
PACIFIC  FORUM

COMPARATIVE

CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

EDITED BY
CARL BAKER
BRAD GLOSSERMAN

CREATIVE DIRECTOR
NICK CIUFFETELLI

JANUARY – APRIL 2018
VOL. 20, NO. 1
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PACIFIC FORUM

Founded in 1975, the Pacific Forum is a non-profit, foreign policy research institute based in Honolulu, Hawaii. 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.

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HONOLULU, HAWAII

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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 e-journal of bilateral relations in the Indo-Asia-Pacific, edited by Carl Baker and Brad Glosserman, with Ralph A. Cossa 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 the 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 reporting 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>.

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Since the advent of the Trump administration, US Asia policy has reflected more continuity than change. No more. The one exception has been US security policy, which continued to reflect time-honored principles, including the centrality of US alliances and deterrence. Changes have come at a breathtaking pace in the past few months. Credit (or blame) the emergence of “the real” Donald Trump, who has shrugged off the constraints and conventional wisdom that had kept him largely within the mainstream of US foreign policy practices. His decision to meet North Korean leader Kim Jong Un stunned most observers and led to a series of summits in anticipation of his historic meeting with Kim. The “Disruptor-in-Chief” was also hard at work on economic policy, with the imposition of tariffs on steel and aluminum exports by US trading partners. Trade tensions between Washington and Beijing grew throughout the first four months of 2018 and there are fears of a trade war in the absence of astute management.

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2018 brought with it a swirling series of summits, including another visit by Prime Minister Abe Shinzo to the United States to meet President Donald Trump. The year began with Japan and the United States toe-to-toe on their “maximum pressure” strategy toward North Korea. Four months later there was the announcement of a [June 12 summit](#) between Trump and North Korea’s leader Kim Jong Un. Tokyo and Washington have yet to come together on trade, and even at the [Abe-Trump summit](#) in mid-April, the differences were conspicuously on display. The US-Japan economic partnership remains a potential black hole for the alliance in the months ahead. But the action is in Northeast Asia for the moment, where everyone seems to be trying to meet with everyone. Nonetheless, Abe and Trump made clear in their summit their mutual goal has not changed: [complete, verifiable, and irreversible denuclearization](#) by North Korea.

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The US and China engaged in tit-for-tat trade actions as bilateral trade talks failed to produce a compromise. The Trump administration doubled down on its characterization of China as a threat to US interests in the *National Defense Strategy* and “Worldwide Threats” hearings on Capitol Hill. President Trump signed the Taiwan Travel Act, which calls for the US government to encourage visits between officials from the United States and Taiwan at all levels, provoking China’s ire. Cracks in US-China cooperation on North Korea were revealed as the Trump administration imposed sanctions on Chinese shipping and trading companies allegedly conducting illicit business with North Korea, and Beijing failed to notify Washington in advance of Kim Jong Un’s visit to China. The US conducted two Freedom of Navigation Operations (FONOPS) in the South China Sea.

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Following weapon tests and rhetorical fury in 2017, North Korean leader Kim Jong Un signaled in his New Year address a marked turn toward improving inter-Korean relations. South Korean President Moon Jae-in seized the opening, lauded Trump’s hardline, stood up military hotlines, and moved North Korea to the Olympic moment. The PyeongChang Winter Olympics, Korea’s peace games, won early gold, despite US misgivings. Sport gave way to diplomacy, as North and South Korea agreed to a summit and Seoul sent its representatives north. President Trump surprised everyone by accepting Kim’s offer to meet. Washington and Seoul vowed to maintain maximum pressure and mute Trump trade concerns. Their de facto downgrade in the size of joint military exercises demonstrated flexibility. Seoul couched the Moon-Kim summit as a preliminary to the Kim-Trump sit down. Amid concerns of a split, Moon suggested Trump receive the Nobel Peace Prize.

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Supported by Chinese officials and authoritative commentary, President Xi Jinping continued a moderate and cooperative posture toward Southeast Asia in early 2018, reaching a highpoint in Xi's keynote address on April 10 at the annual Boao Forum for Asia in Hainan Province. Then, the posture switched dramatically to the surprise of many at home and abroad. On April 12, Xi appeared in military uniform addressing troops in the South China Sea participating in the largest naval review in China's history. Perhaps signaling the United States, Vietnam, Japan, Taiwan, and others challenging Chinese activities in the South China Sea, the switch starkly showed the kind of power Beijing is prepared to use in pursuit of its national objectives. Most other Chinese actions toward Southeast Asia and involving the South China Sea in first four months of 2018 emphasized the positive, with China making major advances in relations, especially with the Philippines.

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BY DAVID G. BROWN, JOHNS HOPKINS SCHOOL OF ADVANCED INTERNATIONAL STUDIES & KEVIN C. SCOTT

General Secretary Xi Jinping maneuvered the Chinese Communist Party (CCP) into removing term limits so that he can lead China indefinitely. Beijing has increased pressure on Taiwan, but also rolled out new measures aimed at increasing Taiwan's economic and social integration with the mainland. On Taiwan, pro-independence elements continue pressing President Tsai Ing-wen. The passage of the Taiwan Travel Act (TTA), which was generally welcomed in Taipei, created a new US-China controversy. The appointment of John Bolton as national security advisor and the Trump administration's tariff and technology actions against China have renewed fears in Taipei that Taiwan will become a bargaining chip or suffer collateral damage in a US-China confrontation.

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It is a new year and there is new hope for inter-Korean relations. Beginning with Kim Jong Un's olive branch to Seoul in his annual New Year Address, followed by the carefully coordinated display of North-South cooperation at the PyeongChang Winter Olympics, and capped off with the sometimes unctuous display of bonhomie at the inter-Korean summit in Panmunjom, the shift has been stunning. Now comes the hard part: implementation. The product of the summit, the Panmunjom Declaration, lays out clear milestones to mark progress for improving inter-Korean relations. We expect the North this time to deliver with the South, as a ploy to help it postpone or spin out denuclearization. How these two diplomatic tracks – local and multifaceted on the peninsula, but single-mindedly nuclear on the global stage and especially in Washington – will play out and interact is the key issue.

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The early months of 2018 may well be remembered as Kim Jong Un's coming-out party. Beginning with his New Year speech calling for better inter-Korean relations, he suddenly became the topic of global attention and the "must have" partner for summits with both friend and foe. After seven years without any direct contact, Kim managed to meet both President Xi Jinping and President Moon Jae-in, and get a commitment for a meeting with US President Donald Trump within the span of two months. With the PyeongChang Winter Olympic Games and the flurry of diplomatic activity surrounding the Kim-centered summits serving as the primary catalysts, the prospect for a "breakthrough on the peninsula" became the central focus for China-Korea relations.

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Chinese President Xi Jinping successfully presided over the Boao Forum indicating progress toward establishing China as the fulcrum of the international trading system. Meanwhile, Japanese Prime Minister Abe Shinzō's political future was clouded by the Moritomo Gakuen scandal. Formal high-level dialogue between Beijing and Tokyo, interrupted since September 2010 was cautiously reinstated in April. In the same month, lower-level military exchanges resumed after a six-year hiatus. Despite talk of resetting relations, there was no resolution of key issues such as the disposition of disputed islands in the East China Sea or of present-day Japanese responsibility for the country's conduct during World War II. As for trade, although both China and Japan are committed in theory to early conclusion of the Regional Economic Cooperation Partnership agreement, Japan favors a deal closer to the Trans-Pacific Partnership while China wants additional concessions to support its economic reform goals. Nonetheless, China hopes to obtain Japanese participation in its Belt and Road Initiative.

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BY DAVID KANG, UNIVERSITY OF SOUTHERN CALIFORNIA & KYURI PARK, UNIVERSITY OF SOUTHERN CALIFORNIA

In the first four months of 2018, Japan's relationship with South Korea was influenced more than ever by North Korea as a thaw in inter-Korean relations created a new dynamic for Japan-Korea relations. The shift began with Kim Jong Un's expressed hope for improvement in Seoul-Pyongyang relations and inter-Korean talks in his 2018 New Year's speech. The PyeongChang Winter Olympics created significant momentum and the inter-Korean summit in late April put an exclamation mark on the dramatic turnabout. While Moon Jae-in's administration welcomed the initiative from the North with guarded optimism and facilitated the improvement in relations as the gracious host for both the Olympics and the summit, the Abe administration kept a skeptical and indeed critical stance toward North Korea's "charm offensive." However, Japan was forced to move away from its hardline policy in the face of inter-Korean bonhomie and when the US recognized the shift as an opportunity to move toward diplomacy with North Korea.

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A year into Donald Trump's presidency, both China and Russia have found themselves in a more difficult relationship with the United States. For the first time in history, the two large powers were characterized as "revisionists," "strategic competitors," and "rivals" in a series of US strategy documents: the 2017 [National Security Strategy](#) (NSS), 2018 [National Defense Strategy](#) (NDS) and 2018 [Nuclear Posture Review](#) (NPR). In practical terms, the US threatened Beijing with a [trade-war](#) and tried to play the [Taiwan card](#), while punishing Russia with [Syria bombings](#) and [diplomat expulsions](#). Meanwhile, Russian President Putin secured his next six years, his fourth term in office, with 77 percent of the vote while President Xi Jinping succeeded in [ending a two-term limit](#) on the PRC presidency. At the onset of 2018, the three largest powers in the world were in the hands of strongmen and the world was in uncharted waters as the US appeared ready to simultaneously take on China and Russia as its main rivals for the first time since the early 1970s.

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Japan and Southeast Asia faced a new regional dynamic in 2017 following the inauguration of President Donald Trump in the United States and Philippine President Rodrigo Duterte's accommodative foreign policy toward China. US withdrawal from the Trans-Pacific Partnership and the Philippines' unwillingness to discuss the 2016 South China Sea arbitration award forced Japan and some Southeast Asian states to redirect their strategic focus. Most Southeast Asian states increasingly welcome Japan's regional initiatives in trade, security, and development to fill the vacuum created by these policy shifts. Japan has actively emphasized the "Free and Open Indo-Pacific Strategy," the geographic scope of which goes well beyond East Asia and covers the entire Pacific Ocean to East Africa. This new strategic focus has revitalized Japan's cooperation with Southeast Asia. Nevertheless, there are serious challenges that Japan needs to overcome, particularly in clarifying ASEAN's roles in the strategy.

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REGIONAL OVERVIEW

THE “DISRUPTOR IN CHIEF” EMERGES

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BRAD GLOSSERMAN, TAMA UNIVERSITY CRS/PACIFIC FORUM

Since the advent of the Trump administration, US Asia policy has reflected more continuity than change. No more. The one exception has been US security policy, which continued to reflect time-honored principles, including the centrality of US alliances and deterrence. Changes have come at a breathtaking pace in the past few months. Credit (or blame) the emergence of “the real” Donald Trump, who has shrugged off the constraints and conventional wisdom that had kept him largely within the mainstream of US foreign policy practices. His decision to meet North Korean leader Kim Jong Un stunned most observers and led to a series of summits in anticipation of his historic meeting with Kim. The “Disruptor-in-Chief” was also hard at work on economic policy, with the imposition of tariffs on steel and aluminum exports by US trading partners. Trade tensions between Washington and Beijing grew throughout the first four months of 2018 and there are fears of a trade war in the absence of astute management.

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National defense strategy: compete, deter, and win

Like the *National Security Strategy* (NSS) document we reviewed in our last issue, the follow-on *National Defense Strategy* (NDS) – or, more accurately, the unclassified 2018 [Summary of the National Defense Strategy: Sharpening the American Military's Competitive Edge](#) – spells out the broad array of challenges facing the United States. Unlike the NSS, it prioritizes the threat from the Pentagon's perspective: "Inter-state strategic competition, not terrorism, is now the primary concern in US national security." Not surprisingly, China, Russia, North Korea, and Iran enjoy pride of place in the report. Underscoring the administration's argument that "America First does not mean America Alone," the 11-page unclassified summary contained over three dozen references to "allies and partners" or "alliances," and stresses the importance of cooperative approaches to meeting today's security challenges. This public statement on US defense strategy can also be seen as Defense Secretary Jim Mattis' tutorial to the administration and Congress about the criticality of defense security cooperation centered around the US alliance structure.

The administration also released its 2018 [Nuclear Posture Review](#) (NPR). While critics have focused on the differences with the Obama administration's 2010 NPR, there were many similarities: both saw nuclear weapons as a last resort and endorsed the ultimate goal of a world without nuclear weapons; both reinforced the importance of extended deterrence – providing a security, including nuclear, umbrella over US allies – and the importance of strengthening conventional deterrence; and both called for dialogue with Russia and China to promote cooperation and enhance stability. Both also called for a much-needed modernization of the US nuclear arsenal, although the 2018 document reflected a greater sense of urgency given the re-emergence of great power competition. Perhaps the most controversial element was the 2018 NPR's call for acquiring new low-yield warhead capabilities, which proponents believed would make nuclear deterrence more credible. Critics warned that such weapons made the use of nuclear weapons more likely, and would thus be destabilizing. We have not heard the end of this debate.

Kim Jong-Un and summits galore

We had anticipated Kim Jong-Un's "peace offensive" but never imagined it would have this degree of "success" this early. Chairman Kim has gone from international pariah to everyone's favorite prom date in a few short months, having recently met both Chinese President Xi Jinping and South Korean President Moon Jae-In. The latter meeting helped prompt the former, as did the shocking announcement – made, untraditionally, by a South Korean envoy at the White House rather than from the US president or his spokesperson – that President Trump would personally meet Kim Jong Un sometime in late May or June. [Editor's note: It was announced on May 10 that the summit would occur in Singapore on June 12.]

President Xi had previously refused to meet with Kim, reportedly out of frustration and annoyance with the North Korean leader's actions, which "disrespected" Beijing. Suddenly, it appeared as if Xi was playing catch-up to avoid being marginalized in the emerging peace offensive. Japanese Prime Minister Abe Shinzo quickly began signaling his own willingness (eagerness?) to meet Kim; can Putin be far behind? Abe also rushed to Washington seeking reassurance from Trump that their previously closely synchronized hardline approach toward Pyongyang would not be undermined. He also hoped, to no avail, that his bromance with Trump would get Japan excused from impending steel tariffs. More on this later.



1 North Korean leader Kim Jong Un and Chinese President Xi Jinping shake hands in Beijing, China (Xinhua)

President Trump has received – and taken – a great deal of credit in stimulating the North's diplomatic overtures (although calls for awarding him the Nobel Peace Prize strike us as incredibly premature) and there is no doubt his earlier "fire and fury" threats and "extreme pressure" campaign have contributed to the current flurry of diplomatic activity. How they

contributed remains a subject of debate, however. Did threats of war or increasingly tighter sanctions frighten Kim to the table? Or, did the prospect of conflict so scare President Moon that he offered incentives to Kim to cooperate? Or is this all part of a clever North Korean ploy, with Moon and Trump eagerly taking the bait? Only time will tell.

The North Koreans, of course, firmly reject the idea that they have been frightened or bullied into making diplomatic overtures; Pyongyang sees itself entering into the diplomatic arena from a position of strength, not weakness, due to its “powerful deterrent.” Skeptics (like ourselves) also see the assertion in the [Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula](#) that “South and North Korea confirmed the common goal of realizing, through complete denuclearization, a nuclear-free Korean Peninsula,” not as an acceptance of the US demand for CVID – complete, verifiable, irreversible denuclearization – but as a North Korean statement that Korea Peninsula denuclearization first requires global disarmament. It’s been Pyongyang’s longstanding position that it would be willing to enter into global disarmament talks with the US and other nuclear powers, an action that would essentially legitimize the DPRK’s status as a nuclear weapon state.

Skepticism aside, the Moon-Kim summit provides cause for cautious optimism, although – as is the case with anything involving Pyongyang – the emphasis must be on the word “cautious.” One largely overlooked statement in the *Panmunjom Declaration* seemed particularly significant: “South and North Korea agreed to actively pursue trilateral meetings involving the two Koreas and the United States, or quadrilateral meetings involving the two Koreas, the United States and China with a view to declaring an end to the War, turning the armistice into a peace treaty, and establishing a permanent and solid peace regime.”

In the past, the North has argued that any peace treaty should be between the US and DPRK, or at most the US, DPRK, and China. The ROK was always the odd man out from Pyongyang’s perspective. Taken at face value, this statement indicates that Pyongyang is now ready to negotiate a peace accord with Washington and Seoul; it is Beijing whose participation appears to be optional. If Pyongyang means what this

says, this is an encouraging, potentially significant, breakthrough.

By President Moon’s own admission, the Kim-Moon summit, symbolically important as it was in its own right, was also the scene-setter for the unprecedented meeting between a sitting US president and North Korea’s leader. A more conventional US president would have insisted on some deliverables in advance of a summit, which critics claim bestows undeserved credibility and prestige on Kim Jong Un. If we have learned nothing else in the past year, it is that President Trump is not your conventional US leader. The only thing that appears to be rising higher than expectations about the summit meeting are anxieties that it could fail and result in disaster. This disaster could take the form of Trump walking out in anger, leaving few options on the table short of even more extreme pressure and/or some type of military action. Or it could take the form of Trump being tricked into what seems like a good deal by the North Korean leader, whose real goal is not denuclearization but a lifting of sanctions and the gaining of international credibility and status as a member of the nuclear weapons club.



2US Secretary of State Mike Pompeo and North Korean leader Kim Jong Un shake hands in Pyongyang

While we have argued that one underestimates Kim at his own peril, the same could be said for Trump. Recent personnel changes, including Mike Pompeo’s position shift from head of the Central Intelligence Agency to secretary of State and John Bolton’s transformation from Fox News’ warmonger-in-chief to national security adviser to the president, insure that two hardline skeptics will be whispering in Trump’s ear about any deal proffered by Kim. It’s easy to guess what they will be cautioning; more difficult is predicting whether Trump will listen. For example, Bolton and Pompeo, along with most of the national security establishment, understand the importance of the US forward

military presence on the Korean Peninsula (and in Japan) and would caution against negotiating it away. Rumor (reinforced by tweets) suggests Trump might be more inclined to play the troop deployment card.

Given the leadership system in Pyongyang and Trump's mercurial tendencies, it is absolutely essential that both leaders agree on general principles and objectives if there is ever going to be real prospects for peace on the Peninsula. While more traditional summits usually signal the end of a diplomatic process, the Trump-Kim meeting will at best merely signal the beginning.

Trade wars in the making?

After a year chomping at the bit, Trump finally got to unleash his instincts on the economic front – and the results have been disturbing. Economists challenge virtually every key assumption of Trump's economic policies. Bilateral trade deficits are not indications of economic weakness. Manufacturing is not the critical sector of post-industrial economies. Job losses are not primarily the result of international trade. Trade wars are not "easy to win." Multilateral trade agreements are not tools to exploit the United States, nor does membership in such arrangements constitute unilateral disarmament.

Nonetheless, the president remains committed to an avowedly protectionist economic agenda in his effort to "put America first," arguing that he is like every other national leader who seeks to protect national interests. Since taking office, Trump has sought to tear up existing trade deals or withdraw from multilateral arrangements so he can use US economic might to win better terms in bilateral economic relations. He considers unilateral sanctions a powerful tool to win concessions and, after a year of frustration, the first four months of 2018 were punctuated by a flurry of actions on trade that allowed him to put his governing philosophy to work.

In early March, the US [announced](#) it would impose a 25 percent tariff on steel imports and 10 percent tariff on aluminum imports under Section 232 of the Trade Expansion Act of 1962, ostensibly to protect US national security. Allies pointed out that they were unlikely to cut trade in an emergency, undercutting the fundamental rational – and legal basis – for the move. The sanctions were

not imposed immediately so that affected countries could work out agreements with Washington on ways to voluntarily restrain exports to the US and rebalance the books. A deal was struck with South Korea – some [argue](#) that it was shrewd with minimal changes – and negotiations proceeded with several other trade partners. Worryingly, however, neither the European Union nor China bent. Instead, both announced that they would retaliate with sanctions on their own.

On April 30, the administration [announced](#) that it would delay a final decision on tariffs on the EU and other US allies until June 1, to allow more time for talks. The EU drew up its own list of targets for US exports and said that it would only discuss ways to address trade imbalances when the US withdrew the threat of sanctions.

As the storm gathered, Japan remained within the president's crosshairs, despite repeated attempts to explain why it deserved an exemption. Prior to his April meeting with Prime Minister Abe, Trump [suggested](#) that the US might rejoin the TPP, from which he withdrew during the first week of his presidency, but that tease was subsequently [crushed](#).



3 Trade Ministers from the TPP-11

Tit for tat with China

President Trump has been especially [eager](#) to remedy a trade deficit with China that he reckons to have reached \$500 billion. As is discussed in the chapter on US-China relations, he announced the imposition of \$60 billion in tariffs on Chinese goods, a move that Beijing matched with \$50 billion in tariffs of its own on US exports. The US threw fuel on the fire when it announced that it was forbidding US companies from doing business with ZTE, a Chinese high-tech company, for seven years as a result of its failure to comply with a previous

consent order imposed for violating an export ban on sales to Iran and North Korea. The Chinese government and its businesses viewed the US move as an attempt to throttle Chinese companies and used it to backstop the case for its indigenous technology development program, Made in China 2025. Attempts to halt the march toward an all-out trade war failed when a seven-person senior US delegation visited Beijing in early May for bilateral consultations on trade, but the two sides merely traded demands that given their sweep and scale could only be considered initial negotiating positions. As one of the US demands is the end of the Made in China 2025 initiative, prospects for progress are slim.

Fundamental contradictions

There are many reasons to object to the Trump administration's economic strategy, but from our vantage point it contains two fatal contradictions, both of which undercut the core concern of Trump's *National Security Strategy*, namely that the world has re-entered an era of "great power competition" between the United States, China, and Russia.

As a start, we note that while there is always a potential risk of a military confrontation, the real competition today is economic, which means that the principal "adversaries" are the US and China; Russia's credibility as an international economic competitor is slim and diminishing. Yet US policies undermine its ability to compete with Beijing in this arena.

First, there is the emphasis on redressing bilateral trade imbalances. Even if this was a valid indicator of national economic strength – which it is not – the basic premise of the Trump policy is that the US must take money from its trade partners to end their "exploitation" of the United States and fix the nation's economy. China's message is just the opposite: The Belt and Road Initiative and the Asian Infrastructure Investment Bank both provide money to trade partners to meet their critical development needs. Even if the reality of the Chinese offers is quite different from what is presented, the contrast is inescapable, and the US will find itself struggling to increase its influence. The other Quad countries, led by [Japan](#), have recognized the need to better compete with China in this area and are [pursuing](#) a "High Quality Infrastructure Initiative." It isn't clear, however, if they have the resources to compete

with China's largesse, especially if the US is focused on its own problems and prefers to devote resources to domestic concerns.

The second contradiction results from Washington's readiness to pick trade fights with its allies while at the same time hoping to enlist them in a battle against China's mercantilist and often predatory policies. There is an expanding consensus that the problems the Trump team has identified in Chinese policy and practice are real, must be addressed, and the current international trade order is not well suited to fix them. But even those who line up behind that diagnosis do not agree that the Trump administration's remedy is correct. An indiscriminate policy that uses the same blunt tool – sanctions – against all trade partners antagonizes governments that would otherwise be ready to join US efforts to change Chinese behavior. Not only does it shatter the international consensus that will be essential to success in this endeavor, but it gives potential allies a reason to align with Beijing to counter a "rogue" US government ready to tear down the rules, norms, and institutions that have produced widespread prosperity since the end of World War II. In short, US actions allow it, rather than China, to be painted as the real threat to the international economic order.

Washington's ability to rally support for all its international initiatives on trade or security is threatened by the Trump administration's seeming disregard for the interests and views of its allies. As our reporting period closed, the US announced its withdrawal from the international effort to cap Iranian nuclear ambitions, a move that stunned European allies for its disdain (particularly after two European leaders trekked to Washington to plead their case). The commentary from European sources, in particular those who back strong ties with the US, has been scathing, with some openly questioning the future of US commitments to Europe. Asian allies and partners too are concerned, wondering what deals Trump is prepared to make with Pyongyang and Beijing as he works to "Make America Great Again."

REGIONAL CHRONOLOGY

JANUARY – APRIL 2018

Jan. 1, 2018: In his 2018 New Year's [speech](#), Kim Jong Un repeats nuclear threats against the US, acknowledges the effects of sanctions against North Korea, and, in a major shift, is conciliatory toward South Korea, offering to send a delegation to the PyeongChang Winter Olympics.

Jan. 4, 2018: US and ROK agree to [delay](#) joint military exercises until after the Winter Olympics and the Paralympics.

Jan. 10, 2018: President Moon Jae-in [speaks](#) by phone to President Donald Trump to discuss the prospect for inter-Korean talks.

Jan. 11, 2018: President Moon [speaks](#) by phone to Chinese President Xi Jinping to discuss bilateral relations, high-level inter-Korean talks and the PyeongChang Winter Olympics.

Jan. 14, 2018: National security chiefs of South Korea, the US, and Japan meet in San Francisco to coordinate policies on North Korea.

Jan. 15-17, 2018: Secretary of State Rex Tillerson and Canadian Foreign Minister Chrystia Freeland [co-host](#) Vancouver Foreign Ministers Meeting on Security and Stability on the Korean Peninsula. The 20 participating countries included the United States' Korean War allies.

Jan 17, 2018: *USS Hopper*, a guided-missile destroyer, conducts a freedom of navigation operation in the South China Sea, sailing within 12 nm of Scarborough Shoal.

Jan. 18, 2018: Australia's Prime Minister Malcolm Turnbull and Japan's Prime Minister Abe Shinzo [meet](#) in Japan.

Jan. 18, 2018: US and ROK [hold](#) second meeting of the Extended Deterrence Strategy and Consultation Group (EDSCG) in Washington, DC.

Jan. 19, 2018: US [releases](#) an unclassified summary of the *National Defense Strategy*.

Jan. 27-28, 2018: Japan's Foreign Minister Kono Taro visits China and [meets](#) Premier Li Keqiang.

Feb. 1, 2018: Russia's Prime Minister Dmitry Medvedev [approves](#) the deployment of Russian military aircraft to the island of Iturup (Japan: Etorofu) off the northeast coast of Japan.

Feb. 1-6, 2018: US Special Representative for North Korea Policy and Deputy Assistant Secretary for Korea and Japan Joseph Yun [travels](#) to Tokyo and Seoul to coordinate on the DPRK and other alliance and bilateral issues.

Feb. 2, 2017: US releases its latest [Nuclear Posture Review](#), which declares a need for modified nuclear warheads of lower yield and a new, nuclear-armed, sea-launched cruise missile. It also argues for more "flexible" options to meet possible threats from resurgent Russia and China and that these supplemental and "tailored" options will enhance deterrence.

Feb. 5, 2018: Philippine President Rodrigo Duterte orders end to all foreign scientific research missions in waters off the country's northeast in the region called Benham rise, which his government has renamed Philippine Rise.

Feb. 6-10, 2018: Vice President Mike Pence visits Japan and South Korea.

Feb. 7, 2018: Vice President Pence and Prime Minister Abe [hold](#) a bilateral meeting.

Feb. 8, 2018: ROK President Moon and Vice President Pence [hold](#) bilateral meeting at the Blue House in Seoul.

Feb. 8, 2018: Vice President Pence [meets](#) North Korean defectors in Seoul and visits Cheonan Memorial.

Feb. 8, 2018: President Moon [meets](#) Chinese Special Envoy Han Zheng, a member of the Politburo Standing Committee of the Communist Party of China (CPC).

Feb. 9, 2018: President Moon meets UN Secretary General Antonio Guterres in Gangneung.

Feb. 9, 2018: President Moon and Japanese Prime Minister Abe [hold](#) a summit in Pyeongchang.

Feb. 13-23, 2018: US and Thailand host 37th *Cobra Gold* joint military exercise in Thailand. Primary activities include a staff exercise, a field training exercise, and humanitarian civic assistance projects in Thai communities with participants from 30 countries.

Feb. 21-23, 2018: Australian Prime Minister Turnbull visits US and meets President Trump in Washington.

Feb. 27, 2018: US announces it is cutting aid to several assistance programs in Cambodia due to “recent setbacks to democracy.”

March 2-4, 2018: Vietnam President Tran Dai Quang visits India and meets President Ram Nath Kovind and Prime Minister Narendra Modi.

March 5-6, 2018: ROK President Moon sends a five-member delegation headed by National Security Council Adviser Chung Eui-yong and National Intelligence Service Director Suh Hoon to North Korea to meet leader Kim Jong-un. They [agree](#) to hold the third inter-Korean summit in the joint security area of Panmunjom in late April.

March 5-10, 2018: *USS Carl Vinson* and two other US Navy ships make a port call in DaNang, marking the first US carrier to a Vietnamese port since the end of the Vietnam War.

March 6-13, 2018: India hosts biennial naval engagement, *Milan 2018*. The exercise includes naval personnel from 23 countries and ships from 16 navies from across the Indo-Pacific region.

March 7, 2018: Representatives from US and ROK [meet](#) in Honolulu for first round of talks to develop the 10th Special Measures Agreement (SMA), which will enter into force in 2019.

March 8, 2018: South Korea Foreign Minister Kang Kyung-wha [meets](#) Foreign Minister Vivian Balakrishnan of Singapore to discuss bilateral issues and ways to step up cooperation between the ROK and ASEAN as well as between the ROK and Singapore, the ASEAN chair for 2018.

March 8, 2018: Trade ministers from 11 Pacific Rim countries sign the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

March 8, 2018: US announces a 25 percent tariff on steel imports and 10 percent tariff on aluminum imports under Section 232 of the Trade Expansion Act of 1962 to protect US national security. The sanctions are not immediately imposed to give time for affected countries to come to agreements on voluntary restraints with the US.

March 9, 2018: President Trump [speaks](#) with President Xi about recent developments related to North Korea and [speaks](#) with President Vladimir Putin about bilateral relations mutual national security priorities and challenges.

March 15, 2018: Prime Minister Turnbull and Prime Minister Nguyen Xuan Phuc sign a new Australia-Vietnam strategic partnership agreement.

March 16, 2018: President Trump [speaks](#) with President Moon to [discuss](#) efforts to prepare for their upcoming engagements with North Korea.

March 16, 2018: Deputy Secretary Sullivan [meets](#) South Korea’s Foreign Minister Kang and Japanese Foreign Minister Aso Kono in Washington DC.

March 16, 2018: President Trump signs the Taiwan Travel Act (TTA).

March 17-18, 2018: Australia-ASEAN summit is held in Sydney.

March 18, 2018: H.R. McMaster, US national security adviser, Japan counterpart Yachi Shotaro, and Korean counterpart Chung Eui Yong meet in San Francisco.

March 21-24, 2018: Philippine Foreign Secretary Alan Peter Cayetano visits China and meets Foreign Minister Wan Yi. They agree that China and the Philippines will cautiously proceed with discussions on joint oil and gas exploration in the South China Sea.

March 22-24, 2018: South Korean President Moon visits Vietnam and meets President Tran Dai Quang, and other Vietnamese leaders.

March 23, 2018: Navy destroyer *USS Mustin* conducts freedom of navigation operation in the South China, sailing within 12 nm of Mischief Reef. China condemns the activity saying it “seriously harmed the country’s sovereignty and security” and that “provocative behaviour by the United States will only cause the Chinese military to strengthen its defence capabilities.”

March 26-27, 2018: North Korean leader Kim Jong Un visits China and meets President Xi in Beijing.

March 26, 2018: Deputy Secretary of State Sullivan [meets](#) Malaysian Foreign Minister Anifah Aman in Washington to affirm the importance of the US-Malaysia Comprehensive Partnership.

March 26, 2018: Deputy Secretary of State Sullivan [meets](#) Indonesian Foreign Minister Retno Marsudi in Washington to reaffirm the US-Indonesia Strategic Partnership.

March 28, 2018: Special Representative of President Xi and Director of the Central Commission for Foreign Affairs Yang Jiechi [visits](#) Seoul and meets President Moon.

March 28, 2018: Myanmar’s Parliament elects U Win Myint to be president of Myanmar.

March 30, 2018: India’s External Affairs Minister Sushma Swaraj meets Prime Minister Abe in Tokyo.

March 30, 2018: China’s State Councilor and Foreign Minister Wang Yi [meets](#) Thailand’s Prime Minister Prayut Chan-o-cha on the sidelines of the Greater Mekong Sub-region (GMS) Summit in Hanoi, Vietnam.

March 30, 2018: President Moon [meets](#) Director of the Central Commission for Foreign Affairs [Yang Jiechi](#) at Cheong Wa Dae.

March 31, 2018: Great Mekong Sub-region (GMS) Summit in Hanoi, Vietnam.

March 31, 2018: UN Security Council [blacklists](#) 27 ships and 21 companies for helping North Korea evade sanctions.

March 31, 2018: Rex Tillerson’s commission as US secretary of State [ends](#).

April 2-3, 2018: Acting Assistant Secretary for East Asian and Pacific Affairs Susan Thornton [visits](#) Malaysia to co-chair 31st US-ASEAN Dialogue with Malaysia Ministry of Foreign Affairs Secretary General Ramlan Ibrahim.

April 3, 2018: State Councilor and Foreign Minister Wang Yi [meets](#) DPRK Foreign Minister Ri Yong-ho during Ri’s stopover in Beijing.

April 4, 2018: United States, India, and Japan [hold](#) ninth trilateral meeting in New Delhi.

April 5, 2018: Russia’s President Putin [meets](#) State Councilor and Foreign Minister Wang Yi in Moscow.

April 7, 2018: International Criminal Court [turns down](#) petition to prosecute North Korean leader Kim Jong Un and others for the suspected abductions of Japanese citizens.

April 8, 2018: Chinese President Xi met with UN Secretary-General António Guterres at the Great Hall of the People.

April 8, 2018: Chinese Vice President Wang Qishan [meets](#) Singapore’s Prime Minister Lee Hsien Loong at Zhongnanhai in Beijing.

April 9, 2018: Myanmar’s military [sentences](#) seven personnel to 10 years in prison and hard labor as alleged accomplices in the killing of 10 Rohingya Muslims in Rakhine state.

April 10, 2018: North Korean leader Kim Jong Un talks about prospects for dialogue with the US, his first [official comment](#) on a planned summit with President Trump.

April 11, 2018: Japanese FM Kono [meets](#) ROK counterpart Kang to discuss upcoming summit between North and South Korea.

April 11, 2018: South Korea’s head of the presidential National Security Office Chung Eui-yong visits Washington and meets National Security Adviser John Bolton.

April 14, 2018: UN report [puts](#) Myanmar’s armed forces on a UN list of government and rebel groups “credibly suspected” of carrying out rapes and other acts of sexual violence in conflict.

April 15, 2018: Chinese Special Envoy Song Tao visits North Korea and [meets](#) Kim Jong Un in Pyongyang.

April 16, 2018: US Department of Commerce bans US companies from providing exports to ZTE for seven years because of the company's failure to comply with a previous consent order for violating export ban on sales to Iran and North Korea.

April 16, 2018: China and Japan [resume](#) high-level economic talks for first time in nearly eight years.

April 17-18, 2018: President Trump [hosts](#) Prime Minister Abe of Japan to Mar-a-Lago.

April 21, 2018: North Korea [announces](#) decision to close its nuclear test site and stop test launches of mid-to-long-range missiles.

April 23, 2018: A tour bus carrying 34 Chinese tourists [falls](#) from a local bridge in North Hwanghae Province of the Democratic People's Republic of [Korea](#) (DPRK).

April 24, 2018: ROK President Moon and Japanese PM Abe [discuss](#) latest developments on the Korean Peninsula by phone.

April 25, 2018: South Korean Director of National Security Chung Eui-yong [meets](#) National Security Advisor John Bolton in Washington, DC, to exchange ideas.

April 26, 2018: Mike Pompeo is [confirmed](#) as US secretary of State.

April 27, 2018: South Korean Moon and North Korean Chairman of the Workers' Party of Korea hold a summit in Panmunjom. They sign a joint declaration pledging to end hostilities and denuclearize the Korean Peninsula.

April 27-28, 2018: India's Prime Minister Modi visits China and meets President Xi in Wuhan.

April 30, 2018: President Donald Trump announces that his administration has postponed decisions about imposing steel and aluminum tariffs on the European Union and other US allies until June 1. Tariffs on South Korea are lifted because the two countries have agreed on alternative measures to reduce the US trade deficit with Seoul.

May 3, 2018: Seven-member trade delegation that includes US Ambassador to China Terry Branstad, Secretary of the Treasury Steven Mnuchin, Secretary of Commerce Wilbur Ross, and US Trade Representative Robert Lighthizer, goes to China for bilateral consultations on trade relations. The meetings are candid but make no progress.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

US-JAPAN RELATIONS

ADJUSTING TO ABRUPT DIPLOMACY

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2018 brought with it a swirling series of summits, including another visit by Prime Minister Abe Shinzo to the United States to meet President Donald Trump. The year began with Japan and the United States toe-to-toe on their “maximum pressure” strategy toward North Korea. Four months later there was the announcement of a [June 12 summit](#) between Trump and North Korea’s leader Kim Jong Un. Tokyo and Washington have yet to come together on trade, and even at the [Abe-Trump summit](#) in mid-April, the differences were conspicuously on display. The US-Japan economic partnership remains a potential black hole for the alliance in the months ahead. But the action is in Northeast Asia for the moment, where everyone seems to be trying to meet with everyone. Nonetheless, Abe and Trump made clear in their summit their mutual goal has not changed: [complete, verifiable, and irreversible denuclearization](#) by North Korea.

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North Korea: beware, negotiations ahead!

Whereas the defense requirements to counter Kim Jong-un's increasingly sophisticated missile arsenal [focused US-Japan attention](#) at the end of 2017, this year began with a crescendo of diplomacy. In Canada, Foreign Minister Kono Taro and Secretary of State Rex Tillerson joined representatives from 18 other countries to discuss how to manage the [North Korean challenge](#) to regional stability. Kono and Tillerson [met on the sidelines](#), and then again with South Korea's Foreign Minister Kang Kyung-wha.



