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 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 pre-emptive strike” now comes with video examples showing everything from a US aircraft carrier to Washington DC being vaporized by its “powerful nuclear deterrent.”
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 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 communiqué (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 Councilor 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 Fool 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.