



**China-Korea Relations:  
Balancing Acts by China and South Korea**

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Presidents Xi Jinping and Park Geun-hye held a summit in Seoul while North Korea conducted a series of short-range missile and artillery tests. Xi became the first Chinese head of state since PRC-ROK normalization to visit South Korea without first traveling to the North, highlighting Pyongyang's increased diplomatic isolation. The summit produced a joint statement reaffirming cooperation on Korean denuclearization, but Chinese efforts to form a united front in opposition to Japan on history and collective self-defense issues were rebuffed by South Korea. Instead, they agreed to move forward on economic negotiations to establish a China-ROK free trade agreement (FTA), even going so far as to set a goal of December this year. PRC and ROK leaders reaffirmed their bilateral and regional commitments through a series of military and political exchanges following the Xi-Park summit.

Beyond the summit, China-South Korean exchanges remained focused on the North Korean nuclear issue and the question of how to revive the Six-Party Talks. ROK nuclear envoy Hwang Joon-kook met PRC counterpart Wu Dawei and Foreign Minister Wang Yi in Beijing on June 10-11, following bilateral talks with US envoy Glyn Davies on June 2 and a reported informal meeting between US and DPRK envoys in Mongolia on May 22. Yet North Korea stepped up its military activities ahead of President Xi's and Foreign Minister Wang's separate visits to South Korea, firing artillery shells into the Yellow Sea on May 22 and conducting missile launches on June 27, June 29, and July 2. Wang Yi met both ROK Foreign Minister Yun Byung-se and his newly-appointed DPRK counterpart Ri Su-yong on the sidelines of the ASEAN Regional Forum (ARF) in Myanmar in August. Pyongyang has maintained limited high-level contacts with Beijing while attempting to diversify its contacts with other political and economic partners.

**Xi Jinping visits South Korea**

Xi Jinping's visit to South Korea on July 3-4 was his first state visit to the country and fifth meeting with Park Geun-hye since they both took office in 2013. Xi's delegation included his wife Peng Liyuan, State Councilor Yang Jiechi, Director of the Communist Party of China (CPC) General Office Li Zhanshu, and Director of the CPC Policy Research Office Wang Huning. Xi met Park on July 3, and on July 4 met Parliamentary Speaker Chung Ui-hwa and Prime Minister Chung Hong-won, delivered an address at Seoul National University, and spoke with Park at a bilateral economic forum. The visit produced a joint statement and supporting agreements in diplomacy, finance, sustainable development, environmental protection, local affairs, customs, and cultural exchange. But the statement skirted or passed over a number of issues on which China and South Korea were unable to achieve agreement: there was no softening of South Korean preconditions for North Korea to return to Six-Party Talks and there

was little willingness on the part of China to join with South Korea to pressure the North. Nor was South Korea willing to cooperate with China on joint commemorations marking the 70<sup>th</sup> anniversary of the end of World War II. South Korea continues to study, but did not provide support for, China's proposal for an Asian Infrastructure Investment Bank (AIIB).

The Xi-Park summit demonstrated the increased significance of bilateral political, economic, and cultural ties as well as close personal ties between Xi and Park, highlighting what ROK Ambassador to China Kwon Young-se referred to as "deep private mutual trust" between the two presidents. But the summit also revealed serious gaps and limits between China and South Korea on political and security issues. China's Foreign Ministry spokesperson pointed to "substantive progress" in bilateral ties including "full consensus" on denuclearization, but such progress appeared limited.

In an address to a 500-member audience at Seoul National University (SNU), Xi claimed that China-South Korean relations were "at their best in history." Xi's visit to Seoul and progress in bilateral relations were lauded in the Chinese media, highlighting tangible results in economic and cultural cooperation under the goals of expanding trade to \$300 billion in 2015 and personnel exchanges to 10 million in 2016. In a June 30 *Global Times* opinion piece, Cai Jian, vice director of Fudan University's Center for Korean Studies, even suggested a shift in China-ROK relations under the Xi and Park administrations from "cold politics and warm trade" to "warm politics and trade."

But official South Korean assessments of the impact of the Xi-Park summit this year were more guarded and less hyperbolic. Media were skeptical about Xi's SNU speech, and its one-sided interpretation of Japan's past aggression on the peninsula that ignored China's complicated history on the peninsula. Xi's visit did not reduce the number of South Koreans who worry about the implications of China's economic and military rise in the region – two-thirds according to available polling data.

Ahead of Xi's state visit, Foreign Minister Wang Yi visited South Korea to meet President Park and Foreign Minister Yun Byung-se on May 26-27, while PRC Commerce Minister Gao Hucheng and ROK counterpart Yoon Sang-jick met on the sidelines of Asia-Pacific Economic Cooperation (APEC) ministerial talks in Qingdao on May 17-18. In late May, State Councilor Yang Jiechi and Presidential Security Advisor Kim Jang-soo also led the second China-ROK High-Level Security Dialogue in Beijing, an initiative that was launched at the first Xi-Park summit in June 2013.

