PACIFIC FORUM CSIS

Based in Honolulu, Hawaii, the Pacific Forum CSIS operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. Founded in 1975, the thrust of the Forum’s work is to help develop cooperative policies in the Asia-Pacific region through debate and analyses undertaken with the region’s leaders in the academic, government, and corporate arenas. The Forum’s programs encompass current and emerging political, security, economic/business, and oceans policy issues. It collaborates with a network of more than 30 research institutes around the Pacific Rim, drawing on Asian perspectives and disseminating its projects’ findings and recommendations to opinion leaders, governments, and publics throughout the region.

An international Board of Governors guides the Pacific Forum’s work. The Forum is funded by grants from foundations, corporations, individuals, and governments, the latter providing a small percentage of the forum’s annual budget. The Forum’s studies are objective and nonpartisan and it does not engage in classified or proprietary work.
Bilateral relationships in East Asia have long been important to regional peace and stability, but in the post–Cold War environment, these relationships have taken on a new strategic rationale as countries pursue multiple ties, beyond those with the US, to realize complex political, economic, and security interests. How one set of bilateral interests affects a country’s other key relations is becoming more fluid and complex, and at the same time is becoming more central to the region’s overall strategic compass. Comparative Connections, Pacific Forum’s triannual electronic journal on East Asian bilateral relations edited by Carl Baker and Brad Glosserman, with Ralph A. Cossa serving as senior editor, was created in response to this unique environment. Comparative Connections provides timely and insightful analyses on key bilateral relationships in the region, including those involving the US.

We regularly cover key bilateral relationships that are critical for the region. While we recognize the importance of other states in the region, our intention is to keep the core of the e-journal to a manageable and readable length. Because our project cannot give full attention to each of the relationships in Asia, coverage of US–Southeast Asia and China–Southeast Asia countries consists of a summary of individual bilateral relationships, and may shift focus from country to country as events warrant. Other bilateral relationships may be tracked periodically (such as various bilateral relationships with Australia, India, and Russia) as events dictate. Our Occasional Analyses also periodically cover functional areas of interest.

Our aim is to inform and interpret the significant issues driving political, economic, and security affairs of the US and East Asian relations by an ongoing analysis of events in each key bilateral relationship. The reports, written by a variety of experts in Asian affairs, focus on political/security developments, but economic issues are also addressed. Each essay is accompanied by a chronology of significant events occurring between the states in question during the four–month period. A regional overview section places bilateral relationships in a broader context of regional relations. By providing value-added interpretative analyses, as well as factual accounts of key events, the e-journal illuminates patterns in Asian bilateral relations that may appear as isolated events and better defines the impact bilateral relationships have upon one another and on regional security.

The online version of Comparative Connections is available at https://cc.csis.org.
While it hasn’t always been pretty or (gasp) consistent, US Asia policy under the Trump administration is, with one major exception, pretty much where the Obama administration left it. America’s Asian alliances remain the foundation of its security strategy and “our one-China policy” has been reaffirmed. Even regarding North Korea, the objective – bringing Kim Jong Un “to his senses” – remains the same, although the approach seems to display less patience. The exception centers on the one promise that Trump (regrettably in our view) has kept: abandonment of the Trans-Pacific Partnership (TPP). On economic policy more generally, the promised trade war with China has (thus far) failed to materialize since “the Chinese have made some improvements on currency in recent months”; okay, Chinese currency manipulation actually stopped several years ago, but you get the point. While the search for a new buzz word to replace the “pivot” or “rebalance” continues, the vice president and secretaries of State and Defense have been to the region and the White House has confirmed President Trump’s plan to attend a trio of regional summits this fall. Asia remains a high priority region, for better and for worse.

The transition to the new Trump administration was far smoother for Japan than for other US allies. Prime Minister Abe Shinzo’s visit to Trump Tower the week after the election in November undoubtedly helped smooth the way, and his visit in February proved to be a successful confirmation of Tokyo’s highest priorities for alliance cooperation. Secretary of Defense James Mattis and Secretary of State Rex Tillerson both headed to Northeast Asia, reassuring Tokyo and Seoul of the administration’s commitment to its Asian allies. This early effort helped ensure continuity rather than disruption would be the theme for the US–Japan alliance for the next four years. North Korea, of course, helped that return to normalcy. Yet not all was settled in these early months. How the new administration was going to define its approach to trade remained ill-defined. The Japanese government, however, was not interested in a conversation that focused only on trade.
US–CHINA RELATIONS

TRUMP AND XI BREAK THE ICE AT MAR–A–LAGO ........ 21

BY BONNIE GLASER, CSIS/PACIFIC FORUM & ALEXANDRA VIERS, CSIS

The US–China relationship got off to an active, albeit fitful start after Donald Trump assumed the presidency on Jan. 20. Once Trump agreed to honor the US “one China” policy, Chinese officials engaged positively with their US counterparts, and planning began for the inaugural Trump–Xi meeting. China’s top diplomat, Yang Jiechi, visited Washington at the end of February, and Secretary of State Rex Tillerson traveled to Beijing in mid–March. The highlight of this period was the Trump–Xi summit, which took place at Mar–a–Lago on April 6–7. One of the major summit deliverables was the creation of a new high–level mechanism, the US–China Comprehensive Dialogue, which will be overseen by Trump and Xi. North Korea emerged as the pressing issue for the Trump administration as well as in the bilateral US–China relationship. Trump apparently made clear to Xi that if China is unwilling to cooperate, the US would seek to solve the North Korea threat unilaterally, including by pursuing penalties against Chinese banks and companies doing business with North Korea. After the summit, Trump called Xi twice to discuss North Korea and to urge him to put greater pressure on Pyongyang.

US–KOREA RELATIONS

PENINSULA TENSIONS SPIKE .............................................. 33

BY STEPHEN NOERPER, KOREA SOCIETY AND COLUMBIA UNIVERSITY

North Korea tested President Trump’s new administration with a New Year promise of imminent ICBM capability and subsequent missile launches. Tensions rose to the highest level since 1993/1994 with missile launches, the assassination of Kim Jong Nam, and a possible ICBM on display at a military parade to celebrate the 85th anniversary of the DPRK’s Korean People’s Army. Washington offered Seoul assurances of support, sending Defense Secretary Mattis, Secretary of State Tillerson, and Vice President Pence in early 2017. Yet, Trump’s comments about sending an “armada” with the dispatch of the USS Carl Vinson carrier strike group led South Koreans to fear blowback if the US conducted a preemptive or preventive strike against DPRK facilities. South Korea saw deployment of the first stages of THAAD, but the missile defense system and broader policy differences with May 9 ROK presidential victor Moon Jae–in will be challenges for US–South Korea relations.

US–SOUTHEAST ASIA RELATIONS

MIXED MESSAGES .............................................................. 41

BY SHELDON W. SIMON, ARIZONA STATE UNIVERSITY

In its early months, the Trump administration has devoted little attention to Southeast Asia and US relations with the region have generally followed a trajectory set by the Obama administration. The US continued naval operations in the South China Sea and joint exercises with most ASEAN states with US air and naval forces rotating through bases in northern Australia and the Philippines and deploying from Singapore. There have been mixed signals between Manila and Washington. With the ASEAN states and China moving toward completion of a Code of Conduct (COC) on rules of engagement in the South China Sea, it is hoped that the new document would be “legally binding,” but little specific about its provisions has been published. Following Washington’s abrogation of the Trans–Pacific Partnership (TPP), Hanoi has sought to alleviate its disappointment, saying that it understands the US need to create more jobs and that it will try to accommodate Washington in future trade negotiations.
CHINA CONSOLIDATES CONTROL AND ADVANCES INFLUENCE

By Robert Sutter, George Washington University & Chin-Hao Huang, Yale-NUS College

Chinese officials showed confidence and satisfaction that the cooling tensions in the South China Sea demonstrated increasing regional deference to Beijing’s interests while China’s economic importance to Southeast Asia loomed larger in a period of anticipated international retrenchment. They remained alert to possible actions by the United States, Japan, Australia and South China Sea claimant states that might upset the recent positive trajectory, but generally saw those states preoccupied or otherwise unwilling to push back strongly against Chinese ambitions. The way seemed open for steady consolidation and control of holdings and claimed rights along with a Chinese supported code of conduct on maritime activity in the South China Sea, diplomatic initiatives to promote closer ties and reduce regional suspicion of Chinese intentions, and an array of economic blandishments in line with Beijing’s ambitious Silk Road programs.

CHINA-TAIWAN RELATIONS

ADRIFT WITHOUT DIALOGUE

By David G. Brown, Johns Hopkins School of Advanced International Studies & Kevin C. Scott

In February, President Trump told President Xi Jinping that the US would honor its one-China policy. This eased concern that the new administration would radically change US policy toward Taiwan, but it remains unclear how the Trump administration will deal with specific Taiwan issues. Relations between Beijing and Taipei have continued to be in an unstable but calm state in the early months of 2017. The formal channels of dialogue remain closed and no significant effort has been made to reopen them. In the meantime, practical issues have been dealt with, sometimes constructively but often in ways that exacerbate the lack of trust. This unstable and risky situation will likely continue in the months ahead.

NORTH KOREA-SOUTH KOREA RELATIONS

CAN MOON RESTORE SUNSHINE?

By Aidan Foster-Carter, Leeds University, UK

The first four months of 2017 have been a momentous and tumultuous period for Korea. The reasons for this latest bout of tension are partly local but most global, or more precisely trans-Pacific. The local causes derive from both Koreas, if as usual mainly the North. Kim Jong Un’s regime has shown little wish to lower tensions, mend fences, or even pursue normal relations with other states, friend or foe. The DPRK’s boasts of self-reliance may be mendacious on the economic front, where Chinese sustenance remains vital. Yet diplomatically it does indeed stand alone. This Kim has markedly accelerated the DPRK’s development of both nuclear weapons and the ballistic missiles (BM) that might one day carry them. True to form, the first four months of 2017 saw half a dozen BM tests, not all successful. Yet, Kim has not (so far) marked the recent transitions of political power in two of his main foes with a nuclear test. Still, with most of 2017 still to go, it might be premature to seek to explain what may be a temporary non-event.
TWO KOREAS DEFY CHINESE SANCTIONS

BY SCOTT SNYDER, COUNCIL ON FOREIGN RELATIONS & SEE-WON BYUN, BATES COLLEGE

Pyongyang tested regional and domestic politics on six separate occasions by conducting missile launches between February and April. The latest tests coincided with the Xi–Trump summit in Mar-a-Lago and Vice President Pence’s visit to South Korea. They also marked the 105th birth anniversary of Kim Il Sung on April 15 amid intense speculation that North Korea might conduct a sixth nuclear test. In addition to supporting five UN Security Council statements on North Korea this year, Beijing on Feb. 18 announced a suspension of DPRK coal imports through December. DPRK military threats also catalyzed US–ROK plans to deploy THAAD, a source of mounting tension that affected all aspects of the China–South Korea relationship. Beijing’s retaliation took the form of restrictions from March on business and tourism. South Korea appealed to the WTO for redress and South Korean lawmakers passed resolutions condemning China’s retaliation. THAAD emerged at the center of domestic political debate in Seoul after Park Geun-hye’s ousting on March 10, following which PRC nuclear envoy Wu Dawei in April engaged major presidential contenders ahead of the May 9 elections. Beijing’s falling out with both Koreas presents a major challenge for coordinating regional policy with new administrations in Washington and Seoul.

NO PYROTECHNICS, NO PROGRESS

BY JUNE TEUFEL DREYER, POLITICAL SCIENCE DEPARTMENT, UNIVERSITY OF MIAMI

Though free of the large-scale anti-Japanese demonstrations and acerbic exchanges that have characterized the recent past, the cold peace between China and Japan continued in the early months of 2017. There were no meetings of high-level officials, and none were scheduled. Mutual irritants continued on familiar topics: defense and territorial issues, Taiwan, trade and tourism, and textbooks and history.

RUNNING ON RIVALRY: PRESIDENTIAL HOPEFULS CAPITALIZE ON DISPUTES

BY DAVID KANG, UNIVERSITY OF SOUTHERN CALIFORNIA & GABRIELLE CHEUNG, UNIVERSITY OF SOUTHERN CALIFORNIA

With South Korean presidential election scheduled for May 9, the early months of 2017 witnessed not only avid campaigning by candidates, but also a deepening diplomatic conflict between Seoul and Tokyo. In particular, the installation of a “comfort woman” statue facing the Consulate General of Japan in Busan last December perturbed bilateral relations, calling into question the landmark “comfort women” agreement. While the anticipated installations of additional statues by provincial and civic actors risked escalating tensions further, the presidential candidates have made nominal efforts to quell the concerns of Japanese diplomats. As the Blue House prepares to greet its new occupant, prospects for a significant turnaround in bilateral relations remain uncertain.
TRILATERAL POLITICS: TRUMP STYLE ............................ 113

BY YU BIN, WITTENBERG UNIVERSITY

US relations with Russia and China flip-flopped in the first few months of 2017 as newly-inaugurated President Donald Trump injected fresh dynamics into the Washington–Beijing–Moscow triangle. In just one strike (the missile attack on Syria) with nearly “perfect” timing in early April, the Washington “outsider” surprised the visiting Chinese president, minimized the “Russian factor” in US domestic politics, and assumed the moral high ground while sending a strong signal to a still defiant North Korea. While the long-term effect of Trump’s action has yet to be determined, it did set in motion diplomatic maneuvering and mind games between Washington, Moscow, and Beijing. For the first time since the end of the Cold War, Washington, or more precisely Trump, was actively and dramatically pulling the strings of this “not-so-strategic triangle.” However, before anything substantial happened to the triangle, the Korean nuclear crisis deepened and broadened, and Pyongyang assumed the characteristics of China’s “rogue ally.” To defuse this time-bomb in Northeast Asia, the three geostrategic players may need to go beyond the traditional “great games” in the age of WMD.

JAPAN–SOUTHEAST ASIA RELATIONS

BOTH PUSH AND PULL: JAPAN STEPS UP IN SOUTHEAST ASIA.............................................................. 123

BY CATHARIN DALPINO, GEORGETOWN UNIVERSITY

Two political surprises in 2016 will affect Japan’s relations with Southeast Asia. The first, the election of President Rodrigo Duterte in the Philippines and his subsequent turn toward China, has likely not disturbed Japan’s role as the Philippines’ largest investor, trading partner, and aid donor. However, Duterte’s abrasiveness toward Washington could have a negative effect on the newly-forged Japan–Philippines security partnership and dampen the possibility of triangulating US, Japan, and Philippine cooperation in the South China Sea. A greater and more long-term impact could be the election of Donald Trump and the resulting uncertainty in US relations with Southeast Asia. Beyond that broad concern, Trump’s withdrawal of the US from the Trans-Pacific Partnership (TPP) throws the economic architecture of the Asia-Pacific region into question and could stymie the growth Japan had expected in trade relations with TPP members in Southeast Asia, particularly Vietnam and Malaysia. In January 2017, just days before Trump’s inauguration, Prime Minister Abe embarked on a swing through Southeast Asia to make “strategic adjustments” in Japanese relations with the Philippines, Indonesia, and Vietnam.

ABOUT THE CONTRIBUTORS ........................................... 131
THE PIVOT IS DEAD, LONG LIVE THE PIVOT

RALPH A. COSSA, PACIFIC FORUM CSIS
BRAD GLOSSERMAN, PACIFIC FORUM CSIS

While it hasn't always been pretty or (gasp) consistent, US Asia policy under the Trump administration is, with one major exception, pretty much where the Obama administration left it. America’s Asian alliances remain the foundation of its security strategy and “our one-China policy” has been reaffirmed. Even regarding North Korea, the objective – bringing Kim Jong Un “to his senses” – remains the same, although the approach seems to display less patience. The exception centers on the one promise that Trump (regrettably in our view) has kept: abandonment of the Trans-Pacific Partnership (TPP). On economic policy more generally, the promised trade war with China has (thus far) failed to materialize since “the Chinese have made some improvements on currency in recent months”; okay, Chinese currency manipulation actually stopped several years ago, but you get the point. While the search for a new buzz word to replace the “pivot” or “rebalance” continues, the vice president and secretaries of State and Defense have been to the region and the White House has confirmed President Trump’s plan to attend a trio of regional summits this fall. Asia remains a high priority region, for better and for worse.

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**So far, not (too) bad!**

We’ll start with the good news. America’s alliances, in Europe as well as in Asia, seem secure. NATO is “no longer obsolete” and key administration officials, including the president, have sent a consistent message that the US commitment to its Asian allies, especially to the defense of South Korea and Japan, is as solid as ever. At their Mar-a-Lago summit, President Trump assured Prime Minister Abe that “The United States of America stands behind Japan, its great ally, 100 percent.” He also told South Korea’s Acting President Hwang Kyo-ahn (during a phone conversation shortly after his inauguration) that “the U.S. will always be with South Korea, 100 percent.” More importantly, nothing he has said (or tweeted) since then has stepped away from this dual commitment, which was strongly reinforced when Vice President Mike Pence, Secretary of Defense James Mattis, and Secretary of State Rex Tillerson each visited both allies.

Vice President Pence, who is expected to take a more active role in foreign policy than most VPs have been accustomed to, assured Prime Minister Abe in Tokyo that “the alliance between the United States and Japan is the cornerstone of peace and security in northeast Asia,” while further declaring Washington’s “unwavering commitment” to the alliance and to Japan’s security. In Seoul, he repeated President Trump’s “we are with you 100 percent” reassurance at a joint news conference with Acting President Hwang, further referencing the “unbreakable bond” between Washington and Seoul. He assured troops stationed along the DMZ that America’s “historic alliance with the courageous people of South Korea has never been stronger.”

On the last leg of his overseas trip, Pence told Australian Prime Minister Turnbull that his stop in Canberra was a “strong sign of our enduring commitment to the historic alliance between the people of the United States of America and the people of Australia,” further noting during their joint press conference that “Australia is, and always will be, one of America’s closest allies and truest friends.” He also reaffirmed that Washington would stand behind the Obama-negotiated immigrant agreement, which Trump had called “a dumb deal”: “Let me make it clear the United States intends to honor the agreement.... President Trump has made it clear that we’ll honor the agreement. It doesn’t mean we admire the agreement.”

Prior to visiting Australia, Pence made a visit to Indonesia, where he called on the ASEAN Secretariat in addition to meeting with President Joko Widodo (or Jokowi, as he is usually called). While there he announced that President Trump will attend the US-ASEAN Summit and East Asia Summit in the Philippines and the Asia Pacific Economic Cooperation (APEC) Leaders Meeting in Vietnam this November, calling the planned visit “a sign, I hope to all, of our firm and unwavering commitment to build on the strong foundations
that we already share.” An administration official briefing journalists prior to the trip noted that one of Pence’s goals would be to demonstrate that “withdrawing from TPP shouldn’t be seen as retreat from the region.”

One theme ran through Vice President Pence’s visit, as it has elsewhere whenever Asia policy is discussed: the regime in North Korea represents “the most urgent and dangerous threat to peace and security in the Asia Pacific,” and “all options are on the table” in dealing with this threat. While pointedly rejecting Obama’s “failed” strategic patience approach, in Canberra Pence said: “let me assure you, the United States will continue to work closely with Australia, our other allies in the region, and with China to bring economic and diplomatic pressure to bear on the regime in Pyongyang until they abandon their nuclear and ballistic missile programs.” It appears the Trump administration is starting with a higher level of confidence in China’s ability and willingness “to play an even more active and constructive role in addressing the North Korean threat” than the Obama administration ended with, with the president himself also apparently more willing to address the alternative saying “There is a chance that we could end up having a major, major conflict with North Korea. Absolutely,” Trump said in an interview with Reuters; “We’d love to solve things diplomatically, but it’s very difficult.”

Trump’s comments have helped make it even more difficult. One day he questions if Kim Jong Un is rational and the next calls him “a pretty smart cookie” who he would be “honored” to meet, “under the right circumstances” (as yet to be fully defined). Of course, we were forewarned; during his campaign Trump argued that “we must as a nation be more unpredictable” when it comes to foreign policy. While this may keep potential enemies off-balance, it can have a more troubling impact on one’s friends and allies, not to mention other members of the administration, who are often not informed in advance of tweets and other off-the-cuff or unscripted remarks by the commander-in-chief.

A case in point was his out-of-the-blue remark to Reuters that he had told South Korea that it should pay for the billion-dollar THAAD (Terminal High Altitude Area Defense) missile system “and they understand that”; he apparently didn’t tell them and they certainly didn’t understand. Trump’s top security advisors also appeared to be surprised by the remarks. National Security Advisor H.R. McMaster hurriedly called his ROK counterpart to reassure him that Seoul was not expected to pay for the US owned and operated system, rushed into place in part due to the growing North Korean missile threat (DoD’s explanation) and in part (our explanation) to make it a fait accompli prior to the May 9 ROK presidential election. The leading candidate had expressed reservations about THAAD, which China has strongly (and somewhat disingenuously) opposed.

If Washington’s messages toward the DPRK have been mixed and at times contradictory, Pyongyang’s response has been disturbingly consistent, both in word and in deed. Missile launches of all types have accelerated (see chart for details) and the North’s most recent threat of a “super-mighty preemptive strike” now comes with video examples showing everything from a US aircraft carrier to Washington DC being vaporized by its “powerful nuclear deterrent.”

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**North Korea missile launches and nuclear tests**

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<tr>
<th>Year</th>
<th>Missile Launch</th>
<th>Underground Nuclear Test</th>
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<tr>
<td>2016</td>
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<td>2017</td>
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Note: Launch days are in North Korean local time. Source: CSIS/Missile Defense Project.
This has caused some, including one of your authors, to worry about a collision course in the not-too-distant future. Pyongyang seems to believe that the best way to ensure the security of the nation (and Kim regime) is by developing the capability to put a nuclear warhead on an intercontinental missile capable of striking the United States, while the closer the DPRK gets to achieving this capability, the greater becomes the cost (to the US, ROK, Japan, and even to China) of allowing it to do so. Recall President-elect Trump on New Year's Day asserted (in response to Kim Jong-Un's New Year's address) that “North Korea just stated that it is in the final stages of developing a nuclear weapon capable of reaching parts of the U.S. It won't happen!”

Despite this dilemma, Washington swears that it is not pursuing a policy of regime change. As the leader of the US Pacific Command Adm. Harry Harris testified before Congress in late April, the US objective remains to “bring Kim Jong-un to his senses, not to his knees.” Readers of our May 2016 report will recall then-Assistant Secretary of State Danny Russel’s statement of one year ago that the Obama administration’s goal “is not to destroy North Korea. It’s to bring North Korea's leaders to their senses.” The more things change, the more they remain the same.

Let us pause here to put in a plug for a suggestion put forth by the Pacific Forum’s founder, Rear Adm. Joe Vasey (USN, ret), now 100 years old but still thinking strategically. He proposes a grand bargain with Pyongyang where the US would offer a mini-Marshall Plan and security assurances (hopefully backed by China) in return for verifiable complete denuclearization. If “all options are on the table,” this should be one of them.

The one key variable when it comes to US policy toward North Korea is the outcome of the ROK presidential elections on May 9. The winner, Moon Jae-in, appears more in sync with President Trump than many would assume. In his May 2 interview with the Washington Post he said “I think I am on the same page as President Trump. President Trump judged the Obama administration’s policy of strategic patience as a failure with regard to North Korea, so he has stressed the need for a change in North Korean policy.” He further noted that “[Trump’s] ultimate goal is to bring North Korea back to negotiations for the nuclear program. In that respect, I share the same opinion as President Trump.... I agree with President Trump’s method of applying sanctions and pressure to North Korea to bring them out to negotiate.”

While agreeing that “the alliance between the two nations is the most important foundation for our diplomacy and national security,” he noted that Seoul should not take a “back seat” to the US and China when it comes to negotiations with Pyongyang: “I believe South Korea taking the initiative would eventually strengthen our bilateral alliance with the US.” No policy toward North Korea can work unless Washington and Seoul are on the same page. The next few months will tell us if this will hold true.

The TPP is dead . . . or is it?

While participating governments were adamant during negotiations of the 12-member Trans-Pacific Partnership (TPP) that the deal could not be modified once concluded, the mood has changed since US President Donald Trump withdrew from the agreement. The governments of Japan and Australia have reportedly decided that their political investment in TPP was too substantial to write off; they along with some other participants, are seeking a modified agreement that would preserve the most substantial parts of the deal and jettison items on the margin – in particular, the requirement that nations accounting for 85 percent of the members’ combined GDP ratify it, a rule that made TPP dependent on US ratification. The remaining members are not united, however, and Japan and four others are said to be contemplating a five-party agreement after a two-day meeting in early May; a follow-up meeting of trade ministers later in May could put some flesh on the bones of that discussion.
and Japan seeks to wrap things up when APEC leaders meet in mid-November.

Meanwhile, negotiations on the Regional Economic Cooperation Agreement (RCEP) continue; after 17 rounds a deal is anticipated by the end of the year. While that target date was set at the 16th round of negotiations in Indonesia in December 2016, the 17th round of talks, which took place in Kobe, Japan in March, was marked by disagreement between those who sought “an easy accord” (i.e., low quality) and others who aimed at a higher-quality agreement that would include services and investment. There are other disagreements, but that one seems to be the most elemental. If estimates are correct and just a quarter of the treaty has been completed, that deadline will prove difficult to meet.

The sounds of silence

While RCEP is typically considered a “Chinese trade agreement” -- Beijing’s response to the TPP -- it is an ASEAN-driven deal. Anyone looking for big trade news at the ASEAN Leaders Summit that convened in Manila at the end of April would have been disappointed, however. Paragraph 58 contained the usual boilerplate, applauding progress and calling for “redoubled efforts” to conclude a deal, but what mattered most at that meeting was not what was in the chairman’s declaration but what was left out: any mention of the South China Sea dispute. While the previous ASEAN summit statement and an early draft of this year's document referred to “land reclamation and militarization,” the final draft did not. Reportedly, Chinese pressure on the chair, Philippines President Rodrigo Duterte, paid off.

There were similar absences in statements at other multilateral meetings. At the March meeting of G20 finance ministers and central bankers that was held in Germany, the phrase “we will resist all forms of protectionism” that was in the group’s last communique (and virtually every other statement it has issued throughout its life) was missing. Instead, they pledged to “[work] to strengthen the contribution of trade to our economies.” The absence stemmed from US opposition to such declarations: Treasury Secretary Steven Mnuchin explained that “historical language was not relevant.” A month later, the process was repeated and the hole again appeared in the statement issued at the spring meetings of the IMF and World Bank. That document said that members would “work together” to reduce global trade and current account imbalances “through appropriate policies.”

America first

The new language of these multilateral statements is a victory for the Trump administration. Its guiding principle, explained Mnuchin, is “reciprocal trade deals and reciprocal free trade.” That means that all existing trade deals are being scrutinized by the new administration with an eye toward renegotiation to end the advantages they bestow on US trade partners. There is also a skepticism of multilateral agreements and a resulting preference for bilateral deals in which the full weight of US power and influence can be exercised on its behalf.

Further insight into the Trump administration’s preferred approach to regional trade and economic cooperation was provided during Vice President Pence’s meeting with Japan’s Deputy Prime Minister Aso Taro when outlining the US-Japan Economic Dialogue agreed upon by Trump and Abe at Mar-a-Lago. As co-chairs, Pence and Aso agreed to structure the Economic Dialogue along three policy pillars: Common Strategy on Trade and Investment Rules/Issues; Cooperation in Economic and Structural Policies; and Sectoral Cooperation. In addition to a relentless focus on the trade balance, the Trump administration’s economic policy will also seek to lift “the job killing regulations” and other government-imposed burdens on US businesses, and to rewrite the tax code to “unleash economic growth, create 25 million new jobs and help Make America Great Again.” These policies will have significant impact on the global economy as well. The desire to unleash US businesses, for example, goes hand in hand with a reassessment of the US
commitment to the Paris Climate Change agreement, and threatens to unravel that deal (and do real damage to the US image as a leader in this effort). And tax reform, as envisioned by most economists and political observers, is likely to result in a significant increase in US national debt, which would force interest rates to rise, which could in turn choke off growth around the world.

Trump’s THAAD bombshell during his Reuters interview was accompanied by an attack on the Korea–US Free Trade Agreement (KORUS). Trump said that KORUS is in his sights even though most economists believe that deal has been an economic boon to the US; strategists similarly welcome those deals (like the TPP) as critical to US leadership in the region (and globally) although that logic is rarely acknowledged among decision makers, particularly in this administration. Instead, the Trump administration seems to define US economic well-being by the size of the trade surplus (or deficit) and eschews other dimensions of power and influence.

A word to the wise

There is regrettably another explanation for the KORUS attack. It could have been a smokescreen or diversionary move to assuage domestic supporters who were taken by surprise one day earlier when Trump decided not to tear up NAFTA but instead to renegotiate this trade pact. Most presidents would not have played such a game, given the potential international ramifications. If we have learned one thing about the Trump administration thus far, however, it is that Trump is not, and will not behave like “most presidents.”

During the election campaign, we were warned that we should take Trump “seriously, but not literally.” There are times, however, when taking him seriously may also be a bad idea. Perhaps we can learn something from folks who quite literally put their money where his mouth is. During a May 1 interview with Bloomberg News, Trump said that breaking up the banks was “something we’re going to look at.” As the Washington Post observed, had any other president made this comment, bank stocks would have immediately plummeted. They did on May 1 also, for about 30 minutes, before closing higher on the day. Why? “Because investors don’t take Trump seriously ... they see this as just the latest campaign promise he plans to break. In short, the money men are not afraid of him anymore.” Perhaps our friends on Wall Street are on to something!
Jan. 2–7, 2017: Russian Navy anti-submarine destroyer Admiral Tributs and fleet oiler Boris Botuma make a goodwill port visit in Manila.

Jan. 4–6, 2017: Two Japan Maritime Self-Defense Force (JMSDF) Escort Division destroyers, JS Inazuma and JS Suzutsuki, make a port call at Subic Bay en route to Japan after conducting counter-piracy operations at the Gulf of Aden.

Jan. 5, 2017: South Korean Vice Foreign Minister Lim Sung-nam, Japanese Vice Foreign Minister Sugiyama Shinsuke, and US Deputy Secretary of State Antony Blinken meet in Washington to discuss trilateral cooperation to counter North Korean threats.

Jan. 9–11, 2017: Trade ministers from Japan, South Korea, and China meet in Beijing for a round of talks aimed at finalizing a trilateral free trade agreement.


Jan. 11, 2017: China deploys aircraft carrier Liaoning and associated battle group in the Taiwan Strait for the first time.


Jan. 12–18, 2017: Japanese Prime Minister Abe Shinzo visit the Philippines, Australia, Indonesia, and Vietnam. Chief Cabinet Secretary Suga Yoshihide says, “This trip will further strengthen [Japan’s] cooperative relations with each country as well as emphasizing the importance of building coordination with countries in the Asia-Pacific for a free and open world order based on the rule of law.”

Jan. 12–15, 2017: General Secretary of the Communist Party of Vietnam Central Committee Nguyen Phu Trong visits Beijing and meets Premier Li Keqiang. In a joint communiqué, the two countries agree to “manage well their maritime difference, avoid actions that complicate the situation and escalate tensions, and safeguard the peace and stability of the South China Sea.”

Jan. 20–22, 2017: US, Japan, and South Korea conduct a naval missile defense exercise off the coast of South Korea.


Jan. 24, 2017: Philippines announces that China has agreed to fund 30 projects worth $3.7 billion to help Philippine poverty alleviation programs.

Feb. 2–4, 2017: US Defense Secretary James Mattis visits Asia on his first overseas trip since taking office with stops in South Korea and Japan.

Feb. 4, 2017: Hong Kong Customs releases and returns all nine armored Terrex vehicles to Singapore that had been impounded in Hong Kong during transit following their involvement in an annual military exercise between Singapore and Taiwan.
Feb. 9, 2017: Presidents Donald Trump and Xi Jinping talk by phone. Both sides characterize the conversation as “extremely cordial” and Trump confirms his administration will adhere to the “one-China policy.”

Feb. 10–11, 2017: Prime Minister Abe visits the US and meets President Trump. They agree that the friendship between the US and Japan is “very, very deep” and that “an alliance between the two countries is a cornerstone of peace in the East Asian region.”

Feb. 12, 2017: North Korea successfully test-fires a new type of medium- to long-range ballistic missile named Pukguksong-2, which KCNA described as a new type of strategic weapon capable of carrying a nuclear warhead.

Feb. 14, 2017: Kim Jong Nam, the older brother of North Korean leader Kim Jong Un, dies after being poisoned by assassins at the Kuala Lumpur International Airport.

Feb. 14–24, 2017: Thailand and the US co-host the Cobra Gold military exercises in various areas throughout Thailand. It is the largest multilateral exercise in Asia involving 29 participant and observer countries.

Feb. 16, 2017: Meeting on the sidelines of the G20 Foreign Ministers Meeting in Bonn, Germany, US Secretary of State Rex Tillerson, Japanese Foreign Minister Kishida Fumio and South Korean Foreign Minister Yun Byung-se agree to closely coordinate their response to the recent North Korean missile test.

Feb. 19, 2017: China’s Ministry of Commerce announces that, as of Feb. 12, it will ban all coal imports from North Korea in 2017.

Feb. 21, 2017: ASEAN Foreign Ministers Retreat is held in Boracay, Philippines.

Feb. 24, 2017: Malaysian police report that a toxicology evaluation of the substance rubbed on Kim Jong Nam’s face contained VX nerve agent.

Feb. 27, 2017: US Special Representative for North Korea Policy Joseph Yun meets Japanese and South Korean counterparts, Kenji Kanasugi and Kim Hong-kyun, in Washington to discuss ways to cooperate more closely on North Korea.

Feb. 27–28, 2017: Chinese State Councillor Yang Jiechi visits Washington and meets President Trump, Vice President Pence, National Security Advisor H. R. McMaster, Secretary of State Tillerson, and other senior officials.

March 1–April 30, 2017: US-ROK Foal Eagle military field exercise is held in South Korea.

March 4, 2017: Philippine Defense Secretary Delfin Lorenzana, Finance Secretary Carlos Dominguez, and Justice Secretary Vitaliano Aguirre accompany US Ambassador to the Philippines Sung Kim on a visit to the USS Carl Vinson in the South China Sea.

March 5, 2017: Report of the Panel of Experts Established Pursuant to UN Security Council Resolution 1874 is released. The details provided in the report suggest that UN sanctions against the DPRK remain largely ineffective.

March 6, 2017: North Korea fires four ballistic missiles into the Sea of Japan (East Sea); three of them land in Japan's Economic Exclusive Zone.

March 9, 2017: South Korea’s Constitutional Court upholds National Assembly’s impeachment of President Park Geun-hye.

March 13–24, 2017: Combined forces of South Korea and the US conduct the annual command post exercise Key Resolve in South Korea.

March 14–15, 2017: South Korea, Japan, and the United States conduct a missile warning exercise to enhance trilateral cooperation in detecting and tracing North Korean missiles.

March 15–19, 2017: Secretary of State Tillerson makes his first official visit to Asia with stops in Japan, South Korea, and China.
March 17, 2017: Sansha City mayor claims that China is preparing to install environmental monitoring station on land features in the South China, including one on Scarborough Shoal.

March 22, 2017: China’s Foreign Ministry denies reports that it is about to start preparatory work this year for an environmental monitoring station on Scarborough Shoal claiming that China “place[s] great importance on China-Philippines relations.”

March 23, 2017: UN Security Council denounces North Korea’s recent missile test and ballistic missile engine test as “increasingly destabilizing behavior.”

March 24, 2017: Chinese Premier Li Keqiang states that defense equipment placed on China’s artificial islands in the South China Sea are there to maintain “freedom of navigation.”

March 25, 2017: Okinawa Gov. Onaga Takeshi retracts his predecessor’s approval of the central government’s land reclamation project at the site of the Futenma replacement facility at Henoko, which results in a temporary halt to land reclamation efforts.

March 30, 2017: Malaysia and North Korea reach agreement to release the body of Kim Jong Nam and two North Koreans suspected of involvement in Kim assassination in exchange for the release of nine Malaysian citizens that had been prevented from leaving Pyongyang.

April 4–6, 2017: US, ROK, and Japan conduct first trilateral anti-submarine warfare exercise off the coast of South Korea.

April 6–7, 2017: President Trump hosts Chinese President Xi Jinping at Mar-a-Lago, Florida.

April 8, 2017: Department of Defense announces that the US Navy strike group led by the USS Carl Vinson aircraft carrier will be dispatched to the Korean Peninsula for an unscheduled visit.

April 9, 2017: North Korea’s Foreign Ministry issues statement that the recent US attack on Syria was “absolutely unpardonable as it was an undisguised act of aggression against a sovereign state.”

April 10, 2017: Wu Dawei, Chinese envoy for Korean affairs, meets South Korean counterpart Kim Hong-kyun in Seoul. They agree that China and South Korea would impose tougher sanctions on North Korea if it carries out nuclear or intercontinental ballistic missile tests.

April 11, 2017: Presidents Xi and Trump speak by telephone as a follow up to the recent summit in Florida.

April 15, 2017: North Korea celebrates Kim Il Sung’s birthday with a massive military parade that features several long-range ballistic missiles. Later in the day, it attempts to test a missile, which explodes almost immediately after launch.

April 16, 2017: Department of Defense announces that the USS Carl Vinson carrier battle group is in the Indian Ocean conducting exercises with the Australian Navy.

April 16–24, 2017: Vice President Mike Pence visits the Asia-Pacific region, making stops in South Korea, Japan, Indonesia, Australia, and Hawaii.

April 19, 2017: Former Indonesian Education Minister Anies Baswedan is elected mayor of Jakarta.


April 26–29, 2017: The 30th ASEAN Summit and related meetings are held in Manila.

April 27–28, 2017: Prime Minister Abe visits Moscow and meets President Vladimir Putin and other senior Russian officials.

April 27, 2017: During an interview with Reuters, President Trump states that South Korea owes $1 billion for deployment of the THAAD missile defense system currently being operationalized in South Korea and that the US intends to renegotiate the Korea–US Free Trade Agreement.

April 28, 2017: Chairing a special ministerial session of the UN Security Council, Secretary of State Tillerson proposes that UN member states should fully implement UN Security Council sanctions on North Korea suspend or downgrading diplomatic relations with Pyongyang, and take steps to deepen the Norths financial isolation.

April 29, 2017: North Korea conducts a medium-range missile test. The rocket explodes shortly after launch.

April 30–May 2, 2017: Three Chinese Navy ships make a port call visit in Davao, marking the first such visit to the Philippines since 2010.
The transition to the new Trump administration was far smoother for Japan than for other US allies. Prime Minister Abe Shinzo’s visit to Trump Tower the week after the election in November undoubtedly helped smooth the way, and his visit in February proved to be a successful confirmation of Tokyo’s highest priorities for alliance cooperation. Secretary of Defense James Mattis and Secretary of State Rex Tillerson both headed to Northeast Asia, reassuring Tokyo and Seoul of the administration’s commitment to its Asian allies. This early effort helped ensure continuity rather than disruption would be the theme for the US–Japan alliance for the next four years. North Korea, of course, helped that return to normalcy. Yet not all was settled in these early months. How the new administration was going to define its approach to trade remained ill-defined. The Japanese government, however, was not interested in a conversation that focused only on trade.
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Trump’s Asia team

In the early months of the Trump administration, there were few in the White House with deep Japan knowledge, but the connections the Abe team made with Trump’s transition team helped position Japan’s prime minister as one of the new president’s most important sources of Asia expertise. Much has been made of the slow pace of populating the Trump administration, but one of the most important principals for the alliance was in place early. Defense Secretary James Mattis himself may not have spent the bulk of his career in the Asia-Pacific, but he was quick to demonstrate his appreciation for the region’s importance to US national security. Within days of being confirmed, he set off for Tokyo and Seoul. In Tokyo, Mattis addressed two of Tokyo’s concerns about the rhetoric of the 2016 presidential campaign. First, he reaffirmed the US commitment to Japan’s defense, and second, he noted that Japan’s level of host nation support was appropriate. It took longer for Secretary of State Rex Tillerson to be confirmed, but once in office, he too headed to Asia. While Tillerson had a relatively quiet Tokyo visit, he ran into some difficulties in Seoul and Beijing.

For Tokyo, however, it was the prime minister’s visit to the US that laid the groundwork for alliance cooperation. Timing was also important for the president, coming after a well-reported disconnect with Australia’s Prime Minister Malcolm Turnbull and a domestic outrage in the UK after Prime Minister Teresa May’s visit to Washington. The Abe-Trump summit produced a joint statement, and in their joint press conference both leaders reiterated the importance of their security cooperation. Abe got the US president to repeat his commitment to Article Five protections for the Senkaku Islands and Trump got Abe’s recognition of his America First economic priorities, including offers of Japanese private sector assistance in rebuilding US infrastructure and continued investment in the US economy.

The optics of a Japanese prime minister and his wife boarding Air Force One to head to the president’s Mar-a-Lago retreat for a weekend of golf were icing on the cake. In their golf cart, Abe and Trump had a full day of conversation, with only their interpreters hanging on the back to help overcome the language barrier. Members of Trump’s private golf club were treated to a view of the diplomatic dinner, and some were only too happy to photograph their new president and his Japanese guest. Even the aide who carries the nuclear briefcase got some time on Facebook. The unorthodox format seemed to provide Abe with a unique opportunity to shape Pence and Aso in Tokyo (whitehouse.gov)
Trump’s thinking about Asia, and about the utility of the US-Japan partnership.

Yet it was North Korea, once more, that brought this point home. Testing a salvo of missiles directed at Japanese territory, Pyongyang interrupted the two leaders’ down time. A hastily organized press conference demonstrated Abe’s experience at managing strategic communications. At his side, President Trump listened as Japan’s prime minister described the missile launches and their threat to regional security. When he took his turn at the microphone, the US president delivered a short but significant assurance that the United States was “behind Japan 100 percent.”

As one of the first foreign leaders to spend considerable time with President Trump, Abe seemed to tutor the new president on international diplomacy. The Florida retreat provided a far less formal setting, and Trump was minimally staffed. This scene would be repeated two months later when Xi Jinping arrived in the US, with a full entourage, for his first meeting with Trump.

President Xi Jinping’s visit to the US on April 6–7, and his private discussions with Trump at Mar-a-Lago seemed eerily like a repeat of the Abe visit, initially thought to be evidence of Japan’s prized place in the Trump administration’s approach to Asia. No press conference was held nor was a joint statement between the US and the People’s Republic of China issued. The president’s comments after his discussion with Xi also suggested a friendly meeting rather than a tough stance toward China’s leader for his military’s behavior in Asia.

As the rhetoric from the US and the DPRK escalated, Abe also took to the road in a diplomatic sweep that included meetings with European leaders in March and with Russian President Vladimir Putin in April. North Korea was high on his list of priorities, and France and the UK leaders added to the growing crescendo of concern over Pyongyang’s missile launches and anticipated nuclear test. Putin and Abe called “on all governments involved in regional matters to refrain from using belligerent rhetoric and to strive for peaceful constructive dialogue,” which seemed aimed at Washington as much as Pyongyang.

Japan’s military was also hard at work, exercising not only with the US Navy but also with other global and regional partners concerned about the uptick in North Korean military activities. France and the UK also sent naval ships to exercise with Japan and the US as a demonstration of solidarity. Japan’s Self-Defense Force conducted its own demonstration of deterrence as it joined with the USS Carl Vinson’s carrier strike group. In parallel, the South Korean Navy joined the US carrier strike group to practice its potential response to a North Korean attack.

