



**China-Korea Relations:  
New Sanctions, Old Dilemmas**

**Scott Snyder, Council on Foreign Relations/Pacific Forum CSIS  
See-won Byun, George Washington University**

North Korea's fourth nuclear test on Jan. 6 and long-range missile launch on Feb. 7 drew global opposition to Pyongyang's actions in the form of UN Security Council (UNSC) Resolution 2270 on March 2 and condemnation by regional leaders. Pyongyang, however, promptly dismissed such calls with an intense series of short- and mid-range missile launches of various types on March 3, March 10, March 18, March 21, April 15, April 23, and April 28. Presidents Xi Jinping and Park Geun-hye expressed support for full implementation of UN sanctions in bilateral talks at the Nuclear Security Summit (NSS) in Washington on March 31, joined by US and Japanese counterparts. Foreign Ministers Wang Yi and Yun Byung-se pledged their commitment to denuclearization at the fifth Foreign Ministers Meeting of the Conference on Interaction and Confidence Building Measures in Asia (CICA) in Beijing on April 27-28, where Xi declared that China "will absolutely not permit war or chaos on the peninsula." Despite Beijing's hardened rhetoric, current tensions on the Korean Peninsula point to enduring differences between Beijing and Seoul's strategic preferences and the domestic motivations behind Pyongyang's aggression as the Workers' Party of Korea (WPK) prepared to convene its first party congress in more than three decades in May.

**Pyongyang's provocations drive new sanctions...**

Regarded as the toughest UN sanctions resolution yet to be imposed on North Korea, UNSC Resolution 2270 restricts DPRK coal, iron, and iron ore imports; prohibits the sale of aviation fuel to North Korea; restricts DPRK banking transactions abroad; and requires all UN members to inspect DPRK cargo. North Korea's Jan. 6 nuclear test sparked a series of bilateral meetings between PRC nuclear envoy Wu Dawei and ROK, Japanese, and US counterparts, a visit by Secretary Kerry to Beijing in late January, and a three-day visit by Wu Dawei to North Korea on Feb. 2-4 for talks with Foreign Minister Ri Su Yong, Deputy Foreign Minister Kim Kye Gwan, and counterpart Ri Yong Ho. Pyongyang's announcement of its rocket launch plans on the day of Wu's departure raised early speculation even by China's Foreign Ministry that he would return empty handed. While Foreign Minister Wang Yi reiterated Chinese efforts to dissuade Pyongyang in a Hong Kong media interview on Feb. 5, North Korea's long-range rocket launch two days later directly defied Chinese warnings. Xi Jinping joined in condemnation of Pyongyang with Presidents Park and Obama in separate telephone conversations on Feb. 5 and meetings on the NSS sidelines in March. Wu Dawei and newly-appointed ROK counterpart Kim

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This article is extracted from *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations*, Vol. 18, No. 1, May 2016. Preferred citation: Scott Snyder and See-won Byun, "China-Korea Relations: New Sanctions, Old Dilemmas," *Comparative Connections*, Vol. 18, No. 1, May 2016, pp.91-104.

Hong-kyun met on March 18 and April 22 against the backdrop of a flurry of North Korean launches in defiance of new sanctions and diplomatic pressure.

The UNSC's adoption of Resolution 2270 has shifted international attention to China's implementation of new UN sanctions. Some South Korean sources reported positive developments within weeks of the resolution, including an expansion of Customs personnel inspecting DPRK cargo, a central directive on local enforcement of a ban on the entry of blacklisted vessels, the implementation of a blacklist of 16 North Korean individuals by Beijing immigration authorities, and the suspension of activities of North Korean financial institutions. As part of efforts to monitor the enforcement of new sanctions, ROK Ambassador to Beijing Kim Jang-soo paid a three-day visit to Chinese border cities Dandong and Hunchun on April 13-15 to inspect Chinese Customs agencies and South Korean businesses.

On the other hand, the PRC Foreign Ministry spokesperson on March 23 flatly refuted "invented stories" in the Japanese media about Chinese implementation of a blanket ban on DPRK vessels. The PRC Foreign Ministry on Feb. 22 similarly denied South Korean media reports of the Industrial and Commercial Bank of China's freezing of North Korean bank accounts in Dandong. Other South Korean reports on March 8 revealed continued unauthorized operations of North Korean financial entities in such centers of China-DPRK trade as Dandong, as the North has developed ways to evade efforts of Chinese regulators. In response to media reports of the freezing of North Korean accounts by Chinese banks in border regions, the ROK Unification Ministry spokesperson on Feb. 22 noted the North's tendency to "directly deliver cash or use borrowed-name bank accounts." A UN report of the Panel of Experts established under UNSC resolution 1718, issued on March 7, revealed systemic weaknesses in its past record of implementing sanctions on North Korea, including measures that had been specified in prior UN resolutions. However, the limits on China's cooperation to sanction North Korea are clearest outside the UN framework: in its opposition to Seoul and Washington's imposition of unilateral sanctions measures and China's rejection of a South Korean proposal on March 18 for three-party talks with the United States on implementing UN sanctions.