### **Progress in the China-South Korean strategic partnership**

China-South Korean military and political exchanges have strengthened momentum in bilateral "strategic communication" since the Xi-Park summit. ROK Vice Defense Minister Baek Seung-joo met Deputy Chief of the PLA Staff Wang Guanzhong in Beijing on July 23 for the fourth Defense Strategic Dialogue, and met Defense Minister Chang Wanquan on July 24. Also on July 23-24, Vice Speaker of the ROK National Assembly Lee Seok-hyun led a delegation of lawmakers to Beijing for meetings with PRC Vice Foreign Minister Zhang Yesui and Liu Yunshan, member of the CPC Political Bureau Standing Committee. ROK Vice Foreign

Minister Cho Tae-yul visited China a week later on July 29-30, holding talks with Foreign Minister Wang Yi, Vice Foreign Minister Li Baodong, Vice Commerce Minister Gao Yan, and senior CCP officials.

An important outcome of the July 23 Defense Strategic Dialogue was an agreement to establish a telephone hotline between defense ministers by the end of 2014. Under discussion since the establishment of hotlines between PRC and ROK navies and air forces in 2008, the defense ministers' hotline would make China the second to have such a high-level military hotline with Seoul after the United States. More recently, the ROK Defense Ministry on Aug. 25 indicated that Seoul is also in talks with China as well as Japan and Russia to prevent accidental clashes in overlapping air defense areas with the Korean air defense identification zone (KADIZ). Seoul's expansion of the KADIZ last December was seen as a response to Beijing's declaration of its own ADIZ that included the disputed submerged rock Ieodo in the East China Sea.

Maritime security is another area where there has been apparent progress in China-South Korean strategic coordination. According to ROK media, the two sides held closed-door maritime talks on the demarcation of respective exclusive economic zones (EEZs) on June 13 ahead of the Xi-Park summit, and held the fifth round of fisheries talks in Ningbo on June 26. Following a meeting with PRC counterparts in Weihai in late July, the ROK Ministry of Oceans and Fisheries announced the planned inauguration of joint surveillance operations against illegal fishing in shared waters in the Yellow Sea in October, with inspection tours to be implemented from 2015. Seoul issued a formal complaint to Beijing in May on a recent increase in illegal Chinese fishing, but the official number of Chinese fishing boats in ROK waters actually declined by 60 percent year-over-year in January-May. However, South Korean concerns over maritime issues reemerged in early August when the PRC Foreign Ministry's Deputy Director General of Boundary and Ocean Affairs Yi Xianliang stressed China's "freedom of navigation" in the Yellow Sea at a Chinese state media conference. Yi also noted the absence of Sino-ROK maritime boundaries in the East China Sea despite an annual bilateral fisheries arrangement and EEZ negotiations that have been in place since 1996.

### **DPRK denuclearization and Sino-South Korean regional security priorities**

Xi's state visit to South Korea occurred in the wake of a new round of military provocations by North Korea, where Pyongyang renewed its threat to conduct a fourth nuclear test in a *Rodong Sinmun* commentary on May 10 and again in August in response to planned US-ROK military exercises. In the area of Korean security, Presidents Xi and Park reached consensus in four areas, according to the PRC Foreign Ministry: (1) Korean Peninsula denuclearization, stability, and dialogue; (2) implementation of the Six-Party Talks September 2005 Joint Statement and UN Security Council resolutions; (3) promotion of the six-party process and bilateral and multilateral coordination; and (4) creation of conditions for the resumption of Six-Party Talks.

Such consensus, however, masked differences over the specific conditions for restarting multilateral denuclearization talks. Ahead of the Xi-Park summit, State Councilor Yang Jiechi at the 2014 World Peace Forum in Beijing on June 21 pledged China's "unremitting efforts" on Korean security while also pressing six-party members to approach the resumption of talks with a "larger picture" in mind. Assistant Foreign Minister Liu Jianchao at a briefing with Korean

reporters in Beijing on June 19 similarly urged the parties to adopt a “flexible attitude” toward restarting dialogue. China-South Korean differences on the North Korean nuclear issue resurfaced when PRC Vice Foreign Minister Zhang’s met ROK lawmakers on July 23 and reportedly criticized Washington’s “high threshold” for the resumption of the Six-Party Talks.