These exercises added to another alliance innovation. Abe’s reinterpretation of the
constitution to allow for collective self-defense was the basis of new laws, passed in 2015, that allow the SDF to use force to help protect US forces. In late April, the US for the first time asked Japan to provide asset protection for the carrier battle group, and on May 1, Japan sent its largest destroyer, the Izumo, to accompany the USS Carl Vinson’s regional patrols.

Military preparedness dominated Prime Minister Abe’s thinking as he outlined in the Diet the threat posed to Japan by Pyongyang’s missiles. In the Diet, Abe explained that his country had only 10 minutes to react to incoming North Korean missiles, and that while Kim Jong Un may not be able to put nuclear warheads on those missiles, he has a significant chemical and biological arsenal at his disposal. Like Syria’s Assad, Abe argued, Kim seemed to have little restraint when it came to using these weapons of mass destruction. Civil defense drills were ordered, and Japanese corporations, municipalities, and schools were told to prepare for evacuations in case of a missile attack.

Missile defenses alone may not be enough, however. Tokyo’s vulnerability to the growing arsenal of North Korean missiles has created a sense of a Japanese “missile gap.” The multiple salvos of missiles launched into Japan’s Air Defense Identification Zone (ADIZ) suggest intent to override the ballistic missile defense (BMD) system deployed in Japan and developed jointly by the US and Japan. Moreover, the worry that Pyongyang may miscalculate Tokyo’s responses to a missile attack motivates the Abe Cabinet’s discussion of acquiring a conventional strike capability. Onodera Itsunori, former defense minister and head of the Diet committee on how Japan can defend itself from the North Korean missile threat, said that “if bombers attacked us or warships bombed us, we would fire back. Striking a country lobbing missiles at us is no different.” While the technical details of what kind of weapons system would be best, and the political discussion on how the US and Japan might manage such a system, remain to be worked through, planners in both capitals will be thinking through the changing threat environment as they work on upgrading the alliance deterrent this year. A two-plus-two meeting between Japanese and US security officials is expected in coming months.

As the Trump administration sought to deepen security cooperation with Japan, the two governments prepared for new dialogue on economic ties. In contrast to the military-to-military ties that grounded expectations for security cooperation, the new US administration’s approach to trade and investment with Japan seemed far less clear. Moreover, newly confirmed Commerce Secretary Wilbur Ross was tapped to join Vice President Pence as he began his discussions with the Abe Cabinet on how to address the trade deficit.

The new US-Japan Economic Dialogue

As one of his first acts in office, Trump fulfilled a campaign promise by officially withdrawing the US from the Trans-Pacific Partnership (TPP) on Jan. 23. The TPP, a 12-nation trade agreement, was signed in Feb. 2016, but the deal cannot enter into force without US ratification. Japan ratified the deal on Dec. 9, 2016, but Abe warned that TPP would be “meaningless” without US participation. Despite Trump’s opposition during the presidential campaign, Japan and the other partner nations held out hope that Trump might reverse his pledge to leave the deal once in office. Instead, the US exit from TPP has brought shock and disappointment from member states, with many critics charging that the US’s “own goal” will open up the door for greater Chinese influence in setting the rules of the road for Asia-Pacific trade. After more than a decade of negotiations, TPP seemed dead in the water.

However, Prime Minister Abe is now spearheading an effort to revive TPP, albeit without US participation. Japan is the largest economy still affiliated with the pact, and has taken a leadership position in urging other member states not to abandon the deal. In April, Minister of Economy, Trade, and Industry Seko
Hiroshige approached counterparts among Southeast Asian member countries (Vietnam, Malaysia, Singapore, and Brunei) at an economic meeting in Osaka to see if they would be open to moving forward as an 11-member group. Free-trade oriented Singapore and Brunei are interested, while Vietnam and Malaysia, which had hoped to use TPP to boost exports to the US market, see few benefits in a pact without the US. Australia and New Zealand have also expressed interest in continuing negotiations, while Canada and Mexico are non-committal, in part because they are focused on Trump's possible renegotiation of the North American Free Trade Agreement (NAFTA). Most recently, Japan pitched the idea of a five-member TPP, focusing on states (Australia, New Zealand, Singapore, and Brunei) that are keenest on preserving the agreement at a TPP meeting in Toronto in early May.

Excising the US from the deal, however, will not be easy. TPP will not have nearly as much weight without the world's largest economy, and taking the US out of the complex, multilateral deal will require major revisions to the agreement. Japan negotiated to protect certain sensitive industries in the initial agreement, but this hinged on US participation, and it isn't clear how easy it will be to keep these protections if negotiations reopen. Nevertheless, Abe is attempting to take a leadership role in regional trade by pushing TPP. The next step will be a TPP Ministers Meeting in Vietnam in late May to see if member countries can come up with a pact that has a chance of entering into force.

The Trump administration has continued to challenge multilateral trade frameworks, instead preferring bilateral negotiations with Japan. At their February meeting, Abe and Trump agreed to begin a set of US-Japan Economic Dialogues aimed at advancing three broad policy pillars: a common strategy on trade and investment rules, cooperation in economic and structural policies, and sectoral cooperation. One early obstacle to progress in these negotiations is the fact that Robert Lighthizer, Trump's nominee for US Trade Representative, has yet to be confirmed by the Senate, despite being nominated in January. Lighthizer's nomination has been held up pending investigations of lobbying work that he did on behalf of foreign governments (China and Brazil) in the 1980s and '90s. As of this writing, though, it seems likely that Lighthizer will receive a confirmation vote from the Senate the week of May 15.

Despite Lighthizer's absence, the first round of the US-Japan Economic Dialogue convened on April 18 in Tokyo. Vice President Pence led the US delegation, accompanied by Commerce Secretary Ross, with Deputy Prime Minister and Finance Minister Aso leading the Japanese side. Tokyo hoped to steer the conversation toward prioritizing areas where the two countries can cooperate, such as energy and investment in infrastructure, and away from more sensitive topics such as the trade imbalance. Media reports suggested that officials in Tokyo hoped that Pence in particular might be open to focusing on areas for cooperation, given that Japanese businesses have created more than 52,000 jobs in Indiana (where Pence was governor), including three automotive plants run by Toyota, Honda, and Subaru. On the other hand, Ross is seen as more of a hardliner on trade issues. He has been vocal on US trade deficits, recently referring to the deficit with Japan as “unsustainable,” and criticized non-tariff barriers to US auto and food exports (while calling on Toyota and other firms to build more plants in the US) during his confirmation hearing. Ross did not participate directly in the dialogue, instead meeting with his counterpart METI Minister Seko.

In the end, the first meeting of the dialogue appeared to be a mostly symbolic beginning to a longer conversation, and it avoided more sensitive issues such as Trump's earlier claim that Japan devalues its currency. While officials from both the US and Japan praised the progress made in the talks, there was some mixed messaging in the press conferences that followed. Aso suggested that the US and Japan
should work on a framework that could serve as a model for the Asia-Pacific region. Pence was clear to emphasize that Washington will stick to bilateral trade and investment talks, referring to TPP as a “thing of the past” for the US. Aso stressed that while “friction used to be the symbol of [the] bilateral relationship…we are now in an era of cooperation.” Pence, however, said that the Trump administration “seeks stronger and more balanced relationships with every country, Japan included,” and that doing so requires “breaking down barriers, leveling the playing field so that American companies and exporters can enjoy high levels of market access.”

Officials from both countries have said that it is possible that this dialogue will evolve into a deeper conversation on a bilateral free-trade agreement, but talks are still in their early stages. A second round of the dialogue will be held later this year, and Ross is set to continue his conversation with METI Minister Seko in June in Washington.

The Abe-Trump agenda and politics at home

With the hyper-politics of a US presidential campaign behind them, Abe and Trump slowly navigated the transition to a new US government. Abe himself faced an extended horizon for governing Japan, and his leadership in Tokyo would coincide with the new US president’s first term. Abe and Trump could look forward to a relatively predictable schedule for enhancing the US-Japan alliance.

Yet both faced hurdles at home. Abe’s success in reaching out to the newly elected US president produced great relief as many Japanese feared the worst from Trump’s campaign rhetoric. By the time Abe visited Washington and Florida, the reassurance most Japanese needed that their alliance with the US was on firm ground had been delivered by the Trump administration.

Abe needed this diplomatic accomplishment as a scandal at home threatened his support. A rightist school in Osaka, modeled after the Imperial ideology taught in the Meiji Period, had been given access to a considerable discount in the purchase of public land. To make matters worse, Japan’s First Lady Abe Akie was listed as a backer of the school and the head of this private school, Kagoike Yasunori, claimed that Mrs. Abe had provided funding for its establishment. This allegation of a direct link between the prime minister and a rightist educational organization raised the hackles of Japan’s opposition parties and the Japanese public. On the floor of the Diet, however, the prime minister stated that he had no knowledge of this school nor did his government provide special favors for its opening. Kagoike claimed otherwise, and in the end, he was summoned to testify in the Diet. There he repeated his assertion that Mrs. Abe was a member of his school’s advisory board, and contributed financially. No direct evidence of this could be produced, however, and the scandal abated. Nonetheless, the Moritomo Gakuen scandal created a significant dent in the prime minister’s support rating, which fell 10 percentage points from February to March, and raised serious questions about Abe’s hold on the office of prime minister.

In the US, President Trump had his own woes as he approached his first 100 days in office. His first weeks in office were tumultuous, and his executive order banning visitors from seven majority Muslim nations drew outrage and ultimately judicial censure. A more careful rewrite of the ban has also run into difficulty in the courts, and remains unimplemented. Other difficulties plagued the Trump administration that had a direct impact on alliance cooperation. The lack of political appointments in the Department of Defense and Department of State was one such hindrance, and the ongoing investigation over the Russian influence on the US election plagued the relationship between Congress and the Trump White House.

Finally, the US-Japan alliance is also affected by the continuing lack of clarity in the new administration’s strategy on Asia. It is too early
to make predictions about how the economic dialogue will proceed, but Tokyo’s interests in a regional multilateral trade agreement remain strong. Moreover, while all eyes are currently on North Korea, Tokyo will be watching closely to see how the Trump administration handles its relationship with China. For example, rumors about a Chinese effort to undermine Adm. Harry Harris, the USPACOM commander, have met with concern among Japanese security planners.
CHRONOLOGY OF US-JAPAN RELATIONS

JANUARY – APRIL 2017

Jan. 6, 2017: Prime Minister Abe Shinzo and Vice President Joe Biden hold a telephone conference, in which Abe thanks Biden for his strong support of the Japan-US alliance.

Jan. 16, 2017: Foreign Minister Kishida Fumio and Ambassador to Japan Caroline Kennedy sign the Agreement on Cooperation with regard to the Implementation Practices relating to the Civilian Component of the US Armed Forces in Japan, supplementary to the Status of US Forces Agreement.

Jan. 20, 2017: Donald Trump is inaugurated as the 45th president of the United States. Inaugural Address. Mike Pence is inaugurated as the 48th vice president.

Jan. 20, 2017: James Mattis is confirmed as secretary of Defense by the US Senate.

Jan. 28, 2017: Prime Minister Abe calls President Trump to congratulate him on his inauguration. They agree that Abe will visit the US in February for a Japan-US summit.

Feb. 1, 2017: Rex Tillerson is confirmed as secretary of State by the US Senate.


Feb. 11, 2017: North Korea test-fires an intermediate-range Pukguksong-2 ballistic missile over the Sea of Japan.

Feb. 11, 2017: Prime Minister Abe and President Trump hold joint press conference in Palm Beach, Florida, to condemn North Korea’s missile launch.

Feb. 13, 2017: Steven Mnuchin is confirmed as Treasury secretary by the US Senate.

Feb. 16, 2017: Secretary of State Tillerson, Foreign Minister Kishida, and Korea’s Foreign Minister Yun Byung-se meet on the sidelines of the G20 Foreign Ministers Meeting in Bonn, Germany and issue joint statement on North Korea’s ballistic missile.

Feb. 27, 2017: Wilbur Ross is confirmed as Commerce secretary by the US Senate.


March 6, 2017: North Korea test-fires four ballistic missiles from the Tongchang-ri launch site in northwest North Korea; some fall in the Sea of Japan.

March 6, 2017: Secretary Mattis phones Defense Minister Inada Tomomi to discuss North Korea’s missile launches.

March 13, 2017: Defense Department announces that three CV-22 Osprey aircraft to be based at Yokota Air Base are expected to arrive in fiscal 2020 (delayed from the fourth quarter of fiscal year 2017).


March 23, 2017: Kanasugi Kenji, director general of the Asian and Oceanian Affairs Bureau, and Joseph Yun, special representative for North Korea policy, hold teleconference on the situation in North Korea, and agree to urge North Korea to refrain from further provocations and comply with relevant UN Security Council resolutions.
April 5, 2017: North Korea test fires a medium-range ballistic missile from eastern part of Sinpo into the Sea of Japan.

April 6, 2017: Prime Minister Abe and President Trump speak over telephone about North Korea's ballistic missile launch.

April 6–8, 2017: Chinese President Xi Jinping visits Mar-a-Lago for a summit with President Trump.

April 9, 2017: Prime Minister Abe and President Trump speak over telephone about US actions in Syria and exchange views on North Korea and China.

April 10, 2017: Foreign Minister Kishida and Secretary Tillerson meet on the sidelines of the G7 Foreign Ministers Meeting in Italy.

April 15, 2017: North Korea test–fires a ballistic missile from eastern port of Sinpo that explodes almost immediately after launch.

April 18–19, 2017: Vice President Pence visits Tokyo to host the first meeting of the Japan–US Economic Dialogue with Deputy Prime Minister Aso. They issue a joint press release.

April 18, 2017: Foreign Minister Kishida meets with Secretary of Commerce Ross in Tokyo to discuss US–Japan economic relations.

April 20, 2017: Finance Minister Aso and Treasury Secretary Mnuchin meet on the sidelines of the G20 Finance Ministers Meeting in Washington to discuss economic cooperation and currency issues.

April 25, 2017: US Special Representative for North Korea Policy Yun travels to Tokyo for trilateral meeting with Director General for Asian and Oceanian Affairs Kanasugi and Special Representative for Korea Peninsula Peace and Security Affairs Kim.

April 24, 2017: Prime Minister Abe and President Trump speak over telephone about recent North Korean missile tests and the role of China.

April 26, 2017: Secretary Mattis and Director of National Intelligence Dan Coats issue joint statement condemning North Korean missile launches and stressing coordination with Japan and Korea.

April 28, 2017: North Korea test–fires a ballistic missile from Pukchang airfield, which breaks apart minutes after takeoff.

April 28, 2017: Secretary Tillerson and Foreign Minister Kishida speak at the UN Security Council about threats posed by the North Korean nuclear weapons and ballistic missile programs.

May 1, 2017: Japan sends its largest destroyer, the Izumo, to accompany the USS Carl Vinson on regional patrols.
The US-China relationship got off to an active, albeit fitful start after Donald Trump assumed the presidency on Jan. 20. Once Trump agreed to honor the US “one China” policy, Chinese officials engaged positively with their US counterparts, and planning began for the inaugural Trump–Xi meeting. China’s top diplomat, Yang Jiechi, visited Washington at the end of February, and Secretary of State Rex Tillerson traveled to Beijing in mid-March. The highlight of this period was the Trump–Xi summit, which took place at Mar-a-Lago on April 6–7. One of the major summit deliverables was the creation of a new high-level mechanism, the US–China Comprehensive Dialogue, which will be overseen by Trump and Xi. North Korea emerged as the pressing issue for the Trump administration as well as in the bilateral US–China relationship. Trump apparently made clear to Xi that if China is unwilling to cooperate, the US would seek to solve the North Korea threat unilaterally, including by pursuing penalties against Chinese banks and companies doing business with North Korea. After the summit, Trump called Xi twice to discuss North Korea and to urge him to put greater pressure on Pyongyang.
The US–China relationship got off to an active, albeit fitful start after Donald Trump assumed the presidency on Jan. 20. Once Trump agreed to honor the US “one China” policy, Chinese officials engaged positively with their US counterparts, and planning began for the inaugural Trump–Xi meeting. China’s top diplomat, Yang Jiechi, visited Washington at the end of February, and Secretary of State Rex Tillerson traveled to Beijing in mid-March. The highlight of this period was the Trump–Xi summit, which took place at Mar-a-Lago on April 6–7. One of the major summit deliverables was the creation of a new high–level mechanism, the US–China Comprehensive Dialogue, which will be overseen by Trump and Xi. North Korea emerged as the pressing issue for the Trump administration as well as in the bilateral US–China relationship. Trump apparently made clear to Xi that if China is unwilling to cooperate, the US would seek to solve the North Korea threat unilaterally, including by pursuing penalties against Chinese banks and companies doing business with North Korea. After the summit, Trump called Xi twice to discuss North Korea and to urge him to put greater pressure on Pyongyang.

**Transition to the Trump presidency**

The first few weeks of 2017 marked the final weeks of President Barack Obama’s presidency and a time of transition for the United States. On Jan. 5, Chinese Foreign Minister Wang Yi and Secretary of State John Kerry spoke over the phone to discuss the positive achievements in the US–China relationship throughout the Obama administration. On the sidelines of the World Economic Forum Annual Meeting in Davos, Switzerland, President Xi Jinping met Vice President Joe Biden to discuss the importance of maintaining stable US–China relations. In his opening address at Davos, President Xi championed globalization and warned that “no one will emerge as a winner in a trade war,” positioning China as the fulcrum of global stability. His comments were also intended to caution Trump against following through on his campaign promises to impose 45 percent tariffs on imported Chinese goods and label China a currency manipulator.

On Jan. 20, Donald Trump was inaugurated as the 45th president of the United States. Making good on his campaign promise, Trump formally withdrew from the Trans-Pacific Partnership (TPP) the Monday after his inauguration. Trump’s decision to abandon the trade agreement was a disappointment to many countries in Asia and was widely criticized as creating a vacuum in the region that China would fill. The Chinese silently applauded the US move, but at the same time they remained concerned about the potential for increased pressure from Washington to create greater reciprocity in the bilateral trade relationship.

It was in the security realm, however, that friction appeared first. In his first press conference, when asked a question about the South China Sea, White House Press Secretary Sean Spicer stated that “the US is going to make sure that we protect our interests there” and “defend international territories from being taken over by one country.” Spicer’s comments came after Trump’s secretary of state nominee, Rex Tillerson, said at his confirmation hearing that China should be denied access to the artificial islands it built in the Spratly Islands in the South China Sea. Rather than responding forcefully to the direct challenge to Chinese sovereignty, Beijing remained calm. A Chinese Foreign Ministry spokesperson simply stated “No matter what changes happen in other countries, what they say or what they want to do, China’s resolve to protect its sovereignty and maritime rights in the South China Sea will not change.”

In a signal of China’s hope to preserve positive and stable relations with the US, Lu Kang, a senior Chinese Foreign Ministry official, conducted an unusually lengthy interview in English with NBC News in which he emphasized the importance of the US–China relationship. Lu singled out Taiwan as the issue about which Beijing was most concerned. Referring to Taiwan, he said “This issue touches upon China’s core interests. By no means is this something that can be negotiated, or [used] as a bargaining chip.” This was a clear warning to Trump who only weeks earlier had said on Fox News that he would not be bound by a “one China” policy unless China agrees to cut a deal with the US that includes trade concessions.

Behind the scenes, Chinese Ambassador to the United States Cui Tiankai was working hard to promote the bilateral relationship by establishing good relations with President Trump’s family. The first evidence of Cui’s success was the attendance by Trump’s
daughter Ivanka, accompanied by her 5-year-old daughter Arabella, at the Chinese embassy’s annual Lunar New Year celebration on Feb. 1. Their appearance went viral on Chinese social media and the Global Times, a popular nationalist tabloid, lauded Ivanka as the “most influential first daughter.” The Chinese embassy’s invitation to Ivanka was especially notable since President Trump had failed to issue the traditional Lunar New Year greetings to the Chinese people at the beginning of the holiday.

A week after the embassy reception, President Trump belatedly wished the Chinese people a Happy Year of the Rooster in a letter to President Xi – his first communication with the Chinese president since assuming office. According to a White House press statement, Trump included in the letter his desire to “develop a constructive relationship that benefits both the United States and China.”

The next move was a phone call between State Councilor Yang Jiechi and Trump’s first National Security Advisor Michael Flynn. The two men had met in New York in December, prior to Trump’s inauguration. Yang expressed Beijing’s hopes to work with President Trump to “safeguard the political foundation for bilateral relations ... and manage and control disputes and sensitive issues.” The call was the first official contact between sitting, high-level officials on both sides and signaled that communication between the top leaders was imminent.

The following evening, Donald Trump and Xi Jinping spoke by phone. During the call, President Trump agreed to honor the US “one China” policy, reversing his campaign position that he wasn’t obligated to adhere to preexisting bilateral understandings regarding Taiwan. According to a White House readout of the call, Trump agreed to abide by the “one China” policy “at the request of President Xi.” The New York Times later reported that Trump personally insisted that the words “at the request of President Xi” be included in the White House statement, as he wanted to make it known he had made a concession to the Xi, perhaps to signal that China’s president owed him a favor.

President Trump’s Dec. 2, 2016 phone call with Taiwan’s President Tsai Ing-wen, and his subsequent statement that the policy could be used as a bargaining chip with China, had caused alarm in Beijing. Trump’s renewed commitment to the “one China” policy eliminated a major source of bilateral tension and enabled the two countries to begin to engage on the broad range of economic and security issues that required attention.

Run-up to the summit

In mid-February, Secretary of State Tillerson and Foreign Minister Wang Yi met on the sidelines of the G20 Foreign Ministers Meeting in Bonn, Germany. The China Daily described the meeting – the first between high-level ministers from the US and China since Trump assumed office – as “upbeat.” Tillerson highlighted to Wang the increasing threat from North Korea, which had conducted its first ballistic missile of the year a week prior, and, according to the State Department readout, “urged China to use all available tools to moderate North Korea’s destabilizing behavior.” Chinese coverage of the meeting devoted little attention to North Korea, choosing instead to emphasize Tillerson’s reiteration of the Trump administration’s commitment to the “one China” policy. A few days later, Tillerson stressed “the need to address the threat that North Korea poses to the region” in a phone call with State Councillor Yang Jiechi.
Beijing was willing to enhance exchanges with the US, expand coordination and cooperation, and respect each other’s core interests and major concerns. Yang’s visit marked the beginning of preparations for President Xi’s early April visit to the US.

On Feb. 28, one day after his meeting with Councilor Yang, President Trump delivered his first speech to a joint session of Congress. The speech was focused on domestic matters and Trump said little about China, although he noted that the US had “lost 60,000 factories since China joined the World Trade Organization in 2001.” A Xinhua commentary, dismissed what it called “finger-pointing about job losses” as “blame thy neighbor rhetoric.”

At the March 8 press conference following the Fifth Session of the Twelfth National People’s Congress, Foreign Minister Wang Yi characterized the US–China relationship as “transitioning steadily and developing in a positive direction.” Wang emphasized that the two countries needed to rise above two things: the differing social systems of the two countries and “zero-sum mentality.” His remarks revealed Beijing’s persistent determination to stabilize US–China relations in the run-up to the 19th Party Congress of the Chinese Communist Party that will be held in the fall.

On March 18, 2017, Secretary Tillerson stopped in Seoul to meet with South Korean officials. Tillerson was welcomed by Seoul, although it was criticized by many in Washington as a major concession and even a blunder. Tillerson met briefly with President Xi Jinping the following day. Chinese official media reported that Xi told Tillerson that “cooperation is the correct choice” and emphasized the “proper handling of sensitive issues.” Despite the appearance of more amicable ties between the US and China after several high-level engagements, President Trump set a harsh tone for his first meeting with President Xi just a week before the summit. In a series of tweets, Trump attempted to put pressure on China’s president, saying “The meeting next week with China will be a very difficult one in that we can no longer have massive trade deficits ... and job losses. American companies must be prepared to look at other alternatives.” China’s Vice Foreign Minister Zheng Zeguang responded to the tweets by stating China’s commitment to work with the US and strive for “greater balance in China–US trade.”

The Mar–a–Lago Summit

On April 6–7, President Trump and President Xi held their first face–to–face meeting at Mar–a–Lago, Trump’s estate in Florida that has been dubbed the “Winter White House.” Highlights of the occasion included tea with their wives, a performance of a Chinese song by Trump’s granddaughter Arabella, two lengthy one–on–one meetings between Trump and Xi with only translators present, a walk by the two around the grounds of the lavish estate, simultaneous breakout sessions on economics/trade and diplomacy/security, an opening informal dinner and a closing working lunch.

The meeting yielded important achievements even though no concrete agreements were signed. First, Xi and Trump appear to have established a good working relationship. At the close of the summit, Trump told the media that “The relationship developed by President Xi and myself I think is outstanding.” Xi Jinping offered a somewhat more tentative, though positive, assessment. “We have engaged in deeper understanding and have built trust,” he stated, adding that the two leaders had established “a preliminary working relationship and friendship.” A personal relationship between the two leaders will be essential to deal with both anticipated and unexpected problems that arise in the months and years to come. It will be important for Xi and Trump to continue to nurture this relationship through regular phone calls and letters, and frequent in–person meetings.

Second, a new high–level dialogue framework was established that will be overseen by Presidents Trump and Xi. The restructured US–China Comprehensive Dialogue will replace the Strategic and Economic Dialogue. It will include four components 1) diplomacy and security; 2) economics and trade; 3) law enforcement and cybersecurity; and 4) social and people–to–people exchanges. The first two of these dialogue mechanisms were convened on the
sidelines of the Mar–a–Lago summit and both sides agreed to launch the other two dialogue mechanisms as soon as possible. According to Xi Jinping, a new dialogue mechanism will be established between the two countries’ joint staffs of the armed forces. This will likely supplement existing military dialogues, including the Defense Consultative Talks and numerous other dialogue platforms.

Third, a trade war between the number one and number two economies of the world was averted. The two sides adopted a 100–day plan with benchmarks along the way. According to US Secretary of Commerce Wilbur Ross, the objective is to increase US exports to China and to reduce the bilateral trade deficit. News reports published after the summit say that China is willing to end a ban on US beef imports that has been in place since 2003, buy more grains and other agricultural products, and offer the US better market access for financial sector investments. According to Xinhua, Trump and Xi pledged to “advance negotiations on the bilateral investment treaty (BIT) and explore the pragmatic cooperation in infrastructure construction and energy.” A BIT is unlikely to be signed soon, however. Instead, both sides are seeking to reach a number of smaller trade deals within the 100-day period.

Fourth, Presidents Xi and Trump reaffirmed their commitment to a denuclearized Korean Peninsula and to fully implementing UN Security Council resolutions. The Trump administration is expecting near–term actions by Beijing to shut down Chinese banks and front companies that are illegally conducting business with North Korea as well as strict adherence to UN–set limits on imports of North Korean coal. Secretary of the Treasury Mnuchin said that the Trump administration has had conversations with Chinese counterparts about working with the US on levying sanctions against North Korea. If China doesn’t step up, Washington will almost certainly pursue secondary sanctions on Chinese entities and individuals.

Fifth, the two presidents agreed to work together to pressure North Korea with the goal of compelling Pyongyang to return to its commitment to give up its nuclear weapons and resume negotiations. According to Secretary Tillerson, the US and China discussed “a full range of options,” and Xi indicated that “he wanted to be supportive in terms of causing the regime in Pyongyang to change its view” about the need for nuclear weapons. (See more on North Korea below.)

Sixth, Xi Jinping invited President Trump to visit China later this year and Trump accepted his invitation in principle. Secretary Tillerson said that Trump told Xi that he “would look at the dates” and the US would work with China to determine when the visit will take place. If Trump travels to Asia later this year, it is likely to be to Vietnam to attend APEC and to the Philippines to attend the East Asia Summit. If a side visit to China cannot be worked into that trip, it is likely that Trump’s visit to China will be postponed until 2018. The two leaders are likely to next meet next in early July on the margins of the Group of Twenty (G20) Summit in Hamburg.

Notable for its absence was any mention by Xi or Trump of a new formulation for the US–China relationship. Meeting with the media in Mar–a–Lago before the summit began, Secretary Tillerson did not repeat the remarks he had made in Beijing describing the bilateral relationship as having been “guided by an understanding of non–conflict, non–confrontation, mutual respect, and win–win cooperation” for more than 40 years. Instead, he called for maintaining a “constructive, cooperative, and results–oriented trajectory.” President Xi stressed that he is willing to promote US–China relations from a new starting point.

The US attack on Syria while the summit was taking place was likely an unwelcome surprise to Xi Jinping, but it did not sour the friendly atmosphere. Several days later, Trump related to the media that he had informed China’s president of the unfolding attack as they ate chocolate cake. In Trump’s characterization, Xi understood the need to take such action when children are being killed. China’s Foreign Ministry spokesperson did not reveal any such sympathy, however, only emphasizing Beijing’s opposition to the use of force and calling for resolving the Syrian issue through political means.

**North Korea tops the bilateral agenda**

Over the first four months of 2017, North Korea emerged as the top foreign policy priority for the Trump administration as well as in the US–China relationship. When President Obama met with President–elect Trump following the
election, he had underscored that progress in North Korea’s missile and nuclear programs posed a growing and intolerable threat to the United States. Trump was sobered by Obama’s dire assessment and requested intelligence briefings on North Korea which he took to heart. He evidently concluded that China’s role in addressing the North Korea threat was indispensable and that Beijing wasn’t doing enough. On Jan. 2, Trump tweeted that “China has been taking massive amounts of money and wealth from the US in totally one-sided trade, but won’t help with North Korea. Nice!”

North Korea was high on the Trump administration’s agenda when State Councilor Yang Jiechi visited Washington at the end of February to begin preparations for President Xi’s visit. One week later, at the close of the National People’s Congress in Beijing, Foreign Minister Wang Yi told reporters that the US and North Korea “are like two accelerating trains coming towards each other” and asked whether they were “really ready for a head-on collision?” Wang said it was necessary to “flash the red light and apply the brakes on both trains.” He proposed a deal in which North Korea would suspend its nuclear and missile activities in exchange for a suspension of joint US–South Korea military exercises, but the Trump administration showed no interest.

Tillerson and Xi (U.S. Department of State)

In mid-March, as Secretary of State Tillerson headed to Beijing after visiting Tokyo and Seoul, President Trump once again called out China for not doing enough to rein in North Korea. “North Korea is behaving very badly,” Trump tweeted. “They have been ‘playing’ the United States for years. China has done little to help!” Tillerson characterized his talks with Wang about North Korea as “very extensive” and said that the two countries would try to persuade Pyongyang to “make a course correction,” adding that the matter had to be approached with “a sense of urgency.” Beijing urged the US to return to the negotiating table, but Tillerson said that the Trump administration did “not believe that conditions are right to engage in any talks at this time.” Hours before Tillerson met President Xi, North Korea conducted another missile test.

Sensing the likelihood of greater pressure from the Trump administration, the Chinese undertook a few actions to convince the US that when it comes to North Korea, China wants to be part of the solution, rather than part of the problem. On Feb. 18, China’s Commerce Ministry announced a ban on coal imports from North Korea through the end of 2017. This step was taken in compliance with Chinese obligations to cap North Korean coal imports under UN Security Council Resolution 2321. A suspension of Air China flights to Pyongyang was announced in March and went into effect the following month, although it was later announced that the suspension was only due to sagging sales and that flights would resume on May 5. There were also reports that Chinese travel agencies canceled four- and five-day tours of North Korea and were only offering daylong cruises along the Yalu River.

Despite these steps, the US signaled a willingness to impose secondary sanctions against China on March 21 when it sanctioned 30 entities and individuals for violations of the Iran, North Korea, and Syria Nonproliferation Act. Among those sanctioned were six Chinese entities and three individuals. The action seemed to be a warning that many more such designations could follow unless the Chinese government substantially increased pressure on Pyongyang to stop its nuclear and missile tests and return to the negotiating table based on its 2005 commitment to denuclearization.

As Xi Jinping arrived in Palm Beach, Florida for his first summit with Trump, Secretary Tillerson urged China to “be part of a new strategy to end North Korea’s reckless behavior and ensure security, stability, and economic prosperity in Northeast Asia.”

In their over seven hours of discussions in Mar-a-Lago, Trump and Xi devoted a great deal of time to North Korea. Trump posed a series of questions to Xi to better understand his thinking about Kim Jong Un and North Korea’s future. Xi tried to inform Trump about China’s long and
complicated history with the Korean Peninsula, apparently in an effort to educate the US president about the difficulties of influencing Kim Jung Un’s decision making. The history lesson had an impact on Trump who later told the Wall Street Journal, “After listening for 10 minutes, I realized it’s not so easy ... I felt pretty strongly that they had tremendous power” over North Korea ... “But it’s not what you would think.”

In his readout to the press, Secretary Tillerson said the two sides “noted the urgency of the threat of North Korea’s weapons program, reaffirmed their commitment to a denuclearized Korean Peninsula, and committed to fully implement UN Security Council resolutions.” He added that there was agreement to increase cooperation and to work with the international community to convince North Korea to abandon its illicit weapons programs. Wang Yi’s readout echoed Tillerson’s remarks, but included Chinese insistence on resolving Korean Peninsula issues through dialogue and consultation and Chinese opposition to US deployment of the THAAD missile defense system in South Korea. Wang noted that the two sides “agreed to maintain communication and coordination on the Peninsula issue.”

Trump apparently made clear to Xi that if China is unwilling to cooperate, the US would seek to solve the North Korea threat unilaterally, including by pursuing penalties against Chinese banks and companies doing business with North Korea. On April 11, Trump tweeted “North Korea is looking for trouble. If China decides to help, that would be great. If not, we will solve the problem without them!” In another tweet, Trump maintained that he would be willing to give China a better trade deal if they helped to address the North Korea problem. The following week, after the US Treasury Department issued a report that did not designate China as a currency manipulator, Trump tweeted “Why would I call China a currency manipulator when they are working with us on the North Korean problem? We will see what happens.”

Table 1: Trump Tweets on North Korea

<table>
<thead>
<tr>
<th>Tweet</th>
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<tr>
<td>@realDonaldTrump: “China has been taking out massive amounts of money &amp; wealth from the U.S. in totally one-sided trade, but won’t help with North Korea. Nice!”</td>
<td>3:47 PM - 2 Jan 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “North Korea is behaving very badly. They have been &quot;playing&quot; the United States for years. China has done little to help!”</td>
<td>6:07 AM - 17 Mar 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “I explained to the President of China that a trade deal with the U.S. will be far better for them if they solve the North Korean problem!”</td>
<td>4:59 AM - 11 Apr 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “North Korea is looking for trouble. If China decides to help, that would be great. If not, we will solve the problem without them! U.S.A.”</td>
<td>5:03 AM - 11 Apr 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “Why would I call China a currency manipulator when they are working with us on the North Korean problem? We will see what happens!”</td>
<td>5:18 AM - 16 Apr 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “China is very much the economic lifeline to North Korea so, while nothing is easy, if they want to solve the North Korean problem, they will.”</td>
<td>6:04 AM - 21 Apr 2017</td>
</tr>
<tr>
<td>@realDonaldTrump: “North Korea disrespected the wishes of China &amp; its highly respected President when it launched, though unsuccessfully, a missile today. Bad!”</td>
<td>4:26 PM - 28 Apr 2017</td>
</tr>
</tbody>
</table>

In mid-April, the US announced the deployment of the aircraft carrier USS Carl Vinson strike group to the Korean Peninsula, prompting speculation that a US attack was imminent. Washington’s intention may have been to motivate China to put greater pressure on Beijing by deliberately raising the risk of conflict. The Chinese responded by calling for calm and restraint by all sides. Wang Yi warned that tensions had to be prevented from reaching an “irreversible and unmanageable stage.” “History has again and again proved that force cannot solve problems.” He called on all parties “to refrain from provoking and threatening each other,” adding that any party that stages war or sows confusion.
on the Peninsula “will have to assume historical responsibility and pay a corresponding price.”

President Trump placed two phone calls to Xi Jinping after the summit to emphasize the urgency of the North Korea issue. The first call was on April 12, which a 28-word White House readout described as “very productive.” A much lengthier Chinese account of the call stated that on the Korean issue, Xi told Trump that China “adheres to the goal of denuclearization of the peninsula and insists on preserving peace and stability.” Xi added that China advocates “to resolve the issue through peaceful means, and is willing to maintain communication and coordination with the US on the Korean Peninsula issue.”

On April 21, Trump continued to publicly urge Xi Jinping to pressure North Korea. “China is very much the economic lifeline to North Korea,” Trump tweeted. “So, while nothing is easy, if they want to solve the North Korean problem, they will.” Three days later Trump placed another phone call to President Xi. According to a report on Chinese television, Xi said that he opposed any North Korean nuclear and missile tests, but also warned Trump against unilateral actions against North Korea. “China adamantly opposes any actions in contravention of the United Nations Security Council resolutions,” Xi said, and called for all sides to “avoid doing things that exacerbate tensions on the Peninsula.”

By the end of April, it appeared that US patience regarding North Korea was wearing thin. At a special meeting of the United Nations Security Council convened by the US, Secretary Tillerson urged member states to more strictly enforce UN sanctions and encouraged the rest of the world to take measures aimed at increasing North Korea’s isolation. If the response is insufficient, Tillerson warned that the US Treasury would impose secondary sanctions to stop any foreign banks from conducting business within the US-dollar financed international banking system.

Looking ahead

Whether US–China relations continue to develop in a positive direction or deteriorate in the coming months may rest on Beijing’s actions toward North Korea. President Trump has evidently made this issue the litmus test of the bilateral relationship. Although the US and China share the common objective of denuclearization of the Korean Peninsula, it remains to be seen whether they can agree on the right mix of pressure and incentives to get Pyongyang back to the negotiating table.

The South China Sea may re-emerge as an area of friction when the US resumes freedom of navigation operations in those waters, likely in the coming months. US security and military policy toward the Asia-Pacific will be discussed at the Shangri-La Dialogue in early June where Secretary of Defense James Mattis is expected to deliver his first major speech on Asia.

The high-level Diplomacy and Security Dialogue will be convened in June and the dialogue on trade and economic issues is expected to be held shortly thereafter. US officials say that these dialogues will be chaired on the Chinese side by Politburo-level officials, which will maximize the opportunity to address bilateral problems.

Much attention will likely be paid to the bilateral economic and trade relationship in the run up to the 100-day deadline which falls on July 16. Beijing will likely do its utmost to avoid US punitive trade actions in advance of the Chinese Communist Party’s 19th Party Congress in the fall. The Trump administration is looking for concrete ways to reduce the US bilateral trade deficit with China and even the playing field for US investors and exporters. Hopefully, the 100-day plan will pave the road for a more reciprocal US–China economic relationship for not just the next few years, but for the coming decades.

As noted above, President Trump and President Xi will likely meet next on the margins of the G20 summit in Hamburg, Germany on July 7–8.
Jan. 2, 2017: Donald Trump tweets “China has been taking out massive amounts of money & wealth from the U.S. in totally one-sided trade, but won’t help with North Korea. Nice!”

Jan. 5, 2017: Foreign Minister Wang Yi and Secretary of State John Kerry review the positive achievements in US–China relationship during the Obama administration by phone.


Jan. 17, 2017: President Xi Jinping meets Vice President Joe Biden in Davos, Switzerland and calls for joint efforts in building long-term, stable US–China relations.


Jan. 25, 2017: China’s Ministry of Commerce questions the US decision to levy duties on Chinese truck and bus tires.


Feb. 1, 2017: Ivanka Trump and her 5-year-old daughter Arabella attend the Lunar New Year reception at the Chinese Embassy in Washington DC.

Feb. 3, 2017: Chinese State Councillor Yang Jiechi talks to National Security Adviser Michael Flynn by phone, emphasizing that China hopes to manage and control disputes with the US.


Feb. 8, 2017: US Navy P-3C Orion surveillance aircraft and a Chinese military surveillance aircraft come within 1,000 feet of each other near Scarborough Shoal in the South China Sea. Pentagon later rules the encounter unintentional.

Feb. 8, 2017: President Donald Trump sends a letter to Chinese President Xi Jinping wishing the Chinese people a happy Lantern Festival and saying that he looks forward to working together to develop a constructive relationship that benefits both countries.

Feb. 9, 2017: President Trump tells President Xi in a phone call that he will honor the “one China” policy.

Feb. 10, 2017: President Trump tweets "The failing @nytimes does major FAKE NEWS China story saying "Mr. Xi has not spoken to Mr. Trump since Nov.14." We spoke at length yesterday!"

Feb. 17, 2017: Secretary of State Rex Tillerson and Foreign Minister Wang Yi meet on the sidelines of the Group of 20 ministers meeting in Bonn, Germany.

Feb. 17, 2017: Vice Premier Wang Yang and Treasury Secretary Steven Mnuchin exchange views via telephone on issues including economic cooperation.

Feb. 21, 2017: Secretary of State Rex Tillerson and State Councilor Yang Jiechi speak by phone to affirm the importance of a constructive bilateral relationship.


Feb. 24, 2017: In an interview with Reuters, President Trump calls Chinese “grand champions” of currency manipulation.


Feb. 27, 2017: At a regular White House press conference, Press Secretary Sean Spicer says that when Trump concedes a point, he “always gets something” in return, responding to a question on President Trump’s reaffirmation of the longstanding one China policy.

Feb. 28, 2017: At an address to a joint session of Congress, President Trump states that the US has “lost 60,000 factories since China joined the World Trade Organization in 2001.”

March 1, 2017: Foreign Ministry spokesperson Geng Shuang denies President Trump’s claim that the US has closed more than 60,000 factories since China joined the WTO, emphasizing that China–US economic and trade cooperation is mutually beneficial.

March 2, 2017: US Navy Commander Gary Ross, Pentagon spokesperson for Asia Pacific affairs, tells Voice of America (VOA) that there had been one direct engagement between the US and China militaries since the beginning of the year.

March 3, 2017: Special Representative Wu Dawei phones US Special Representative for North Korea Policy Joseph Yun, expressing China’s position and concerns on the US–ROK joint military drills and the deployment of THAAD by the US in the ROK.


March 7, 2017: US Commerce Department fines Chinese telecommunications company ZTE Corp. $1.2 billion for breaking US sanctions by selling equipment to North Korea and Iran.

March 9, 2017: US State Department spokesman Mark Toner rejects China’s proposal for the simultaneous suspension of North Korea’s nuclear weapons and missile development program and US–South Korea joint military exercises.

March 15, 2017: US Senators Marco Rubio (R-FL) and Ben Cardin (D-MD) introduce the South China Sea and East China Sea Sanctions Act, which would sanction Chinese individuals and entities that participate in illegitimate Chinese activities in those seas.


March 17, 2017: In a press conference in South Korea with ROK Foreign Minister Yun Byung-se, Secretary of State Tillerson calls China’s economic retaliation against South Korea for deploying THAAD “inappropriate and troubling.”

March 17, 2017: President Trump tweets, “North Korea is behaving very badly. They have been ‘playing’ the United States for years. China has done little to help!”


March 18–20, 2017: Secretary of State Tillerson visits Beijing for consultations and meets President Xi Jinping, State Councilor Yang Jiechi, and Foreign Minister Wang Yi.