1 Foreign Ministers from 20 countries at a meeting in Vancouver, Canada on January 16, 2018 (Getty Images)

The PyeongChang Winter Olympics in February proved a much-needed turning point. Kim Jong Un sent a [high-ranking mission](#) to attend, as well as [athletes and their cheerleaders](#). South Korea's President Moon Jae-in welcomed Kim Jong Un's sister, Kim Yo Jong, and Kim Yong Nam, president of North Korea's Parliament and nominal head of state. Prime Minister Abe [joined in the diplomacy](#), attending the opening ceremonies and meeting the North Korean government delegation. Vice President Mike Pence represented the United States at the opening ceremonies, but [refused contact](#) with North Korean representatives. Pence stopped in Tokyo on his way to meet Prime Minister Abe and Deputy Prime Minister Aso Taro to discuss the alliance.

Diplomacy with North Korea picked up speed from there. In early-March, President Moon's National Security Advisor Chung Eui-yong visited Pyongyang and Moon announced he would meet Kim Jong Un at the [Inter-Korean Peace House](#) at Panmunjom on April 27. Chung visited Washington to brief the Trump administration on March 8, and after talks in the White House told the press that Trump [had agreed to meet Kim](#). This stunning

announcement, made by a foreign government official on the White House lawn, was a game-changer.

The Abe Cabinet reacted quickly to Trump's abrupt tack to diplomacy, and Abe and Trump [spoke on the phone](#) that evening. The prime minister made plans to visit Washington to discuss a potential opening for Trump's negotiation with Kim Jong Un, initially planned for May. Abe said in the call that he "thinks highly of Pyongyang's shifting ground," and [welcomed](#) North Korea's renewed commitment to denuclearization as a victory for the "maximum pressure" campaign undertaken by the United States and Japan.

Trump also took steps to revamp his foreign policy team, creating some concern in Tokyo about discontinuity in the Trump administration's approach to North Korea. Secretary of State Tillerson, a strong advocate of diplomacy with North Korea, was summarily [fired](#) via a Tweet on March 13. CIA Director Mike Pompeo was tapped to replace him. Nine days later, after rumors that the president had lost confidence in him, National Security Adviser H. R. McMaster [resigned](#), and Trump appointed John Bolton, former UN ambassador (2005–2006) and under secretary of state for arms control and international security (2001–2005) during the George W. Bush Administration. Both are known for hardline stances on North Korea and its weapons programs. Pompeo as CIA head noted publicly on Jan. 22 that Pyongyang was "[only a handful of months](#)" from being able to deliver a nuclear attack to the territorial United States. Bolton, on *Fox News* as a commentator, has repeatedly said that North Korea's efforts at diplomacy were only [lies](#) intended to buy the regime time to [further develop its nuclear arsenal](#). In a Feb. 28 editorial for the *Wall Street Journal*, Bolton forcefully advocated for [a preemptive military strike](#) against North Korea.

The Abe-Trump [summit](#) at Mar-a-Lago on April 17–18 put Japanese concerns about North Korea to rest. Abe got what he came for: reassurance from Trump that Washington and Tokyo were still on the same page when it came to what Pyongyang needed to do to eliminate its military threat to Japan. The president stated, "As I've said before, there is a bright path available to North Korea when it achieves denuclearization in a complete and verifiable, and irreversible way. It will be a great day for them. It will be a great day for the world." Abe responded with,

“Just because North Korea is responding to dialogue, there should be no reward. Maximum pressure should be maintained, and actual implementation of concrete actions towards denuclearization will be demanded. This firm policy has once again been completely shared between us.”



2 Trump and Abe meet at Mar-a-Lago (Getty Images)

Trump also confirmed once again that he would not forget the [families of Japan's abductees](#) when he met Kim Jong Un, a promise he had made directly to the families during his visit to Japan in the fall of 2017. Abe also brought home the need to [address](#) North Korea's burgeoning missile arsenal, and referenced the Japan-DPRK understanding on ending missile launches in the Pyongyang Declaration in 2002. How the Trump administration will incorporate this aspect of North Korean proliferation in the Trump-Kim meeting remains to be seen. But the president continues to reassure the prime minister that he [recognizes](#) the threat of short- and medium-range missiles to Japan. The summit also revealed that while the personal relationship between Donald and Shinzo remains intact, their different approaches on trade have not been resolved.

Trade, trade, trade

On March 8, Japan and 10 other countries signed the [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CPTPP, or TPP-11), a landmark multilateral trade agreement that notably did not include the United States. The CPTPP will reduce tariffs in countries that together make up more than 13 percent of the global economy and \$10 trillion in GDP. In its earlier form, which included the United States, the 12-nation Trans-Pacific Partnership (TPP) trade deal would have been much larger at 40 percent of the world economy. However, President Trump withdrew the United States from the TPP shortly after entering office in

January 2017. For Japan, signing the CPTPP in March followed a busy fall of free-trade [negotiations](#), including finalizing a deal for an [Economic Partnership Agreement with the European Union](#) on Dec. 8. The CPTPP will enter into force 60 days after it is ratified by at least six of the 11 member countries and could come into effect before the end of 2018.

Just hours after the conclusion of the CPTPP, President Trump signaled a sharply different position on trade when he imposed stiff [new tariffs](#) on imported steel and aluminum. The new tariffs – 25 percent on steel and 10 percent on aluminum – were issued under a rarely used provision ([Section 232](#)) of the Trade Expansion Act of 1962, which gives the president broad powers in taking actions to defend national security. The move followed a report from the US Commerce Department in January that identified imports of metals as a potential [national security threat](#). The tariffs triggered [strong opposition](#) from affected countries, including [Japan](#) and other US allies, as well as from within Trump's own administration and party. The day before the announcement, Trump's chief economic advisor, Gary Cohn, [resigned](#) after his failure to prevent the tariffs. [More than 100 Republicans](#) in Congress also sent a letter to Trump asking him to abandon the proposed levies on metal imports.

In response to pressure, the Trump administration announced a series of exemptions, yet Japan was not included. The initial presidential proclamation exempted Canada and Mexico from tariffs, while US Trade Representative Robert Lighthizer later announced [temporary exemptions](#) for Australia, Argentina, Brazil, South Korea, and the European Union on March 22. The United States is the largest importer of steel in the world, and the tariffs threaten nearly [\\$2 billion in Japanese exports](#). While the Japanese government expressed [official regret](#) at the decision, Prime Minister Abe's government did not retaliate with tariffs of its own. Instead, Japanese officials pressed their US counterparts through diplomatic channels to exempt Japan, stressing that the country's steel imports provide tremendous benefits for US companies and do not pose any security threat to an important ally. On March 29, Minister of Finance Aso, who heads Japan's delegation for the economic dialogues with the United States, went a step further in the Diet, saying that Japan [should not allow](#) Washington to use tariffs to pressure

Tokyo into talks for a bilateral FTA. Aso warned that Japan should avoid bilateral negotiations given the power imbalance between the two countries and stick instead to multilateral channels. While US-Japan trade negotiations continue, many Japanese companies hope in the meantime that they can score [exemptions on a product-by-product basis](#) for some of their higher quality goods, as Trump's policy includes a provision allowing US companies to bypass the tariffs if they cannot find the necessary metals in domestic markets.

Apart from protectionist policies on steel and aluminum, [Tokyo watched closely](#) in the first part of the year as the Trump administration took on China in a tit-for-tat exchange aimed at addressing the trade imbalance and differences over intellectual property rights. On March 22, Trump signed a memorandum instructing US Trade Representative Lighthizer to apply tariffs on [\\$50 billion](#) worth of Chinese goods. In response, China first announced its own set of tariffs on \$3 billion worth of US imports, in retaliation for the steel and aluminum tariffs, and then implemented [further tariffs on 128 US products](#) on April 2. The next day, the USTR published an initial list of more than [1,300 Chinese goods](#) that would be included in the forthcoming tariffs, including items such as flat-screen televisions, weapons, medical devices, and batteries. The Chinese government again responded quickly on April 4 with a plan for [additional tariffs](#) of 25 percent on 106 US items, including automobiles, airplanes, and soybeans. The tariff on soybeans received particular attention, as soybeans are the top US agricultural export to China, and reports from US companies suggest that China [stopped buying](#) soybeans altogether as a result. The Trump administration was not deterred, however, with Trump [tweeting](#) on April 4 that "we are not in a trade war with China, that was lost many years ago." The next day, Trump directed the USTR to consider [another \\$100 billion](#) worth of tariffs on Chinese goods.

These developments clearly put trade at the forefront of the agenda for the Trump-Abe summit in mid-April. Initially, signs pointed to a potential breakthrough in negotiations as President Trump surprised many observers when he told a gathering of farm-state lawmakers on April 12 that he had directed the USTR to [weigh the possibility of rejoining TPP](#). Many interpreted the move as an overture to US agricultural producers who stood to suffer from

trade frictions with China, although Trump tweeted later in the day that he would only join TPP if the deal were "[substantially better](#)" than the deal negotiated under President Obama. Even with this caveat, however, Trump's sudden openness to reconsidering TPP – after years of criticizing the deal first as a candidate and then as president – signaled the potential for a [big win for Japan's economic diplomacy](#). Prime Minister Abe has long been a proponent of the United States returning to the TPP, and its inclusion could have significant ramifications for the Japanese economy. An [analysis](#) by the Japanese Cabinet Office in December 2017 showed that the original TPP deal would have pushed up Japan's long-term GDP growth by 2.59 percent, significantly more than the 1.49 percent expected under the current CPTPP. Moreover, Abe is hopeful that if he can convince the US to return to TPP, there will be less appetite for a bilateral trade deal, which continues to be an issue of friction with Trump.

The initial promise offered by a potential US return to TPP, however, was soon followed by mixed messaging in the Abe-Trump summit, revealing that significant work remains to close the gap between the two leaders on trade. In the same tweet in which Trump showed some flexibility on TPP, he also criticized Japan for "[hitting us hard on trade for years](#)," and a report from the Treasury Department the following day (April 13) said that it "remains concerned about the persistence of the large trade imbalance" with Japan. In a [press conference](#) during the summit, Abe touted TPP as "the best [deal] for both countries," while Trump expressed a strong preference for bilateral negotiations to take on the "massive trade deficit with Japan," saying "unless they offer a deal that we cannot refuse, I would not go back into TPP." Later in the day, [Trump again slammed TPP](#) on Twitter, saying that he did not like the contingencies in the deal and preferred to pursue a bilateral deal with Japan. As for Section 232 concerns, Abe reiterated in the press conference that "Japanese steel and aluminum would not exert any negative influence on US security," and that negotiations were ongoing. Trump side-stepped a reporter's question about potential exemptions for Japan, instead noting that the tariffs have "got us to the bargaining table with many nations," leading to "billions of dollars coming into the coffers of the United States."

One positive trade-related outcome of the summit is that Trump and Abe agreed to start a new round of trade and investment negotiations, this time led by USTR Lighthizer and Motegi Toshimitsu, Japan's minister in charge of TPP issues. Compared with the US-Japan Economic Dialogue, which is led by Vice President Pence and Deputy Prime Minister Aso, these working-level meetings could create a venue for diplomats to work out specifics needed to make progress on trade. If the United States is serious about a return to TPP, it will want to come to a decision quickly. The Japanese Diet [took up discussion](#) of TPP-related bills on April 17, and could ratify the agreement as early as mid-June, paving the way for the deal to take effect later this year or in early 2019. At the same time, [accommodating](#) Trump's desire to renegotiate TPP will be challenging, given that an agreement is already in place, one that Abe has described as a "delicate piece of glasswork that is extremely difficult to change."

Evolving national defense strategies

By early 2018, the Trump administration had issued a series of documents designed to provide a strategic vision for its America First approach. In December 2017, the [National Security Strategy](#) offered the first tangible definition of how America First translated into alliance policy. In January, the [National Defense Strategy](#) demonstrated a shared conviction that an Indo-Pacific frame for thinking about alliance partners in the region could bear fruit.

But it was the [Nuclear Posture Review](#) (NPR), issued in February that offered Tokyo the best assurance that its concerns over the US commitment to extended deterrence would be addressed. For some time, Japanese security planners have worried about the regional military balance and US strategy to deter nuclear and non-nuclear threats. The increasingly integrated strategic forces deployed by China and North Korea called for a more flexible approach to allied deterrence. The day after the NPR's release, Foreign Minister Kono issued a [statement](#) saying "Japan highly appreciates the latest NPR," as it "clearly articulates the U.S. resolve to ensure the effectiveness of its deterrence and its commitment to providing extended deterrence to its allies including Japan." *Kyodo* reported that Tokyo policymakers saw [their own recommendations](#) in the Trump administration's document.

Japan too had been updating its own defense preparations. In December 2017, the Ministry of Defense announced it would [invest](#) in expanding and deepening its ballistic missile defenses. The *Aegis Ashore* system, priced at ¥200 billion ([\\$1.8 billion](#)), would give Japan a much larger scope for detecting and targeting ballistic missile launches, a capability that Japan's neighbors could not ignore. Moreover, the Abe Cabinet began its formal deliberations on a new national defense plan, the TAIKO, and an accompanying five-year procurement plan, the Midterm Defense Plan, which would implement significant upgrades in the Self-Defense Force's capabilities. Important in this five-year plan is the [commitment](#) to annual defense budget growth, expected to grow from annual increases of 0.8 percent in the past five-year plan to 1 percent in the five years to come.

Politics may handicap this effort, however. The Ministry of Defense came under intense scrutiny after the SDF admitted that they had [failed to report daily logs](#) retained for the Ground Self-Defense Force deployment in South Sudan. Defense Minister Onodera Itsunori [pledged a full investigation](#) of SDF accountability in providing a record of its past deployments, including past efforts in Iraq. Days later, the Air and Maritime Self-Defense Forces [revealed that they too had records of their deployments](#).

Conclusion

Despite the surprises dealt by President Trump in early 2018, Prime Minister Abe used the April summit to put to rest growing anxiety in Tokyo (and in Washington) that the Abe-Trump relationship had weakened. Abe's difficulties at home were growing with continued news about cronyism scandals making a significant dent in his approval rating. By late April, Japan's media reported significant loss of approval for Abe, with some reporting his disapproval rating to be as much as [15 to 20 points](#) above his approval rating, which had declined to under 40 percent. The announcement of a Trump meeting with Kim, coupled with the application of sanctions on Japan's steel exports, convinced many in Tokyo that the honeymoon was over and the personal ties between Abe and Trump no longer inoculated Japan against Trump's America First agenda.

Trump and Abe now face two hurdles. The first is to ensure their alignment on negotiations with Kim Jong Un remains, and to persuade

President Moon that trilateral cooperation remains his surest path to peace. The June 12 meeting between Trump and Kim could begin a longer process of disarmament talks. Or, it could end up as a one-off meeting with considerable political pay-offs for each leader, leaving harder security challenges for Seoul and Tokyo to manage on their own. Given the abrupt diplomacy of the past few months, anything seems possible.

The second hurdle is trade relations. One thing is clear: the United States and Japan will have to confront their differences over a bilateral free-trade agreement. Abe's suggestion of a "[free, open, and reciprocal Indo-Pacific framework](#)" may offer a way out. It wisely echoes the language the Trump administration has used for its security strategy documents. But if the president remains focused on deficit reduction as the only metric for a deal with Japan, tensions are likely to grow. If coupled with a fallout over the North Korea negotiations, this could spell a difficult path for Abe and for the US-Japan relationship.

CHRONOLOGY OF US-JAPAN RELATIONS

JANUARY – APRIL 2018

Jan. 16, 2018: Secretary of State Rex Tillerson and Foreign Minister Kono Taro meet on the sidelines of the Foreign Minister's Meeting on Security and Stability on the Korean Peninsula, held in Vancouver, Canada. [Remarks](#).

Jan. 16, 2018: Secretary Tillerson, Foreign Minister Kono, and Korea's Minister of Foreign Affairs Kang Kyung-wha hold a trilateral meeting on the sidelines of the Foreign Minister's Meeting on Security and Stability on the Korean Peninsula in Vancouver.

Jan. 22, 2018: CIA Director Mike Pompeo says North Korea is only "[a handful of months](#)" from being able to deliver a nuclear attack to the territorial United States.

Feb. 1, 2018: US Special Representative for North Korea Policy Joseph Yun travels to Japan to participate in the [International Colloquium on Building Stable Peace in Northeast Asia](#).

Feb. 2, 2018: US Department of Defense releases its Nuclear Posture Review (NPR).

Feb. 2, 2018: Foreign Minister Kono issues a statement welcoming the NPR and the US resolve to ensure the [effectiveness of its extended deterrence](#) to allies including Japan.

Feb. 2, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about North Korea and trilateral US-Japan-ROK cooperation ahead of Vice President Pence's visit to attend the PyeongChang 2018 Olympic Winter Games.

Feb. 7, 2018: Vice President Pence and Prime Minister Abe meet in Tokyo for a bilateral meeting to discuss issues such as North Korea and [regional security](#).

Feb. 7, 2018: Vice President Pence and Deputy Minister Aso Taro [meet](#) in Tokyo.

Feb. 7, 2018: Karen Pence, spouse of Vice President Mike Pence, and Akie Abe, first lady of Japan, meet in Tokyo to discuss US-Japan bilateral exchange through [sister city relationships](#).

Feb. 14, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about US-Japan and US-Japan-ROK cooperation on North Korea.

Feb. 19, 2018: Prime Minister Abe meets a delegation of the [US Congressional Group on Japan](#) in Tokyo.

Feb. 19, 2018: Prime Minister Abe [meets](#) Chief of Staff of the US Army Gen. Mark Milley in Tokyo.

March 3, 2018: [Second International Space Exploration Forum \(ISEF2\)](#), which includes the United States, Japan, and 43 other countries, is held in Tokyo.

March 5, 2018: Prime Minister Abe meets [Japanese American Leadership Delegation](#) in Tokyo.

March 6, 2018: Gary Cohn [resigns](#) as President Trump's top economic advisor.

March 8, 2018: Japan and 10 other countries [sign](#) the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, or TPP-11).

March 8, 2018: President Trump issues [new tariffs on steel and aluminum](#), with exemptions for Canada and Mexico, but not Japan.

March 8, 2018: South Korea's National Security Advisor Chung Eui-yong [announces](#) that Trump has agreed to meet North Korean leader Kim Jong Un.

March 8, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about the announcement that Trump will meet Kim.

March 9, 2018: The 11 remaining members of the Trans-Pacific Partnership (TPP) [sign a revised pact](#) in Chile.

March 13, 2018: President Trump [dismisses](#) Rex Tillerson as secretary of State, and announces nomination of CIA Director Mike Pompeo to the office.

March 15–18, 2018: Foreign Minister Kono [visits](#) the US, where he meets Vice President Pence, Secretary of Defense Mattis, and Deputy Secretary of State Sullivan. [Press conference](#).

March 19–21, 2018: US Coordinator for Counterterrorism Ambassador Nathan Sales visits Tokyo to lead the US delegation at the [Thirteenth Coordinating Committee Meeting of the Global Counterterrorism Forum \(GCTF\)](#).

March 22, 2018: Lt. Gen. H.R McMaster [resigns](#) as National Security Advisor. President Trump names John Bolton as his replacement.

March 25–28, 2018: Kim Jong Un [visits](#) Beijing and meets President Xi Jinping

March 29, 2018: Minister of Finance Aso Taro [says](#) that Japan should not allow Washington to use tariffs to pressure Tokyo into talks for a bilateral FTA. He further says that Japan should avoid bilateral negotiations given the power imbalance between the two countries.

March 31, 2018: CIA Director Pompeo [meets secretly](#) with Kim Jong Un in Pyongyang to lay the groundwork for a Trump–Kim summit.

April 5, 2018: The [9th US–India–Japan Trilateral Meeting](#) is held in New Delhi, India.

April 6, 2018: Prime Minister Abe receives meets legislators participating in the [US–Japan Legislative Exchange Program](#) in Tokyo.

April 12, 2018: President Trump says that he is [open to rejoining the Trans–Pacific Partnership \(TPP\)](#) if the US can secure a better deal than that negotiated under President Obama.

April 17, 2018: Japanese Parliament [takes up discussion](#) of TPP-related bills in the lower house.

April 17–20, 2018: Prime Minister Abe visits the United States for a summit with President Trump at Mar-a-Lago. [Joint Press Conference](#).

April 23, 2018: US Department of State and Japanese Ministry of Foreign Affairs host [Second Public–Private Sector Roundtable Discussion on US–Japan Cooperation on Third Country Infrastructure](#).

April 23, 2018: US Department of State and the Business Council for International Understanding co-host a business roundtable, in cooperation with Japan’s Ministry of Foreign Affairs, to discuss opportunities for [US–Japan collaboration on infrastructure development in the Indo–Pacific region](#) in Washington, DC.

April 23, 2018: Acting Secretary of State John Sullivan and Japanese Foreign Minister Kono [meet](#) on the sidelines of the G7 Foreign Ministers Meeting in Toronto.

April 24–27, 2018: Acting Assistant Secretary for East Asian and Pacific Affairs Susan Thornton travels to Tokyo for [meetings](#) on US–Japan cooperation and regional security.

April 26, 2018: Mike Pompeo is [confirmed](#) as secretary of State by the Senate in a 57–42 vote, and is sworn in to the office later in the day.

April 26, 2018: Prime Minister Abe and Commander of US Pacific Command Adm. Harry Harris [meet](#) in Tokyo.

April 27, 2018: South Korean President Moon Jae-in and North Korean Supreme Leader Kim Jong Un hold an [inter-Korean summit](#) in Panmunjom, South Korea.

April 27, 2018: The United States, Japan, and Mongolia hold a [trilateral meeting](#) in Tokyo.

April 29, 2018: Prime Minister Abe and North Korean Supreme Leader Kim Jong Un express [willingness](#) in separate instances to set up a Japan–North Korea summit meeting.

April 30, 2018: Secretary of State Pompeo and Japanese Foreign Minister Kono [meet](#) in Amman, Jordan.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

US-CHINA RELATIONS

HURTLING TOWARD A TRADE WAR

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The US and China engaged in tit-for-tat trade actions as bilateral trade talks failed to produce a compromise. The Trump administration doubled down on its characterization of China as a threat to US interests in the *National Defense Strategy* and “Worldwide Threats” hearings on Capitol Hill. President Trump signed the Taiwan Travel Act, which calls for the US government to encourage visits between officials from the United States and Taiwan at all levels, provoking China’s ire. Cracks in US-China cooperation on North Korea were revealed as the Trump administration imposed sanctions on Chinese shipping and trading companies allegedly conducting illicit business with North Korea, and Beijing failed to notify Washington in advance of Kim Jong Un’s visit to China. The US conducted two Freedom of Navigation Operations (FONOPS) in the South China Sea.

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Trade tensions spike

Bilateral tensions over trade mounted rapidly in the first four months of 2018. In a phone call with Chinese President Xi Jinping, US President Donald Trump expressed disappointment that the bilateral trade deficit has continued to grow and, according to the White House [readout](#) of the call, “made clear that the situation is not sustainable.” Two days later, Trump revealed that a probe into China’s theft of intellectual property was underway. “We’re talking about big damages,” the president told *Reuters*. Asked about the potential for a trade war with China, Trump said “I don’t think so, I hope not. But if there is, there is.”

In late January, the Trump administration took its first major trade action, [imposing](#) tariffs on imported large residential washing machines and imported solar cells and modules. In the solar panel case, huge Chinese government subsidies were found responsible for a significant increase in China’s solar cell production, from 7 percent in 2005 to 61 percent in 2012, causing 30 US solar panel makers to go bankrupt. China’s Ministry of Commerce claimed the decision was an “abuse” of trade remedies and called for the US to abide by multilateral trade rules.

In his [speech](#) to the World Economic Forum on Jan. 26, President Trump signaled his determination to confront China on trade, saying that “The United States will no longer turn a blind eye to unfair economic practices.” Back home, in his State of the Union address the following week, Trump [named](#) China a major US competitor on both economic and military fronts, calling it a “rival” that challenges US interests.

Intent on demonstrating that a trade war would be harmful to the US, China launched an anti-dumping and anti-subsidy investigation of sorghum from the United States, putting at risk approximately \$1 billion in US exports.

Eager to put an end to rising trade tensions, Beijing dispatched State Councilor Yang Jiechi to Washington DC in the second week of February. Yang had meetings with President Trump, National Security Adviser H.R. McMaster, Trump’s son-in-law Jared Kushner, and Secretary of State Rex Tillerson. The Chinese Foreign Ministry released a [statement](#) citing Yang’s call for the two sides to “properly resolve

economic and trade issues by opening each other’s market and making a big cake of cooperation, so as to safeguard sound management of bilateral economic and trade relations.” The statement claimed that the US and China had agreed to hold the second round of the China-US Comprehensive Economic Dialogue before the end of the year, but it later became apparent that the Trump administration had not reached such an agreement.



1Secretary of State Rex Tillerson with Chinese State Councilor Yang Jiechi (US Department of State)

More trade actions by both sides were taken in February. The US Department of Commerce initiated an antidumping duty and countervailing duty investigations of imports of large diameter welded pipe from China, among other countries. It also issued an affirmative preliminary anti-dumping duty determination on cast iron soil pipe fittings from China and launched an antiduty and countervailing duty investigation into imports of rubber bands from China, Sri Lanka, and Thailand. In yet another action, the Commerce Department determined that Chinese imports of aluminum foil are dumped and subsidized. China’s Ministry of Commerce announced an affirmative initial ruling in an investigation into US dumping of styrene, requiring importers to pay antidumping deposits for shipments.

At the end of February, Liu He, Politburo member and Xi Jinping’s top adviser on economic affairs, traveled to Washington DC to defuse trade tensions. Speaking in a closed-door meeting to a group of US business leaders, Liu [reportedly](#) pledged to reform China’s economy and called on the US to establish a new economic dialogue, provide China with a concrete list of demands, and name a point person on bilateral issues. In meetings with US officials, including White House economic adviser Gary Cohn,

Treasury Secretary Steven Mnuchin, and US Trade Representative Robert Lighthizer, Liu presented a five-part proposal, which included lower Chinese tariffs on US automobiles, a buying mission to the US, negotiations on a bilateral free trade agreement, “early harvest” tariff reductions that would come into effect before the US midterm elections, and a relaxation of limits on FDI in several sectors, including finance.

Liu’s offer was not enough to placate US concerns, however. On March 8, President Trump ordered steep tariffs on global imports of steel and aluminum, which went into effect on March 23. In a tit-for-tat measure, China announced plans to levy tariffs against 128 US products worth about \$3 billion, including pork, wine, fruit, and steel.

A letter to Liu from Mnuchin and Lighthizer in mid-March set out specific US requests, including a reduction of Chinese tariffs on US automobiles, more Chinese purchases of US semiconductors, and greater access to China’s financial sector by American companies.

On March 22, President Trump threatened to impose tariffs on \$60 billion of Chinese imports and tighter restrictions on acquisitions and technology transfers under Section 301 of the Trade Act of 1974 in response to persistent Chinese efforts to obtain US technology through unfair and coercive means. China subsequently launched WTO dispute settlement procedures over the US action. The US also released a report charging Beijing with using unfair licensing deals and other improper practices to gain advantage over US companies.

China’s Ministry of Commerce issued a warning the following day, urging the US to “stop at the brink of the precipice,” so as to avoid a rupture of the bilateral relationship. The spokesman said that “China will not sit idly by watching its legitimate rights and interests being damaged.” In a [phone call](#) with Mnuchin, Liu He called for joint efforts to maintain the stability of the US-China trade relationship, but also insisted that China “has the strength to defend its national interests.” No compromise was reached.

On April 1, Beijing followed through on its threats, imposing tariffs on US pork, fruit, and a large number of other commodities. The Trump administration then [announced](#) it would place a 25 percent tariff on 1,300 Chinese products,

including flat-screen televisions, medical devices, and aircraft parts and batteries. The action was aimed at hitting back at Beijing’s industrial plan, “Made in China 2025” that seeks to achieve dominance in cutting-edge technologies. In another tit-for-tat response, China [raised](#) tariffs on an additional \$50 billion of US products, including soybeans, automobiles, and chemical products, saying the date of implementation would depend on when the US imposed tariffs on Chinese products.

In an unexpected move, President Trump instructed USTR on April 5 to consider whether \$100 billion of additional tariffs would be appropriate. China remained calm. The Commerce Ministry issued a statement saying, “We do not want to fight, but we are not afraid to fight a trade war.”

As both countries weighed next steps, Trump jumped into the fray with numerous tweets, complaining about China’s large trade surplus and unfair trading practices. He insisted, however, that his friendship with President Xi remained intact, regardless of the outcome of the trade dispute.

According to news [reports](#), informal trade talks made some progress, but broke down after the Trump administration demanded that China end its subsidies to high-tech industries to turn them into technology national champions. Beijing had offered to reduce the trade deficit by \$50 billion by importing more US goods, and accelerate opening its financial sector.

At the annual Boao Forum for Asia, Xi pledged to further open the financial sector, lower tariffs on car imports, improve intellectual property protection, and open up the shipbuilding and manufacturing sectors. The speech received mixed reviews, with many observers claiming that Xi’s offer was a rehash of previous Chinese promises and short on details. President Trump’s response was positive. He tweeted that he was “very thankful” for Xi’s “kind words” and said the US and China would “make great progress together.”

Then, in a move that shocked Beijing, the US Department of Commerce announced that ZTE, one of the largest manufacturers of smartphones and telecommunications devices in China, would be banned for seven years from purchasing components from US manufacturers. The action was taken after the

US determined that ZTE had violated a settlement reached in March 2017 over ZTE's illegal shipments since 2010 of US-made technology to Iran and North Korea. China cried foul, and the Commerce Department agreed to accept additional evidence from ZTE. However, it seemed unlikely that the US would reverse the decision. The following week, the US Department of Justice [launched](#) a criminal investigation into China's Huawei Technologies to investigate whether the company had also violated US sanctions on Iran.

Just as the US and China appeared to be hurtling toward a trade war, President Trump announced on April 24 that he planned to send his top economic advisers to Beijing to attempt to settle the trade disputes. "I think we've got a very good chance of making a deal," Trump said, even as he acknowledged that the two sides remained far apart. The team of advisers included all the key players from Trump's economic policy team: Treasury Secretary Mnuchin, US Trade Representative Lighthizer, National Economic Council director Larry Kudlow, White House trade adviser Peter Navarro, Commerce Secretary Wilbur Ross, and National Economic Council deputy director Everett Eissenstat. On the eve of the delegation's departure for China, Lighthizer was asked how long Trump would negotiate with Beijing before imposing tariffs and he [replied](#): "We'll see. Our list of things that are troubling is very long. ... We'll see where we are at the end of a couple of days."

China labeled a threat

In the first four months of 2018, the Trump administration doubled down on its characterization of China as a threat to US interests. China, along with Russia, was first labeled a threat, as well as a revisionist power and rival of the United States, in the "[National Security Strategy \(NSS\)](#)," which was issued last December.

On Jan. 19, Secretary of Defense Jim Mattis released an unclassified summary of the [National Defense Strategy \(NDS\)](#), outlining the overarching goals and strategy of the Department of Defense in support of the objectives laid out by the president in the NSS. Defining the reemergence of long-term strategic competition with China and Russia as the central challenge to US prosperity and security, the NDS described China as a "strategic competitor using predatory

economics to intimidate its neighbors." It also charged that China is "[pursuing] a military modernization program that seeks Indo-Pacific regional hegemony . . . and displacement of the United States to achieve global preeminence." To manage the challenges posed by China, the NDS called for putting the US-China military relationship "on a path of transparency and non-aggression."

Just over one week after the NDS release, President Trump delivered his highly anticipated first [State of the Union Address](#). Echoing both strategy documents, Trump asserted that China is a threat that challenges US economic and military interests. [Beijing](#) dismissed the remarks as "Cold War mentality" and highlighted the importance of common interests between the two countries over their differences.

The administration adopted a somewhat less adversarial view of the US-China relationship in the [Nuclear Posture Review \(NPR\)](#), which it released in early February. The NPR maintained that the US "does not wish to regard either Russia or China as an adversary and seeks stable relations with both." In addition, the NPR emphasized that the US has "long sought a dialogue with China to enhance our understanding of our respective nuclear policies." Nevertheless, the new NPR did not repeat the language of the 2010 document that called for maintaining strategic stability with China. Reacting to the NPR, China's Defense Ministry spokesperson [reiterated](#) China's no-first-use policy and insisted that China "has always exercised the utmost restraint in the development of nuclear weapons and limited its nuclear capabilities to the minimum level required for national security."

The Trump administration's assessment of China as a threat was further cemented in "Worldwide Threats" hearings on Capitol Hill. On Feb. 13, FBI Director Christopher Wray [testified](#) during a Senate Intelligence Committee hearing that China manipulates the US's open education environment by using Chinese citizens studying in the United States as intelligence sources. This signaled that US concerns about China are not limited to the economic and military realm: they extend to China's influence through "sharp" power, a phrase coined by Christopher Walker and Jessica Ludwig of the National Endowment for Democracy, which refers to information warfare

being waged by authoritarian powers. On March 6, Director of National Intelligence Dan Coats also touched on Chinese influence in his [testimony](#) before a Senate Armed Services Committee hearing. He cited evidence that China had plans to spend approximately \$8 billion to expand its international influence throughout 68 different countries.

The Taiwan Travel Act

After unanimously passing the House on Jan. 8 and the Senate on Feb. 28, the Taiwan Travel Act (TTA) was signed into law on March 16. The TTA [states](#) that it is the sense of Congress that the “US Government should encourage visits between officials from the United States and Taiwan at all levels.” The law also states that it *should* be the policy of the United States 1) to allow officials at all levels of the US government to travel to Taiwan; 2) to allow high-level officials of Taiwan to enter the United States and meet with their counterparts; and 3) to encourage the Taipei Economic and Cultural Representative Office to conduct business in the United States, including activities that involve participation by members of Congress or US officials.

The TTA doesn’t provide the US president with authorities that he didn’t have previously, and it is nonbinding legislation, meaning that it lacks legally-binding force and therefore the executive branch is not required to implement it. Importantly, however, it reflects growing concern in the US about Chinese pressure and intimidation of Taiwan, and the need for the US to redouble efforts to bolster Taiwan’s security.

The TTA is likely to reinforce the predisposition of Trump administration officials to strengthen ties with Taiwan, including by sending more and higher-level US officials to Taipei. Two such visits, arranged prior to the signing of the TTA, took place in the second half of March. US Deputy Assistant Secretary of State Alex Wong, whose portfolio includes the US “Free and Open Indo-Pacific Strategy” visited Taipei, [delivering](#) a speech to an annual event held by the American Chamber of Commerce. The dinner was also attended by Taiwan’s President Tsai Ing-wen. On the heels of that visit, US Deputy Assistant Secretary of Commerce for Manufacturing Ian Steff traveled to Taiwan “to explore ways to collaborate to strengthen the bilateral trade, commercial and investment relationship between the US and Taiwan,”

according to the American Institute in Taiwan, which represents US interests there.

China’s Foreign Ministry spokesperson [acknowledged](#) that the TTA is not legally binding, but insisted nonetheless that the legislation “severely violates the one-China principle and the three joint communiques between China and the US.” The spokesperson also maintained that the TTA “sends out very wrong signals to the ‘pro-independence’ separatist forces in Taiwan.” He urged the US to correct its mistake, stop pursuing any official ties with Taiwan, and handle Taiwan-related issues “properly and cautiously” to avoid causing severe damage to the US-China relationship and cross-Strait peace and stability.

China’s newly-appointed Defense Minister Wei Fenghe also [criticized](#) the TTA in a speech at the seventh Moscow Conference on International Security on April 4. “China is categorically against the legislation on contacts with Taiwan signed by the U.S., which constitutes gross interference in China’s internal affairs. This undermines peace and stability in the Taiwan Strait,” Wei asserted.

On April 18, the Chinese Navy began several days of live-fire military exercises in the Taiwan Strait. The drills were likely planned well in advance, but nevertheless served as a warning to Taipei and Washington not to cross Chinese redlines.

Korean Peninsula shifts to diplomacy

In early January, a deal was struck between North and South Korea that would allow Pyongyang to send a delegation to the Olympics in PyeongChang, South Korea, marking an easing of tensions on the Korean Peninsula and the beginning of a new phase of diplomacy. The following week, President Trump called Xi Jinping to discuss the turn of events on the Peninsula, and to emphasize the importance of continuing the campaign of maximum pressure to compel North Korea to eliminate its nuclear weapons programs. In an interview with *Reuters* after the call, Trump said that China is “doing a lot . . . But they can do more. Ninety-three percent of the trade [with North Korea] goes through China.”

Cracks in US-Chinese cooperation on North Korea were further evidenced by Beijing’s reaction to a meeting in Vancouver of

representatives from 20 countries that backed South Korea in the 1950s Korean War hosted by the US and Canada. China, which was not invited to the meeting because it had fought on the side of North Korea during the war, condemned the meeting as contrary to efforts to settle the North Korean nuclear issue peacefully. In advance of the meeting, Chinese diplomats [reportedly](#) urged invited countries to not attend or to send a mid-level official rather than their foreign minister.

At the same time, frustration inside the Trump administration about Chinese violations of United Nations sanctions against North Korea was growing. In January, an official leaked information to the *Wall Street Journal* [revealing](#) that at least six Chinese-owned or Chinese-operated ships had transported illicit cargo to Russia and Vietnam, or made ship-to-ship transfers of oil at sea. In addition, Treasury Under Secretary for Terrorism and Financial Intelligence Sigal Mandelker [divulged](#) that she had pressed China to expel North Korean agents helping finance North Korea's nuclear and missile programs. Failure to act, Mandelker said she told the Chinese, could make Chinese banks a target for future sanctions. Shortly thereafter, the US imposed sanctions on 16 North Korean agents allegedly operating in China as well as Russia.