As Beijing’s response to Pyongyang’s recent military threats has failed to meet South Korean expectations, ROK leaders have sought to consolidate international pressure. In talks with Lassina Zerbo, the executive secretary of the Comprehensive Nuclear Test Ban Treaty Organization (CTBTO), in Seoul on Aug. 13, Foreign Minister Yun Byung-se warned Pyongyang of further UN sanctions in the event of another nuclear test, which he had referred to in response to North Korean threats the previous April as a “gamechanger.” Yun also called for international condemnation of Pyongyang at the ARF, which convened key officials of all six-party states. He also met separately with US and Japanese counterparts John Kerry and Fumio Kishida on Aug. 10 on the sidelines.

### **Chinese and South Korean responses to Japan’s “remilitarization”**

In addition to Pyongyang’s belligerence, discussions during Xi’s visit to South Korea were framed by Prime Minister Abe’s announcement that Japan would adopt a new constitutional interpretation to exercise the right to collective self-defense. Chinese leaders continued to use exchanges with South Korean counterparts to voice their opposition to Tokyo’s actions based on shared history and territorial disputes. According to the PRC Foreign Ministry, during his state visit Xi proposed a joint commemoration of the 70<sup>th</sup> anniversary next year of Korea’s liberation from Japanese colonial rule and “victory of the War of Resistance against Japanese Aggression.” At Seoul National University, Xi sought public support by the shared experience as victims of Japanese aggression, noting that “Japanese militarists conducted barbaric wars of invasion against China and Korea.” China’s state-run *CCTV* also featured an interview with President Park on the eve of summit in which she criticized Japan’s attitude toward its wartime atrocities.

However, while the historical experience of Japanese militarism has prevented Seoul from joining the US in supporting the changes to Japan’s pacifist constitution, ROK officials have firmly dismissed any move to join China in criticism of Japan. During talks with President Xi, Parliamentary Speaker Chung Ui-hwa instead proposed the creation of a trilateral committee with Japan for the joint study of shared history. Seoul’s press statement on Vice Defense Minister Baek Seung-joo’s July 23 talks with PLA Deputy Chief of Staff Wang Guanzhong quoted Wang’s concerns over the “‘right-wing’ political tide of the Shinzo Abe administration,” but did not include Baek’s remarks on Japan. The ROK Foreign Ministry spokesperson was quick to dismiss emerging views of a Xi-Park “united front” against Tokyo in July, stating that the approach to Japan “depends on each country’s own stance and judgment.”

Nevertheless, there is some recent indication of a decline in South Korean threat perceptions of China and a growing perception of Japan as the major security threat. In a joint survey by South Korea’s East Asia Institute and Japan’s Genron NPO conducted in May-June, Japan was identified as the biggest military threat among 46.3 percent of South Korean respondents, second behind North Korea, which was selected by 83.4 percent of respondents. Japan replaced China’s position in a similar survey conducted in May of 2013 which ranked Japan as third (43.9 percent)

after North Korea (86.7 percent) and China (47.8 percent). Another survey commissioned by South Korea's Asan Institute for Policy Studies in May also suggested a slight decline in South Korean threat perceptions of China: 66.4 percent of respondents viewed China's rise as a military threat to South Korea while 19.1 percent saw it as not a military threat, compared to 73.2 percent and 23.6 percent respectively in a similar survey last year.

### **Strained China-DPRK friendship**

Xi's breaking of the longstanding diplomatic tradition of having Chinese leaders visit Pyongyang before Seoul reflects a major shift in China's Korea policy in favor of the South. While Xi last visited Pyongyang in 2008 as vice president, the last PRC-DPRK summit was in May 2011 between Hu Jintao and Kim Jong Il. Although North Korea's chief nuclear envoy Ri Yong Ho reportedly visited Beijing on May 20 en route to a third country, a day ahead of PRC Foreign Minister Wang Yi's visit to South Korea, recent PRC-DPRK contacts appear limited to non-security issues. In June, Ma Won Chun, director of the DPRK National Defense Commission's Design Department and deputy director of the Workers' Party of Korea's Finance and Accounting Department, led a delegation of 21 North Korean officials to Beijing, where they toured Beijing Polytechnic College. Vice Minister of the DPRK Ministry of Land and Environmental Protection Pak Ho Yong also visited Beijing in July to discuss anti-river pollution cooperation with PRC counterpart Li Ganjie.

The first major meeting in recent months occurred between PRC and DPRK Foreign Ministers Wang Yi and Ri Su Yong at the August ARF in Myanmar, where Wang claimed that there have been "normal exchanges between China and North Korea in terms of every aspect." In a June 19 press conference with Korean reporters in Beijing, Assistant Foreign Minister Liu Jianchao rejected any relationship between Xi's visits to North and South Korea, delinking the timing of Xi's visit to Seoul from Pyongyang's aggression and nuclear ambitions under Kim Jong Un. Similarly, China's Foreign Ministry spokesperson denied any connection between Xi's visit and North Korea's short-range projectiles launches on the eve of his visit, widely perceived as Pyongyang's message of disapproval to China.