March 21, 2017: US imposes sanctions on 30 foreign entities and individuals in 10 countries pursuant to the Iran, North Korea, and Syria Nonproliferation Act (INKSNA), including entities and individuals from China.

**March 23, 2017:** Regarding China’s warning to a US Air Force B-1 bomber on March 22, Foreign Ministry spokesperson Hua Chunying asks the US to “respect the right of other countries to establish ADIZs.”

**March 23, 2017:** House of Representatives introduces a bipartisan resolution strongly condemning China's retaliation against South Korea over the deployment of THAAD, pointing out that China’s retaliatory measures might violate WTO rules.

**March 30, 2017:** President Trump tweets “The meeting next week with China will be a very difficult one in that we can no longer have massive trade deficits ... and job losses. American companies must be prepared to look at other alternatives.”

**March 31, 2017:** US Trade Representative issues annual report on trade barriers that cites China on a range of trade issues, including industrial overcapacity, forced technology transfers, and long-standing bans on US beef and electronic payment services.

**April 2, 2017:** State Councilor Yang Jiechi talks by phone with Secretary of State Rex Tillerson to discuss the upcoming Xi-Trump Mar-a-Lago summit.

**April 6–7, 2017:** President Trump hosts President Xi Jinping at Mar-a-Lago, Florida.

**April 8, 2017:** President Trump tweets “It was a great honor to have President Xi Jinping and Madame Peng Liyuan of China as our guests in the United States. Tremendous ... goodwill and friendship was formed, but only time will tell on trade.”

**April 11, 2017:** President Trump tweets “North Korea is looking for trouble. If China decides to help, that would be great. If not, we will solve the problem without them! U.S.A.”

**April 12, 2017:** President Xi talks by phone with President Trump to address issues regarding North Korea.

**April 13, 2017:** US-China Economic and Security Review Commission holds a hearing on Hotspots along China’s Maritime Periphery.

**April 14, 2017:** US Treasury releases its biannual currency report. China remains on a watch list for currency manipulation along with five other countries.

**April 15, 2017:** State Councilor Yang Jiechi and Secretary Tillerson discuss the situation on the Korean Peninsula during a phone call.

**April 16, 2017:** President Trump tweets “Why would I call China a currency manipulator when they are working with us on the North Korean problem? We will see what happens!”

**April 21, 2017:** President Trump tweets “China is very much the economic lifeline to North Korea so, while nothing is easy, if they want to solve the North Korean problem, they will.”

**April 23, 2017:** In his interview with the Associated Press, President Trump mentions that he has a “great chemistry together” with the president of China, and that China has not been a currency manipulator “from the time I took office.”

**April 24, 2017:** President Xi talks by telephone with President Trump to address issues regarding North Korea.


**April 28, 2017:** President Trump tweets “North Korea disrespected the wishes of China & its highly respected President when it launched, though unsuccessfully, a missile today. Bad!”

April 28, 2017: China deports Sandy Phan-Gillis, a US citizen who was convicted and sentenced on an espionage charge after she was held in custody for more than two years.

April 30, 2017: In an interview on CBS News, President Trump mentions that email hacking during election “could’ve been China” or other groups. He also maintains that he was “the one who got China to stop manipulating their currency.”

Chronology by CSIS research intern Rose Seungha Hong
North Korea tested President Trump’s new administration with a New Year promise of imminent ICBM capability and subsequent missile launches. Tensions rose to the highest level since 1993/1994 with missile launches, the assassination of Kim Jong Nam, and a possible ICBM on display at a military parade to celebrate the 85th anniversary of the DPRK's Korean People’s Army. Washington offered Seoul assurances of support, sending Defense Secretary Mattis, Secretary of State Tillerson, and Vice President Pence in early 2017. Yet, Trump’s comments about sending an “armada” with the dispatch of the USS Carl Vinson carrier strike group led South Koreans to fear blowback if the US conducted a preemptive or preventive strike against DPRK facilities. South Korea saw deployment of the first stages of THAAD, but the missile defense system and broader policy differences with May 9 ROK presidential victor Moon Jae-in will be challenges for US–South Korea relations.
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Early challenges, Mattis success, and a February missile launch

The incoming Trump administration identified North Korea’s missile and nuclear development as its top national security concern at the recommendation of the outgoing administration. Kim Jong Un’s New Year declaration of an imminent intercontinental ballistic missile (ICBM) capability elevated US and South Korean worries, after a year that saw two nuclear tests and two dozen ballistic missile launches. An April 2016 liquid-fuel engine test signaled enhanced ICBM propulsion capability – the DPRK doubling it by reengineering the Soviet R-27 missile engine designs. Outgoing US Deputy Secretary of State Antony Blinken suggested on Jan. 5 that North Korea had demonstrated a “qualitative” improvement in its nuclear and missile capabilities.

The US was quick to send its defense chief in early February to signal the new administration’s resolve. In his first trip as defense secretary, James Mattis met South Korean Defense Minister Han Min-koo, who hailed the clear signal of US support saying that, “faced with the current severe security situation, Secretary Mattis’ visit to Korea communicates the strongest warning to North Korea.” Mattis condemned the North’s missile launches, nuclear development, and “threatening rhetoric and behavior,” promising an “overwhelming” response should North Korea use nuclear weapons against the US or its allies. With a steady tone, Mattis offered Seoul and then Tokyo needed assurances, winning media acclaim in both countries – the administration’s first foreign policy success. (See PacNet #13 – Mattis’ trip beings needed calm)

The US had signaled ally support in the president-elect’s call with South Korea’s president and meeting Japan’s Prime Minister Abe Shinzo in November. In February, President Trump again met Abe, with the DPRK among the top issues. Then, in a counter to three days of Northeast Asia policy success for Washington – a presidential call with Chinese President Xi Jinping and two days of meetings with Abe at Mar-a-Lago – North Korea launched an intermediate range missile in its first test of the new Trump administration. The improved mid-range Musudan, with solid-fuel rockets and mobile launcher, drew rebuke from Abe and Trump, who promised to stand behind US ally Japan “100 percent.” ROK Presidential Security Adviser Kim Kwan-jin called then-counterpart Michael Flynn as well. North Korea’s KCNA meanwhile described the Pukguksong-2 as a new strategic weapon, though it also noted that the test employed a heightened trajectory as an act of caution, with the missile attaining an altitude of 550 km and traveling only 500 km of its 2000-km range.

More worrying, South Korea’s military described the North’s advance in using a “cold-eject” system, whereby the missile initially lifted by use of compressed gas and then by rocket, a method previously employed for submarine-launched missiles. Jonathan McDowell of the Harvard Smithsonian Center for Astrophysics described the DPRK pursuit of large, solid-fuel missiles as “a very concerning development,” according to Reuters. Trump promised to deal “strongly” with North Korea, labeling it a “big, big problem” in a news conference alongside Canadian Prime Minister Trudeau the day after the launch.

Political assassination

Concerns over North Korea heightened and took an odd twist with the assassination of Kim Jong Un’s elder half-brother, Kim Jong Nam, at Kuala Lumpur airport on Feb. 13. Worldwide attention to the incident lasted several weeks. Details emerged of a complex scheme in which North Korean agents employed two women who
distracted the elder Kim in the airport prior to his return to Macau and applied a lethal VX chemical agent to his face. Mistaking Kim Jong Nam for a South Korean, Malaysian police initially contacted the ROK embassy. South Korea’s media first reported the attack. In the weeks after the attack, Malaysia and North Korea engaged in a diplomatic row that at one point saw the ejection of the DPRK ambassador and a refusal by both countries to allow the departure of the other’s citizens.

In the end, Malaysia backed down, releasing the body of Kim to North Korea, along with three men wanted for questioning; four others had made their way to Pyongyang following the assassination, leaving only the two women, neither North Korean, to stand trial and face execution if convicted. In the process North Korea gambled away its good relations with Malaysia, however, losing visa-free access to Malaysia for its citizens, and inviting international scrutiny of North Korean business operations in Malaysia that had provided hard currency to Pyongyang. Reporting on illicit operations offered evidence of DPRK front companies in Malaysia to skirt the impact of sanctions.

South Korea and US media accounts focused on the depravity of the act in a third, sovereign state, and the use of VX, which raises questions as to North Korea’s chemical and biological weapons capabilities. The assassination, coupled with the February missile test, led the US administration on Feb. 24 to scuttle unofficial talks between North Korean representatives and US analysts and former officials that had been scheduled for March 1 in New York. Washington refused the visas, killing the likelihood of talks at even the unofficial level in the US for now. The US also seized on the growing concern among ASEAN nations in appeals in late April from President Trump and Secretary of State Rex Tillerson to several for cooperation on North Korea.

**March on and more missiles**

On March 1, the United States and South Korea started the *Foal Eagle* joint military exercises, aimed at the North Korea threat. South Korea described the two-month effort as similar to 2016’s “largest–ever” maneuvers that engaged 17,000 US and 300,000 South Korean troops. That same day, according to Seoul’s Finance Ministry, South Korea and the United States vowed stronger cooperation on financial sanctions against the DPRK. Finance Minister Yoo Il-bo and Treasury Secretary Steven Mnuchin expressed “great concern” over the Feb. 12 missile launch and committed to reinforcing UN, US, and ROK sanctions.

On March 4, The New York Times reported an alleged secret US cyberwar against North Korea’s missile systems, initiated under President Obama and with the suggestion that the 88 percent failure rate of launches might signal US success. That contention is uncertain though, with on-line sources 38 North and Nautilus suggesting it unlikely.

North Korea’s response to the US–ROK joint exercise came on March 5, when it fired four missiles (a fifth failed) that landed in waters off northwest Japan; missiles launched last fall similarly had landed in Japan’s exclusive economic zone. The missiles, likely extended-range *Scuds*, landed as close as 300 km from Japan, eliciting strong reaction among Japan’s leadership and public. Talk of preemptive strike increased in official circles, and the public in northern Japan practiced emergency drills at the government’s urging. The spike in fears was mirrored by concerns at the UN Security Council, which roundly condemned the tests.

The launch moved ROK Acting President Hwang Kyo-ahn to call for early deployment of the THAAD missile defense system during a meeting of South Korea’s National Security Council. Hwang also encouraged the ROK government to aggressively enhance the United States’ extended deterrent. The test raised concerns about the challenge of multiple missile launches, central to the North’s provocation. Signaling US frustration, the State Department spokesperson noted that “all of the efforts we have taken thus far to attempt to persuade North Korea to engage in meaningful negotiations have fallen short.”

**Tillerson and Pence trips, House moves, and anniversary concerns**

In his trip to South Korea, Secretary of State Tillerson signaled in Seoul an end of US patience with North Korea and underscored that all options are on the table, adding “let me be very clear: the policy of strategic patience has ended.” After underscoring resolve in Seoul and Tokyo, Tillerson moved on to Beijing, anticipating Chinese ire over US actions as the
cause for tensions with North Korea. Instead, Tillerson called for a “fresh start” in the “complex” relationship with China, affording some latitude and laying the ground for a round of US statements that signaled a desire for China to do more to rein in North Korea.

The day following Tillerson’s meeting in Beijing, Kim Jong Un announced a “new birth” of its rocket industry with a test of a new high-thrust engine at Tongchang-ri. South Korea described the test as showing “meaningful” progress. The North conducted a second rocket test, possibly for ICBM use, again in late March. Also late in the month, US reports indicated that North Korea might be preparing for a sixth nuclear test.

On Capitol Hill, House Foreign Affairs Committee Chairman Ed Royce (R-CA) introduced House Resolution 1644, The Korea Interdiction and Modernization of Sanctions Act, aimed at expanding sanctions to deter DPRK nuclear weapons development; targeting those employing North Korean slave labor, a source of regime revenue; cracking down on DPRK shipping and international port use; and requiring the administration to determine whether the DPRK is a state sponsor of terrorism.

The DPRK quickly rebuffed the effort to enhance sanctions. Interestingly, the US moved the day after by linking North Korea to a theft at the New York Fed, a move beyond the cutoff of North Korea from SWIFT transactions.

In early April, the Trump administration reportedly completed its North Korea policy review, pushing back military options in favor of heightened sanctions, financial cutoffs, and strengthened deterrence. However, talk in the media of a preemptive strike grew, as the US and South Korean watched warily for a sixth nuclear test in advance of the April 15 anniversary of the birth of Kim Il Sung.

The 18 hours that Presidents Trump and Xi shared at Mar-a-Lago April 6–7 produced some like-mindedness about DPRK advances in missile and nuclear development. Trump reportedly received a lesson from Xi on the nature of China’s dealings with North Korea, and the limits therein, but the Trump administration felt it made progress in securing tacit Chinese agreement. Though exact gains and commitments, if any, were debated among analysts in ensuing weeks, China’s refusal of coal shipments and comments against North Korean provocations in state-influenced media were read as a possible lean against the North. It appears unlikely though that China made a commitment, as much as reached a general understanding. The strike on Syria that came as the two leaders dined may have displayed US resolve, and drew the rebuke of North Korea, which signaled resolve with Assad.

Following the summit, Secretary of State Tillerson suggested that the Syria action was meant to convey a message to others, including North Korea, a position reinforced by National Security Advisor H. R. McMaster’s suggestion that the movement of the USS Carl Vinson strike group was a reaction to North Korea. Trump’s suggestion of sending an “armada,” however, stoked fears of a unilateral strike, raising concerns in South Korea. McMaster played down the military options publicly, though confusion in media reporting over the strike group’s location in ensuing weeks led some in the US and Korea to criticize the administration for mixed messages and a lack of clarity, which was dismissed by the administration as inaccurate.

US misreporting also stoked concerns in South Korea in advance of the North’s April 15 events. NBC News reported that the US was considering a preemptive strike, according to unnamed intelligence officials, with the White House strongly playing down the report. In the end, North Korea refrained from any nuclear test, though it did garner attention for the range of missiles on display in its military parade, including an ICBM tube that may or may not have contained a missile. A missile test the following day failed.

The third in the triumvirate of senior US officials to travel to Seoul this period was Vice President Mike Pence, who delivered a hardline message against the North – warning it not to test
President Trump. Pence also traveled to Australia, addressing the North Korea issue there and expressing hope for a peaceful outcome with China’s assistance.

North Korea further fueled US concern with the April 22 arrest of a US citizen, Tony Kim, who taught at Pyongyang University of Science and Technology (PUST) – bringing to three the number of Americans detained in North Korea. [Editor’s note: a fourth American, also affiliated with PUST, was detained on May 7.] University of Virginia undergraduate Otto Warmbier and Korean-American businessman Kim Dong-chul are serving sentences of 15 and 10 years, respectively. Korean Central News Agency reported that Tony Kim is under investigation for “hostility aimed to overturn” the government.

Vice President Pence joined Tillerson, Mattis, and Director of National Intelligence Dan Coats at the White House in late April to brief US senators on the North Korean challenges, as US Pacific Command’s Adm. Harry Harris testified before the House of Representatives. Tillerson then traveled to chair a UN Security Council session in New York on North Korea’s nuclear development, urging more strident coordination and tougher sanctions. He floated the idea of negotiations with North Korea and the idea of shunning regime change. At the same time, Trump cautioned that a “major, major” conflict is possible. Following Tillerson’s UN effort, North Korea failed in firing a missile. Trump tweeted that the act was disrespectful toward China and described the action as “bad!”

South Koreans remain cautious, despite senior US reassurances, given three main issues: 1) fears of North Korean retaliation in the event of US unilateral action and unclear US messaging; 2) suggestions by Trump in a Reuters interview that South Korea was expected to cover the cost of the THAAD deployment, something “they understand;” and 3) that the US would terminate or renegotiate the KORUS FTA, which Trump termed a “horrible deal.” South Koreans are used to a hard verbal line from Pyongyang, but less so from Washington.

Park ouster and new political realities

Park Geun-hye’s impeachment may have long-term implications for Korea-US relations. On March 9, South Korea’s Constitutional Court upheld her impeachment by the National Assembly over a bribery and influence scandal involving intimate Choi Soon-sil and possibly heads of South Korea’s powerful chaebol. Her immediate removal from office and arrest in late March underscored for some analysts the rule of law and power of civil society in South Korea. Others worried about damage to the US relationship as she was seen as strongly supportive. Likely successor, former opposition leader Moon Jae-in, who lost to Park in 2012, has espoused alternative approaches to South Korea’s relationship with China and North Korea. Although shifting support toward THAAD and cautioning against damaging relations with the United States, Moon regards the anti-missile system as unnecessary should China rein in North Korean missile and nuclear development – a position at odds with current US policy. Moon also advocates Sunshine 2.0, implying extensive aid and economic interaction for and with North Korea, though with a guarantee of actions in kind by North Korea, which was always problematic for the earlier Sunshine Policy of Kim Dae-jung and Roh Moo-hyun; Moon was Roh’s chief-of-staff.

With Moon victorious over leading challengers Ahn Cheol-soo and Hong Jun-pyo, both more hawkish on the North, South Korea may lean in a direction that differs from that of the United States. Seoul will have to find ways to navigate sanctions put in place the past year and a half, should Moon elect to reopen or broaden the Kaesong Industrial Complex. Moon might also decide to jettison the THAAD anti-missile system, revisit the KORUS FTA, or lean toward China in new ways to lessen the latter’s economic punishment for THAAD or ensure a perceived tradeoff for North Korea. These possible changes portend a new era in US-Korea relations that will require deft coordination and a step-up in alliance management that includes but extends beyond the current approach to rising tensions on the Korean Peninsula.
CHRONOLOGY OF US-KOREA RELATIONS

JANUARY – APRIL 2017


Jan. 2, 2017: President-elect Donald Trump tweets of North Korea’s imminent ICBM capability that “it won’t happen” and chastises China for not doing more to rein in North Korea.

Jan. 5, 2017: Deputy Secretary of State Antony Blinken cautions that “with every passing day, the threat does get more acute” and that “we exercise sustained, comprehensive pressure on North Korea to get it to stop these programs, to come back to the negotiating table, and to engage in good faith on denuclearization.”

Jan. 6, 2017: Former Defense Secretary William Perry acknowledges “it is a matter of when, not if, North Korea will have an operational ICBM” and suggests dialogue over military options.


Jan. 12, 2017: China and Russia reportedly agree to “countermeasures” against US THAAD system in South Korea.

Feb. 3, 2017: Defense Secretary Mattis meets ROK Defense Minister Han Min–koo and promises an “effective and overwhelming” response to any North Korean use of nuclear weapons against the US or its allies.

Feb. 3, 2017: South Korea Unification Ministry reports North Korea’s Minister of State Security Kim Won Hong has been purged in a further sign of a “crack in the elite.”

Feb. 12, 2017: North Korea launches an improved Musudan intermediate–range missile; it flies 500 km, landing in the East Sea (Sea of Japan).

Feb. 13, 2017: Kim Jong Nam, elder half–brother of Kim Jong Un, is assassinated at the Kuala Lumpur airport.

Feb. 24, 2017: US withholds visas for North Korean representatives due to attend talks hosted by the National Committee on American Foreign Policy (NCAFP) on March 1 in New York.

March 1–April 30, 2017: US and South Korea conduct Foal Eagle joint military exercises.

March 4, 2017: US announces visit by Secretary of State Tillerson to Korea, Japan, and China.

March 5, 2017: ROK vows to protect firms against China pressure over THAAD.

March 5, 2017: DPRK launches four missiles into the sea off Japan’s northwest coast. The missiles averaged a distance of 1000 km and altitude of 260 km.

March 7, 2017: South Korea receives initial parts of the US THAAD missile defense system.

March 7, 2017: SWIFT banking system blocks DPRK banks.

March 8, 2017: China proposes that the US and ROK halt joint exercises in exchange for a North Korean freeze on its nuclear program. Foreign Minister Wang Yi warns of “accelerating trains coming toward each other.”

March 8, 2017: US Ambassador to the UN Haley dismisses China’s suggestion of a dual suspension, decries Kim Jong Un as not “rationale” and displaying “unbelievable, irresponsible arrogance,” and emphasizing that “all options are on the table.”

March 9, 2017: ROK Supreme Court votes to uphold the impeachment of Park Geun–hye.

March 17, 2017: US Secretary of State Tillerson visits Seoul, suggesting an end to strategic patience and negotiations, and that military options remain on the table. President Trump tweets that North Korea “is behaving very badly,” and that China “has done little to help!”
March 18–19, 2017: US and China pledge to get the DPRK on a “different course.” The DPRK responds the next day with a test of a new high-thrust rocket engine. Trump tells reporters at Mar a Lago that Kim Jong Un is “acting very, very badly.”

March 21, 2017: IAEA warns that North Korea has doubled the size of its uranium enrichment facility. US House Resolution 1644 is introduced to expand US sanctions to target front companies and enablers funding the DPRK nuclear program.

March 24, 2017: UN broadens its inquiry into DPRK crimes against humanity. North Korea conducts another rocket engine test for possible ICBM use.

March 30, 2017: Former President Park Geun-hye is arrested.

April 5, 2017: DPRK fires a missile into the East Sea in advance of the Trump-Xi summit.

April 7, 2017: Presidents Trump and Xi discuss North Korea and trade, with the US signaling China’s concern about North Korea’s passing a threshold in nuclear and missile development.

April 9, 2017: Secretary of State Tillerson and National Security Advisor H.R. McMaster describe the Syria strikes as a warning and the movement of the USS Carl Vinson carrier strike group as motivated by DPRK actions.

April 11, 2017: President Trumps signals that China will get a better trade deal with the US if it cooperates on North Korea.

April 12, 2017: President Xi Jinping urges President Trump in a call to move to a peaceful resolution over North Korea. Foreign journalists visiting Pyongyang for the 105th anniversary of the birth of Kim Il Sung are told to prepare for a “big” event – an unveiling of a street.

April 13, 2017: Trump suggests the US is prepared to deal with North Korea without China. US reports indicate that the DPRK has readied a nuclear test site. Japan’s Prime Minister Abe Shinzo tells legislators that DPRK missiles could carry sarin gas. China warns against the use of force.

April 15, 2017: Day of the Sun parade in Kim Il Sung Square displays an array of missiles, including a possible ICBM.

April 16, 2017: North Korea missile launch fails as Vice President Mike Pence arrives in Seoul.

April 18, 2017: Vice President Pence signals strong US resolve in Seoul and warns North Korea against further provocations.

April 21, 2017: Media reports Chinese and Russian troop movements toward their borders with North Korea. Both Beijing and Moscow deny the reports.

April 22, 2017: Vice President Pence suggests in Sydney that Chinese pressure might provide a chance for peace on the Korean Peninsula. USS Carl Vinson begins exercises with Japanese ships in the western Pacific.

April 22, 2017: North Korea arrests US citizen Tony Kim (Kim Sang Dok) of the Pyongyang University of Science and Technology at Pyongyang’s international airport.

April 23, 2017: North Korea says it is prepared to strike a US aircraft carrier.

April 24, 2017: President Trump hosts UNSC diplomats at the White House, urging stronger sanctions and suggesting “it’s time to solve the problem.” USS Michigan pays a port call in South Korea in a show of support.

April 25, 2017: North Korea conducts live fire exercise to mark the 85th anniversary of the Korean People’s Army.


April 27, 2017: Secretary of State Tillerson floats North Korea dialogue idea and suggests regime change is not a US goal.

April 28, 2017: Secretary Tillerson addresses the UNSC on North Korean developments. North Korea responds with a failed missile launch.
In its early months, the Trump administration has devoted little attention to Southeast Asia and US relations with the region have generally followed a trajectory set by the Obama administration. The US continued naval operations in the South China Sea and joint exercises with most ASEAN states with US air and naval forces rotating through bases in northern Australia and the Philippines and deploying from Singapore. There have been mixed signals between Manila and Washington. With the ASEAN states and China moving toward completion of a Code of Conduct (COC) on rules of engagement in the South China Sea, it is hoped that the new document would be “legally binding,” but little specific about its provisions has been published. Following Washington’s abrogation of the Trans-Pacific Partnership (TPP), Hanoi has sought to alleviate its disappointment, saying that it understands the US need to create more jobs and that it will try to accommodate Washington in future trade negotiations.

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During the Obama administration’s two terms (2009–2016), the president’s “rebalance” to Asia featured Southeast Asia as its centerpiece. President Obama made 11 separate trips to the Asia-Pacific, visiting a total of 14 countries, nine of which were members of ASEAN. His secretaries of state and defense also made multiple journeys to the region. Among many successes during these years were US accession to ASEAN’s Treaty of Amity and Cooperation, participation in the East Asia Summit for the first time in 2011, the establishment of the first diplomatic mission to ASEAN, and realization of the historic transition to democracy in Myanmar. The United States also increased the deployment of ships and aircraft to the region, particularly in Singapore, the Philippines, and Australia. In Obama’s final year, the US began distributing resources under the Maritime Security Initiative to assist Southeast Asian countries with their maritime domain awareness by transferring patrol vessels and surveillance aircraft as well as creating a system whereby these countries could share information on the region’s maritime security picture.

While it’s still early for the Trump administration, there have been virtually no policy statements dealing with Southeast Asia, nor at this time (April) has the State Department chosen a deputy secretary – the number two position – or a permanent assistant secretary for East Asian and Pacific affairs. Direction from Washington for a region that was so important during the preceding eight years seems to be absent.

US position in Southeast Asia

Southeast Asian policymakers wonder whether a US government that seems to be quite transactional in its diplomacy might make deals at their expense. With the Trump administration abandoning the Trans-Pacific Partnership (TPP), so important to Vietnam and Malaysia, as Washington’s “America first” prism concentrates on terrorism and China, there will be missed opportunities in Southeast Asia for economic policies and political alignments. From ASEAN’s viewpoint, a litmus test about Washington’s commitment to the region will be how it treats the Association’s 50th anniversary and the annual East Asia Summit – both scheduled for November. As regional specialist Carlyle Thayer pointed out in a March 19 Background Briefing, the Trump administration seemed to have abandoned its predecessor’s focus on Southeast Asia when Acting Assistant Secretary of State for East Asia and Pacific Affairs Susan Thornton stated that the term rebalance “was a word that was used to describe Asia policy in the last administration,” implying that the current government “will have its own formulation.” Little has been said about Thailand and the Philippines, both treaty allies, though President Trump’s lack of interest in promoting human rights and democracy has probably reassured the military junta in Bangkok and Duterte’s government in Manila. ASEAN core members may well promote closer security relations with other important Asian partners, particularly Japan, India, Australia, and South Korea.

The Trump administration will probably continue freedom of navigation operations (FONOP) patrols around the Spratly and Paracel islands in the South China Sea and conduct joint military exercises with most ASEAN states, involving US Navy littoral combat ships deployed from Singapore. Additionally, the US rotates air, naval, and amphibious forces through Australia and has access to several Philippine bases through the Philippine-US Enhanced Defense Cooperation Agreement (EDCA).

Japan, a close US ally, has supported the US security posture in the region by boosting
security capabilities and maritime domain awareness particularly for Indonesia, the Philippines, and Vietnam. Japan has provided patrol boats and aircraft for the three, engages in periodic ship visits and small-scale exercises, and holds regular defense talks. The most recent example (April) is the lease of five Maritime Self-Defense Force (MSDF) TC-90 turboprop surveillance planes to the Philippines. Though not long-range monitoring aircraft like the P-3C Orion, the TC-90s give the Philippines its first significant ability to monitor its exclusive economic zone (EEZ) in the South China Sea.

Mixed messages from the Philippines

Soon after President Trump’s election, President Duterte congratulated him in a press conference and expressed hope for a new relationship. Duterte appointed Trump’s Filipino business partner, Jose EB Antonio, as special envoy to Washington. In early February, Philippine Defense Secretary Delfin Lorenzana stated that the two countries would continue bilateral military exercises, but they would now emphasize humanitarian assistance, disaster relief, counter-terrorism, and counter-narcotics more than military assault scenarios. US assistance for Philippine maritime domain awareness continued as well. In testimony before the US Senate on Jan. 11, Secretary of State-designate Rex Tillerson stated that he would not be concerned about Philippine human rights abuses, such as summary executions, until these actions were corroborated by US intelligence. Human Rights Watch condemned Tillerson’s “reluctance to acknowledge human rights abuses by … the Philippines.” Tillerson went on to say: “America and the people of the Philippines have a longstanding friendship. And I think it is important that we keep that in perspective in engaging,… they have been any ally, and we need to ensure that they stay an ally.”

In late January at a roundtable discussion with Philippine media, US Ambassador Sung Kim reassured participants that the United States and the Philippines remain “strong allies” in both economics and security. During the meeting, Kim related that President Duterte told him that he “acknowledged the importance of our alliance and military partnership.” The ambassador also said at the roundtable, “We have tremendous respect for the Philippines as a sovereign state. We’re not going to ask the Philippines to be a proxy for us on anything – South China Sea or some other issue.” On economic relations, the ambassador assured Philippine businesses that there would be no “dramatic” changes in the operations of US companies in the country, though they should be aware that the long-term factors for commercial change are not Washington policies but rather technology advances to which all successful business must adjust.

At a late February meeting of the Management Association of the Philippines, Ambassador Kim was asked about removing visa requirements for Filipinos heading for the United States. Kim replied that US law has strict requirements for countries seeking visa waiver status, and unfortunately the Philippines does not currently meet those requirements. Nevertheless, the embassy works very hard to make the visa application process “as painless and efficient as possible” and that thousands of nonimmigrant visas were successfully processed in 2016.

By mid-March, President Duterte displayed a more positive view of the US when he stated he had established an amiable relationship with President Trump. The Philippine president declared that he had a “very engaging, animated” phone conversation with the US president in which Trump expressed support for Duterte’s anti-drugs campaign, though subsequently Washington clarified its view that extrajudicial killings would not solve the problem.

In April, President Duterte, concerned about the rumor that China was about to build facilities on Scarborough Shoal, ordered the Philippine military to deploy to nine islands and reefs in the Spratly islands already occupied by the Philippines to repair the infrastructure on these features so that they could provide a permanent presence. Anxiety about the prospect of additional Chinese activities in the area led to a statement by Philippine Supreme Court Associate Justice Antonio Carpio, who had been instrumental in the 2014 Supreme Court ruling that validated the Philippine–US EDCA, published in the March 20 Manila Sun Star, urging Manila to declare Scarborough Shoal a part of Philippine territory under the 1951 Philippine–US Mutual Defense Treaty. This would make Scarborough comparable to Japan’s Senkaku Islands, which the US has reaffirmed are included under the US–Japan Defense Treaty, the assumption being that this
previously would deter any Chinese military action in the area. To this author’s knowledge, neither the US government nor President Duterte has commented on Carpio’s statement.

Despite these positive components of recent US-Philippine relations, negative issues persist. At the end of January, President Duterte told the US to stop implementing EDCA because he had received information that the US was building permanent arms depots in violation of the agreement. The Philippine armed forces responded that the president’s information was incorrect and on Jan. 30, Ambassador Kim also denied the allegations, noting that US construction on the bases was “not related to weapons,” only barracks, runways, and storage facilities were being built. Noteworthy, though, is a statement to Reuters on Feb. 8 by Defense Secretary Lorenzana that absent a US guarantee of support, the Philippines would consider scrapping the EDCA to avoid becoming involved if a US war (with China) broke out in the South China Sea.

In late March, the Philippine president registered a new complaint against the US, this time with respect to US Navy FON patrols. Stating that they risked a “miscalculation” and could spark conflict, he went on to charge the Obama administration with pressing the Philippines to take a stand against China without any guarantee of US support. Referring to Washington’s inaction when China first began building up its presence on South China Sea features several years ago, he said, “Why in hell, America, the only one who can act there, why did it want my navy to go there? It will be a massacre for my soldiers. You could have cut the problem in the bud had you taken decisive action.”

Meanwhile, President Duterte’s anti-drugs campaign continues to outrage human-rights organizations and a number of Western governments. In early March, Human Rights Watch issued a condemnation of extrajudicial killings involving the Philippine National Police. A Human Rights Watch director quoted in the March 3 New York Times stated, “We think there is a very strong case to be made in front of the ICC [International Criminal Court] that crimes against humanity have been committed.” The US State Department also issued its annual human rights report on March 3 which, according to Secretary Tillerson, partly determines “the allocation of foreign aid and security sector assistance.” The Philippines could be at risk of losing millions of dollars in police and military assistance if Manila’s human rights record does not improve. In late April, the lawyer of self-confessed hitman Edgar Matobato filed a complaint against Duterte and 11 other government officials before the ICC, accusing Duterte of being a “mass murderer” and asked the international court to prosecute him over his involvement in the so-called Davao Death Squad.

**Counter-piracy cooperation in the Sulu Sea**

The Sulu–Celebes Seas, encompassing the waters around Indonesia, Malaysia’s eastern Sabah state, and the southern Philippines has become the latest area of piracy and kidnap-for-ransom incidents. They are linked mainly to the Abu Sayyaf militant group, reportedly affiliated with ISIS and operating out of the southern Philippines. For several years, the Abu Sayyaf has targeted tug boats, small fishing boats, pleasure craft, and seaside resorts in Sabah. Beginning in 2016, however, they began going after larger prey, including merchant ships in the Sulu Sea, reasoning that bigger ships presumably can pay bigger ransoms. Between March 2016 and January 2017, 48 crew members have been abducted in 16 attacks in the Sulu–Celebes Seas. Abu Sayyaf claimed responsibility for most of these attacks, according to reports by the Regional Cooperation Agreement on Combating Piracy and Robbery against Ships in Asia (ReCAAP).

ReCAAP urged the littoral states – Indonesia, Malaysia, and the Philippines – to consider “hot pursuit” arrangements across maritime boundaries to tackle piracy, maritime terrorism, human trafficking, and drug smuggling. In November 2016, the Philippines agreed to allow Malaysia and Indonesia to inaugurate “hot pursuits” in Manila’s territorial waters, though no joint patrols were contemplated. Finally, in March 2017, the three agreed to begin patrolling a maritime transit corridor through which ships would be monitored and protected. A longstanding political conflict between the Philippines and Malaysia over which had sovereignty in Sabah was set aside for purposes of these patrols. Additionally, in late February, Manila stated that it planned to ask the US to hold naval exercises in these southern waters, though whether this proposal has actually been made to Washington is unknown.
ASEAN and the South China Sea

ASEAN is troubled that the Trump administration has said very little about the Association; the 10 Southeast Asian countries constitute more than 600 million people with the potential to be an important player in economic and strategic affairs. ASEAN has created a number of multilateral mechanisms for the Asia-Pacific. From a US security perspective, the most important are the ASEAN Regional Forum (ARF) and the ASEAN Defense Ministers Plus (ADMM+). Also concerned with regional collaboration are the East Asia Summit (EAS) and Asia Pacific Economic Cooperation (APEC). In conjunction with ASEAN, the US can influence the agendas of these gatherings and reinforce the already established US role as a guardian of rules-based institutions and regional order.

Taken together, the ASEAN 10 constitute one of the world’s most promising economic areas with a single market and combined gross domestic product of $2.5 trillion – the third largest in Asia behind China and Japan. Therefore, President Trump's scrapping of the TPP, one of his first foreign policy actions, was particularly discouraging to the four ASEAN countries – Brunei, Malaysia, Singapore, and Vietnam – that viewed the TPP as both an economic and strategic hedge against China. The TPP would have accelerated trade and investment liberalization in the region. Now only the PRC is able to dominate the Asian economic agenda with its Asia Infrastructure Investment Bank and its “One Belt, One Road” economic initiative.

Although the South China Sea has been relatively tranquil in recent months, China has been ramping up its naval drills and combined gross domestic product of $2.5 trillion – the third largest in Asia behind China and Japan. Therefore, President Trump's scrapping of the TPP, one of his first foreign policy actions, was particularly discouraging to the four ASEAN countries – Brunei, Malaysia, Singapore, and Vietnam – that viewed the TPP as both an economic and strategic hedge against China. The TPP would have accelerated trade and investment liberalization in the region. Now only the PRC is able to dominate the Asian economic agenda with its Asia Infrastructure Investment Bank and its “One Belt, One Road” economic initiative.

During Secretary Mattis’ Tokyo visit, Japan’s defense minister said that though Japan would enhance Southeast Asian security through training and the provision of security assistance, the Maritime Self Defense Force (MSDF) would not deploy to the South China Sea on joint patrols with the US Navy, though the MSDF could engage in “bilateral and multilateral exercises with regional navies...” Japan also plans to send one of its two biggest post–World War II warships, the helicopter destroyer Izumo, on a three-month South China Sea tour beginning in May.

Creation of a South China Sea Code of Conduct

As early as 1996, ASEAN members called for a legally binding Code of Conduct (COC) for the South China Sea that would foster stability and understanding among the claimants – China, Taiwan, Philippines, Vietnam, Malaysia, and Brunei. By 2002, China and ASEAN signed a non–binding Declaration on the Conduct of Parties in the South China Sea (DOC) under which the signatories pledged to refrain from aggressive actions and from building new structures in the contested region. The DOC was intended as a prelude to a legally binding final agreement. There was also a general understanding that the DOC should be implemented before a COC was negotiated. From 2011 to 2016, meetings on the implementation of the DOC occurred with few results. Over the past three years, China rapidly expanded its strategic footprint across disputed land features in the Paracel and Spratly islands, deploying its military, coast guard, and paramilitary patrols across contested waters.

Nevertheless, over the past year meetings between ASEAN and China have been regularly convened to create a draft COC document. These efforts have been endorsed by the US as recently as late February when Deputy Chief of Mission for the US Embassy in Manila Michael Kiescheski stated that the COC is an “important” issue and that the US “shares” ASEAN’s support for the UN Convention on the Law of the Sea. The proposed COC is aimed at
preventing territorial conflicts from degenerating into armed confrontations by enacting rules that would discourage aggression.

Despite these positive signs, few specifics have been released about the proposed components of the COC. It is important to understand that the Code does not address territorial disputes. The ASEAN states are asking, however, that these disputes be settled on the basis of international law. Currently leading the ASEAN discussions with China, acting Philippine Foreign Affairs Secretary Enrique Manalo in mid-March asked that the code segregate disputed from non-disputed areas in the South China Sea and establish a dispute settlement mechanism. According to a March 28 paper by Hong Thao Nguyen of the Diplomatic Academy of Vietnam and published by the National Bureau of Asia Research Maritime Awareness project, negotiations should include measures to manage escalation of disputes and to promote restraint on the new occupation of claimed features as well as land reclamation. Other issues that should be addressed include practices at sea: how to avoid maritime collisions, regulations over high-powered water cannons, sinking of fishing boats, treatment of detained fishermen, cable cutting, unilateral movement of oil rigs into another state’s EEZ, and unilateral fishing bans. (All these activities have occurred over the past several years, mostly attributed to China). To address these concerns, the COC should provide for dispute settlement protocols, hotlines, and consultations. This is a very ambitious agenda; the prospect that ASEAN and China will produce a draft anywhere near this elaborate seems unlikely.

Vietnam: hoping for continuity

Vietnam suffered a double setback as the Trump administration took office. First, the country had counted on the realization of the TPP as major boost for Hanoi’s economic ties and enhanced strategic links to the US. Second, Vietnam finds itself ranked sixth of 16 countries targeted by the White House National Trade Council for persistent trade surpluses with the US. As CSIS’s Murray Hiebert pointed out in his essay in the April 6 issue of Southeast Asia from Scott Circle, Hanoi is working to meet the Trump administration’s criteria for a good international partner. In discussions with the US Commerce Department, Vietnamese officials said they recognized the importance to the White House of creating more US jobs; these officials also announced that Hanoi would be willing to discuss the merits of a bilateral trade agreement.

Other ways of dealing with the bilateral trade surplus would be Hanoi’s purchase of US military equipment such as coastal radar, surveillance aircraft, and patrol boats. Both Hanoi and Washington have discussed the need for enhanced maritime domain awareness among the Southeast Asian littorals. According to Hiebert, Vietnamese officials are also asking the US to resume FON patrols, including areas within 12 nm of the artificial islands China has recently built. One silver lining from Hanoi’s viewpoint is that unlike the Obama administration, the Trump White House has not made human rights in Vietnam a priority.

Cambodia: human rights and decades-old debt roil relations

Cambodia–US relations have been troubled ever since the Hun Sen regime came to power in Phnom Penh as an adjunct to the Vietnamese communist victory in 1975. Originally a Khmer Rouge cadre and now the longest serving political leader in Southeast Asia, Hun Sen has been suspicious of the US for several reasons: the use of the poisonous Agent Orange in eastern Cambodia during the Second Indochina War (1965–1975), the massive bombing of the eastern Cambodian portion of the Ho Chi Minh trail, and political pressure on Hun Sen’s regime to improve the country's human rights profile. Although the relationship between Washington and Phnom Penh has “normalized” over the past 20 years and diplomatic relations have been established, comity has been strained.

Recently, the troubled relationship has taken a downward turn with the sudden mid-January cancellation of the annual Angkor Sentinel joint military exercise scheduled for an eighth iteration this Spring. Although modest in scale, the exercise has now been cancelled for the next two years. Speculation attributes the cancellation to Hun Sen’s displeasure with US complaints about Cambodia’s democracy and human rights policies following the regime's crackdown on the political opposition led by Sam Rainsy as a prelude to national elections scheduled for 2018. The Diplomat pointed out in a Jan. 18 article by Prashant Parmesaran that China may have also pressured the Cambodian
regime to reduce cooperation as a way to stymie US military plans for Southeast Asia that include prepositioning equipment and integrating Angkor Sentinel into other US military exercises. In recent years, China has become Cambodia’s most important military partner, providing both training and joint exercises. By contrast, military ties with the US have been relatively small and susceptible to US human rights concerns.

On Feb. 20, the US Embassy in Phnom Penh issued a statement expressing concern over a newly amended law on political parties that prepares the way for dissolving three parties whose leaders have criminal convictions (read: Sam Rainsy). Hun Sen responded two days later suggesting the US concerns were hypocritical: “When you dropped bombs on our country, did you ever think about human rights? The law passed by National Assembly is not killing Cambodian people as you did to Cambodian people.” At the end of the month, The Cambodian Cabinet spokesperson cited President Trump’s criticism of US media to justify censorship of Cambodian news outlets: “Freedom of expression is subject to the law and must respect the state’s power.” Hun Sen specifically cited Trump baring certain journalists from White House press briefings when the Cambodian leader declared that, “President Trump sees them as causing anarchy.” The public affairs officer at the US Embassy responded by saying: “The United States has long supported freedom of the press and considers it to be fundamental to any democracy.”

Finally, an Indochina War era debt continues to haunt Cambodian–US relations. During that war even as Cambodia was being bombed, Washington loaned the Lon Nol government hundreds of millions of dollars for refugee relief. Now, the US wants to be repaid with interest. The debt has grown to more than a $500 million; Phnom Penh has refused to repay it, saying that the US owes Cambodia a moral debt for the devastation it caused and should forgive the debt. Washington insists it is legally prohibited from cancelling the debt, though it has offered to reschedule it on favorable terms for Cambodia. The US further avers that Cambodia can afford to gradually repay the sum since the country graduated to lower-middle income status last year with a GDP of about $19 billion. By comparison China wrote off $89 million in Cambodian debt last year.