North Korea was on the agenda when State Councilor Yang Jiechi visited Washington in February. According to a Chinese Foreign Ministry statement, Yang told President Trump that the two countries should “strengthen coordination on the Korean Peninsula nuclear issue.”

Later that month, however, the US Treasury announced the largest North Korea-related sanctions target list to date, citing 59 shipping and trading companies, many from China, conducting illicit business with North Korea. China's Foreign Ministry criticized the US application of unilateral sanctions and urged the US to “immediately stop such wrongdoings so as not to undermine bilateral cooperation on the relevant area.”

On March 9, Presidents Trump and Xi had another phone call following the announcement by South Korean National Security Adviser Chung Eui-yong that Trump had agreed to meet North Korean leader Kim Jong Un. According to the White House [readout](#) of the call, “the two

leaders welcomed the prospect of dialogue between the US and North Korea, and committed to maintain pressure and sanctions until North Korea takes tangible steps toward CVID – complete, verifiable, and irreversible denuclearization.” The Chinese readout of the call reiterated China's firm commitment to denuclearization of the Korean Peninsula through dialogue, though it did not mention CVID. After the call, Trump tweeted that “President Xi told me he appreciates that the US is working to solve the problem diplomatically rather than going with the ominous alternative,” adding “China continues to be helpful!”

When Kim Jong Un arrived in China by train on March 25, the United States appeared to be caught unawares. After Kim crossed the border into North Korea three days later, the Chinese government briefed the US on the Xi-Kim talks. The White House press secretary said that the visit provided “further evidence that our campaign of maximum pressure is creating the appropriate atmosphere for dialogue with North Korea.” President Trump tweeted that he received a message from Xi, saying that his meeting with Kim “went very well” and that Kim looks forward to meeting Trump.

Both Washington and Beijing welcomed the one-day summit between South Korean President Moon Jae-in and North Korean leader Kim Jong Un that was held April 27 in Panmunjom in the Demilitarized Zone between North and South Korea. China's Foreign Ministry spokesperson expressed hope that the two Koreas would implement the Declaration for Peace, Prosperity and Unification of the Korean Peninsula, which was signed at the summit. Trump also welcomed the results of the summit. He tweeted: “KOREAN WAR TO END! The United States, and all of its GREAT people, should be very proud of what is now taking place in Korea!”

Freedom of navigation operations

Although it is widely believed that not all US freedom of navigation operations (FONOPS) in the South China Sea are being publicly reported, two such operations were publicized in the first four months of 2018. On Jan. 17, USS *Hopper*, a US Navy guided-missile destroyer sailed within 12 nm of Scarborough Shoal, which is 120 miles west of the Philippines main island of Luzon. China seized the Shoal from Philippine control in 2012.

A US official confirmed the operation, which was made public by China's Foreign Ministry on Jan. 20, saying that the ship's action was "innocent passage." That means that the US destroyer sailed through the waters without loitering or conducting a military exercise. Under the United Nations Convention of the Law of the Sea, all nations have the right to "continuously and expeditiously" traverse the territorial seas of other countries.

China's Foreign Ministry spokesperson, stated that "China is strongly dissatisfied" with the US FONOPS, and insisted that Beijing would take "necessary measures to firmly safeguard its sovereignty." An editorial in China's authoritative Party newspaper *People's Daily* [warned](#) that the action was "reckless" and called on China to "strengthen and accelerate" the building of its capabilities" in the South China Sea.

The second US FONOP was carried out on March 23 by *USS Mustin*, a guided-missile destroyer, within 12 nm of Mischief Reef. Since Mischief Reef was found by an arbitral tribunal in July 2016 to be a low-tide elevation on the Philippines' continental shelf, the US Navy ship was within its legal rights to go beyond an "innocent passage," conducting maneuvers while sailing close to the reef. This was the third time the US has conducted a FONOP around Mischief Reef. The first took place May 24, 2017, marking the first FONOP by the Trump administration in the South China Sea, and the second took place Aug. 10, 2017. Mischief Reef is one of the three large military outposts that China has built in the Spratly Island chain. The other two are Fiery Cross and Subi Reefs.



2USS Mustin (US Navy)

A statement issued by the Pentagon maintained that all US Navy operations are "conducted in

accordance with international law and demonstrate that the United States will fly, sail and operate wherever international law allows." A Chinese Defense Ministry spokesperson charged that the US action "seriously harmed Chinese sovereignty and security, violated basic rules of international relations, and harmed regional peace and stability." The Chinese Navy claimed that two PLA Navy frigates forced the US destroyer to leave the area.

In late March and April, China stepped up military exercises in the South China Sea, though the timing may have been coincidental. Satellite images [revealed](#) the Chinese carrier *Liaoning* flanked by at least 40 ships and submarines sailing off Hainan Island at the end of March. That was followed by a week-long series of live-fire drills in the South China Sea in early April that included 10,000 personnel, 76 fighter jets, 48 naval vessels and a nuclear-powered submarine, according to the Chinese Defense Ministry. Dressed in camouflage military fatigues aboard the destroyer *Changsha*, Xi Jinping oversaw the naval parade and [called](#) for the Chinese Navy to become a "world-class" force under the leadership of the Chinese Communist Party. A PRC naval expert, Li Jie, [claimed](#) that the exercises were aimed at testing the *Liaoning*'s "real combat strength" as well as joint-operations skills between the aircraft carrier and warships from other fleets.

What's Next?

US-China relations stand at an inflection point. The Trump administration appears unlikely to back down from its demand for reciprocity and a fair playing field in its trade and economic relationship with China. Xi Jinping undoubtedly seeks to avoid a rupture in relations with the US, but is also unlikely to make major concessions. The US and China could either return to negotiations and eventually agree on a new set of rules for their trade and economic relationship or they could engage in a trade war that causes harm to both. The stakes are high.

CHRONOLOGY OF US-CHINA RELATIONS

JANUARY – APRIL 2018

Jan. 2, 2018: A proposed \$1.2 billion deal between Texas-based MoneyGram and Ant Financial, the digital payments affiliate of China's Alibaba, is [scrapped](#) after failing to win approval from the Committee on Foreign Investment in the United States (CFIUS).

Jan. 9, 2018: House Armed Services Committee [holds](#) a hearing "China's Pursuit of Emerging and Exponential Technologies."

Jan. 10, 2018: US House of Representatives passes two bills aimed at strengthening US-Taiwan relations, including H.R. 535 Taiwan Travel Act to encourage diplomatic visits between US and Taiwan officials and H.R. 3320 to help Taiwan regain observer status in the World Health Organization (WHO).

Jan. 12, 2018: US trade panel votes to continue antidumping and antisubsidy duty investigations against Chinese aluminum products despite China's strong dissatisfaction.

Jan. 12, 2018: Office of the US Trade Representative (USTR) [releases](#) the 2017 Notorious Markets List, listing China as a "notorious market" for pirated and fake products.

Jan. 15, 2018: President Donald Trump [calls](#) President Xi Jinping to discuss trade issues and recent developments on the Korean Peninsula.

Jan. 17, 2018: In an interview with *Reuters*, Trump [says](#) his administration is considering imposing a large fine on China as part of a probe into China's alleged theft of intellectual property.

Jan. 17, 2018: Naura, a Chinese state-controlled semiconductor company, [receives](#) rare US regulatory approval for the purchase of Aktron Systems, a Pennsylvania-based rival.

Jan 17, 2018: *USS Hopper*, a guided-missile destroyer, conducts a freedom of navigation operation in the South China Sea, sailing within 12 nm of Scarborough Shoal.

Jan. 19, 2018: Secretary of Defense James Mattis [releases](#) an unclassified summary of the *National Defense Strategy*, which states that "China is leveraging military modernization, influence operations and predatory economics to coerce neighboring countries to reorder the Indo-Pacific region to their advantage."

Jan. 19, 2018: Office of the USTR [releases](#) annual report on China's WTO compliance, stating China has "failed to embrace the market-oriented economic policies" championed by the World Trade Organization (WTO) and is not "living up to certain commitments made when they joined" the organization.

Jan. 21-22, 2018: Acting Assistant Secretary of State for East Asian and Pacific Affairs Susan Thornton [visits](#) Beijing to discuss bilateral and regional issues with her Chinese counterparts.

Jan. 22, 2018: President Trump [imposes](#) tariffs on imports of solar panels and washing machines, industries largely dominated by Chinese businesses. China's Ministry of Commerce [calls](#) the move an "abuse" of trade remedies.

Jan. 24, 2018: US Treasury Department [imposes](#) new sanctions on North Korean and Chinese trading companies, including Beijing Chengxing Trading Co. and Dandong Jinxiang Trade Co.

Jan. 25, 2018: US-China Economic and Security Review Commission conducts [hearing](#) on China's Belt and Road Initiative.

Jan. 25, 2018: US games publisher, Activision Publishing Co., [wins](#) trademark lawsuit over Chinese film distributor, Huaxia Film Distribution Co.

Jan. 26, 2018: In a [speech](#) at the World Economic Forum, President Trump nods to China when stating that "The United States will no longer turn a blind eye to unfair economic practices," including intellectual property theft.

Jan. 30, 2018: In an [interview](#) with *BBC News*, CIA Director Mike Pompeo discusses Chinese capabilities to exert covert influence over the West, stating “The Chinese have a much bigger footprint upon which to execute that mission than the Russians do.”

Jan. 31, 2018: In the State of the Union address, Trump [names](#) China as a major US competitor on both economic and military fronts, calling it a “rival” that challenges US interests.

Feb. 1, 2018: Secretary of State Rex Tillerson [cautions](#) Latin America over China’s influence in a speech at the University of Texas, arguing that, “Latin America does not need new imperial powers that seek only to benefit their own people.”

Feb. 2, 2018: During an event at the Center for Strategic and International Studies, Under Secretary of the Treasury for International Affairs David Malpass [accuses](#) China of aiding Venezuelan President Nicolas Maduro’s government with oil-for-loan investments.

Feb. 2, 2018: US Department of Defense [releases](#) *Nuclear Posture Review*, which names China as a threat and claims Beijing is “expanding its already considerable nuclear forces.”

Feb. 4, 2018: Chinese Commerce Ministry [announces](#) investigation into US exporters of sorghum for allegedly “dumping” the grain below cost, aided by improper US government subsidies, into the Chinese market.

Feb. 5, 2018: China [releases](#) a list of dual-use goods banned for export to North Korea, stating the list is meant to comply with the requirements of new UN sanctions imposed last year.

Feb. 6, 2018: China [files](#) petitions with the WTO on new US tariffs on solar panels and washing machines, arguing the tariffs “are not consistent” with international rules.

Feb. 8, 2018: Trump [tweets](#) “I will be meeting with Henry Kissinger at 1:45pm. Will be discussing North Korea, China and the Middle East.”

Feb. 8–9, 2018: Chinese State Councilor Yang Jiechi [visits](#) Washington and meets Secretary of State [Tillerson](#), President Trump, and other senior officials.

Feb. 13, 2018: US Department of Commerce [initiates](#) antidumping duty and countervailing duty investigations of imports of large diameter welded pipe from China, among other countries.

Feb. 13, 2018: China’s Ministry of Commerce [announces](#) affirmative initial ruling of investigation into US dumping of styrene, a material used to make foam packing, and calls for importers to pay antidumping deposits for shipments.

Feb. 13, 2018: During a Senate Intelligence Committee hearing on “Worldwide Threats,” FBI Director Christopher A. Wray [claims](#) that Chinese spies are present in American academia.

Feb. 14, 2018: US Department of Commerce [issues](#) affirmative preliminary antidumping duty determination on cast-iron soil pipe fittings from China, and states it will collect cash duties from importers in response to the fittings being “dumped” into the US market.

Feb. 15, 2018: House Armed Services Committee [holds](#) hearing on “Strategic Competition with China.”

Feb. 15, 2018: US-China Economic and Security Review Commission [conducts](#) hearing on “China’s Military Reforms and Modernization: Implications for the United States.”

Feb. 18, 2018: China [calls](#) on the US to “severely punish” US citizen Michael Rohana for allegedly stealing the thumb of a terracotta warrior statue on display at the Franklin Institute in Philadelphia on Dec. 21.

Feb. 21, 2018: At a forum hosted by the Jack Kemp Foundation, Under Secretary of the Treasury for International Affairs David Malpass [accuses](#) China of “patently nonmarket behavior.”

Feb. 22, 2018: US Department of Commerce [initiates](#) antidumping duty and countervailing duty investigation of imports of rubber bands from China, Sri Lanka, and Thailand.

Feb. 23, 2018: US [imposes](#) new sanctions on various international shipping companies, including China’s Weihai World-Shipping Freight and Dongfeng Shipping Co.

Feb. 23, 2018: US [tells](#) WTO of its concern with China's new internet access rules, warning they will create restrictions for cross-border service suppliers.

Feb. 24, 2018: China's Foreign Ministry responds to new unilateral US sanctions on North Korea and [urges](#) the US to "immediately stop such wrongdoings so as not to undermine bilateral cooperation on the relevant area."

Feb. 26, 2018: China's Ministry of Commerce [removes](#) antidumping and antisubsidy duties on US white-feathered broiler chickens.

Feb. 26, 2018: White House spokesperson [states](#) that President Trump believes that Beijing's decision on presidential term limits is "up to China."

Feb. 26, 2018: In remarks at the 2018 White House Business Session with Governors, Trump [praises](#) China and states that "China has really done more, probably than they've ever done because of my relationship."

Feb. 27, 2018: US Department of Commerce [determines](#) Chinese imports of aluminum foil are dumped and subsidized, and states that antidumping and countervailing duties will be levied on several Chinese firms.

Feb. 27 – March 3, 2018: President Xi's top economic advisor, Liu He, [visits](#) Washington to discuss the problems in the US-China trade and economic relationship.

March 3, 2018: In a closed-door speech to Republican donors in Florida, Trump [praises](#) Xi for consolidating power and extending his potential tenure, musing he wouldn't mind making such a maneuver himself.

March 6, 2018: In a Senate Armed Services Committee hearing on "Worldwide Threats," US Director of National Intelligence Dan Coats [warns](#) China is spending "an extraordinary amount of money" to increase their international influence.

March 7, 2018: Trump [tweets](#) "China has been asked to develop a plan for the year of a One Billion Dollar reduction in their massive Trade Deficit with the United States. Our relationship with China has been a very good one, and we look forward to seeing what ideas they come back with. We must act soon!" Subsequently, a White House spokesperson clarifies that Trump meant \$100 billion.

March 8, 2018: At a [press conference](#) at the African Union headquarters in Ethiopia, Secretary Tillerson warns African nations against forfeiting "any elements of your sovereignty as you enter into such arrangements with China."

March 8, 2018: US-China Economic and Security Review Commission [holds](#) hearing on "China, the United States, and Next Generation Connectivity."

March 9, 2018: In a phone [call](#), Xi urges Trump to begin talks "as soon as possible" with North Korea and praises the US president for his "positive aspiration" to achieve a political settlement on the Korean Peninsula.

March 10, 2018: President Trump [tweets](#) "Chinese President XI JINPING and I spoke at length about the meeting with KIM JONG UN of North Korea. President XI told me he appreciates that the US is working to solve the problem diplomatically rather than going with the ominous alternative. China continues to be helpful!"

March 11, 2018: At a press conference in Beijing, Chinese Minister of Commerce Zhong Shan [states](#) that trade wars "leave no winners" and that China doesn't want a trade war with the US and will not start one, but will defend national and Chinese people's interests.

March 16, 2018: President Trump signs the Taiwan Travel Act (TTA).

March 17, 2018: Spokesperson for the Chinese Embassy in the US [criticizes](#) the TTA, saying that it "severely violates" the "one-China principle, the political foundation of the China-US relationship, and the three joint communiques between China and the US."

March 21, 2018: House Foreign Affairs Subcommittee on Asia and the Pacific [holds](#) hearing on “US Responses to China’s Foreign Influence Operations.”

March 22-23, 2018: President Trump [signs](#) a memorandum, citing Section 301 of the Trade Act of 1974, instructing the government to respond to Chinese practices with approximately \$60 billion worth of imports. The following day, the US [requests](#) consultations with China at the WTO over cited “unfair” technology practices.

March 23, 2018: China [proposes](#) tariffs on 128 US products worth about \$3 billion, including wine, fresh fruit, and ethanol.

March 23, 2018: USS *Mustin* [conducts](#) freedom of navigation operation around Mischief Reef in the Spratly Islands.

March 23, 2018: At the UN Human Rights Council, the US delegation [rejects](#) a resolution brought by China, claiming that it sought to glorify Xi Jinping’s “win-win” agenda and “weaken the UN human rights system.”

March 24, 2018: In a phone call with US Secretary of the Treasury Steven Mnuchin, Chinese Vice Premier Liu He [states](#) that China “has the strength to defend its national interest” and urges both countries to work to “maintain the stability” of the China-US trade relationship.

March 28, 2018: President Trump tweets “Received message last night from XI JINPING of China that his meeting with KIM JONG UN went very well and that KIM looks forward to his meeting with me. In the meantime, and unfortunately, maximum sanctions and pressure must be maintained at all cost!”

March 28, 2018: Li Zhanshu, chairman of the Standing Committee of the National People’s Congress (NPC), [meets](#) US Senate delegation led by Sen. Steve Daines in Beijing.

March 31, 2018: UN [blacklists](#) 27 ships and 21 companies for helping North Korea evade sanctions, including three trading firms in Hong Kong and two in Mainland China.

March 31, 2018: On a visit to Beijing, Sen. Elizabeth Warren [states](#) that US policy has been “misdirected” for decades and policymakers are now recalibrating ties.

April 1, 2018: China [raises](#) tariffs on meat 25 percent and imposes a 15 percent tariff on 128 US commodities, including fruit.

April 3, 2018: Office of the USTR [publishes](#) proposed list of products imported from China that could be subject to additional tariffs, including products in the aerospace, information and communication technology, robotics, and machinery industries.

April 4, 2018: Trump [tweets](#) “We are not in a trade war with China, that war was lost many years ago by the foolish, or incompetent, people who represented the U.S. Now we have a Trade Deficit of \$500 Billion a year, with Intellectual Property Theft of another \$300 Billion. We cannot let this continue!”

April 4, 2018: According to [Xinhua](#), Chinese Ambassador to the US Cui Tiankai meets acting Secretary of State John Sullivan, and urges him to abandon US “unilateral and protectionist practices” and terminate Section 301 investigation as early as possible.

April 4, 2018: China formally [launches](#) WTO dispute settlement procedures over US Section 301 Investigation against Beijing.

April 4, 2018: China [imposes](#) an additional tariff of 25 percent on US products worth \$50 billion, including soybeans, automobiles, and chemical products.

April 5, 2018: Trump [tweets](#) “The Fake News Washington Post, Amazon’s “chief lobbyist,” has another (of many) phony headlines, “Trump Defiant As China Adds Trade Penalties.” WRONG! Should read, “Trump Defiant as U.S. Adds Trade Penalties, Will End Barriers And Massive I.P. Theft.” Typically bad reporting!”

April 5, 2018: US-China Economic and Security Review Commission [holds](#) hearing on “China’s Relations with US Allies and Partners in Europe and the Asia Pacific.”

April 5, 2018: President Trump instructs USTR to consider whether \$100 billion of additional tariffs would be appropriate.

April 6, 2018: Trump [tweets](#) “China, which is a great economic power, is considered a Developing Nation within the World Trade Organization. They therefore get tremendous perks and advantages, especially over the U.S. Does anybody think this is fair. We were badly represented. The WTO is unfair to U.S.”

April 6, 2018: Commerce Ministry spokesperson [states](#) that if the US goes forward with \$100 billion in additional tariffs, China is “fully prepared and will without hesitation counterattack with great strength.”

April 7, 2018: President Trump [tweets](#) “The United States hasn’t had a Trade Surplus with China in 40 years. They must end unfair trade, take down barriers and charge only Reciprocal Tariffs. The U.S. is losing \$500 Billion a year, and has been losing Billions of Dollars for decades. Cannot continue!”

April 8, 2018: Trump [tweets](#) “President Xi and I will always be friends, no matter what happens with our dispute on trade. China will take down its Trade Barriers because it is the right thing to do. Taxes will become Reciprocal & a deal will be made on Intellectual Property. Great future for both countries!”

April 9, 2018: Trump [tweets](#) “When a car is sent to the United States from China, there is a Tariff to be paid of 2 1/2%. When a car is sent to China from the United States, there is a Tariff to be paid of 25%. Does that sound like free or fair trade. No, it sounds like STUPID TRADE – going on for years!”

April 10, 2018: In a speech at the Boao Forum, President Xi [promises](#) to reduce tariffs on imported automobiles and ownership limits for foreign car companies.

April 10, 2018: Trump [tweets](#) “Very thankful for President Xi of China’s kind words on tariffs and automobile barriers...also, his enlightenment on intellectual property and technology transfers. We will make great progress together!”

April 11, 2018: Trump [tweets](#) “So much Fake News about what is going on in the White House. Very calm and calculated with a big focus on open and fair trade with China, the coming North Korea meeting and, of course, the vicious gas attack in Syria. Feels great to have Bolton & Larry K on board. I (we) are...”

April 12, 2018: President Trump [discusses](#) agricultural issues and other aspects of the US-China economic relationship in a meeting with governors and members of Congress.

April 12, 2018: US-China Economic and Security Review Commission [conducts](#) hearing on “China’s Role in North Korea Contingencies.”

April 13, 2018: In its biannual currency exchange report, US Treasury Department [includes](#) China on its “Monitoring List” of major trading partners that merit close attention to their currency practices. The report also expresses concern about lack of progress by China in correcting the bilateral trade imbalance.

April 14, 2018: China [votes](#) in favor of a resolution in the UN Security Council introduced by Russia condemning the strike by US, UK and French forces on Syria.

April 16, 2018: President Trump [tweets](#) “Russia and China are playing the Currency Devaluation game as the U.S. keeps raising interest rates. Not acceptable!”

April 16, 2018: US [bans](#) US firms from selling parts to Chinese phone maker ZTE for seven years after the Department of Commerce finds ZTE violated an agreement reached after the company was caught shipping US goods to Iran.

April 17, 2018: In a bid to ease trade tensions, China [announces](#) scrapping of foreign ownership limits on Chinese auto firms by 2022, making it easier for US automakers and aerospace manufacturers to own factories in China.

April 18, 2018: China [imposes](#) temporary deposit of 178.6 percent on US sorghum imports after finding the US grain has damaged its domestic industry in a preliminary antidumping ruling.

April 20, 2018: At a press briefing announcing the release of the Department of State’s annual human rights report, acting Secretary Sullivan [says](#) “China continues to spread the worst features of its authoritarian system, including restrictions on activists, civil society, freedom of expression, and the use of arbitrary surveillance.”

April 20, 2018: Director General of the Department of Arms Control of the Foreign Ministry Wang Qun [meets](#) US Assistant Secretary of State for International Security and Non-proliferation Christopher Ford in Beijing.

April 24, 2018: China [publishes](#) report on “Human Rights Record of the United States in 2017.”

April 25, 2018: US Department of Justice [launches](#) criminal investigation into China’s Huawei Technologies to investigate whether it violated US sanctions in relation to Iran.

April 25, 2018: China’s Commerce Ministry spokesperson [urges](#) the US to abandon trade unilateralism and adopt an approach via dialogue, and reaffirms its opposition to unilateralism and protectionism.

April 26, 2018: US-China Economic and Security Review Commission [holds](#) hearing on “China’s Agricultural Policies: Trade, Investment, Safety, and Innovation.”

April 26, 2018: State Councilor and Foreign Minister Wang Yi meets US Secretary of Transportation Elaine Chao, who was in Beijing for ninth China-US Transportation Forum.

April 27, 2018: President Trump [tweets](#) “Please do not forget the great help that my good friend, President Xi of China, has given to the United States, particularly at the Border of North Korea. Without him it would have been a much longer, tougher, process!”

Chronology by CSIS Research Intern Sophie Jones



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

US-KOREA RELATIONS

AN OLYMPIC DETENTE

STEPHEN NOERPER, KOREA SOCIETY AND COLUMBIA UNIVERSITY

Following weapon tests and rhetorical fury in 2017, North Korean leader Kim Jong Un signaled in his New Year address a marked turn toward improving inter-Korean relations. South Korean President Moon Jae-in seized the opening, lauded Trump's hardline, stood up military hotlines, and moved North Korea to the Olympic moment. The PyeongChang Winter Olympics, Korea's peace games, won early gold, despite US misgivings. Sport gave way to diplomacy, as North and South Korea agreed to a summit and Seoul sent its representatives north. President Trump surprised everyone by accepting Kim's offer to meet. Washington and Seoul vowed to maintain maximum pressure and mute Trump trade concerns. Their de facto downgrade in the size of joint military exercises demonstrated flexibility. Seoul couched the Moon-Kim summit as a preliminary to the Kim-Trump sit down. Amid concerns of a split, Moon suggested Trump receive the Nobel Peace Prize.

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Coming in from the cold

Winter saw an early thaw as Kim Jong Un declared in his New Year address that the DPRK was “open” to dialogue with the ROK. He promised to refrain from using nuclear weapons without aggression aimed at the DPRK, describing North Korea as “responsible.” Although Kim described the nuclear button as on his desk, a warning to Washington, his address was seen in a largely positive light. President Moon Jae-in moved quickly to seize the opportunity, saying that inter-Korean talks would lead toward security and denuclearization. There is some dispute as to how closely Moon consulted the US, but he hoped to stem US pushback in shrewdly crediting President Trump for bringing the North to the table with his maximum pressure campaign – stepped-up deterrence, sanctions, and financial cut-offs.

Over the first part of the year, Seoul’s Blue House and the White House shared a complex *pas de deux* that showed unity in approach. Both Seoul and Washington continuously reiterated the primary goal of denuclearization. Washington largely afforded Seoul the space it desired to test Pyongyang on the opening and its resolve. Operationally, the postponement of joint military exercises until after the PyeongChang Olympic Games and the reduction in numbers when it resumed in April showed new flexibility in the alliance and acceptance of Seoul’s suggestion that this was a necessary confidence builder for Pyongyang. A singular snapshot of the trust between the two allies came in the announcement from the White House portico by Seoul’s representatives that Trump had accepted the invitation they had conveyed from Kim Jong Un that the two meet.

President Trump’s emphasis on human rights in the State of the Union Address, where he dramatically recognized a North Korean defector and expressed condolences to the parents of Otto Warmbier, the US student who died after North Korean detention, gave pause to progressives in Seoul who regarded such a high visibility pronouncement as an interrupter. Concerns grew that Trump was building a case for a military strike on North Korea in the public mind, expanding the argument to include human rights in addition to the missile and nuclear threat.

By late January, many analysts in Korea and the United States felt a US strike – limited, targeted or massive – was a likely course of action. Concerns seemed to amplify as the White House confusingly passed over prominent scholar Victor Cha as US ambassador to South Korea. Cha’s appointment had been approved by Seoul, when the National Security Council reportedly pulled the nomination. Cha regarded the bloody nose approach unnecessarily risky, which reportedly was the reason for the break. Personnel issues signaled further discord with the retirement of Joseph Yun, the US lead on North Korea, after Trump’s resistance to talks without preconditions. Later in the period, the replacement of Rex Tillerson and H.R. McMaster with Mike Pompeo and John Bolton as secretary of State and national security advisor, respectively, worried Seoul. It saw a swap of such senior leadership shortly before a US summit with the DPRK as disorganized and flagging a harder line out of sync with the progressive Moon camp.



1US Vice President Mike Pence refuses to acknowledge North Korean delegation at PyeongChang Olympics

Washington also looked askance at Moon for what it feared was quick acquiescence to the North Korean leader, especially given the DPRK’s poor record with the US. Vice President Mike Pence, who represented the US at the opening ceremony of the PyeongChang Games, pushed back against North Korea propagandizing, as he saw it, and icily refused to acknowledge North Korea’s delegation, which was sitting nearby and included Kim Jong Un’s sister. He also asked Warmbier’s father to attend the games as part of the US delegation. Although Pence’s team later suggested that North Korea refused a meeting in PyeongChang, the perception was that the Opening Ceremony masked a tremendous level of diplomatic discord.

Nevertheless, Moon wielded his baton with aplomb, crediting Trump for success when he felt things were off-kilter, smoothing potential discord among the North Koreans with a rollout of the red carpet, and balancing the United States' sole focus on denuclearization with broader issues of inter-Korean dialogue and movement toward a peace agreement. Aside from praising Trump, Moon suggested his historic meeting with Kim Jong Un at Panmunjom on April 27 was a precursor to the US-DPRK summit, which would be a first between a sitting US president and North Korean leader.



Donald J. Trump
@realDonaldTrump

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Kim Jong Un talked about denuclearization with the South Korean Representatives, not just a freeze. Also, no missile testing by North Korea during this period of time. Great progress being made but sanctions will remain until an agreement is reached. Meeting being planned!

5:08 PM - 8 Mar 2018

Going for gold

The Olympic movement in its modern form was conceived to provide a forum for political cooperation and peace. With the exception of World War II, when it paused, it has done so, and the PyeongChang Winter Games may well figure as the most significant when it comes to issues of war and peace. Prior to the Olympics, the Korean Peninsula saw the highest state of tensions since the Korean War, and the likelihood of conflict was great. The PyeongChang Olympics put a pause to that and provided the opportunity for the isolated North to join host South Korea.

There were other and perhaps greater reasons why Kim shifted his position at the start of 2018. Perhaps his December pronouncement that the DPRK had met its nuclear development goals (reiterated since) meant a turn to the second part of his *byungjin*, two-track policy, namely economic modernization. Perhaps it was Washington's maximum pressure campaign. Perhaps it was the bite of sanctions, which appeared to have taken effect, as Washington has underscored. Chinese compliance with UN sanctions (a reported 87 percent downtick in North Korean exports from the first quarter of 2017 to the first quarter of 2018, according to

China's Commerce Ministry) may have done the trick. Perhaps it was a response to Moon, who had since his candidacy a year back promised movement on improving relations with the North.

Some or all of these reasons and perhaps more led to the shift. All the world's a stage, and the stage for the world was in PyeongChang. It showed a South Korea united (after two years of domestic political tumult that saw the ouster of Moon's predecessor), advanced with Samsung, Hyundai, KTX and others on full display, and courteous to a fault. Despite Pence's distrust of the DPRK delegation, by Games' end, the two Koreas fielded a unified women's hockey team, and with Ivanka Trump and hardline Gen. Kim Yong Chol quietly in the stands, discord gave way to the spirit of the Games.

Moon Jae-in maintained the moment, adding momentum, with an expansion of hotlines from military to the leaders, and the promise of a historic third inter-Korean summit.

KORUS and economic concerns

A somewhat surprising source of friction in early 2018 emerged over the Korea-US (KORUS) Free Trade Agreement and Trump's push for better terms, as well economic concerns in the automotive sector, with GM and Hyundai at odds with respective units and threats of bankruptcy. Trump signaled a step back from his hardline on KORUS during his November trip to Asia, yet still demanded the accord be reframed to be more beneficial to the US. He also reportedly expressed frustration about the persistence of a trade deficit with a principal ally.

Both sides committed to resolve any discord early in the year, with Seoul intent on not having a disruption over trade at a time of a possibly fundamental shift on inter-Korean peace. Trump's advisors similarly pushed for a quick solution to avoid friction at a time of tremendous security concerns over the North. Seoul acknowledged an uphill battle, but through the perseverance of trade negotiators – some extending stays and switching hotels during prolonged talks – the two sides smoothed over most obstacles. Seoul acquiesced to quotas on steel, and Washington waived tariffs on steel and aluminum.

On the automotive fronts, GM moved to agreement on restructuring, and Korean unions,

despite early objections, agreed to new terms on wages. Economic concerns persist, but both administrations appear intent on moving toward new security and political accommodation.

Inter-Korean summit

The excitement around the PyeongChang Games gave way to the political Olympiad at Panmunjom (some observers likened the level of protocol and celebration to what they had witnessed at PyeongChang). Seoul unrolled a dramatic red carpet (several segments, actually), and the world watched as the young North Korean leader made his way across the military demarcation line into the southern part, though briefly taking Moon's hand and guiding him to step into the North in an unscripted moment. Kim Jong Un promised a new time of peace, and both leaders spoke to one another about the hope for an enduring process. Formal talks, a tree planting, and cultural display made for a long, but historic meeting.

Though some observers cautioned against over-excitement, the meeting felt important and different from earlier meetings between Kim Jong Il and Kim Dae Jung (2000) and Roh Moo Hyun (2007). Moon clearly absorbed the significance of the earlier meetings, the latter of which he and his advisors helped orchestrate. Moon's handling of Kim seemed flawless, and to South Korean viewers, they saw in Kim a more animated and even self-deprecating North Korean leader, something different from the stern monolith of still photographs.

The meeting marked a shift in mindsets, reflective of demographic shifts. A younger South Korean public – and younger South Koreans are a significant part of Moon's support base – are concerned about their economic well-being, with issues such as jobs and household debt paramount. Gradual integration may appear more appealing, as it is presumably less costly and less conflictual. North Korea has its own millennial effect, with many young people more mindful of Kim Jong Un than his father or grandfather and desiring mobile phones and other modern comforts that come with economic opening.

The meeting felt young, and it felt new. South Korean public support soared after the summit, with a leap from 16 to over 60 percent among those who felt denuclearization likely. The two

leaders appeared bent on success – a promising introduction to what Moon later signaled his primary goal: the meeting between Kim and Trump.

Buildup to a Trump-Kim summit

Summitry, with its necessary planks, was on full view. Precursors to the inter-Korean summit included a meeting between Japanese Prime Minister Abe and President Trump at Mar-a-Lago in mid-April. Abe sought to ensure short and medium-range missiles and abductees are included in the US-DPRK summit agenda. The visit was overshadowed somewhat by the announcement of now-Secretary of State Pompeo's early-April meeting with Kim Jong Un in Pyongyang.

On the North Korean side, Kim Jong Un traveled to Beijing to meet Xi Jinping, and North Korean Foreign Minister Ri Yong Ho met Russian Foreign Minister Sergei Lavrov in Moscow. In essence, Trump and Kim reinforced positioning in advance of the summit to maximize advantage and smooth communications.

Where then does that leave South Korea? Despite Moon Jae-in's kind if overly gratuitous recommendation for Trump to receive the Nobel Peace Prize, it appears that it is Seoul that has moved firmly and finally into the driver's seat. Moon appears to be the ringmaster, though clearly Washington remains the prize partner. Should the May or early June meeting between Trump and Kim take place, both are likely to declare it a success, although with a harder-line national security advisor in Bolton, Trump has reiterated that he can walk away.



Donald J. Trump
@realDonaldTrump

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North Korea has not conducted a Missile Test since November 28, 2017 and has promised not to do so through our meetings. I believe they will honor that commitment!

10:38 AM - 10 Mar 2018

If the summit is now too big to fail, then it will fall on Kim and Trump – and on Moon himself – to execute a variable, complex process. Denuclearization is the essential aspect for Washington, but it is unlikely that Kim will accede to a Libya-style solution. Kim's April announcement of a missile and nuclear test moratorium and the shuttering of a possibly

compromised nuclear test site are first steps. His promise to dismantle his nuclear weapons site in full view of ROK and US press and experts is another promising step. Reports in early May of a release of US detainees in Korea build confidence and relieve families. However, the US is insisting on complete, irreversible, and verifiable dismantlement – a very complex and long process that will take a lot more trust and confidence by both sides.

Moon is also seeking movement toward a peace agreement and a treaty to replace the Armistice and officially end the war. He needs the US firmly on board. Here again, confidence building will prove essential. Here the trust deficit between the US and North Korea will prove to be an additional burden for South Korea.

Integration of US and South Korean interests will prove challenging and necessitate flexibility and adaptability in the alliance. The downgrade in spring military exercises is evidence that the allies can be flexible and that 70 years of alliance means durability. Mutual trust between Trump and Moon is essential. Fears of Trump giving away the shop in what critics have deemed a rushed and irregular negotiation process – one that begins, not ends with a leaders meeting – are real.

CHRONOLOGY OF US-KOREA RELATIONS

JANUARY – APRIL 2018

Jan. 1, 2018: In his 2018 New Year's [speech](#), Kim Jong Un repeats nuclear threats against the US, acknowledges the effects of sanctions against North Korea, and, in a major shift, is conciliatory toward South Korea, offering to send a delegation to the PyeongChang Winter Olympics.

Jan. 2, 2018: US Ambassador to the United Nations Nikki Haley warns the DPRK against staging a missile test. ROK proposes border talks in light of Kim's overture.

Jan. 3, 2018: President Donald Trump says his nuclear button is "bigger" than that of Kim in response to Kim's claim that he has a "nuclear button" on his desk. DPRK uses the hotline to the ROK for a first time in two years.

Jan. 4, 2018: Trump credits his firmness for restoration of ROK-DPRK dialogue, describing talks as "a good thing" and announcing US-ROK exercises would not occur during Olympics.

Jan. 6, 2018: Trump says he would "absolutely" talk to Kim on the phone at the right time.

Jan. 8, 2018: ROK describes quick trade talks with US as an "uphill battle." ROK and DPRK begin preparatory talks on Olympics.

Jan. 9, 2018: DPRK commits to send a team to the PyeongChang Games.

Jan. 10, 2018: ROK President Moon suggests Trump deserves "big" credit for talks. Trump says, "who knows where it leads?"

Jan. 13, 2018: False alert over DPRK missile threat rattles Hawaii.

Jan. 15, 2018: DPRK agrees to send orchestra to perform during PyeongChang Games.

Jan. 16, 2018: Secretary of State Rex Tillerson announces that 20 nations meeting in Canada agree to consider more sanctions and US warns on military option. DPRK lambasts US on movement of six B-52s to Guam and dismisses Trump's button size remark as "spasm of a lunatic."