Yet, other trends in the bilateral friendship suggest a more enduring strain in China-DPRK relations. In another departure from tradition, Pyongyang did not publish its annual celebratory message on the July 11 anniversary of the 1961 Friendship Treaty, and senior military officials at the DPRK Embassy in Beijing reportedly did not participate in the commemoration of the PLA's founding on Aug. 1. South Korean experts foresee limited improvement in PRC-DPRK ties as Pyongyang is expected to escalate tensions ahead of US midterm elections in November, while others suggest that Kim Jong Un is instead reaching out to Russia and Japan. Some interpreted the *Korean Central News Agency (KCNA)*'s July 21 statement on "some backbone-lacking countries" joining US and South Korean condemnation of Pyongyang's military provocations as a clear reference to China.

China's Korea policy remains an issue of debate among Chinese scholars, who recognize Beijing's mounting North Korea challenge while questioning China's influence over Pyongyang. At a June forum hosted by Tsinghua University and the Asan Institute for Policy Studies, Chu Shulong of Tsinghua University claimed that North Korea has brought China "more trouble than

benefit.” However, in an interview with the *Global Times* on May 7, Director of Yanbian University’s Asia Studies Center Jin Qiangyi suggested that Beijing’s “tough stance” against a fourth nuclear test would only prompt further North Korean provocation, arguing that “Beijing’s role has been overestimated.” According to Jin, Pyongyang continues to pursue nuclear weapons by exploiting Beijing’s “weak points,” including the desire to maintain stability on China’s northeastern borders. In a May 14 interview with the *Global Times*, Yang Xiyu of the China Institute of International Studies, former director of Korean Peninsula affairs at the Foreign Ministry, even called Park’s proposed German model of Korean unification as “completely untenable” given “scant possibility that Pyongyang will collapse” as well as “some positive signs of development” in North Korea.

### **China-DPRK trade and investment and Pyongyang’s growth drive**

China-DPRK trade declined by 2.1 percent to \$2.89 billion in the first half of 2014 compared to the same period last year according to the Korea Trade-Investment Promotion Agency (KOTRA). The Korea International Trade Association (KITA) reported that North Korea’s grain imports from China fell by 47 percent in January-June this year. Chinese Customs figures in August further showed that China exported no crude oil to the North since January, but there has been no official explanation regarding whether oil exports have been suspended or instead have been recategorized as aid. China officially supplied 578,000 metric tons of crude oil to North Korea in 2013, 10.5 percent more than it did in 2012. Although a suspension of Chinese oil shipments to North Korea was similarly reported after North Korea’s second nuclear test in 2009, China’s official trade figures do not include crude oil provisions in the form of grant aid.

Despite much uncertainty over the future development of Rason Special Economic Zone since the establishment of the joint management committee in October 2012, Committee Director Wang Yonggang and Yanbian University President Park Young Ho signed an agreement on June 7 under which the university is to provide human resources and technological and legal support for Rason’s development. Jilin authorities on May 27 confirmed that construction has started on the Chinese-funded Tumen River Bridge after approval by China’s central government earlier that month, with a total investment of 137 million RMB (\$21.93 million). In a meeting between DPRK Vice Foreign Minister Pak Myong Guk and PRC Ambassador Liu Hongcai in Pyongyang on June 27, China and North Korea agreed to jointly build and manage a new bridge over the Tumen River between Quanhe and Wonjong.

Economic development zones remain at the center of Pyongyang’s growth strategy under Kim Jong Un’s two-pronged *byungjin* policy of simultaneous economic and nuclear development. KCNA identified six additional zones on July 23 following the initial designation of 13 zones last November. Chinese experts such as Jin Qiangyi of Yanbian University remain skeptical about the prospects for the zones given limited investor interest. Still, Chinese official sources show a rapid expansion in China’s direct investment in the North in recent years, from \$5.86 million in 2009 to \$109.46 million in 2012. Joint promotion of cross-border trade and investment will continue in the run-up to the third China-DPRK Economic, Trade, Culture and Tourism Expo in Dandong from Oct. 16, as agreed in a meeting between Dandong Mayor Shi Guang and Vice Chairman of the People’s Committee of Pyongan province Hong Gil Nam in June.

South Korean sources speculate that Pyongyang is diversifying its foreign trade from China to other partners such as Russia and emerging economies. A recent point of South Korean concern is Pyongyang's expansion of its joint fishery area with China beyond the Northern Limit Line (NLL) in the Yellow Sea, where an increase in illegal Chinese fishing activity was reported in May. ROK military officials see this move as Pyongyang's attempt to nullify the disputed maritime border while simultaneously earning foreign currency. North Korea has increased its tourism promotion efforts with China, including the easing of border crossing procedures since May and the opening of new travel services from China's northeastern cities. According to local Chinese officials in June, North Korea plans to resume Chinese tours of Mount Baekdu, which had been suspended following the North's 2013 nuclear test.