Thailand and Myanmar

Under the Obama administration Thai–US relations experienced a negative spiral. Once a significant US partner with “major non–NATO status,” relations became a victim of the 2014 military coup and the military junta’s democracy and human rights violations, followed by a reorientation of Thai foreign policy toward Beijing. Thai analysts expressed disappointment at the Obama administration’s lack of understanding of the country’s deteriorating security and noted that Washington had reached out to Cuba, Iran, and other autocracies at the same time it was publicly berating Thailand. The one bright spot in Thai–US relations has been the annual multinational Cobra Gold exercise. In 2017, the February maneuvers involved some 30 countries either participating or observing. Cobra Gold consisted of three primary components: a command post table top exercise, a field training exercise to enhance interoperability, and civic assistance projects in Thai villages. Approximately 3,600 US military personnel participated (hundreds more than last year), and the head of the US Pacific Command, Adm. Harry Harris attended, the highest level US official since the military coup. In remarks on Feb. 14 at the opening ceremony, Harris urged Thailand to restore democracy because the US needs “a strong and stable ally in Southeast Asia.” The admiral’s presence also signaled that the Trump administration views “our alliance as a big deal” and that “we’re in it for the long haul.” Nevertheless, Thai military and economic ties with China are burgeoning with growing Chinese trade and investment as well as military purchases and joint exercises, while US law prohibits many activities as long as the Thai military remains in power. At the present time, it may be 2018 before an election is scheduled.

Myanmar views on the Trump administration are mixed. Buddhist nationalists admire the US president’s emphasis on nationalism and religion as well as what they interpret as his anti-Muslim bias. The Myanmar military also appreciates Trump’s nationalist emphasis. In contrast, the business community and democracy activists are skeptical of Trump’s populism and his isolationist pronouncements, fueling fears that US aid and development assistance will be drastically curtailed. Nonetheless, the Aung San Suu Kyi government’s recent reforms and tilt toward the
West have helped the United States maintain a power balance with China.

An Assessment

President Trump’s foreign policy rhetoric has emphasized US unilateralism, populist-inflected nationalism, and a transactional approach to international relations, meaning that negotiations must always yield benefits for the US. Examples of this are seen in the March 31 Commerce Department declaration that the US will investigate the bilateral trade imbalances between the United States and 16 countries, including Indonesia, Malaysia, Thailand, and Vietnam. The report, due within 90 days, is to focus on alleged trade abuses and nonreciprocal practices. The investigation presumably will not take into account the importance of political relations between these states and Washington or how they fit into longstanding US efforts to strengthen relations with ASEAN and ASEAN-led organizations such as the ARF, ADMM+, and the EAS.

The purpose of a visit to the region by Vice President Mike Pence in late April seemed to be to present a more positive picture of US intentions. In Jakarta, the vice president praised Indonesia’s commitment to democracy and religious tolerance while promising increased defense support for both maritime and counterterrorism activities. Conspicuously, Pence did not visit the Philippines or Thailand – US treaty allies -- nor Vietnam or Malaysia – parties disputing China in the South China Sea. At bottom, Pence’s Asian tour reaffirms Washington’s fundamental continuity of military power in the region. However, the Trump administration’s economic accusations seem to undercut its security pledges.
Jan. 11, 2017: In his confirmation hearing as secretary of State before the Senate Foreign Relations Committee, Rex Tillerson states he would not act on human rights abuses in the Philippines before receiving corroboration.

Jan. 12–13, 2017: Secretary of State John Kerry makes a final visit to Vietnam, celebrating the progress in bilateral relations under the Obama administration. He expresses confidence that the Trump administration would continue the same peaceful principles on Asian security.

Jan. 16, 2017: Cambodia cancels all military exercises with the US for the next two years. The announcement comes five days after Secretary of State-designate Tillerson stated at a Senate confirmation hearing that Washington was prepared to prevent China’s access to disputed South China Sea islands.

Jan. 24, 2017: Responding to a question, President Trump’s press secretary states that the US will prevent China from taking over additional territories in the South China Sea. A Chinese spokesperson responds that such a move would be considered “an act of war.”

Jan. 26, 2017: Philippine Defense Secretary Delfin Lorenzana announces that the Pentagon will start constructing facilities on the five Philippine bases identified under the Enhanced Defense Cooperation Agreement (EDCA).

Jan. 29, 2017: Rappler reports that President Rodrigo Duterte has ordered the US to stop implementation of the US EDCA because Washington is building arms depots in the Philippines. Philippine armed forces spokesperson denies the US was doing so.

Feb. 3, 2017: Demonstrations protesting the US travel ban against selected Muslim majority countries occur outside US embassies in Indonesia, Malaysia, and the Philippines. Indonesian Foreign Minister Retno Marsudi says she has “deep regrets about the policy.”

Feb. 3, 2017: United Nations report condemns Myanmar armed forces for atrocities against Rohingya Muslims, involving gang rape, the slaughter of hundreds of men, women, and children, and the forced removal of over 90,000 from their homes in Rakhine State.

Feb. 7, 2017: Philippine Defense Secretary Lorenzana says President Duterte will allow the continuation of the EDCA so long as the US does not stockpile ammunition in the country.


Feb. 14–24, 2017: The 36th iteration of the annual Thai-US Cobra Gold exercise is held in Thailand involving 30 countries and 3,000 US forces from all branches of the US armed forces.

Feb. 18, 2017: US Navy aircraft carrier strike group begins patrols in the South China Sea, led by the USS Carl Vinson.

Feb. 23, 2017: In a letter to Vietnam’s President Tran Dai Quang, President Trump praises growing ties between Washington and Hanoi, emphasizing maritime security.

March 2, 2017: In a report on extrajudicial killings of alleged drug traffickers in the Philippines, Human Rights Watch states the government appears to be responsible and that a case could be made for crimes against humanity before the International Criminal Court.

March 4, 2017: Philippine Defense Secretary Lorenzana, Finance Secretary Carlos Dominguez, and Justice Secretary Vitaliano Aguirre accompany US Ambassador to the Philippines Sung Kim on a visit to the USS Carl Vinson in the South China Sea.

March 8, 2017: In a regional press briefing, outgoing Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel assures Southeast Asian reporters that the Trump administration would continue to “engage the region.”

March 8, 2017: Philippine Commission on Appointments rejects the appointment of Perfecto Yasay as secretary of foreign affairs based on the fact that he holds dual citizenship in the US. President Duterte appoints Undersecretary Enrique Manalo acting secretary.

March 20–21, 2017: Thailand, Singapore, and US air forces hold the annual Cope Tiger air exercise, involving 1,000 personnel from Thailand and Singapore and 200 from the US, along with 76 aircraft.

March 21, 2017: Malaysian Foreign Minister Seni Anifah Aman meets Secretary of State Tillerson in Washington during international meeting on the Islamic State in Iraq and Syria (ISIS). Malaysia is this year’s coordinator of the ASEAN-US dialogue.

March 23, 2017: Philippine government says New York Times article depicting President Duterte’s political career as a cycle of violence is a “hack job” that ignores positive contributions.

March 23, 2017: President Duterte blames the US under President Obama for China’s building on features in the South China Sea while Washington did nothing to stop the actions.

March 27, 2017: President Duterte criticizes the US while meeting Ambassador Sung Kim for Washington’s reticence in confronting China when the PRC began to militarize South China Sea islands some years ago. Still, the two reaffirmed the bilateral relationship under President Trump.

March 31, 2017: President Trump signs executive order directing Commerce Department to investigate trade imbalances with 16 countries, including Indonesia, Malaysia, Thailand, and Vietnam.

April 2, 2017: Vietnamese media report that President Trump sent a letter to President Tran Dai Quang promoting more cooperation on trade as well as on other regional and international issues.

April 6, 2017: With the help of the FBI, Philippine law enforcement arrest a foreign couple allegedly linked to ISIS and involved in terrorist activities in Kuwait.

April 9, 2017: USS Carl Vinson strike group cut short its Singapore stay to conduct exercises with Australia in the India Ocean; it subsequently proceeds to the Korean Peninsula.

April 21, 2017: Vice President Mike Pence visits Indonesia as part of an Asia tour and praises the country’s democratic practices and tolerance of multiple traditions.

April 26–29, 2017: The 30th ASEAN Summit and related meetings are held in Manila.

April 29–30, 2017: President Trump places a phone call to Philippine President Duterte, Thai Prime Minister Prayuth Chan-ocha and Singapore Prime Minister Lee Hsien Loong, inviting all of them to visit the White House.
Chinese officials showed confidence and satisfaction that the cooling tensions in the South China Sea demonstrated increasing regional deference to Beijing’s interests while China’s economic importance to Southeast Asia loomed larger in a period of anticipated international retrenchment. They remained alert to possible actions by the United States, Japan, Australia and South China Sea claimant states that might upset the recent positive trajectory, but generally saw those states preoccupied or otherwise unwilling to push back strongly against Chinese ambitions. The way seemed open for steady consolidation and control of holdings and claimed rights along with a Chinese supported code of conduct on maritime activity in the South China Sea, diplomatic initiatives to promote closer ties and reduce regional suspicion of Chinese intentions, and an array of economic blandishments in line with Beijing’s ambitious Silk Road programs.

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**South China Sea issues**

In his press conference after the annual meeting of the National People’s Congress in March, Foreign Minister Wang Yi reflected the prevailing optimistic Chinese view of the situation in the South China Sea. Without referring to China's defeat in the arbitral tribunal ruling against its South China Sea claims and accompanying military tensions featuring shows of force by the US and Chinese navies over the past year, Wang affirmed strongly that the South China Sea is cooling down in ways sought by China. He said that the China–ASEAN 2002 “Declaration on the Conduct of the Parties in the South China Sea” (DOC) is being implemented well, in contrast to past Chinese complaints of other disputants violating the DOC, especially the actions of the Philippines during President Benigno Aquino’s tenure (2010–2016). He highlighted “notable progress” being made in China–ASEAN meetings that will provide a framework for a long-sought code of conduct governing behavior over South China Sea disagreements. In response to a question about a US military buildup and possible conflict with China over the South China Sea, he judged that since China and ASEAN are “very satisfied” with cooling tensions and improving contacts, if the US or others attempt to “stir up trouble,” they will be “unpopular” and will meet regional resistance.

As reviewed in the US–China Relations section of this Comparative Connections, the Chinese Foreign Ministry spokesperson responded in carefully measured language to statements in January by Secretary of State-designate Rex Tillerson and White House spokesman Sean Spicer showing a more assertive US posture against China in the South China Sea. The Chinese spokesperson reacted positively to Defense Secretary James Mattis’ declaration in early February that the United States should pursue diplomacy in dealing with China in the South China Sea. The deployment of a US aircraft carrier task force to patrol in the South China Sea later in February elicited measured reaction from the Foreign Ministry spokesperson. Separately, a spokesperson for the Chinese People’s Political Consultative Conference, meeting in tandem with the National People's Congress in March, rebuked the US for its shows of force, advising that “though peace reigns over the land, the stupid people create trouble for themselves.” Subsequent developments showed little US action to upset Chinese depiction of a calming situation, with Foreign Minister Wang Yi giving only a one-sentence reference to the South China Sea in his briefing after the Trump–Xi Mar–a–Lago summit on April 7.

Meanwhile, China consolidated holdings and advanced its claims in the South China Sea. The CSIS Asia Maritime Transparency Initiative (AMTI) disclosed in late March that Chinese construction of military infrastructure on disputed South China Sea islands had reached a point where Beijing can now deploy combat planes to bases on three of the newly created features. According to a background briefing by regional specialist Carlyle Thayer, with the recent rapid building of reinforced hangers and other infrastructure on each of the three artificial islands with airfields, these three installations can house 24 jet fighters plus four larger aircraft. China also has installed anti-aircraft guns and weapons systems to defend against cruise missiles on all seven of its artificial islands in the South China Sea. A Reuters report in late February quoted two US officials for the news that China has built on each of the three artificial islands with long runways a total of over 20 large concrete structures (33 feet high and 66 feet long) with retractable roofs that the officials judged would house long-range surface-to-air missiles. CSIS AMTI followed, saying recent imagery supported the Reuters report. Against this background came a Kyoto report of an internal magazine article authored by officers of China’s
Southern Fleet who judged that Chinese island building and defense preparation “intimidated” regional states and secured China’s central leadership role in the South China Sea. It warned that a military crisis could emerge but that military confrontation with the US was unlikely because it “lacks both the ability and will to engage in a military conflict or go to war with us.” Reinforcing such strategic confidence was the news that China’s first indigenous aircraft carrier – a 70,000-ton vessel featuring a ski-jump aircraft launch platform – was launched around the time of the anniversary of the founding of the Chinese Navy in late April.

China’s Ministry of Agriculture released a notice on Feb. 20 that this year’s fishing moratorium in the South China Sea and other Chinese claimed waters, which begins on May 1, will be “the strictest in history,” among other things restricting more types of fishing operations. At that time, the State Council announced that China plans to update its Maritime Traffic Safety Law in ways that were seen to challenge and restrict existing US practice in carrying out patrols and surveillance, including the use of submersible drones, in disputed South China Sea and other waters. At the National People’s Congress in March, the Supreme People’s Court announced a change in jurisdiction that extended the Chinese state’s broad regulatory powers beyond fisheries to include other illegal activities throughout most of the South China Sea and other Chinese-claimed waters and that explicitly authorized enforcement against foreigners carrying out illegal activities.

Diplomatic initiatives on South China Sea issues saw the Philippines’ acting Foreign Minister Enrique Manalo corroborate Wang Yi’s claim of progress in the China-ASEAN code of conduct discussions. Following a China-ASEAN meeting in Manila in early April, Manalo said identification of the contents of a framework for a code of conduct was more than halfway done and he anticipated that the framework document that will provide the basis for serious negotiation on the code of conduct would be completed in August.

Meanwhile, Chinese Vice Foreign Minister Liu Zhenmin used the venue of the annual Boao Forum on Asia in late March to call for a new regional cooperation mechanism among countries bordering the South China Sea. The mechanism would provide a platform for these countries to have exchanges on such subjects as disaster relief, maritime rescue, environmental protection, and navigation safety, and thereby strengthen cooperation and build trust. The new body would complement existing China-ASEAN and China bilateral arrangements on such matters, including the DOC of 2002. Foreign observers saw the Chinese move as being in line with plans laid out in a State Council white paper in January on the subject of Asia-Pacific security cooperation that was critical of the US-led alliances in Asia as it called for alternative mechanisms among Asian countries to enhance regional security.

Capitalizing on improving China-ASEAN relations and focusing on the importance of finalizing the code of conduct, the Philippines softened its tone in the ASEAN chairman’s statement issued at the end of the regional summit in late April. The statement dropped references to China’s land reclamation activities and militarization in the South China Sea that were originally included in an earlier unpublished draft of the statement. ASEAN diplomats reported that there were some efforts made by the Chinese government to pressure the Philippines to keep the South China Sea issue off the ASEAN agenda. The statement, however, called for the need to demonstrate “full respect for legal and diplomatic process” in resolving the dispute, a subtle reference to the Hague tribunal ruling and to the regional negotiations on the code of conduct. ASEAN diplomats noted that a mutual aspiration to complete the code of conduct framework this year was a major consideration behind the softened tone from both sides.

**Economic overtures**

A steady drum beat from government outlets promoting China’s economic beneficence to Southeast Asia in line with China’s 21st Century Maritime Silk Road program meshed with concurrent laudatory publicity focused on China’s overland Silk Road Economic Belt program in the lead-up to the most important foreign event in China in 2017, the Belt and Road Forum for International Cooperation to be held May 14–15. The publicity underlined President Xi Jinping’s address to the World Economic Forum at Davos in February that placed China at the center of international efforts to support open economic growth and avoid protectionism seen in the US rejection of the Trans-Pacific Partnership (TPP) accord and other multilateral economic agreements, along with other
retrenchment among developed countries. Vice Premier Zhang Gaoli’s keynote address to the Boao Forum in late March highlighted the importance of Asian cooperation in sustaining globalization of benefit to the region. China’s publicity put great emphasis on growing Chinese investment along the Silk Road routes, citing such big ticket investment projects as the $5.8 billion China–Laos Railway construction project and the China–Thailand railroad project said to start later this year.

The combination of China's growing economic importance to Southeast Asian countries and its demonstrated power in the South China Sea was widely viewed in the region and by the Economist and other Western media as leading the governments in the Philippines, Cambodia, and Malaysia to cut back ties with the US and give priority to developing mutual interests with China. Nevertheless, China’s use of economic largess to gain influence in Southeast Asia continues to run up against various obstacles.

One such obstacle is the overall drop in Chinese foreign trade in recent years that has negatively impacted Southeast Asian partners, especially those linked to production chains with China. According to China Daily reporting on the Boao Forum in late March, China, Japan, South Korea, and India have all decreased their trade dependency on Asia in this period of declining overall trade.

China’s focus on the US rejection of the TPP has been married with endorsement of the Chinese-backed Regional Comprehensive Economic Partnership (RCEP), which includes all the ASEAN states but excludes the United States. Despite repeated Chinese avowals in recent years that the RCEP deal will be reached soon, the negotiations are bogged down, among other things, over competition between China on one side and Japan and Australia on the other. The chief negotiator told the media in late March that only 10 percent of the agreement’s text had been completed and that his best estimate of an overall agreement was “sometime next year.”

Seemingly to compensate for declining trade, Chinese publicity highlighted the importance of Chinese investment, including the Laos and Thailand railroad projects noted above. Other reporting showed major obstacles greatly slowing the actual implementation of those two projects. Chinese publicity on the growth of outward bound investment usually does not highlight the low amount of investment going to poorer countries and the disproportionate amount going to the US and other developed countries. Nor does it flag the fact that a large number of announced deals fail to be implemented.

The Lowy Institute explained China’s low investment in poorer countries by noting that two-thirds of the countries along the Chinese silk roads have a sovereign credit rating below investment grade and that Chinese financiers have been hurt by badly performing investments during China’s investment drive 10 years ago. They fear similar negative outcomes coming from a strong political push to make the Silk Road projects seem successful. Similarly, impediments to the Thai railway project emerged when Chinese financiers would not offer the same financial concessions that were offered in China’s earlier and assumed money-losing deal to build a modern railway in Indonesia.

Another obvious obstacle to the advancement and spread of Chinese economic influence is the distrust of Chinese motives, notably as a result of its intimidation and forceful posture on South China Sea disputes. South China Sea expert Wu Shicun told the Chinese language Huanqui Shipao on April 5 that strategic distrust of China “plagues” Southeast Asian countries and makes them wary of Silk Road initiatives. He referred to the new Chinese proposal noted above to build a cooperative mechanism among China and the South China Sea bordering countries as a step to reduce deeply rooted strategic distrust. He judged that as the Silk Road projects are proposed and completed, trust in China on the part of Southeast Asian countries will grow.

Philippines–China relations

Consistent with Chinese officials’ overall positive outlook regarding Southeast Asia, Wu Shicun, an early participant in Chinese negotiations with the government of President Rodrigo Duterte, also offered a decidedly positive assessment of the status and outlook for Philippines–Chinese relations under Duterte. Wu advised that the turnabout in China–Philippines relations under Duterte was very important in cooling and stabilizing the South China Sea issues along lines favored by China. Moreover, the massive pledges made during Duterte’s visit to Beijing in October have been followed by more discussion and capped by Vice
Premier Wang Yang’s visit to Manila in March and the signing of a six-year Development Program for Economic and Trade Cooperation now being implemented by the two governments. Trade and tourism have increased; China has committed to finance at least three infrastructure projects in the Philippines worth $3.4 billion, two of which could be launched in 2017, according to Chinese media. Meanwhile, Duterte has pledged to participate in China’s Belt Road Summit in May, the two coast guards have established a commission on cooperation, and the two foreign ministries will begin talks on South China Sea matters in May.

Nevertheless, there were also episodes of angst and friction, reflecting uncertainty about the durability of the new Philippines alignment with China. After CSIS AMTI reports in January of China’s installing anti-aircraft and anti-missile weapons on its artificial islands in the South China Sea, Foreign SecretaryPerfecto Yasay told the media that Manila made a low-key diplomatic protest while Defense Secretary Delfin Lorenzana issued a stronger statement calling the Chinese actions “very troubling.”

The issue of China installing weapons and militarizing disputed territories rose again when Foreign Secretary Yasay told the media following a retreat of ASEAN foreign ministers in the Philippines on Feb. 21 that the ASEAN countries were unanimous in noting concern over China’s actions. China’s Foreign Ministry spokesperson responded sharply, asserting that these were Yasay’s personal opinions and not the official opinion of the ASEAN ministers, and indicating that China viewed the foreign secretary’s behavior as not in line with the approach to China of President Duterte. China’s disapproval also seemed to be registered when the commerce minister abruptly postponed a scheduled visit to Manila for talks on China–Philippines economic cooperation. Yasay did tell the media on Feb. 23 that China had reassured the Philippines that it had no plans to convert Scarborough Shoal into an artificial island with facilities like the other Chinese land features in the disputed South China Sea. Yasay was forced to resign on March 8 on an unrelated matter involving perceived lying to authorities about his past US citizenship.

Territorial tensions arose in two areas in March and April. One involved perceived Chinese surveying to the east of the Philippines along a feature known as Benham Rise, a vast area that has been accepted by the United Nations as part of the Philippines continental shelf. Defense Secretary Lorenzana told the media on March 9 that he had received satellite imagery supplied by allies showing Chinese vessels carrying out what he believed were survey missions. Lorenzana complained that the Chinese embassy did not respond to repeated requests for clarification about Chinese activities relevant to Philippine claims. On March 24, the Philippines disclosed that it had sent a warship to Benham Rise to safeguard Philippines territorial claims. China’s eventual reaction to the controversy was conciliatory in a Foreign Ministry spokesperson statement on March 23 that took pains to highlight positive China–Philippines relations and to make assurances that China had no designs on Benham Rise. Philippine concern focused on possible Chinese claims to the resources of the area, but foreign analysts judged that the Chinese ships were surveying water depths to prepare submarine routes to the Pacific.

The second area of tension followed reports in official Chinese provincial media that the top official in the administrative unit that governs Chinese territories in the South China Sea said that building an environmental monitoring station on Scarborough Shoal was among the government’s top priorities. President Duterte said in response that there was little the Philippines could do to stop Chinese construction. China’s Foreign Ministry spokesperson tried to calm the situation saying flatly there was no plan for such a station on Scarborough Shoal.

President Duterte’s caused controversy over territorial issues when on April 6 he publicly ordered troops to occupy Philippine–claimed islands in the South China Sea and declared that he might visit one of the locations on Philippines Independence Day (June 12) to participate in a Philippine flag raising ceremony. China’s Foreign Ministry spokesperson voiced “concern.” The defense secretary and other officials tried to play down the president’s remarks and assure China of positive intentions. They said that the Philippines’ effort would involve upgrading existing facilities on features already occupied by the Philippines. Duterte reassured China in remarks on April 11 and China’s Foreign Ministry spokesperson said there was “close
and effective communication” between the two sides.

In late April bilateral relations were put to the test when the Philippine Defense Secretary Delfin Lorenzana and the military chief of staff Gen. Eduardo Ano made a high-profile visit to Thitu Island in the Spratlys. Chinese outposts on nearby Subi Reef warned the incoming Philippine aircraft carrying Lorenzana and Ano not to enter the peripheral airspace but the Philippine pilots continued their flight path uninterrupted. Beijing lodged protests over the visit. The Philippine government indicated that it plans to reinforce and lengthen the air strip on the island and build a dock to accommodate ships with construction materials.

**Vietnam–China relations**

The highlight of China–Vietnam relations in early 2017 was a four-day visit by General Secretary of the Communist Party of Vietnam Central Committee Nguyen Phu Trong to Beijing in mid-January that focused on security and economic priorities. Trong met Chinese counterpart Xi Jinping and issued a joint communiqué that included “a candid exchange of views” on bilateral relations. The two leaders pledged to manage their differences on maritime security, work toward the early conclusion of a code of conduct in the strategic waterway, and focus on joint development projects in the South China Sea. The communiqué also called for further deepening of a bilateral strategic partnership with more frequent exchanges, official visits, and cooperation on law enforcement activities. In addition, Vice Chair of China’s Central Military Commission Fan Changlong met visiting Vietnamese Defense Minister Ngo Xuan Lich. The two military leaders agreed to expand pragmatic cooperation through more high-level military-to-military contacts and exchanges, personnel training, and joint border patrol and control. Premier Li Keqiang also met Trong, and the two sides agreed to expand bilateral trade and regional economic integration through the China–ASEAN trade agreements, the Lancang–Mekong Cooperation Mechanism, China’s “Belt and Road Initiative,” and Vietnam’s “Two Corridors and One Economic Circle” plan.

**Myanmar–China relations**

Border stability and deepening economic relations between China and Myanmar remained high priorities for the two countries. In February, Chinese Vice Foreign Minister Liu Zhenmin and the Deputy Chief of the Joint Staff Department of the Central Military Commission Shao Yuanming co-chaired a round of diplomatic and defense consultations in Kunming with counterparts from the Myanmar government. Beijing has been calling on both the Myanmar military and the ethnic armed groups in Myanmar’s Shan State to exercise restraint and agree on a ceasefire. Shortly after the meeting concluded, armed clashes ensued in early March 2017 in the Kokang region in Shan State. A Chinese national and teacher living and working in Kokang was killed as exchanges escalated between the Myanmar military and the Myanmar National Democratic Alliance Army, an ethnic armed group operating in the region. China’s Ministry of Foreign Affairs condemned the attacks and issued renewed calls for restraint and an immediate ceasefire to restore stability along the China–Myanmar border, adding that China had settled and offered humanitarian assistance to over 20,000 border-area residents, many of whom are Myanmar nationals with Chinese ethnicity, who fled Myanmar seeking shelter.

Continued concerns over border instability were balanced with China’s attempt to consolidate and deepen its economic partnership with Myanmar. The border issue was part of the discussion during Myanmar President Htin Kyaw’s week-long state visit to China in early April 2017. In a joint communiqué, China indicated its support for Myanmar’s national reconciliation efforts, and that it would play a constructive role in working with Nay Pyi Taw to ensure domestic peace and stability in Myanmar. The Chinese government, however, has been cautious about interfering in Myanmar’s internal affairs. While Beijing supports Myanmar’s reconciliation efforts and the ongoing ceasefire negotiations with ethnic armed groups, it withheld support for a UN resolution calling for the Human Rights Council to investigate the human rights situation, specifically in western Myanmar’s Rakhine State. Instead, it supported Myanmar and said that more focus should be placed on the country’s democratic transition and the progress it has made in national reconciliation.

The statement was welcomed by the Myanmar government, with China keen to strengthen economic ties with Myanmar. During the state visit, Xi Jinping and Htin Kyaw agreed to start
The operation of a major oil pipeline that will transport crude oil from the Bay of Bengal through Myanmar to China’s Yunnan Province. The $1.5 billion pipeline project will carry up to 22 million tons of oil per year, roughly 6 percent of China’s total oil imports in 2016, and will provide a more direct route than using tankers via the Strait of Malacca and the South China Sea. The pipeline’s operation is an important part of Xi’s “Belt and Road” initiative, connecting its southern provinces to Southeast and South Asia and beyond. An extensive report in the New York Times in early April indicated that China is keen to activate and reap the benefits of other large scale economic and infrastructure projects in Myanmar, some of which have been stalled during the democratic transition period in Myanmar. The $3.6 billion Myitsone Dam, for instance, is still pending. The dam project was met with stiff resistance from local communities and the Thein Sein government halted the project. The Myanmar government subsequently commissioned a feasibility study of the dam project and could provide Nay Pyi Taw the political cover to cancel the project or increase its leverage to secure more favorable and sustainable infrastructure investments from China.
Jan. 7, 2017: In the lead-up to the Philippines’ 2017 chairmanship of the Association of Southeast Asian Nations (ASEAN), Foreign Under Secretary Enrique Manalo announced that Manila will focus on completing a binding code of conduct on the South China Sea for all claimants.


Jan. 13, 2017: Vice Chairperson of China’s Central Military Commission Fan Changlong meets Vietnamese Defense Minister Ngo Xuan Lich in Beijing. They agree to enhance bilateral cooperation between the two militaries.

Jan. 12–15, 2017: General Secretary of the Communist Party of Vietnam Central Committee Nguyen Phu Trong visits Beijing and meets President Xi Jinping and Premier Li Keqiang. In a joint communiqué, the two countries agree to “manage well their maritime difference, avoid actions that complicate the situation and escalate tensions, and safeguard the peace and stability of the South China Sea.”

Jan. 24, 2017: Chinese Commerce Minister Gao Hucheng meets a visiting trade delegation from the Philippines and announces that the two countries have agreed to joint development projects worth $3.7 billion.

Jan. 26, 2017: Representatives from the People’s Liberation Army (PLA) join militaries from 17 other countries in Singapore for a three-day Coordinated Response simulation to plan and coordinate regional humanitarian assistance and disaster relief responses.

Feb. 4, 2017: Hong Kong Customs releases and returns all nine armored Terrex vehicles to Singapore that had been impounded in Hong Kong during transit following their involvement in an annual military exercise between Singapore and Taiwan.

Feb. 7, 2017: Chinese Vice Foreign Minister Liu Zhenmin and the Deputy Chief of the Joint Staff Department of the Central Military Commission Shao Yuanming meet Myanmar counterparts and other senior officials in Kunming for consultations on the latest security situation along the China–Myanmar border area.

Feb. 27, 2017: Chinese Foreign Minister Wang Yi meets Singapore counterpart Vivian Balakrishnan in Beijing. They agree to cooperate on China’s regional “Belt and Road” initiative and facilitate closer regional integration. As representative of the coordinating country for ASEAN–China relations, Balakrishnan indicates Singapore will maintain close communication and coordination to support regional peace and stability.

March 6, 2017: President Xi Jinping meets Cambodian King Norodom Sihamoni in Beijing and discusses the state of bilateral ties. The two leaders agree to maintain high-level contacts, deepen economic ties, and strengthen coordination in regional affairs.

March 9, 2017: Foreign Minister Wang Yi announces that there is visible progress with ASEAN leaders and that a draft of the framework for a legally binding Code of Conduct in the South China is complete.

March 10, 2017: Armed clashes between the Myanmar government forces and the Myanmar National Democratic Alliance Army erupt in the Kokang region along the China–Myanmar border area. China’s Ministry of Foreign Affairs urges restraint from all sides and states that the Chinese government has settled and offered help to over 20,000 border-area residents fleeing Myanmar for shelter and humanitarian assistance.
March 18, 2017: Chinese Vice Premier Wang Yang visits the Philippines to attend a bilateral trade and economic forum in Manila. Wang calls for deepening two-way trade and investment, citing a 3.4 percent increase in bilateral trade in 2016.

March 22, 2017: China’s Foreign Ministry denies reports that it is about to start preparatory work this year on an environmental monitoring station on Scarborough Shoal claiming that China “place[s] great importance on China-Philippines relations.”

March 29, 2017: China’s Ministry of Foreign Affairs announces that it will hold high-level talks on the South China Sea with the Philippines in May and will also invite the Philippine Coast Guard for a visit to discuss maritime cooperation.

April 6–11, 2017: President Xi Jinping meets visiting Myanmar President Htin Kyaw. They agree to strengthen bilateral relations and to a $1.5 billion oil pipeline project that stretches from Myanmar’s western port city of Kyaukpyu to the Chinese border.


April 22, 2017: Chinese government protests and expresses its displeasure after a visit by Philippine Defense Secretary Delfin Lorenzana and the Chief of Staff of the Armed Forces Gen. Eduardo Ano to Thitu Island in the Spratlys.

April 24, 2017: Report by the Asia Maritime Transparency Initiative indicates that China’s Coast Guard has been on near constant patrol by the Luconia Shoals off the coast of Malaysia with up to 11 Coast Guard vessels in regular rotation near the shoals since early 2016.

April 25, 2017: Thai government confirms approval of the purchase of its first submarine in more than five decades from China. The $393 million deal consists of a Yuan Class S26T submarine and will be delivered to the Royal Thai Navy in five to six years to help patrol the country’s southwestern coastal waters in the Andaman Sea.

April 30, 2017: The Philippines issues ASEAN chairman’s statement at the conclusion of the regional summit underscoring improving cooperation between ASEAN and China. It drops references to China’s land reclamation activities, but notes concerns about recent developments in the South China Sea.

April 30–May 2, 2017: Three Chinese Navy ships make a port call visit in Davao, marking the first such visit to the Philippines since 2010.
In February, President Trump told President Xi Jinping that the US would honor its one-China policy. This eased concern that the new administration would radically change US policy toward Taiwan, but it remains unclear how the Trump administration will deal with specific Taiwan issues. Relations between Beijing and Taipei have continued to be in an unstable but calm state in the early months of 2017. The formal channels of dialogue remain closed and no significant effort has been made to reopen them. In the meantime, practical issues have been dealt with, sometimes constructively but often in ways that exacerbate the lack of trust. This unstable and risky situation will likely continue in the months ahead.
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**Continued uncertainty about Trump's policy**

Before his inauguration on Jan. 20, President-elect Trump continued to express doubt about the one-China policy, which he had begun to do in early December. In an interview with the Wall Street Journal published on Jan. 13, Trump said the policy was “under negotiation” – a notion that China consistently rejects, including in this instance. Other members of the Trump administration, and later Trump himself, made statements that the United States would uphold its one-China policy. In his confirmation hearing on Jan. 11, then Secretary of State-designate Rex Tillerson stressed the importance of the US commitments to Taiwan described in the Taiwan Relations Act and the Six Assurances. In a subsequent written submission, Tillerson told the Senate that “the people of Taiwan ... should not be treated as a bargaining chip.” A delegation from Taiwan attended the inauguration, as in the past.

The realities of governing seem to have altered Trump’s views. A White House statement released after President Trump’s phone call with Xi Jinping on Feb. 9 said that “President Trump agreed, at the request of President Xi, to honor our ‘one China’ policy.” President Tsai Ing Wen did not comment at the time, but when asked in an interview in April, she commented that the one-China policy had been US policy for a long time. The presidential office spokesman seemed to express relief that the US had returned to its established policy. He implied that Taipei had been alerted in advance and commented that Trump’s action was important for regional stability.

Presidents Trump and Xi met at Mar-a-Lago on April 6–7. US officials indicated before the meeting that Trump had already affirmed the one-China policy, and that there is “no such thing” as using Taiwan as a bargaining chip. The meeting did not result in a joint statement, and Taiwan was not mentioned in US readouts. Initial press reports implausibly said that the issue was not raised, but PRC Foreign Minister Wang Yi said that Xi had reiterated China’s principles regarding Taiwan and urged the United States to respect them. Trump’s response has not been reported, though Taiwan’s Foreign Ministry indicated that it was told by the US government after the meeting that Trump’s response had been standard and that the US would continue to uphold its commitments under the Taiwan Relations Act. In a podcast recorded in Washington on April 12, Acting Assistant Secretary of State for East Asian and Pacific Affairs Susan Thornton said, “the situation has sort of been established that the US policy is not going to change.”

Yet there are signs that President Trump and some in his administration approach Taiwan as a function of US-China relations. In his confirmation hearing, in response to a question specifically about Taiwan and the one-China policy, then Secretary of State-designate Tillerson reaffirmed commitments to Taiwan but also referred to a “whole of China” approach and “balancing forces in our relationship [with China] that need to be dealt with”; while visiting Beijing in March, Secretary Tillerson echoed Chinese talking points including “mutual respect,” which many interpret to refer to China’s core interests including Taiwan. Finally, in an interview with Reuters on April 27, Trump said that because of Xi Jinping’s apparent agreement to help pressure North Korea on its nuclear and missile programs, another Trump-Tsai phone call would be unwise “right now” because it would cause difficulty for Xi. Trump added that he would want to “speak to” Xi before any such call. This unsophisticated public statement seemed to contradict the spirit, but not the letter, of President Reagan’s Six Assurances to Taiwan.

Details of how Trump and his administration will approach Taiwan and cross-strait relations also remain unclear, in part because his bureaucracy remains significantly understaffed. There are signs other officials consider Taiwan more in its own right. There are reports that the administration is considering a major sale of
arms to Taiwan; US Trade Representative nominee Robert Lighthizer told the Senate Finance Committee in March that he plans to develop a stronger bilateral trade and investment relationship with Taiwan; Taiwan’s representative in the United States, Stanley Kao, attended a March 22 meeting of the Global Coalition to Counter ISIL that was led by Secretary Tillerson; and American Institute in Taiwan Chairman James Moriarty said in Taipei in late April that the United States continues to support Taiwan’s “meaningful and substantive contributions” to the international community, particularly participation in the World Health Assembly.

Still no basis for talks

After assessing President Tsai’s Double Ten Day address last October, Beijing concluded that Tsai would not accept the 1992 consensus on one China. Since then no significant effort has been made to reach a mutually agreed framework for cross-strait dialogue. The important formal channels for communications remain closed. Whatever discreet back channel that once existed seems not to be functioning. When asked, Beijing continues to state that acceptance of the 1992 Consensus and its core meaning that Taiwan and the mainland both belong to one China remain the condition for resuming dialogue.

Late last year, then President of the Taiwan Studies Institute (TSI) Zhou Zhihuai suggested that scholars from the two sides should explore alternative formulations that would be consistent with the core meaning that Taiwan and the mainland belong to one China. Since then, Zhou has retired and his suggestion has not been repeated. In January, Straits Exchange Foundation (SEF) President Tien Hung-mao urged Beijing to join in a search for a new consensus. Both President Tsai and Mainland Affairs Council (MAC) Chang Hsiao-yueh have suggested that later in 2017 it would be desirable to explore a new model for cross-strait interaction. In late April, Tien indicated Tsai would make new comments in a speech on May 20, the one-year anniversary of her inauguration. In a May 2 interview, Tsai again called for the two sides to develop a new model for maintaining cross-strait peace. Whether these suggestions will be followed remains to be seen.

In the meantime, Taipei has adhered to Tsai’s pledge to have a consistent, predictable, and sustainable policy. When the cross-strait agreement oversight bill was considered briefly in the Legislative Yuan (LY), the administration opposed it being considered by the Foreign Affairs and Defense Committee rather than by the Internal and Administration Committee. Foreign Minister David Lee opposed this because cross-strait relations are not foreign relations, and MAC Minister Chang Hsiao-yueh agreed, saying cross-strait agreements are not international agreements. Those positions were in keeping with President Tsai’s pledge to handle cross-strait issues in accordance with the Constitution. The Tsai administration regularly urges the resumption of dialogue. For example, in January SEF President Tien invited Association for Relations Across the Taiwan Strait (ARATS) Chairman Chen Deming to Kinmen. ARATS predictably stated that a meeting would be meaningless without acceptance of the 1992 consensus.

Beijing leaders have continued to emphasize their opposition to separatism. In part, this reflects Beijing concern about steps toward what it calls “desinification” by the Tsai administration, but also criticism in China that Taiwan is moving toward “peaceful separation.” In March, TAO Minister Zhang said Taiwan independence was the greatest threat. Premier Li Keqiang’s work report to the National People’s Congress stated that China would never permit anyone to separate Taiwan from the motherland. This was a shortened version of what Chinese scholars now frequently cite as General Secretary Xi Jinping’s “six anys” statement last November that, “We will absolutely not permit any person, any organization, any political party at any time using any form to split apart any single part of China!” Xi did not comment on Taiwan at this year’s National People’s Congress.

On a practical level, Politburo Standing Committee member Yu Zhengsheng told the party’s annual Taiwan Work Conference in January that Beijing was preparing new policies to make it easier for people from Taiwan to study, work, establish businesses, and live in China. The Taiwan business community hopes the new measures will grant Taiwan invested enterprises “national treatment” in China. Although this pledge has been repeated frequently, including in Premier Li’s work
report, no new measures have yet been announced.

Managing cross-strait developments

Meanwhile the practical aspects of cross-strait relations have to be managed without formal dialogue. In January, a second exchange of detainees and criminals was carried out under the 1991 Kinmen Agreement. In February, the Ministry of Justice (MOJ) in Taipei returned confiscated funds to a PRC victim in accord with the judicial assistance agreement. MOJ has about NT$200 million ($6.67 million) of other funds due victims, but has not been able to work out procedures for returning them. Beijing wants the money returned directly to victims. In March, Beijing allowed Taiwan Center for Disease Control officers to visit Guangdong quietly to observe the treatment of H7N9 avian flu sufferers after a Taiwan citizen was infected while in China. These were specific examples of the low-level contacts that are continuing with little or no publicity under the 23 existing cross-strait agreements.

However, these constructive steps were overshadowed by actions that exacerbated cross-strait distrust. China persuaded Vietnam and Spain to send Taiwan citizens suspected of telephone fraud to Beijing, despite Taipei’s efforts to have them sent to Taiwan. Lam Wing-kee, one of the Hong Kong book dealers who had been abducted to China in 2016, was invited to attend the Taipei Book Festival in February. Fortunately, Lam’s activities were limited and attracted less attention than anticipated. In February, Culture Minister Cheng Li-chun made changes in the Chiang Kai-shek Memorial and established a commission to consider the memorial’s future. In March, after news stories surfaced that Taiwan colleges had signed pledges not to expose PRC students to sensitive political subjects, the Ministry of Education issued regulations requiring prior approval of all agreements Taiwan universities sign with mainland counterparts.

On March 9, Zhou Hongxu, a former mainland exchange student, was arrested in Taiwan on suspicion of espionage. On March 19, Lee Ming-che, a civil society activist affiliated with the Wen Shan Community College in Taipei, disappeared upon leaving Macau for Guangdong. Commentators speculated the detention was linked to Zhou’s arrest. With increasing public attention to Lee’s disappearance, SEF and the MOJ made inquiries that went unanswered. The Tsai administration was caught in the middle. Civil society groups were criticizing Beijing but also appealing to the Tsai administration to secure Lee’s release. The Kuomintang (KMT) criticized the Democratic Progressive Party (DPP) for not having the ties with Beijing needed to help detained citizens.

On March 29, the TAO said publicly that Lee Ming-che was being investigated for damaging national security. The MAC demanded that Lee be released, and MOJ offered legal assistance to Lee’s wife, Lee Ching-yu. On April 9, the TAO said that letters from Lee would be sent to the family through an appropriate channel. It turned out the channel was a retired intelligence officer working for a KMT legislator. Lee Ching-yu rejected the letter as being signed under duress and accused the KMT of collaborating with Beijing. On April 10, Beijing prevented Lee Ching-yu from traveling to Beijing and said that accusations were complicating the issue. After a month, the Lee case was fueling hostility in Taiwan. Taipei Mayor Ko Wen-je expressed concern about security for the large mainland contingent planning to participate in the world Universiade games in August. In a late April interview, President Tsai urged Beijing to resolve the issue quickly to avoid damaging relations.

On April 15, a Mainland tourist, Zhang Xiangzhong, sought political asylum in Taipei, saying he had been inspired by Lee Ching-yu to seek asylum. Taipei determined that Zhang did not have a valid claim to persecution, and Zhang voluntarily returned to China. The Lee case illustrates the cost of not having established dialogue channels, the difficulty of managing issues absent such channels and how unresolved issues can cascade into other problems.

KMT remains adrift

The KMT continues to be beset by internal dissension and financial problems. Party chairperson Hung Hsiu-chu has disagreed with the DPP caucus in the Legislative Yuan (LY) over political tactics. The party has not gone beyond partisan opposition to define a clear alternative to the Tsai administration. The KMT continues to pursue its effort to divest the KMT of its financial resources under the ill-gotten assets legislation.
The KMT has scheduled the important chairmanship election for May. The campaign has occasioned divisive attacks among the six potential candidates. Efforts to grow the party's shrinking membership before the election have produced accusations of vote buying and new ghost members. Although all the other candidates have returned to the KMT's standard position on “one China, respective interpretations,” Chairperson Hung has continued to advocate her more ambitious agenda for a peace agreement and a common understanding on one China with Beijing. It seems very unlikely that the campaign will strengthen the party regardless of which of the candidates is elected. This is a matter of concern for Beijing.