Jan. 17, 2018: Secretary Tillerson suggests that there is evidence that DPRK sanctions are "really starting to hurt."

Jan. 18, 2018: US and ROK hold second meeting of the Extended Deterrence Strategy and Consultation Group (EDSCG) in Washington, DC.

Jan. 19, 2018: US announces satellite imagery of six Chinese vessels violating sanctions against North Korea.

Jan. 21, 2018: DPRK delegation arrives in Seoul for Olympic preparations.

Jan. 22, 2018: ROK President Moon Jae-in states that the Olympics should lead to nuclear talks with the US. Seoul protesters burn images of Kim Jong Un.

Jan. 23, 2018: US and DRK clash at UN disarmament forum over nuclear weapons.

Jan. 24, 2018: DPRK sends announcement to all Koreans calling for unification. US announces more sanctions on PRC and DPRK companies.

Jan. 30, 2018: Vice Chairman of the US Joint Chiefs of Staff Selva states that the DPRK has not yet demonstrated all components of an ICBM, including a survivable reentry vehicle.

Jan. 30, 2018: White House withdraws nomination of Victor Cha as ambassador to South Korea.

Jan. 31, 2018: President Trump honors DPRK defector Ji Seong-ho in State of the Union Address and acknowledges Otto Warmbier's parents attendance.

Feb. 1, 2018: DPRK athletes arrive in Seoul for Winter Olympic preparations.

Feb. 1-6, 2018: US Special Representative for North Korea Policy and Deputy Assistant Secretary for Korea and Japan Joseph Yun travels to Tokyo and Seoul to coordinate on the DPRK and other alliance and bilateral issues.

Feb. 2, 2018: UN reports DPRK violated sanctions to earn \$200 million in 2017 from banned commodity exports, as well as to export weapons to Syria and Myanmar.

Feb. 5, 2018: ROK Blue House announces DPRK President of the Supreme People's Assembly Kim Yong Nam to lead delegation to the PyeongChang Olympic Games.

Feb. 5, 2018: ROK says DPRK possible behind hack of Japan's Coincheck.

Feb. 6, 2018: US Ambassador Robert Wood says at UN Conference on Disarmament that DPRK is "only months away" from the capability to strike the US.

Feb. 7, 2018: DPRK informs the ROK that Kim Yo Jong, younger sister of Kim Jong Un, will join the DPRK Olympic delegation. Vice President Pence in Tokyo states that Washington will levy new sanctions against the planet's "most tyrannical and oppressive regime."

Feb. 8, 2018: DPRK stages military parade in Pyongyang, displaying new missiles.

Feb. 8, 2018: ROK President Moon and Vice President Pence [hold](#) bilateral meeting at the Blue House in Seoul.

Feb. 8, 2018: Vice President Pence [meets](#) North Korean defectors in Seoul and visits Cheonan Memorial.

Feb. 9, 2018: PyeongChang Games open with senior US delegation alongside ROK President Moon and DPRK delegation nearby. Pence avoids encounter. Protesters burn flags.

Feb. 10, 2018: ROK reports that Kim Jong Un invites ROK President Moon for summit. Pence says allies united in isolating North Korea.

Feb. 15, 2018: US Assistant Secretary of State for Asian and Pacific Affairs Susan Thornton states that there is no US "bloody nose" strategy for the DPRK.

Feb. 17, 2018: President Moon describes a difficult road to an inter-Korean summit and the hope for US dialogue with the DPRK.

Feb. 21, 2018: US officials say North Korea canceled Olympic meeting with Vice President Pence. ROK drops denunciations of Kim Jong Un from border broadcasts.

Feb. 22, 2018: ROK announces the DPRK will send Gen. Kim Yong Chol to the Olympic closing ceremonies.

Feb. 23, 2018: US Treasury sanctions one person, 27 companies and 28 ships in its largest package aimed at pressuring the DPRK to abandon missile and nuclear programs. Trump warns of a "phase two" that could be "very, very unfortunate." US pushes for more UN sanctions targeting DPRK oil, coal, and smuggling.

Feb. 24, 2018: ROK says US sanctions will bolster UN resolutions. PRC warns that new US sanctions threaten cooperation.

Feb. 25, 2018: DPRK condemns US sanctions as officials attend Olympic closing ceremonies.

Feb. 26, 2018: Trump responds "we'll see" to Seoul push for US-DPRK talks.

Feb. 27, 2018: President Moon urges the US to ease way for DPRK talks. US announces senior envoy Ambassador Joseph Yun to retire after Trump rejects talks without preconditions.

March 4, 2018: Trump suggests US will meet with DPRK. ROK sends envoys to DPRK as Trump suggests willingness.

March 6, 2018: ROK delegation says DPRK willing to denuclearize. Trump calls North Korea "sincere" on possible talks. Trump tweets that "a serious effort is being made," and the US is "ready to go hard in either direction."

March 7, 2018: President Moon cautions that sanctions will remain and suggests it is too early to be optimistic. Trump administration offers support, but remains wary.

March 7, 2018: Representatives from US and ROK [meet](#) in Honolulu for first round of talks to develop the 10th Special Measures Agreement (SMA), which will enter into force in 2019.

March 8, 2018: President Trump agrees to meet Kim Jong Un.

March 9, 2018: White House insists on “concrete actions” from DPRK prior to a meeting.

March 10, 2018: Trump tweets that he believes DPRK “will honor that commitment” to not test and states that talks may lead to the “greatest deal for the world.”

March 11, 2018: CIA Director Pompeo describes Trump talks with Kim as not “theater.”

March 12, 2018: White House acknowledges “caution” in announcing Trump–Kim summit.

March 16, 2018: President Trump [speaks](#) with President Moon to [discuss](#) efforts to prepare for their upcoming engagements with North Korea.

March 16, 2018: Deputy Secretary Sullivan [meets](#) South Korea’s Foreign Minister Kang and Japanese Foreign Minister Aso Kono in Washington DC.

March 17, 2018: UN report outlines DPRK networks maintaining money flow despite sanctions.

March 18, 2018: H.R. McMaster, US national security adviser, Japan counterpart Yachi Shotaro, and Korean counterpart Chung Eui Yong meet in San Francisco.

March 20, 2018: Seoul and Washington announce resumption of military exercises, with *Foal Eagle* slated to start April 1 and *Key Resolve* beginning in mid–April.

March 20, 2018: President Moon says three-way summit with DPRK and US possible.

March 25, 2018: US and ROK reach agreement on trade and steel tariffs.

March 27, 2018: Hyundai’s union says revised trade deal with US is “humiliating.” GM says ROK subsidiary will file for bankruptcy if no union concessions by April 20.

March 29, 2018: Seoul announces inter–Korean summit between Moon and Kim for April 27. Trump says he may hold up on KORUS trade deal until after the US–DPRK summit meeting.

March 30, 2018: UN Security Council announces new sanctions targeting one individual, 21 shipping companies and 27 vessels for helping the DPRK evade sanctions.

April 1, 2018: US–ROK joint exercise *Foal Eagle* starts in Korea.

April 3, 2018: CIA Director Pompeo visits Pyongyang and meets Kim Jong Un.

April 9, 2018: KCNA reports leader Kim Jong Un assessed US talks at party meeting.

April 10, 2018: North Korean leader Kim Jong Un talks about prospects for dialogue with the US, his first official comment on a planned summit with President Trump.

April 11, 2018: ROK National Security Office chief Chung Eui-yong meets US National Security Advisor Bolton in Washington to prepare for summits.

April 12, 2018: Secretary of State-designate Pompeo reiterates there will be no reward for the DPRK without complete denuclearization.

April 17, 2018: President Trump announces US had “extremely high” level talks with North Korea, subsequently revealed to have been between Pompeo and Kim.

April 18, 2018: President Trump points to Pompeo forming a “good relationship” with Kim. Trump warns he could walk away from summit and that talks are underway for release of Americans held in North Korea.

April 19, 2018: President Trump expresses hope for talks with Kim. US vows continued pressure, and President Moon states North is seeking “complete denuclearization.”

April 20, 2018: ROK and DPRK install direct hotline between leaders.

April 20, 2018: US Deputy Secretary of State Sullivan calls China, Russia, Iran and North Korea “morally reprehensible” on human rights.

April 20, 2018: KCNA reports that leader Kim Jong Un will suspend nuclear and ICBM missile tests and close the DPRK’s northern nuclear test site at Pyonggye-ri.

April 23, 2018: US Defense Secretary Jim Mattis suggests “reasons for optimism” after DPRK announcement.

April 24, 2018: President Trump says Kim meeting will be “very soon.” Senior US official states that Pompeo will fill Seoul ambassadorship with former Pacific Commander Adm. Harry Harris, Trump’s proposed ambassador to Australia.

April 25, 2018: South Korean Director of National Security Chung Eui-yong meets National Security Advisor John Bolton in Washington, DC, to exchange ideas.

April 27, 2018: President Moon and DPRK leader Kim meet in Panmunjom. Declaration aims at denuclearization, movement to a peace agreement, and opening of a representative office at the DMZ. White House hails the meeting and goal of denuclearization.

April 30, 2018: President Moon suggests that Trump deserves the Nobel Peace Prize. Trump floats Panmunjom or Singapore as possible summit sites with Kim.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

US-SOUTHEAST ASIA RELATIONS

POLICY ON AUTO-PILOT

CATHARIN DALPINO, GEORGETOWN UNIVERSITY

The difficulties of the Trump administration in forging a coherent foreign policy were on display in US relations with Southeast Asia in the early months of 2018. The Department of Defense played an outsized role as both Secretary of Defense James Mattis and Chairman of the Joint Chiefs of Staff Joseph Dunford made visits to the region. The customary menu of multilateral and bilateral exercises with Southeast Asian militaries, including the 37th round of the annual *Cobra Gold* exercises, reassured security partners of continued defense cooperation. However, piecemeal diplomatic activity by the US underscored perceptions that the Trump administration has downplayed the region's significance, exacerbated by heightened rhetoric about the still-undefined "free and open Indo-Pacific region." Chinese assertiveness in the South China Sea and the Rohingya refugee crisis continued to be of mutual concern, but were overshadowed by the emerging dialogue on the Korean Peninsula and growing trade tensions between China and the US, leaving Southeast Asian governments in a reactive mode.

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State Department in turmoil, the military leads in engagement

The diplomatic season in Southeast Asia tends to downshift into a lower gear in the early months of the year as the chair of the Association of Southeast Asian Nations (ASEAN) rotates to a new member state, with Singapore assuming that role in 2018. The first of the two annual ASEAN Summits, usually in April, is an internal one, while the second involves ASEAN's external partners and culminates in the East Asia Summit. By contrast, Southeast Asian relations in support of defense relations are more evenly distributed over the year and are jump-started in February with the conduct of the annual *Cobra Gold* exercises in Thailand. *Cobra Gold* is co-chaired by the United States and Thailand and, in the 2018 event, included a total of 29 nations.



1 *Cobra Gold Exercises 2018 - member flags* (Defense World)

The gap between these two cycles for US-Southeast Asia relations was further widened this year by disorganization within the Trump administration. Under the leadership of Secretary Mattis, the Department of Defense continued to function as the premiere foreign affairs agency in Southeast Asia, fielding top officials and reshaping political as well as security relations.

If the Department of State has largely been missing in action in Southeast Asia in recent months, it is because it has been MIA in the broader US foreign policy process. The departure of Secretary of State Rex Tillerson and the nomination and confirmation process for his successor, Mike Pompeo, created a temporary vacuum in US diplomacy worldwide. Moreover, although Southeast Asia benefits from the majority of US ambassadors to the region coming from the career ranks of the Foreign Service, critical policy-level appointments in

Washington are still unfilled. All three assistant secretaries of State who have visited Southeast Asia thus far in 2018 serve in an acting capacity. Filling the slot for assistant secretary of State for East Asia/Pacific has been particularly difficult: as a new Congress convened in January, the administration declined to re-nominate Susan Thornton for the position. There appears to be no interest in the administration in identifying, much less nominating, a US ambassador to ASEAN, although there are no signs that the White House will try to eliminate the position.

In March 2018, the Office of Management and Budget's submission for the Fiscal Year 2019 budget again attempted to slash the international affairs budget by 30 percent compared to FY17. Southeast Asia would feel the impact of this cut not only in constricted diplomacy but also in reduced economic assistance to a number of countries. However, it is expected that this "groundhog day budget" will meet the same fate as the FY18 submission and that Congress will raise funding levels for the State Department and the US Agency for International Development in the appropriations process.

Politically fractured and inward-looking, the US Congress pays less attention to Southeast Asia than in recent years. Some initial steps have been taken to reverse this trend, including the return of a bipartisan Congressional Caucus on ASEAN, established in January 2017 and co-chaired by Representatives Joaquin Castro and Ann Wagner. The Senate has taken up the problem of the Rohingya crisis in Myanmar, with a draft bill introduced by Sen. John McCain that is under consideration by the Senate Foreign Relations Committee.

Removing political obstacles through defense diplomacy

It has therefore fallen to the Department of Defense to maintain a high profile for the United States in Southeast Asia. Accordingly, it has sought to assure regional governments of US staying power, particularly in the South China Sea; increase the US "soft power" quotient through humanitarian assistance and disaster relief; help to maintain dialogue and cooperation on terrorism as Southeast Asia faces new challenges from the Islamic State and like-minded groups; and, in some cases, alter political dynamics in a bilateral relationship through defense diplomacy.

Regular bilateral and multilateral exercises involving US and Southeast Asian militaries, as well as port calls for the visits of US Navy ships, number in the hundreds annually and provide evidence to nervous Southeast Asian governments of continuity in US relations with the region. This does not totally offset fears in the capitals with significant maritime concerns that the United States lacks a strategy to check Chinese militarization of artificial islands in the South China Sea, but it functions as an adequate placeholder for the time being.

In early 2018, two high-profile visits to the region by US defense officials provided two of the few headlines in US relations with Southeast Asia. The visit to Indonesia and Vietnam by Secretary of Defense Mattis in January was steeped in substance and symbolism. Both countries are in DoD's sights as emerging security partners – but not treaty allies – of the United States, each with significant maritime issues with China. Mattis was traveling on the heels of the release of the *US National Defense Strategy (NDS)*, one tenet of which is to build stronger security relationships and networks in regions such as Southeast Asia to keep ahead (or at least abreast) of China and Russia. In Jakarta, Mattis met President Joko Widodo and Defense Minister Ryamizard Ryacudu.

During his visit, Mattis sought not only to strengthen US-Indonesian defense ties but also to open the door to a political shift in US views of Indonesia. He stated publicly that he believed *Kopassus*, the Indonesian special operations unit that was blacklisted by the United States in the 1990s for its human rights abuses in East Timor, had reformed sufficiently and would be an appropriate partner for the US military at this time. For two decades, Indonesian officers have been held to a process known as “Leahy vetting” – named for Sen. Patrick Leahy – which denies US visas and assistance to foreign officers guilty of human rights abuses.

Leahy himself has said that he believes Indonesia has progressed since the Suharto regime used *Kopassus* as a “criminal enterprise,” but he is not convinced that the unit has been truly transformed. Apart from possible congressional opposition to a full relationship with *Kopassus*, Mattis may find that Indonesian politics hamper his attempt to renew full ties with *Kopassus*. In the 2019 presidential elections, Joko is expected to face his strongest competition from Prabowo Subianto, the late

Suharto's former son-in-law, who was associated with Indonesian military Special Forces in the 1990s and banned from entry into the United States. A brisk effort from the Pentagon to re-establish relations with *Kopassus* during a contentious election could be viewed in Indonesia as an attempt at electoral interference.

Secretary Mattis' visit to Vietnam, his first to the country, coincided with the 50th anniversary of the Tet Offensive. Assuming this irony was intentional, it served as a backdrop for the progress made since then in US-Vietnam relations broadly, and bilateral security ties in particular. In Hanoi, Mattis met Vietnam's President Tran Dai Quang; Communist Party Secretary General Nguyen Phu Trong; and Defense Minister Ngo Xuan Lich. He pronounced Vietnam and the United States to be “like-minded countries,” and gave as examples of common norms respect for freedom of navigation, for international law, and for national sovereignty. Mattis also thanked the Vietnamese leaders for adhering to sanctions on North Korea, implicitly acknowledging that doing so had come at some economic cost to Vietnam.



2Aircraft carrier USS Carl Vinson arrives in Danang, Vietnam for a scheduled port visit March 5, 2018 (US Navy)

The main “deliverable” of Mattis' trip to Vietnam was to come two months later, when the Carl Vinson Strike Force – comprised of nuclear-powered aircraft carrier USS Carl Vinson; cruiser USS Lake Champlain; and destroyer USS Wayne E. Meyer – arrived in DaNang. The visit marked the first docking of a US aircraft carrier in Vietnam since the Vietnam War. With a gesture to the past, members of the Carl Vinson Strike Force crew visited a treatment center for Vietnamese who had been exposed to Agent Orange.

Dunford leads on ties with Thailand

In February, Gen. Joe Dunford, chairman of the Joint Chiefs of Staff, visited Bangkok and met Prime Minister Prayuth Chan-ocha and Army Chief Gen. Ratchaiyong Srisuwan. Dunford's visit was intended to reaffirm the US-Thailand alliance and consult in advance of the *Cobra Gold* exercises later that month. In contrast to recent years, when continuation of *Cobra Gold* was held to be in doubt (if only in theory) because of the 2014 coup in Thailand, there seemed to be little doubt that the exercises would go forward as usual.

As with Mattis' visit to the region, Dunford reaffirmed US defense ties with the host country but also effected a political change. He was the first chairman to visit Thailand since 2012, breaking the implicit ban on visits to Bangkok by high-level US defense officials because of the coup. Although careful to refer to the Thai government's pledge to hold elections by the end of 2018 – a promise that the Prayuth government may not fulfill – Dunford reinforced views that the Trump administration has taken a more realpolitik approach to Thailand than did Obama.

Alliance maintenance

Dunford's visit to Thailand was occasioned in part by perceptions that Thailand is drifting toward China because of recent discord with the United States, primarily over the 2014 coup. Although there is some truth to this, it oversimplifies Bangkok's historical and complex need to balance – and continually rebalance – its foreign relations across the board, a practice that helped Thailand be the only Southeast Asian country not to be colonized by a Western power in the 19th century.

Since the end of the Cold War, Thailand has sought to balance relations with Washington and Beijing. It looks to the US for security and to China for economic growth. However, tensions exist within each of these functions. The US response to the 2014 coup and, more recently, the seeming distraction in Washington that cuts into most US foreign relations, remind Bangkok that constant adjustments are needed in Thailand's security policy. This is not necessarily zero-sum, however: a diminution in defense relations with Washington does not mean an automatic realignment toward Beijing. In the long run, Washington's challenge in

maintaining the US-Thailand alliance is not in countering China, but in bringing the alliance into the 21st century, since Thailand and the United States no longer share a common and vital threat to their national security.

Thailand is often less than happy with its economic relations with China. It aspires to rise rapidly up the supply chain and needs deeper trade ties to the United States, the European Union and Japan to do so. Bangkok and the European Union have agreed to resume talks on a free trade agreement later this year; negotiations were suspended following the 2014 coup.

Japan's economic value to Thailand as a rival of China is not only in foreign direct investment – it remains Thailand's largest investor – but also in infrastructure projects. The Japan Bank for International Cooperation has proposed that Japan and China come together to build a high-speed railway system in Thailand, the first-ever attempt for these two countries to cooperate on an infrastructure project in a third one. In this way, Tokyo hopes to capitalize on China's Belt and Road Initiative but also to blunt China's edge in building infrastructure in Southeast Asia.

The United States is not competitive in this sector – US infrastructure proposals tend to be too costly and lack concessionary funding for the host country – but Washington has a stake in a more multilateral approach to infrastructure in Southeast Asia. However, Bangkok has signaled that it expects a stronger economic relationship with the US and is pressing Washington for bilateral trade concessions.

Maintenance of the US-Philippines alliance is centered more squarely on security issues – both the South China Sea and terrorist threats, particularly in Mindanao. Following a successful meeting between Presidents Trump and Duterte in Manila in November 2017, the relationship appears to have levelled off. Opinion polling suggests that the Philippine public has confidence in US leadership – the highest in Southeast Asia – and that there is continued receptivity to the US-Philippine alliance. This was shored up in March by the US transfer to the Philippines Air Force of the Scan Eagle Unmanned Aerial System, through the Foreign Military Financing (FMS) program.

Under Duterte, Manila continues to play Beijing off against Washington and, not unlike Thailand, attempts to balance an alliance with the US with a growing economic relationship with China. There is some greater attention from the US to economic relations with the Philippines, not only because of the alliance but also because of strong Philippine growth rates. A possible US-Philippines free trade agreement is not likely to materialize despite casual references by Trump to such a deal, but they have had a mildly positive impact on Manila. However, neither China nor the United States is an important investor in the Philippines: they are both outdistanced by Japan, Taiwan, Singapore, and the Netherlands.

For the time being, Washington and Manila will have difficulty enough forging a clear path for the alliance. Last year's siege in Marawi City brought counterterrorism more into the center of the alliance, but closer cooperation on this issue has also brought charges from Duterte that botched operations are the fault of US rather than Philippine forces.

At the same time, there are growing signs that Duterte's compromises with China on maritime issues may be coming apart. In recent months, proposed joint development of disputed features has become a political football in Philippine politics. Any genuine joint development agreement (JDA) would have to overcome Philippine constitutional barriers and, moreover, may not square with the 2016 UNCLOS Arbitration Tribunal decision. Lacking the silver bullet of a workable JDA, Duterte will continue to rely on Washington for security assistance, albeit grudgingly.

Disenchantment over trade

Southeast Asian countries that are members of the Trans-Pacific Partnership – or that aspire to join – suffered another (albeit more minor) disappointment in April when President Trump hinted that he was considering backtracking on his decision to withdraw the United States from the TPP. On April 12, he told a Congressional group that he had instructed the US Trade Representative Robert Lighthizer and new White House Economic Advisor Lawrence Kudlow to study the possibilities of the US rejoining the TPP. A week later, however, he posted a message on Twitter that decried the trade regime as bad for the United States. In the interim, members of the Comprehensive and

Progress Trans-Pacific Partnership (the successor to TPP, sometimes called the TPP 11) made public their agnostic views of welcoming Washington back into the agreement, having just agreed upon a revised framework.

Trump's maneuver was more likely an attempt to resolve differences within the White House on trade, a contest that hardliners such as White House trade advisor Peter Navarro appear to have won. While the Obama administration attempted to sell the TPP as a means of countering China's growing economic dominance, the Trump White House views the agreement as a liability in stemming Chinese trade. It reasons that China would transship products through TPP members such as Vietnam, which are heavily dependent on Chinese materials in manufacturing.

At this point, few if any Southeast Asian governments believe that they can improve trade relations with the United States under the Trump administration. In early 2017, the White House declared that it would shelve multilateral trade agreements in favor of negotiating bilateral ones, but no Southeast Asian country appears to be a serious candidate for a stepped-up agreement.

Instead, Southeast Asian governments are now more focused on avoiding tariffs and other restrictions on trade with the United States that would worsen current trade dynamics. At the April rounds of discussion on the US-Thailand Trade and Investment Framework Agreement (TIFA) hosted by the USTR, Washington pressed Bangkok on reducing the US trade deficit with Thailand. Bangkok's objective was primarily damage control: to avoid a review of its Generalized System of Preferences; to stay off the list of countries censured for attempts to use the currency exchange market to US disadvantage; and to seek an exemption from US tariffs on steel and aluminum.

But all trade shifts create winners and losers, and Southeast Asia contains both in the steel and aluminum tariffs. Barriers to steel imports to the United States could flood Southeast Asia with cheap steel as Chinese companies compete with steel exported from Russia and Turkey. High growth countries such as Vietnam and the Philippines will benefit. However, it will also disadvantage Southeast Asian steel producers, such as Thailand, and thwart ASEAN plans to develop steel self-sufficiency for the region.

The Rohingya crisis

Although an agreement between Bangladesh and Myanmar to begin repatriation of the 600,000-plus Muslim Rohingya refugees back to Rakhine State is in place, there has been little evidence of implementation. Many Rohingya are reluctant to return to Myanmar without sound guarantees of their safety. They fear permanent confinement in holding camps under the *Tatmadaw*, Myanmar's military. Satellite pictures of the military's destruction of Rohingya villages left empty by the flight of refugees reinforces this fear.

ASEAN's ability to influence the situation appears to be limited to official statements of concern. Notwithstanding the ASEAN principle of noninterference in the internal affairs of a member state, Indonesia and Malaysia advocate collective action of some kind, arguing that the refugee crisis affects the region as a whole. Hoping to dodge regional criticism, Myanmar State Counselor and Foreign Minister Aung Sang Suu Kyi declined to attend the ASEAN Summit in Singapore April 27-28, the first ASEAN Summit she has missed since 2016. In the end, the chairman's statement from the Summit delivered a fairly standard paragraph on the Rohingya crisis, noting continuation of the crisis but praising the efforts of the Myanmar and Bangladesh governments to resolve it.

The State Department applied two instruments to help alleviate the Rohingya crisis in early 2018. In January, it declared Myanmar to be a "country of particular concern" (CPC) under the Religious Freedom Act. This designation allows the secretary of State to impose sanctions, but none as yet have been announced. In April, the State Department announced an additional \$50 million in humanitarian assistance to help resolve the crisis.

Congress has also acted in the face of the continuing crisis. The Senate Foreign Relations Committee is in the process of considering S2060, the Burma Human Rights and Freedom Act of 2018. Introduced by Sen. John McCain, the bill would reinstate import restrictions on jade and ruby imports from Myanmar and urge the administration to place additional Burmese military officials involved in atrocities in Rakhine State on the Specially Designated Nationals (SDN) list. An SDN designation prohibits an individual from entering the United States and freezes his or her assets. The bill is

given a 50 percent chance of passing before Congress adjourns in December, although five other bills imposing sanctions on Myanmar voted into law over the past 20 years remain on the books, even though most of the provisions of those bills were lifted by executive order during the Obama administration.

Wariness about a "Free and Open Indo-Pacific Region"

Since last fall's APEC Leaders Meeting and East Asia Summit, Southeast Asian leaders have sought clarification from the four "Quad" governments – the United States, Japan, Australia, and India – about the scope and implications of the Indo-Pacific concept for the Asia-Pacific region. A minimal interpretation – increased efforts to include India in regional activities – is generally acceptable to Southeast Asian governments. However, many leaders are bothered by more extensive interpretations of the concept and fear that it would reconfigure regional architecture to downgrade "ASEAN centrality" as the foundation for regional forums and exercises.

These explanations are difficult to obtain from US policymakers, although they all have language on an Indo-Pacific region in their talking points, because there has been little discussion on this concept in Washington. Singapore Prime Minister Lee Hsien Loong expressed skepticism and warned that it could divide the region into blocs. At the April ASEAN Summit, Indonesian President Widodo called for a proactive attempt on ASEAN's part to ensure that an Indo-Pacific framework did not replicate existing regional structures. He also urged that Beijing be brought into an Indo-Pacific community from the beginning, to avoid the perception that its main purpose was to contain China.

Looking ahead

Southeast Asian leaders are cautiously optimistic that US diplomatic activity in the region will pick up with the confirmation of Mike Pompeo as secretary of State. Relations will be buoyed to some extent as the ASEAN season moves into full swing with the ASEAN Regional Forum in August and the East Asia Summit in November. As the ASEAN Chair, Singapore's strong relationship with the United States will help to keep Washington engaged.

Singapore hopes to play a larger role than normal. In late April, Prime Minister Lee stumped to make Singapore the venue for the prospective and much-publicized meeting between President Trump and North Korean leader Kim Jong Un. The city-state maintains diplomatic relations with both countries, but in proportions far more favorable to the United States. Playing this role would be an achievement not only for Singapore but also for ASEAN, and would reaffirm the group's claim that "ASEAN centrality" remains a valid foundation for Asia-Pacific regional architecture.

However, Southeast Asian leaders have by now accepted that they are not likely to receive sustained attention from Washington during the Trump administration, particularly in economic relations. The lack of clear policy objectives from the administration continues to raise questions about US reliability as a security partner as well. Southeast Asian governments will not eschew opportunities to improve relations with the United States; however, they will also invest time and attention in cultivating stronger relations with a broader spectrum of regional powers to hedge against US disinterest and isolation.

CHRONOLOGY OF US-SOUTHEAST ASIA RELATIONS

JANUARY – APRIL 2018

Jan. 4, 2018: Primarily because of the continuing crisis with Rohingya refugees, the State Department redesignates Myanmar as a “country of particular concern” on religious freedom.

Jan. 15 – Feb. 2, 2018: Singaporean and US air forces conduct the annual *Commando Sling* exercises at Paya Bebar Air Base in Singapore.

Jan. 22–24, 2018: Secretary of Defense James Mattis visits Indonesia, the first of two stops in Southeast Asia to strengthen what the *National Defense Strategy* terms “networked security architecture” while addressing a range of bilateral and multilateral issues, including the situations in Iraq and Syria.

Jan. 24–25, 2018: Secretary Mattis visits Vietnam, his first trip to the country but the sixth visit by a US secretary of defense.

Feb. 5, 2018: At the Singapore Air Show, Acting Assistant Secretary of State for Political-Military Affairs Tina Kaidanow urges Southeast Asian governments to purchase US military equipment as a means of upholding freedom of navigation in the South China Sea.

Feb. 7, 2018: Chairman of the Joint Chiefs of Staff Gen. Joe Dunford meets Thailand’s Prime Minister Prayuth Chan-ocha and Army Chief Gen. Ratchaiyan Srisuwan in Bangkok. Dunford is the first chairman to visit Thailand since 2012.

Feb. 8 – 13, 2018: Acting Assistant Secretary of State for Consular Affairs Carl Risch visits Cambodia, Thailand, and Myanmar to discuss legal obligations to accept the return of those countries’ nationals that have been ordered removed.

Feb. 13–23, 2018: US and Thailand host 37th annual *Cobra Gold* exercises in Thailand with 29 partners, including Japan, South Korea, Singapore, and Malaysia. The 2018 exercises focus on maritime security and response to large-scale natural disasters.

Feb. 13, 2018: 2nd Lt. Catherine Mae Gonzales becomes the first female aviator from the Philippines to be selected for the Aviation Leadership Program, a US Air Force scholarship.

Feb. 21–25, 2018: Two US Congressional delegations, from the House Appropriations Committee and the House Judiciary Committee, visit Laos to discuss Lao government efforts to strengthen the rule of law and counter corruption.

March 5–10, 2018: Aircraft carrier *USS Carl Vinson* visits DaNang, accompanied by cruiser *USS Lake Champlain* and destroyer *USS Wayne E. Meyer*, the first docking of a US aircraft carrier in Vietnam since the Vietnam War.

March 5, 2018: Amphibious assault ship *USS Bonhomme Richard* arrives in Manila for a port visit, enabling US crew members to provide assistance to some of the 90,000 Filipinos displaced by the eruption of the Mayon volcano in January.

March 12–23, 2018: US and Indonesian air forces conduct *Cope West 2018* exercises, designed to strengthen interoperability. The air forces fly 136 sorties and cover a broad range of capabilities, from air-to-air fighter training to aircraft maintenance.

March 14, 2018: The US turns over the Scan Eagle Unmanned Aerial System to the Philippine Air Force; the \$13.2 million system is provided through the Foreign Military Financing (FMS) grant program.

March 26, 2018: Deputy Secretary of State John Sullivan meets Indonesia’s Foreign Minister Retno Marsudi and Malaysia’s Foreign Minister Anifah Aman in Washington, in the context of establishing bilateral strategic partnerships with both countries.

March 29–April 13, 2018: Southeast Asia phase of annual *Pacific Partnership* exercises opens in Begnkulu, Indonesia aboard the *USNS Mercy*. Involving 800 military and civilian personnel, *Pacific Partnership* is the largest annual disaster relief exercises in the Pacific region. Subsequent activities are conducted in Malaysia and Singapore.

April 2–3, 2018: Acting Assistant Secretary of State for East Asian and Pacific Susan Thornton visits Malaysia to co-chair the US-ASEAN Strategic Dialogue with Malaysia's Ministry of Foreign Affairs Secretary General Dato Ramlan Ibrahim.

April 5, 2018: In a statement the State Department says it is “deeply troubled” by the conviction and sentencing of six dissidents in Vietnam.

April 10, 2018: Acting Assistant US Trade Representative for Southeast Asia Karl Ehlers meets Thai trade officials in Washington, to discuss reducing the US trade deficit with Thailand and other issues under the US-Thailand Trade and Investment Framework Agreement (TIFA).

April 11, 2018: Aircraft carrier *USS Theodore Roosevelt* and guided missile cruiser *USS Bunker Hill* arrive in Manila for a port visit.

April 11–12, 2018: US Pacific Air Forces hosts first airman-to-airman talks with the Indonesian Air Force at Joint Base Pearl Harbor-Hickam. Expected to become an annual event, the two air forces discuss a broad spectrum of issues, from aviation safety to cybersecurity.

April 12, 2018: In a meeting with members of Congress, President Trump reveals that he has asked US Trade Representative Robert Lighthizer and White House economic advisor Lawrence Kudlow to study the benefits and drawbacks of rejoining the Trans-Pacific Partnership, raising hopes in the region, especially with Vietnam, of a US re-entry.

April 18, 2018: President Trump tweets that “While Japan and South Korea would like us to go back into TPP, I don’t like the deal for the United States.”

April 23, 2018: State Department announces \$50 million in additional aid to address conditions of Rohingya refugees and other affected population in Myanmar’s Rakhine State.

April 24–28, 2018: US and Thailand militaries conduct anti-submarine and domain awareness *Guard Sea* exercises in the Andaman Sea.

April 27, 2018: In the *2018 Special 301 Report*, US Trade Representative places Indonesia on the Priority Watch List for failure to protect intellectual property rights or otherwise deny market access to US companies that rely upon protection of IPR. Of less concern, Thailand and Vietnam were placed on the Watch List for IPR.



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C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

CHINA- SOUTHEAST ASIA RELATIONS

XI JINPING STRESSES COOPERATION AND POWER – ENDURING CONTRADICTION?

**ROBERT SUTTER, GEORGE WASHINGTON UNIVERSITY
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Supported by Chinese officials and authoritative commentary, President Xi Jinping continued a moderate and cooperative posture toward Southeast Asia in early 2018, reaching a highpoint in Xi's keynote address on April 10 at the annual Boao Forum for Asia in Hainan Province. Then, the posture switched dramatically to the surprise of many at home and abroad. On April 12, Xi appeared in military uniform addressing troops in the South China Sea participating in the largest naval review in China's history. Perhaps signaling the United States, Vietnam, Japan, Taiwan, and others challenging Chinese activities in the South China Sea, the switch starkly showed the kind of power Beijing is prepared to use in pursuit of its national objectives. Most other Chinese actions toward Southeast Asia and involving the South China Sea in first four months of 2018 emphasized the positive, with China making major advances in relations, especially with the Philippines.

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Is China Janus-faced?

Foreign observers have often seen a major contradiction between China's strong emphasis on economic and political cooperation, mutual benefit, and harmonious relations with Southeast Asia, and its steely determination in using all aspects of state power to have its way in the South China Sea and other disputes. Chinese leaders deny the contradiction, but critics routinely characterize Chinese leaders as Janus-faced, using the benign face of cooperation and beneficence to cover an underlying ambition of control and dominance.

This dualism was on display when President Xi gave priority attention to Southeast Asia following his remarkable consolidation of power at the Chinese National People's Congress in March. Two major initiatives emphasized cooperation and mutual benefit on the one hand and power on the other. Xi's keynote address to the Boao Forum reassured China's neighbors and concerned powers like the United States of China's determination to pursue cooperation, mutual benefit, and harmony. He pledged that Chinese practices will not "threaten anyone," nor "attempt to overturn the existing international system," nor "seek a sphere of influence." The Chinese leader followed with cordial bilateral meetings emphasizing positive relations with Southeast Asian and other regional leaders attending the annual forum.

Against this positive and accommodating backdrop came the surprise news flash on April 12, accompanied by media displays of Chinese naval power, reporting that President and military commander in chief Xi Jinping dressed in military fatigues was on board a Chinese destroyer in the South China Sea near Hainan Province and conducting a review of China's largest ever naval [armada](#). At least 10,000 personnel took part in the review, which featured China's sole aircraft carrier, *Liaoning*, and involved 48 naval vessels and 76 fighter jets. Xi told the assembled troops that China's need for a world-leading naval force "has never been more pressing than today" and that its Navy has now "stood up in the East" with new power and resolve.

The Chinese government had given little coverage to the forces that had gathered in the previous weeks. In late March, foreign media using satellite photos of the Chinese naval forces in the South China Sea prompted questions to

Chinese defense spokespersons who said the activities were routine. Xi's naval review on April 12 came as the assembled forces had been conducting several days of military exercises in the South China Sea.

Observers saw the exercises and review as intended, at least in part, to respond to the active US naval presence in the South China Sea, notably two US aircraft carrier battle groups sent there in March and April. The aircraft carrier *Carl Vinson* traveled beyond its usual area of responsibility in the US Third Fleet in the eastern Pacific and deployed to the South China Sea. It conducted anti-submarine exercises with Japanese forces and notably made a four-day visit to DaNang, Vietnam, in early March. This marked the first visit of a US aircraft carrier to a Vietnam port since the end of the US war there in 1975. Another Third Fleet aircraft carrier, *Theodore Roosevelt*, transited from the Middle East through the South China Sea in April. It visited Singapore and conducted exercises with Singapore forces and then carried out exercises near the Philippines that were observed by Philippine officers visiting the carrier on April 10, just as the Chinese naval exercises near Hainan Province were getting underway.