### **Xi and Park push for FTA**

Amid slowing Chinese growth, ROK officials in July announced that Seoul is drawing up measures to revive exports to China, which have stagnated despite a surge in overall ROK exports earlier this year. According to the ROK Commerce Ministry, exports to China in January-June amounted to \$65.7 billion, representing 24.8 percent of South Korea's total exports. China-ROK trade in 2013 reached \$229 billion based on South Korean data, greater than South Korea's trade with the United States and Japan combined, and exceeded \$270 billion based on Chinese figures, an annual increase of 7 percent. The proposed bilateral FTA is expected to boost bilateral trade to \$300 billion in 2015.

Promotion of the China-ROK FTA was featured heavily in the July summit between Xi and Park, who pledged to conclude negotiations by the end of this year. In an interview with China's *CCTV* on July 2, Park stressed the significance of the FTA's conclusion for deepening the strategic cooperative partnership. At a bilateral economic forum on July 4, the two presidents were joined by major business leaders such as the head of the Korea Chamber of Commerce and Industry Park Yong-maan, Bank of China chairman Tian Guoli, director of the PRC Commerce Ministry's trade promotion office Liu Dianxun, and Alibaba Group and Baidu founders Jack Ma and Li Yanhong. Xi's state visit produced a series of new trade and currency agreements regarded as a foundation for the FTA, most notably a Memorandum of Understanding between central banks to facilitate direct trading of the RMB against the Won and establish an 80 billion RMB (\$13 billion) investment quota for ROK institutional investors.

Other agreements were forged between ROK industry giants such as POSCO and SK Telecom, and Chinese counterparts Chongqing Iron & Steel Co. and Zhengwe Group, respectively. Xi and Park also agreed to promote cooperation in emerging industries like new energy, environmental protection, and the high-tech sector in advance of the conclusion of the FTA. As part of Seoul's bid to boost exports by small and medium-size enterprises (SMEs), Park further called for Alibaba's support for South Korean SMEs in China's e-commerce market during talks with Jack Ma in Seoul on Aug. 18.

The 11<sup>th</sup> and 12<sup>th</sup> rounds of FTA talks were held in Sichuan on May 26-30 and Daegu on July 14-18. Chinese officials voiced strong support for the FTA during the Xi-Park summit, "the most important aspect of Xi's visit" according to Mei Xinyu of China's Commerce Ministry. Zhang Jianping of the National Development and Reform Commission's foreign economic

research institute claimed that high-level talks would help address the sensitive issues (manufacturing for China, agriculture for South Korea) that have impeded negotiations since May 2012. The *China Daily* featured an interview with ROK Ambassador Kwon Young-se on June 24, similarly raising expectations that high-level talks would accelerate FTA talks. Although both sides have reported “progress” in some areas, South Korean assessments remain less optimistic than those of their Chinese counterparts. The latest round of talks drew protest from over 5,000 Korean farmers in Seoul’s financial district of Yeouido on July 10. Ambassador Kwon reiterated South Korea’s calls for progress in a July 19 interview with *Xinhua* after the FTA talks failed to reconcile differences in sensitive sectors. After meeting PRC officials in Beijing, ROK Vice Foreign Minister Cho Tae-yul on July 30 urged China to exercise “political will” to reach the planned conclusion of FTA talks by the end of 2014, which was already regarded as an ambitious target.

### **The China-ROK partnership and regional integration**

In addition to the bilateral strategic partnership, the China-ROK FTA has taken center stage in Beijing and Seoul’s respective strategies for regional integration. At the July 4 economic forum, President Park called for consolidating her Eurasia Initiative with Xi’s New Silk Road Initiative. Promotion of Park’s Northeast Asian Peace and Cooperation Initiative was also a focus of ROK Vice Foreign Minister Cho Tae-yul’s two-day visit to China on July 29-30. ROK Finance Minister Hyun Oh-seok at a May 15 meeting with ROK policymakers identified the FTA with China as an important factor in advancing Seoul’s role in talks on the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) and other regional initiatives. Chinese experts such as Wei Zhijiang, director of Sun Yat-sen University’s ROK Research Institute, similarly see the China-ROK FTA as a potential driver of China’s other trade partnerships under negotiation including the China-Japan-ROK FTA, for which a trilateral investment agreement in May was a positive step. While current political disputes with Tokyo remain a clear obstacle, the three sides have resumed trilateral FTA talks that were launched in November 2012, opening the fifth round of talks in Beijing on Aug. 30.