**International**

China continued to suppress Taiwan’s participation in multilateral organizations and, increasingly, in bilateral relationships. As of late April, Taiwan had not received an invitation to the May 22–31 World Health Assembly (WHA). President Tsai told Reuters on April 27 that a decision by China to block Taiwan’s participation in the Assembly would have a significant effect on cross-Strait relations. On May 8, TAO Minister Zhang stated that Taiwan would not be able to participate in the WHA unless it accepts the 1992 Consensus on One China. The TAO spokesman blamed the DPP for Taiwan’s not being invited. President Tsai had no immediate comment but her spokesman expressed “deep regret and disappointment.” Minister of Health Chen Shih-chung said he would continue his WHA efforts and lead a delegation to Geneva in any event.

Though AIT Chairman Moriarty expressed support for Taiwan’s participation in the WHA, Beijing may have received unintended support in sidelining Taiwan when President Trump signed an executive order withdrawing the United States from the Trans-Pacific Partnership. The United States likely would have been the strongest supporter of Taiwan’s aspiration to join TPP in the second wave of accession.

A Joint Working Group of China and the Association of Southeast Asian Nations (ASEAN) made progress developing a framework for a code of conduct on maritime activity in the South China Sea. Taiwan is a claimant and occupies features in the South China Sea, but is not a party to the working group. Philippines officials stated this is out of respect for the one-China policy. In March, Taiwan’s Foreign Ministry said that any code of conduct will not be binding on Taiwan if it is not a party to negotiations, and the defense minister announced that the ROC Navy would increase patrols in the area.

Beijing’s interference in bilateral affairs appeared to increase. President Tsai visited Republic of China (ROC) partners Honduras, Nicaragua, Guatemala, and El Salvador January 7–15. She made transit stops in Houston and San Francisco, meeting Sen. Ted Cruz and other politicians. While Tsai was traveling, PRC Foreign Minister Wang Yi was in Nigeria, and announced that Nigeria had instructed Taiwan to downgrade its representative office there and move it from the political capital Abuja to the commercial center Lagos. The next day Wang announced $40 billion in new Chinese investment in Nigeria. Later in January, the foreign minister of Burkina Faso said in an interview that his country had rejected proposals from Chinese entities for up to $50 billion to cut diplomatic ties with Taiwan, and reiterated that Taiwan is a friend and partner; officials in Swaziland made similar statements. In March, Taiwan’s deputy foreign minister told the LY that relations with ROC partners in the Caribbean were unstable because China is “setting fires” there.

China and the Vatican, Taiwan’s highest-profile formal diplomatic partner, appeared to make progress in longstanding efforts to resolve their historical grievances and systemic incompatibility, particularly with respect to the appointment of bishops. Though suppression of Taiwan is not the primary driver of China’s apparent interest in a better relationship with the Vatican, a breakthrough on pastoral issues including bishops would likely lead at some point to mutual diplomatic recognition, and the termination of the Vatican’s diplomatic relationship with the Republic of China.

Japan, on the other hand, has enhanced its interaction with Taiwan – perhaps to compensate for uncertain and unsteady support from the United States. In early January, Japan changed the name of its representative office in Taiwan from “Taipei Office of the Interchange Association, Japan” to “Japan–Taiwan Exchange Association.” Taiwan is planning a similar update, renaming its Association of East Asian
Relations as the Association of Taiwan-Japan Relations as early as May 2017. It is also seeking to add “Taiwan” to the name of its representative office in Tokyo, but has not yet reached agreement with the Japanese government. In March, State Minister for Internal Affairs and Communications Akama Jiro (rank of vice minister) attended a tourism event in Taipei in his official capacity, becoming the most senior Japanese official to visit Taiwan since Japan severed diplomatic relations with the ROC in 1972. In response the TAO threatened a “forceful backlash” against Taiwan, and Japan was accused of a severe breach in its relations with China. This led to more rhetorical support for Taiwan, as the chief Cabinet secretary and foreign minister both defended Japan’s “substantive and non-governmental” relations with the island, and Prime Minister Abe Shinzo reportedly told an official of his Liberal Democratic Party (LDP) that Taiwan is an important partner that shares Japan’s interests.

Taiwan is not reliant solely on the support of others, but continues to create new avenues for international participation. The New Southbound Policy remains the centerpiece of this effort, in which Taiwan, in part to reduce its economic dependence on China, is prioritizing trade, investment, and people-to-people contacts with Southeast Asia. On April 12, Taipei announced broad revisions in visa procedures for citizens of 14 South and Southeast Asian nations to make visiting Taiwan easier. Similar previous actions have mitigated the effects of a decrease in Chinese tour groups to Taiwan since President Tsai was inaugurated.

In a move that none of her predecessors could have imagined, in January President Tsai turned to Twitter as a way to promote Taiwan and her agenda directly to an international, though still fairly small, audience. The Twitter handle @ilingwen was created in July 2010 but until this year Tsai used it to communicate with a Chinese-speaking audience. While transiting through San Francisco in January, Tsai tweeted about her visit to Twitter headquarters and since then has tweeted regularly – and predominantly in English – including messages to President Trump and Pope Francis.

Looking ahead

Both President Tsai and General Secretary Xi will remain focused on domestic challenges in the months ahead. Those preoccupations may well continue beyond the 19th Party Congress in the fall. Tensions will likely remain low. However, in absence of direct dialogue, cross-strait relations will be unstable and subject to unexpected shocks.

The Mar-a-Lago summit indicated the extent to which the Trump administration will seek cooperation from China on trade and North Korea. Some of the administration’s anticipated nominations are people well disposed toward Taiwan, how their friendly inclinations will be reflected in specific actions remains to be seen. Trump’s own approach to Taiwan is likely to fluctuate based on US-China relations.

President Tsai has indicated that if Taiwan is not invited to the WHA, it would have a major impact on cross-strait relations. Although she did not immediately comment on Taiwan’s exclusion, Tsai is expected to explain her reaction by the May 20 anniversary of her inauguration.

Jan. 5, 2017: President Tsai Ing-wen writes to Pope Francis, calling for peaceful dialogue across the Taiwan Strait.

Jan. 7, 2017: President Tsai transits Houston en route to Central America.

Jan. 8, 2017: President Tsai visits Honduras; meets President Juan Orlando Hernandez.

Jan. 9, 2017: President Tsai visits Nicaragua; meets President Daniel Ortega.

Jan. 11, 2017: People’s Liberation Army Navy (PLAN) aircraft carrier Liaoning sails north through the Taiwan Strait.


Jan. 11, 2017: President Tsai visits Guatemala; meets President Jimmy Morales.

Jan. 12, 2017: President Tsai visits El Salvador; meets President Salvador Sanchez Ceren.

Jan. 14, 2017: President Tsai transits San Francisco en route to Taiwan.

Jan. 15, 2017: Hong Kong activist Joshua Wong attends a Democratic Progressive Party (DPP) sponsored event in Taipei.

Jan. 19, 2017: Straits Exchange Foundation (SEF) President Tien Hong-mao suggests meeting Association for Relations across the Taiwan Strait (ARATS) Chair Chen Deming in Kinmen.

Jan. 20, 2017: DPP’s Yu Shyi-kun leads Taiwan delegation to President Trump inauguration; Tsai tweets congratulations to Trump.

Jan. 20, 2017: Politburo standing Committee member Yu Zhengsheng addresses Taiwan Affairs Work Conference.

Feb. 4, 2017: First H7N9 case in Taiwan involves a man returned from China who later dies.

Feb. 5, 2017: President Tsai calls for exploring a new model for interaction with the PRC.

Feb. 7, 2017: Taiwan allocates T$68 billion ($2.2 billion) to build 66 jet trainers. The jets will be developed jointly by National Chungshan Institute of Science and Technology, the Defense Ministry, and Aerospace Industrial Development Corp., the island’s sole military jet-maker.

Feb. 9, 2017: Presidents Trump and Xi talk by phone; Trump agrees to “honor our one China policy.”

Feb. 13, 2017: Bipartisan Legislative Yuan (LY) delegation begins five-day visit to Washington to meet with administration officials and members of Congress.

Feb. 18, 2017: Spain’s deports 218 Taiwan fraud suspects to China.


March 4, 2017: PLAN ships pass southward through Taiwan Strait.

March 5, 2017: Premier Li Keqiang gives National People’s Congress his work report.

March 6, 2017: Taiwan Affairs Office (TAO) Minister Zhang Zhijun says Taiwan independence the greatest threat.

March 6, 2017: Taiwan’s organization for Japan renamed Taiwan–Japan Relations Association.

March 9, 2017: Taipei arrests suspected former PRC student Zhou Hongxu for espionage.

March 17, 2017: Taipei announces that the government will require pre-approval of university agreements with mainland.


March 21, 2017: Taiwan’s Foreign Minister David Lee says cross-strait relations are not international relations.

March 21, 2017: CSBC Corp., Taiwan signs eight-year contract for the development of an indigenous submarine.

March 23, 2017: Mainland Affairs Council Chairman Chang Hsiao-yueh says cross-strait agreements are not international agreements.


March 25, 2017: Japan’s State Minister of Internal Affairs and Communications Akama Jiro visits Taipei, the highest ranking Japanese visitor since 1972.

March 26 2017: Carrie Lam selected as Hong Kong chief executive.

March 27, 2017: Hong Kong arrests umbrella movement leaders.

March 29, 2017: Former Philippine President Fidel Ramos visits Taipei.

March 29, 2017: Chinese fishing boat is seized by Taiwan Coast Guard for fishing in Taiwan waters.

April 5, 2017: Ministry of National Defense (MND) Vice Minister Cheng De-mei says Taiwan does not need THAAD.

April 6, 2017: Mar-a-Lago meeting between President Donald Trump and President Xi Jinping.

April 10, 2017: Wife of detained activist Lee Ming-che barred from visiting Beijing.

April 15, 2017: Chinese tourist Zhang Xiangzhong seeks political asylum in Taiwan.

April 15, 2017: Shanghai TAO Director Li Wenhui meets Mayor Ko Wen-je in Taipei.

April 17, 2017: MAC protests PRC media use of term “China Taipei” for Taiwan sports teams.

April 19, 2017: Tourist Zhang rejoins tour group and returns voluntarily to China.
The first four months of 2017 have been a momentous and tumultuous period for Korea. The reasons for this latest bout of tension are partly local but most global, or more precisely trans–Pacific. The local causes derive from both Koreas, if as usual mainly the North. Kim Jong Un’s regime has shown little wish to lower tensions, mend fences, or even pursue normal relations with other states, friend or foe. The DPRK’s boasts of self–reliance may be mendacious on the economic front, where Chinese sustenance remains vital. Yet diplomatically it does indeed stand alone. This Kim has markedly accelerated the DPRK’s development of both nuclear weapons and the ballistic missiles (BM) that might one day carry them. True to form, the first four months of 2017 saw half a dozen BM tests, not all successful. Yet, Kim has not (so far) marked the recent transitions of political power in two of his main foes with a nuclear test. Still, with most of 2017 still to go, it might be premature to seek to explain what may be a temporary non–event.
Introduction

The first four months of 2017 have been a momentous and tumultuous period for Korea. As of mid-May, the peninsula remains in a state of high anxiety and no little tension. A crisis? Maybe. Yet without counseling complacency, recent history suggests that that term tends to be over-applied to this part of the world’s recurring episodes of tension: amply chronicled down the years (for the present century) in successive issues of Comparative Connections.

The reasons for this latest bout of tension are partly local but most global, or more precisely trans-Pacific. The local causes derive from both Koreas, if as usual mainly the North. During the past four months as in the previous five years, Kim Jong Un’s regime has shown little sign of a wish to lower tensions, mend fences, or even pursue normal relations with other states, friend or foe. Now in his sixth year in power, the third Kim remains unique as a 21st-century leader who in this era of globalization – and despite his own years of schooling in Europe – has neither ventured abroad nor met any other head of state or government, even on his home turf. The DPRK’s boasts of self-reliance may be mendacious on the economic front, where (as widely canvassed) Chinese sustenance remains vital. Yet diplomatically it does indeed stand alone; the more so as Pyongyang has begun bombarding even Beijing with the aggressive insults long hurled by Pyongyang at Seoul, Tokyo, and Washington. Kim seems to share the stance of Millwall FC, a notoriously ‘hard’ London soccer club whose fans chant: “No one likes us, we don’t care.” His father and grandfather were more subtle, at least in not picking fights Bruce Lee–style with all comers simultaneously. But just as success has long eluded Millwall, showing the finger to everyone can hardly work for Kim Jong Un long-term.

It is not just words that North Korea lobs. This Kim has markedly accelerated the DPRK’s development of both nuclear weapons – an unprecedented two tests in 2016, after three in the decade from 2006 – and the ballistic missiles (BM) that might one day carry them. True to form, the first four months of 2017 saw half a dozen BM tests, not all successful. Yet contra many predictions, Kim has not (so far) marked the recent transitions of political power in two of his main foes – Washington first, and now Seoul too – with a nuclear test; unlike in May 2009 when Barack Obama faced that challenge, or February 2013 when a nuclear blast greeted both the re-elected Obama and the incoming Park Geun-hye. Still, with most of 2017 to go, it might be premature to seek to explain what may be a temporary non-event.

The Trump factor

Suffice it to say that the shock waves created by a new US president, whose strategy (if any) was hard to read behind an unconventional mode of conducting diplomacy, may well have given Kim Jong Un pause for thought. For that matter, Donald Trump’s and his colleagues’ regular menacing hints that no option was off the table for dealing with North Korea stoked anxiety in Seoul as well. In the past, shared uncertainty about great powers’ real intentions has occasionally brought the two Koreas closer. Some liken Trump’s tactics to Richard Nixon’s ‘madman’ approach, and it was Nixon’s Guam doctrine and his overtures to Mao Zedong that precipitated the first, initially secret, inter-Korean contacts in the early 1970s.

Could a common concern about Trump have the same effect? This would have been a perfect opportunity for behind-the-scenes contacts – had not Park Geun-hye forsworn any such secret talks, in reaction to revelations – leaked by Pyongyang out of spite, and later confirmed with indiscreet frankness by the man himself – that her predecessor Lee Myung-bak did quite a lot of this (in contradiction to his public hard line). But with Park impeached, and her caretaker successor lacking a mandate for any new initiatives, this opportunity was probably missed.

Park Geun-hye: decline and fall

South Korea’s contribution to the peninsula’s current unease was quite different. As outlined in our previous article, covering the last four months of 2016, the political crisis involving allegations of malfeasance and influence-peddling – widely called “ChoiSunSil–gate” – which from October increasingly ensnared Park Geun-hye, climaxing in her impeachment on Dec. 9, could not but sap the ROK as well as its president. That weakness continued in early 2017, as Park’s and the nation’s misery dragged on. On March 10, in a verdict delivered live on television by the (also female) acting Chief Justice Lee Jung-mi, the Constitutional Court unanimously confirmed Park’s impeachment, judging her sharing of state affairs with her old
friend Ms. Choi unconstitutional; it dismissed several other charges. Park thus became South Korea's first democratically elected leader to be ousted from office. Having lost her immunity from criminal prosecution, her downfall was swift. By March 31, the 65-year-old Park was behind bars as Prisoner 503 in Seoul Detention Center, after a court ordered her detention as requested by prosecutors – who had yet to charge her but claimed she might destroy evidence.

Pre–trial detention is common in South Korea. Park’s fate was prefigured by Lee Jae-yong, the de facto boss of Samsung; jailed on Feb. 17 as part of the ChoiSunsil–gate probe, but not charged until Feb. 28. His trial, which like Park’s promises to be lengthy, began on March 9. Park Geun-hye in turn was indicted on April 18, when prosecutors threw the book at her: 18 separate charges, including bribery, extortion, abuse of power, and leaking state secrets. After a preliminary hearing on May 2, her full trial is expected to commence in mid-May. She is the third former South Korean president to be jailed; the other two were generals turned coup-makers (in 1980–81), Chun Doo-hwan and Roh Tae-woo. Park can take solace from this precedent. Given lengthy sentences in 1995 for offenses far more heinous than hers, both men were pardoned just two years later. In theory the charges Park now faces could see her facing 10 years to life in jail. In practice her sojourn there will surely be much shorter.

North Korea observed the decline and fall of Park Geun-hye with a mixture of glee and grim satisfaction. Not often does history go Pyongyang’s way, or appear to. In their frenetic and undiscriminating way, DPRK media had long hurled insults at Park – even before she shifted from ambivalent ‘Trustpolitik’ to her latter–day hard line – just as they used to bad-mouth her fellow–conservative predecessor Lee Myung-bak (president in 2008–13), as Comparative Connections chronicled at the time. Strident prophecies that puppet traitors must face the harsh verdict of history and meet their inevitable doom form part of the regular stock–in–trade of North Korea’s hyperbolic rhetoric. And now, just for once, it actually happened. If at one level this confirmed Pyongyang’s worldview, it might also backfire. As North Korean readers learned, in broad outline at least, over several months about Park’s impeachment and its various processes, at least some must have thought: ‘well now, in the South if they don’t like their leaders, they can get rid of them.’ That could be a subversive seed.

Playing games: soccer and hockey

Given the freeze in North–South relations since 2016, the sole direct inter–Korean contacts in early 2017 occurred in sports. Coincidentally, in April each Korean state hosted international meetings – the South in women’s ice hockey, the North in women’s soccer – in which the other Korea took part, despite the tensions. Both governments seem to have behaved correctly in facilitating this, though there were some hiccups. In April the northeastern ROK city of Gangneung, Gangwon Province – itself bisected by the Demilitarized Zone (DMZ) – hosted the International Ice Hockey Federation (IIHF)’s Women’s World Championship; this doubled as a qualifying event for the nearby Pyeongchang Winter Olympics, now less than a year away. Kim Jong Un is keen on sports. When the ROK’s Incheon city hosted the Asian Games in 2014, despite some squabbles the North sent not only a full team but a top–level political delegation. However, in 2015 worsening inter–Korean relations saw Pyongyang pull out of two international contests in South Korea: the Gwangju Universiade (world student games) in July, and then the Military World Games (CISM) in Mungyeong in October.

Rising tensions on the peninsula this year brought fears of another no–show. Preparations and permissions seem to have been last–minute, but North Korea did send a 30–strong team to Gangneung, comprising 20 players and 10 coaches and officials. On April 6 the visitors were drawn against the hosts: this was the first inter–Korean sports match held in the South in three years, and the first inter–Korean game in women’s ice hockey. The ROK’s all–conquering team won 3–0. The atmosphere was friendly; hundreds of Southern activists in a block in the stands waved the unification flag, Hanbandogi (blue Korean Peninsula on white background), wore T-shirts with the same motif, and sang pro–unification songs. Subsequent news dampened the mood a little. The visitors left behind most of the gifts presented to them, including boxes of red ginseng and even the hand–made pine key–chains given to all 1,700 participants. All they took were some soft toys: Soohorang and Bandabi, the tiger and bear mascots of the Pyeongchang games.
Looking ahead to those, next February, the new Southern government will doubtless pull out all the stops to welcome Northern participation. Given Moon Jae-in’s keenness to improve ties, perhaps the idea of partial co-hosting might be raised (as it was, ultimately to no avail, in the run-up to the Seoul Summer Olympics in 1988). As the crow flies, North Korea’s newish flagship Masikryong ski resort is not so distant from Pyeongchang; though on the ground in mountainous terrain the logistics would be formidable, not to mention having to cross the DMZ.

A more immediate issue is displaying the DPRK flag, which remains illegal in the ROK. That restriction bedeviled the Incheon Asiad, and was also enforced in Gangneung – in breach of IOC rules. Might Moon Jae-in have the political nerve to do what neither Kim Dae-jung nor Roh Moo-hyun ever dared, and repeal or at least revise the National Security Law (NSL) which mandates this and similar curbs? The ROK’s longstanding blanket ban on all DPRK media content is absurd and undemocratic. It also ensnares innocent third parties such as NorthKoreaTech, an indispensable website run by British IT journalist Martyn Williams. In a rare victory on April 24, a Seoul court ruled against the Korea Communications Standards Commission (KCSC) for blocking access to NKT since last year. KCSC may yet appeal.

But to return to sport: while North Koreans passed the puck in Gangneung, their Southern sisters were kicking the ball in Pyongyang, which hosted the Asian Football Confederation (AFC) Women’s Asian Cup Group B qualifying tournament in early April. The Koreas were among five countries battling for a single spot at the 2018 Women’s Asian Cup in Jordan; this is also a qualifying tournament for the 2019 FIFA Women’s World Cup in France, so the stakes were doubly high. Gallingly for the hosts, the ROK beat them by a whisker. Both Koreas tied for first place with three wins and a draw each, but the South won on goal difference. When the two Korean teams played each other, the (perhaps tactful) result was a 1-1 draw. Unlike in Gangneung, none of the 40,000 strong crowd cheered for the visitors. (Had the South won, would the Taegukki have been raised in Kim Il Sung Stadium and the ROK anthem sung?)

North Korea? Hardly an issue

By April, when Korea’s sportswomen were duking it out in Gangneung and Pyongyang, most South Koreans were focused on a different contest: the race to succeed Park Geun-hye, whose impeachment triggered a snap early presidential election on May 9. Most elections are fought on domestic, bread and butter issues, and this was no exception. Besides a wave of antipathy toward Park and the wider establishment, lackluster economic growth and high youth unemployment were among voters’ concerns. By contrast, few saw North Korea as a pressing issue, despite the air of crisis around the peninsula, a remarkable fact in itself.

Indeed, with contenders starting to emerge even before March’s judicial upholding of Park’s impeachment confirmed an early election, few – as we noted in some detail in our last article – advocated sticking with her hard line. Certainly not Ban Ki-moon. Already this moment is fading into history – or oblivion – but for a brief time the hopes of conservatives, demoralized by Choi Sunsill-gate and divided between Park’s foes and her few remaining fans, fastened on Ban as a deus ex machina. During his decade as UN secretary general Ban often professed a wish to promote peace on the peninsula, though he never got to visit the DPRK. A centrist who was President Roh Moo-hyun’s foreign minister in 2004-06 during the ‘Sunshine’ years, Ban would surely have explored outreach to Pyongyang. In the event, less than a month after his triumphal return to Korea and before declaring for any party, on Feb. 1, he abruptly pulled out, blaming “fake news” and other pressures. Truth to tell, his poll ratings were already slipping as voters began to wonder what the man nicknamed “slippery eel” really stood for.

With Ban no longer in the running, once the election was called the various political parties duly held primaries and chose candidates. There were few surprises. Minjoo (Democrats), the liberal main opposition party, had three fancied contenders. Rather than the abrasive leftist Lee Jae-myung or the emollient centrist Ahn Hee-jung, party and public – this was an open primary – plumped for the man who had borne their standard last time in 2012, when he ran Park Geun-hye a close second. At 64 a decade older than his challengers, Moon Jae-in was the obvious and safe choice, having long established a large lead in most opinion polls.
Equally predictable was that the centrist People’s Party (PP) would pick Ahn Cheol-soo. A doctor, educator, and software magnate, in 2012 before he entered politics Ahn’s popularity rivaled Park Geun-hye’s. Joining the 2012 presidential race as a third-force candidate, Ahn ultimately withdrew to give Moon Jae-in a clear run. Despite that gesture and a party merger in 2014, the two men never got on; in late 2015 Ahn quit and formed the PP. His star, already tarnished by the mire of party politics, blazed again in early April before the Right got its act together; he briefly drew level with Moon Jae-in, gaining conservative support as apparently the only man who could stop Moon. On North Korea as generally, Ahn’s stance was middle of the road: pro-dialogue, including resuming the Six-Party Talks, but he would also boost defense spending. As a perceptive critic noted, such nuance worked against a clear narrative.

Right-wing backing for Ahn ebbed after the Liberty Korea Party (LKP) – as the conservative party Saenuri had renamed itself, to expunge the taint of Park Geun-hye – chose Hong Jun-pyo, a former party chairman and provincial governor, as its candidate. Hitherto seen as a maverick, Hong’s hard line on everything from North Korea (no) and homosexuals (hell no) to capital punishment (bring it on) rallied South Korea’s conservatives, unfazed by his past admission (which he sought to retract) of abetting a date-rape. Hong also did well in the five mandatory TV debates, whereas Ahn performed poorly. More specifically Hong proposed an “armed peace” on the peninsula, and the return of US tactical nuclear weapons to maintain it. Hong was the only candidate who came out firmly and unambiguously as pro-THAAD.

The field also contained a more moderate conservative. Before Saenuri had morphed into the LKP, opponents of Park Geun-hye split off and formed the Bareun (Righteous) Party. Though its candidate Yoo Seung-min scored well in the TV debates, his support remained stubbornly low even before some Bareun lawmakers drifted back to the LKP. Unlike the hardline Hong, Yoo advocated a military hotline and defense exchanges with North Korea to create “a de facto peace system,” with economic cooperation to follow once the North had denuclearized.

The fifth serious candidate, and the only woman, was Sim Sang-jung of the far-left Justice Party. Predictably she would send THAAD back to the US, while pursuing unconditional engagement with Pyongyang on every front, including reopening and expanding the Kaesong Industrial Complex (KIC). Actually, Sim and the JP represent the less pro-North wing of the ROK hard left. The United People’s Party (UPP), from which the JP split away in 2012, was controversially banned in 2014 as allegedly a pro-enemy organization. Earlier that year UPP lawmaker Lee Seok-ki had received a 12-year jail sentence for plotting armed insurrection.
Moon: out on a limb?

No one expected Sim Sang-jung in the Blue House (though the hard left’s steady 6–7 percent of the vote in most ROK elections is something to ponder). What exercised conservatives, and not a few in Washington, was that the front-runner Moon Jae-in’s positions on North Korea sometimes sounded scarcely less extreme, and radically at odds with not only Park Geun-hye but the hawkishness of overall Western policy since early 2016. We rehearsed the key points in our last issue, including: his hostility to THAAD; his call to not only reopen but expand the Kaesong complex, and establish an economic commonwealth with the North; and his pledge if elected to visit Pyongyang before going anywhere else.

As Election Day drew nearer and his victory looked ever surer, Moon rowed back from some (but by no means all) of this, telling the Washington Post it was “absolutely not true” he had said he would visit Pyongyang first, and generally sounding emollient toward the US. But he also faced resurgent allegations of being soft on the DPRK. The most serious was the charge, leveled by Song Min-soon – Roh Moo-hyun’s foreign minister during 2006–08, when Moon was Roh’s chief of staff – that in late 2007, soon after Roh visited Pyongyang for the second inter-Korean summit, Moon urged that Seoul should heed Pyongyang’s views and abstain (as in fact it did) on a UN resolution critical of DPRK human rights abuses. Moon denied all of this, calling it a red smear, and threatened to sue his erstwhile colleague. Yet the documents Song has produced look convincing. Regardless, voters seem to have shrugged this off.

The Moon era dawns

On the day (May 9), South Korea’s 19th presidential election yielded no surprises. Soon after voting closed, exit polls – occasionally misleading in the past – forecast that Moon Jae-in was on course for the landslide victory that opinion polls had long and consistently predicted (except for a slight blip in mid-April, when Ahn Cheol-soo briefly seemed to be catching up.)

And so it transpired. The highest turnout in 20 years (77.2 percent) gave Moon an overwhelming win: 5.5 million votes and 16 points ahead of the conservative Hong Jun-pyo in second place. Overall, Moon gained a plurality rather than a majority; ironically winning with fewer votes than the 14.7 million he received in 2012 when he lost to Park Geun-hye, in a virtual two-horse race then rather than the more crowded field this time. (13 candidates registered, but eight were fringe no-hopers. The ROK uses a simple first-past-the-post direct voting system, with no Electoral College or transferable preferences.) The precise tallies were as follows:

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes Received</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moon Jae-in Minjoo (Democrats)</td>
<td>13,423,800</td>
<td>40.1</td>
</tr>
<tr>
<td>Hong Jun-pyo Liberty Korea Party</td>
<td>7,852,849</td>
<td>24.0</td>
</tr>
<tr>
<td>Ahn Cheol-soo People’s Party</td>
<td>6,998,342</td>
<td>21.4</td>
</tr>
<tr>
<td>Yoo Seung-min Bareun Party</td>
<td>2,208,771</td>
<td>6.8</td>
</tr>
<tr>
<td>Sim Sang-jung (f) Justice Party</td>
<td>2,017,458</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Moon had little time to savor his victory, or to relax. Within hours of the National Election Commission confirming his victory, on May 10 a brief ceremony at the National Assembly saw him sworn in as the ROK’s 19th president. The unprecedented circumstance of a snap election ruled out the normal two-month transition period (modeled on the US) between being elected and taking office, or the usual pomp of a grand formal inauguration. Park Geun-hye’s impeachment had left the ROK rudderless since December, if not earlier – no disrespect to acting president Hwang Kyo-ahn, the prime minister unexpectedly pitched into power, who did a better job than many expected. But as a caretaker Hwang lacked authority to make policy, for instance on how to handle Donald Trump. With Park widely discredited even before her final disgrace, South Korea badly needed a new government with a fresh mandate.

Now it has one. Moon Jae-in hit the ground running – and immediately flagged relations with North Korea as high on his agenda. His brief inauguration speech included the following section on security issues (in Yonhap’s unofficial translation):

I will solve the security crisis promptly. I will go anywhere for the peace of the Korean Peninsula.
If necessary, I will fly straight to Washington. I will go to Beijing and Tokyo and under the right circumstances go to Pyongyang as well. I will do whatever I can to establish peace on the Korean Peninsula. I will further strengthen the ROK-U.S. alliance. Meanwhile, I will negotiate earnestly with the U.S. and China to solve the THAAD problem. Strong security depends on robust defense capabilities. I will try hard to strengthen our independent defense power. I will also lay the foundation for the resolution of the North Korean nuclear issue. I will provide a turning point to lower tensions on the peninsula by firmly establishing a Northeast Asia peace regime.

That passage, with its delicate balances and studied ambiguities, will be much parsed—above all in Washington—as we await actions to put these words into practice. On the inter-Korean front, there was no more talk of going to Pyongyang first; as noted above, Moon had already rowed back from that heady idea. Meanwhile two early appointments, made on Moon's first day in office, further signaled that not only is North Korea a high priority, but it will be handled by cadres of a very different stripe from those they replace (who in truth have had precious little to do lately, given the past 15 months of hardline mutual hostilities).

Yes Suh!

Thus Suh Hoon, nominated to head the National Intelligence Service (NIS)–his appointment will require confirmation by the National Assembly—is said to have met the late Kim Jong Il more often than any other South Korean, in his behind-the-scenes role helping to arrange both North–South summits in 2000 and 2007. A career intelligence officer who joined the then Korean Central Intelligence Agency (KCIA) back in 1980 (when its remit extended to brutalizing those who defied the dictators then in power in Seoul, and other innocents), Suh’s North Korea connection began in 1997 when he lived there for two years. Any reader curious how a South Korean could do that has forgotten, as many have, the Korean Peninsula Energy Development Organisation (KEDO), whose field office at Sinpo on the DPRK’s east coast Suh headed. (No surprise that Seoul sent a spook; no doubt Pyongyang knew his background.)

Moon’s presidential chief of staff also has a DPRK connection, of a rather different kind. Im Jong-seok was active in the struggle for democracy which triumphed in 1987. Two years later he organized an illegal, highly publicized visit to Pyongyang by a fellow-student, “flower of unification” Im (or Lim) Su-kyeong. That earned him three years in jail: more than Ms. Im (no relation) served before Kim Dae-jung pardoned her. Ms. Im remains a contentious figure. Her male namesake, by contrast, is a smooth operator—and good-looking to boot, which one Seoul daily reckoned is important; seriously—who went into opposition politics, serving as a lawmaker and vice-mayor of Seoul before Moon tapped him as his chief of staff, a role he has been playing throughout the presidential primaries and election campaign.

One hand clapping?

Yet it takes two to tango. As Seoul executes a U-turn to go back to the future with Sunshine 2.0, how will Pyongyang respond? Suh Hoon may have gotten to know Kim Jong Il, but that cuts little ice now. Kim’s son and heir remains a largely unknown quantity, who has ramped up hostility while evincing scant interest in outreach to the South. Still, first indications look cautiously positive. On May 11, the day after Moon Jae-in took office, the Party daily Rodong Sinmun urged that “the two Koreas should respect each other and open a new chapter to move toward an improvement of their ties and inter-Korean unification.” But the devil is in the detail. The paper called for an end to “confrontational” policies: the South should end military exercises with the US and stop activists sending hostile leaflets across the DMZ. Both of these, especially the former, are longstanding Northern demands. They should, and hopefully will, be nonstarters unless the North makes some conciliatory moves of its own.

S.Korea wins 3-0 against North in Women’s Ice Hockey match in South.
Barring any direct bilateral initiatives, the first actual meeting between the two Koreas in this new era may occur in Beijing in mid-May. China has invited both Koreas, along with the rest of the world, to its clumsily named Belt and Road Forum for International Co-operation on May 14–15, which 28 heads of state are due to attend. North Korea, whose invitation some see as a slap to Donald Trump, is expected to send external economy minister Kim Yong Jae. South Korea was to be represented by Ambassador to China Kim Jang–soo, but Moon Jae–in has also dispatched a senior lawmaker, Park Byeong–seug, as his special envoy. While mending ROK–PRC fences is the main point, as discussed elsewhere in this issue, it will be interesting to see whether the two Korean delegations talk – and what might come of that.

**Sunshine 2.0?**

Moon’s bid to reboot the Sunshine Policy faces many challenges. One is a sudden shrill claim by Pyongyang on May 5 that ROK intelligence conspired with the CIA in a “state terrorist” bid to kill its supreme leadership – Kim Jong Un was not named – using “biochemical” weapons, recruiting a lumberjack in Siberia called Kim for this nefarious end. Far–fetched as this sounds, there has been much recent talk of “decapitation” strategies, albeit in a wartime scenario. Not forgetting the exploding cigars which, like a claimed 600+ other CIA plots, failed to kill Fidel Castro. On May 12, DPRK prosecutors said they would seek the extradition of those involved; they named three NIS operatives including the agency’s outgoing director, Lee Byung–ho (who remains in the post until the National Assembly confirms his successor). The gloomy thought arises that this palaver might be a pretext not to talk to Seoul; we shall see.

Bracketing all that, on the broader picture, Heraclitus’s famous words are apt. No one steps into the same river twice. Much water has flowed down the Imjin River in the decade since South Korea last tried to engage the North – with what effect, remains deeply controversial. Not only does the DPRK have a feisty new leader, but it is unclear how many of the Northern counterparts whom Sun Hoon and others worked with back then remain in post in Pyongyang. Some were reportedly purged after Lee Myung–bak drew down the blinds on the Sunshine Policy. Especially missed will be Kim Yang Gon, Pyongyang’s longtime point man on South Korea, who forged a close relationship with his opposite number in Seoul, then NIS head Kim Man–bok (whom Suh Hoon assisted). Kim Yang Gon’s reported death in a car accident at the end of 2015 struck some as suspicious, though Kim Jong Un’s tears at his bier looked genuine enough. Kim YG’s successor as head of the WPK United Front Department, yet another Kim (Gen. Kim Yong Chol), has a military background and a hardline reputation.

Moreover, when Sunshine was first tried the DPRK was not yet a nuclear power. Pyongyang resolutely refused to discuss the nuclear issue with Seoul, but denuclearization negotiations proceeded in tandem, notably in the Six–Party Talks. The North’s first nuclear test, in 2006, was a body–blow to advocates of engagement. Fast forward a decade and things are much worse. After five nuclear tests (two in 2016 alone; a sixth may be imminent) and dozens of missile launches, the DPRK’s fervid boasts of being able to strike the US, even if premature, cause legitimate concern in Washington and elsewhere. By accelerating the WMD programs inherited from his father and grandfather, Kim Jong Un has upgraded his rogue state from a local and regional menace to a global one. (One could also cite the outrageous use of chemical weapons to murder his half–brother Kim Jong Nam in Kuala Lumpur in February: a vile crime which looks likely to go unpunished.) All in all, Moon Jae–in’s insistence that the DPRK is first and foremost a Korean issue for Koreans to resolve may not go unchallenged.

Furthermore, whether or not Sunshine is the right policy, South Korea’s or any nation’s ability to engage economically with the North is now constrained by many tranches of ever–tighter sanctions, imposed by the UN Security Council (UNSC) and individual states (also the EU) to punish the DPRK’s successive nuclear and ballistic missile tests. For example, Moon Jae–in’s pledge to reopen or even expand the joint venture Kaesong Industrial Complex (KIC), which Park Geun–hye abruptly shut in February 2016, might breach UNSC sanctions. Reviving the dead KIC is in any case a bad idea for several other reasons, as Andray Abrahamian cogently argues in a must–read recent article at 38North. Rather, as Abrahamian proposes and as Moon has also pledged, the ROK government should take a back seat while letting firms and NGOs make their own decisions – weighing up the economic, legal, and other factors – on whether to venture North. The potential risks now
include tighter US sanctions, if the Korean Interdiction and Modernization of Sanctions Act (wittily abbreviated as KIMS; its formal reference is HR 1644), which the House passed unanimously on March 29, proceeds to the Senate and becomes law. This new bill stipulates secondary sanctions against those doing a wide range of business with the DPRK. Mainly aimed at Chinese entities, this could equally be deployed against ROK ones, adding yet another quarrel to what already promises to be a rocky patch for the ROK-US alliance, as discussed elsewhere in this issue of Comparative Connections.

**MOLIT gears up**

Finally, as a coda we should note that the eve of South Korea’s presidential election brought a tantalizing glimpse of how inter-Korean relations may develop under Moon Jae-in. On May 8, the subscription website NKNews reported that a week earlier, with little fanfare, the ROK Ministry of Land, Infrastructure and Transport (MOLIT) gave notice of plans to develop North Korea’s infrastructure and mining sector. As yet this is just a bid for a research project, costed modestly at 40 million won ($35,354) over seven months.

The aim is to save much larger sums in the long run. MOLIT argues that developing North Korea must start as soon as possible, to cut the enormous cost of eventual reunification by reducing the “huge financial burden caused by underdeveloped infrastructure.” The parlous state of most DPRK infrastructure is no secret. MOLIT cites several examples:

- Railway track and other facilities are so dilapidated that train operating speeds average a snail’s-pace 30-50-km per hour (roughly 20-30 miles per hour);
- Port cargo capacity has been stagnant for 20 years at some 37 million tons.
- Major power generation facilities are aging and run at just 30 percent of capacity. At 19 billion kWh, North Korea’s annual power production is just 3.5 percent of the South’s.

Upgrading all that, and much more, will be costly. Here too MOLIT has a plan – only it may prove more contentious. Not for the first time in Seoul, covetous eyes are cast on the DPRK’s mineral resources, whose total value is estimated at some S6 trillion. These include a range of minerals that the South imports, including magnesite, zinc, iron, coal, copper, and gold. Exploiting these would not only contribute further modernization of the Northern economy – by developing mines, as well as the necessary local power and transport facilities – but would also pay for MOLIT’s proposed wider investments in the North. How so? “Profitability will be secured by owning the development rights of resources or exploiting mineral resources.”

“Owning”? That depends on a party yet to be consulted: the DPRK government. Precedent suggests Pyongyang might permit the leasing of assets, but never outright ownership.

MOLIT suggests four specific sites for such development. Two are on the border with China: Hyesan City and Musan in the far northeast, which has North Korea’s largest iron ore mine (reserves are estimated at 3 billion tons). Those were taken; in 2005 the Chinese firm Tianchi signed a 50-year lease, only to pull out in 2012 after Pyongyang demanded 20 percent more money despite falling global prices. It remains to be seen if fellow Koreans get treated any better.

The other two locations proposed are South Pyongan Province (all of it?) and Tanchon, a port city on the DPRK’s east coast. The latter name should ring a bell for veteran readers of these articles. Rewind six years to April 15, 2011 (Kim Il Sung’s birthday, coincidentally no doubt). Korea Resources Corporation (KORES), an ROK parastatal, held a forum in Seoul to chafe at the losses the firm had suffered due to then-President Lee Myung-bak’s ban on inter-Korean trade and investment (Kaesong excepted), imposed the previous May as punishment for the sinking of the corvette Cheonan. As we wrote at the time:

Kim Shin-jong, KORES’ president, complained that having invested in 10 Northern projects, he now cannot even ascertain their status, much less visit. The most advanced of these was a $10 million graphite mine near the DMZ, which had twice delivered supplies to the South – but none for over a year. In the same border province, South Hwanghae, KoRes also signed MOUs for coal mines at Ayang in Sinwon County and Pungchon in Yonan County, where the first joint drilling took place in October 2008. In the northeast, MOU was directly involved with three
major mines in Tanchon, South Hamgyong Province – Komdok, Ryongyang, and Taehung – producing coal, zinc, lead, and the rare metal magnesite, used to line blast furnaces and found only in North Korea and China. By early 2008, the Tanchon project had had its third feasibility study, but it has since ground to a halt. Three other mining JVs with the North involved Southern private capital. One was to supply the phosphate apatite, a key ingredient of fertilizer. The ROK imports all of its apatite, some from as far away as Nauru. Like KITA, the KoRes forum noted that the Lee administration curtailed cooperation with the North even before the Cheonan sinking – and warned that this creates openings for China. KoRes claims that annual Chinese imports of DPRK minerals have risen threefold in five years, from $300 million in 2005 to $900 million in 2010.

Given this tale of woe, Moon Jae-in’s election should make KORES’ new president a happy man. Yet two questions arise. Why is MOLIT mulling a new feasibility study, when Tanchon has already had three of them? KORES’ and doubtless other files gathering dust in ROK ministries and parastatals must already contain reams of information about such projects.

The second issue is UN and other sanctions, far tighter now than a decade ago and thus a new hazard which any resumption of inter-Korean commerce under Moon Jae-in must navigate carefully. MOLIT seems not to have done that. Marcus Noland and Kent Boydston spell it out at their blog Witness to Transformation: “The mining industries listed by MOLIT – iron, coal, gold, copper, zinc, and magnesite—are all banned by either UNSCR 2270 or 2321. Put another way, MOLIT is putting out a call for bids to violate sanctions.”

Others are more optimistic. In a detailed article for NKPro (an affiliate of NKNews), senior analyst Tristan Webb – who formerly worked on and in North Korea for the UK’s Foreign and Commonwealth Office – reckons Moon Jae-in has plenty of scope to reach out to Pyongyang, including in the economic realm, without falling foul of sanctions. So who is right? Rather than speculate in advance, no doubt the next issue of Comparative Connections will have much that is concrete to report on the subject. Watch this space.

To end on a personal note: Whether you view South Korea’s impending return to Sunshine with gladness, foreboding, or more neutrally, this author will just be glad to have something to write about once more. The last year or so on the inter-Korean front was depressingly empty – or just plain depressing. Now things are moving again; let us hope the movement is forward.
Jan. 1, 2017: DPRK leader Kim Jong Un delivers his usual New Year Address. Inter-Korean issues occupy about one-fifth of this, all standard rhetoric with no new proposals. (See full text in the previous issue of Comparative Connections.) South Korea swiftly criticizes the speech, urging Pyongyang to stop provocations and insults and to embrace denuclearization.