Following Xi's review of the fleet, China announced that it would hold live-fire military drills in the Taiwan Strait on April 18. The last such live fire drills were held in 2015. The terse and relatively low-level official statement on the website of a Fujian Province Maritime Department said that sea traffic would be banned on April 18 from 8:00-24:00 in an area in the Taiwan Strait due to live-fire drills. The area was along the mainland coastline north of the Taiwan-held island of Kinmen and near the city of Quanzhou. The website did not provide further details about the nature of the weapons to be fired. The exercise did not appear to be directly connected to the maritime exercises in the South China Sea, but it underscored China's resolve on having its way on territorial disputes.

National People's Congress shows moderation on Southeast Asia

Leadership rhetoric during the annual National People's Congress (NPC) session tends to emphasize nationalistic themes stressing Chinese domestic priorities and salient foreign issues. Designed to follow and to implement policy decisions and leadership selections for the next five years made at the 19th Chinese

Communist Party Congress held in October 2017, the March 2018 NPC session was particularly important as the first of five annual sessions of the newly formed 13th National People's Congress. As noted elsewhere, Xi Jinping achieved remarkable success in consolidating leadership supporting his priorities for the foreseeable future.

In his remarks at the end of the Congress, Xi had little to say that was relevant to Southeast Asia and the South China Sea other than to reaffirm a general stance to protect “every inch” of China’s territory. Prime Minister Li Keqiang’s lengthy government work report at the start of the Congress also had little to say that related to Southeast Asia and the South China Sea other than to report that “state sovereignty and maritime rights were resolutely safeguarded” by the Chinese government over the last five years. The prime minister’s annual press conference after the National People’s Congress session featured a lengthy response to a question by a Singapore reporter that underlined China’s moderation and benign intent toward Southeast Asian and other neighbors. Li averred that China seeks a peaceful international environment needed for its modernization, has no intention to pursue expansion, increasingly shares its economic success through the Belt and Road and other initiatives, and remains focused on domestic modernization.

Echoing this moderate line, State Counselor and Foreign Minister Wang Yi used his annual press conference at the Congress to:

- Emphasize cooperation with ASEAN involving: (a) developing the proposed China-ASEAN Strategic Partnership Vision 2030; (b) broadening political and security cooperation along with growing economic and social ties; (c) developing new platforms for cooperation such as the Lancang-Mekong economic development belt and the Regional Comprehensive Economic Partnership (RCEP) trade agreement.
- Pursue the “golden opportunity” to advance mutually beneficial peace and development in the South China Sea involving the development of a code of conduct to preserve “hard-won tranquility.” In obvious reference to

the United States, he criticized unnamed “outside forces” making “frequent shows of force” with fully armed air and naval forces, thereby creating “the most destabilizing factor for peace and stability in our region.”

- Dismiss the Indo-Pacific strategy pursued by the US and partners in Japan, Australia, and India as an approach that will “fade like bubbles of sea foam.”

Other South China Sea developments

As discussed in the US-China relations section of this issue of *Comparative Connections*, Chinese authorities handled in low-keyed fashion US freedom of navigation operations (FONOPs) challenging Chinese territorial claims in the South China Sea in 2018. The reactions involved Chinese warships warning a US Navy destroyer sailing in waters near the Chinese-claimed Scarborough Shoal on Jan. 17 and another US Navy destroyer sailing in waters near the Chinese-claimed Mischief Reef on March 23. The Chinese Defense Department and Foreign Ministry spokespersons criticized the US actions, as did Chinese official media. Chinese media also took note of unconfirmed reports that Australia and Great Britain would join the US in conducting their own FONOPs targeting Chinese claims in the South China Sea in 2018. Australian media on April 20 reported that three Australian ships traveling to Vietnam for a goodwill visit were challenged by Chinese warships in the South China Sea. Prime Minister Malcolm Turnbull and other Australian officials avoided confirmation of the episode while they reiterated Australia’s policy to maintain and practice the right of freedom of navigation throughout the world including the South China Sea. The Chinese Defense Ministry confirmed that Chinese warships encountered Australian warships in the South China Sea on April 15.

In addition to the unprecedented Chinese military display in mid-April, China’s Air Force in early February dispatched advanced *Su-35* fighter jets to carry out joint combat missions over the South China Sea. Purchased from Russia in 2015, the *Su-35* fighters were delivered in 2017 and are now ready for use over the South China Sea.

Meanwhile, the *Philippine Daily Inquirer* published a series of aerial photos of China's seven outposts in the Spratly Islands that offered views of the Chinese military facilities at a level of detail rarely seen. The photos prompted an update on the Chinese building efforts by the CSIS Asia Maritime Transparency Initiative, a [report](#) for the International Institute of Strategic Studies (IISS), and other assessments and commentary. They showed that China, despite assertions to the contrary, has continued land reclamation activities in the disputed territories, with a focus on completing infrastructure on the artificial islands, including aircraft hangers, possible missile emplacements, underground bunkers and storage facilities, barracks, and administration buildings. On April 9, *The Wall Street Journal* cited unnamed US officials for the information that China has installed equipment on two outposts in the Spratly Islands capable of jamming communications and radar systems, representing what the US officials said was a significant step in its creeping militarization of the South China Sea. The IISS offered an overall judgment that China was not merely establishing fortified flag markers of China's sovereignty in the South China Sea. Rather, it was establishing a "network of platforms ... enhancing significantly China's projection of military power into the region."

China-Philippines relations

President Rodrigo Duterte and his administration's leading officials continued strong efforts to solidify ever closer relations with China while keeping the United States at arm's length. The highlight in 2018 was Duterte's visit to China for the Boao Asian Forum and a meeting with Xi in April. Prior to the trip, the Philippine leader told the media that "I simply love President Xi Jinping. He understands my problem. He is willing to help. I'd like to say thank you to China." The problem referred to is the Philippines' need for infrastructure and rebuilding, including the devastated city of Marawi following the months-long combat operations to retake control of the city from Islamic extremist militants in 2017. Media reports said China was in line to be awarded a contract to reconstruct the city. And, Duterte seemed pleased when he left China with \$9.8 billion worth of letters of intent covering agriculture, technology, pharmaceuticals, land development, and infrastructure. The Philippines presidential

spokesman told the media that Xi would visit the Philippines in November 2018.

Philippines Foreign Secretary Alan Peter Cayetano stressed the positive during his visit to China in March to prepare for Duterte's trip. He claimed that relations had reached a "golden era," and Chinese counterpart Wang Yi seemed to agree, noting that bilateral ties "are in the best shape they've ever been." Showing Beijing's priority to improving relations with the Philippines, newly installed Vice President Wang Qishan's first official meeting with a foreign leader was with Cayetano. Supporting statistics showed that China had become the Philippines largest trading partner (valued at \$51.2 billion in the past year), albeit with a trade deficit as China was the Philippines' largest source of imports but only its fourth largest export destination.

Cayetano notably raised the prospect of a joint development agreement with China on sharing contested resources in the South China Sea. Duterte has repeatedly expressed his preference for resource-sharing arrangements with Beijing. And former President Gloria Macapagal Arroyo (2001–2010), a longtime advocate of such cooperation with China, is "the chief foreign policy adviser to Duterte," according to the [South China Morning Post](#).

The positive approach to China has been accompanied by careful efforts to distance the Philippines from the US over South China Sea disputes. The Chinese complaint over the US Navy destroyer sailing in waters near Scarborough Shoal in January saw Manila affirm that it would not get involved in the dispute. Duterte, in February, said the Chinese military installations on Philippines-claimed territory in the Spratly Islands are aimed at the United States, not the Philippines. Meanwhile, as US-China trade disputes rose over the past month, Duterte did not take sides but confided in Xi that China should "defend the East" in any trade war with the United States, according to the Philippines presidential spokesman. Duterte also argued in February that Manila should advance military relations with China to include sending troops to China for training, thereby providing more balance in the Philippines' reliance on the US for such military support.

Expert and media commentary in the Philippines continues to highlight obstacles and limitations regarding Duterte's direction toward

China and away from the United States. Joint development of the South China Sea faces serious legal obstacles; this approach was tried under Arroyo and failed amid corruption charges. The reality of the reported Chinese investment and other economic support remains challenged by available data. As of early 2018, Japan still was ahead of China in infrastructure investment since the 2000s – \$230 billion vs \$155 billion. Prominent commentator Richard Heydarian reported in April that in Duterte’s first year in office Chinese investment in the Philippines amounted to only \$27 million whereas Japan invested \$490 million and the United States invested \$160 million. He also advised that the Philippine military remains wary of Chinese territorial encroachment. Nonetheless, academic specialist Renato Cruz De Castro warned that the Philippine-US security relations are under increasing stress, which has “the potential to unravel the alliance in the near future.”

Briefly noted

Vietnam-China Relations. Vietnam took steps in 2018 to improve its regional position in the face of China’s power. In addition to welcoming the US aircraft carrier *Carl Vinson* to Vietnam despite Chinese objections, Vietnam’s president in March visited India and endorsed the concept of the Indo-Pacific. That month Vietnam for the first time joined India in participating in the *Milan* military exercises in the Indian Ocean. This development coincided with the China-India dispute over contested leadership in the Maldives Islands, and prompted criticism of Vietnam in some Chinese media. Vietnam’s prime minister also advanced strategic relations with both Australia and New Zealand, strengthening Vietnam’s relations with governments at odds with China’s ambitions in the South China Sea. Nevertheless, Hanoi remained on good terms with China. The annual meeting of the Vietnam-China Steering Committee for Cooperation, held in Hanoi in early April, saw State Counselor and Foreign Minister Wang Yi reach numerous agreements with his Vietnamese counterpart, with both sides promising to keep the peace in the South China Sea and to address disputes peacefully. Facing apparent Chinese pressure, Vietnam again decided to cancel oil drilling activity of a Spanish energy firm in disputed waters for the second time in a year.



1Chinese media footage showing the naval task force currently operating in the eastern Indian Ocean; including an amphibious assault ship, a guided missile destroyer and frigate, and a supply ship (CCTV 7)

Lancang-Mekong. Prime Minister Li Keqiang’s participation in the second Lancang- Mekong Cooperation (LMC) Leaders Meeting in Phnom Penh in January 2018 showed progress made in this China-backed regional body since it began two years ago. By contrast, other regional mechanisms including the US’ Lower Mekong Initiative and the long-running Mekong River Commission seemed to be on the wane. China’s advantages include geographic proximity, control of the river’s headwaters, and strong interest in funding and directing development projects that also are of keen interest to states bordering the river, especially Cambodia and Laos. Indeed, Li married his appearance at the LMC with a visit to Cambodia, featuring 20 new development agreements signed with Prime Minister Hun Sen. Worth several billion dollars, the agreements reinforced Hun Sen’s position as Beijing’s most reliable client in Southeast Asia.

Australia, Vanuatu. The active debate in Australia during late 2017 over Chinese covert and overt efforts to influence public and leader opinion discussed in the January issue of *Comparative Connections* spilled over into 2018 with strong legislation and stronger official rhetoric targeting China’s practices. In response, Beijing adopted a harder posture against the Turnbull government, limiting high-level Australian official visits to China.

Meanwhile, a new concern emerged in Australia, New Zealand and other countries with a strong stake in Pacific Island security, notably the United States. Citing unnamed “senior security officials,” the national security correspondent for two leading Australian newspapers disclosed on April 9 that China has approached the Vanuatu government about establishing a permanent military presence in the country,

which the officials believe could culminate in a full military base. Vanuatu has become dependent on China as a major recipient of Chinese loans and other support. The poor country of 270,000 people has a reported foreign debt of \$400 million, about half owed to China. One project built by China, a large wharf ostensibly for cruise ships, is said to be suitable for naval vessels. The Vanuatu government vehemently denied the report, as did China.

Negotiations on a code of conduct

At the end of the Boao Forum this year, Wu Shicun, head of the National Institute for South China Sea Studies, observed in a panel related to the South China Sea that “the Code of Conduct as an upgraded version of the DOC should have some legally binding force.” Wu indicated “ASEAN would not want a COC that was not binding in any way.” That the comment came from a leading authority and scholar-practitioner on the South China Sea provided a positive opening on the latest thinking on the Code of Conduct. According to [The Straits Times](#) report, Wu added that a “rules-based South China Sea order is in line with the interests of all parties, including China. It can solve the urgent issues of crisis management and maintain peace and stability in the South China Sea region.” While the COC is an important mechanism for addressing potential crises, Wu articulated that it would not be an appropriate channel to resolve the larger, contested issue of territoriality and maritime jurisdiction. Echoing Wu’s observation, Jusuf Wanandi, senior fellow at the Center for Strategic and International Studies in Jakarta, suggested that “we [ASEAN and China] are looking forward to a stronger, legally binding entity” that would prevent conflict and reduce tensions. It appears that the focus of the negotiations on the COC has shifted away from the more sensitive matters surrounding sovereignty and toward building consensus around managing the dispute and reducing regional tension, as well as around maritime cooperation on sustainability, environmental protection, and fishery issues.

Outlook

The recent conclusion of the ASEAN Summit reflected cautious optimism with the momentum in China–Southeast Asia security relations, particularly over the South China Sea dispute. Recent highlights include the successful testing of the “ASEAN Member States and China

MFA-to-MFA hotline” to manage maritime emergencies in the South China Sea, as well as the operationalization of the “Joint Statement on the Application of the Code for Unplanned Encounters at Sea (CUES) in the South China Sea,” adopted in 2016. The most recent round of the joint working group to implement the DOC took place in March 2018 and appeared to be making measured progress. In the ASEAN Chairman’s Statement, Singapore Prime Minister Lee Hsien Loong welcomed signs of improving cooperation between ASEAN and China as officials engage in “substantive negotiations towards the early conclusion of an effective Code of Conduct in the South China Sea on a mutually-agreed timeline.”

The COC remains a work in progress, but there are indications of what the region is looking for in the next steps of its negotiations with China. The ASEAN Leaders’ Vision statement released separately at the end of the regional summit underscored the importance of the rule of law and a rule-based order for regional security. It noted the significance behind binding legal agreements in the maritime domain and reemphasized the need for urgency in working toward the “conclusion of an effective Code of Conduct in the South China Sea.” While an “effective COC” was not spelled out at this early stage, ASEAN’s consensus seems to be coalescing around an enforceable set of commitments that would reflect ASEAN preferences and principles to reduce overall tension in the region. Indications of whether this is achievable will gain clarity in coming months, when Chinese and ASEAN officials will meet at the next round of the joint working group and senior officials meeting on the implementation of the DOC, as well as at the ASEAN–China Summit and the ASEAN Summit in the fall.

CHRONOLOGY OF CHINA-SOUTHEAST ASIA RELATIONS

JANUARY – APRIL 2018

Jan. 11, 2018: Chinese Premier Li Keqiang arrives in Phnom Penh to attend the Lancang-Mekong Cooperation (LMC) Leaders' Summit. The leaders of the six LMC countries pledge to cooperate on the development and sustainability of the Mekong River.

Jan. 11, 2018: Chinese Premier Li meets Cambodian Prime Minister Hun Sen for an official visit. They celebrate the 60th anniversary of bilateral ties and agree to deepen political, diplomatic, security, economic, and cultural ties in a joint communique.

Feb. 2, 2018: Environment ministers from the Greater Mekong Subregion (GMS) states meet in Chiang Mai and agree on a joint five-year action plan on environmental cooperation that focuses on promoting green technology, environmentally friendly logistics, climate change resilience, and disaster risk management in the GMS.

Feb. 5, 2018: Senior officials from China and Vietnam finalize plans for joint border checkpoints. Under the “two countries, one inspection” system, Customs officials will jointly carry out inspection work along two neutral zones and checkpoints. The joint border inspection will become operational in May 2018.

Feb. 6, 2018: Singapore's Foreign Minister Vivian Balakrishnan hosts ASEAN foreign ministers and announces the regional grouping has agreed to work toward the conclusion of an effective code of conduct for the South China Sea.

Feb. 13, 2018: Second meeting of China-Philippines Bilateral Consultation Mechanism on the South China Sea (BCM) is held in Manila.

March 1-2, 2018: Chinese and the ASEAN officials meet in Nha Trang, Vietnam, for the 23rd Joint Working Group meeting on the Implementation of the Declaration on the Conduct of Parties in the South China Sea.

March 17-29, 2018: China and Cambodia carry out the second *Golden Dragon* joint military exercise. The live-fire exercise takes place in a mountainous area in Cambodia, with drills focusing on counter-terrorism, infrastructure repairs, mine clearance, and humanitarian assistance and disaster relief.

March 21, 2018: The United Wa State Army, one of Myanmar's main ethnic groups, indicates that it would like the greater involvement from the Chinese government to provide stability at the China-Myanmar border and to help resolve the ongoing conflict between the ethnic groups and the Myanmar government.

March 21-24, 2018: Philippine Foreign Secretary Alan Peter Cayetano visits China and meets Foreign Minister Wan Yi. They agree that China and the Philippines will cautiously proceed with discussions on joint oil and gas exploration in the South China Sea.

March 26, 2018: China carries out a naval drill involving the *Liaoning* aircraft carrier and more than 40 other combat ships in the waters south of Hainan. Officials from the People's Liberation Army (PLA) say the drill is part of a routine exercise, although the scale and location reflect China's growing capabilities to maneuver military assets in and around the South China Sea.

March 30, 2018: China's State Councilor and Foreign Minister Wang Yi [meets](#) Thailand's Prime Minister Prayut Chan-o-cha on the sidelines of the Greater Mekong Sub-region Summit in Hanoi.

April 1, 2018: Chinese Foreign Minister and State Counselor Wang Yi visits Hanoi and meets Vietnamese counterpart Pham Binh Minh. They agree to refrain from taking unilateral measures that would complicate the maritime dispute in the South China Sea and pledge to resolve differences through the bilateral steering committee for cooperation and in regional forums.

April 3, 2018: China agrees to work with the Lancang-Mekong Cooperation (LMC) states and the Mekong River Commission for sustainable management of the Mekong River and to promote sustainable development goals in the region.

April 11, 2018: Wu Shicun, head of China's National Institute for South China Sea Studies, observes that the negotiations on the South China Sea between China and ASEAN should conclude with a legally binding Code of Conduct.

April 18, 2018: Philippine Foreign Affairs Secretary Cayetano announces that China and the Philippines will conduct joint explorations for oil and gas in the South China Sea.

April 27, 2018: Song Tao, head of the CCP International Department, visits Nay Pyi Taw and meets Myanmar President U Win Myint and State Counselor Aung San Suu Kyi. The two sides agree to increase high-level, party-to-party exchanges and strengthen bilateral diplomatic and political cooperation.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

CHINA- TAIWAN RELATIONS

TAIWAN CAUGHT BETWEEN US AND CHINA

**DAVID G. BROWN, JOHNS HOPKINS SCHOOL OF ADVANCED INTERNATIONAL STUDIES
KEVIN SCOTT**

General Secretary Xi Jinping maneuvered the Chinese Communist Party (CCP) into removing term limits so that he can lead China indefinitely. Beijing has increased pressure on Taiwan, but also rolled out new measures aimed at increasing Taiwan's economic and social integration with the mainland. On Taiwan, pro-independence elements continue pressing President Tsai Ing-wen. The passage of the Taiwan Travel Act (TTA), which was generally welcomed in Taipei, created a new US-China controversy. The appointment of John Bolton as national security advisor and the Trump administration's tariff and technology actions against China have renewed fears in Taipei that Taiwan will become a bargaining chip or suffer collateral damage in a US-China confrontation.

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Xi Jinping consolidates control

The March National People's Congress (NPC) removed term limits on China's presidency, clearing the way for Xi Jinping to continue leading China indefinitely. Statements at the NPC concerning Taiwan adhered to the policy line laid down at the 19th Party Congress detailed in our last report. However, the main political message in Xi's new era, which was made clearer at the meeting, is that the Communist Party must exercise leadership in every aspect of society. This underlines the growing political, economic, and social gulf between Taiwan and the mainland.

The NPC announced appointments of personnel who will handle Taiwan issues under Xi. Most were expected. Wang Yang was appointed chairman of the Chinese People's Political Consultative Committee (CPPCC), the lead organization implementing the party's united front work. Politburo Member Yang Jiechi will continue to coordinate policy from the Politburo. [Liu Jieyi](#) was appointed the new minister in the Taiwan Affairs Office (TAO). You Quan was named to lead the party's United Front Work Department (UFW), replacing Sun Chunlan, who was promoted to vice premier. Later, former TAO Minister Zhang Zhijun was appointed the new president of the Association for Relations Across the Taiwan Strait (ARATS).

There has been considerable speculation about the implications of the consolidation for Xi's leadership on Taiwan. The popular perception in Taiwan is that China had chosen a "new emperor." Commentators in Taiwan and the mainland believe Xi's consolidation will not change China's Taiwan policy in the short term. However, as Xi is a Chinese nationalist determined to see China unified, over the longer-term, assuming his leadership is successful, Taiwanese expect that Xi will seek to coerce Taiwan into unification. CCP Party spokespersons have exuded confidence. Outgoing TAO Minister Zhang Zhijun acknowledged that in 2018 Beijing faces increasingly complicated challenges, but he expressed confidence in Beijing's ability to overcome them. The immediate challenge that Beijing perceives comes from the Democratic Progressive Party (DPP) and "separatist forces" promoting Taiwan independence. In his speech at the conclusion of the NPC, Xi told delegates that China has the "firm resolve, full confidence

and sufficient capability" to defeat separatism in whatever form.

President Tsai's policy

President Tsai maintained a consistent cross-strait policy despite Beijing's efforts to weaken her stature. Like Beijing, she has adopted a soft and hard approach. She and her senior officials call consistently for goodwill, increased communication, and better relations, but occasionally strike a defiant tone. In January, Tsai said in a television interview that increased pressure from China will only serve to unite Taiwan. She identified three elements in achieving this: the president's strong will, the government's ability to withstand pressure, and the people's solidarity. She noted that experience proves that unnecessary compromises do not generate lasting goodwill from China. In a speech in February, she said that her inaugural address remains her maximum expression of goodwill, implying that she will not bend on the 1992 consensus. On the softer side, in late April following the meeting in Korea of Moon Jae-in and Kim Jong Un, Tsai said that no Taiwan president would refuse to meet a Chinese counterpart – provided they can meet on an equal footing and without political preconditions.

In late February, Tsai reassigned several members of her cross-strait and foreign policy teams to new roles, most importantly promoting Joseph Wu Jau-shieh from secretary general of the presidential office to foreign minister. Wu was chairman of Chen Shui-bian's Mainland Affairs Council in 2004-2007 and Taiwan's representative in Washington in 2007-2008. He has been at Tsai's side since she became DPP chair in 2014. David Lee Ta-wei, who had been foreign minister, took over as secretary general of the National Security Council; NSC secretary general Yen Teh-fa became defense minister; and MAC Minister Katharine Chang became chair of the Straits Exchange Foundation.

Chen Ming-tong became MAC minister on March 18, returning to the post he held under Chen Shui-bian in 2007-2008. Chen Ming-tong is a "deep green" academic, but in one of his first statements as minister he echoed Tsai's pledges to conduct cross-strait relations on the basis of the ROC Constitution and the Act Governing Relations between the People of the Taiwan Area and the Mainland Area. He repeated

this in April and added that maintaining the peaceful status quo of cross-strait relations and ensuring regional security and prosperity in the Asia-Pacific region are the administration's goals.

Tsai has kept important DPP politicians in the fold. In April, Chen Chu, the popular mayor of Kaohsiung, replaced Joseph Wu as secretary general of the presidential office. Tsai announced her support for the nomination of former premier (2006–2007), DPP chairman (2012–2014), and occasional rival, Su Tseng-chang, as the DPP's candidate for mayor of New Taipei City, Taiwan's largest municipality, in the Nov. 24 municipal elections.

Another leading DPP figure, William Lai Ching-te, continues to serve as Tsai's premier. At the Legislative Yuan in March, he said Taiwan is a "sovereign nation" and that it is unnecessary to worry about China's "unreasonable opinions" on Taiwan-US relations. At a freedom of speech seminar in April, he repeated a previous statement that again provoked controversy saying he is a "Taiwan-independence worker." At a media roundtable later in April, he reiterated both assertions. The TAO branded Lai's statements as threats to peace and stability and said that the DPP authorities bear responsibility for them, and later ascribed the comments as one reason for the April 18 live-fire drills (see below). Tsai tolerates Lai's occasional references to Taiwan independence, possibly seeing them as a pressure relief valve for pro-independence sentiments, and Lai has acknowledged that cross-strait policy is the responsibility of the president.

But pressure on Tsai continues to build in other parts of the system. In early April, a new civil society group, the Formosa Alliance, launched an initiative to hold a referendum on Taiwan independence. Former presidents Lee Teng-hui and Chen Shui-bian announced their support for the initiative, along with New Party Power Chairman Huang Kuo-chang and others. These supporters are well known but, with the exception of Huang, are marginal figures at this point. Taiwan's recently amended referendum law does not allow referenda on issues related to sovereignty – a restriction that was supported by Tsai Ing-wen. There is also a referendum proposal calling for Taiwan's Olympic team to participate under the name "Taiwan" in 2020 rather than "Chinese Taipei."

Beijing increases pressure

Beijing has ratcheted up political, military, diplomatic, economic, and social pressures to induce the Tsai administration to accept the 1992 consensus on one China. In early January, Beijing unilaterally announced new airline flight routes in the Taiwan Strait. In 2015, Beijing and Taipei had reached agreement for its airlines to fly north to south along a route (M503) west of the median line in the strait. In January, without consultation, Beijing announced that its airlines would fly south to north along this route and for the first time permit its airlines flying this route to take side routes to and from three cities on the mainland coast in the strait. Taipei immediately protested, charging that the new routes posed serious safety and military concerns and called for consultations. Beijing denied that consultations were necessary, claimed disingenuously that the International Civil Aviation Organization (ICAO) had approved the routes and proceeded to implement them.

With broad public support, Taipei repeatedly called for consultations, attempted to apply counter pressures, sought international support and tried to engage ICAO. Washington expressed concern that the changes had been made without consultations, called for dialogue and contacted ICAO. Beijing parried all of Taipei's efforts and did not budge from its position that consultations would not be possible until Taipei accepted the 1992 consensus. The controversy dragged on for almost two months. Beijing's purposes seemed to include humiliating the Tsai administration and underlining the costs Taiwan bears for refusing to accept the 1992 consensus. Fortunately, there have not been any incidents on these routes, except once in April when weather required Chinese flights to fly close to Taiwan-controlled Kinmen.

In recent months, the PLA has conducted increasingly complex military exercises around Taiwan. The *Liaoning* carrier group made several passages through the Taiwan Strait. In late April, the carrier group sailed to the east of Taiwan returning to its home base after an exercise in the South China Sea. PLA aircraft have frequently flown through the Miyako or Bashi Straits to conduct exercises in the western Pacific east of Taiwan. In March, the PLA conducted an exercise to practice rapidly mobilizing its marine amphibious forces that reportedly involved some 10,000 marines.

On April 12, the Fujian Maritime Security Agency (MSA) announced that the PLA would conduct live-fire exercises off Quanzhou in the Taiwan Strait on April 18. Initial international media reports described the exercise as the first live-fire exercise since September 2015. Commentators in Beijing's hawkish *Global Times* also hyped the exercise. However, a few days later, the Ministry of National Defense (MND) in Taipei described the exercise as a routine drill. On April 18, the Fujian MSA reported that the exercise was located close to the coast and its scale was limited. The MND commented that to equate it to earlier live-fire exercises would be to exaggerate its scope. On April 18 and again on April 19, PLA aircraft conducted "island encircling exercises," which were publicized in videos released by the PLA. On April 24, the TAO spokesperson stated that the exercise expressed Beijing's determination to defeat separatist schemes, mentioning specifically Taiwan Premier Lai Ching-te's statements, and warned that further actions could be taken. On April 26, the PLA Air Force staged "combat drills" from several air bases flying through the Bashi and Miyako straits, saying these drills put Taiwan "in the embrace of the motherland."

In February, an earthquake in Hualien on the east coast of Taiwan caused serious damage and loss of life, including the deaths of six mainland tourists. Beijing chose to bypass the Tsai administration and deal directly with the Hualien magistrate, Fu Kun-chi, an independent with ties to the opposition KMT. This was an effort to exploit political divisions and was interpreted as such in Taiwan. Subsequently, the Tsai administration accepted a rescue team from Japan but declined similar offers from Beijing and others. The Mainland Affairs Commission (MAC) offered help to the families of mainland victims. Beijing sent an official from the Beijing municipal TAO office to accompany family members to Hualien. In the end, the TAO offered belated thanks to the "Taiwan authorities," Hualien County, and the rescue squads for their assistance.

International participation

China continued its comprehensive effort to minimize Taiwan's international presence, and the Tsai administration continued efforts to develop diversified economic and political links. Taiwan approached the 11 members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) about

joining if it is ratified by members and takes effect, likely in 2019, and apparently has support from Japan. Taipei worked to enhance ties with Southeast Asia and Africa, highlighted by Tsai's official visit to Swaziland in April.

Taiwan is unlikely to receive an invitation to the annual World Health Assembly, which convenes in Geneva on May 21–26. President Tsai noted in March that oppression by China is unlikely to win hearts and minds. On April 26, Taiwan's Foreign Ministry angrily accused China of endangering health. Joseph Wu had said earlier in April that, even if Taiwan is not invited, its minister of health and welfare will lead a delegation for sideline meetings, as he did in 2017. At a WHO Executive Board meeting in January the United States, Japan, and seven of Taiwan's diplomatic allies spoke in favor of Taiwan's participation as an observer. The US has expressed its support at other times as well. Some countries have reportedly engaged the new WHO director general directly, only to be told that the one China principle does not permit Taiwan's participation. A TAO spokesman reiterated on April 25 that acceptance of "one China" was a prerequisite for participation. Some in Taiwan put their own preconditions on possible participation: DPP and NPP legislators have expressed opposition to observership under nomenclature that would downplay Taiwan's sovereignty.

On May 1, the foreign ministers of China and the Dominican Republic signed in Beijing a communique establishing diplomatic relations and severing the Republic's ties with Taiwan. Taiwan's Foreign Ministry said in a statement that the Dominican Republic had been persuaded by "false promises of investment and aid by China." President Tsai said the action meant that China had unilaterally changed the status quo, and she expressed her determination to defend Taiwan's freedom, dignity, and democracy. "Even if the external pressure increases," she said, "we will not submit." The US State Department said this change to the status quo was unhelpful to regional stability. The Dominican Republic had approached Beijing previously about establishing relations. Editorials in Taiwan opined that Beijing was reacting to recent steps in US-Taiwan relations.

There was much speculation that China and the Vatican would sign an agreement in March or April on the appointment of bishops – which may pave the way for an establishment of

diplomatic relations. But momentum appeared to stall in late March, when a Vatican spokesperson said that signing an agreement was not imminent. Such starts and stops are typical in China-Vatican relations. Among possible influencing factors are a personal approach to Pope Francis in January by Cardinal Joseph Zen, the outspoken former bishop of Hong Kong (who suggested publicly that Vatican emissaries may not have reported fully or accurately to the Pope); Beijing's implementation on Feb. 1 of guidelines that strengthen the state's role in managing religion; or the reported detention before Easter of an underground bishop (which China denies). But Taiwan was almost certainly not a factor.

Representative offices in several countries with which Taiwan does not have formal relations, including Bahrain, Dubai, Ecuador, Jordan, and Papua New Guinea, were forced to remove "Republic of China" from their names and in some cases to turn in diplomatic license plates. In February, the Swedish Tax Agency changed its designation of Taiwan from "Republic of China, Taiwan" to "Taiwan, Province of China." Sweden's foreign minister expressed support in December for Taiwan's international participation, and Taiwan remains "Taiwan" on the website of the Foreign Ministry.

China increasingly interfered in nongovernmental and commercial forums, pressuring student groups, cultural activities and organizations, and multinational corporations to describe Taiwan as belonging to China or to exclude Taiwanese participation altogether. A number of corporations altered their websites, some issued public apologies to China for listing Taiwan generically as a country, and one fired a social media manager in Nebraska for "liking" a tweet that referred to Tibet, Taiwan, and Hong Kong as countries. The Shanghai Cyberspace Authority cloaked this pressure in the rule of law: "Cyberspace is not an extralegal place, multinational corporations should abide by relevant laws and regulations," and offenders should conduct "a comprehensive self-examination."

The "31 Measures"

On March 28, the TAO announced 31 incentive measures to make it easier for the people of Taiwan to study, find employment, open businesses and live on the mainland. Beijing had been talking about such measures for over a year

and had announced several individual steps during 2017. The 19th Party Congress report indicated that these measures would become an important element in Beijing's overall "peaceful development" approach toward Taiwan. The February announcement launched a major campaign to develop and implement these incentives. The measures that focus on youth included the relaxation of regulations and financial subsidies to make it easier for young Taiwanese to study, find internships, pursue advanced degrees, and find employment. Several of the economic steps offered to treat Taiwan companies the same as domestic Chinese firms, including with respect to the "Made in China 2025" program. In his meeting with former Vice President Vincent Siew's business delegation at the Boao Forum, Xi Jinping praised the role of Taiwan business and said "equal treatment" for Taiwan firms is now PRC policy and would be implemented.

The 31 measures involve many different ministries in the State Council. While the TAO is the public face of the program, it is led behind the scenes by the CCP's United Front Work Department. The goal, as indicated by CPPCC Chairman Wang Yang at the annual Taiwan Affairs Work Conference in early February, is to increase Taiwan's economic and social integration with the mainland. As Beijing has chosen not to deal with the Tsai administration, it must pursue this goal through unilateral measures. From another perspective, efforts to further integrate Taiwan economically will counter Tsai's desire to reduce Taiwan's economic dependence on China. In 2017, the percentage of Taiwan exports going to the mainland and Hong Kong was 40.1 percent, the same as in 2016.

The 31 measures have provoked considerable discussion in Taiwan. A few commentators have noted that some of the measures are not new. Others have said that many of the economic measures are in effect promises that may or may not be meaningfully implemented. However, President Tsai has treated them seriously. A government panel led by Vice Premier Shih Jun-ji concluded that the measures could exacerbate the brain drain of technology talent from Taiwan and significantly encourage Taiwan investment in the mainland. To counter the measures, Shih said the government would adopt additional measures to retain talent and improve Taiwan's investment climate.

Other actions related to the united front

Beijing's influence operations have continued apace. In January, Taipei prosecutors charged that the TAO had offered New Party (NP) spokesperson Wang Bing-chung funds to operate the pro-unification Fire News Website. Also in January, a video entitled "Believe in China 2018" produced by the state-owned CCTV appeared on an advertising jumbotron in downtown Taipei. The Ministry of Transportation and Communications quickly determined that the ad was illegal, and it was removed the next day. In early February, TAO Minister Zhang Zhijun met former Straits Exchange Foundation (SEF) Secretary General Chang Hsien-yao in Beijing. Later in February, Chang announced that he would seek the KMT nomination for mayor of Taipei in the November elections. In February, Beijing appointed Zheng Jianmin, who was originally from Taiwan, as deputy governor of Fujian Province.

Several opposition leaders have visited the Mainland. For example, KMT New Taipei Mayor Chu Li-lun visited in March and met newly appointed TAO Minister Liu Jieyi in Shanghai. In April, former KMT Chairperson Hung Hsiu-chu and NP Chairman Yok Mu-ming joined Liu Jieyi in a symbolic trip to Shaanxi to commemorate Huangdi, the progenitor of the Chinese people. In late April, KMT Chairman Wu Den-yih's special advisor, Chou Jih-shine, led a business delegation to Beijing and met Liu Jieyi to plan for the 10th KMT-CCP Forum.

In March, in an example of punitive messaging, Beijing canceled the opening of the Taiwanese film *Missing Johnny* because its star was considered a Taiwan independence supporter. The TAO spokesperson said productions with Taiwan independence entertainers would not be allowed in China. The PRC has continued to hold Taiwan democracy activist Lee Ming-che in prison, presumably to deter other activists from coming to the mainland. In April, Beijing authorized Lee's wife to travel to Hunan for a brief visit.

US policy and PRC reaction

The Trump administration has established a track record of rhetorical and policy support for Taiwan, but concern remains that Taiwan's interests may be harmed as US-China relations deteriorate over trade, technology issues, the South China Sea, and possibly North Korea; if

not intentionally as a "bargaining chip," then perhaps as collateral damage. On March 16, President Trump signed the [Taiwan Travel Act](#), which expresses the sense of Congress that the US should allow exchanges between US and Taiwan officials at all levels. While the law does not require any action and the president already had the ability to authorize high-level visits, he chose to sign the bill; had he ignored it, the bill still would have taken effect. China expressed opposition before and after the president's signature, warning that the act seriously violates China's one China principle. Taiwan welcomed the law and President Tsai [tweeted](#) her thanks to Trump. The TAO warned Taiwan against relying on foreigners, saying that doing so "will only cause you to be burned."

The following week, Deputy Assistant Secretary of State for East Asian and Pacific Affairs Alex Wong made a well-publicized visit to Taipei. In a speech to the American Chamber of Commerce in Taipei, with President Tsai in attendance, Wong said that the US intent to strengthen ties "with the Taiwan people" and enhance Taiwan's ability to defend its democracy has never been stronger.

In an interview on April 5, Chinese Ambassador to the US Cui Tiankai reiterated China's firm opposition to arms sales. He said China will achieve reunification through any means necessary. On April 7, Taiwan announced that the State Department had approved marketing licenses for two US companies to sell technology to Taiwan that will help it build its own submarines. In late March, Republican Senators John Cornyn and Jim Inhofe sent a letter to Trump urging him to approve the sale of F-35 or F-16 fighter jets to Taiwan to counter China's increasingly assertive stance. In his April 12 confirmation hearing, Secretary of State-designate Mike Pompeo said that arms sales to Taiwan are important. Contracts for previously agreed procurement of service of surface to air missiles, torpedoes, and radar were also announced. As noted, China conducted live-fire drills and air patrols near Taiwan on April 18 and later.