Another issue of debate is Seoul’s place in China’s plans for creating an Asia Infrastructure Investment Bank (AIIB), a \$50 billion multilateral bank designed to fund infrastructure projects in the region. Xi formally proposed that Seoul join the AIIB at the July summit. Although the initiative was further raised in meetings between ROK Vice Foreign Minister Cho and Chinese leaders in July and between Foreign Ministers Wang Yi and Yun Byung-se on the sidelines of the ARF in August, South Korea did not participate in working-level multilateral talks in Beijing in August. ROK officials point to their absence as an indication of Seoul’s reluctance, citing concerns over such issues as the bank’s planned governance structure and Washington’s response to the initiative, which the ROK media has labeled a “counterbalance” to the US and Japan-led Asian Development Bank.

Potential China-South Korean differences over the future regional order are also apparent on the security front. An ongoing source of Chinese concern is the potential deployment of US Terminal High-Altitude Area Defense (THAAD) missile defense system in South Korea. While Xi reportedly urged cautious handling of the issue during talks with Park, Seoul has remained hesitant toward Washington’s proposition given its perceived role in countering China as well as

Japan's participation. The PRC Foreign Ministry spokesperson on May 28 voiced Beijing's opposition to the initiative ahead of trilateral talks between US, ROK, and Japanese defense ministers in Singapore. Vice Foreign Minister Liu Zhenmin reiterated such concerns ahead of the Xi-Park summit and ROK Vice Defense Minister Baek Seung-joo's subsequent visit to China in July. The ROK Defense Ministry spokesperson on July 21 emphasized the THAAD system's primary aim of detecting North Korean missile launches in an apparent dismissal of Chinese concerns, reinforcing similar affirmations by US Forces Korea (USFK) Commander Gen. Curtis Scaparrotti in Seoul in early June. Xi visited South Korea days after calling for a new security framework for Asia at a conference in Beijing marking the 60<sup>th</sup> anniversary of the "Five Principles of Peaceful Coexistence," a framework he also promoted in Shanghai at the Conference on Interaction and Confidence Building Measures in Asia (CICA), a body consisting of 26 Asian countries that includes South Korea but not the US and Japan, which are observers.

### **Conclusion: China and South Korea's "balancing acts"**

The Xi-Park summit in July may have been an important turning point in the development of China-Korean relations, providing further momentum to the relationship in the economic area while exposing clear gaps in perception between Beijing and Seoul that ultimately represent serious obstacles to consolidation of the relationship. Chinese officials expressed optimism about the further development of the relationship, but the summit also exposed differing priorities on how to manage North Korea and Japan as well as tensions between US-ROK defense/security priorities and Chinese preferences on issues such as missile defense. South Korea found itself continuously rejecting many Chinese initiatives that created pressure on South Korea to choose between the US-ROK alliance and better relations with China.

Chinese experts such as Fudan University's Cai Jian see Park engaged in a "balancing act" of pursuing good relations with both China and the United States. Specifically, Park seeks to maintain a "balance between Beijing and Washington to mitigate China's misgivings," while also treading the middle ground between her predecessors' policies of "confrontation" and "Sunshine" toward North Korea. But for Cai, China-ROK relations remain constrained by US-China "great power relations," where a confrontation would present a "severe dilemma" for South Korea as a US ally.

At the same time, China faces its own dilemma of how to balance Xi's "peripheral diplomacy" of engaging neighbors against China's physical assertions of vital interests in the Asia-Pacific. Heightened territorial disputes with Japan, Vietnam, and the Philippines appear to challenge the success of Xi's regional outreach showcased by his recent visit to South Korea, as well as China's current efforts to build a new relationship with Washington.

## **Chronology of China-Korea Relations**

### **May – August 2014**

**May 1, 2014:** Asiana Airlines announces the launching of two weekly flights between Incheon and Jinan from May 2.

**May 2, 2014:** 35 Chinese tourists take a new cross-border bicycle tour to North Korea from Tumen to Namyang.

**May 5, 2014:** People's Republic of China (PRC) state media report that China and North Korea have simplified border-crossing procedures for Chinese tourists.

**May 5, 2014:** Delegation of the China Institute of Contemporary International Relations led by Vice President Fu Mengzi arrives in Pyongyang.

**May 6, 2014:** PRC Foreign Ministry spokesperson denies May 3 *Kyodo News* reports that the Chinese military has drawn up contingency plans for potential regime collapse in North Korea.

**May 8, 2014:** South Korea's top music agency SM Entertainment and China's biggest search engine Baidu sign an agreement to jointly promote legal music downloads.

**May 9, 2014:** Kim Jong Un sends messages to foreign leaders including Xi Jinping in response to congratulatory messages on Kim's re-election as First Chairman of the DPRK National Defense Commission.

**May 9, 2014:** Korean Airlines announces it will resume flights between Incheon and Urumuqi from May 27 to Oct. 11.

**May 10, 2014:** PRC delegation arrives in Pyongyang for the 17<sup>th</sup> Pyongyang Spring International Trade Fair.

**May 12, 2014:** PRC Foreign Ministry spokesperson announces completion of the construction of a memorial stone at the former barracks of the Korean Liberation Army in Xi'an.

