Naver's leadership and political figures.

Concurrently, Japan has implemented its first sanctions against an Indian company since 1998. Si2 Microsystems, based in Bengaluru, was sanctioned alongside entities from China, Kazakhstan, UAE, and Uzbekistan for aiding Russia in evading sanctions related to the war in Ukraine. This move aligns with Japanese Prime Minister Fumio Kishida's recent comments about targeting companies supporting Russia from third countries, made during the G7 Summit in Italy.

Prime Minister Kishida and Indian Prime Minister Narendra Modi discussed enhancing ties in various strategic sectors, including defense and semiconductors, during their bilateral meeting at the summit.

While South Korea's President Yoon Suk Yeol and Japan's Prime Minister Kishida have expressed intentions to prevent the Line-related dispute from escalating, it underscores the delicate balance in regional diplomacy, with both nations keenly aware of their historical and ongoing conflicts.