In January, images of the ROC flag were removed from certain US government websites. Acting Assistant Secretary of State for East Asian and Pacific Affairs Susan Thornton said that the ROC flag can't be displayed on US government websites because the ROC is not recognized as a country with which the US has official relations.

In his confirmation hearing, Pompeo acknowledged the basic principles of US-Taiwan-China relations and the one China policy. He said he would work with professionals at the State Department for guidance on specific issues.

The Trump administration's efforts to address trade imbalances with China and to limit Chinese access to US technology have the potential to seriously damage Taiwan, both directly and indirectly. Taiwan's steel exports to the US will face tariffs, and Taiwan has significant trade with China and other targets for steel tariffs. Taiwan firms are also integrated into the international supply chains for Chinese high-tech products. Taiwan representatives have expressed concern about the impact of US sanctions against China's ZTE corporation and its investigation of Huawei because Taiwan firms have extensive relations with both companies. Following the sanctions on ZTE, Taipei added ZTE to the list of companies for which high-technology export licenses will be required.

John Bolton's appointment as national security advisor on April 9 provoked considerable comment and uncertainty in Taipei. Since taking office he has not made any statements on cross-strait relations or Taiwan, but he has favored using Taiwan as leverage in US-China relations. In a *Wall Street Journal* op-ed on Jan. 17, 2016, the day after Tsai was elected president, he [proposed](#) playing the "Taiwan card" and sketched out a "diplomatic ladder of escalation" vis-à-vis China, centered on increasingly better diplomatic treatment of Taiwan "if Beijing isn't willing to back down" from its territorial assertiveness in the East and South China Seas. A year later in another op-ed, he [suggested](#) revisiting the one China policy and "increasing U.S. military sales to Taiwan and by again stationing military personnel and assets there." This would enable the rapid deployment of US forces throughout the region, which would help guarantee freedom of navigation, deter military adventurism, and prevent unilateral territorial annexations.

Looking ahead

The uncertainties with respect to cross-strait relations come primarily from Washington. Will the president's new advisors implement the Taiwan Travel Act and the Taiwan provisions in the National Defense Authorization Act in a

manner that challenges the longstanding US stance on the one China policy? The opening of the new AIT office building in June is an early test. Trump's trade and technology confrontation with China has already affected Taiwan. How Trump handles these issues with China could have a significant impact on Taiwan's economy.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

JANUARY – APRIL 2018

Jan. 2, 2018: Taipei prosecutors charge that Beijing supports New Party (NP) spokesperson Wang Bing-chung's website.

Jan. 3, 2018: Taiwan's Ministry of Justice rejects petition to ban public display of PRC flag.

Jan. 4, 2018: Beijing unilaterally activates new M503 route flights in Taiwan Strait.

Jan. 5, 2018: *Liaoning* group sails south through Taiwan Strait, returns north on Jan. 17.

Jan. 11, 2018: Activist Lee Ming-che transferred to prison in Hunan.

Jan. 19, 2018: President Tsai Ing-wen calls for talks to resolve M503 air route issue.

Jan. 23, 2018: Cardinal Zen criticizes Vatican handling of Chinese bishops.

Jan. 24, 2018: Taipei protests removal of Taiwan flag from US government websites.

Feb. 1, 2018: Annual Taiwan Affairs Work Conference convenes in Beijing.

Feb. 6, 2018: Earthquake damages Hualien; deaths include six mainland tourists.

Feb. 8, 2018: State Councilor Yang Jiechi meets Secretary of State Rex Tillerson; raises concerns about US policy toward Taiwan.

Feb. 21, 2018: Delegation led by Sen. James Inhofe visits Taipei.

Feb. 21, 2018: PLAAF aircraft, including *H-6K* bombers, *J-11* fighters, and *Y-8* transport aircraft, transit Bashi Strait south of Taiwan.

Feb. 23, 2018: President Tsai rearranges her national security team.

Feb. 28, 2018: Taiwan Affairs Office (TAO) announces 31 measures to benefit Taiwanese youth and businesses.

March 8, 2018: National People's Congress (NPC) eliminates term limit on president.

March 16, 2018: President Trump signs [Taiwan Travel Act](#) (TTA).

March 19, 2018: Kaohsiung Mayor Chen Chu visits Washington.

March 20, 2018: President Xi Jinping addresses NPC.

March 21, 2018: Deputy Assistant Secretary for East Asian and Pacific Affairs Alex Wong speaks at American Chamber of Commerce banquet in Taipei.

March 21, 2018: Liu Jieyi becomes TAO minister.

March 22, 2018: Department of Commerce DAS Ian Steff visits Taiwan.

March 27, 2018: Delegation led by Rep. Ed Royce visits Taiwan.

April 2, 2018: TAO spokesman criticizes Premier Lai Ching-te by name.

April 2, 2018: Delegation led by Rep. Ileana Ros-Lehtinen (R-FL) visits Taiwan.

April 7, 2018: Former Presidents Lee Teng-hui and Chen Shui-bian launch Formosa Alliance.

April 7, 2018: State Department issues marketing licenses for US firms to assist Taiwan's indigenous submarine program.

April 9, 2018: President Tsai reiterates policy to maintain stability in Taiwan Strait.

April 9, 2018: President Xi meets former Vice President Vincent Siew at Boao Forum.

April 10, 2018: Former President Ma Ying-jeou visits San Francisco.

April 12, 2018: Fujian MSA announces live-fire exercise off Quanzhou in Taiwan Strait.

April 13, 2018: President Tsai boards destroyer to observe a naval exercise off Taiwan's east coast.

April 15, 2018: Premier Lai clarifies his views on Taiwan independence.

April 16, 2018: Cross-Strait Entrepreneurs Summit held in Zhengzhou, Henan.

April 17, 2018: President Tsai arrives in Swaziland and holds talks with King Mswati III.

April 18, 2018: PLA conducts routine artillery drill near Fujian coast.

April 19, 2018: US Commerce Department announces sanctions against China's ZTE.

April 24, 2018: Bipartisan Congressional group introduces Asia Reassurance Initiative Act.

May 1, 2018: China and Dominican Republic establish diplomatic relations.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

NORTH KOREA-SOUTH KOREA RELATIONS

INTER-KOREAN SUMMIT: THIRD TIME LUCKY?

AIDAN FOSTER-CARTER, LEEDS UNIVERSITY, UK

It is a new year and there is new hope for inter-Korean relations. Beginning with Kim Jong Un's olive branch to Seoul in his annual New Year Address, followed by the carefully coordinated display of North-South cooperation at the PyeongChang Winter Olympics, and capped off with the sometimes unctuous display of bonhomie at the inter-Korean summit in Panmunjom, the shift has been stunning. Now comes the hard part: implementation. The product of the summit, the Panmunjom Declaration, lays out clear milestones to mark progress for improving inter-Korean relations. We expect the North this time to deliver with the South, as a ploy to help it postpone or spin out denuclearization. How these two diplomatic tracks – local and multifaceted on the peninsula, but single-mindedly nuclear on the global stage and especially in Washington – will play out and interact is the key issue.

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A new era?

2018 has begun well for inter-Korean relations. (It feels like a long time since it was possible to write those words.) Our last Update was just in time, fortunately, to cover Kim Jong Un's striking U-turn in his annual New Year Address. Having until then somewhat surprisingly cold-shouldered South Korea's new left-leaning – and strongly pro-'sunshine' – President Moon Jae-in, elected in May 2017 after the impeachment of his predecessor Park Geun-hye, North Korea's young leader abruptly changed tack and extended an olive branch. Not only did Kim wish the South well as host of the then-upcoming Winter Olympic Games, he self-invited the North to join the party at Pyeongchang.

Fortuitously – rarely do events dovetail so neatly with *Comparative Connections*' deadlines – we were able to discuss in some detail the Northern turn in our last issue, though it was then very new and to hazard some predictions on how it might turn out. Now we can report that all this sudden new inter-Korean icing on the South's Olympic cake – much of it extraneous (concerts, taekwondo displays and so on) rather than part of the Games as such – turned out very much as planned, even if the resulting confection was a bit top-heavy.

Put another way, Pyongyang stole the PyeongChang show. Punning wags (or critics) in South Korea even dubbed the games the '[Pyongyang Olympics](#).' An event that would otherwise have been mainly confined to the sports pages instead made headline news worldwide, thanks to the North's participation – which for many media became the main story. Most global comment echoed local reaction: relief that a shadow over the Games had been lifted, and hopes that this new thaw on the peninsula might prove more enduring.

On that score, our forecast tended to pessimism: "enjoy this pause while it lasts," we concluded last time. Regarding long-term prospects we remain cautious, as is only prudent. Readers who have been with us throughout the century – *Comparative Connections*' coverage of inter-Korean relations began in 2001, soon after the first North-South summit – need no reminding that this has been, and remains, a long, winding, rocky road. So often before, hopes of progress on the peninsula have been raised –

only to be later dashed. (Later we briefly review those ups and downs.)

Given this history, we would not serve our readers well by simply and uncritically celebrating the new turn in Korea. We are glad of it, of course; who could not be? For sure, the peninsula is in a better place, with a positive and often startling frenzy of many-sided summit diplomacy in full spate, than all the tensions, WMD tests, and trans-Pacific name-calling that marred much of 2017. We very much hope that a new, durable peace process is under way. But the task, a tricky one, is to balance hope and expectation – and to learn from the past.

On the hope side, clearly this is already more than a mere pause in tensions for the Olympics. That was just a starting-point. Further North-South meetings soon followed, both substantial (high-level talks, mainly in Pyongyang) and symbolic – like the ironic sight of Kim Jong Un and a select Northern audience enjoying a concert of Southern K-pop, normally banned in North Korea. This climaxed, of course, in the third inter-Korean summit held on April 27, and the encouragingly specific Panmunjom Declaration, which that remarkable meeting issued.

Two cheers, two caveats

All this is analyzed in more detail below. If for now we offer only two cheers rather than the full three, this is for two distinct reasons. One, already mentioned, is past disappointment. The second is new, and key. Whatever progress the two Koreas may now make on their own – and for sure, the purely bilateral agenda between them is big enough – cannot resolve the wider North Korea question, which thanks to Kim Jong Un's vigorous WMD testing has become global rather than local. Beyond peninsular issues, what the world – more specifically the West – demands is the DPRK's denuclearization. On this, the Panmunjom Declaration had very little to say. As discussed in the US-Korea section of this issue of *Comparative Connections*, a *sine qua non* for the success of the forthcoming (if still hard to imagine) Kim-Trump summit, or maybe even a precondition for it to happen at all, is for Pyongyang to come up with far more substantial offers regarding denuclearization than any it has produced so far.

While nuclear knots are beyond our scope, we would be remiss not to 'think the link' we are

positing between the local and global dimensions of the North Korea question. Here is our take. We expect the inter-Korean dimension to go well. Not that Kim Jong Un has undergone a Damascene conversion to brotherly love, but because the young tyrant whom our tabloid media love to mock (more fool they) turns out to be a master tactician and cunning strategist. His aim now is to build a substantial-seeming peninsular peace process, such that South Korea will join China and Russia in urging the US to be patient on the nuclear front.

In short, our bet is that Kim is making nice with Moon as a ploy to hold onto his nukes. Lest this sound cynical, we would be delighted to be proven wrong. If, on the contrary, bromance blooms between Trump and Kim, such that the latter 'does a Libya' (as John Bolton, with his customary tact and sensitivity, is urging) and hands over his entire WMD arsenal, we would be over the moon – and pigs might fly. There is just a chance that Kim Jong Un really does want North Korea to change its ways, and his interlocutors must never close that door. But if so, this will be a lengthy and delicate process. More probable, surely, is that the latest young Kim, pitched into running the family business, has had a swift learning curve and is adeptly playing his father and grandfather's old games, using their playbook. As ever, time will tell.

The 'Pyongyang Olympics'

Readers of *Comparative Connections* are by definition a select band of specialists. If you are interested enough in Korea to be reading this, then you probably followed the PyeongChang Olympics – for the politics – in February, and were glued to the TV on April 27. For that reason our account here will be mainly analytical, leaving the narrative to the chronology.

As regards the Olympics, the two Koreas fulfilled the agenda they had agreed on Jan. 9 (as detailed in our last issue). Their athletes duly paraded jointly in the stadium at PyeongChang behind a unification flag, as they had done at several previous Olympics in the past. Besides sport, which was hardly the main point, the North as planned sent a song and dance troupe, a taekwondo team, the inevitable cheerleaders, and a high-level delegation. Those who recall the 'sunshine' era (1998–2007), amply chronicled in past issues of this journal, have seen all this before. But it was good to see it again, and almost everything went smoothly.

Two aspects of this first phase of – reconnecting, shall we call it? – stand out. The unified women's ice hockey squad (this apart, the two Koreas competed separately) was new. There had been one-off joint teams before in table tennis and soccer, back in 1991. But now it was on Korean soil, and provoked interesting reactions – some negative, at first. After the joint team was announced, Moon Jae-in's approval ratings [fell](#) by 6 points to a four-month low of 67 percent (still pretty high). Under-40s, Moon's main support base, were especially peeved.

Why? Recent research has shown, perhaps unsurprisingly, that while many older Koreans still yearn for reunification, for the young the 'Korea' they root for is their actual country, all they have ever known: Taehan Minguk, the Republic of Korea. North Korea, whatever else it is, is someplace else. Hence they bridled at having foreigners – albeit fellow-Koreans – foisted on Team ROK for political ends. Here a non-Korean, closely involved, offers valuable insights. South Korea's Canadian [coach](#), Sarah Murray, [spoke](#) frankly to *Yonhap* about the "damage" she feared this would cause to her team: the difficult chemistry of having to meld at short notice with total strangers, and the likelihood that some Southern players would have to give up their spots in the squad. "I am kind of shocked this happened so close to the Olympics,"

Yet like a true pro, Murray buckled down. There were hurdles indeed, [linguistic](#) not least. Joint training meant making a three-way list of hockey terms: the North uses a quite different vocabulary, rejecting English words. But they persevered, and got on, although no medals were won, nor expected. By mid-February, despite her initial misgivings, Murray [said](#) the joint team had bonded "like a family"; she expected to cry when the Northern girls went home. In mid-March she was still [pining](#), "We just miss practicing with them. They brought a different level of intensity to practice and it was just fun to have them around." Murray also noted how the joint team had helped to raise the hitherto low profile of women's ice hockey in South Korea.

Like coach Murray, South Korean public opinion rallied too. Both the Games as such and the attendant inter-Korean razzmatazz were deemed a success. Yet Moon's government must not forget that first reaction against the joint

team idea. It may well be repeated, if the Panmunjom Declaration's clause 1.4 is fully implemented. This grandiosely proclaims that "the two sides agreed to demonstrate their collective wisdom, talents, and solidarity by jointly participating in international sports events such as the 2018 Asian Games."

Will wisdom, talents and solidarity trump – pardon the verb – rivalry, jealousy, and mistrust? This may depend on whether international sports bodies will bend the rules to allow a unified Korea to field larger squads, which is unfair to other countries (as Switzerland [protested](#) a propos the ice hockey in PyeongChang; still, they went on to [thrash](#) Korea 8-0). Otherwise, if the price of unity is South Korean athletes losing team spots to probably less talented Northerners, a degree of backlash in the South seems inevitable.

The bigger question is how far these dilemmas pertain more widely. For Moon and his '[386 generation](#),' 'Korea' means the entire peninsula and reunification is a sacred goal. But those radicals are aging now. Can they persuade more [skeptical](#) younger cohorts to buy into the old dream? Much hinges on how the nascent new peace process turns out.

Kim's women: soft power?

A second noteworthy feature of the new détente is Kim Jong Un's women. In a peninsula still strongly patriarchal on both sides of the DMZ, but especially in the North, it was striking that two of the North's new envoys to the South were female. Despite how different the DPRK's own wooden media are, Kim evidently has a good grasp of what plays well outside his realm, given what Pyongyang sometimes calls "the reptile press" under sensation-hungry capitalism.

Enter Hyon Song Wol. As I [wrote](#) elsewhere, "In fur stole and stiletto boots – not an everyday North Korean look – Hyon ... was quite the diva as she led her team into enemy territory. She smiled, but did not speak to the Seoul press scrum eager to glimpse Pyongyang's most famous – or notorious – cultural export." Our last issue gave more background on Hyon, who attracted huge interest when she came south in late January to inspect venues in PyeongChang and Seoul where the DPRK's Samjiyon orchestra and art troupe were to perform, as they duly [did](#). (Korea Herald has a useful [article](#) on the politics of cultural repertoire choices – and why

Seohyun of Girls' Generation was the obvious pick to join the visitors on stage for the finale.)



1North Korean cultural manager Hyon Song Wol (The National)

Her glamor aside, Hyon is evidently very able, having risen from a performer to become the DPRK's top cultural manager, and since last year a member of the Central Committee of the ruling Workers' Party of Korea (WPK CC). More powerful still – for ascriptive reasons in the first instance, but clearly talented too – is Kim Jong Un's younger sister, Kim Yo Jong. Aged just 30, she is already an alternate Politburo member of the WPK Central Committee. South Koreans saw her twice in recent months, first as part of the high-level Northern delegation, which flew South – in Kim Jong Un's personal aircraft *Chanmae-1*, an *Ilyushin-62* – for the Olympic opening ceremony. They were nominally headed by the DPRK's titular head of state, the indefatigable survivor Kim Yong Nam, who has traveled the world but had never before visited South Korea – as he did just days after his 90th birthday. But as ROK media noted, the senior elder in both age and rank visibly deferred to the royal princess one-third his age.

Kim Yo Jong came South again, this time with her brother, for the April 27 summit. Her role there was in part gendered and sisterly: fussing around him, drying the ink on his signature on the Panmunjom Declaration, ensuring his chair was exactly in place behind him to sit down. Yet she was also one of just three members of the DPRK's nine-strong delegation who took part in the morning's North-South talks – indeed the only woman at the table. Clearly, she is a power in the land – or maybe big brother cannot function without her. We shall see if she is similarly prominent when Kim meets Donald Trump in Singapore on June 12.

Olympic aftermath, summit preparations

The inter-Korean bonhomie proved to be more than merely an Olympic truce. Both sides used this as a valuable chance to size each other up. Besides the ceremonial at PyeongChang, the two DPRK delegations to the opening and closing ceremonies also held less publicized but intensive meetings with their counterparts in Seoul. Simply getting to know one another was a step forward. A decade has passed since the sunshine era ended. Since then, both Koreas have new leaderships, and the personal contacts built up during the earlier decade of engagement have largely withered. (The DPRK being what it is, several North Koreans who dealt closely with the South back then have not been seen since.)

With the Olympics as an ice-breaker, each Korea needed to explore the other's intentions to see what common ground was possible. After the Games, it was the South's turn to head North, as a delegation duly did on March 5. Led by Blue House security chief Chung Eui-yong and National Intelligence Service Director Suh Hoon (the latter a veteran negotiator with the DPRK, whom we [profiled](#) soon after Moon appointed him a year ago), the 10-strong ROK team [met](#) a genial Kim Jong Un just three hours after their plane landed at Pyongyang's Sunan airport. (His late father Kim Jong Il, by contrast, kept senior Southern visitors waiting with no schedule given, turning up if at all on their last day.) As Chinese media [noted](#), the meeting venue was striking: the WPK headquarters building, which no South Korean is known to have entered. (The Party's statutes still list communization of the entire peninsula among its goals.)

This lengthy (over four hours, including a banquet) and cordial meeting yielded substantial results. Relaxed and confident, Kim agreed to come South for a summit in late April, to be held at Panmunjom in the Demilitarized Zone (DMZ). This date would coincide with annual joint US-ROK military maneuvers, at which the DPRK normally screams blue murder. No problem, said Kim; he would "understand if they go ahead at the same level as in past years." In fact, the *Foal Eagle* exercise, which the US had already agreed to postpone (along with a companion exercise, *Key Resolve*) until after the Olympics and the ensuing Paralympics, were rather more low-key this year – and were suspended on the actual day of the summit.

As recounted elsewhere in this issue, meeting Kim immediately made Chung a hot property. As breathless media often omitted to say, headlines such as "North Korea Ready to Give Up Nukes" were incomplete without the rider "Says South Korea." It is wise to be wary of ventriloquists ('A says that B says...') in politics. We need to hear it from B, especially when B is North Korea. That said, Chung and the ROK played a valuable intermediary role. No sooner back from Pyongyang, Chung headed straight to Washington – and within days we had not one but two summits to look forward to with the formerly reclusive Kim Jong Un.

A telling vignette only emerged a month later. When Kim, a notorious chain smoker – official photographs show him cigarette in hand in hospitals, kindergartens, liquid fuel rocket engine test sites, you name it – lit up at the banquet, Chung Eui-yong had the temerity to [suggest](#) he should quit for the sake of his health. Kim's entourage, even the redoubtable Kim Yong Chol (on whom more below), froze in terror at such *lèse-majesté*. Kim's wife Ri Sol Ju saved the day, clapping her hands and saying: You tell him, he won't listen to me.

The third North-South summit

And so to the *pièce de résistance*: the third inter-Korean summit, held after a gap of over a decade on April 27. Readers of this journal must already be satiated with coverage of the event itself, so our comments here will be selective, analytical, and mostly forward-looking.

On any level the summit was a stunning success. The two sides had clearly worked hard to produce a spectacle that would look good and boost both leaders. The venue, for starters, was a stroke of genius in several ways. Summits were supposed to alternate; but Kim's father Kim Jong Il evidently refused to go south, so the first two were both held in Pyongyang (Kim Dae-jung visited in 2000, and Roh Moo-hyun in 2007 as we chronicled at the [time](#).) That set a bad precedent of asymmetry, arguably a flaw of the 'sunshine' policy overall. Even supporters of the South's outreach then, this writer included, must admit that on all fronts Seoul kept giving much more than it ever got in return. Now that a fresh phase of inter-Korean engagement has begun, to be real it must be far more genuinely reciprocal. Both sides have to give.

This time the North's leader did the right thing and came South – if only by a few yards. A second virtue of Panmunjom as a venue was its symbolism. It exists because of bitter conflict, not over, as in a shootout last November when a KPA soldier fled to the South in a hail of bullets. On April 27, by contrast, the sun shone in every sense. Third, this was a summit made for TV – which by no means makes it insubstantial. Memorable images will long linger, not least one that amid all the carefully crafted theater looked unscripted: the moment when Kim, having just crossed the Military Demarcation Line (MDL), took Moon briefly into the North. If that gesture truly was spontaneous, Moon's security detail must have had a few anxious seconds.



2.South Korean President Moon shakes hands with North Korean Leader Kim Jong Un (The Diplomat)

They were largely invisible, unlike Kim's. One of the summit's odder images was Kim's limo conveying him back across the line – the two sides lunched separately, each taking stock of the morning's events – with a dozen besuited bodyguards running alongside, far fitter than their leader. (Overweight myself, I am neither mocking nor body-shaming here, but making a serious and under-rated point. Though he did manage only to smoke once during the summit, Kim's health and his evident neglect of it is a serious risk. What if he drops dead tomorrow?)

Other memorable images, designed to be so, were the joint tree-planting and the two leaders' walk and talk – out of earshot – in what seemed a sylvan glade. Their personal chemistry was clearly good, which always helps. The bonhomie continued into the evening banquet that concluded proceedings, where the two leaders were joined by their wives – something Kim Jong Il, with his complex marital history, never did – and Kim Jong Un drained every glass

put in front of him. This must all have made an extremely long and tiring day for the Northern party, assuming that they drove down from and back to Pyongyang the same day rather than staying before and/or after locally, e.g., in Kaesong.

The Panmunjom Declaration: plenty of meat

Much as optics matter, the summit was far more than a mere photo-opportunity. No one knew in advance what kind of agreement it would yield. Of the several past inter-Korean accords over the past 46 years, some have been brief and hence short on detail. These include the very first, 1972's July 4 North-South Joint Statement signed by the two sides' intelligence chiefs, which has just 382 words. Thinner still at a mere 329 words is the much-touted June 15 (2000) Joint Declaration issued after the first summit. (Its final sentence: "Chairman Kim Jong Il will visit Seoul at an appropriate time." He never did.)

By contrast, the second Pyongyang summit on Oct. 4 2007 produced a much more substantial Declaration on the Advancement of South-North Korean Relations, Peace and Prosperity. Its eight sections and 1,237 words include many specific projects as well as general principles. Solider still, if a tad shorter at 1,031 words, is the Agreement on Reconciliation, Nonaggression and Exchanges And Cooperation Between the South and the North, signed in December 1991 by the two Koreas' prime ministers after eight meetings over two years. Its four chapters and 25 articles provide a comprehensive framework for progress on all fronts. A month later in January 1992 the two premiers signed an accompanying joint declaration on denuclearization of the Korean peninsula, which is shorter (277 words) but unambiguous.

The problem is that none of those accords was ever implemented. The 1991 agreement was stillborn, coinciding as it did with rising concern over the DPRK's nuclear activities – which prompted Pyongyang to become uncooperative. After 2007, by contrast, it was the ROK that backtracked. A new conservative president, Lee Myung-bak, elected in December 2007, simply did not implement the joint projects his left-leaning predecessor Roh Moo-hyun had signed up to.

Not to rain on the Koreas' parade, but this rather discouraging history can hardly be ignored

when assessing their latest foray. At 1,204 words, the Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula is clearly in the substantive category. The full [text](#) is widely available; readers may want to peruse this before reading our commentary.

Despite some inevitable flannel (“reconnect the blood relations of the people”; you can see which phrases the North inserted), the good news is that there are several specific pledges in particular areas, some with timelines. For instance, clause 2.3 says that military talks between generals will be held in May. None have been fixed at this writing, so we shall see. If this happens, the two sides are serious. The same clause specifies “frequent meetings between military authorities, including the Defense Ministers Meeting.” Again, the two Koreas have set themselves a target with a touchstone by which we can judge success or failure.

Other date-bound commitments include shared celebrations, starting with the anniversary of the 2000 summit on June 15. More joint sports teams are also envisaged; clause 1.4 specifies at the Asian Games, due in October in Indonesia. Already in fact at the world table tennis championships held in Sweden, the two Koreas swiftly formed a single team: it won bronze.

Several areas warrant comment. A resident joint liaison office will be opened in Kaesong, just north of the DMZ, to facilitate cooperation and exchanges; no date was given for that. The South has also suggested exchanging offices in Seoul and Pyongyang.

Clause 1.5 is a win for Seoul, with the very welcome news that separated-family reunions are to resume on Liberation Day, Aug. 15, for the first time since October 2015. These one-off and rather artificial events were never frequent enough to accommodate all who have pined for relatives unseen since 1953 or earlier, even though this cohort is now very old and rapidly dying off. Pyongyang had been refusing reunions unless Seoul returned 12 waitresses who worked in a DPRK restaurant in Ningbo, China until April 2016. The South claims they all defected, but the North has always insisted that they were kidnapped by the ROK spy agency, the National Intelligence Service (NIS) – successor to the dreaded KCIA, and still tarnished by a frankly unsavory [record](#) of wrongdoing on many fronts.

Sensationally, it emerged on May 10 that the North is right. In a TV interview the restaurant's former manager, Heo Kang-il, [admitted](#) he plotted the whole thing with the NIS. The young women had no idea where he was taking them (a new assignment, he said); and at least some do want to go home. Although this happened under his predecessor Park Geun-hye, its revelation creates quite a headache for Moon Jae-in, but it may have a silver lining. The North seemed to have dropped this issue as a precondition for family reunions. And with the DPRK's release on May 9 of three Korean-Americans whom it had jailed, there is now talk of perhaps ‘trading’ the waitresses for up to six South Koreans now detained in Pyongyang.

Military measures

Encouragingly, the Panmunjom Declaration has much to say on military tensions, which the earlier period of engagement barely addressed. Some plans are specific and fairly immediate, like the aforementioned generals' meeting. Clause 2.1 stipulates that both sides must by May 1 remove propaganda loudspeakers along the DMZ, which was swiftly done. It also bans leaflet distribution, which is trickier. Defector activists and their supporters regularly launch helium balloons northward, carrying dollars, radios, and critiques of the Kim regime. Previous conservative ROK governments mostly took the line that this was a free speech issue, but did sometimes try to stop it on safety grounds. In October 2014, the KPA fired across the border, and nearby local residents complained of risk to their lives and livelihood (because tourists were frightened off). Now the order has gone out to desist, but the activists are a tenacious bunch. Expect cat and mouse games with the police, as in the past. If some balloons get through, North Korea could if so minded accuse the South of breaking their new agreement.

Other kites flown are much more long-term. “Bringing an end to the current unnatural state of armistice and establishing a robust peace regime on the Korean Peninsula” may indeed be “a historical mission that must not be delayed any further”. But as clause 3.3 of the Declaration recognizes, with its talk of trilateral or quadrilateral meetings, this cannot be done by Koreans alone. Replacing the 1953 Armistice – not in fact signed by the ROK, as its then-President Syngman Rhee refused – must obviously involve the other signatories, China and the US (the latter in the name of the UN,

which adds a further layer of complication). We shall see whether the idea of formally ending the Korean War, which has long been vaguely in play, finally gains traction.

Of particular interest are what might be called middle-range security proposals. Clause 3.2 commits the two sides to “carry out disarmament in a phased manner, as military tension is alleviated and substantial progress is made in military confidence-building.” There is plenty of scope for that: pulling back forward-deployed KPA units for instance, or removing some of the thousands of heavy artillery pieces trained on Seoul. If matters of this kind are seriously discussed and implemented, inter-Korean relations will indeed have entered a new phase.

More familiarly, Clause 2.2 posits “a practical scheme to turn the areas around the Northern Limit Line in the West Sea into a maritime peace zone in order to prevent accidental military clashes and guarantee safe fishing activities.” (The DPRK has never recognized the NLL, so this term’s appearance in an official joint document is noteworthy.) A similar idea was part of the 2007 summit plans, but like all of them unimplemented. In 2010 those same waters saw two sneak attacks: the sinking of the corvette *Cheonan* (which the North has never admitted) and the shelling of Yeonpyeong Island near the DPRK coast, causing a combined 50 fatalities.

An unwelcome guest

Hence, many South Koreans were angry when the KPA general widely seen as masterminding both those assaults, Kim Yong Chol, came south, first for the Olympics closing ceremony – where incongruously he shared the VIP box with Ivanka Trump; no contact was made – and then with the summit delegation. Having changed jobs in 2016 to become Pyongyang’s point man on South Korea, he could hardly be refused; but protesters, including kin of the 46 who died in the *Cheonan* – mostly national service ratings, drowned in their bunks as they slept – tried to block his entry at the border, forcing him to use a different crossing point. The Moon administration’s official line, that it is uncertain who exactly was behind the 2010 attacks, was undermined when Defense Minister Song Young-moo admitted that he for one had no doubt.

Other than going to PyeongChang, Kim remained holed up in the Walkerhill Hotel in eastern Seoul, where he held intensive but unpublicized talks – six official meetings and several more unofficial ones, but no photos or videos were issued – with Chung Eui-yong, director of the Blue House National Security Office, and other top ROK officials. Kim Yo Jong and her party had also stayed there earlier, but with less security and venturing out more. Ironically – given that it was named after the US general whose Eighth Army pushed the KPA back almost to the Yalu, early on in the Korean War – this hotel has been the venue of choice for Northern visitors (overt or covert) since the 1980s, being fairly inaccessible. According to the rightwing ROK [daily Chosun Ilbo](#), the Northern delegation occupied the entire 17th floor. South Korea’s Ministry of Unification had the 16th, with the NIS taking a further two floors.

Kim later featured in an odd incident on home turf. On April 2, he [came](#) to the Koryo Hotel to soothe Southern journalists, furious at being barred from the K-pop concert they had come to Pyongyang to cover. North Korea is not known for apologizing, but Kim did just that. More remarkably still, he blamed the mix-up (quite plausibly) on Kim Jong Un’s security squad, who overruled the journalists’ minders. Kim introduced himself to the ROK press as the man they all blame for sinking the *Cheonan*: an attempt at levity that did not go down well.

The concert the hacks missed deserves mention. Reciprocating the Samjiyon band’s trip South, the ROK sent a medley of performers featuring a cross-section of Southern popular music, from aging crooners to a miniskirted girl group. Nothing too edgy; the rapper Psy of Gangnam Style fame didn’t make the cut. They gave two performances; Kim Jong Un attended the first, apologizing that thereafter his schedule was too tight (we know now he was meeting Mike Pompeo). Kim enjoyed the show, and posed for a [photo](#) with the visitors. Yet if ordinary North Koreans are caught listening to such music, they risk a harsh fate. Maybe Kim will end such hypocrisy and lighten up if the North-South thaw deepens. Meanwhile early May saw reports that the ROK may lift its own longstanding ban on its citizens accessing Northern media.



3Kim Jong Un poses for a photo with South Korean performers (cdn.cnn.com)

Business: only reconnect – but sanctions?

Returning to the Panmunjom Declaration, economic cooperation also features. Clause 1.6 envisages returning “actively” to 2007’s unrealized projects, “to promote balanced economic growth and co-prosperity of the nation”. It continues, “As a first step, the two sides agreed to adopt practical steps towards the connection and modernization of the railways and roads on the eastern transportation corridor as well as between Seoul and Sinuiju for their utilization.”

Longstanding readers will recall the railway saga. In brief, over a decade ago in the ‘sunshine’ era South Korea paid to rebuild and relink these two corridors (a gap remains in the eastern railway, which is a sideline leading nowhere much), But the North never allowed regular train service, except for the few miles to the Kaesong Industrial Complex (KIC) – whose investors mostly found road transport cheaper and easier. With Kim Jong Un admitting to Moon that the condition of DPRK transport infrastructure is “embarrassing,” maybe he is serious where his father was cautious. Encouragingly, specifying Seoul to Sinuiju means the entire length of the DPRK, right up to the Chinese border – where a new \$350 million bridge, built and paid for by China, remains idle because no off-ramps have been built on the Korean side. Here again it is easy to state the criteria whereby we shall know if Kim means business. The large agenda between Kim and Xi Jinping in their two recent meetings (covered elsewhere in this issue) will surely have included a terse Chinese demand to just open the bridge.

We now know that there was more to the economic side of the summit than appeared in the Declaration. Moon [handed](#) Kim a USB stick,

laying out concrete detailed plans for the kind of wide-ranging intercourse he has advocated ever since he was chief of staff to President Roh Moo-hyun (in office 2003–08). Less clear is how far any of this – or other ideas like reopening the KIC – is currently feasible or legal, given stringent UN and other sanctions. Exemptions could be sought. But we may soon see an argument between the US and Japan on one side, and China and South Korea in the other, over how much economic leeway Kim can or should be given, prior to any substantial denuclearization. The latter, as widely noted, hardly features in the Pyongyang Declaration – whereas it will be center stage on June 12 in Singapore.

For real, this time?

In conclusion, the task at this fascinating moment is to strike the right balance between hope and cynicism. This we have tried to do. To repeat, we expect the North this time to deliver with the South, as a ploy to help it postpone or spin out denuclearization. How these two diplomatic tracks – local and multifaceted on the peninsula, but single-mindedly nuclear on the global stage and especially in Washington – will play out and interact is the key issue.

If Kim Jong Un comes to Singapore with a solid offer on denuclearization, that would permit full-scale implementation of the Panmunjom Declaration. But if as expected he wavers, we are in for protracted horse-trading. That is still a better prospect and place to be than last year’s barrage of ICBMs and trans-Pacific threats and taunts about whose button is bigger: a faceoff that relegated a frustrated and anxious South Korea to the sidelines, despite its being in the front line where hostilities to break out. Moon resolved to put Seoul in the driver’s seat, and already his skills have achieved more than just an Olympic hiatus. To use his own metaphor, he is at least a front seat passenger – with a map, but does he know the destination? Yet let us be clear who is driving this car, fast and well, smiling broadly. It is Kim Jong Un, isn’t it?

CHRONOLOGY OF NORTH KOREA-SOUTH KOREA RELATIONS

JANUARY – APRIL 2018

Jan. 1, 2018: Kim Jong Un's New Year [address](#), broadcast live on state TV, repeats nuclear threats against the US but, in a major shift, is conciliatory towards South Korea. In particular, Kim praises the upcoming PyeongChang Winter Olympics and offers to send a delegation.

Jan. 2, 2018: South Korea's Foreign Ministry (MOFA) [pledges](#) that Seoul will continue "watertight" cooperation with Washington, even as it takes steps to resume dialogue with Pyongyang.

Jan. 3, 2018: Northern media report that Kim Jong Un, welcoming South Korea's positive response to his New Year address, has [ordered](#) the Panmunjom liaison channel (hot line) to reopen from 3pm that day, so that inter-Korean talks toward DPRK participation in the "Pyeongchang Olympiad" (as North Korea spells it) and other matters can be arranged. The hot line duly reopens on schedule.

Jan. 6, 2018: The Blue House (Cheongwadae, South Korea's Presidential office) [calls](#) inter-Korean talks "the starting point for the settlement of peace on the Korean peninsula and North Korean nuclear and missile problems."

Jan. 6-7, 2018: The long-idled inter-Korean hotline is busy all weekend, as the two Koreas embark on detailed [discussions](#) by phone and fax to arrange their upcoming talks, due Jan. 9.

Jan. 6, 2018: President Trump [says](#) apropos the upcoming inter-Korean talks: "I would love to see them take it beyond the Olympics ... And at the appropriate time, we'll get involved."

Jan. 7, 2018: North Korea [informs](#) the South of its five-person delegation for Jan. 9's talks. Its leader is Ri Son Gwon, an experienced inter-Korean negotiator who chairs the Committee for the Peaceful Reunification of the Country (CPRC, formerly CPRK: a state agency since 2016). Other delegates include CPRC vice chairman Jon Jong Su, and Won Kil U, a top sports ministry official.