**May 13, 2014:** ROK officials announce that South Korea has lodged a complaint with Beijing against a recent increase in Chinese illegal fishing in ROK waters.

**May 15, 2014:** PRC Ambassador to the DPRK Liu Hongcai pays a courtesy call on DPRK Foreign Minister Ri Su Yong.

**May 17, 2014:** China-ROK-Japan Agreement for Promotion, Facilitation and Protection of Investment comes into effect.

**May 17-18, 2014:** ROK Trade Minister Yoon Sang-jick attends APEC meeting of commerce ministers in Qingdao and meets PRC Commerce Minister Gao Hucheng on the sidelines.

**May 19, 2014:** DPRK delegation of the Journalists Union of Korea led by Jon Il Gwang, vice chairman of the Central Broadcasting Committee of Korea, leaves Pyongyang to visit China.

**May 19, 2014:** Chinese media report that Jilin province and North Korea's Air Koryo have agreed to launch a tourist charter flight from July.

**May 20, 2014:** South Korean media report that North Korea's chief nuclear envoy Ri Yong Ho has arrived in Beijing.

**May 20, 2014:** PRC Foreign Ministry spokesperson extends condolences to victims of the apartment building collapse in Pyongyang.

**May 20-21, 2014:** ROK Unification Minister Ryoo Kihl-jae delivers a speech at Conference on Interaction and Confidence Building Measures in Asia (CICA) in Shanghai.

**May 21-23, 2014:** ROK Minister of Gender Equality and Family Cho Yoon-sun visits Beijing to attend the APEC Women and the Economy Forum.

**May 23, 2014:** PRC Foreign Ministry spokesperson calls for restraint after North Korea's reported artillery shelling into the Yellow Sea.

**May 23, 2014:** PRC Foreign Ministry spokesperson welcomes North Korea's decision to participate in the 2014 Asian Games in South Korea.

**May 23, 2014:** DPRK Premier Pak Pong Ju sends a message of sympathy to Premier Li Keqiang on a bombing attack in Urumuqi.

**May 26-27, 2014:** PRC Foreign Minister Wang Yi visits South Korea and meets President Park Geun-hye and ROK counterpart Yun Byung-se.

**May 26-30, 2014:** The 11<sup>th</sup> round of China-ROK FTA talks are held in Sichuan, led by Assistant Commerce Ministers Wang Shouwen and Woo Tae-hee.

**May 27, 2014:** Jilin authorities confirm that construction has started on a bridge over Tumen River linking China and North Korea.

**May 28, 2014:** PRC Foreign Ministry spokesperson expresses China's opposition to potential deployment of a US missile defense system in South Korea.

**May 29, 2014:** China unveils a monument honoring Korean soldiers who fought for Korea's liberation from Japanese colonial rule (1910-45).

**May 30, 2014:** ROK Ministry of Land, Infrastructure and Transport reports that South Korea has expanded flights to China as its carriers received new rights.

**May 30, 2014:** Bank of Korea says that Chinese importers have tapped won-currency loans for the first time from the bilateral currency swap line.

**May 31, 2014:** ROK military officials claim that North Korea included part of ROK's territorial waters near the inter-Korean western sea border when selling fishing rights to China.

**June 3, 2014:** Chinese tourists take the first bus tour of Heoryong City in North Korea.

**June 4, 2014:** *KCNA* reports that 226 Chinese tourists visited North Korea in June 2-4.

**June 4, 2014:** Local authorities say that North Korea will reopen its part of Mt Baekdu in June to Chinese tourists.

**June 5, 2014:** Chongqing Mayor Huang Qifan meets ROK Ambassador to China Kwon Young-se in Beijing.

**June 6, 2014:** PRC Ministry of Commerce announces another five-year extension of anti-dumping tax on chemical imports from South Korea, Japan, Singapore and Taiwan.

**June 6, 2014:** Local officials in Dandong announce plans to develop tours of the Hwanggumphyong Island economic zone.

**June 7, 2014:** Yanbian University announces it has signed an agreement to provide technical assistance for developing North Korea's Rason economic zone.

**June 9, 2014:** Hyundai Steel Co. and Dongkuk Steel Mill Co. file an anti-dumping petition against Chinese H-Steel.

**June 10-11 2014:** ROK nuclear envoy Hwang Joon-kook meets PRC counterpart Wu Dawei and Foreign Minister Wang Yi in Beijing.

**June 12, 2014:** North Korean sources report that North Korea is expanding passenger train routes to China and Russia.

**June 12, 2014:** China-ROK Agriculture Cooperation Meeting opens in Lianyungang, China.

**June 13, 2014:** ROK media report China and South Korea hold closed-door maritime talks.

**June 13, 2014:** Chinese state media report that two Chinese travel firms have launched tour packages to North Korea with temporary charter flights from Shanghai.