### **...and old dilemmas for China and South Korea**

Despite Beijing's pledges of "full" implementation of UNSCR 2270, mounting regional tensions over North Korea reveal two enduring differences between Beijing and Seoul. First, the two sides remain divided over their strategic priorities on the Korean Peninsula. During annual China-ROK defense consultations in Seoul on Jan. 15, Rear. Adm. Guan Youfei, foreign affairs director at the Defense Ministry, reiterated Beijing's basic three principles of denuclearization, stability, and dialogue on the Peninsula. South Korean counterparts, however, continue to raise criticism over what they perceive as Beijing's prioritization of stability over denuclearization, and dialogue over sanctions and pressure.

A second related difference is over the short- versus long-term tools for managing Korean security. While ROK officials have sought coordinated pressure on Pyongyang, as China's Foreign Ministry stated after Seoul and Washington's imposition of unilateral sanctions in March, "China opposes any country's unilateral sanctions" that undermine its "legitimate interests." Foreign Minister Wang Yi at the annual session of China's National People's

Congress (NPC) on March 8 pledged an “unwavering commitment” to denuclearization, but noted that “blind faith in sanctions and pressure, in fact, is not responsible for the future of the Korean Peninsula. Disagreement over sanctions has been evident since Park Geun-hye, in her Jan. 13 New Year’s press conference, called on Beijing to take “necessary measures” to prevent further North Korean nuclear tests. Park’s comments were particularly pointed, possibly reflecting frustration with her failure to speak directly with Xi Jinping in the days following North Korea’s fourth nuclear test. Following talks between nuclear envoys on Jan. 14, ROK Foreign Ministry officials projected a “tactical delay” in China’s review of the draft UNSC resolution. A *Global Times* editorial on Jan. 15 argued that stronger sanctions “will not work.” Chinese opposition to harsh punishment emerged during US Secretary of State John Kerry’s meeting with Wang Yi later that month, after which Seoul’s presidential spokesman urged China to play a “constructive” role and the US State Department called for China’s “unique leadership” on North Korea. Amid such pressure for tougher action, China’s Foreign Ministry spokesperson on Feb. 5 stated that “we have a different definition of more serious measures.”

Beijing has proposed parallel peace treaty and denuclearization talks as a way of jump-starting diplomacy to address Korean security, favoring a longstanding demand by Pyongyang that Seoul and Washington have rejected in the absence of North Korean willingness to discuss denuclearization. Since raising the possibility on Feb. 18, Foreign Minister Wang has promoted the “parallel track” proposal as an “equitable, reasonable and workable solution” to North Korea’s “rational concerns.” On March 8, he indicated China’s openness to “three-party, four-party, or even five-party contacts.” Following President Park’s proposal on Jan. 22 for a five-party meeting without Pyongyang that would be centered on denuclearization, however, China’s Foreign Ministry promptly pushed for the long-stalled six-party dialogue as the “fundamental way to resolve the Korean nuclear issue.” Beijing did not offer a decisive response to Seoul’s proposal of three-way talks with Washington on implementing new UN sanctions, raised during nuclear envoy Kim Hong-kyun’s meeting with Wu Dawei on March 18, days before the initiation of US-ROK high-level talks on sanctions implementation.

Finally, Beijing has coupled its toughened rhetoric against Pyongyang with a consistent emphasis on North Korea’s own legitimate security concerns. At the opening of China’s NPC session on March 4, NPC spokesperson Fu Ying firmly opposed North Korea’s nuclear buildup but also called for other parties to address the North’s security concerns. Foreign Minister Wang Yi on March 8 further claimed that “China and North Korea enjoy a normal state-to-state relationship with a deep tradition of friendship...If the country seeks development and security, we will be prepared to help.”

### **China reacts to US-ROK cooperation on North Korea**

Recent events have prompted a stronger Chinese reaction not only to DPRK aggression but also US-ROK alliance cooperation, revealing differences in perceptions of regional security threats. US-ROK responses to North Korea’s military threats – including initiation of formal talks on Terminal High Altitude Area Defense (THAAD) on March 4, new high-level talks on sanctions implementation on March 21, and what the ROK Defense Ministry called annual military exercises of “the largest scale ever” from March 7 – reignited Chinese concerns over the implications for its strategic interests. As the Foreign Ministry stated after telephone talks

between Foreign Minister Wang Yi and Secretary of State Kerry on March 9, China's "reasonable and legitimate security rights and interests should not be undermined."