Jan. 8, 2018: *Yonhap*, South Korea's quasi-official news agency, [claims](#) that a serious decline in the squid catch experienced by ROK fishermen in the East Sea is due to over-fishing by Chinese boats in DPRK waters, which sweep the seabed before the cephalopods have a chance to swim South. Since North Korea first licensed PRC vessels to fish in its east coast waters in 2004, their number has surged from 140 in that year to 1,238 ships as of 2016.

Jan. 8, 2018: Launching a MOFA task force for foreign leaders' visits to the PyeongChang Olympics (over 40 are expected), ROK Foreign Minister Kang Kyung-wha [says](#) South Korea hopes the momentum from North Korea's now expected participation in the Games will lead to wider progress in inter-Korean relations and the North's denuclearization.

Jan. 8, 2018: South Korea's National Intelligence Service (NIS) [says](#) that, starting today, it will give regular monthly briefings on North Korea to the foreign, defense and unification ministries. Observers are puzzled at the implication that this had not been done previously.

Jan. 8, 2018: ROK Unification Minister Cho Myoung-gyon [says](#) that while tomorrow's talks will "basically ... focus on the Olympics," Seoul will "also seek to raise the issue of war-torn [separated] families and ways to ease military tensions."

Jan. 9, 2018: *Korea Times* [cites](#) Cho Dong-uk, an audio forensic specialist at Chungnam State University, as claiming that sound samples from Kim Jong Un's New Year speech suggest that the Northern leader has kidney problems. The test reportedly involved jitters, shimmer, noise-to-harmonics ratio and voice 'energy.' But his lungs and heart are just fine.

Jan. 9, 2018: High-level North-South talks are held for 11 hours on the southern side of Panmunjom, the so-called 'truce village' in the Demilitarized Zone (DMZ). A [joint statement](#)

agrees that North Korea will send athletes, an arts troupe, a cheering squad and more to the PyeongChang Olympics, and that further talks – including military, which in fact seems not to have happened – will be held to firm up the details.

Jan. 11, 2018: Choi Myeong-hee, mayor of Gangneung – capital of Gangwon province and host to the PyeongChang Olympics' ice sports matches – [says](#) his city wants to “contribute to the ‘[Peace Olympics](#)’” by housing DPRK athletes, cheerleaders and performing artistes in Gangneung Ojuk Hanok Village, a new tourist [resort](#) that can accommodate 300 people.

Jan. 11, 2018: NKNews [analyzes](#) Kim Jong Un's public appearances in 2017. Almost half (46) were military in focus, followed by economic and political (24 each), cultural (4) and other (4). Over half (58) were in Pyongyang. Kim's most frequent companion (38 times) was Hwang Pyong So, despite his vanishing in Oct. (see Dec. 13); followed by the less-known Jo Yong Won, a top official of the ruling Workers' Party of Korea (WPK)'s Organisation and Guidance Dept. (OGD), with 37.

Jan. 11, 2018: Yonhap [notes](#) that several aspects of the effort to bring North Koreans to PyeongChang might violate UN Security Council (UNSC) sanctions against the DPRK, or indeed the ROK's own. It claims that the Moon government's stance on this is as yet unclear.

Jan. 12, 2018: South Korea uses the newly reopened inter-Korean hotline to [inform](#) the North of it plans to return four corpses found by ROK fishermen in a DPRK boat adrift in the East Sea. (Such finds are not rare in recent years, but more commonly in [Japanese](#) waters.)

Jan. 12, 2018: ROK Vice Sports Minister Roh Taekang [says](#) Seoul proposes a joint inter-Korean women's ice hockey team, and also that North and South should march together at the Olympic opening ceremony.

Jan. 13, 2018: Pyongyang [proposes](#) talks on Jan. 15 at Panmunjom about sending an art troupe to Pyeongchang, rather than a working meeting on sports issues. South Korea's Ministry of Unification (MOU) notes that the art troupe seems to be the North's main priority. The South accepts, while urging the North to also set a date to discuss sports.

Jan. 13, 2018: An unnamed activist [tells](#) Yonhap that two female North Korean defectors drowned recently when their boat capsized on the Mekong River. Ten more swam back to Laos, but later made it safely to Thailand. The group began their journey in Shandong, China; most had previously been trafficked into China.

Jan. 14, 2018: A commentary published by North Korea's official *Korean Central News Agency* (KCNA) commentary [flays](#) Moon Jae-in for giving Donald Trump credit for the new inter-Korean peace process, calling this “brown-nosing” and “coarse invectives”.

Jan. 15, 2018: Meeting at Panmunjom, the two Koreas [agree](#) that the North will send a 140-strong orchestra South to perform in PyeongChang and Seoul during the Winter Olympics.

Jan. 17, 2018: Meeting at Panmunjom, the two Koreas confirm they will march together in the Olympics opening ceremony, field a joint women's ice hockey team, and do joint skiing training at the North's Masikryong resort: a project closely associated with Kim Jong Un.

Jan. 20, 2018: After consultations with both Koreas, International Olympic Committee (IOC) President Thomas Bach [announces](#) that North Korea will send 22 athletes, plus 24 coaches and officials, to the PyeongChang Winter Olympic Games. Besides forming a joint women's ice hockey team with South Korea, the North will compete in figure skating, short track speed skating, cross-country skiing and alpine skiing. DPRK participation required “exceptional decisions” by the IOC, as none of its athletes had actually qualified.

Jan. 20, 2018: Seven-strong DPRK team enters the ROK by road at Dorasan to inspect venues for the Samjiyon Orchestra's Olympic concerts. Its leader is Hyon Song Wol attracts huge media interest, but says little in public. Her party returns home late on Jan. 21 by the same overland route.

Jan. 25, 2018: 12 female DPRK hockey players, their coach, and two support staff [cross](#) the DMZ. They are greeted by their ROK counterparts, with whom they will form a joint team.

Jan. 29, 2018: Blaming “insulting” Southern media coverage, North Korea abruptly [cancels](#) a joint concert at its long-shuttered Mt Kumgang set for Feb.4. An ROK advance party mooted bringing their own generators as the local power supply was so poor, prompting critics to claim this would violate sanctions. Pyongyang was also cross with Southern criticisms of its planned military parade (see Feb.8).

Jan. 31, 2018: ROK skiers (not in fact Olympians) fly North for two days’ joint training with DPRK counterparts at Masikryong. Their chartered Asiana flight from [Yangyang](#) airport near Gangneung is the first ROK aircraft to fly to the DPRK using an east coast route, and also the first such to land at Wonsan’s pristine [Kalma](#) airport: a military facility adapted in 2015 to take tourists too. Its modernization costing \$200 million, but it has hardly been used.

Feb. 1, 2018: The [return](#) flight from Kalma to Yangyang conveys not only the 31 South Koreans (12 each of alpine and cross-country skiers, support staff and reporters), but also 32 North Koreans including 10 athletes (3 alpine skiers, 3 cross-country skiers, 2 figure skaters and 2 short track skaters.) This completes Team DPRK; as their 12 female ice hockey players are already in the South for joint training.

Feb. 1, 2018: In a [commentary](#) headlined “South Korean conservatives, nation’s enemy,” the *Pyongyang Times* repeats in surprising detail right-wing ROK criticisms of the new inter-Korean thaw.

Feb. 6, 2018: DPRK vessel *Mangyongbong-92* [docks](#) at the ROK’s Mukho port on the east coast. It conveys the North’s Samjiyon Orchestra, and is their ‘floatel’ till they perform at nearby Gangneung on Feb. 8. They [stay on board](#) till [Feb. 7](#), shunning a welcome dinner in their honor; possibly due to noisy anti-communist protests near their boat.

Feb. 7, 2018: Shortly after midnight, 280 North Koreans – 229 cheerleaders, 26 taekwondo athletes, 21 journalists and four sports officials including Sports Minister Kim Il Guk – [enter](#) South Korea at the Dorasan crossing. They proceed by bus to PyeongChang, with the ROK media in [hot pursuit](#).

Feb. 8, 2018: With Kim Jong Un in [attendance](#), a military [parade](#) in Pyongyang marks the 70th anniversary of the Korean People’s Army (KPA).

Many in South Korea deplore the timing of this, on the very eve of the Olympics. One new [missile](#) is spotted.

Feb. 8, 2018: Samjiyon Orchestra [gives](#) its first Southern concert at Gangneung. The 45 numbers include 11 from South Korea, mostly decades-old ‘[trot](#).’ After some argument the North complies with ROK demands to exclude two songs: one saying ‘socialism is nice’, the other referencing North-led reunification. A source at Gangneung Arts Center reveals that Hyon Song Wol borrowed an iron, and said she will miss their coffee.

Feb. 9, 2018: A 22-strong delegation, [formally](#) led by the DPRK’s nonagenarian titular head of state Kim Yong Nam and featuring Kim Jong Un’s sister Kim Yo Jong as her brother’s special envoy, [flies](#) into Incheon on the Northern leader’s personal aircraft. After official welcomes, they proceed directly to PyeongChang for the Olympic opening ceremony.

Feb. 9, 2018: President Moon opens the XXIII Olympic Winter Games in PyeongChang. The North and South Korean teams enter the stadium [jointly](#), to a standing ovation: pointedly [not](#) joined by US Vice President Pence, who also blanked the DPRK VIPs seated just yards away.

Feb. 9, 2018: MOU says the North has withdrawn a [request](#) for fuel for the *Mangyongbong-92*. It would have been hard to ensure this contained no US elements, which would breach sanctions. The vessel sails home on Feb. 10, evidently able to do so without refueling.

Feb. 10, 2018: At a luncheon in Seoul, Kim Yo Jong extends her brother’s invitation to Moon Jae-in to visit Pyongyang. He thanks her but does not immediately accept.

Feb. 10, 2018: Reuters [reports](#) “kicking, screaming and flying planks” at PyeongChang. Nothing untoward, just the two Koreans’ taekwondo demonstration teams performing their second show. The first was at the Olympic opening ceremony the previous day.

Feb. 11, 2018: The Samjiyon Orchestra performs in Seoul. In the audience Moon Jae-in sits [next](#) to Kim Yo Jong (their fourth meeting in three days), who flies back to Pyongyang with her delegation later that evening. The orchestra returns home overland next morning.

Feb. 13, 2018: Welcoming back the North's delegation to the Olympics opening ceremony, Kim Jong Un [calls](#) their treatment in the South "very impressive." He vows to "continue making good results by further livening up the warm climate of reconciliation and dialogue."

Feb. 19, 2018: KCNA [reports](#) on two further joint taekwondo performances, in Seoul on Feb. 12 and 14. The DPRK team "knocked out their opponents with swift actions and strong strikes ... winning the admiration of the spectators."

Feb. 21, 2018: *Yonhap* [tallies](#) North Korea's performance at the Winter Olympics. It won no medals (South Korea [ranked](#) seventh). The North's star performers were figure skating pair Ryom Tae Ok and Kim Ju Sik, who placed 13th with a personal best of 184.98 points.

Feb. 22, 2018: DPRK names an eight-member [delegation](#) to attend the PyeongChang Olympics closing ceremony. Controversially it is led by KPA General [Kim Yong Chol](#). Now vice-chairman of the WPK CC in charge of inter-Korean affairs, Kim is seen in South Korea as responsible for sinking the corvette *Cheonan* and shelling Yeonpyeong Island in 2010 when he headed the DPRK's Reconnaissance Bureau, which runs clandestine operations. Also in the delegation is Kim's close aide CPRC chairman [Ri Son Gwon](#).

Feb. 25, 2018: Kim Yong Chol and his party [cross](#) into the South by an unexpected route, to avoid protestors seeking to block them. Going first to Seoul, Kim [meets](#) Moon Jae-in at the Blue House (this was not pre-announced) before heading to PyeongChang for the Olympics closing ceremony, where as predicted he has no interaction with Ivanka Trump nearby.

Feb. 26, 2018: 299 North Koreans – cheerleaders, athletes, journalists and officials – [return](#) home overland via Dorasan. (The link details the cheering squad's activities: generally well-received – with some [exceptions](#) – and including several unscheduled local shows.)

Feb. 27, 2018: Kim Yong Chol and party [return](#) home, after two further days of intensive but little-publicized [meetings](#) (at least six official one) with senior ROK officials in Seoul.

Feb. 28, 2018: Asked by independent lawmaker Rep. Lee Jung-hyun whether a North Korean reconnaissance submarine sank the *Cheonan*,

ROK Defense Minister Song Young-moo [says](#): "I believe that to be the case." This contradicts the official ROK government line, [invoked](#) during Kim Yong Chol's recent visit, that it is unclear who precisely was behind the attack.

March 5, 2018: A five-strong ROK delegation headed by Blue House security adviser Chung Eui-yong flies into Pyongyang. Hours later they begin four hours of [talks](#) with Kim Jong Un, including a banquet: the first time Kim has met Southern officials. They fly home next day.

March 6, 2018: Chung Eui-yong [reveals](#) that the two Korean leaders will hold a summit in late April, at Panmunjom on the southern side. A hotline between them will be installed before then. Chung adds that Kim restated his commitment to denuclearization.

March 14, 2018: While the US and ROK discuss cost-sharing for USFK, the WPK daily *Rodong Sinmun* [weighs in](#): "What South Koreans want is an unconditional withdrawal of US troops from the South, an unwelcome guest that poses a threat to peace and security on the Korean Peninsula."

March 20, 2018: In talks at Panmunjom, the two Koreas [agree](#) that 160 ROK musicians will visit Pyongyang from March 31 – April 3, giving two concerts there. Performers include girl group Red Velvet, Seohyun of Girls' Generation (who joined the Samjiyon Orchestra on stage in Seoul), and crooner Cho Yong-pil, who gave a solo concert in Pyongyang in 2005.

March 21, 2018: Seoul's summit preparation committee [suggests](#) talks with Pyongyang on March 29 to finalize details of the meeting.

March 29, 2018: The two Koreas [set](#) April 27 as the date for their third summit. The same day, 70 ROK music technicians fly to Pyongyang to prepare for the upcoming concerts.

March 31, 2018: 120 Southern [musicians](#) et al – officials, reporters and a taekwondo demonstration team – fly into Pyongyang.

April 1, 2018: ROK musicians give their first [concert](#) in the East Pyongyang Grand Theater, with Kim Jong Un present. He claps along, and has a photograph taken afterwards with the assembled performers. Several South Korean journalists are refused entry, however.

April 2, 2018: In a rare DPRK [apology](#), Kim Yong Chol visits ROK reporters in the Koryo hotel. He blames Kim Jong Un's security guards for their exclusion from the K-pop concert.

April 3, 2018: ROK musicians give their [second](#) Pyongyang concert, in a much larger venue: the 12,000-seat Ryugyong Chung Ju Yung Gymnasium, paid for by and named for Hyundai's northern-born eponymous founder.

April 5, 2018: The two sides [discuss](#) protocol and security for the summit at Panmunjom. Several similar meetings follow.

April 12, 2018: Pouring cold water on pleas – including a joint letter from over 200 NGOs – that DPRK human rights should be discussed at the upcoming summit, MOU [states](#): “The main agenda will be denuclearization, establishment of peace on the Korean Peninsula and improving North-South relations. Nothing more, nothing less.”

April 23, 2018: Blue House [announces](#) that the two Koreas have reached agreement on protocol, security and media coverage for the third inter-Korean summit later this week.

April 25, 2018: DPRK advance team comes South and stays until Friday's summit.

April 27, 2018: The third North-South summit is held on the Southern side of Panmunjom. A long, busy and various day mostly goes off smoothly, ending with a banquet and a substantial Panmunjom [Declaration](#). (The full schedule, fulfilled almost to the letter, can be read [here](#).)

April 30, 2018: The ROK defense ministry (MND) [says](#) removal of loudspeakers at the DMZ will begin tomorrow (May 1). MND calls this a “rudimentary” and easy step, noting that (by contrast) creating a peace zone in the West/Yellow Sea will require further consultations.

April 30, 2018: President Moon calls for swift parliamentary ratification of the Panmunjom Declaration. This is not guaranteed, for Moon's Democratic Party (DP) holds only 121 of the [National Assembly's](#) 299 seats. The conservative opposition Liberty Korea Party (LKP), which has vowed to block ratification, has 116. How minor parties vote will thus be crucial.

April 30, 2018: MOU [says](#) the South is considering early high-level inter-Korean talks on the new agreement to open a North-South liaison office in Kaesong. If all goes well, the office could open by June.

April 30, 2018: Confirming a surprise decision by Kim Jong Un at the Panmunjom summit, the Supreme People's Assembly (SPA), the DPRK parliament, decrees that Northern [time](#) will move forward by 30 minutes on May 5 to become the same as in South Korea. That was the case until 2015, when Pyongyang quixotically set its clocks back half an hour – to protest at Japan having brought Korea into its own time zone during the colonial era, a century ago.

April 30, 2018: First in a tweet and then at a press conference, President Trump [describes](#) as “intriguing” the idea of the DMZ as one possible venue for his forthcoming summit meeting with Kim Jong Un: “There's something that I like about it because you're there.”

April 30, 2018: *Yonhap* quotes major credit rating agencies [hailing](#) the inter-Korean summit as “credit positive” for the ROK, while not yet eliminating geopolitical risk on the peninsula.

May 1, 2018: ROK Unification Minister Cho Myoung-gyon [reports](#) Kim Jong Un as saying that Moon's proposal to open liaison offices in Seoul and Pyongyang could be discussed. Cho adds that Kim's grip on power is firm, and he has a “strong will” for economic development.

May 1, 2018: As scheduled, South Korea [begins](#) dismantling its propaganda loudspeakers at the DMZ. MND says the North began doing the same earlier that day.

May 1, 2018: In a half-hour phone call to UN Secretary General Antonio Guterres, President Moon [asks](#) the UN to endorse the Pyongyang Declaration and play a role in verifying North Korea's commitment to denuclearization and peace.

May 7, 2018: Seoul [reveals](#) that at the summit Moon handed Kim a USB stick containing a detailed blueprint for how the South could help rebuild the Northern economy, including new power plants and much more.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

CHINA- KOREA RELATIONS

MOON'S OLYMPIC DIPLOMACY

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

The early months of 2018 may well be remembered as Kim Jong Un's coming-out party. Beginning with his New Year speech calling for better inter-Korean relations, he suddenly became the topic of global attention and the "must have" partner for summits with both friend and foe. After seven years without any direct contact, Kim managed to meet both President Xi Jinping and President Moon Jae-in, and get a commitment for a meeting with US President Donald Trump within the span of two months. With the PyeongChang Winter Olympic Games and the flurry of diplomatic activity surrounding the Kim-centered summits serving as the primary catalysts, the prospect for a "breakthrough on the peninsula" became the central focus for China-Korea relations.

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Presidents Xi Jinping and Moon Jae-in meet Kim Jong Un

Kim Jong Un visited China on March 25–28 for his first summit with President Xi on March 26. He was accompanied by his wife Ri Sol-ju and other officials, including Choe Ryong-hae. On his first foreign trip since taking office in 2011, Kim affirmed his commitment to denuclearization and willingness to hold summits with South Korean and US leaders. The four-day visit marked the start of Pyongyang's reconciliation with Beijing after almost a decade of frictions over its nuclear and missile development, and efforts to build bargaining leverage ahead of Kim's anticipated talks with Presidents Moon and Trump.



1 Kim Jong Un and Xi Jinping meet in Beijing (Xinhua)

South Korean officials held parallel meetings with DPRK and Chinese counterparts from March 29, a day after Beijing and Pyongyang confirmed Kim's "unofficial" visit to China. Amid high-level preparatory talks on the inter-Korean summit, the ROK presidential office quickly [praised](#) Kim's pledges to Xi and China's mediator role. Seoul's official responses, however, were challenged by emerging domestic concerns that China-DPRK rapprochement would be used as a strategic tool to weaken international sanctions, undermine US-ROK denuclearization goals, and complicate Moon's efforts to engage Pyongyang and Washington in dialogue. National Assembly Speaker Chung Sye-kyun addressed such fears at a US-ROK alliance forum on March 29, where he [welcomed](#) Beijing's intervention as a tool for ensuring that Pyongyang will meet any potential denuclearization obligations under future multilateral negotiations.

North-South preparatory talks coincided with Chinese State Councilor Yang Jiechi's two-day visit to Seoul, where he met National Security Advisor Chung Eui-yong on March 29 and Foreign Minister Kang Kyung-wha on March 30. In addition to briefing his counterparts on the Xi-Kim summit, Yang extended Beijing's support for Moon and Trump's respective summit plans with Kim Jong Un. DPRK Foreign Minister Ri Yong-ho led Pyongyang's broader global outreach through a series of diplomatic engagements in April, including talks with PRC counterpart Wang Yi in Beijing on April 3, and Russian counterpart Sergei Lavrov in Moscow on April 10. Addressing the Ministerial Meeting of the Non-Aligned Movement (NAM) in Azerbaijan on April 5–6, Ri pointed to favorable conditions for inter-Korean reconciliation and a potential "[breakthrough](#)" for reunification.

Beijing showered much praise on Moon Jae-in's [historic meeting](#) with Kim Jong Un on April 27, the third inter-Korean summit and first time for a DPRK leader to enter South Korean territory. In their [Panmunjom Declaration](#) and joint [press conference](#), the two Korean leaders agreed to pursue denuclearization and start peace talks to officially end the 1950–1953 Korean War. The meeting was held against a backdrop of revived exchanges of bilateral friendship between Beijing and Pyongyang's party leaders, affirming the success of the March Xi-Kim summit. Communist Party of China (CPC) International Liaison Department head Song Tao followed up on the summit with a visit to Pyongyang from April 13, where he led a Chinese art troupe as part of efforts to strengthen cultural exchanges. Song met Kim Jong Un, who agreed to comprehensively advance bilateral ties. Song also met Kim's sister and First Vice Department Director of the Worker's Party of Korea (WPK) Central Committee Kim Yo-jong. At a reception hosted by the WPK International Department on April 13, Song called his visit the "first footstep" toward implementing the Xi-Kim agreements, while Vice Chairman of the WPK Central Committee Ri Su Yong declared that the China-DRPK friendship has entered a "fresh high phase."

Moon Jae-in's Olympic diplomacy

The primary opening for expanded inter-Korean diplomacy was President Moon's engagement of Pyongyang during the Feb. 9–25 PyeongChang Winter Olympics. China's Foreign Ministry welcomed such engagement on Jan. 18, after the

first North-South dialogue in more than two years produced an agreement allowing their athletes to march under a unified flag at the opening ceremony. As head of China's delegation, CPC Politburo Standing Committee member Han Zheng, met South and North Korean officials on the sidelines of Olympic opening ceremonies including President Moon and DPRK parliamentary chief Kim Yong Nam. In talks with Han Zheng on Feb. 8, Moon called for Chinese support for building momentum toward inter-Korean and US-DPRK dialogue. Kim Jong Un's sister Kim Yo Jong delivered the North Korean leader's summit invitation to Moon and the DPRK delegation affirmed Pyongyang's willingness to hold talks with the Trump administration. Seoul similarly hosted high-level Chinese and North Korean delegations for the Olympics closing ceremony on Feb. 25, led by PRC Vice Premier Liu Yandong and DPRK national intelligence chief and WPK Vice Chairman for ROK Affairs Kim Yong Chol. Moon backed China's longstanding position on US-DPRK bilateral talks as a prerequisite for international nuclear negotiations on Korea, a central message exchanged between Chinese and South Korean officials at the conclusion of the Games.



2 South Korean President Moon Jae-in (R) shakes hands with Chinese Vice Premier Liu Yandong before the start of their meeting at the South Korean presidential office Cheong Wa Dae in Seoul on Feb. 26, 2018. (Yonhap)



3 South Korean President Moon Jae-in (R) shakes hands with Han Zheng, a member of the Politburo Standing Committee of the Communist Party of China, before their meeting at his office Cheong Wa Dae in Seoul on Feb. 8, 2018. (Yonhap)

President Moon's Olympic diplomacy catalyzed Seoul's bilateral coordination with six-party members in March, led by National Security Advisor Chung Eui-yong and intelligence chief Suh Hoon. Chung and Suh led a South Korean delegation to Pyongyang as special envoys of President Moon, where they were hosted for a dinner meeting and had an extended conversation with Kim Jong Un on March 5. Upon their arrival back in Seoul the following day, Chung and Suh announced plans for an April inter-Korean summit at Panmunjom and were dispatched to Washington for a meeting with President Trump on March 8, at which they announced that Trump had accepted an invitation for a US-DPRK summit. Chung's talks with President Xi and Russian officials in Beijing and Moscow on March 12-13, and a simultaneous meeting between Suh and Prime Minister Abe Shinzo in Tokyo, aimed to build regional support for the summits. Seoul's high-level diplomacy from January also aided the resumption of trilateral dialogue with China and Japan. After Moon's meeting with Japanese Foreign Minister Kono Taro in Seoul on April 11, the presidential office announced plans for a trilateral summit in Japan in May. PRC Premier Li Keqiang and Kono on Jan. 28 pledged to resume the trilateral summit this year after three years of deadlock over China-Japan maritime disputes.



4Chinese President Xi Jinping (R) meets with Chung Eui-yong, national security advisor for the President of the Republic of Korea (ROK) Moon Jae-in and also special envoy of Moon, in Beijing, capital of China, March 12, 2018. (Xinhua)

Beijing and Seoul's preferences for denuclearization and peace

Nuclear negotiator Lee Do-hoon engaged six-party members from February as part of Seoul's efforts to sustain the Olympic dialogue momentum, holding separate meetings with US, Japanese, Russian, and Chinese ambassadors that month. Although Beijing praised Pyongyang's decision to suspend nuclear and missile tests in April, unresolved differences between China and the two Koreas over the form of multilateral talks were apparent from January. As Seoul prepared to host foreign delegations, the Chinese Foreign Ministry on Jan. 25–26 reminded others of the ongoing significance of the September 2005 Joint Statement of the Six-Party Talks, China's "suspension for suspension" proposal for ending Pyongyang's tests in exchange for an end to US-ROK military drills, and its "dual track" approach of simultaneous denuclearization and peace talks.

Differences over long-term conditions for addressing Korean Peninsula security also emerged in Beijing's interactions with the international community in January–February. Chinese and Russian representatives did not attend the Foreign Ministers Meeting on Security and Stability on the Korean Peninsula, held on Jan. 16 in Vancouver, shortly after the resumption of inter-Korean dialogue and Pyongyang's decision to join the Winter Olympics. Including the United States, South Korea, and Japan, the 20 participating countries

jointly [declared](#) that, "North Korea will never be accepted as a nuclear power," and committed to pressuring the North until it "takes decisive, irreversible steps to denuclearize." China's Foreign Ministry immediately denied the meeting's "legitimacy or representativeness" given the absence of major stakeholders in the DPRK nuclear issue, and attacked the "Cold War thinking" behind the US and Canada-hosted meeting. Echoing Russian Foreign Minister Sergei Lavrov's calls for alternative mechanisms to pressuring Pyongyang, China's Foreign Ministry further identified the Six-Party Talks and the UN Security Council as the main channels for diplomatic coordination.

The Feb. 16–18 Munich Security Conference was another platform where China voiced its insistence on US-DPRK dialogue as a starting point for such coordination. Chair of the National People's Congress (NPC) Foreign Affairs Committee Fu Ying in a [nuclear security panel stated](#) that "there should be negotiated settlements to address the security concerns of all parties," pointing to US-DPRK mistrust as the source of recurring tensions on the peninsula. After visiting Pyongyang in March, Moon's National Security Advisor Chung Eui-yong affirmed Kim Jong Un's willingness to not only hold talks with Trump but also his commitment to denuclearization in exchange for a security guarantee. While the joint declaration following the inter-Korean summit outlined ambitious plans for pursuing peace talks within this year, it left open whether the process will involve the two Koreas and the United States, or also China, as did the previous North-South [statement](#) of October 2007.

China and South Korea's post-THAAD interactions

Coordination on North Korea has dominated Beijing and Seoul's broader political and security interactions since the height of the THAAD controversy last year. Following up on the Xi-Moon summit in December, Deputy Speaker of the Korean National Assembly Park Byeong-seug met State Councilor Yang Jiechi on Jan. 16 in Beijing, where they agreed to implement agreements advancing bilateral ties. In her bilateral meeting with Fu Ying on the sidelines of the Munich Security Conference in February, South Korea's ruling Democratic Party leader Choo Mi-ae urged China to use its "power of persuasion" on the DPRK nuclear issue given its longstanding "role of mediation."

China and South Korea have sought to “normalize” ties since agreeing to put aside the THAAD dispute last October. The ROK Defense Ministry on Feb. 1 reaffirmed plans to repatriate the remains of 20 Chinese soldiers killed in the Korean War, after talks in Beijing between the Ministry’s policy office chief Yeo Suk-joo and Bao Fengyu of the PRC Ministry of Civil Affairs. Foreign Ministry and maritime security officials in late April also resumed the biannual China-ROK meeting on fisheries cooperation. Last held in July 2016 following Seoul’s decision to formally discuss THAAD deployment with Washington, the meeting had been launched in 2012 to address intensifying clashes over illegal Chinese fishing in ROK waters. After South Korea’s Ministry of Oceans and Fisheries announced plans to expand the number of patrol ships and personnel operating in the Yellow Sea this January, the ROK Coast Guard seized a Chinese vessel on April 13 in Seoul’s latest crack down on illegal fishing.

Chinese incursions into South Korean airspace is another point of contention in the bilateral relationship. In response to a PRC military aircraft’s entry into South Korea’s air defense identification zone (KADIZ) on Feb. 27, First Vice Foreign Minister Lim Sung-nam called in Chinese Ambassador Qiu Guohong in Seoul in protest against the incident, while the Defense Ministry summoned Chinese military attaches based in South Korea. The Joint Chiefs of Staff reported on similar unauthorized entries of Chinese military aircraft into KADIZ on Jan. 29 and April 28.

Resumption of China-ROK economic interactions

China and South Korea made relatively greater progress in normalizing bilateral economic ties this year, resuming talks that were suspended in 2017 due to security tensions over THAAD. ROK Finance Minister Kim Dong-yeon met National Development and Reform Commission (NDRC) Chairman He Lifeng and Central Bank Governor Zhou Xiaochuan on Feb. 2, and toured Beijing’s technology hub Zhongguancun. In addition to reiterating Seoul’s longstanding concerns over the Chinese business environment facing Korean investors, Minister Kim discussed measures to address recent problems of speculative investment in cryptocurrency. His visit produced an agreement on creating a pilot free trade zone in China’s northeast, expanding exchanges in science and technology, and

establishing a consultative body on tourism. Second Vice Foreign Minister Cho Hyun and China’s Vice Commerce Minister Gao Yan resumed annual Sino-ROK joint economic committee meetings on April 20 in Beijing, where they renewed their commitment to realizing the Xi-Moon agreements.

China’s Vice Commerce Minister Wang Shouwen and ROK counterpart Kim Young-sam opened the first round of bilateral FTA talks in Seoul on March 22, which aimed to expand the FTA’s scope in the service and investment sectors since its implementation began in December 2015. While China’s \$5.6 trillion service industry emerged as the world’s second-biggest market in 2016, China-South Korea services trade grew four times faster than global services trade between 1998 and 2016, from \$2.7 billion to \$36.7 billion, according to the ROK Ministry of Trade, Industry and Energy. Based on ROK trade ministry data, South Korean exports to China grew by 24.5 percent on-year in January amid the global economic recovery and the resurgence of the manufacturing sector in particular. On the other hand, South Korea’s Finance Minister Kim and China’s central bank governor Zhou reached a consensus in February on the rising threat of US protectionism to emerging markets. The Korea International Trade Association (KITA) in January warned that US import restrictions targeting Chinese goods are also likely to harm South Korean businesses.

At the regional level, efforts on DPRK denuclearization energized China-South Korean economic initiatives with Russia and North Korea. During his visit to China on April 13-15, head of South Korea’s Presidential Committee on Northern Economic Cooperation Song Young-gil met Asian Infrastructure Investment Bank (AIIB) President Jin Liqun and presented Seoul’s vision for Northeast Asian integration linking energy and infrastructure projects under Xi’s “One Belt, One Road” and Moon’s New North policy. He also promoted plans for creating a trilateral mechanism with Russia on cross-border development under conditions of peninsula peace.

Resumption of China-ROK cultural interactions

China-ROK cultural interactions showed a possible reversal of the declining trend in the tourism and entertainment industries. In January, the number of individual Chinese visa applications to visit South Korea recovered to

pre-2016 levels according to South Korean official figures, boosted by a special visa-free entry program for the Winter Olympics. Meeting in Beijing on Jan. 30, South Korea's Vice Land, Infrastructure and Transport Minister Maeng Sung-kyu and Chinese aviation officials agreed to revive the bilateral aviation market to accommodate growing air traffic. According to the Korea Tourism Organization (KTO), the number of Chinese visitors in South Korea in 2017 totaled 4.16 million, a 48 percent decline from 2016, when Chinese accounted for almost half of all foreign visitors. In contrast, the Justice Ministry reported a 16.5 percent increase in the number of Chinese visitors from February to March this year, 13 percent growth compared to the same period last year. Following these trends in cultural exchanges, Beijing theaters began screening South Korean films in April ahead of the Beijing International Film Festival, ending a two-year boycott.

Chinese State Councilor Yang Jiechi's visit in March raised South Korean hopes for Beijing's lifting of economic restrictions since the THAAD dispute, for which Yang promised "tangible results" in talks with President Moon on March 30. Constrained people-to-people exchanges and the deteriorating business environment for South Korean firms remained priority concerns that Moon raised with China's official representatives at the February Winter Olympics. During her visit to Seoul National University on Feb. 24, Xi's special envoy, Vice Premier Liu Yandong, urged both South Korean and Chinese students to play a leading role in promoting the bilateral partnership. Despite such gestures at the official level, however, South Korean businesses remain cautious about the long-term economic and cultural impacts of the THAAD dispute. Uncertainty remains centered on the normalization of Chinese group tours to South Korea and the sale of Lotte Mart's Chinese units, where THAAD-related losses are estimated at more than \$1.88 billion.

China's "maximum pressure" on North Korea

According to China's March [report](#) on the implementation of UN Security Council Resolution [2397](#), adopted in December after Pyongyang's intercontinental ballistic missile test, China has imposed bans on iron, steel, and other metal and industrial machinery exports; restrictions on refined petroleum exports, and restrictions on work permits for DPRK workers. Chinese official figures showed a 50 percent

drop in total trade with North Korea in December, which the White House [hailed](#) for supporting "the United States-led global effort to apply maximum pressure" on the DPRK regime. Sustained reductions in China's imports from North Korea in January and February by 79 and 86 percent, and in exports to the North by 33 and 34 percent, drew further [praise](#) from the international media as evidence of China's "own maximum pressure policy." As *Voice of America* reported in March, the official data is supported by declining cross-border cargo flows based on container traffic between Dandong and Sinuiju earlier this year.

Such indications, however, are challenged by debate over the implementation and enforcement of UN sanctions. Concerns over Beijing's compliance resurfaced in March when President Xi held surprise talks with Kim Jong Un, after which the Commerce Ministry on April 9 confirmed China's ban on 32 "dual-use" exports in line with Resolution [2375](#). China's Ambassador to Washington Cui Tiankai in a Jan. 23 [interview](#) with *USA Today* refuted the possibility that ships in Chinese waters smuggling oil to North Korea belong to China, but also [noted](#) that "these sanctions do not ban all trade."

Moreover, Beijing remains critical of what it has identified as the adverse humanitarian effects of sanctions. The Foreign Ministry on Jan. 23 reiterated China's stance that UN sanctions should not affect humanitarian aid, stating that, "China has been and will continue to provide necessary support and assistance." These remarks came a day before the US Treasury Department announced the sanctioning of two Chinese firms as part of unilateral measures to "systematically target individuals and entities financing the Kim regime and its weapons programs, including officials complicit in North Korean sanctions evasion schemes," according to Secretary Steven Mnuchin. Meanwhile, in contrast to its traditional practice, China released 30 North Korean defectors according to *Radio Free Asia* in April. While border security inspections were reportedly strengthened around the time of Kim's visit, Chinese authorities have faced longstanding global pressure to stop deportation of "illegal migrants" back to the North.

Conclusion: breakthrough on the Korean Peninsula?

Within months of Xi and Moon's pledges to "normalize" China-ROK relations, Xi's envoy Song Tao and Kim Jong Un last April [exchanged](#) promises to open a "new chapter" in bilateral ties. China's reconciliation with the two Koreas was a welcome precursor to the inter-Korean summit and anticipated US-DPRK summit. South Korea's presidential office on March 29 [expressed](#) hopes for concrete results from these summits, namely "a clear foundation for permanent denuclearization of the Korean peninsula and the establishment of a peace regime." Since January, South Korean leaders have given much credit to China's "mediation" in facilitating what DPRK Foreign Minister Ri Yong Ho in April called a potential "breakthrough" on the Korean Peninsula. At the same time, PRC counterparts praised President Moon's Olympic diplomacy for creating an opening for dialogue with Pyongyang.

An underlying question, however, is whether Kim Jong Un's overtures demonstrate the success of sanctions and pressure, or Pyongyang's readiness to negotiate from a stronger position as a nuclear power. Did Kim turn to engagement as a sign of strength or in a moment of weakness? While noting China's full and effective compliance with UN resolutions, Chinese officials have downplayed Beijing's support of "maximum pressure" in favor of dialogue. Ambassador Cui Tiankai in January shifted the focus of attention to the diplomatic measures identified by UN resolutions. Addressing international leaders in Munich in February, Fu Ying further called for US leadership in restarting peace talks. From a North Korean perspective, the apparent easing of tensions can be attributed to Kim Jong Un's security interests and strategies rather than the impact of external forces. At the NAM meeting in April, Foreign Minister Ri attributed Pyongyang's diplomatic engagement to Kim and the "completion of the country's nuclear armament," [stating](#) that "the independence of small nations is being threatened by big countries in various ways."