Jan. 1, 2017: Emerging briefly from her seclusion, South Korea’s impeached President Park Geun-hye takes tea with the press in the Blue House. She denies any wrongdoing, calling the accusations against her “fabrication and falsehood.”

Jan. 1, 2017: A joint opinion poll by Yonhap (South Korea’s quasi–official news agency) and KBS (the ROK’s state–owned main broadcaster) on the leading presidential contenders gives Moon Jae-in a 21.6 percent approval rating, with Ban Ki-moon on 17.2 percent and Lee Jae-myung 12.4 percent. No one else even makes double figures. As to party popularity, Moon’s Minjoo (Democrats) on 36.3 percent far outpaces Park Geun-hye’s Saenuri Party, now down to 12.4 percent.

Jan. 5, 2017: Citing an unnamed defense ministry (MND) source, CNN claims the ROK is speeding up the creation of a “decapitation unit,” which, in the event of hostilities would be tasked with taking out the top DPRK military leadership, including Kim Jong Un. Originally slated for 2019, it will now be ready this year.

Jan. 5, 2017: Rodong Sinmun, the daily paper of North Korea’s Workers’ Party of Korea (WPK), carries a signed article, moderate in tone and general in scope, headlined “Improvement of North–south Relations Is Starting Point of Peace and Reunification.” (Pieces of this tenor, however, remain outnumbered by diatribes and insults.)

Jan. 5, 2017: Quoting an anonymous ROK government source, Yonhap reports that from next week the Center for North Korean Human Rights Records, launched in September, will interview newly arrived defectors to collect evidence of human rights violations. This will be used to craft government policy as well as potentially to “hold violators responsible for their crimes.” Violators will be listed and their “mug shots” compiled (one wonders how), but the list and photographs will not be published.

Jan. 5, 2017: In a new tack, Park Geun-hye’s lawyers claim that the weekly mass protests against her are pro-Pyongyang. Press reaction is derisive: JoongAng calls this “some serious self-deception.” It transpires later that these allegations are based on fake news.

Jan. 6, 2017: Ahead of Kim Jong Un’s 33rd birthday on Jan. 8, MOU says there are no signs of imminent provocations by North Korea.

Jan. 8, 2017: Thae Yong-ho, former minister at the DPRK Embassy in London who defected to the ROK last year, tells Yonhap that, “North Korea has set the goal of developing miniaturized nuclear weapons that can fit atop a missile capable of reaching the US by the end of 2017 or early 2018 as it takes into account political transitions in South Korea and the US.”

Jan. 17, 2017: Thae Yong-ho tells a conference in Seoul that “a significant number of [North Korean] diplomats came to South Korea” and more are waiting to do so, even though his is the only such recent case to have been publicized.

Jan. 17, 2017: ROK Unification Minister Hong Yong-pyo tells the Wall Street Journal that North Koreans increasingly defect for political reasons, “not just because they are starving, but for a better life, and for freedom and for their children’s education.”
Feb. 8, 2017: KCNA publishes a commentary headlined: “Park Geun Hye Group Is Bound to Perish”; noting (presciently) that “the time to oust Park from Chongwadae is close at hand.” (DPRK media regularly carry much else in similar vein throughout the period under review.)

Feb. 12, 2017: In its first such act since Donald Trump took office, North Korea fires a mid-range Pukguksong-2 ballistic missile while Trump is entertaining Japanese Prime Minister Abe Shinzo in Florida. Both leaders condemn the launch, which falls short of Japanese waters, landing 500 km east of the peninsula after reaching an impressive height of 550 km.

Feb. 13, 2017: Kim Jong Nam, older half-brother of Kim Jong Un, is killed at Kuala Lumpur airport in Malaysia by two young women who smear his face with a cloth laced with the nerve agent VX.

Feb. 19, 2017: South Korea’s Unification Ministry says, a propos Kim Jong Nam’s death: “We believe the North Korean regime is behind this incident.”

Feb. 22, 2017: Yonhap reports that in recent days 34 South Korean loudspeakers along the DMZ informed North Koreans that Kim Jong Un had his half-brother murdered.

March 1, 2017: South Korea and the US begin their annual large-scale Foal Eagle military maneuvers, lasting two months. Key Resolve, the accompanying smaller computer-based command and control exercise, begins a week later on March 8 and ends on March 23. As usual North Korea fiercely and repeatedly attacks both, even after they are over.

March 6, 2017: DPRK test-fires four ballistic missiles simultaneously. Three land in Japanese waters, one only 350 km northwest of Akihita Prefecture.

March 10, 2017: With rare rapidity when covering domestic ROK politics, and fewer insults than often, DPRK media report Park’s defenestration within three hours of the event.

March 13, 2017: Yonhap reports that US special operations forces will participate in Foal Eagle, including for the first time US Navy SEAL Team Six, which killed Osama bin Laden, “to practice incapacitating (sic) North Korean leadership in the case of conflict.”

March 15, 2017: ROK government announces May 9 as the date of a snap election to pick Park Geun-hye’s successor as president. Under the Constitution this election must take place within 60 days of impeachment being confirmed. The victor will take office at once on May 10, forgoing the two-month transition period prescribed in normal circumstances.

March 15, 2017: As part of Foal Eagle, the aircraft carrier USS Carl Vinson and Arleigh Burke-class guided-missile destroyer USS Wayne E. Meyer arrive in Busan, ROK.

March 29, 2017: MOU says it has approved a visit by North Korea's women’s ice hockey team, to compete in the world championships at Gangneung April 1–9.

April 2, 2017: Hundreds of South Koreans cheer on the North Korean team participating in the women’s ice hockey world championships in Gangneung, ROK.

April 2–3, 2017: ROK women’s soccer team flies to Pyongyang via Beijing for the Asian Football Confederation (AFC) Women's Asian Cup Group B qualifying tournament.

April 6, 2017: MND announces that alongside Foal Eagle the allies will stage Integrated Firepower Exercise 2017, “a set of massive joint artillery drills” (open to the public), at Pocheon near the DMZ on April 13, 21, and 26. This had been held nine times since 1977.

April 6, 2017: ROK women’s ice hockey team beats the DPRK’s 3–0 in Gangneung.

April 7, 2017: The two Koreas’ women’s teams play the first inter-Korean soccer match in Pyongyang since 1990. The final score is a 1–1 draw.
April 11, 2017: The DPRK’s Supreme People’s Assembly (SPA) holds its annual session, as usual lasting just one day. Kim Jong Un attends. It creates a new Diplomatic Commission, perhaps as a vehicle for fresh outreach.

April 12, 2017: South Korea’s Ministry of National Defense (MND) reports that from Jan. 2016 through Feb. 2017 a total of 2,039,898 North Korean wind-borne propaganda leaflets were found in the South, almost all in Seoul and the surrounding Gyeonggi Province.

April 15, 2017: DPRK marks the 105th birthday of its founding leader and ‘eternal president’ Kim Il Sung with a large military parade in Pyongyang, featuring several types of new missile not previously seen.

April 16, 2017: North Korea fires an unidentified ballistic missile, which explodes (or is deliberately aborted) almost immediately after launch.

April 25, 2017: Contra outside expectations, no fresh nuclear or ballistic missile test marks North Korea’s second big holiday this month: the (fictitious) 85th anniversary of the KPA’s founding in 1932 (in reality under Soviet auspices on Feb. 8, 1948, the date celebrated until 1971). Kim Jong Un inspects a live-fire drill off Wonsan on the east coast.

April 30, 2017: US and South Korea conclude their Foal Eagle military exercises.

May 5, 2017: North Korea’s Committee for the Peaceful Reunification of the Country (CPRC) condemns the South’s “puppet Ministry of Unification” for planning a “‘south–north human rights dialogue.’” Choice insults include: “The ‘idiots of the ministry’ who are reduced into living corpses and being treated like a mange-affected dog” – and much more.

May 5, 2017: On the eve of the ROK election, Rodong Sinmun advises South Koreans to “judge the puppet group of conservatives, accomplices with Park ... as they punished Park.”

May 9, 2017: South Korea holds its 19th presidential election, seven months ahead of the normal schedule owing to Park Geun-hye’s impeachment. The main opposition candidate, Moon Jae-in of the Minjoo Party (Democrats), wins overwhelmingly.

May 10, 2017: Without delay, Moon Jae-in is sworn in as the ROK’s 19th president. In his inaugural speech he expresses willingness to go anywhere for peace, including Pyongyang.

May 12, 2017: DPRK Central Public Prosecutors Office says it will demand the extradition of those behind the alleged “bid to commit state-sponsored terrorism against its supreme leadership.” It names three ROK NIS operatives, including its outgoing director.
Pyongyang tested regional and domestic politics on six separate occasions by conducting missile launches between February and April. The latest tests coincided with the Xi–Trump summit in Mar-a-Lago and Vice President Pence’s visit to South Korea. They also marked the 105th birth anniversary of Kim Il Sung on April 15 amid intense speculation that North Korea might conduct a sixth nuclear test. In addition to supporting five UN Security Council statements on North Korea this year, Beijing on Feb. 18 announced a suspension of DPRK coal imports through December. DPRK military threats also catalyzed US–ROK plans to deploy THAAD, a source of mounting tension that affected all aspects of the China–South Korea relationship. Beijing’s retaliation took the form of restrictions from March on business and tourism. South Korea appealed to the WTO for redress and South Korean lawmakers passed resolutions condemning China’s retaliation. THAAD emerged at the center of domestic political debate in Seoul after Park Geun-hye’s ousting on March 10, following which PRC nuclear envoy Wu Dawei in April engaged major presidential contenders ahead of the May 9 elections. Beijing’s falling out with both Koreas presents a major challenge for coordinating regional policy with new administrations in Washington and Seoul.

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Pyongyang tests more missiles

A growing source of regional missiles has been the escalation of North Korean military provocations this year, including the test–firing of a new intermediate–range ballistic missile on Feb. 12, four missile launches on March 6, a missile and engine test on March 21 and 19, and failed missile launches on April 6, April 15, and April 28. The tests showcased Kim Jong Un’s address that the DPRK is capable of deploying an intercontinental ballistic missile (ICBM) that could reach the US. Although the ROK Defense Ministry on March 19 noted “progress” in North Korea’s weapons program and Kim Jong Un declared the “birth of the Juche-based rocket industry,” outside observers including new US President Donald Trump dismissed the tests as failures. China’s Commerce Ministry on Feb. 18 announced suspension of North Korean coal imports through the end of the year, following Pyongyang’s Feb. 12 test and the Feb. 13 killing of Kim Jong Un’s brother, Kim Jong Nam. Pyongyang’s April 6 test coincided with the Xi–Trump summit on April 6–7, ahead of which Trump’s hardline rhetoric raised South Korean hopes for further Chinese cooperation on the Korean Peninsula. Largely overshadowed by US air strikes on Syria in response to that country’s use of chemical weapons on its own population, the summit did not produce any public joint pledges of tougher US–China policy on North Korea as many in Seoul had anticipated; instead, the strikes raised immediate concerns over the prospect of a US preemptive strike on the North.

PRC Special Representative for Korean Peninsula Affairs Wu Dawei visited South Korea on April 10–14. In talks with counterpart Kim Hong–kyun, Wu agreed on new measures in the event of Pyongyang’s further violations of UN resolutions, but also affirmed Beijing’s position on the limits of sanctions in achieving denuclearization goals given Pyongyang’s security concerns over the United States. Such claims resonated in South Korea with looming concerns that Washington might shift toward unilateral strategies on North Korea. Wu’s five-day visit, however, centered primarily on engaging major presidential contenders and their aides, including Yoo Seoung–min and Kim Moo-sung of the splinter conservative Bareun Party, Hong Joon–pyo of the conservative Liberty Korea Party, Sim Sang–jeung of the progressive Justice Party, Park Jie–won of the center–left People’s Party, and representatives of the main opposition Democratic Party (Minjoo Party). But his meetings at the Korean National Assembly achieved no breakthrough in reconciling China’s opposition to THAAD and Seoul’s united appeal against China’s widening economic retaliation.

Leadership transitions in Seoul and Washington have intensified the need for South Korea and China to coordinate foreign policy with the Trump administration. Foreign Minister Yun Byung–se’s joint statement with US and Japanese counterparts Rex Tillerson and Kishida Fumio at the G20 on Feb. 16 affirmed Washington’s defense commitments to its Asian allies, and countered early fears about Washington’s isolationist turn under Trump. A Washington Post commentary on March 29 argued that whether Trump “stands up” up for South Korea against China’s THAAD retaliation is a critical test of Washington’s commitment to Asian allies in the face of growing pressure from Beijing. South Korea’s Foreign Ministry positively assessed the Xi–Trump summit for attaching importance to Seoul’s “core interests” through joint commitments to Korean Peninsula
denuclearization and the full implementation of UN Security Council resolutions. But for Lotte Group officials, China’s economic retaliation remained a problem despite South Korean diplomacy and the Xi–Trump summit. Trump’s praise of China for allegedly increasing pressure on Pyongyang, the reversal of his call to label Beijing a currency manipulator, and calls for trade concessions with China for greater cooperation on North Korea, were seen as contradictions within Washington’s policy toward the region.

**China and North Korea show their differences**

Beijing confronts a steadily deteriorating relationship with North Korea, reflected in recent exchanges between political leaders and state media. There were limited reports on Vice Minister Ri Kil Song’s visit to China in March to meet Foreign Minister Wang Yi and other officials amid souring relations following Pyongyang’s missile test and suspected killing of Kim Jong Nam, and Beijing’s subsequent ban on DPRK coal imports. Pyongyang’s test-firing of four missiles two days later suggested the failure of bilateral dialogue. Contrary to South Korean expectations, PRC Special Representative Wu did not follow his April visit to Seoul with a trip to Pyongyang. Wu’s last visit to the North was in February 2016 following its fourth nuclear test; his departure from Pyongyang was marked by North Korea’s firing of a long-range rocket. President Trump framed the latest ballistic missile test on April 29 as an affront to Beijing, tweeting, “North Korea disrespected the wishes of China and its highly respected President.”

Recent attacks between PRC and DPRK state media also indicate current differences over North Korea’s military provocations and China’s application of economic sanctions. **A Korean Central News Agency commentary** on Feb. 23 accused a “neighboring country” of dismissing the significance of the Feb. 12 missile test, taking “inhumane steps” of “blocking foreign trade,” and “dancing to the tune of the U.S.” Such accusations followed a Feb. 14 **Global Times report** on Beijing and Moscow’s condemnation of North Korea’s missile test, in which Chinese military expert Song Zhongping argued that “North Korea’s missile technology remains underdeveloped” and “China’s sanctions are effective.” After the latest UN Security Council statement, a **KCNA commentary** on April 23 threatened “catastrophic consequences for bilateral ties” in response to economic sanctions.

Meanwhile, North Korea’s shows of force appear primarily aimed to support Kim Jong Un’s domestic political standing. Kim Il Sung’s birth anniversary on April 15 was commemorated with a military parade displaying North Korea’s national development to both domestic and foreign audiences. As the ROK Unification Ministry has suggested, Pyongyang’s apparent revival of the Supreme People’s Assembly Diplomatic Commission on April 11, abolished in 1998 under Kim Jong II, indicates Kim Jong Un’s pursuit of conflicting goals of improving external relations while developing nuclear weapons and the economy. According to Lu Chao of the Liaoning Academy of Social Sciences, the April 15 missile test was driven by both political and diplomatic goals of promoting national unity at a time of domestic transition in Seoul and Washington. By accelerating the THAAD deployment, the US–ROK response to Pyongyang’s troublemaking has spotlighted not only North Korea’s but also China’s current differences with Seoul and Washington.

**China takes limited steps to sanction North Korea**

China’s steps to ban North Korean coal this year can be traced to Feb. 13, a day after North Korea’s missile test, when authorities rejected $1 million worth of DPRK coal at Wenzhou port, citing high levels of mercury in the shipment.

Overall imports from North Korea to China declined by 35 percent in February–March following Beijing’s suspension of coal imports. By the end of March, China and Russia had adopted punitive measures against North Korea’s aviation industry, following the United
States’ and South Korea’s sanctioning last December of Air Koryo, for its suspected involvement in North Korea’s illegal activities. Air China also temporarily suspended flights between Beijing and Pyongyang from April 17. On April 25, the airline announced flights would resume on May 5. Contrary to Chinese state media reports, China-based travel agencies have denied any changes in air and train services between the two countries since China’s reported moves to suspend package tours to North Korea.

Skepticism remains over the substantive impact of Chinese actions since North Korea’s fifth nuclear test last September. Although Beijing implemented UN Security Council Resolution 2321 by temporarily suspending DPRK coal imports in December, its coal imports from North Korea that month actually increased by 13 percent year-on-year to 2 million tons. In the last quarter of 2016, North Korea enjoyed record earnings from coal exports to China amounting to $408.5 million. Skeptics point to current excess supply in China’s coal industry and China’s recent agreement to import liquefied petroleum gas from North Korea for the first time, providing an additional source of foreign currency for Pyongyang. Customs data and shipping activities at Chinese ports suggest that there are continued imports of UN-sanctioned minerals from North Korea in violation of UNSC resolutions. Despite enhanced implementation of UNSC resolutions, Beijing still is able to circumvent its own coal ban through exemptions on humanitarian and livelihood grounds. According to DPRK defector and former diplomat Thae Yong Ho, the current coal ban is primarily aimed at pressuring Pyongyang toward China’s regional diplomatic preferences of Six-Party Talks, rather than imposing significant economic costs that could destabilize the regime.

The limits of Chinese pressure have resulted in greater US and South Korean attention to unilateral and “secondary” sanctions, which coincide with the Trump administration’s emphasis on more aggressive enforcement of trade policies. Ahead of the Xi-Trump summit, the Treasury Department’s blacklisting of one DPRK trading firm and 11 individuals on March 31 was a warning of US willingness to impose secondary sanctions on Chinese firms that supported Pyongyang’s weapons programs. Zhongxing Telecommunications Equipment Corp. in early March was fined $1.2 billion for illegal exports to Iran and North Korea, the biggest ever fine levied by the US government in an export control case according to the US Department of Commerce. A report by the Institute for Science and International Security in April indicated that another Chinese firm, Shenyang Machine Tools Co., exported tools to North Korea in 2015 containing banned subcomponents. But if these measures are viewed in Beijing as part of a more confrontational approach to China, secondary sanctions may only harden Beijing’s official line of dialogue over pressure and its claims of limited Chinese leverage.

**China–ROK THAAD dispute intensifies**

The main target of Beijing’s economic retaliation is South Korea in response to the deployment of THAAD. Within weeks of the Trump administration’s inauguration in January, ROK Defense Minister Han Min-koo and US Defense Secretary James Mattis reaffirmed plans for its deployment this year. Acting President Hwang Kyo-ahn and Vice President Pence renewed this commitment in April against steady Chinese opposition. The ROK Foreign Ministry called in PRC Ambassador Qiu Guohong in early January amid growing indications of China’s economic retaliation in the trade and cultural sectors by the end of last year, at which time both sides had been relatively cautious about undermining bilateral ties. While the THAAD controversy loomed over the bilateral meeting between Foreign Ministers Wang Yi and Yun Byung-se at the Feb. 18 Munich Security Conference, tensions flared in March with the shutdown of Lotte operations in China by local authorities and the China National Tourism Administration’s imposition of travel restrictions to South Korea.

Although Beijing denied any involvement, these actions coincided with the ROK Defense
Ministry’s conclusion of a land swap deal with Lotte Group on Feb. 28 and initiation of talks with US Forces Korea on March 2 on the terms of deployment. THAAD dominated PRC Special Representative Wu Dawei’s meetings in April with South Korean presidential contenders, who presented a united front in pressing Beijing to lift its economic restrictions on South Korea despite their contending positions on THAAD.

South Korea’s appeal to the WTO on March 17 and the Korean National Assembly’s March 30 resolution urging China to end its retaliation won support from US counterparts. As the THAAD deployment began on March 6, US senators voiced objections to China’s “diplomatic bullying and economic coercion against South Korea,” pressing Beijing to instead use its economic leverage over North Korea. US House of Representatives lawmakers on March 23 introduced a bipartisan resolution calling on Beijing to “immediately cease its diplomatic intimidation and economic coercion” undermining South Korea’s sovereign right to self-defense. The ROK Foreign Ministry praised the House Foreign Affairs Committee’s March 29 passing of measures to strengthen sanctions on Pyongyang, condemn its ICBM development, and relist it as a state sponsor of terrorism. While there was little indication that the Trump-Xi summit yielded Chinese understanding on the THAAD deployment, the US-ROK-Japan Defense Trilateral Talks in Tokyo on April 19 produced a joint press statement demonstrating unity against China’s THAAD retaliation.

The THAAD dispute has raised South Korean sensitivities over security frictions with China, including the incursion of 10 Chinese military plans into the Korea air defense identification zone (KADIZ) on Jan. 9, and clashes over illegal Chinese fishing in South Korea’s exclusive economic zone. But more importantly for South Korea’s domestic politics, the THAAD deployment has been met with angry opposition from not just Beijing but also many South Koreans. More than 2,500 citizens joined a petition on April 6 demanding that the Constitutional Court rule on the legitimacy of Seoul’s THAAD decision, claiming that it violates their basic rights to peaceful and healthy life.

**South Korea braces for THAAD’s economic “consequences”**

Beijing’s hardline rhetoric against THAAD has translated into a series of policy actions restricting China-ROK trade, business, and cultural interactions. With the progression of deployment plans in March, China’s Foreign Ministry amplified its threats of “necessary measures” and “consequences” for the US and South Korea. South Korean retail giant Lotte Group suffered the biggest blow to its China operations after concluding a land swap deal with the ROK Defense Ministry on Feb. 28, including closures of almost 90 percent of its stores by local authorities due to “safety” violations. China’s National Tourism Administration ordered major travel agencies in Beijing to suspend services to South Korea on March 2 as the ROK Defense Ministry and US Forces Korea began talks to finalize the terms of THAAD deployment.

The Korea Development Bank projects $20 billion in potential losses in trade with China should the diplomatic spat continue, more than half of which are in the tourism and duty-free sectors. In effect since March 15, China’s travel ban appeared to have an immediate impact on the number of Chinese travelers to South Korea, whose inflow at Incheon airport dropped by 38 percent on-year in early April. The number of Chinese tourists to South Korea is expected to decline by 50 percent overall this year. South Korea’s Chinese visitors of 8.1 million in 2016 accounted for about half of all inbound foreigners and 70 percent of duty-free operators’ annual revenue of 8.6 trillion won ($7.59 billion) according to the Korea Tourism Organization (KTO). For Lotte Group, losses approached 200 billion won ($175.5 million) in April and could reach 1 trillion won ($875.7 million) should suspensions extend through the first half of 2017. The Lotte crisis has ignited fears over Chinese attacks on other major South Korean conglomerates, which depend on China for more than 50 percent of their annual revenue.
China’s actions prompted countermeasures across multiple agencies in Seoul, including formal appeals to China’s ministries of foreign affairs and commerce on March 28 for the resumption of Lotte operations. Measures within South Korea’s own government bodies included the establishment of industrial subcommittees under Seoul’s task force on Chinese nontariff trade barriers by the ROK Ministry of Strategy and Finance in January and a $349.6 million relief fund by the Ministry of Trade, Industry and Energy in March for SMEs. South Korea’s Culture Ministry on March 16 set up a damage report center in collaboration with entertainment agencies to monitor China’s restrictions on Korean cultural content, while the Korea Tourism Organization on April 12 announced strategies to help the local tourism industry recover from the decline in Chinese visitors.

Of greater concern for China–ROK relations is THAAD’s impact on anti–Korean sentiment among Chinese consumers and their “voluntary” boycott of South Korean products, as is claimed by Beijing. According to one South Korean survey conducted in March 2017 in Beijing, Shanghai, and Guangzhou, 56 percent of Chinese see China’s economic retaliation against Lotte Group as “wrong” (19 percent) or “very wrong” (37 percent). But an overwhelming 85 percent support Beijing’s decision to ban the sale of tour packages to South Korea, while 82 percent believe that the THAAD issue undermines South Korea’s national image. There is also a decline in cultural interactions from the South Korean side. The Ministry of Education in March reported cancelations of school field trips to China, while South Korea’s own travel agencies in April indicated a decline in China-bound sales by up to 50 percent on-year.

South Korea’s domestic politics and the China factor

China’s response to THAAD has intensified domestic political debate in South Korea, where relationships with China and the US remain a polarizing issue. Xinhua published an interview with Song Young-gil of the main opposition Democratic Party on Jan. 12, calling for increased China–ROK communication on THAAD as “brother nations,” and claiming that “the US holds the key” to the DPRK nuclear issue. China’s economic measures sparked a clash between the ruling Liberty Korea Party, which supports current deployment plans, and opponents seeking to defer the decision until the next administration. The Democratic Party sought to discuss THAAD during a visit to Beijing on Jan. 4–6 to meet Foreign Minister Wang Yi and members of the National People’s Congress Foreign Affairs Committee, but the visit incited a backlash from conservative leaders who criticized such efforts for setting a precedent that would enable China to infringe on Korean sovereignty. By March, however, Woo Sang-ho of the Democratic Party supported calls for China to end its economic retaliation, arguing that Beijing has “gone too far.” PRC Special Representative Wu Dawei’s exchanges with political leaders in April revealed a basic consensus against China’s incursions on South Korea’s sovereign right to self-defense, and excessive retaliation extending to the private sector.

China’s annual parliamentary session in March also signaled Beijing’s foreign policy orientation ahead of the party congress this fall that is expected to bolster Xi Jinping’s political leadership. Although it prioritized a stable US–China relationship under the Trump administration, it also made clear that China’s policy priorities remain domestic. Beijing’s opposition to Hong Kong independence and affirmations of the One China policy in Taiwan were major highlights of Premier Li Keqiang’s 2017 Government Work Report.

Conclusion: North Korea tests China and challenges regional security

The Trump administration has placed North Korea front and center as a major security threat and has prioritized the use of maximum pressure on Pyongyang designed, in the words of US Pacific Command’s Adm. Harry Harris, to “bring Kim Jong Un to his senses, not to his knees.” This formulation incentivizes China to enhance enforcement of existing UNSC resolutions while also threatening to do something more – including but not limited to the imposition of secondary sanctions on Chinese business partners of North Korea – if Beijing’s pressure fails to rein in North Korea’s drive to develop a credible nuclear threat to the United States. Enhanced Trump administration prioritization of the issue raises the stakes – and the tensions – with each additional North Korean nuclear and missile test, while building expectations that North Korea will be punished for its continued efforts.
While the United States and South Korea have attempted to incentivize China’s expanded pressure on North Korea, Beijing has pursued a similar strategy toward South Korea in response to the THAAD deployment, using economic retaliation to raise the political and economic costs to South Korea for cooperation with the US on THAAD. China’s strategy has multiple aims: first, to influence the South Korean domestic political debate about the THAAD deployment; second, to draw a line for South Korea to signal China’s discomfort with the deployment of US military systems that could be used to expand the US-ROK alliance beyond its main focus of deterring North Korea; third, to reinforce China’s reliance on a policy of economically punishing neighbors that don’t adhere to China’s political priorities.

In the near-term, China’s dual pressure strategies toward North and South Korea have put China’s relationships with both Koreas under increasing strain despite the (mistaken) assumption that China’s rising economic power can be used to achieve specific political outcomes. In the case of North Korea, China’s economic pressure is being applied at the behest of the US and despite China’s qualms that too much pressure could lead to war or instability, that China has long sought to avoid. Yet it is increasingly likely that the objective of denuclearization can only be achieved at the cost of war or instability. China’s application of enhanced economic pressure has resulted in strident objections from Pyongyang, but has failed to convince North Korea to change direction. Instead, North Korea has doubled-down on its nuclear and missile development. China’s economic pressure on South Korea has likewise thus far been a failure, antagonizing the South Korean public and strengthening support for the THAAD deployment. If South Korea’s domestic politics produce an outcome that shows South Korea to be vulnerable to China’s pressure, this result will signal a steady curtailment of Korea’s autonomy and could erode the alliance with the United States. If South Korea stands firm against Chinese economic pressure, there will be material losses for South Korea, it will send a message from a “peripheral state” about the limits of China’s power, and provide evidence of the utility and durability of the US-ROK alliance.
CHRONOLOGY OF CHINA-KOREA RELATIONS
JANUARY – APRIL 2017

Jan. 3–6, 2017: ROK delegation of the main opposition Democratic Party (Minjoo Party) visits Beijing and meets Foreign Minister Wang Yi, other CPC officials, and members of the National People's Congress Foreign Affairs Committee.

Jan. 5, 2017: South Korea’s Foreign Ministry summons PRC Ambassador to Seoul Qiu Guohong to protest China’s economic retaliation against THAAD.

Jan. 5, 2017: The PRC Foreign Ministry expresses China’s opposition to THAAD.

Jan. 6, 2017: ROK Ministry of Culture, Sports and Tourism announces plans to develop customized tour programs for Chinese.


Jan. 9, 2017: About 10 PRC military planes enter Korean air defense identification zone (KADIZ), prompting ROK Air Force to send warning messages and fighter jets to intercept.

Jan. 11, 2017: ROK Safety Minister Park In-yong in a New Year policy briefing to Acting President Hwang Kyo-ahn urges China to crack down on illegal fishing in ROK waters.


Jan. 14, 2017: ROK Coast Guard seizes two Chinese fishing boats for entering South Korean waters.

Jan. 16, 2017: Acting President Hwang Kyo-ahn orders ROK Coast Guard officials to respond firmly to illegal Chinese fishing.


Jan. 25, 2017: China, Japan, and South Korea hold 10th round of talks between Central and South American affairs director generals, including bilateral talks on the sidelines.


Feb. 7–8, 2017: Officials from North and South Korea’s committees for the joint implementation of the June 15 summit declaration meet in Shenyang.

Feb. 8, 2017: ROK Unification Ministry states that it has asked China to prohibit Chinese buyers from purchasing goods produced at the Kaesong Industrial Complex.

Feb. 9, 2017: Lotte Group confirms that it closed down its store on China’s leading online shopping outlet Tmall on Jan. 12.

Feb. 10, 2017: Third round of China-Japan-Korea Cyber Policy Consultation is held in Tokyo.

Feb. 12, 2017: North Korea conducts a ballistic missile test. PRC Foreign Ministry expresses China’s opposition.

Feb. 13, 2017: Kim Jong Nam is killed at Kuala Lumpur airport.


Feb. 15, 2017: South Korea agrees to return on March 22 remains of Chinese soldiers killed in the Korean War.
Feb. 16, 2017: South Korean lower court sentences Chinese man to 25 years in prison for murdering a South Korean woman in Jeju.


Feb. 18, 2017: PRC Commerce Ministry announces that it will suspend imports of North Korean coal, for the remainder of the year.

Feb. 28 – March 4, 2017: DPRK Vice Foreign Minister Ri Kil Song leads a delegation to China and meets PRC Foreign Minister Wang Yi and other officials.

March 2, 2017: China National Tourism Administration announces a travel ban to South Korea for China-based travel agencies.

March 2, 2017: Six DPRK soldiers illegally cross the border into China.

March 2, 2017: Incheon Regional Office of Oceans and Fisheries announces that China and South Korea will conduct annual joint inspections of international ferries operating between China’s eastern port cities and Incheon.


March 3, 2017: ROK Acting President Hwang states that South Korea will push forward with THAAD deployment plans.

March 3, 2017: ROK Foreign Ministry expresses concern over China’s travel restrictions to South Korea.

March 3, 2017: South Korea’s political parties criticize China’s economic retaliation against THAAD.

March 3, 2017: ROK Embassy in China’s new task force on countering China’s THAAD retaliation holds its first meeting.


March 5, 2017: Lotte Group holds meeting to discuss countermeasures against China’s THAAD retaliation.

March 5, 2017: ROK Trade Minister Joo Hyung-hwan and Foreign Minister Yun Byung-se separately warn against possible Chinese violations of WTO and China-ROK FTA agreements.

March 6, 2017: North Korea fires four ballistic missiles toward the East Sea.

March 7, 2017: ROK Ministry of Trade, Industry and Energy announces an emergency relief fund to SMEs exposed to financial risks from Chinese trade restrictions.

March 7, 2017: PRC Foreign Ministry threatens further retaliatory actions against ROK for THAAD deployment.

March 7, 2017: Zhongxing Telecommunications Equipment Corporation (ZTE) agrees to pay $1.2 billion in fines for illegal exports to Iran and North Korea.

March 8, 2017: South Korea’s ruling Liberal Korea Party expresses concerns over China’s THAAD retaliation.

March 8, 2017: Lotte Group indicates that more than half its China-based hypermarket chains have been forced to temporarily suspend operations.

March 8, 2017: PRC Foreign Minister Wang Yi at China’s annual parliamentary session in Beijing renews China’s positions on the Korean peninsula.

March 8, 2017: ROK Acting President Hwang Kyo-ahn reiterates Seoul’s plans to deploy THAAD.

March 10, 2017: Seoul Constitutional Court upholds Dec. 9 National Assembly impeachment of Park Geun-hye, ending Park’s presidency.

March 10, 2017: Park Sam-koo, chairman of Kumho Asiana Group, is re-elected head of Korea-China Friendship Association.

March 10, 2017: Korea Development Bank-led creditors of Kumho Tire Co. announces an agreement to sell Kumho Tire to Chinese tire maker Qingdao Doublestar Co.

March 14, 2017: South Korean air carriers announce plans to reduce China-bound flights to deal with declining demand.
March 14, 2017: Korea Football Association announces that it has requested safety precautions be taken by the Asian Football Confederation and the Chinese Football Association for the March 23 World Cup qualifying match in Changsha, Hunan.

March 15, 2017: China’s travel ban to South Korea goes into effect.

March 15, 2017: Activist group “Justice for North Korea” reports that Chinese authorities have arrested two South Korean pastors for protecting DPRK defectors in China.

March 16, 2017: South Korea’s Culture Ministry in collaboration with entertainment agencies establishes a damage report center on China’s restrictions on Korean cultural content in China.

March 17, 2017: Seoul appeals to WTO over China’s measures on South Korean tourism and retail businesses.

March 17, 2017: China’s Foreign Ministry defends China’s opposition to THAAD.


March 19, 2017: ROK Finance Ministry announces that China has rejected talks between finance ministers at the G20 Finance Ministers Meeting.

March 20, 2017: ROK Embassy in Beijing issues a safety advisory ahead of a FIFA World Cup qualifying match between China and South Korea on March 23 in Hunan.


March 22, 2017: Korea Football Association announces China will mobilize 10,000 police officers for the World Cup qualifier match between China and South Korea in Hunan.

March 22, 2017: ROK Ministry of Education announces cancellations of field trips to China by South Korean schools.

March 22, 2017: South Korea repatriates remains of Chinese soldiers killed during Korean War.

March 23, 2017: China beats South Korea 1–0 in Asian qualification round in Changsha for the 2018 FIFA World Cup.

March 23, 2017: US House of Representatives introduces a bipartisan resolution condemning China’s retaliation against South Korea in response to THAAD deployment.

March 24, 2017: ROK’s finance minister pledges actions against China’s THAAD retaliation.

March 26, 2017: South Korean civic group holds a memorial in Dalian marking the 107th anniversary of the execution of independence fighter Ahn Jung-geun by Japan.

March 27, 2017: China’s Commerce Ministry announces it has launched an anti-dumping probe against ROK exports of a chemical product.

March 28, 2017: Seoul sends a formal request to the Chinese government to allow Lotte to resume business operations in China.

March 28, 2017: ROK Ministry of Foreign Affairs states that the ministry and other websites have come under cyberattacks originating from China.

March 29, 2017: South Korean exporters at a conference held by the Korea International Trade Association call for Seoul and Beijing’s joint efforts to resolve economic frictions resulting from THAAD deployment.

March 30, 2017: Korean National Assembly adopts resolution urging China to cease economic retaliation over THAAD.

March 30, 2017: ROK Foreign Ministry states that China and Russia have adopted sanctions affecting North Korea’s aviation industry.

March 30, 2017: ROK Foreign Ministry in a press briefing positively assesses Washington’s resolution urging China to cease retaliation against South Korea over THAAD.
March 31, 2017: ROK military states that it will resume operations against illegal Chinese fishing near the inter-Korean sea border in the West Sea.

March 31, 2017: China’s Foreign Ministry confirms China offered assistance for the transit of the body of Kim Jong Nam from Kuala Lumpur via Beijing to Pyongyang.

April 2, 2017: ROK Ministry of Trade, Industry and Energy states that it raised concerns in the WTO’s Technical Barriers to Trade Committee meeting over China’s economic retaliation.

April 4, 2017: PRC Ambassador to the DPK Li Jinjun leads Chinese Embassy delegation to ceremonies in Pyongyang commemorating Chinese People’s Volunteer Army members killed during the Korean War.

April 4, 2017: Bipartisan group of 26 US senators in a joint letter urges President Trump to “call upon President Xi to reexamine his view of the THAAD deployment.”

April 4, 2017: Asiana announces plans to reduce flights to and from China and increase flights to and from Japan and Southeast Asia in April–June in response to lower Chinese demand.

April 4, 2017: South Korea’s MBC TV announces that distribution rights for its documentary series DMZ, the Wild have been sold to China’s biggest streaming platform iQiyi.

April 5, 2017: Chinese salvage ship Dali returns to Shanghai after completing operations since August 2015 to recover South Korea’s sunken Sewol ferry.

April 5, 2017: North Korea conducts a ballistic missile test. China’s Foreign Ministry calls for restraint on the Korean Peninsula.

April 5, 2017: South Korean plaintiffs represented by Korea Green Foundation President Choi Yul and attorney Ahn Kyung-jae file law suit against governments of Seoul and Beijing over the health impacts of fine dust.

April 6, 2017: UN Security Council adopts statement condemning DPRK April 5 missile launch.

April 8, 2017: President Donald Trump briefs Acting ROK President Hwang on his April 6–7 summit with President Xi Jinping.

April 9, 2017: ROK Foreign Ministry positively assesses the Xi-Trump summit in press release.

April 10, 2017: Media reports confirm that Beijing ordered trading firms to return North Korean coal imports.

April 10, 2017: China’s Foreign Ministry calls for restraint on the Korean Peninsula.

April 10–13, 2017: Twelfth round of China-Japan–ROK FTA talks is held in Tokyo.


April 12, 2017: China’s Foreign Ministry calls for Korean Peninsula denuclearization talks.

April 12, 2017: Presidents Xi and Trump in telephone talks discuss North Korea and other issues.

April 12, 2017: Korea Tourism Organization President Jung Chang-soo announces strategies to help South Korea tourism industry recover from a decline in Chinese visitors.

April 12, 2017: Radio Free Asia reports that China has closed South Korean cable TV channels.

April 14, 2017: Air China announces will temporarily suspend flights between Beijing and Pyongyang starting April 17.

April 17, 2017: PRC Foreign Ministry calls for restraint on the Korean Peninsula after North Korea’s failed missile test on April 16.

April 19, 2017: ROK Transport Ministry issues plans to help local airlines deal with the decline in travel to and from China.

April 20, 2017: ROK Foreign Ministry indicates that it is working to confirm reports on Trump-Xi remarks that Korea “used to be part of China.”

April 20, 2017: UNSC adopts statement condemning North Korea’s April 16 missile launch.

April 21, 2017: South Korean historians and activists protest in Seoul in response to reports on Xi-Trump remarks that Korea “used to be part of China.”
April 24, 2017: President Trump discusses North Korea in separate telephone talks with President Xi and Prime Minister Abe Shinzo.

April 24, 2017: Human Rights Watch urges China not to repatriate eight DPRK defectors detained by Chinese authorities in March.

April 25, 2017: Air China announces it will resume flights to Pyongyang beginning May 5.

April 26, 2017: China’s Foreign Ministry expresses opposition to THAAD after the arrival of key elements of the system at the Seongju site.

April 26, 2017: Chinese man is sentenced to 30 years in prison for murdering a South Korean woman in Jeju last year.

April 29, 2017: North Korea tests a ballistic missile.
Though free of the large-scale anti-Japanese demonstrations and acerbic exchanges that have characterized the recent past, the cold peace between China and Japan continued in the early months of 2017. There were no meetings of high-level officials, and none were scheduled. Mutual irritants continued on familiar topics: defense and territorial issues, Taiwan, trade and tourism, and textbooks and history.
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**Defense and territorial issues**

Each side continued to express apprehension over the other’s military preparations. As the year opened, Japanese sources revealed that Chinese government ships had entered the waters contiguous to the Senkaku/Diaoyu Islands more than 1,000 times since the Japanese government bought three of the five from private Japanese owners in 2012. Japan continued providing updates with each new incursion, whether maritime or aerial, with China responding that the areas involved were within the PRC’s self-delineated exclusive economic zone (EEZ) and air defense identification zone (ADIZ). Chinese ships continued to intrude on a regular basis throughout the reporting period.

A nightmare concern for Japan involves gray area situations in which a large number of fishing vessels staffed by soldiers in disguise land on the Senkaku (Diaoyu) Islands despite Coast Guard efforts to stop them, overpower police officers, raise the Chinese flag, and settle in, protected by the Chinese Navy. Under current Japanese law, the Self–Defense Forces (SDF) would not be authorized to use force to deal with the situation, since technically the Chinese actions do not constitute an armed attack by a foreign nation. Successive US administrations, and most recently Secretary of Defense James Mattis, have affirmed that the US–Japan Mutual Security Treaty includes the islands in its pledge to defend Japan against armed invasion. But this is not armed invasion.

**Senkaku ‘gray zone’ situations**

<table>
<thead>
<tr>
<th>Possible scenario</th>
<th>Japan, U.S. government responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huge fleet of fishing vessels with unknown registry intrudes into Japanese territorial waters around Senkaku Islands</td>
<td>In addition to JCG and police, will Self–Defense Forces receive “maritime policing order” or “public security operations order” to operate under scope of police authorities?</td>
</tr>
<tr>
<td>Some crew members land on Senkaku despite Japan Coast Guard’s efforts to stop them</td>
<td>Unable to deal with situation by using force under scope of police authority. Difficult to allow SDF to use force, since it cannot be determined as armed attack by foreign nation?</td>
</tr>
<tr>
<td>Heavily armed fake fishermen remain on Senkaku after overpowering Japanese police officers</td>
<td>Does not fall under Article 5 of Japan–U.S. Security Treaty. Will U.S. avoid deploying its forces?</td>
</tr>
</tbody>
</table>

Source: Yomiuri, 1 April 2017.

Japan’s Coast Guard is installing video transmissions on all 12 of its special unit large patrol boats assigned to monitor the area. These will enable real-time transmissions directly to the office of the prime minister and Coast Guard headquarters; satellite circuits will enable concurrent transmission of multiple videos. Completion is expected by the end of fiscal year 2017, i.e., 31 March 2018. While this will improve communication, it will not solve the problem of what action to take.

Demands from US presidential candidate Donald Trump that Japan spend more to provide for its own defense or risk the withdrawal of US troops received an enthusiastic response from conservative Japanese think tanks as well as resistance from the center–left. Funabashi Yoichi, former editor-in-chief of the center–left Asahi Shimbun and one of the country’s most astute commentators on international affairs, worried that Trump might try to play China against Japan saying that, “to extract concessions from Japan, nothing would work better [for Trump] than the scent of a huge deal with China.” It was, he reasoned, imperative that Tokyo and Washington operate under a closely shared understanding of China. In his several meetings with Prime Minister Abe Shinzo, however, Trump did not push the point of increased defense expenditures. In the end, a record ¥ 5.1 trillion budget was allocated, “to counter China’s increased maritime assertiveness and North Korea’s nuclear and missile threats.” Even so, the increase, up 1.4 percent over 2016, amounted to only 0.926 percent of total GDP.