**June 16, 2014:** Sixth China-ROK Media High-Level Dialogue is held in Seoul.

**June 17, 2014:** China Southern Airlines launches first direct flight between Urumqi and Seoul.

**June 19, 2014:** PRC Foreign Ministry spokesperson dismisses UN concerns over DPRK defectors in China.

**June 26, 2014:** China and South Korea hold talks in Ningbo on fishery issues.

**June 27, 2014:** PRC Ambassador to DPRK Liu Hongcai and DPRK Vice Foreign Minister Pak Myong Guk sign agreement in Pyongyang to build a new Wonjong-Quanhe cross-border bridge.

**June 30, 2014:** PRC Foreign Ministry spokesperson calls for stability on the Korean Peninsula after DPRK missile launches on June 27 and June 29.

**June 30, 2014:** First Yanji-Mt. Kumgang international tourist group arrives in Pyongyang.

**July 2, 2014:** PRC Foreign Ministry spokesperson calls for stability on the Korean Peninsula after North Korea fires two short-range projectiles into its eastern waters.

**July 3-4, 2014:** Xi Jinping visits South Korea for a summit with Park Geun-hye.

**July 9, 2014:** PRC Foreign Ministry spokesperson calls for stability on the Korean Peninsula after North Korea fires two short-range missiles into its eastern waters.

**July 10, 2014:** South Korean farmers protest in Seoul against China-ROK FTA talks.

**July 14-18, 2014:** The 12<sup>th</sup> round of China-ROK FTA talks are held in Daegu, South Korea.

**July 15, 2014:** PRC Vice Minister of Environmental Protection Li Ganjie and Pak Ho Yong, vice minister of the DPRK Ministry of Land and Environmental Protection, meet in Beijing.

**July 21, 2014:** ROK Defense Ministry spokesperson remarks that the possible deployment of an advanced US missile defense system is unrelated to China.

**July 23, 2014:** Wang Guanzhong, deputy chief of staff of the PLA, and ROK Vice Defense Minister Baek Seung-joo meet in Beijing.

**July 23, 2014:** PRC Vice Foreign Minister Zhang Yesui meets a delegation of ROK lawmakers led by Vice Speaker of the National Assembly Rep. Lee Seok-hyun of the main opposition New Politics Alliance for Democracy.

**July 24, 2014:** PRC Defense Minister Chang Wanquan meets ROK Vice Defense Minister Baek Seung-joo in Beijing.

**July 24, 2014:** Liu Yunshan, member of the Standing Committee of the CPC Central Committee Political Bureau, meets in Beijing a delegation of ROK National Assembly members led by Vice Speaker Lee Seok-hyun.

**July 24, 2014:** South Korea's Trade Commission launches an investigation of alleged antidumping by two Chinese suppliers of steel beams.

**July 27, 2014:** ROK Ministry of Oceans and Fisheries announces plans to launch the first joint surveillance with China against illegal fishing after a meeting in Weihai with PRC counterparts.

**July 28, 2014:** Jeju Air announces plans to double its Chinese destinations from August.

**July 29-30, 2014:** ROK Vice Foreign Minister Cho Tae-yul visits China to meet Foreign Minister Wang Yi, Vice Foreign Minister Li Baodong, and senior CCP officials.

**Aug. 4, 2014:** Yanji tourism authorities announce opening of a direct bus tour service to Rason.

**Aug. 6-7, 2014:** Three South Koreans and one North Korean are executed in China in separate drug offenses.

**Aug. 8, 2014:** PRC and ROK Foreign Ministers Wang Yi and Yun Byung-se meet on the sidelines of the ARF in Myanmar.

**Aug. 10, 2014:** PRC and DPRK Foreign Ministers Wang Yi and Ri Su Yong meet on the sidelines of the ARF in Myanmar.

**Aug. 12, 2014:** Chinese military arrests North Korean defectors near the China-Laos border.

**Aug. 13, 2014:** PRC Foreign Ministry expresses support for Seoul's Aug. 11 proposal for high-level talks with North Korea.

**Aug. 18, 2014:** President Park and Alibaba's Executive Chairman Jack Ma meet in Seoul.

**Aug. 25, 2014:** South Korea's new Saenuri Party leader Kim Moo-sung meets PRC Ambassador Qiu Guohong in Seoul.

**Aug. 25, 2014:** South Korea's Defense Ministry spokesperson indicates that South Korea is in talks with China, Japan, and Russia to prevent accidental clashes in overlapping air defense areas with the expanded KADIZ.

**Aug. 30, 2014:** Fifth round of China-ROK-Japan FTA talks begin in Beijing.