Beijing has continuously opposed US offers of technical talks on THAAD aimed to reassure Beijing on its defensive aims against North Korea, insisting there is nothing "technical" about such talks. After US Undersecretary of State for Arms Control and International Security Rose Gottemoeller raised the proposal on March 23, China's Foreign Ministry stated that "the THAAD issue is not a technical one.... While pursuing one's own security interests, one should take into consideration the others' security interests." China's Foreign Ministry on March 30 explicitly referred to the THAAD issue as "a strategic one related to peace and stability in Northeast Asia" that would "go far beyond the actual defense requirement of the Korean Peninsula and will cause a direct impact on China's strategic and security interests." Foreign Minister Wang Yi reiterated China's "fair concern" over THAAD with Russian support on April 29, after meeting counterpart Sergey Lavrov in Beijing.

China-ROK frictions over THAAD may put at risk progress in bilateral trust building that Presidents Xi and Park have prioritized since 2013. A Sejong Institute report in January raised concerns over perceived Chinese threats of economic retaliation should South Korea consent to THAAD deployment, pointing to growing Chinese mistrust of South Korea over the course of the North Korean nuclear standoff. China's *Global Times* noted the negative repercussions of THAAD on mutual strategic trust, warning that "South Korea should avoid using the THAAD missile system as leverage against China." The THAAD debate also appeared to exacerbate frictions about overlapping Chinese and South Korean air defense identification zones when two Chinese military jets reportedly entered the South Korean zone, according to the Joint Chiefs of Staff on Feb. 2. Tensions stemming from THAAD may also threaten new security initiatives such as bilateral maritime demarcation talks most recently held in Beijing on April 22 as a follow-up to a new round of vice-ministerial talks on EEZs in Seoul last December.

### **Economic stagnation challenges China-ROK post-FTA partnership**

China-ROK efforts to advance the bilateral free trade agreement (FTA) since it went into effect last December have continued despite tensions arising from the North Korean nuclear issue. FTA implementation, cooperation in key sectors such as autos and high-technology, and joint development projects overseas were three priorities emerging from ROK Trade Minister Joo Hyung-hwan's four-day visit to China on March 16-19 for talks with PRC counterpart Gao Hucheng, China's minister of information technology, and Asian Infrastructure Investment Bank (AIIB) President Jin Liqun. China and South Korea agreed to extend the RMB-Won currency swap deal on April 11, in talks between People's Bank of China Governor Zhou Xiaochuan and Seoul's new Finance Minister Yoo Il-ho on the sidelines of the Inter-American Development Bank annual meeting in the Bahamas. PRC Vice Commerce Minister Gao Yan and ROK counterpart Cho Tae-yul led the Joint Economic Committee session in Seoul on April 20, the key bilateral mechanism for economic cooperation initiated in 1993. Under the new China-ROK FTA, the Technical Barriers to Trade Committee of 14 trade-related bodies held inaugural talks in Beijing on March 16 on removing nontariff barriers to trade, which Finance Minister Yoo identified as an "excessive" obstacle to South Korean exports to China in sectors such as food and cosmetics. The sale of South Korean rice imports in Beijing from April, following an

agreement during the Xi-Park summit in September of 2015 to lift Chinese quarantine regulations on Korean rice, was a major development in Seoul's decade-long push for opening up China's agricultural sector.

China's weakest growth in 25 years during 2015 has raised South Korean concerns over the implications of an economic slowdown in its biggest export destination. Korea International Trade Association (KITA) data in April indicated an annual 15.7 percent decline in ROK exports to China in the first quarter of 2016 to \$28.5 billion, the largest decline in exports since the global financial crisis in 2009. In 2015, ROK exports to China fell by an annual 5.6 percent to \$137.1 billion. Finance Minister Yoo in a policy meeting in Seoul in January proposed "preemptive" measures against the "risks stemming from China," and in his keynote speech at China's Boao Forum in Hainan on March 24 called for regional efforts to promote sustainable growth amid growing uncertainties. Bank of Korea chief Lee Ju-yeol in January linked South Korea's domestic economic challenges to China's slowdown, cautioning against a new global recession triggered by slowing Chinese growth. A Hyundai Research Institute study in April claimed that China's economic decline could impose a bigger cost on South Korea compared to other economies given its relatively heavy dependence on China, associating a 0.5 percent drop in South Korea's growth rate to a 1 percent drop in China's growth rate. While the Korea Institute for International Economic Policy in March suggested that exports to China are unlikely to recover in the near term, Seoul's export strategy remains focused on the Chinese consumer goods market.

South Korean assessments are pessimistic over the long-term implications of structural shifts in the China-ROK economic relationship. The Bank of Korea reported a narrowing gap in China and South Korea's global competitiveness in 2005-2013, as well as a decline in the growth of South Korean competitiveness in China's market in 2010-2013. A January report projected that half the global smartphone market would be taken by Chinese competitors like Huawei, Xiaomi, and Lenovo, which accounted for a combined share of almost 40 percent compared to 24.8 percent and 17.5 percent shares for Samsung Electronics and Apple. Chinese smartphones have also pushed into South Korea's domestic market recently with cheaper, quality alternatives.