Chinese sources accused Japanese conservatives of seeking to use North Korea’s missile launches as a convenient rationalization for acquiring a first-strike capability. Two former defense
ministers, Nakatani Gen and Onodera Itsunori, had separately pointed out the advantages of being able to neutralize an enemy base before Japan came under attack. Xinhua, China’s official news agency, reported that the country was on high alert for Japan’s military moves, noted that the helicopter-carrier destroyer Kaga had just gone into service, and that its sister ship the Izumo was scheduled to go to the South China Sea for drills. Japan, the agency continued, was consistently using a so-called China threat as an excuse for military expansion: China and its neighbors would not allow Japan to make trouble.

Japanese rebutted criticism of their defense budget by pointing out that the Chinese defense budget had increased by multiple times that of Japan’s every year since 1989, typically by double-digits. Moreover, due to accounting differences and lack of transparency, the reported RMB 1.04 trillion (approximately $152 billion and about 1.3 percent of GDP) is probably only half to a third of the true budget. Japan also has far higher personnel costs than China. According to Beijing’s China Daily, this year’s 7 percent increase – vis-à-vis a projected economic growth rate of 6.5 percent – was a “sign of confidence.” However, China Daily erred in saying that the budget had decreased: it was only the rate of growth that was down over the previous year, which is significantly different. Moreover, these and increments from previous years were bolstering ambitious weapons development programs that included hypersonic and a variety of other missiles, space-based capabilities, a second aircraft carrier, and two stealthy fighter jets, the J-20 and J-31.

Beyond weapons development, Japan has noted other emerging threats from China. Several of the islands the PRC had built from reefs in the South China Sea were being militarized. According to an internal PLA magazine obtained by the independent Japanese news agency Kyodo, the Chinese Navy had established its military supremacy in the South China Sea. In February, Japan’s National Institute of Information and Communications Technology reported a 2.4-fold increase in cyberattacks in 2016, to 128.1 billion, against Japanese networks over the previous year, the majority originating from China.

Japanese unease with these threats was aired in discussions between Defense Minister Inada Tomomi and her Russian counterpart Sergei Shoigu, Inada stating pointedly that how to confront the rise of China is a matter that pertains to the order of the international community. She added that China’s infrastructure development through assertive and large-scale land reclamation since 2014 had changed the balance of power in the region, causing concern in Japan over its actions as well as over its efforts to promote activities based on Beijing’s self-declared assertions of sovereignty in the East China Sea.

China continued to ridicule Japan’s efforts to seek out allies. The imperial couple, who rarely travel abroad, visited Vietnam, paying homage to a patriotic fighter against French colonial rule who had close ties to Japan. Separately, in what a Global Times op-ed referred to as “dollar diplomacy,” Prime Minister Abe offered generous official development assistance to Vietnam and the two countries agreed to strengthen cooperation on maritime law enforcement. Abe announced that Japan would provide six patrol boats to the Hanoi government. The Global Times’ cartoonist limned a smiling sumo wrestler offering miniature ships on a sushi tray to a puzzled Vietnamese. Interestingly, although the Japanese was depicted in traditional sumo attire, the Vietnamese wore a Western business suit.

Taiwan

A warming trend in Japanese relations with Taiwan that was bound to irritate China followed a landmark election in Taiwan. With President Ma Ying-jeou’s reputation for being anti-Japanese, ties that had been warm deteriorated sharply during his pro-China Kuomintang (KMT) administration. In 2016, the
KMT suffered a devastating defeat by Tsai Ing-wen’s Democratic Progressive Party (DPP), with predictable consequences. As 2017 opened, the Japanese government changed the name of its quasi-official organization for handling relations with Taiwan from the Taipei Economic and Cultural Office to the Japan–Taiwan Exchange Organization, with a parallel adjustment from the Taiwan side. At a post-New Year’s Day ceremony to mark the change, Japan’s representative, Numata Mikio, declared that although Japan–Taiwan relations were at their best, steps should be taken to develop them further. China immediately lodged a protest with Tokyo, with the Foreign Ministry spokesperson warning Japan against “sending any wrong message to the Taiwan authorities or the international community and cause new interference in Sino-Japanese ties.”

Beijing also objected strenuously to the annual report of Japan’s National Institute for Defense Studies (NIDS). Among other criticisms mentioned at the Chinese Foreign Ministry’s press briefing, it had treated Taiwan as a political entity similar to that of China, and had even referred to Taiwan under its formal name, the Republic of China. According to a source in the Japanese Foreign Ministry, the Chinese government saw the text of the report before it appeared, and stated its objections, but was told that wording of the NIDS report was not the government’s official opinion. It was published without change.

Two weeks later, Beijing’s Global Times reported that Japan had sparked “outrage” because of a simulated defense exercise wherein Japan’s Self-Defense Forces (SDF) jointly fight with the United States military in a military clash involving Taiwan. This constituted gross interference in China’s domestic affairs, fomenting intentional strife in cross-strait relations, “especially defense relations.” Such “tricks” would harm others as well as itself. Their motive was clear: if China successfully unified Taiwan, Japan would forever lose its chance to contain China and its ability to challenge China’s great power status in Asia. Hence, Japan was determined to intervene militarily to prevent unification. The paper cited a Hong Kong military analyst’s view that the People’s Liberation Army is always prepared for such a contingency.

Such suspicions must have been reinforced by a nostalgic article in Tokyo’s Japan Times whose author termed Taiwan “where Japanese go to feel at home on vacation,” noting that Taiwan had more examples of traditional Japanese architecture than Tokyo, and praising the legacy of those who had the wisdom to preserve them. In late March, Akama Jiro, state minister of internal affairs and communications, paid an official visit to Taiwan, the first such high-level visit since 2006 (i.e., before Ma Ying-jeou’s presidency), but which had been described as a private trip. Brushing off Chinese criticism, Prime Minister Abe referred to Taiwan as “an important partner that shares Japan’s values and interests,” a none too subtle reference to the PRC’s decidedly undemocratic values.

**Trade and tourism**

Total China–Japan trade declined again in 2016, with Japanese exports to China down by 6.7 percent and imports from China by 12.4 percent, with contributing factors that included a worldwide slowdown in business, a decrease in the value of the yen, and the transfer of production facilities from China to elsewhere in Asia. China posted a trade surplus for the fifth straight year since 2012. The Japan External Trade Organization (JETRO) believes that the downward trend of Japanese investment there has bottomed out. The decreasing trend of investment that began after anti-Japanese riots in 2012 was slightly reversed, with 40.1 percent of JETRO’s companies operating in China answering that they expected to expand their businesses there, up 2 points over 2015, while those businesses answering that they were likely to reduce their holdings was 5.3 percent, down 3.5 percent. Not all trade was considered desirable: the Japanese government is considering warning financially troubled electronics giant Toshiba against selling its semiconductor business to a Chinese company, believing that the technology transfer would be detrimental to Japan’s security interests. There were also misgivings about the large number of Chinese investors acquiring property in Japan. While many sellers were delighted, others expressed concern, particularly over the acquisition of the dwindling supply of Kyoto’s machiya, the traditional homes of pre-modern Japan. Unlicensed operators might remodel them into inns for tourists, or they could be repeatedly resold, destroying the character of the neighborhood.

In late January, Japan’s Ministry of Agriculture, Forestry, and Fisheries revealed that 67
unregistered Chinese boats fished near Japan’s EEZ off Hokkaido and the Sanriku region in 2016, up 50 percent over 2015. Many of them had used illegal methods such as drift-netting, leading to further depletion of already dwindling fish stocks and ecological damage, both of which constituted severe risks to the Japanese fishing industry. The same ministry later disclosed that a large number of food items labelled as Japanese had in fact been manufactured elsewhere. Given their reputation for high standards of safety and cleanliness, many consumers in China and elsewhere prefer Japanese products to domestic products.

The Chinese government, while aware of the deficiencies in the safety and reliability standards of its food and manufactured products, wants to encourage the PRC’s citizens to buy domestic. This may have been the motive behind a Chinese Central Television (CCTV) program stating that Japanese products from the 10 prefectures affected by the 2011 meltdown at the Fukushima Number One Nuclear Power Plant were being sold by Japanese-operated stores Muji and Aeon. Products were pulled from the shelves despite assurances that the products were from other areas of Japan. Moreover, independent investigators brought in by the Japanese government have certified that foodstuffs from the vicinity of the reactor are radiation-free. Store officials complained that the CCTV report gave the strong impression that it was conveying the position of the Chinese government. Another line of thought, in addition to speculation that the government wanted to encourage consumers to buy domestic items, was that the companies had failed to pay CCTV the bribes it expects to avoid coverage detrimental to their business interests, regardless of whether the charges are true. Such aberrations of journalistic standards are not uncommon in China.

Periodic disputes aside, Chinese tourists remained the biggest spenders in Japan, with revenues up 7.6 percent in 2016 over the previous year and visits continuing strong into 2017. In 2016, Japan was the third most popular travel destination for Chinese tourists, after Thailand and South Korea. This was not an unmitigated blessing, since the visitors’ behavior angered many Japanese. Although the majority of the distasteful acts were probably the result of either disrespect or different standards of acceptable behavior, some had a sinister intent. In April, Japanese police placed two Chinese female tourists on their most-wanted list after surveillance cameras indicated that they were the perpetrators of repeated acts of vandalism at several shrines in different cities. By the time they were identified, however, the two had already left Japan.

Textbooks and history

The Chinese government was angered at revelations that one of Japan’s largest hotel chains, the APA group, had placed in each of its guest rooms a book denying that the Nanjing Massacre had ever taken place and downplaying the sex slavery that took place during the war between the two. According to Global Times, more than 300 Chinese residents of Japan staged a protest in Tokyo’s Shinjuku Central Park, carrying banners that read “boycott APA, safeguard national dignity,” and “free speech requires conscience.” The paper reported that Japanese rightwing activists attempted to remove the banners, and that 150 Tokyo police officers had been sent in to keep the peace. Allegedly, Motoya Toshio, chief executive of the APA hotel group and the author of the book, had said that since Chinese tourists make up only 5 percent of the chain’s customers, he did not expect the row to affect business. Delegations from China and South Korea, in Japan to participate in the Asian Winter Games, changed their hotel reservations. APA’s spokesperson allegedly said that it would not remove the book, but that it would temporarily take all books from APA premises in Sapporo, where the games were to be held, except those deemed acceptable by the Olympic Council of Asia, though denying that the decision was due to external pressure.

This was not the first time the APA group had made headlines with its rightwing views. In 2008, Gen. Tamogami Toshio, the chief of Japan’s Air Self-Defense Force, made headlines when his book, arguing that Japan was not an aggressor in World War II, won first prize in an essay contest hosted by APA. Tamogami was promptly dismissed for conduct inappropriate for an officer. Although he became a hero to rightwing nationalists, this did not translate into political gain: Tamogami failed in his subsequent bid to become mayor of Tokyo, nor in a separate effort for a seat in the Diet.

Japan’s Education Ministry announced revised curriculum guidelines for social studies at the elementary and junior high schools levels, stating more clearly than previously that the
Senkaku Islands are “an inherent part of the territory of Japan,” and suggesting that schools provide training in the martial arts. Chinese media constructed these as an effort at remilitarization that it predicted would be resisted by the Japanese public. China’s Foreign Ministry spokesperson urged Japan to “respect facts and teach the younger generation correct historical views.”

Responding to reports that “beneficial” or “appropriate” content from Mein Kampf could be included in reading lists, Xinhua noted that the book had been banned by the German government for 70 years, and that it could not possibly have any beneficial or appropriate content. The motive was, the agency continued, likely to be to encourage nascent militarism.

At the same time, China announced its own textbook revisions, adding six years to the length of the war so that it would henceforth be known as “the 14-year Chinese People’s War of Resistance Against Japanese Aggression,” generally referred to elsewhere as World War II. The Chinese media was also intensely critical of Prime Minister Abe for allegedly allowing his name to be used in fundraising activities for “Japan’s first Shintō elementary school,” and for which his wife had agreed to serve as honorary principal. Abe denied the allegations, his wife resigned as honorary principal, and Chief Cabinet Secretary Suga Yoshihide replied to questions on the government’s involvement by saying it was not aware of what the prime minister’s wife did as an individual.

In a recurring sore spot in Sino-Japanese relations, visits to the Yasukuni Shrine, China protested when Minister of Internal Affairs Sanae Takaichi and 95 Diet members attended the Spring Festival there on April 21. The prime minister, who did not personally attend, sent a masakaki branch, sacred to Shintō, under his official title and name. Japanese who attend explain their visits to the shrine as honoring all those who have fallen in war, while the Chinese government regards them as covert homage to the 14 individuals who were designated Class-A war criminals by an allied tribunal after World War II.

Mutual sniping continued. The Henry Jackson Society, a British think tank with strongly anti-authoritarian views, was revealed to have taken money from the Japanese Embassy in London to oppose the Hinkley Point nuclear power agreement between the UK and the PRC. The Society argued against the supposition that to halt construction would irreparably harm British-Chinese relations. Chinese media denounced the embassy’s role as “despicable” and wondered whether Japanese embassies in other countries were working on similar projects to tarnish the image of China. Another publication proclaimed that “duplicity, thy other name is Japanese policy,” and linked the Hinkley Point action with the bombing of Pearl Harbor in 1941. Only by accepting China’s rise as the present reality and owning up to its war history, it concluded, could Japan hope to succeed in building a brighter future.

The Japanese head of a youth exchange organization was arrested and charged with activities endangering China’s security when he arrived in Beijing to organize a symposium. And, with no noticeable regret, Chinese media reported that an experimental Japanese mission to clear space junk from earth’s orbit had ended in failure.

The future

April closed on a somewhat more hopeful note. Kasasugi Kenji, director general of the Japanese Foreign Ministry’s Asian and Oceanian Affairs Bureau and Wu Dawei, China’s special representative for Korean Peninsula affairs, agreed to aim for a diplomatic solution to end North Korea’s nuclear and missile programs. And Liberal Democratic Party Secretary General Nikai Toshihiro announced his intention to attend China’s New Silk Road Summit in May. On the other hand, while meeting an unofficial Japanese delegation in Beijing, Premier Li Keqiang said that although China prioritized relations with Japan, it was willingness to put the bilateral relationship back on track ... provided that Japan would “reflect on history.”
CHRONOLOGY OF JAPAN-CHINA RELATIONS

JANUARY – APRIL 2017

Jan. 8, 2017: Sankei Shimbun, citing unspecified Japanese government sources, states that Chinese government ships entered the waters continuous to the Senkaku/Diaoyu Islands more than 1,000 times since the Japanese government bought three of the five from private Japanese owners in 2012.

Jan. 18, 2017: First US F-35B joint strike fighters arrive at Iwakuni Marine Corps Air Station “in support of the defense of Japan and the regional security of the Pacific.”

Jan. 19, 2017: Two Japanese think tanks call for the government to further increase defense spending in response to US President Donald Trump’s call for Japan to cover more of the costs of keeping US troops there.

Jan. 24, 2017: Japan’s Ministry of Agriculture, Forestry, and Fisheries reveals that 67 unregistered Chinese boats fished near Japan’s Exclusive Economic Zone (EEZ) off Hokkaido and the Sanriku region in 2016, up 50 percent over 2015, many of them using illegal methods.

Jan. 28, 2017: China objects to the APA hotel group’s placing in guest rooms a book that denies that the Nanjing massacre ever happened.

Jan. 28, 2017: Japan’s Education Ministry announces a revised curriculum for elementary schools that says the Takeshima and Senkaku islands are an inherent part of Japan’s territory and adding to junior high school curricula that there is no territorial dispute with regard to the Senkaku Islands.

Jan. 29, 2017: London’s Daily Mail reveals that the Japanese government was paying a British think tank to express concerns about China’s involvement in the UK’s Hinkley Point nuclear plant; Xinhua terms this a despicable anti-China scandal.

Jan. 30, 2017: China warns Japan against interfering in Taiwan affairs after hearing that the militaries of the two were conducting a simulated exercise.


Feb. 5, 2017: Japan’s National Institute of Information and Communications Technology reports a 2.4-fold increase in cyberattacks in 2016 over 2015, the majority originating from China.

Feb. 5, 2017: Japan-China Friendship Association is officially established in Okinawa.

Feb. 6, 2016: China’s Global Times reports that a Japanese mission to clear space junk from earth’s orbit was a failure.

Feb. 6, 2017: China’s Ministry of Defense says that Japanese Self-Defense Forces participation in US freedom of navigation operations in the South China Sea would cross a “red line.” Japanese Defense Minister Inada Tomomi reiterates that the SDF would not deploy to the South China Sea with the US Navy.

Feb. 7, 2017: China’s Global Television Network (CGTV) announces that three Chinese Coast Guard vessels sailed around the Diaoyu Islands.

Feb. 7, 2017: Global Times reports that Chinese and South Korean athletes changed hotel accommodations in response to the APA hotel group’s placing of a book denying that the Nanjing Massacre actually happened.

Feb. 11, 2017: China Daily cites Ruth Benedict’s Chrysanthemum and the Sword as finding the roots of Japanese duplicity as a results of fear of the unknown and of failure.
Feb. 15, 2017: China’s minister of education complains about Japan’s revised curriculum guidelines.

Feb. 21, 2017: People’s Daily announces that Chinese textbooks will henceforth state that the starting time for the War of Resistance to Japanese Aggression will be moved from 1937 to 1931 “to fully reflect the crimes committed by Japanese troops during the conflict.”

Feb. 23, 2017: CCTV announces that a Japanese legislator suggested that the dispute over the Diaoyu/Senkaku islands be referred to an international arbitration tribunal as well as the issue of deployment of the Terminal High Altitude Area Defense (THAAD) system to Japan.

Feb. 24, 2017: Xinhua reports that Prime Minister Abe underwent a grilling from opposition parties over his name being used to solicit funds for building a nationalist elementary school.

Feb. 24, 2017: China’s Foreign Ministry lodges solemn representations to its Japanese counterpart over National Institute for Defense Studies (NIDS) 2017 report for sending the wrong messages to Taiwan “independence secessionist forces.”

Feb. 25, 2017: Japanese national engaged in bilateral youth exchange programs is arrested in Beijing on spying charges.

Feb. 28, 2017: Japanese Coast Guard announces that China conducted 63 seabed surveys inside Japan’s East China Sea EEZ over the five years from 2012 to 2016 without prior authorization.

Feb. 28, 2017: According to the Chinese Tourism Academy, Japan is the third most visited country for Chinese citizens, after Thailand and South Korea. Chinese buyers are also increasingly active in the Japanese housing market.

March 3, 2017: Japanese Coast Guard announces it will install video transmission devices on all 12 of its large patrol vessels charged with monitoring the security situation around the Diaoyu/Senkaku islands, enabling the Office of the Prime Minister as well as high-ranking JCG officials to watch the videos in real time.

March 5, 2017: Global Times describes closer relations between Vietnam and Japan as a strategic partnership built on empty rhetoric.

March 13, 2017: China announces 7 percent defense budget increase to $152 billion, or 1.3 percent of GDP.

March 15, 2017: Australian Foreign Minister Julie Bishop supports Japan’s right to sail through the South China Sea.

March 17, 2017: Singapore’s Channel News Asia reports that France, in a clear message to China, sent an amphibious carrier to lead exercise drills with UK troop-carrying helicopters and Japanese and US personnel around Tinian Island in the western Pacific.

March 20, 2017: Japan’s Kyodo reports an internal Chinese military magazine has declared that it has established dominance in the South China Sea, and that it has normalized patrols around the Diaoyu/Senkaku Islands since 2011.

March 20, 2017: CCTV reports that food products from the area near the Fukushima nuclear meltdown are being sold in China, resulting in a removal of products from the shelves despite a refutation issued by the importer.

March 22, 2017: CCTV castigates Japanese design firm Muji for selling items manufactured in Tokyo and banned since the 2011 nuclear meltdown, although the products were actually manufactured in Osaka and Fukui, both being even further from the meltdown than Tokyo.

March 23, 2017: Global Times notes that Japan’s commissioning of a large helicopter-carrying destroyer would increase its navy’s strike capability.

March 23, 2017: Japan government expresses concerns over financially troubled Japanese giant Toshiba selling its computer chip business to China’s Tsinghua Unigroup Ltd.

March 25, 2017: China complains after a Japanese Cabinet member visits Taiwan.

March 28, 2017: Diet passes 2017 defense budget, up 1.4 percent, or less than 0.926 percent of GDP.

March 29, 2017: Liberal Democratic Party (LDP) panel urges Japan to acquire pre-emptive strike capabilities and to give immediate consideration to introducing THAAD.
March 29, 2017: SDF ships will begin to protect US military vessels for the first time in peacetime, to improve deterrence against North Korea’s missile development and China’s expansion of its maritime environment.


March 30, 2017: Prime Minister Abe refers to Taiwan as an important partner.

April 1, 2017: Yomiuri urges Japanese government to address potential “gray zone crisis” as China seeks to take the Senkaku/Diaoyu Islands.

April 7, 2017: Leading Japanese commentator expresses concern that President Trump will use the US-Japanese Mutual Security Treaty as leverage for trade concessions from China, thus weakening the alliance.


April 11, 2017: Premier Li Keqiang says that China prioritizes relations with Japan.


April 14, 2017: Japanese police put two Chinese women on a wanted list after acts of vandalism were committed at several shrines and temples they visited.

April 20, 2017: Xinhua complains about revised Japanese textbook guidelines allowing “beneficial” or “appropriate” content from Mein Kampf.

April 21, 2017: China protests when 95 Japanese lawmakers and a Cabinet member visit the Yasukuni Shrine’s Spring Festival.

April 25 2017: LDP Secretary General Nikai Toshihiro announces he will attend Silk Road meeting in China in May.

April 26, 2017: Chinese and Japanese diplomats agree to use political and diplomatic means to deal with the danger of North Korea’s development of weapons of mass destruction.
With South Korean presidential election scheduled for May 9, the early months of 2017 witnessed not only avid campaigning by candidates, but also a deepening diplomatic conflict between Seoul and Tokyo. In particular, the installation of a “comfort woman” statue facing the Consulate General of Japan in Busan last December perturbed bilateral relations, calling into question the landmark “comfort women” agreement. While the anticipated installations of additional statues by provincial and civic actors risked escalating tensions further, the presidential candidates have made nominal efforts to quell the concerns of Japanese diplomats. As the Blue House prepares to greet its new occupant, prospects for a significant turnaround in bilateral relations remain uncertain.
With South Korean presidential election scheduled for May 9, the early months of 2017 witnessed not only avid campaigning by candidates, but also a deepening diplomatic conflict between Seoul and Tokyo. In particular, the installation of a “comfort woman” statue facing the Consulate General of Japan in Busan last December perturbed bilateral relations, calling into question the landmark “comfort women” agreement. While the anticipated installations of additional statues by provincial and civic actors risked escalating tensions further, the presidential candidates have made nominal efforts to quell the concerns of Japanese diplomats. As the Blue House prepares to greet its new occupant, prospects for a significant turnaround in bilateral relations remain uncertain.

The “comfort woman” statue in Busan (Feb. 21, 2017)

New year, old problems

The first four months of 2017 provided little scope for Seoul and Tokyo to entertain a fresh start. Diplomatic ramifications of the year-end installation of a “comfort woman” statue facing the Japanese Consulate General in Busan as well as a visit by Japanese lawmakers to the Yasukuni Shrine largely sidelined the two countries’ notable achievement in concluding the General Security of Military Information Agreement (GSOMIA) in November 2016.

Within the first 10 days of the new year, there was growing momentum among South Korean civic and provincial actors to install additional “comfort women” statues in major cities around the country and even on the disputed Dokdo/Takeshima islets. Notably, on Jan. 5, the Gyeonggi Province Council announced plans to install a “comfort woman” statue on one of the islets and another statue on the provincial council grounds by the end of this year. The endeavor was projected to cost 70 million won ($59,400), according to a report by The Korea Times.

In Japan, Chief Cabinet Secretary Suga Yoshihide indicated in his regular press briefings on Jan. 5 and 6 that installation of the statue was “extremely regrettable,” and that it was also in clear violation of the dignity of consular institutions as stipulated in the Vienna Convention on Consular Relations. In addition, Suga indirectly signaled Japan’s broader disappointment regarding South Korea’s inaction on installation of the Busan statue, given that the Japanese government understood the statue’s installation ran counter to the “comfort women” agreement concluded in December 2015, which was supposed to provide a “final and irreversible” resolution to the longstanding dispute. In particular, Seoul’s move to let the local government decide whether and when to remove the statue appeared insufficient to Tokyo.

As an interim response, the Japanese government introduced four key measures. First, the Japan’s consular staff in Busan was to halt participation in any event organized by the city of Busan. Second, Japanese Ambassador to South Korea Nagamine Yasumasa and Busan’s Consul General Morimoto Yasuhiro were to be recalled to Tokyo. Third, consultations and talks to renew the bilateral currency swap arrangement that had been maintained since 2001 but expired in February 2015 were to be suspended. Fourth, high-level economic dialogue between the two countries was to be postponed.

However, although Suga stated at the Jan. 6 press briefing that the Japanese government would urge South Korea to implement the terms of the “comfort women” agreement and remove the statue, ambiguity ensued when Suga was pressed by reporters on whether these measures would be in place until the statue is removed, and whether the measures might have a negative impact on relations between Tokyo and Seoul. As observers would learn, the measures failed to achieve their objective – removal of the statue. In particular, the recall of the Japanese ambassador and consul general – which was rendered official on Jan. 9 – was reversed on April 5 without having achieved any observable progress toward removal of the statue.
On the eve of the two Japanese envoys’ return to Seoul, Asahi Shimbun was prompted to question the purpose and effectiveness of the recall in its editorial. It argued that the recall had incurred deep costs for Japan, as the absence of key envoys in South Korea meant that the government could not “make effective efforts to build ties with top campaign officials for the leading presidential candidates,” a view that was purportedly endorsed by sources close to Japan’s Ministry of Foreign Affairs. The editorial also criticized the diplomatic recall as a “rash, short-sighted move” that delayed the Japanese government’s collection of much-needed information in preparation for dialogue with the incoming South Korean administration. Another key message of the editorial was to urge South Korean presidential candidates to “convince the public of the long-term importance of improving the bilateral relationship” and to refrain from “[using] anti-Japanese rhetoric to garner votes.” As usual, however, conditions on the ground were rather different.

**Presidential hopefuls call for more hawkish measures**

Election campaigns often foment hawkishness among candidates. In the run-up to South Korean presidential election, Japan emerged as a key target of hawkish statements advanced by the major-party candidates. For instance, regarding the “comfort women” agreement, the five main candidates – Ahn Cheol-soo (People’s Party), Hong Jun-pyo (Liberty Korea Party), Moon Jae-in (Democratic Party), Sim Sang-jung (Justice Party), and Yoo Seong-min ( Bareun Party) – all said they would alter some, if not most, of the terms of the agreement. The two frontrunners – Moon Jae-in and Ahn Cheol-soo – more specifically indicated their intention to renegotiate the agreement.

A Nikkei Asian Review article characterized Moon Jae-in as a left-leaning liberal candidate who would “even meet with North Korean ruler [Kim Jong-un] before visiting the U.S.,” but “reserves his hawkish side for Japan.” On the “comfort women” agreement, Moon was understood to want Japan to issue an official apology and take further legal responsibility. In his interview with The Korea Herald, Moon explicitly indicated that “both the agreement and the negotiation process were wrong,” and that the agreement “must be renegotiated [in accordance with] the will of the majority of the public.”

Such hawkishness from the presidential candidate of the main opposition party was not surprising, however. As explored in a previous issue of Comparative Connections, murky circumstances involving former President Park Geun-hye’s confidante Choi Soon-sil undermined the credibility of the South Korean foreign policymaking process in the eyes of the opposition elite and the public more generally. This seemed to be the case not only for the “comfort women” issue, but also for the Dokdo/Takeshima dispute, and the conclusion of the General Security of Military Information Agreement (GSOMIA).

A Yomiuri Shimbun article characterized the other frontrunner, Ahn Cheol-soo, as a candidate with “little connection with Japan” beyond having worked as a visiting researcher at Kyushu University’s School of Medicine for two months in 1990. The article highlighted his lack of contact with Japanese politicians, except for two meetings with Okada Katsuya, the former leader of the Democratic Party of Japan, in December 2013 and February 2017. In an interview with The Korea Herald, Ahn opined that the “comfort women” agreement should be “reconsidered.” Like Moon, Ahn affirmed that the Japanese government should admit its “liability” and provide a “sincere apology.” Unlike Moon, however, Ahn has adopted a somewhat more reconciliatory stance toward Japan beyond the “comfort women” agreement. As reported by the Nikkei Asian Review, Ahn endorsed a more forward-looking vision that dovetails with an outline proposed by former South Korean President Kim Dae-jung and former Japanese Prime Minister Obuchi Keizo in 1998. With the backdrop of the so-called “Fourth Industrial Revolution,” Ahn expressed interest directing bilateral cooperation toward dealing with trade imbalances, forming a joint response to US trade barriers, bolstering economic cooperation in relation to North Korea, and developing better industrial policies. Ahn has also been the first presidential candidate to affirm in explicit terms that he would “immediately start drawing up plans for working with Japan after taking office.”

**Turbulent business as usual**

As the presidential candidates engaged in heated exchanges, diplomats from both countries had the tough job of mitigating frictions that emanated from the installation of the “comfort woman” statue in Busan and the resurgence of
tensions regarding the disputed Dokdo/Takeshima islets. As mentioned, the Japanese government proposed a series of measures as an interim response to what it deemed a “regrettable” installation of the “comfort woman” statue in Busan. However, mitigation of the issue was rendered more complex as it became apparent that the issue would be embroiled in a series of tit-for-tat measures that cut across multiple policy areas, making prospects for settlement more uncertain.

The tit-for-tat began in January with the Gyeonggi Province Council’s announcement that it would install a “comfort woman” statue on one of the Dokdo/Takeshima islets and another statue on the provincial council grounds. Tokyo followed with its complaint against the Pyeongchang Olympics Committee for having referred to the disputed islets as “Dokdo” instead of “Takeshima” on the official website of the Games. The next day, Foreign Minister Kishida Fumio evoked claims of Japanese sovereignty over the islets during his New Year’s foreign policy address at the National Diet of Japan. Five days later, the Korean Sport and Olympic Committee lodged a complaint against the Japanese Olympic Committee and the organizers of the Sapporo Asian Winter Games for having assigned South Korean athletes to a hotel that provided books with “far-right tendencies” in its guest rooms.

North Korea’s launch of an intermediate-range ballistic missile on Feb. 12 provided a much-needed reason for Tokyo and Seoul to develop a more united front. On the sidelines of the G20 Foreign Ministers Meeting on Feb. 16–17 in Bonn, Germany, Japan, South Korea, and the United States held the first trilateral meeting since the inauguration of the Trump administration. They issued a joint statement condemning North Korea’s missile launch and its human rights abuses. This was followed by another South Korean condemnation of Tokyo’s approval of high-school textbooks that portray Takeshima as Japanese territory. This was followed by another South Korean condemnation of Tokyo’s approval of courses of study for elementary and secondary schools that incorporate territorial claims over Dokdo/Takeshima.

Japanese ambassador to South Korea, Nagamine Yasumasa, returns to Seoul.

The reversal of the diplomatic recall provided a more promising start to April. On April 10, Ambassador Nagamine met South Korean Vice Foreign Minister Lim Sung–nam to discuss the “comfort women” issue and specifically the statue in Busan, even though material progress was not observed. Separately, the United States’ apparent resolve to launch a preemptive strike, and North Korea’s threats to reciprocate, led Tokyo and Seoul to form a united front in coordinating efforts to evacuate citizens should “an immediate halt to such moves.” Nonetheless, the end of February saw another high-level trilateral meeting among envoys from the three countries – Kanasugi Kenji, Kim Hong-kyun, and Joseph Yun – to discuss North Korea’s provocation and the assassination of the North Korean leader’s half-brother, Kim Jong Nam.

With North Korea’s launch of another round of missiles on March 6, there initially appeared to be hope for a unifying front between the two sides. Yet, beyond phone talks between the foreign ministers on the same day, opportunities to improve bilateral relations were minimal. Conversely, another round of tit-for-tat exchanges resulted from the Japanese government’s complaint over South Korea’s proposed plan to conduct drills near Dokdo, which was followed by the South Korean Ministry of Foreign Affairs’ condemnation of Tokyo’s approval of high-school textbooks that portray Takeshima as Japanese territory. This was followed by another South Korean condemnation of Tokyo’s approval of courses of study for elementary and secondary schools that incorporate territorial claims over Dokdo/Takeshima.

The celebration of “Takeshima Day” by Japan’s Shimane Prefecture on Feb. 22 irritated Seoul, leading to the release of a statement by the South Korean Foreign Ministry that called for
A growing number of civic groups have been calling for the construction and installation of statues symbolizing WWII forced laborers. On April 28, a South Korean civic group unveiled plans to install such statues in front of the Japanese Embassy in Seoul and the Consulate General in Busan. This prompted a direct response from Japan’s Chief Cabinet Secretary Suga, who warned that such moves would likely have an “undesirable” effect on bilateral relations, and urged the South Korean government to deal with the civic group’s plans “appropriately.” Sankei Shimbun noted (in Japanese) that if the installation did go ahead, it might result in another round of retaliatory measures to be implemented by the Japanese government, which could involve another recall of Ambassador Nagamine.

**A higher note**

One of the brighter spots in Japan–Korea relations emerged in the area of intercultural appreciation. Yonhap reported that the Japanese sci-fi anime *Kimi No Na Wa* (“Your Name”) reached blockbuster status in South Korea. Within a month of its initial release, the film had become the most-viewed and highest-grossing Japanese animated film in recent history. Similarly, in an interview with Dong-A Ilbo, the First Lady of Japan Abe Akie highlighted her admiration for South Korean culture, and affirmed the importance of bilateral relations. In her words, “whatever may happen, South Korea would remain a very important country for Japan.”

**Prospects for the summer**

As the presidential candidates run the final lap in the race for the Blue House, it is unclear whether campaign hawkishness will be replaced by a renewed sense of mission among leaders on both sides to rebuild bilateral relations from the troughs of early 2017. The most likely candidate to win the election, Moon Jae-in, subtly extended an olive branch to Tokyo by expressing his hope to meet Prime Minister Abe and Ambassador Nagamine by the end of 2017, if elected.
While the rapidly evolving security environment in Northeast Asia introduces greater uncertainty, and while a wide spectrum of policy issues ranging from GSOMIA to the “comfort women” agreement still requires proper resolution, come May 10, South Korea will at least again have its top executive. The summer months of 2017 should shed important light on the logic and trajectory of political developments between Seoul and Tokyo.
Jan. 5, 2017: Japan, South Korea, and the US held the sixth vice foreign ministerial meeting in Washington DC. Japanese Vice Foreign Minister Sugiyama Shinsuke and South Korean First Vice Foreign Minister Lim Sung-nam meet bilaterally to discuss the US response to North Korea's provocations and the implementation of the “comfort women” agreement.

Jan. 5, 2017: Gyeonggi Province Council announced its plan to install a “comfort woman” statue on one of the Dokdo/Takeshima islets and another on the provincial council grounds by December this year. The Council expects to raise 70 million won ($59,400) for this endeavor.

Jan. 6, 2017: Japan’s Chief Cabinet Secretary Suga Yoshihide indicates during a regular press briefing that the installation of a “comfort woman” statue facing the Consulate General of Japan in Busan in December 2016 was in violation of the dignity of consular institutions as stipulated in the Vienna Convention on Consular Relations.

Jan. 9, 2017: Japanese Ambassador to South Korea Nagamine Yasumasa and Consul General to Busan Morimoto Yasuhiro are recalled to Tokyo in a move to signal the Japanese government’s dissatisfaction with the installation of the “comfort woman” statue in Busan.

Jan. 19, 2017: The Japanese government lodged a complaint against the designation of “Takeshima” as “Dokdo” on the official website of the Pyeongchang Olympics.

Jan. 20, 2017: Japanese Foreign Minister Kishida Fumio asserts that “Takeshima is Japan’s sovereign territory” in his New Year’s foreign policy address at the National Diet of Japan.

Jan. 25, 2017: Ministry of Foreign Affairs of Japan issues a statement calling for closer cooperation between Japan and South Korea, as well as trilateral partnership with the United States. The Ministry also urges South Korea to support a “steady implementation” of the “comfort women” agreement.

Jan. 25, 2017: Korean Sport and Olympic Committee lodged a formal complaint against the Japanese Olympic Committee and organizers of the Sapporo Asian Winter Games for assigning South Korean athletes to a hotel that provided books with “far-right tendencies” in its guest rooms.

Feb. 6, 2017: South Korean Foreign Minister Yun Byung-se meets a delegation from the Korean community in Japan. Head of the Korean Residents Union Oh Gong-tae states the delegation’s concern over the “comfort woman” statue in Busan, and requests its relocation.

Feb. 12, 2017: North Korea launches an intermediate-range ballistic missile. Japanese Chief Cabinet Secretary Suga condemns the launch as a “clear provocation to Japan and the region,” while South Korean Ministry of Foreign Affairs issues a statement calling the launch an “explicit” violation of the relevant UN Security Council (UNSC) resolutions.

Feb. 12, 2017: Japan, South Korea, and the US jointly called for an emergency UNSC meeting to discuss North Korea’s latest missile launch.

Feb. 13, 2017: Envoys from Japan, South Korea, and the US held a video conference to discuss North Korea’s latest provocation.

Feb. 14, 2017: South Korean government summoned the Japanese embassy minister to lodge a complaint against Japan’s Education Ministry for renewing claims to Dokdo/Takeshima in a draft version of its revised education guidelines for elementary and middle schools.
Feb. 16, 2017: First trilateral meeting among Japan, South Korea, and the US since the inauguration of the Trump administration is held on the sidelines of the G20 Foreign Ministers Meeting in Bonn. They issue a joint statement to condemn North Korea’s launch of a ballistic missile and its human rights abuses.

Feb. 17, 2017: Foreign Minister Kishida Fumio meets Foreign Minister Yun Byung-se to discuss South Korean civic groups’ installation of a “comfort woman” statue in Busan. Kishida expresses deep concern regarding the installation, and calls for its removal.

Feb. 22, 2017: Japan’s Shimane prefecture holds the annual “Takeshima Day” to promote territorial claims over the disputed islets. The South Korean Ministry of Foreign Affairs releases a statement that calls for “an immediate halt to such moves.”

Feb. 27, 2017: Top envoys from Japan, South Korea, and the US meet in Washington DC to discuss North Korea’s latest missile launch and Kim Jong Nam’s assassination. They agree to work together in response to North Korea’s provocations and the assassination.

Feb. 28, 2017: Yonhap News Agency reports that the US has informed Japan and South Korea about plans to review reinstatement of North Korea on the list of state sponsors of terrorism.

March 6, 2017: North Korea launches four ballistic missiles toward the East Sea (Sea of Japan). Three of them fall into Japan’s exclusive economic zone, west of Akita Prefecture.

March 6, 2017: Foreign Minister Kishida and Foreign Minister Yun Byung-se hold phone talks regarding North Korea’s ballistic missile launch earlier that morning. They agree to cooperate and curb North Korea provocations.

March 24, 2017: Japanese government lodges a complaint over South Korea’s proposed plan to conduct military drills near Dokdo/Takeshima.

March 24, 2017: South Korean Ministry of Foreign Affairs condemns Japanese government for approving high-school textbooks that portray Dokdo/Takeshima as Japanese territory. The Ministry demands “an immediate correction.”

March 31, 2017: South Korean Ministry of Foreign Affairs condemns Japanese government’s approval of courses of study for elementary and secondary schools that incorporate territorial claims over Dokdo/Takeshima. The Ministry calls for an immediate withdrawal of such claims.

April 5, 2017: Ambassador to South Korea Nagamine Yasumasa and Consul General to Busan Morimoto Yasuhiro return to Seoul after having been recalled to Tokyo in January.

April 10, 2017: Ambassador Nagamine meets South Korean Vice Foreign Minister Lim Sung-nam to discuss the “comfort women” issue and the statue in Busan.

April 11, 2017: The Mainichi reports that South Korea’s defense and unification ministries refused a request by the Japanese government for Ambassador Nagamine to meet Acting President Hwang Kyo-ahn.

April 14, 2017: First televised debate is held among South Korean presidential candidates.

April 21, 2017: Japanese government announces plans to conduct a study on the evacuation of Japanese nationals in South Korea in the event of a military conflict.

April 21, 2017: Around 95 Japanese lawmakers visit Yasukuni Shrine to mark the beginning of the annual Spring Festival. Prime Minister Abe dedicates a masakaki wooden offering, but does not visit in person. The visit and offering prompt South Korea’s Ministry of Foreign Affairs to express “deep concern” in a brief statement.

April 25, 2017: South Korean Ministry of Foreign Affairs lodges a complaint against the Japanese government’s “unjust sovereignty claims” over Dokdo/Takeshima in its 2017 diplomatic bluebook. The Ministry calls for an immediate withdrawal of such claims.

April 25, 2017: North Korea conducts a live-fire artillery drill in celebration of the 85th anniversary of the founding of its army.

April 25, 2017: Envoy from Japan, South Korea, and the US hold meet in Tokyo to discuss North Korea’s recent provocations, and further collaboration among the three countries.

Apr. 28, 2017: A South Korean civic group unveils plans to install statues symbolizing World War II forced laborers in front of the Japanese Embassy in Seoul and the Consulate General in Busan. Japan’s Chief Cabinet Secretary Suga Yoshihide reacts to the news by indicating that such moves will likely have an “undesirable” effect on bilateral relations.
US relations with Russia and China flip-flopped in the first few months of 2017 as newly-inaugurated President Donald Trump injected fresh dynamics into the Washington–Beijing–Moscow triangle. In just one strike (the missile attack on Syria) with nearly “perfect” timing in early April, the Washington “outsider” surprised the visiting Chinese president, minimized the “Russian factor” in US domestic politics, and assumed the moral high ground while sending a strong signal to a still defiant North Korea. While the long-term effect of Trump’s action has yet to be determined, it did set in motion diplomatic maneuvering and mind games between Washington, Moscow, and Beijing. For the first time since the end of the Cold War, Washington, or more precisely Trump, was actively and dramatically pulling the strings of this “not-so-strategic triangle.” However, before anything substantial happened to the triangle, the Korean nuclear crisis deepened and broadened, and Pyongyang assumed the characteristics of China’s “rogue ally.” To defuse this time-bomb in Northeast Asia, the three geostrategic players may need to go beyond the traditional “great games” in the age of WMD.
US relations with Russia and China flip-flopped in the first few months of 2017 as newly-inaugurated President Donald Trump injected fresh dynamics into the Washington–Beijing–Moscow triangle. In just one strike (the missile attack on Syria) with nearly “perfect” timing in early April, the Washington “outsider” surprised the visiting Chinese president, minimized the “Russian factor” in US domestic politics, and assumed the moral high ground while sending a strong signal to a still defiant North Korea. While the long-term effect of Trump’s action has yet to be determined, it did set in motion diplomatic maneuvering and mind games between Washington, Moscow, and Beijing. For the first time since the end of the Cold War, Washington, or more precisely Trump, was actively and dramatically pulling the strings of this “not-so-strategic triangle.” However, before anything substantial happened to the triangle, the Korean nuclear crisis deepened and broadened, and Pyongyang assumed the characteristics of China’s “rogue ally.” To defuse this time-bomb in Northeast Asia, the three geostrategic players may need to go beyond the traditional “great games” in the age of WMD.