### **Emerging areas of cooperation: Chinese outward investment and culture**

The ROK government, meanwhile, is eyeing a major role in China-led regional investment as an AIIB member with the fifth-biggest share of voting rights (3.81 percent). Korea Development Bank president Hong Ky-tack was named among the AIIB's five vice presidents in February, to serve as the chief risk officer according to the ROK Finance Ministry. Finance Minister Yoo Il-ho attended the AIIB's inauguration in January and held bilateral meetings with PRC counterpart Lou Jiwei and AIIB President Jin Liqun in Beijing. In his opening address on January 16, Yoo affirmed that "the foremost purpose of the AIIB is to promote economic growth in the Asian region by supporting infrastructure investment." Although President Xi presented the bank as a "truly international, rules-based, high-standard" lender, South Korean concerns remain over transparency and geopolitical implications stemming from AIIB. The extent to which the AIIB will really follow international standards or the traditional state-led model of the China Development Bank appears to be a subject of debate even within China's own Finance Ministry. South Korea's Foreign Ministry in March reiterated its commitment to President Park's Eurasia

Initiative, which she has promoted as a potential complement to the AIIB-supported One Belt, One Road. But skepticism has grown over this initiative since Seoul's suspension of a trilateral logistics partnership with North Korea and Russia on March 7 as part of recent unilateral sanctions on the North.

One emerging trend in China-ROK bilateral investment is the growth of Chinese investment focused on South Korea's financial service and entertainment sectors. Chinese firms secured 33 corporate M&A deals with South Korean partners last year, triple the number in 2014 according to KITA, with the value of such deals more than doubling to \$1.93 billion, or about 70 percent of Chinese takeovers reported since 2006. While manufacturing firms accounted for 52 percent of Korean companies bought by Chinese counterparts from 2006 to 2014, entertainment and financial service businesses represented 73 percent last year. In March, China replaced the United States as the biggest foreign investor in South Korean bonds, owning about \$14.9 billion worth of bonds by the end of February according to the Korea Exchange.

The expansion of China's own entertainment industry and South Korea's stagnant domestic market has pushed the "Korean wave" into a new phase funded increasingly by China, boosting ROK cultural exports, Chinese investment, and joint production. Partnerships with Chinese sponsors are a massive source of revenue for South Korean producers like *SBS*, which in January denied rumors that variety show "Running Man" and its localized Chinese version accounted for more than half its 2015 earnings, and *KBS*, whose drama "Descendants of the Sun" has depended on 5 billion Won in limited strings-attached funding by Chinese video platform iQiyi. South Korea's *EBS* on April 18 announced a \$5.9 million co-production deal with *Hunan TV's* Golden Eagle Documentary Channel, while the Korean Culture and Information Service in March launched China's first Korean-language education program, a joint production with *People's Daily Online* to be broadcast by *China Education Television* from October. Such trends, however, have also raised South Korean public criticism over the "defection" of TV producers from major networks, as well as China's new regulations on online publishing by foreign firms released in February, seen as an effort to strengthen censorship rather than internet security. Chinese investment in South Korea's entertainment industry over the past five years amounted to \$2.5 billion according to a January report from South Korea's Small and Medium Business Administration. There has reportedly been a major shift from previous practices of Memoranda of Understanding (MoU) rather than direct investment, while raising new concerns over China's control over Korean cultural content in the long run.

The 2016 "Visit Korea Year" has catalyzed government and private efforts to promote Chinese tourism this year, during which the ROK Culture Ministry aims to attract 8 million visitors. Culture Minister Kim Jong-deok hosted the opening ceremony on January in Beijing, where he outlined such measures as visa fee waivers for group travelers, six new air routes launched from February, and specialized tour packages, largely targeted at China's growing middle-income class. As part of its public diplomacy campaign, the ROK Embassy in Beijing in March assigned more than 100 Chinese bloggers to the promotion of people-to-people ties online through *Weibo*. The South Korean Ministry of Justice is preparing to receive 8,000 Chinese from healthcare company Zhongmai Group in May, the biggest tour group ever to enter the country. Thousands of Chinese employees have already flocked to South Korea on company incentive trips, including 1,600 from a health equipment maker in January, 6,000 from Aolan International

Beauty Group in March, and 4,200 from a Shanghai-based financial group in April. The surge in Chinese travelers has enabled South Korean retailers to recover from the impact of Middle East Respiratory Syndrome (MERS) last summer, driving a jump in sales to Chinese customers by at least 50 percent in January-March. China-ROK tourism cooperation has also included local partnerships such as a pact between Wuxi and Geoje reached in April to send 15,000 tourists a year to the South Korean island city. On Jeju Island, which adopted a visa policy in 2010 granting permanent residency to real estate investors, provincial data at the end of 2015 showed that Chinese nationals represented 94 percent of foreign owners of real estate. According to the Ministry of Justice, Chinese have accounted for 89 percent of investments under South Korea's immigrant investor program since May 2013, which grants residence visas to foreigners investing \$427,000 or more in designated public projects.

### **China's political and economic exchanges with a belligerent North Korea**

Besides PRC nuclear envoy Wu Dawei's February visit to North Korea, China-DPRK diplomatic contacts remain at a historic low point. Although Foreign Minister Ri Su Yong traveled to Beijing in April on his way to UN meetings in New York, the PRC Foreign Ministry denied the possibility of meetings with Chinese officials. The *Korean Central News Agency* did not mention the participation of a Chinese delegation in Pyongyang's April Spring Friendship Art Festival commemorating Kim Il Sung's birthday on April 15, where Chinese artists have previously performed.

Chinese assessments consider North Korea's nuclear ambitions to be a source of growing strain in both the China-DPRK alliance and China's global engagement of Pyongyang. As the *South China Morning Post* reported on April 17, the bilateral security treaty remains what Shen Jiru of the Chinese Academy of Social Sciences calls a "relic of the Cold War." According to Pang Zhongying of Renmin University, it "exists only in the legal sense," making it "highly unlikely that China will provide military aid in the event of a conflict or war." In response to Pyongyang's preparations for a rocket launch following its fourth nuclear test, a *Global Times* commentator on Jan. 30 argued that "Pyongyang should not expect China to protect it through the United Nations if it is driven into a corner." South Korean observers warn that Pyongyang's aggression is a growing strategic burden on China's global security initiatives under Xi Jinping; it acts a catalyst for US-ROK-Japan defense cooperation, creates China-ROK friction, and spurs Washington's strategic engagement in Asia. However, conventional views maintain that Beijing's current cooperation to sanction North Korea is fundamentally limited by its priority interests: preventing Pyongyang's regime collapse, a humanitarian crisis on China's borders, and the emergence of a unified, democratic Korea aligned with the United States. A *Global Times* editorial on Feb. 4 warned that "if North Korea launches a satellite, it will pay a new price," but ultimately called for pursuing a "balanced approach to prevent the collapse of the North Korean economy, while imposing sanctions against North Korea." During talks between nuclear envoys in January, South Korean Foreign Ministry officials noted differences over sanctions not just between Seoul and Beijing but also among Chinese government agencies, central and local authorities, and private entities.

According to the Korea Trade-Investment Promotion Agency (KOTRA), the China-DPRK trade volume in 2015 fell by 14.7 percent to \$5.43 billion, the first double-digit annual decline since

2000. North Korea's political and economic isolation after its January nuclear test has raised projections of a further decline in bilateral trade. In support of new sanctions, Beijing on April 5 released a list of restrictions on North Korean imports such as titanium. According to KITA, which projects a 50 percent drop in the North's total exports, coal and iron ore accounted for 97 percent of North Korea's trade of currently banned materials in 2014, all of which went to China. Geopolitical tensions and international sanctions also undermine Kim Jong Un's bid to attract foreign investment through North Korea's special economic zones on the China-DPRK border, including Sinuiju and Rason. China's five-year economic guidelines issued by the National Development and Reform Commission at the NPC session on March 7 did not include projects with North Korea among China's foreign economic projects. Northeast Chinese provincial reports in January also played down cross-border cooperation with North Korea in line with the central government's apparent political fallout with Pyongyang.

### **The potential impact of sanctions on China-Korea economic relations**

It is premature to extrapolate the impact of new sanctions and other policy measures from currently available bilateral trade and investment figures. KOTRA data showed a 13 percent on-year increase in Chinese imports from the North to \$229 million in March and a 15.6 percent growth in exports to \$236 million, with a notable jump in coal imports from North Korea. Some analysts suggest that the jump is a one-time phenomenon driven by anticipation of the impending implementation of stricter UN sanctions on North Korea. A Korea Development Institute (KDI) survey of Chinese firms in March suggested an expansion in trade and investment between Chinese businesses and DPRK military-affiliated counterparts, which offer higher returns under Pyongyang's longstanding military-first policy compared to civilian government or WPK firms.

On the other hand, Pyongyang's economic isolation appears to be having two indirect effects on the movement of North Korean labor and goods. The defection of 13 state-run restaurant workers to South Korea in April drew high-profile attention from PRC and ROK governments as North Korea's first publicized mass defection since 2011. Recent international efforts against DPRK human rights abuses have raised attention on North Korea's increasingly disillusioned "forced overseas laborers" who send an estimated total of \$200-\$300 million annually to the Pyongyang regime. Overseas North Korean restaurants, three-quarters of which are based in China, are believed to provide North Korea with up to \$10 million a year in hard currency. Some Korean sources, however, see the recent closure of North Korean restaurants as part of Pyongyang's internal measures to mobilize its people and resources ahead of the May WPK Congress. The DPRK Ministry of State Security reportedly pledged to strengthen its surveillance of people and information in border regions before the WPK Congress. ROK Foreign Minister Yun Byung-se hinted on April 12 that additional defections may follow as Pyongyang seeks to tighten its supervision of overseas laborers. However, Seoul faced heavy criticism domestically for publicizing recent North Korean defections as a way to influence South Korea's own general elections in April.