Mar-a-Lago summit: substance and surprises

The Trump–Xi summit on April 6–7 in Mar-a-Lago, Florida was the earliest in the history of US–China summits (excluding those on the sidelines of multilateral occasions). The two leaders spent more than seven hours discussing “a wide range of topics,” according to China’s official news service, Xinhua. The immediate outcome of this “fruitful” summit was to set up four separate dialogues between the two governments in the areas of economics, diplomacy and security, law enforcement and cyber security, and social and cultural issues.

Much of the summit outcome was the result of months of behind-the-scenes diplomacy. The unofficial and relaxed environment at Mar-a-Lago for “the most important bilateral relationship in today’s world” (Xinhua), however, was not without surprises. Most of the Chinese were thrilled by Trump’s granddaughter (Arabella) and grandson (Joseph), who sang the Chinese folksong “Jasmine” and recited verses from the “Three-Character Classic” and Chinese classic poetry for China’s first couple.

Perhaps the most dramatic turn of events in this otherwise relaxing and informal environment was the US cruise missiles impacting a Syrian air base while the Chinese visitors were enjoying “the most beautiful piece of chocolate cake that you’ve ever seen” (Trump) at the dinner party on April 6. In what the Chinese media described as “a big episode” (很大的“插曲”), Trump pulled Xi Jinping aside as dinner was winding down, telling his guest “the number of missiles that were launched and explained the rationale behind it” according to Secretary of State Rex Tillerson. Xi reportedly paused for 10 seconds before telling Trump that when dealing with “anybody that was so brutal and uses gases to do that to young children and babies, it’s OK” to respond with force.

In its first round of the post-summit coverage, Xinhua did not mention the “big episode.” Instead, it stressed that the summit “set a constructive tone for the future development of China–U.S. relations” while the two leaders “cultivated a sound working relationship and personal rapport between the two leaders.”

The following day, the two sides apparently did not touch on the Syrian issue, judging from the media coverage in both countries. Instead, the Korean nuclear issue was the focus. Back home, China’s Foreign Ministry spokeswoman Hua Chunying did not directly criticize the US use of force. In his briefing on April 9, China’s Foreign Minister Wang Yi did not mention Syria either.

Xi’s “one thousand reasons”

There are several possible reasons for China’s reluctance to address the Syrian issue both during and immediately after the Mar-a-Lago summit. Perhaps the most important concern
was that Beijing did not want to see the Trump-Xi meeting derailed, overshadowed, or marginalized by the Syrian episode, which was an issue largely between the US and Russia. “There are a thousand reasons to make the China–U.S. relationship work, and no reason to break it,” Xinhua ended its first story immediately after the summit with this statement by the Chinese president. It is unclear if this implies a caution to Trump, or anyone else, not to rock the boat. (See US–China relations for more details on the summit.)

China's concern was not unwarranted. Prior to the summit, there was a growing sense of strategic uncertainty resulting from Trump's Russia-warm-and-China-cold rhetoric dating back to the early days of the campaign. That was in sharp contrast to his dismissive tone on the one-China policy of the US regarding his phone conversation (Dec. 2, 2016) with Taiwan President Tsai Ing-wen shortly after the election. Indeed, in the 14 months from November 2015, when Trump declared his presidential candidacy, to his inauguration in January 2017, Trump criticized China 234 times, according to China's Phoenix media group. On the eve of the Florida summit, the two nations were said to be “on a collision course for war,” according to Harvard political scientist Graham Allison who sees an “irresistibly rising China ... challenging the United States’ accustomed dominance.”

By late January, photos of the DF-41s, China's most powerful and mysterious mobile ICBMs with MIRV (multiple independently targetable reentry vehicle) warheads, started to appear on the Chinese internet. Official media seemed to have deliberately pasted photos of the DF-41 with the explicit description of its deployment location as China's Helongjiang Province, the northernmost province of China bordering Russia, through which China's ICBMs would have the shortest trajectory to North America.

A nuclear showdown, however, is unthinkable. The goal of enlarging China’s nuclear arsenal is to enhance deterrence, claimed Global Times’ commentary. The “fruitful” outcome of the Trump–Xi summit, therefore, must be preserved and developed at all cost.

**Eyes on Russia: by both China and the US**

The timing and circumstances of the US missile attacks on Syria created an awkward situation for China, whose foreign policy goal has been to develop and maintain good working relationships with both Washington and
Despite China's official “silence” on the Syrian “episode,” Trump's missiles triggered a flood of commentaries in China’s public space about the intention, purpose, timing, and consequences of the US move. Jin Canrong, a prominent America watcher in Beijing, did not rule out Trump’s intention to create distrust between China and Russia. Trump may well have achieved this goal by timing the missile attack to coincide with the Xi–Trump summit. Jin imagined that Russian President Vladimir Putin would be furious (恼火) as he condemned the missile attacks as an act of aggression against a sovereign nation. Putin could not but suspect the chemistry between Trump and Xi. Russia’s suspicion may have further deepened when China did not publicly criticize the US missile attacks, but instead condemned the use of chemical weapons and insisted that the case should be thoroughly investigated. Jin’s view was widely shared by others in the rapidly growing public space driven by social media like WeChat (微信).

Jin’s assessment of President Trump’s intention was fully evidenced a few days later when National Security Adviser H.R. McMaster told ABC News that,

What we do know is that, in the midst of responding to the mass murder of the Syrian regime, the president (Trump) and the first lady hosted an extraordinarily successful conference, summit, with President Xi and his team. And not only did they establish a very warm relationship, but ... they worked together as well in connection with the response to the mass murder on the part of the Assad regime in connection with the U.N. vote. I think President Xi was courageous in distancing himself from the Russians, isolating really the Russians and the Bolivians...

Chinese officials and media did not directly respond to McMaster’s story. A day after the interview, China’s Foreign Ministry webpage uploaded a TV interview with Ambassador Cui Tiankai who said that “China would avoid a situation in which the Sino–US bilateral relations is hijacked by any single issue/event.” It is unclear if this is a general reference to some of the difficult issues between Beijing and Washington, such as the South China Sea, Trade, Taiwan, Korea, etc. Given the timing of the interview, however, one should not rule out Syria.

McMaster’s confidence in China may relate to the fact that China abstained from a UN Security Council (UNSC) draft resolution sponsored by the US, UK, and France on April 12 that condemned the Syrian government for alleged chemical attacks on April 4. The resolution garnered 10 votes in favor, Russia and Bolivia against, and China, Kazakhstan, and Ethiopia abstaining. China usually sides with Russia in the UNSC regarding Syria. Its abstention may have indicated a significant shift, at least from the US perspective. Shortly after the UN vote, Trump praised China for abstaining from the UN resolution, saying that it was "wonderful" that China abstained and the U.S. was “honored by that vote.”

Trump’s quick praise of China, however, may exaggerate the case. China’s neutral stand may well be motivated more by preserving the Mar-a-Lago “fruit” than going along with US policy regarding Syria. Meanwhile, Beijing did not want to totally disappoint Moscow. China’s Ambassador to the UN Liu Jieyi explained that the choice to abstain came from elements of the resolution that could have been “amended.”

Beyond this Syrian episode is the fact that China does not prioritize Syria on its foreign policy agenda due to its distance from the Middle East. Its sporadic participation in the Syrian issue including its participation in the 2013 destruction of Syrian chemical weapons broadly parallels Russia’s interests. That means Beijing supports a legitimate government and works for a peaceful political settlement of the conflicts between the government and rebel groups. Since 2016, China has provided some modest humanitarian assistance and limited training to the Syrian government.

While President Trump was encouraged by China’s UN abstention, China made its Syrian
policy clear in a less noticed but still significant manner thousands of miles away from UN headquarters. On April 12, when the UNSC voted on the Syrian issue, a joint statement was issued by the BRICS special representatives on the Middle East (at deputy foreign minister-level) nations in Visakhapatnam, India, saying that “Illegal” interference in the affairs of Syria is “unacceptable.”

In fact, the press briefing by China’s Foreign Ministry spokeswoman Hua Chuning on April 7 (immediately after the summit) revealed a consistent policy regarding Syria. Although Hua did not directly criticize the missile attacks, she did reiterate Beijing’s longstanding position that China respects the choice of the Syrian people. She said, “China never interferes in the internal affairs of other countries. President of Syria Assad was elected by the Syrian people, we respect the choice of the people of Syria in choosing their own leader, in choosing their own path of development,” adding that the Chinese government hopes to strengthen coordination of international cooperation in connection with the worsening situation around Syria.

Beijing’s “three strikes” overture to Moscow

The Syrian “episode” did create a dramatic effect at Mar-a-Lago where the media was unprepared for, and then obsessed by, the missile attacks in the midst of the summit. Many expressed surprise, disbelief, and even anger over the apparent start of another “war” that Trump had repeatedly claimed during his campaign he would avoid while in office. The change of mood was so complete that at the post-summit assessment session sponsored by the Carter Center and China’s Intellisia Institute (海国图智研究院), no media outlets were present except those from Greater China (the mainland, Taiwan and Hong Kong).

Functional exchanges between Russian and Chinese officials had been steady and routine over a wide range of issues prior to the US-China summit, including:

- Sixth China–Russia consultation at the deputy foreign minister level on security situation in the Northeast Asia on Jan. 12.
- Consultation on the Middle East at the foreign military bureau level on Jan. 13.
- Meeting at deputy foreign minister level on the SCO affairs on Jan. 19.
- Second six–party Moscow consultation on Afghanistan on Feb. 15.
- Lavrov–Wang Yi meeting in Bonn on the sidelines of the G20 Foreign Ministers Meeting on Feb. 16.
- Second round of anti–terror consultations in Moscow at the deputy foreign minister level on Feb. 27.
- Consultation at the deputy foreign minister level in Beijing on security situation in Northeast Asia on Feb. 28.
- Interior/public security minister meeting in Beijing on March 21.
- Sixth session of the inter–party dialogue between the United Russia political party and the CCP in Russia on March 21–23.
- Joint submission of a draft resolution to the UNSC aimed at preventing poisonous substances from falling into the hands of terrorists in Syria and Iraq.

The last joint Russia–China action was less than two weeks before the US missile attacks on the Syrian air base on April 6. There was no question that Trump’s move jolted the normal procedures of Sino–Russian interactions. However, it is highly unlikely that the shock and awe of the Trump missiles would interrupt official exchanges between the two bureaucracies that have been in place for the past three decades. To the contrary, the post–Mar-a–Lago world witnessed a flurry of China’s diplomatic overtures to Russia. In two weeks (April 12–25), three top Chinese officials visited Russia and all of them met President Putin.

On April 11–12, China’s Vice Premier Zhang Gaoli visited Moscow to co-chair with Russian First Deputy Prime Minister Igor Shuvalov the fourth Bilateral Investment Cooperation Commission and to prepare for the Putin’s May visit to attend China’s Belt & Road International Forum. In his meeting with Putin, Zhang described the Russian president as “a long–time great friend
of China,” a reference seldom used for leaders of Beijing’s other “strategic partners.”

Five days after Zhang Gaoli’s Moscow visit, China’s top legislative leader Zhang Dejiang was in town (April 18–20) for the third meeting of the Sino-Russian Parliamentarian Cooperation Committee. Putin also met the second Zhang.

The same day that Zhang Dejiang arrived in Moscow, China announced that Director of the General Office of the Communist Party of China Li Zhanshu would visit Russia April 25–27 at the invitation of his counterpart, head of the Presidential Administration in the Kremlin Anton Vaino. Li’s position, as well as Vaino’s, is equivalent to that of the US White House chief of staff. “It is only with Russia that the Chinese Communist Party Central Committee’s apex organ (which comes directly under party General Secretary Xi Jinping) has such an institutional arrangement of annual consultations – although Russia is not a communist country,” noted India’s veteran diplomat/analyst M.K. Bhadrakumar. The two Zhangs’ Russia trips were likely arranged months ahead, but Li’s trip was announced without prior notice. The hasty arrangement of Li’s Moscow trip indicated its importance. In meeting his Chinese counterpart on April 26, Vaino stressed the importance of continuing regular contact between the Russian and Chinese leaders. In response, Li pointed to the “special trust-based nature of Russian-Chinese relations.”

In his meeting with Putin, Li also pointed out the unprecedented nature of the relationship between his office (General Office of the Central Committee of the Communist Party of China) and the Russian Presidential Executive Office. Li stressed that the two countries should continue to support each other’s core interests and vital issues of mutual concerns. “No matter how the international situation changes, the two sides will never change their policies of consolidating and deepening their comprehensive strategic partnership; never change their goals of joint development and national rejuvenation; and never change their determination to safeguard international equality, justice, and stability,” Li was quoted as saying.

Ten days before Trump’s missile attacks on Syria, Henry Kissinger was quoted as saying that US-Russian relations were “in the worst shape in half-a-century.” He was both right and wrong. Kissinger was right because of the
ubiquitous Russia bashing by both the media and Washington establishment, which was not seen even at the height of the Cold War. He was wrong because the worst (missile attacks 10 days later) was yet to occur. In the highly charged US domestic politics, Trump’s single-mindedness in improving relations with Russia produced exactly the opposite effect, at least for the time being. Now with his re-election in mind, any significant effort to pursue pragmatic ties with Russia will have to be put off until his second term, if ever.

Trump’s Russian interlude, however, did test the resilience of the Russian-China strategic partnership. In both countries, significant parts of their political and intellectual elite question the scope and substance of their partnership. And the lure of the pivotal position within the triangle is inherently dynamic and destabilizing. The Sino-Russian partnership, however, seemed to have escaped Trump’s forceful and dramatic play of triangular politics without any visible damage. Even at the most promising stage of “Trump mania” in Russia (after Trump’s inauguration and before Michael Flynn was fired in mid-February 2017), top Russia officials remained sober and pragmatic about the prospect of a Russia-US detente.

In his response during a Jan. 21 Rossiya 1 TV interview to a question about if Donald Trump was “our man,” Russian presidential spokesman Dmitry Peskov categorically stated “No. He is not our man, he’s America’s man. Thinking that he is our man is probably the biggest mistake of Western analysts and some of our political scientists.” Peskov continued, “It’s probably a big mistake to indulge in some illusions about the future of our relations along the lines that the future of our bilateral relations will be free of contradictions, free of disagreements. That cannot be the case.” Successful development of bilateral relations, according to the Kremlin press Czar, depended on the extent to which the nations resolve these differences through dialogue. Putin and his associates seemed more interested in a different conceptual framework, rather than a certain individual leader, for managing bilateral relations.

Peskov’s vision was spelled out more specifically a few days later. In his speech to Russia’s State Duma, Foreign Minister Sergey Lavrov spoke, with his Chinese and US audience in mind:

We believe that as Russia, the US and China build their relations, this triangle should not be closed or directed toward some projects that could worry other states. [They should be] open and fair. I am convinced that the economic structure of Russia, the US and China is such that there is a great deal of complementarity in the material and economic sphere.

As for international security problems, these three countries play a very important role. Russia and China have restrained attempts to introduce confrontational, force-based solutions into world politics. We expect that Donald Trump, who has confirmed his commitment to focus primarily on US [domestic] problems and to abandon interference in the internal affairs of other states, will do the same.

Aside from assuring China about the much-anticipated “honeymoon” with Washington, Lavrov’s suggestion to Trump to stop interfering in other countries’ domestic affairs was what Russia and China have done to each other since the normalization of relations. Removing ideology from Moscow–Beijing ties has been the most important stabilizing factor in their bilateral relations since the end of the Cold War.

It is unclear whether Lavrov’s words had an impact on his US counterpart, Secretary of State Rex Tillerson. In his first major policy speech, Tillerson seemed to echo Lavrov’s non-interference concept when he advocated separation of US values, which are stable and enduring, from its foreign policies, which should adapt to reality. “Our values around freedom, human dignity, the way people are treated – those are our values. Those are not our policies,” said Tillerson to State Department diplomats and staff on May 3.

Has Tillerson’s pragmatism derived from his long experience in dealing with the real world on business issues? For a Washington establishment dominated by liberal interventionists and neocons, however, Tillerson’s effort to divorce US policies from its values did not go well. Many of them are still recovering from a distant and somewhat “minor” “Tillerson shock” in mid-March when he surprised his Chinese hosts by saying that the
US-China relationship should be guided by “nonconflict, nonconfrontation, mutual respect and win-win cooperation,” which was exactly the Chinese script (不冲突不对抗、相互尊重、合作共赢) for a “new type of major power relationship” (新型大国关系) proposed by Xi Jinping in his February 2012 visit to the US as China’s vice president. The Obama administration never accepted it, and instead launched its highly militarized Asia-Pacific “rebalancing” and geo-economic instrument (TPP) to counter China’s rise.

Many in China are still digesting Tillerson’s China–friendly gesture and are waiting to see what shape it will take. For both Russia and China, the “new thinking” in the US State Department is a welcome and badly needed turn in US foreign policy toward pragmatism and away from Obama’s antagonizing of both Russia and China.

Tillerson’s speech also reveals an unambiguous signal regarding US policies toward North Korea. For the first time in recent history, the US clearly stated its policy goals and approaches for a peaceful resolution of the North Korean nuclear issue:

We are clear – we’ve been clear to them this is not about regime change, this is not about regime collapse, this is not about an accelerated reunification of the peninsula, this is not about us looking for an excuse to come north of the 38th Parallel. So we’re trying to be very, very clear and resolute in our message to them that your future security and economic prosperity can only be achieved through your following your commitments to denuclearize (emphasis added).

At a time when the Korean nuclear crisis is heading toward a showdown of catastrophic proportions, and when China’s “rogue ally” is trying to passionately, persistently, and blindly assert its own interests, even at the expense of the “big brother” by exploiting differences between major powers at the expense of regional and global stability (this author’s definition of a “rogue ally” in 2007), Tillerson’s initial and daring departure from the Washington establishment and its self-contradictory policies (denuclearization and regime change at the same time) offers a rare moment in history not only for the final solution of this time-bomb in Northeast Asia, but a much more symmetrical, and perhaps healthier, trilateral relationship in the age of WMD for a simple reason: the alternative is far more costly and even unthinkable. In this regard, Trump’s “win” or “loss” of Russia is trivial and inconsequential. It remains to be seen how the Trump administration operationalizes the “Tillerson doctrine,” which deserves patience and respect from both Beijing and Moscow.
CHRONOLOGY OF CHINA-RUSSIA RELATIONS
JANUARY – APRIL 2017

Jan. 12, 2017: Russia’s Deputy Foreign Minister Igor Morgulov and China’s Assistant Foreign Minister Kong Xuanyou co-chair sixth China-Russia consultation on the security situation in Northeast Asia in Moscow. They agree on further countermeasures in response to the proposed deployment of the Terminal High Altitude Area Defense (THAAD) system in South Korea.

Jan. 13, 2017: Director of the Russian Foreign Ministry’s Middle East and North Africa Department Sergey Vershinin meets Chinese Government’s Special Envoy for Syria Xie Xiaoyan in Moscow. They discuss current military and political situation in Syria.

Jan. 17, 2017: President Xi Jinping meets Ukraine President Petro Poroshenko on the sidelines of the World Economic Forum in Davos. Xi reportedly says that China is willing to play a constructive role in seeking a political resolution to the crisis over Ukraine.

Jan. 19, 2017: Russia’s Deputy Foreign Minister Igor Morgulov and China’s Foreign Minister’s Assistant Li Huilai meet in Moscow and discuss issues regarding the Shanghai Cooperation Organization (SCO).

Feb. 15, 2017: Russia hosts a six-party consultation on the Afghan issue in Moscow involving Russia, Afghanistan, Pakistan, China, Iran, and India. Participants agree to step up efforts to promote the intra-Afghan peace process and that Central Asian countries may join the next round of negotiations.

Feb. 16, 2017: Russia’s Foreign Minister Sergey Lavrov and China’s Foreign Minister Wang Yi meet in Bonn on the sidelines of the G20 Foreign Ministers Meeting. They discuss Putin’s visit to China’s One Belt, One Road international forum and Xi Jinping’s visit to Russia in July.

Feb. 27, 2017: Russia’s Deputy Foreign Minister Oleg Syromolotov and China’s Assistant Foreign Minister Li Huilai co-chair second round of Russian-Chinese consultations on the fight against terrorism in Moscow.


March 21, 2017: Russia’s Interior Minister Vladimir Kolokoltsev and China’s Public Minister Guo Shengkun sign in Beijing a Protocol on Law Enforcement Cooperation for 2017-2018. After the meeting in Beijing, Kolokoltsev visits the tourist police office in Sanya.

March 21-23, 2017: Sixth session of the inter-party dialogue between the United Russia political party and the Chinese Communist Party is held in Kazan, Russia. Chinese delegation is led by Song Tao, head of the International Liaison Department, and the Russian side represented by Boris Gryzlov, Chairman of the United Russia Supreme Council.

March 25, 2017: Russia and China submit to the UN Security Council a draft resolution aimed at preventing poisonous substances from falling into the hands of terrorists in Syria and Iraq. Russia initiated the move in light of media reports of chemical attacks in the Mosul area in Iraq by militants of the Islamic State terror group.

April 6, 2017: US naval destroyers, the USS Porter and the USS Ross, launch 59 Tomahawk cruise missiles from the eastern Mediterranean at Syria’s Shayrat Air Base. President Trump informs visiting President Xi Jinping of the action toward the end of the official dinner at Trump’s Mar-a-Lago estate shortly before the missiles fall on their targets.
April 11, 2017: Russia’s Deputy Foreign Minister Igor Morgulov and China’s Deputy Foreign Minister Li Huihui co-chair a meeting of the joint interagency working group on the convergence of the Eurasian Economic Union (EAEU) and the Silk Road Economic Belt (SREB).

April 11–12, 2017: Third consultative meeting of BRICS special representatives on the Middle East is held in Visakhapatnam, India. Participants issue a communiqué confirming “firm support of the sovereignty and territorial integrity of Syria, the need for a peaceful resolution of the conflict by the Syrians themselves,” and that “any military intervention not sanctioned by the Security Council is incompatible with the UN Charter and is unacceptable.”

April 12–13, 2017: China’s Vice Premier Zhang Gaoli visits Moscow and co-chairs with Russia’s First Deputy Prime Minister Igor Shuvalov the fourth bilateral Investment Cooperation Commission and to prepare for the forthcoming summit in May. President Putin meets Zhang.

April 14, 2017: China’s Foreign Minister Wang Yi and Russian counterpart Lavrov hold a phone conversation on the Korean Peninsula and Syria.

April 18–20, 2017: Zhang Dejiang, Chairman of the Standing Committee of China’s National People’s Congress visit Russia for the third meeting of the Sino-Russian Parliamentarian Cooperation Committee. He meets President Putin on April 19.

April 20–21, 2017: Shanghai Cooperation Organization holds annual foreign minister meeting in Astana. They submit draft decisions to admit India and Pakistan as full members of the SCO, which will become official at the upcoming SCO summit in June.

April 21, 2017: Foreign Minister Lavrov meets Foreign Minister Wang Yi on the sidelines of a meeting of the Council of SCO Foreign Ministers in Astana.


April 26, 2017: Chinese and Russian armed forces hold the third joint press release on the global and regional anti-missile situation during the Moscow Conference on International Security. The previous two joint briefings were held at the 7th Xiangshan Forum in Beijing in October 2016 and the Conference on Disarmament in Geneva in March 2017.
BOTH PUSH AND PULL: JAPAN STEPS UP IN SOUTHEAST ASIA

CATHARIN DALPINO, GEORGETOWN UNIVERSITY

Two political surprises in 2016 will affect Japan’s relations with Southeast Asia. The first, the election of President Rodrigo Duterte in the Philippines and his subsequent turn toward China, has likely not disturbed Japan’s role as the Philippines’ largest investor, trading partner, and aid donor. However, Duterte’s abrasiveness toward Washington could have a negative effect on the newly-forged Japan-Philippines security partnership and dampen the possibility of triangulating US, Japan, and Philippine cooperation in the South China Sea. A greater and more long-term impact could be the election of Donald Trump and the resulting uncertainty in US relations with Southeast Asia. Beyond that broad concern, Trump’s withdrawal of the US from the Trans-Pacific Partnership (TPP) throws the economic architecture of the Asia-Pacific region into question and could stymie the growth Japan had expected in trade relations with TPP members in Southeast Asia, particularly Vietnam and Malaysia. In January 2017, just days before Trump’s inauguration, Prime Minister Abe embarked on a swing through Southeast Asia to make “strategic adjustments” in Japanese relations with the Philippines, Indonesia, and Vietnam.

Two political surprises in 2016 will affect Japan’s relations with Southeast Asia. The first, the election of President Rodrigo Duterte in the Philippines and his subsequent turn toward China, has likely not disturbed Japan’s role as the Philippines’ largest investor, trading partner, and aid donor. However, Duterte’s abrasiveness toward Washington could have a negative effect on the newly-forged Japan–Philippines security partnership and dampen the possibility of triangulating US, Japan, and Philippine cooperation in the South China Sea. A greater and more long-term impact could be the election of Donald Trump and the resulting uncertainty in US relations with Southeast Asia. Beyond that broad concern, Trump’s withdrawal of the US from the Trans-Pacific Partnership (TPP) throws the economic architecture of the Asia-Pacific region into question and could stymie the growth Japan had expected in trade relations with TPP members in Southeast Asia, particularly Vietnam and Malaysia. In January 2017, just days before Trump’s inauguration, Prime Minister Abe embarked on a swing through Southeast Asia to make “strategic adjustments” in Japanese relations with the Philippines, Indonesia, and Vietnam.

**Broadening security**

Over the past year, Japanese security policy in Southeast Asia has been driven by three factors: (a) growing concern over Chinese assertiveness in the South China Sea, and its impact on the broader Pacific maritime security environment; (2) changes in Japanese defense law which, among other things, permit the transfer of Japanese defense equipment and technology if it contributes to Japan’s security or promotes peace and international cooperation; and (3) Tokyo’s decision to develop a regional security framework encompassing all 10 Southeast Asian countries and ASEAN itself.

Tokyo’s pursuit of its new “defense diplomacy” agenda is incremental and indirect, focused primarily on expanding Self-Defense Force (SDF) presence in Southeast Asia; strengthening security partnerships; and focusing on shared norms, such as international maritime legal principles. The last approach may become more important if President Trump de-emphasizes the rule of law in maritime security and adopts a more transactional approach to China. Although there is no possibility that Japan will replace the US as security guarantor in the Asia-Pacific – or that it wants to – Tokyo could become the standard-bearer in upholding norms by default.

**South China Sea**

Japanese concern over Chinese assertiveness in the South China Sea has grown but Tokyo has been inclined to deny that its policies were geared toward checking Beijing. This began to change in June 2016 when then-Defense Minister Nakatani Gen addressed the Shangri-La Dialogue in Singapore. Nakatani reassured Southeast Asian governments with new directness when he made pointed references to China’s “large-scale and rapid land reclamation” and its building outposts “for military purposes” in the South China Sea. Even more welcome was his pledge from the podium to help Southeast Asian nations deal with Chinese unilateralism.

The Nakatani address was also intended to build acceptance for the decision to be announced by the UNCLOS arbitral tribunal on the petition brought by Manila against Beijing, which was delivered on June 12, a decision that President Duterte would subsequently downplay. In the face of Duterte’s accommodation of Beijing, Tokyo has since lowered the volume of its rhetoric on the South China Sea – largely to maintain Japanese influence in Duterte’s new “independent” foreign policy – but not reversed direction.

In September 2016, Defense Minister Inada Tomomi announced that Japan would step up naval engagement in the South China Sea and participate in joint exercises with the US and multinational exercises with regional navies. However, Tokyo still draws the line at freedom of navigation (FON) operations around the 12-mile limit of disputed islands occupied by China. She reiterated that limit in February 2017, when Defense Secretary James Mattis visited Japan.

Southeast Asian governments generally support Tokyo’s more active but still limited approach to the South China Sea. They view Japanese security policy as appropriately “tailored” to Southeast Asia, not least because of Japan’s continued constitutional prohibition on offensive military operations. Even without that prohibition, however, Southeast Asian leaders would not likely press for a more assertive Japan: they are uncertain over Tokyo’s ultimate security aims.
Nervousness over Trump’s policy in the South China Sea continues to grow in the region, but leaders see no real alternative to Washington as a hedge against Chinese maritime assertiveness. However, in the absence of firm assurances from the Trump administration on a continued commitment to Southeast Asia, regional leaders are inclined to pin their hopes on the US–Japan alliance to provide security in the Asia-Pacific region. This places greater pressure on Tokyo to encourage Washington’s continued involvement in Southeast Asian security.

**Capacity building**

In the meantime, Japan and key maritime states in Southeast Asia – Vietnam, the Philippines, Indonesia, and Malaysia – continue to pursue joint efforts in maritime capacity-building. Key “deliverables” in this area featured in Prime Minister Abe’s visits to the region in January.

Japanese Prime Minister Shinzo Abe and Indonesian President Joko Widodo (Photo: Japan Cabinet Public Relations Office)

In the Philippines, he oversaw the signing of a Memorandum of Cooperation between the two countries’ coast guards (although the two sides assiduously avoided mention of China). In 2016, Japan gave the Philippines two patrol vessels and promised to lease training aircraft, adding aviation security to the menu of bilateral security cooperation. For the long-term, Tokyo had pledged to provide 10 Coast Guard ships to the Philippines during the administration of former President Benigno Aquino III. However, uncertain relations between the Duterte and Trump administration cast an occasional shadow over Japanese–Philippine security dynamics. For example, Japan has observer status in the US–Philippines **Balikatan** Exercises, which have played a prominent training role for the Armed Forces of the Philippines since 1998. If, as Duterte occasionally threatens, US visiting forces are expelled from the Philippines, Japan would lose that added exposure.

President Rodrigo Duterte and Japan’s Prime Minister Shinzo Abe try durian fruit after attending various events at the Waterfront Hotel in Davao City. (Wikipedia)

In Vietnam, Abe pledged to supply Hanoi with new patrol vessels; previously, Japan had only provided used vessels. In Indonesia, which is increasingly nervous over Chinese ambitions to enforce its historic “nine–dash line” claims, Abe and President Joko Widodo agreed to establish a bilateral forum on maritime security. Although Indonesia is not a claimant in the South China Sea, clashes between Chinese and Indonesian vessels have increased in recent years.

In March 2016, the Japanese Maritime Self-Defense Forces made a port call in Malaysia, its first in three years, and participated in joint drills in April. In recent months, however, Tokyo’s security relations with Kuala Lumpur have stayed below the radar, primarily because of internal political conflict in Malaysia.

**Greater regional reach**

In November 2016, Tokyo reached a quiet watershed in its relations with Southeast Asia when Defense Minister Inada unveiled a new Japanese defense initiative with ASEAN at the second ASEAN–Japan Defense Ministers Meeting in Vientiane. The “**Vientiane Vision**” was the first document to articulate a plan for comprehensive Japanese defense cooperation with the region. In broad terms, the initiative will balance Japanese economic objectives in Southeast Asia with common security interests, place specific security concerns – such as the South China Sea and cyber-security – in broader...
context, and help Japan develop or expand security relations with new partners, such as Myanmar, in a low-key manner.

As with many new “initiatives,” the “Vientiane Vision” will involve some repackaging of existing Japanese security activities in the region. However, by basing it in ASEAN, it reassures Southeast Asians of a more “bottom-up” approach to security, as well as Japanese fidelity to ASEAN centrality. This compares favorably to the US “hub-and-spokes” configuration, although Washington has been more inclined toward a regional approach in recent years, with its own US–ASEAN Defense Ministers Meeting process.

In fact, the “Vientiane Vision” merely formalizes Japan’s greater security reach in Southeast Asia. Following the Shangri-La Dialogue in June 2016, Defense Minister Nakatani made a high-profile visit to Myanmar to meet Commander-in-Chief Min Aung Hlaing and State Counselor Aung San Suu Kyi to discuss potential defense cooperation. Japan has growing security interests in Myanmar, which range from balancing China to protecting joint infrastructure projects with strategic importance, such as the Dawei Special Economic Zone. Although Tokyo is more forward-leaning in Myanmar than Washington, it moves cautiously in areas of particular sensitivity to the United States. Assistance to the Tatmadaw is generally prohibited by US law at present, and anchoring an emerging Japan–Myanmar security relationship in the broader context of the “Vientiane Vision” is good political insurance.

Economics and trade: Tokyo’s expanding role

Southeast Asia’s importance to Japanese international economic objectives has increased exponentially in the present decade. Although China is the largest trading partner for the ASEAN nations (with the exception of the Philippines, which retains Japan as its top trader), Southeast Asia is a major investment destination for Japan – foreign direct investment (FDI) in Southeast Asia has become the most important aggregate in Japan’s regional FDI strategy.

Investment in the ‘ASEAN–6’ countries – Singapore, Thailand, Myanmar, Indonesia, the Philippines, and Vietnam – now accounts for more than 50 percent of Japanese FDI in Asia. Vietnam and Indonesia are particularly important, both for investment and trade. Although investment shifts were initially a diversification strategy away from China where labor costs are rising along with anti-Japanese sentiment, the region’s economic promise – because of high growth rates, relatively open markets, and low labor costs (in the less-developed countries) – has made Southeast Asia an investment platform in its own right.

High-speed infrastructure wars

If Southeast Asia is to meet its goal of launching trillions of dollars in infrastructure projects by 2030 to maintain its present economic trajectory, it will need the active participation (and generous financial packages) of regional powers. Japan and China have been locked in competition to dominate the construction of Southeast Asian “connectivity” for nearly a decade. Both countries view infrastructure investment as a way to boost their own economies, protect strategic interests, and strengthen political influence in Southeast Asia.

In the past year, this competition has opened a new front on the Malay Peninsula, over high-speed rail links. Singapore and Malaysia’s joint decision to build a high-speed railway between Kuala Lumpur and Singapore by 2026 is expected to begin formal implementation in 2017, after several delays, with a 2018 construction start. The 350-km rail will link five commercial cities and cut travel time between Kuala Lumpur and Singapore from four hours to 90 minutes.

Japan, China, South Korea, and France are angling to participate in parts or the entire project, but the rivalry between Japanese and Chinese companies has created tensions in Japanese and Chinese relations with the two Southeast Asian countries. Japan claims superior rail technology, substantial financial concessionary packages, and a reputation in the region for reliability in its investment partnerships.

From Malaysia’s view, Beijing may have the inside track. China has invested heavily in several large Malaysian government projects, including the $12 billion East Coast Line. Moreover, China helped ease Kuala Lumpur’s debt crisis by taking over some 1MDB assets in 2015. China has also been tapped to build a deep
sea port in Malacca. The question for Kuala Lumpur is less if it can partner with China over the Kuala Lumpur–Singapore high speed rail than if doing so will push Malaysia further into dependence on Beijing.

_Drafted into economic leadership?_

Prior to Trump’s election, Tokyo had assumed that its economic relationship with Southeast Asia would strengthen on the back of the TPP. The withdrawal of the United States from the TPP is a blow to the smaller members of the agreement (most notably Vietnam and Malaysia) but also to the larger ones. The remaining 11 members are exploring possibilities for preserving the agreement, at least until a new US administration might take office. Scenarios range from “organ harvesting” (taking portions of the TPP in a separate agreement) to a go-it-alone TPP among the 11 remaining members, but the outlook is uncertain. Southeast Asian countries do not expect to benefit from the Trump administration’s signals that they will negotiate new bilateral trade agreements in the region. For the time being, the Asia-Pacific region is in limbo on a regional economic framework.

In the interim, the ASEAN-based Regional Comprehensive Economic Partnership (RCEP) has become the default regional trade agreement. Under these circumstances, Japan’s stake in shaping RCEP has grown, and Tokyo has taken a greater role in negotiations. Negotiations in Kobe Feb. 27–March 3 were the first talks since Trump’s TPP withdrawal decision. Although no major breakthroughs occurred, the Kobe negotiations represent an attempt to accelerate negotiations on RCEP. The next round will take place in the Philippines in May.

Contrary to popular media reports, ASEAN is driving force in RCEP, rather than China. RCEP’s launch in 2012 was an attempt to merge the ASEAN–Plus–Three (ASEAN + Japan, China and South Korea) and ASEAN–Plus–Six (ASEAN–Plus–Three with India, Australia and New Zealand added). Officially, negotiations proceed according to ASEAN rules, although the larger powers have considerable influence. More significant is the fact that ASEAN contains the smaller and less developed economies in the negotiations. It will likely use its implied chairmanship of the RCEP negotiation process to keep the pace slow enough so as not to overwhelm countries such as Myanmar, Laos, and Cambodia. Specifically, ASEAN is likely to invoke its preference for “non-binding” agreements to enable smaller economies to exempt “sensitive” products from the RCEP agreement.

Japan has little hope that RCEP can substitute for the TPP as a game-changing force for economic integration and trade liberalization. However, Tokyo has increased its interest and activity in negotiations on the agreement in the hope of accelerating its completion – 2017 has been set as a target date – and raising standards as high as possible. As with picking up the remnants of the TPP, Southeast Asia looks to Japan for renewed economic leadership.

This enhanced economic leadership role for Japan in Southeast Asia was extended with Japan’s proposal in late April 2017 to launch a bilateral foreign exchange swap arrangement of up to $40 billion, to offer relief to Southeast Asian countries in financial crises. The scheme would allow Southeast Asian countries to draw on either dollars or yen to ease liquidity shortages. The framework is a collection of bilateral swap agreements with Japan and individual Southeast Asian countries, rather than a Japan–ASEAN agreement. Thailand and Malaysia have signaled their willingness to enter into agreements immediately.

_Can Japan fill policy gaps left by the US in Southeast Asia?_

In the face of potential changes in US policy toward Southeast Asia, regional leaders are not inclined to view the dilemma as a zero-sum contest between China and the United States. They are equally, if not more, likely to fill gaps created if the Trump administration backs away from the “pivot” to Asia with a spectrum of regional powers, rather than a single one. However, in practical terms the likely counter-balance to China will be Japan, with Australia, India, and Russia as secondary options.

Tokyo is likely to step up in two areas to compensate for a less-interested Washington. Even before the Trump administration signaled its intention to cut funding from the State Department and USAID, Tokyo had upped the economic assistance packages of key Southeast Asian nations, particularly in the Philippines and Vietnam. Japanese aid to Myanmar, Laos, and Cambodia is also likely to rise, in part to
strengthen these countries as trade and investment partners.

Second, Southeast Asian governments have little faith that the US will continue to lead the Lower Mekong Initiative (LMI), and look to Japan to assume that role. In reality, the LMI functions more as a diplomatic forum than an effective organization for governance of the Mekong River Basin. During the Obama administration it served as an expression of US interest in mainland Southeast Asia after a decade of preferential treatment for maritime SEA. In reality, the LMI provides only modest US funding for projects and is handled at working levels of the State Department; as a result, it may continue into the Trump administration.

However, Southeast Asians see little motivation for the US to continue its role for several reasons: the likely drop in US assistance levels, a reversal in US policy on climate change, and an overall decline in US attention to Southeast Asia. If the LMI is to survive, they believe, Japan will have to take up the leadership role. Given its stake in ASEAN “connectivity,” Tokyo is likely to comply.
May, 2016: Japan provides capacity-building support to the Thai Ministry of Defense in the form of diesel engine maintenance for naval vessels.

June 4, 2016: At the Shangri-La Dialogue in Singapore, Japanese Defense Minister Nakatani Gen pledges to help Southeast Asian nations strengthen their security capabilities in a speech that pointedly calls out China for its building activities in the South China Sea islands.

June 8, 2016: Defense Minister Nakatani visits Myanmar and meets Commander-in-Chief Sr. Gen. Min Aung Hlaing and State Counselor Aung San Suu Kyi. He discusses support from the Japan Self-Defense Forces (JSDF) for capacity-building for the Tatmadaw (Myanmar’s Armed Forces).

June 13, 2016: Defense Minister Nakatani visits Thailand to discuss deepening Japanese-Thai defense ties. Plans include a regular dialogue between the JSDF and the Royal Thai Army (RTA), and RTA observations of Japan’s “Nankai Rescue” for the first time.

July 2016: Japan provides its first capacity-building assistance to the Philippines in international aviation and flight safety.

July 26, 2016: On the margins of the ASEAN Regional Forum in Vientiane, Japan joins the United States and Australia in issuing a statement urging China to refrain from constructing military outposts on disputed features in the South China Sea.

Sept. 7, 2016: The 19th ASEAN–Japan Summit is held in Vientiane in concert with the East Asia Summit. In the joint statement, ASEAN leaders pointedly “welcome Japan’s intention to contribute more proactively in securing peace ... in the region.”

Sept. 7, 2016: Japan and Laos co-host the 8th Mekong–Japan Summit in Vientiane, comprised of leaders from Japan, Laos, Thailand, Vietnam, Cambodia, and Myanmar. The group pledges to pursue a list of priority projects in the Japan-Mekong Connectivity Initiative.

Oct. 20–21, 2016: Ninth ASEAN–Japan Information Security Policy Meeting convenes in Tokyo. Leaders from Japan and Southeast Asia advance planning on cooperation to meet the increasing threat of cyber-attacks in the region.

Nov, 26, 2016: At the second ASEAN–Japan Defense Ministers Informal Meeting in Laos, Japan Defense Minister Tomomi Inada unveils the “Vientiane Vision,” in which Tokyo will advance defense cooperation with ASEAN states more comprehensively, with particular focus on promoting the rule of law and strengthening maritime security. The initiative is Japan’s first ASEAN-wide defense framework.

Jan. 12–13, 2017: Prime Minister Abe visits the Philippines, making him the first foreign leader to do so since the election of President Rodrigo Duterte in 2016. They sign five agreements, in areas ranging from coast guard capacity-building to low-carbon growth.

Jan. 15–16, 2017: Prime Minister Abe visits Indonesia. The two countries agree to advance a diplomatic and security dialogue on maritime cooperation and to pursue joint projects to develop a deep sea port in Patimban and the Masela gas fields. Preliminary discussions on a Jakarta–Surabaya rail line are also launched.

Jan. 16–17, 2017: Prime Minister Abe visits Vietnam. Japan agrees to provide an unspecified number of new patrol vessels to enhance Vietnam’s maritime law-enforcement capabilities, supplementing six used patrol vessels previously supplied. Tokyo also pledges an additional $1 billion in development assistance to Vietnam.
Feb. 17, 2017: Japan International Cooperation Agency (JICA) awards a contract to Japan’s NEC Corporation to help boost cyber-defense capabilities in Southeast Asia, establishing Japan as the pre-eminent provider in this sector. NEC will provide cyber-attack defense training to officials from Indonesia, Vietnam, the Philippines, Myanmar, Laos and Cambodia.

Feb. 29–March 3, 2017: Japan hosts negotiations for the Regional Comprehensive Economic Partnership (RCEP) in Kobe, the first such round of RCEP talks since President Donald Trump withdrew the United States from the Trans-Pacific Partnership.
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