A second potential impact of sanctions is the relocation of inter-Korean business to China. As *Radio Free Asia* reported in April, North Korean traders have engaged in selling Kaesong-made products in Chinese border cities since Seoul's decision to close Kaesong Industrial Zone on Feb. 10. South Korea's Federation of SMEs in April indicated that South Korean investors are



seeking alternative means to continue business, including the creation of an agricultural industrial complex for SMEs in Chinese border cities like Dandong and Yanji, which offer cheap North Korean labor and a more secure investment environment. Such propositions highlight the dual implications of Seoul's closure of Kaesong in support of tougher sanctions on the North. Seoul's decision, according to some officials, played a major role in pushing China to endorse the UNSC's adoption of a new resolution, but at the expense of South Korean economic leverage over Pyongyang through Kaesong, which had employed more than 54,000 North Korean workers and hosted over 120 South Korean firms.

### **Conclusion: new sanctions, old dilemmas**

Tensions from DPRK military threats, and how to deal with them, have rekindled decades-old dilemmas on the Korean Peninsula over its political future and role of the United States. Seoul is clearly not ready to accept a peace treaty as proposed by China in February. In addition to challenging Seoul's denuclearization-first policy, any proposed peace treaty would raise questions about the status of the U.S.-ROK alliance. China's recent opposition to talks on THAAD and its hesitations on sanctions, on the other hand, reflect longstanding claims that the source of DPRK aggression is not China's limited influence but Pyongyang's perceptions of the US's "hostile policy." As China's Foreign Ministry spokesperson suggested on Feb. 3, "In response to some countries' outcry for pressure and sanctions, North Korea conducted one nuclear test after another.... North Korea did slap some country across the face. As for whose face North Korea did slap, I think the country itself knows well." Following the Obama administration's calls for pressure and sanctions against Pyongyang's submarine-launched ballistic missile test, the ministry's spokesperson on April 25 stated that "China has done what it can do.... If the U.S. thinks that China has not done enough, has the U.S. done its part?"

Such differences, however, not only distract from the immediate effort to implement sanctions against Pyongyang, but may also drive new forms of regional competition that Beijing seeks to avoid. North Korea's military buildup and current US and South Korean domestic political debates have fueled debates in South Korea on the possibility of its own nuclear armament. Whether South Korea's nuclear debate becomes more serious will be driven, in part, by South Korean judgments regarding the level of priority that both Washington and Beijing give to North Korea's denuclearization. Regardless of whether an official US-ROK-China trilateral consultation on North Korea can be achieved, the interaction among Seoul, Beijing, and Washington in response to Pyongyang's actions has emerged as a significant influence on South Korea's foreign policy and is an emerging influence on China's policy options toward the Korean Peninsula.

## **Chronology of China-Korea Relations January – April 2015**

**Jan. 6, 2016:** North Korea conducts its fourth nuclear test.

**Jan. 14, 2016:** ROK nuclear envoy Hwang Joon-kook meets PRC counterpart Wu Dawei and Vice Foreign Minister Li Baodong in Beijing.

**Jan. 15, 2016:** PRC and ROK defense ministries hold annual working-level talks in Seoul, led by Foreign Affairs Director Rear Adm. Guan Youfei and Director General for International Policy Yoon Soon-ku.

**Jan. 16-18, 2016:** ROK Finance Minister Yoo Il-ho participates in AIIB inauguration ceremony and board of directors meeting in Beijing and meets PRC counterpart Lou Jiwei and AIIB President Jin Liqun.

**Jan. 18, 2016:** China's Foreign Ministry calls for a "comprehensive" approach to North Korea's Jan. 6 nuclear test.

**Jan. 20, 2016:** ROK Culture Minister Kim Jong-deok hosts a ceremony in Beijing marking "Visit Korea Year."

**Jan. 21, 2016:** US Assistant Secretary of State for International Security and Nonproliferation Thomas Countryman warns China on selling nuclear and missile technology to North Korea.

**Jan. 22, 2016:** PRC Foreign Ministry calls for joint efforts toward restarting Six-Party Talks.

**Jan. 22, 2016:** President Park proposes five-party talks on DPRK denuclearization.

**Jan. 27, 2016:** ROK Coast Guard announces the deadly capsizing of a Chinese fishing boat in waters off South Korea's southwestern coast.

**Jan. 28, 2016:** South Korea's Ministry of National Defense announces that South Korea has agreed to repatriate remains of Chinese soldiers killed in the Korean War.

**Jan. 28, 2016:** ROK presidential spokesman calls for a constructive role from China and Russia in dealing with North Korea.

**Jan. 29, 2016:** The PRC Foreign Ministry cautions South Korea over the THAAD issue.

**Jan. 29, 2016:** South Korea's Farm Ministry announces South Korea's plans to export rice to China for the first time.

**Jan. 29, 2016:** Choi Son Hui, deputy director-general of the DPRK Foreign Ministry's American affairs bureau, arrives in Beijing.

**Jan.31, 2016:** Two PRC military planes enter China and South Korea's overlapping air defense identification zone near Jeju Island and leave after a warning message from South Korea.

**Feb. 1, 2016:** President Xi Jinping sends birthday greetings to President Park Geun-hye.

**Feb. 1, 2016:** Daejeon metropolitan city announces that 300 Chinese tourists will visit the city for medical tests and sightseeing.

**Feb. 1, 2016:** *Yonhap* begins releasing Korean translations of People's Daily news articles.

**Feb. 2-4, 2016:** China's Special Envoy Wu Dawei visits North Korea and meets Foreign Minister Ri Su Yong, Deputy Foreign Minister Kim Kye Gwan, and counterpart Ri Yong Ho.

**Feb. 2, 2016:** Seoul metropolitan government announces promotional plans for visiting Chinese tourists during the Lunar New Year holiday.

**Feb. 2, 2016:** Chinese state-run paper reports that China has reorganized its regionalized military commands including a Shenyang-based command in charge of the Korean Peninsula.

**Feb. 3, 2016:** ROK Finance Ministry appoints Hong Ky-ttack as AIIB vice president.

**Feb. 3, 2016:** PRC Foreign Ministry expresses concern over North Korea's planned long-range rocket launch in February after Pyongyang on Feb. 2 notifies the UN on such plans.

**Feb. 5, 2016:** President Xi holds telephone talks on North Korea with Presidents Park.

**Feb. 5, 2016:** PRC FM Wang Yi says Special Envoy Wu Dawei warned North Korea on escalating tensions with a planned rocket launch.

**Feb. 7, 2016:** North Korea launches a long-range rocket.

**Feb. 7, 2016:** DPRK diplomat in Dandong kills three Chinese in a drunk-driving accident.

**Feb. 18, 2016:** ROK Foreign Ministry and US State Department reject Chinese proposals for parallel peace and denuclearization talks with North Korea.

**Feb. 22, 2016:** PRC Foreign Ministry denies South Korean media reports of the Industrial and Commercial Bank of China's freezing of North Korean bank accounts in Dandong.

**March 3, 2016:** PRC Foreign Ministry calls for the full implementation of UNSC Resolution 2270. North Korea fires short-range projectiles into the East Sea.

**March 4, 2016:** PRC Foreign Ministry calls for restraint after North Korea launches projectiles.

**March 7, 2016:** PRC Foreign Ministry expresses concern over Korean Peninsula security in response to US-ROK military exercises from Feb. 29.

**March 7, 2016:** PRC Foreign Minister Wang Yi expresses support for the implementation of UNSC sanctions resolution on North Korea.

**March 8, 2016:** FM Wang Yi reiterates calls for Korean peace treaty and denuclearization talks.

**March 9, 2016:** DPRK blacklisted ship is reportedly denied entry into China.

**March 9, 2016:** China's Foreign Ministry expresses opposition to Seoul's unilateral sanctions against North Korea.

**March 9, 2016:** ROK Ambassador to China Kim Jang-soo pledges to strengthen communication with China on the DPRK nuclear issue.

**March 10, 2016:** ROK media reports that Chinese authorities have notified Beijing Capital International Airport of a list of North Korean individuals blacklisted by new UN sanctions.

**March 10, 2016:** Hong Kong imposes a ban on a DPRK freighter under UN sanctions.

**March 10, 2016:** China's Foreign Ministry calls for restraint after North Korea fires two short-range missiles into the East Sea.

**March 12, 2016:** FM Wang pledges plans for peace treaty and denuclearization talks with North Korea after meeting Foreign Minister Sergei Lavrov in Moscow.

**March 15, 2016:** PRC and ROK FMs Wang Yi and Yun Byung-se hold telephone talks and agree to fully implement new UN sanctions on North Korea.

**March 15, 2016:** China's Foreign Ministry urges North Korea to comply with UN resolutions in response to North Korean threats of a nuclear warhead test.

**March 16-19, 2016:** ROK Trade Minister Joo Hyung-hwan visits China and meets Commerce Minister Gao Hucheng and AIIB President Jin Liqun.

**March 17, 2016:** China's Foreign Ministry expresses opposition to unilateral sanctions.

**March 18, 2016:** PRC and ROK envoys Wu Dawei and Kim Hong-kyun meet in Beijing.

**March 18, 2016:** Two South Korean ships are impounded in Ningbo after reportedly colliding with a Chinese fishing boat, leaving nine people missing.

**March 21, 2016:** China's Foreign Ministry after North Korea's launch of five short-range projectiles urges North Korea not to violate UN resolutions.

**March 22, 2016:** The PRC Foreign Ministry says that a recent lifting of sanctions on four DPRK vessels is in line with UN regulations.

**March 23, 2016:** The PRC Foreign Ministry refutes Japanese media reports of an entry ban on all North Korean vessels.

**March 23, 2016:** China's Foreign Ministry dismisses US calls for "technical" talks on THAAD.

**March 24, 2016:** ROK Finance Minister Yoo Il-ho delivers a keynote speech at the Boao Forum for Asia in Hainan.

**March 27-29, 2016:** Group of 6,000 Chinese employees of Aolan International Beauty Group arrive in Incheon for a week-long tour of Incheon and Seoul.

**March 29, 2016:** PRC Foreign Ministry calls for restarting denuclearization talks with North Korea.

**March 30, 2016:** PRC Foreign Ministry dismisses US offer of talks on technical issues related to THAAD.

**March 31, 2016:** South Korea repatriates the remains of 36 Chinese soldiers killed during the Korean War.

**March 31, 2016:** Presidents Xi and Park meet on the sidelines of the NSS in Washington.

**April 1, 2016:** South Korea's Federation of SMEs chief Park Seong-taek proposes an alternative inter-Korean industrial complex on the China-DPRK border.

**April 4, 2016:** South Korean media reports that ROK authorities ordered 52 travel agencies in northeast China to halt visa application services for Chinese planning to visit South Korea.

**April 5, 2016:** China's Commerce Ministry announces a list of restrictions on North Korean imports as part of steps to enforce UNSC sanctions against North Korea.

**April 7, 2016:** Seoul hails China's announcement of North Korean import restrictions.

**April 7, 2016:** Thirteen North Korean workers from a Pyongyang-run restaurant arrive in Seoul.

**April 7, 2016:** South Korean rice imports are sold in Beijing for the first time.

**April 11, 2016:** ROK FM Yun Byung-se and Heilongjiang Chinese Communist Party Secretary Wang Xiankui meet in Seoul.

**April 11, 2016:** People's Bank of China Governor Zhou Xiaochuan and ROK Finance Minister Yoo Il-ho meet on the sidelines of the Inter-American Development Bank annual meeting in the Bahamas and agree to extend the RMB-Won currency swap deal.

**April 12, 2016:** ROK Foreign Minister Yun Byung-se cautions against mass defections of DPRK workers from China.

**April 13-15, 2016:** ROK Ambassador to Beijing Kim Jang-soo visits Chinese border cities Dandong and Hunchun to inspect the enforcement of sanctions against North Korea.

**April 16, 2016:** PRC state media reports on Harbin's planned expansion of the Ahn Jung-geun memorial hall by the end of 2018.

**April 16, 2016:** UNSC condemns North Korea's failed ballistic missile launch on April 15.

**April 19, 2016:** DPRK Foreign Minister Ri Su Yong arrives in Beijing on his way for UN meetings in New York.

**April 19, 2016:** PRC Foreign Ministry calls for restraint in response to Pyongyang's apparent plans for a nuclear test.

**April 20, 2016:** ROK Vice Foreign Minister Cho Tae-yul and PRC Vice Commerce Minister Gao Yan hold trade talks in Seoul.

**April 22, 2016:** ROK Special Representative for Korean Peninsula Peace and Security Affairs Kim Hong-kyun and PRC counterpart Wu Dawei hold talks in Beijing.

**April 22, 2016:** China-ROK maritime demarcation talks held in Beijing, led by ROK Foreign Ministry's Director General of International Legal Affairs Park Chull-joo and PRC counterpart Wang Xiaodu.

**April 22, 2016:** ROK Ministry of Justice announces that it will accelerate visa processing for a group of 8,000 Chinese tourists scheduled to visit in May.

**April 25, 2016:** PRC Foreign Ministry urges North Korea to comply with UNSC resolutions two days after Pyongyang claims it successfully launched a ballistic missile from a submarine.

**April 25, 2016:** South Korean media report that Pyongyang ordered Chinese companies to pay advance cash to DPRK workers to raise funds for the WPK Congress in May.

**April 27-28, 2016:** ROK Foreign Minister Yun Byung-se attends Conference on Interaction and Confidence-Building Measures in Asia (CICA) Foreign Ministers Meeting in Beijing; he meets PRC counterpart Wang Yi separately.

**April 27, 2016:** PRC and ROK Environment Ministers Chen Jining and Yoon Seong-kyu meet in Shizuoka and hold trilateral talks with Japanese counterpart Tamayo Marukawa.

**April 28, 2016:** North Korea launches two intermediate-range *Musudan* ballistic missiles.

**April 28, 2016:** ROK Arctic Affairs Ambassador Kim Chan-woo and PRC and Japanese counterparts Ma Xinmin and Kazuko Shiraishi meet in Seoul to discuss Arctic cooperation.

**April 28, 2016:** Former ROK Prime Minister Goh Kun and Chairman of Japan's Liberal Democratic Party General Council meet PRC State Councilor Yang Jiechi in Beijing.