Finally, the latest inter-Korean joint declaration remains a statement of aspiration unless or until it is accompanied by tangible steps toward tension-reduction and establishment of a permanent peace. Unless concrete steps are

taken toward both denuclearization and peace, the impact of the Panmunjom Declaration will differ little from that of the last inter-Korean declaration in 2007. Efforts to implement the agreement will raise immediate coordination challenges both with China's preferred suspension-for-suspension, dual-track, and six-party approaches, and with the pace and sequencing of diplomatic normalization and denuclearization agreements with Washington. With inter-Korean and US-DPRK processes potentially underway as part of the summit processes, the next unresolved longer-term question will be the orientation and impact of inter-Korean rapprochement on regional security in Northeast Asia. Expressing China's [support](#) for peaceful and independent unification, Ambassador Cui told *USA Today* in January that, "I think it's up to the Korean people, whether they are divided or unified, to adopt an independent foreign policy of their own." Despite Cui's seeming calm, the inter-Korean summit has placed neighboring countries on edge, and it remains to be seen whether peninsular rapprochement can initiate a virtuous circle in regional relations or whether it will have negative unintended consequences both for regional security and for Korean strategic choices longer-term.

CHRONOLOGY OF CHINA-KOREA RELATIONS

JANUARY – APRIL 2018

Jan. 9, 2018: PRC Foreign Ministry welcomes inter-Korean cooperation as DPRK and ROK delegations hold high-level talks for the first time in over two years.

Jan. 10–11, 2018: Moon Jae-In holds separate telephone talks on North Korea with President Trump and President.

Jan. 16, 2018: Presidents Xi and Trump in telephone talks praise their cooperation on the Korean Peninsula.

Jan. 16, 2018: Chinese State Councilor Yang Jiechi meets a delegation of ROK lawmakers in Beijing led by Park Byeong-seug.

Jan. 16, 2018: Foreign ministers from 20 countries meet in Vancouver to discuss North Korea's nuclear program. China and Russia, excluded from the meeting, release a joint statement condemning the meeting as illegal and illegitimate.

Jan. 18, 2018: PRC Foreign Ministry hails inter-Korean cooperation on the PyeongChang Winter Olympics.

Jan. 19, 2018: China and South Korea announce plans to expand car ferry operations between the two countries.

Jan. 19, 2018: A PRC-ROK joint committee pledges cooperation to prevent and mitigate environmental degradation.

Jan. 22, 2018: South Korean Finance Ministry levies antidumping duties of 12.1 percent on coated paper from China in an effort to safeguard the domestic industry.

Jan. 23, 2018: South Korea opens a new cultural center in Hong Kong.

Jan. 23, 2018: China states that UN Security Council sanctions on the DPRK should not affect humanitarian aid.

Jan. 24, 2018: PRC Ambassador to the United States Cui Tiankai in [interview](#) with *USA Today* calls for more diplomatic efforts on North Korea.

Jan. 24, 2018: South Korean steelmaker POSCO announces joint ventures with Zhejiang Huayou Cobalt Co.

Jan. 24, 2018: US imposes new sanctions on entities and individuals with ties to North Korea, including two Chinese enterprises.

Jan. 25, 2018: ROK Oceans Ministry promises crackdown on illegal Chinese fishing in the Yellow Sea.

Jan. 25, 2018: China reiterates hopes for improvement of US-DPRK ties in the wake of easing tensions on the Peninsula.

Jan. 26, 2018: China's Foreign Ministry expresses hope that inter-Korean Olympics talks will progress into political dialogue.

Jan. 28, 2018: China, South Korea, and Japan agree to hold high-level talks "as soon as possible."

Jan. 29, 2018: ROK Trade Ministry agrees to hold future talks with China in hope of expanding industries under the free trade agreement (FTA).

Jan. 29, 2018: Samsung announces plans to sign a MOU with China's National Development and Reform Commission.

Jan. 29, 2018: Chinese military aircraft crosses unannounced into ROK airspace before being escorted out by South Korean fighter jets.

Jan. 30, 2018: DPRK Ambassador to Beijing Ji Jae Ryong appears publicly in Beijing for the first time in over two months.

Feb. 2, 2018: China and South Korea reach agreement to boost their bilateral aviation market to accommodate increased air traffic.

Feb. 2, 2018: ROK Finance Minister Kim Dong-yeon meets He Lifeng, chairman of the National Development and Reform Commission, in Beijing.

Feb. 7, 2018: Park Won-soon, the mayor of Seoul, says he will meet Communist Party of China (CPC) Secretary Cai Qi to discuss cooperation between the two capitals.

Feb. 8, 2018: President Moon meets Han Zheng, CPC Politburo Standing Committee member and head of China's delegation to the PyeongChang Winter Olympics.

Feb. 8, 2018: PRC Foreign Minister Wang Yi calls for continued inter-Korean interactions in anticipation of the Winter Olympics.

Feb. 9, 2018: PRC State Councilor Yang Jiechi calls on the international community to support continued inter-Korean dialogue.

Feb. 12, 2018: PRC delegation head Han Zheng meets senior DPRK official Kim Yong Nam on the sidelines of the 2018 Olympic opening ceremony.

Feb. 13, 2018: PRC Vice Premier Liu Yandong announces plans to attend the closing ceremony of the Olympics and hold meetings with ROK officials.

Feb. 14, 2018: ROK and PRC officials meet in Seoul to discuss inter-Korean developments.

Feb. 15, 2018: Moon Jae-in congratulates Chinese athletes participating in the Olympics and wishes Beijing a happy Lunar New Year.

Feb. 17, 2018: Fu Ying of the CPC's Foreign Affairs Committee and Chief of South Korea's Democratic Party Choo Mi-ae meet on the sidelines of the 54th Munich Security Conference.

Feb. 22, 2018: PRC Ambassador to Seoul Qiu Guohong and Special Representative for Korean Peninsula Peace and Security Affairs Lee Do-hoon meet in Seoul.

Feb. 22, 2018: China's Foreign Ministry expresses hope that inter-Korean advances during the Olympics will lead to US-DPRK dialogue.

Feb. 24-26, 2018: Chinese Vice Premier Liu Yandong leads China's delegation to the

Olympics closing ceremony and visits Seoul National University.

Feb. 26, 2018: President Moon and PRC Vice Premier Liu Yandong meet in Seoul.

Feb. 26, 2018: At closing of the PyeongChang Winter Olympics, Moon Jae-in reiterates his call for China to keep the momentum of inter-Korean dialogue moving ahead.

Feb. 26, 2018: China's Foreign Ministry applauds the visit to Pyongyang by South Korean envoys, expressing hope that the talks will lead to US-DPRK dialogue.

Feb. 28, 2018: ROK Foreign Ministry summons China's ambassador to file a complaint against the unauthorized entry of a Chinese reconnaissance plane into South Korean airspace on Feb. 27.

March 8, 2018: China's Foreign Ministry announces plans to send State Councilor Yang Jiechi to Seoul for further talks on inter-Korean dialogue.

March 9, 2018: President Trump publicly accepts a meeting invitation from Kim Jong Un. China's Foreign Ministry praises his positive message.

March 12, 2018: Top security advisor Chung Eui-yong and intelligence chief Suh Hoon leave for China and Japan, respectively, as Moon's special envoy to brief Xi Jinping and Abe Shinzo on February talks with Kim Jong Un.

March 12, 2018: Moon's envoy meets President Xi and State Councilor Yang in Beijing.

March 15, 2018: China, with Russia, pledges its full support for upcoming talks between North and South Korea and the US.

March 17, 2018: Kim Jong Un and Moon Jae-in congratulate Xi on his re-election as Chinese president.

March 22, 2018: Wang Shouwen, China's vice commerce minister, and Kim Young-sam, South Korea's deputy minister of trade and investment, lead the first round of talks on FTA expansion.

March 25-28, 2018: Kim Jong Un visits Beijing for talks with Xi Jinping.

March 27, 2018: South Korea repatriates remains of 20 Chinese soldiers killed during the Korean War.

March 28, 2018: DPRK media confirm Xi Jinping invited Kim Jong Un for talks in Beijing.

March 28, 2018: South Korea's presidential office confirms that China notified ROK officials in advance of Kim Jong Un's visit to Beijing.

March 28, 2018: PRC and DPRK media report that Kim during his four-day visit to Beijing reaffirmed Pyongyang's commitment to denuclearization.

March 28, 2018: ROK presidential office applauds positive outcome of Kim Jong Un's visit.

March 29-30, 2018: PRC State Councilor Yang Jiechi visits Seoul to meet National Security Advisor Eui-yong, Foreign Minister Kang Kyung-wha, and President Moon.

March 29, 2018: China hails the DPRK and ROK for fixing a date for their diplomatic summit.

March 29, 2018: South Korea's National Assembly Speaker Chung Sye-kyun welcomes China-DPRK rapprochement.

March 30, 2018: PRC State Councilor Yang expresses Beijing's support for upcoming inter-Korean summit.

March 30, 2018: China promises to lift economic restrictions on South Korean businesses imposed during the THAAD row.

April 3, 2018: PRC and DPRK foreign ministers meet in Beijing.

April 3, 2018: China submits a report of ongoing efforts to implement UN sanctions on the DPRK to the UN sanctions committee.

April 5, 2018: DPRK Foreign Minister Ri Yong Ho expresses hope over conciliatory atmosphere between China and the Koreans.

April 6, 2018: Theaters in Beijing screen South Korean films for the first time since the THAAD dispute of 2016.

April 8, 2018: China bans the export of 32 "dual-use" items to North Korea in accordance with UN sanctions on the DPRK.

April 8, 2018: South Korea's Foreign Ministry announces plans to resume its annual joint economic committee session with China.

April 11, 2018: DPRK media say CPC international department head Song Tao and a Chinese art troupe will visit North Korea to improve cultural exchange.

April 11, 2018: ROK presidential office announces that China, South Korea, and Japan will hold a trilateral summit in May.

April 13, 2018: Kim Yo Jong meets Song Tao and a visiting Chinese art troupe in Pyongyang.

April 14, 2018: Kim Jong Un meets Song Tao and a visiting Chinese art troupe in Pyongyang.

April 14, 2018: South Korean Coast Guard seizes Chinese vessel fishing off its west coast.

April 15, 2018: DPRK expresses hope to consolidate its relationship with China.

April 13-15, 2018: Song Young-gil, head of South Korea's Presidential Committee on Northern Economic Cooperation, visits China and meets AIIB President Jin Liqun.

April 16, 2018: Kim Jong Un expresses hope that cultural exchanges between China and the DPRK will solidify a peaceful environment in East Asia.

April 16, 2018: China and South Korea announce plans to resume cooperative talks on fisheries.

April 16, 2018: China releases 30 North Korean defectors detained since March.

April 18, 2018: Chinese state media announces that Xi Jinping will visit North Korea after the US-DPRK summit due for May.

April 19, 2018: Chinese Foreign Ministry says the PRC supports a DPRK-ROK peace treaty.

April 20, 2018: China and South Korea hold first economic cooperation committee meeting in over two years in Beijing.

April 21, 2018: PRC applauds DPRK's decision to indefinitely halt nuclear and missile tests and close its test sites.

April 23, 2018: Thirty-two Chinese tourists and four North Koreans die in a traffic accident in the DPRK.

April 24, 2018: Kim Jong Un visits the Chinese Embassy in Pyongyang to express condolences for the 32 Chinese nationals killed in a bus accident.

April 24, 2018: Xi Jinping relays China's appreciation for Kim's condolences regarding the deadly traffic accident of the previous day.

April 26, 2018: Kim sees off a train carrying the bodies of 32 Chinese killed in the bus accident.

April 26, 2018: Xi expresses his wishes for a successful inter-Korean summit.

April 27, 2018: Moon Jae-in and Kim Jong-un meet in Panmunjom and agree to an end to all hostilities on the Korean Peninsula.

April 27, 2018: Xi praises inter-Korean declaration and efforts to relieve tensions on the Korean Peninsula.

April 28, 2018: Chinese military plane enters South Korea's air defense identification zone without notice.

April 29, 2018: PRC announces plans to send Foreign Minister Yang Jiechi to North Korea on May 2-3.

Chronology compilation and research assistance provided by Colby Galliher, Bates College



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

JAPAN-CHINA RELATIONS

WARMER WORDS, CONTINUING DEFENSE PREPARATIONS

JUNE TEUFEL DREYER, UNIVERSITY OF MIAMI

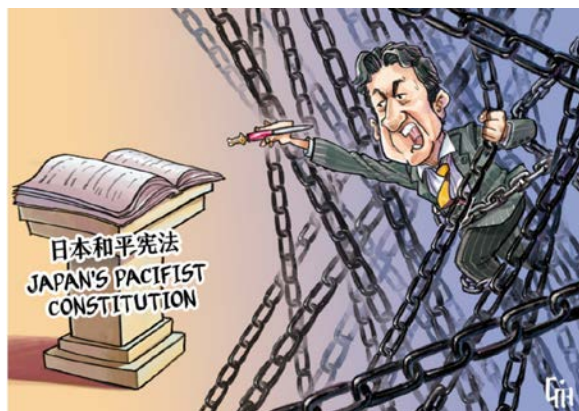
Chinese President Xi Jinping successfully presided over the Boao Forum indicating progress toward establishing China as the fulcrum of the international trading system. Meanwhile, Japanese Prime Minister Abe Shinzō's political future was clouded by the Moritomo Gakuen scandal. Formal high-level dialogue between Beijing and Tokyo, interrupted since September 2010 was cautiously reinstated in April. In the same month, lower-level military exchanges resumed after a six-year hiatus. Despite talk of resetting relations, there was no resolution of key issues such as the disposition of disputed islands in the East China Sea or of present-day Japanese responsibility for the country's conduct during World War II. As for trade, although both China and Japan are committed in theory to early conclusion of the Regional Economic Cooperation Partnership agreement, Japan favors a deal closer to the Trans-Pacific Partnership while China wants additional concessions to support its economic reform goals. Nonetheless, China hopes to obtain Japanese participation in its Belt and Road Initiative.

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Diplomatic activities

Speaking at a Tokyo hotel, Japan Prime Minister Abe [declared](#) that he would like to make 2018 a year in which both the Japanese and Chinese people agreed that the relationship had improved. Several high-level meetings took place designed to pave the way for a state visit by Abe to Beijing and a reciprocal visit to Tokyo by Chinese President Xi Jinping. In late January, Foreign Minister Kōno Tarō paid a two-day visit to China, his first since taking office and the first by a Japanese foreign minister in 21 months. His counterpart, Wang Yi, [called](#) for Japan's "joint efforts to advance ties," though added the cautionary note that "many disturbances and obstacles" existed.

Frictions continued to bedevil bilateral relations as China continued to interpret political developments in Japan in a sinister light. There were numerous references to Japan's lack of remorse for the latter's conduct in World War II. For example, *Xinhua* announced the [launch](#) of a multi-year effort to compile previously missing historical records from 1931–1945. The study, to include an estimated 1 million characters, is to be ready for publication in 2020. Chinese media also remained highly critical of Abe's efforts to revise the Japanese constitution, characterizing them as a further step toward the return of the quasi-fascist regime of the 1930s and equating what Abe and his supporters view as providing Japan with a normal (*futsu*) military with militarism. In an address to the National People's Congress, China's highest legislative institution, Wang Yi [stated](#) that China was willing to work with Japan to restore relations to healthy, stable growth "as long as Japan does not prevaricate, flip-flop, or backpedal, but accepts and welcomes China's development."



1China Daily February 8, 2018

Not all citizens of either country were in harmony with their government on these issues. Japanese comedian Muramoto Daisuke elicited a firestorm of public anger when he [suggested](#), perhaps facetiously, that if China invaded the contested Diaoyu/Senkaku Islands, Japan should immediately surrender, adding that Japan had "stolen" Okinawa from China. In China, there was a series of incidents in which Chinese nationals dressed up in Japanese World War II uniforms, brandishing replica guns and waving rising sun flags inscribed with prayers for military success. At least one of these occurred outside a war memorial, in this case, the edifice commemorating the 1937 Nanjing Massacre. The National People's Congress considered a law prohibiting the wearing of such uniforms, [stating](#) that any actions that glorified the invasion or the invaders would not be tolerated.

Interestingly, the Chinese media did not report the visit of the imperial couple to Yonaguni, Japan's westernmost island. Only 80 nm from the Diaoyu/Senkaku chain, the island is said to be visible from Taiwan on a clear day. Japanese media described the visit as one of the last before the emperor's abdication. Previously known mainly for its tourist attractions – reef diving and unusual stone formations – Japan has installed a coastal monitoring system equipped with radar and other sensors to counter threats from China and placed a Ground Self-Defense Force (GSDF) garrison of 150 soldiers on the island.

[Responding](#) to the announcement that Japan's Ministry of Education had amended its curriculum guidelines to teach high-school students that the Diaoyu/Senkaku islands are "indisputably" Japanese territory, China's Foreign Ministry spokesperson advised Japan to "squarely face history and reality, educate youth with a correct view of history," and "cease stirring up troubles on the relevant issue."

Although both countries have expressed opposition to North Korean proliferation, the Japanese government has expressed doubts that Beijing was enforcing United Nations sanctions against Pyongyang. Most recently, Japan's Maritime Self-Defense Force (MSDF) [presented](#) photographic evidence of a vessel marked *Min Ning De You 078* (its markings indicating that it came from Ningde City in Fujian (Min) province) transferring oil to a North Korea flagged tanker off Shanghai. Responding to official representations, a Chinese Foreign Ministry

spokesperson [stated](#) that China attached great importance to the information and would carry out an investigation.

Another diplomatic spat arose when, in response to a directive from Chinese officials, the Japanese retail chain Ryōhin Keikaku announced that it had [scrapped](#) its furniture catalogue. The catalogue's map maker, in an apparent attempt to avoid the sovereignty issue, had omitted the contested islands entirely. The Chinese government also pointed out that the map had not shown islands in the South China Sea that are claimed by China and others. Hainan Island was also shown in a different color from that used for the rest of China. The Foreign Ministry spokesperson said China's border had been "mistakenly" drawn, although did not say where. The following day, Chief Cabinet Secretary Suga Yoshihide [told](#) a press conference that Japan could not accept measures based on China's unilateral assertions. China's Foreign Ministry [countered](#) that, "China welcomes foreign businesses' investment and operation in China, but all of them shall respect China's sovereignty and territorial integrity and abide by China's laws. All countries must respect China's territorial integrity."

Trade and Economics

Japan entered the new year with business confidence high: on the first trading day of 2018, the *Nikkei* stock index [closed](#) above 23,000 for the first time in 26 years. Center-left daily *Asahi*, however, presented a far gloomier picture. Although acknowledging that improvements had been made since the bursting of the country's economic bubble nearly three decades ago, it [urged](#) attention to the need for productivity improvement. Japan would have to offer better products and services at lower prices and at faster speed, as well as coping with the challenges of a rapidly aging and shrinking population. Meanwhile, the Chinese leadership faced resistance to implement the structural reforms its economists said were necessary to guide the country onto a stable path to the "new normal" of 6.5-7 percent annual increases in GDP, even as what one observer termed its great wall of debt continued to grow.

Trade rivalries were much in evidence. A Thai professor [portrayed](#) his country as playing China against Japan economically "like a bamboo tree in the wind." Hoping to improve bilateral relations through economic cooperation rather

than rivalry with China, Japan continued tentative steps toward participation in the PRC's ambitious Belt and Road Initiative (BRI). However, it expressed concern that Beijing intended to use BRI to further its hegemonic ambitions, and pointed out that Beijing's large loans to countries that were poor credit risks were liable to harm their fiscal health.

On the positive side, Japan and China were [reportedly](#) in the final stages of an agreement aimed at resolving the issue of double payments of pension premiums by employees dispatched to each other's country. In April, the fourth high-level Sino-Japanese economic dialogue, the first in eight years, opened in Tokyo. Previous meetings were held in 2007, 2009, and 2010. [According](#) to member of the Chinese Academy of Social Sciences Wang Pin, the reason for the re-opening was improved Sino-Japanese relations due to Japanese recognition of China's greater influence in the world and of the value of the BRI. He added that in light of current China-US trade friction, it is important for Asian countries to cooperate and support each other. Wang Pin seemed to tie a summit to an official visit by Premier Li Keqiang in conjunction with the China-Japan-South Korea meeting in May, and to the high-level exchanges Japan hoped would follow.

Foreign Minister Wang Yi said the bilateral relationship [showed](#) "momentum of improvement though there are still some complicated and sensitive factors." He welcomed Japanese participation in BRI, with Foreign Minister Kōno Taro replying cautiously that Japan was willing to promote further development of regional economic cooperation while safeguarding the global free trade system based on World Trade Organization rules.

In a meeting with reporters, Wang Yi portrayed Tokyo as the supplicant, affirming that he [supported](#) "Japan's stance of wanting to improve relations with China." Insofar as is known, major issues between them, such as the disposition of the Diaoyu/Senkaku Islands and Beijing's annoyance at Japan's perceived lack of remorse over the country's conduct during World War II, were not discussed, and their trade rivalry seems likely to continue. Differences of opinion on a trade pact were evident, with Japan favoring an agreement more similar to the Trans-Pacific Partnership while China argued for concessions that would help Xi Jinping's plan.

A *Nikkei* analyst noted that although it was the Chinese who were pressing to hold the talks, presumably because of the intensification of trade friction with the US, they had downgraded the seniority of the delegation: for the first time, no Politburo member attended. Chief economic adviser Liu He, who is a Politburo member, rather than Foreign Minister Wang Yi, who is not, should have headed the delegation. There was [speculation](#) that the reason was that the growing gap in economic size between China and Japan did not warrant the presence of a Politburo member. Commenting on the Sino-Japanese economic exchanges, a member of the Development Research Center of China's State Council [advocated](#) that the two should stand together to protect an open global trading environment, and jointly oppose Trump's unilateralism.

This did not seem to be happening. Japan, the United States, and the European Union have been [consulting](#) on jointly filing a case against China in the WTO over Chinese rules that effectively force foreign companies to transfer technologies to domestic firms. Since many Japanese companies are at the forefront of the electric vehicles, robots, and transport systems that are the focus of China's "Made in China 2025" initiative, there is a marked sense of urgency among them.

At a meeting in Sydney, Japan, Australia, the United States, and India [discussed](#) the establishment of a joint regional infrastructure scheme as an alternative to China's OBOR. An unnamed official described the plan as nascent, adding that the preferred terminology was "alternative" rather than "rival" to the Chinese initiative.

For all the talk of Japan's participation in BRI, Hong Kong's *South China Morning Post* characterized Tokyo as taking the lead in countering China's initiative. Among other evidence, the paper cited Foreign Minister Kōno's visit to Sri Lanka, which had given China rights to the port of Hambantota in exchange for debts, Prime Minister Abe's visits to the Baltic republics, and Sino-Indian cooperation in several Southeast Asian infrastructure projects as well as on the Asia-Africa Growth Corridor. Describing closer India-Japan ties as motivated by a tendency to target the PRC, a scholar at Yunnan University [advocated](#) that Beijing approach triangular "relations with composure

and oppose any bilateral cooperation that targets a third party."

A *Japan Times* editorial applauded Xi Jinping's promise to loosen trade restrictions, but [cautioned](#) that, given past experience, follow-through was not automatic and should be carefully monitored. Prime Minister Abe should work with Chinese reformers to press for liberalization, consistent with the important role Japan is playing through its stewardship of regional trade initiatives like the Trans-Pacific Partnership and ensuing domestic reforms, to promote and sustain a liberal and open global trading system.

Military and Defense

On the positive side, a delegation of lower-ranking PLA officers visited Japan after a six-year suspension of defense exchanges. Ministry of National Defense spokesperson Wu Qian, replying to a question from the press, [stated](#) that China was willing to work with the Japanese side to enhance mutual trust, accumulate consensus, and manage and control disputes. He noted that the delegation was received by Defense Minister Onodera Itsunori and SDF Chief of Staff Adm. Kawano Katsutoshi.

According to *Yomiuri*, Japan and China are making [arrangements](#) to resume military exchanges begun in 2003 but suspended since the Japanese government bought three of the five disputed Senkaku Islands from their Japanese owners in 2012. Chinese trainees will be dispatched to a 10-month program at the National Institute of Defense Studies (NIDS), the think tank of Japan's Defense Ministry. The article did not mention whether Japanese would be sent to China for a similar program.

Confrontation near the Senkaku/Diaoyu Islands

Most of the other defense-related news was less positive. *Yomiuri* [reported](#) the first Japanese government admission that a submarine, in this case accompanied by a People's Liberation Army Navy (PLAN) frigate, had entered the contiguous zone near the Senkaku chain, implying that it may not have been the first time the time a submarine had actually entered the area. Although the Defense Ministry did not initially [mention](#) the nationality of the submarine and did not call for a maritime security operation by the Self-Defense Forces, Chief Cabinet Secretary Suga explicitly told a press conference that,

“we’ll demand that the Chinese side not impede the current momentum for improving Japan-China relations.” China’s Foreign Ministry immediately defended the action, saying the waters are part of China’s inherent territory, leaving no doubt as to the submarine’s nationality. After crews of two Japanese destroyers approached the submarine, it raised the Chinese national flag. They photographed the vessel and stopped pursuit when it headed toward China. With positive identification in hand, Vice Foreign Minister Sugiyama Shinsuke telephoned Chinese Ambassador Cheng Yonghua to lodge a fresh protest, [saying](#) that the entry by a submarine into a contiguous zone constituted “a unilateral change of status quo and a serious escalation” of the already tense situation in the area. *Global Times* [editorialized](#) that, although the incident could have been addressed through diplomatic means, Japan “hyped it up instantly, derailing its recent efforts to improve ties with China.” It urged the Tokyo government to cease blustering and show more composure. *Jiefang Junbao*, official newspaper of the People’s Liberation Army, added that, “the Chinese military will continue to firmly defend China’s territorial sovereignty and security [interests](#) by all means necessary.”



2Chinese submarine in Japanese contiguous zone; January 11, 2018 (Japan Defense Ministry)

Conservative newspaper *Sankei Shimbun* [asked](#) how, in the face of this fresh provocation, the Abe government could continue to say that improved relations with China were possible. Prime Minister Abe had left for a six-country European trip without even mentioning the Chinese actions, and although Chief Cabinet Secretary Suga had criticized China, he had added, “Our position of completely improving relations remains unchanged, and we would urge China not to hamper this trend.” A former political adviser to the US Marine Corps in Japan [opined](#) that the point of the Chinese incursion was to challenge the US as well as Japan. The

island near which the ships passed, Taisho, also known as Shikibi-sho, is technically under control of the US, which used it as an air-to-ground target area until 1978, just before the Carter administration agreed to normalize relations with the PRC.

A spokesperson for China’s Foreign Ministry [urged](#) Japan to stop making trouble over the Diaoyu Islands issue, protesting the entry of two Maritime Self-Defense Force (MSDF) ships entering the contiguous zone of Chiwei Islet, which, he stated, belongs to China’s Diaoyu Islands. He added that Japan must take concrete measures to improve bilateral ties and meet China halfway, in line with the four-point principled consensus reached in 2014.

Japan bolsters defense in the Southwest region

Yomiuri, in a four-part series on the defense of Japan, [summarized](#) efforts to reinforce remote islands against China. Citing a senior defense official, it argued that China, having reinforced its control over the South China Sea, is likely to increase pressure on the East China Sea. In December 2016, the aircraft carrier *Liaoning* first advanced into the Pacific by sailing between Okinawa and Miyako Jima; bombers and fighter jets now fly over the area frequently. In January, a *Shang*-class nuclear powered attack submarine entered the contiguous zone, but not the territorial waters, near Taisho, one of the contested Diaoyu/Senkaku islands that are under Japanese control. A GSDF unit was deployed on Yonagumi Jima in March 2016; two years later, an Amphibious Rapid Deployment Brigade of the GSDF was formed in Sasebo, and a security unit is scheduled for deployment on Miyakojima in March 2019. Gray-zone contingencies, such as the occupation of islands by Chinese fishermen, will be handled by the Coast Guard.

A draft of Japan’s third five-year ocean plan will explicitly address security threats [including](#) China’s maritime advances. Among the risk factors cited are foreign government vessels entering Japan’s territorial waters, and foreign fishing boats operating illegally, washing ashore, or drifting off the coast. Regarding the Senkakus, the plan calls for the Coast Guard to “urgently prepare a system to guard territorial waters.” Units will be deployed to the Nansei Islands, which stretch southwest from Kyushu to Taiwan, and efforts will be made to integrate all relevant maritime data among agencies,

including detecting suspicious ships, surveillance vessels, aircraft, and artificial satellites.

Japan's GSDF [announced](#) the creation of a Ground Component Command (GCC), to take effect from March 27. The GCC will control overall operations of GSDF brigades and divisions nationwide. An Amphibious Rapid Deployment Brigade (ARDB) was also created. The reorganization, the largest since the GSDF was founded in 1954, aims to enhance the force's ability to respond to contingencies as well as natural disasters. The ARDB is responsible for retaking remote islands occupied by foreign forces. Its 2,100 personnel are equipped with amphibious vehicles and will be the central GSDF unit in operations to "retake remote islands seized by foreign forces." *Yomiuri* [editorialized](#) that the GSDF reorganization was crucial in dealing with China, whose incursions into Japan's territorial waters had become a normal occurrence. The new GCC, with its centralized control of the five regional armies, is horizontal to the MSDF and ASDF's commands, with the aim of developing integrated operation of the three services.

Sankei Shimbun [reported](#) that Japan is to deploy an ASDF mobile radar unit in the Ogasawara Islands to monitor airspace violations and approaching foreign aircraft, to compensate for the lack of fixed radars on surrounding islands. The ASDF's Second Mobile Aircraft Control and Warning Squadron from Iruma Base will be in charge of deploying the mobile radar unit.

Japan activated its first marine unit since World War II, [described](#) as having been trained to counter occupation by China. Col. Grant Newsham, a retired US Marine Corps liaison officer who helped train the group, commented that Japan still needs a joint Navy-Army amphibious headquarters to coordinate operations as well as more amphibious ships to carry troops and equipment. According to Newsham, Japan could have a reasonable capability by late 2019.

The Japanese government [announced](#) that, in response to China's rapid military expansion in the area, it is considering the introduction of F-35 B, which needs a much shorter airstrip. It has [commissioned](#) a study on the feasibility of converting the helicopter destroyer *Izumo* into an aircraft carrier, with the defense of Japan's remote islands in mind. According to former

MSDF executives, and despite the Defense Ministry's denials, the *Izumo* was [designed](#) to take the possibility of future changes into an aircraft carrier. This was done with China's increasing maritime advances around Japan's southwestern islands in mind.

Japan looks for friends

Joint training exercises between the Indian and Japanese coast guards were for the first time joined by counterparts from Sri Lanka and the Maldives, both of which face the strategically crucial Indian Ocean. *Asahi* [observed](#) that China had contributed to the construction on harbors in Sri Lanka and the Maldives, and that Chinese ships and submarines had anchored at ports in both, adding that the Abe administration was seeking to deepen cooperation with nations under its "free and open Indo-Pacific region" strategy as a way to counter the PRC's maritime advances. Three days later, The Japanese government [announced](#) plans to strengthen naval capacities to nations in the Indian Ocean. Aid will first be given to Sri Lanka and Djibouti, with *Yomiuri* noting that "the rush to provide aid to Sri Lanka and Djibouti was prompted by both nations' requests for cooperation on fighting piracy and other issues, as well as by progress China has made in building ports and other 'important footholds' in these nations."

Japan and France agreed to conduct a joint maritime exercise in February that was [described](#) as "a show of strength against China's ambition to make the South China Sea its stronghold." The two sides affirmed the importance of freedom of navigation. They are also discussing an Acquisition and Cross-Servicing Agreement (ACSA) and joint research on mine detection technology. By virtue of its control of New Caledonia and French Polynesia, France has status as a Pacific state.

Britain's Royal Navy and the MSDF participated in their first joint exercises in the waters off the Kanto region, designed to enhance cooperation. They [conducted](#) anti-submarine drills and procedures for refueling at sea. The Japanese contingent included the destroyer *Suzanami*, the resupply vessel *Tikwa*, P-1 patrol aircraft, and submarines; the Royal Navy was represented by the frigate *Sutherland*.

Japan continued to donate equipment to countries feeling pressure from Chinese activities. In accordance with a law allowing the

donation of excess defense and military equipment to partner states, Tokyo transferred three Beechcraft TC-90 planes to the Philippines. Defense Secretary Delfin Lorenzana [accepted](#) noting that, although the relationship between the Philippines and China was very strong, the maritime row with China was “still a security worry.”

Japan's increases its defense capabilities

The first of an anticipated 10 F-35A stealth fighter jets was deployed at the ASDF's Misawa Airbase in Aomori. According to the [Defense Ministry](#), the planes will be used for surveillance of North Korean ballistic missile launches and to deter intrusions into Japanese airspace. The deployments will also strengthen interoperability with the US. Anticipating criticism that the deployment of the aircraft was a step away from Japan's defense-only posture, Defense Minister Onodera stated that, since there is a division of roles between the two countries, no change in Japan's reliance on US attack capabilities is expected. *Xinhua* immediately [responded](#), calling the deployments “constitutionally unsound and unsettling for regional stability.” It also placed the action in the context of rising defense budgets and plans to convert the Izumo helicopter carrier into a de facto aircraft carrier.

Reuters [revealed](#) that the Japanese government had issued requests for information (RFIs) to the US and Britain for a new fighter plane. Designated the F-3, it will be designed for air superiority and will supplement the ASDF's F-35 stealth fighters. Existing airframes that could be used include Lockheed Martin's F-35, Boeing's F/A-18E/F, and the Eurofighter Typhoon, only the first of which is designed to be stealthy. Japan has struggled to develop an indigenous design.

The Japanese government [announced](#) arrangements to introduce a new missile intercept system on two of its *Aegis*-equipped destroyers that will be deployed in FY 2019 and 2020. The new system will enable an *Aegis* vessel stationed in the Sea of Japan that had exhausted its supply of intercept missiles to share radar information with another *Aegis* vessel stationed elsewhere, so that the second vessel could use the information for targeting enemy missiles.

China complains about Japan's “normalization of the military”

An article in China's *Guoji Wenti Yanjiu* [predicted](#) that, despite obstacles such as institutional hurdles to constitutional revision, pacifist sentiment, and the inexperience of its military, Japan's capacity for self-defense is likely to increase in the coming years. While this will allow the United States to concentrate more on other areas of the world, Tokyo will be able to drive harder bargains with Washington.

China Military Online [commented](#) that Japan's announced intention to unify its capabilities in space, cyberspace, and electronic warfare under one command “is yet another step toward Japan's ‘normalization of the military’ as well as an attempt to break the ‘purely defensive defense’ and the ‘peace constitution.’” The paper added that another motive for this action is to deepen cooperation between Japan and the United States. It did not mention that in September 2015 the PRC established a strategic support force to combine the PLA's own capabilities on these matters.

Chinese analyst Zhu Haiyan [argued](#) that Abe has used UN peacekeeping operations to demonstrate Japan's capabilities and its will to use them, promote a positive image, and accustom the world to Japan's use of force. Zhu predicted that although Japan cannot block China's rise, it could harm China's image and undermine its soft power by alleging that there is a China threat. Its increasing military capabilities will cause a regional arms race that will complicate China's regional security environment and obstruct its peaceful development.

Japan complains about China's growing defense budget

Japanese newspapers, even center-left dailies that are normally sympathetic to China, were critical of the Chinese government's announcement that the country's defense budget would increase by 8.1 percent in 2018. *Asahi* [reacted](#) with dismay, noting that the PRC's defense budget is already the world's second largest even though it does not include many military outlays. It added that no new version of the PRC's defense white paper has been published since 2015, and that the spending plan contains only the total amount of the budget, equivalent to \$169.17 billion, and some policy

slogans such as “providing powerful support to help realize the dream of a strong military” are causing concerns to the PRC’s neighbors.

Meanwhile, the Chinese Navy has started operating a base in Djibouti, acquired port-use rights in South Asia, and is building military bases on reclaimed land on reefs in disputed areas. *Mainichi* [described](#) the country as moving toward a “digital dictatorship,” observing that the defense budget is 3.5 times the size of Japan’s, and that the 8.1 percent increase exceeds the projected 6.5 percent of GDP.

Yomiuri [editorialized](#) that “resolute measures” were needed against China’s assertive maritime advances that could “pour cold water on efforts to improve Japan-China ties.” The government must repeatedly convey Japan’s position at summit meetings and other occasions, and to press China to exercise self-restraint so the situation does not accelerate. It is vital that both sides agree on a maritime and aerial communication mechanism between the SDF and the Chinese military, but at the same time, Japan should boost its warning and surveillance capabilities.

However, China also pushed back against Japanese assessments. It [reacted](#) angrily to the latest [iteration](#) of the Japanese National Institute of Defense Studies’ (NIDS) *China Security Report 2018*. The cautiously worded NIDS study, entitled *The China-US Relationship at a Crossroad*, concluded that Chinese policy is simultaneously attempting to stabilize its relationship with the United States while becoming more assertive in East Asia. While stabilization of the US-China relationship is desirable, if stability is achieved through bilateral compromises that entail changes in the regional status quo, the result would likely be regional instability. China’s Ministry of National Defense spokesperson termed the study “irresponsible and untenable.” Since the 40th anniversary of the signing of the China-Japan Peace and Friendship Treaty was imminent, Wu expressed hope that Japan could view China’s domestic and foreign policies objectively and rationally. At the same time, a *Nikkei* analyst, citing a number of efforts China had made to improve its weapons, expand its basing rights, and produce aircraft carriers, accused China as “[acting](#) in a way that recalls European imperialism.”

Culture

While certain areas touching on the history of Sino-Japanese relations remain off-limits, efforts to create friendlier relations are more easily achievable in the soft power/cultural sphere. A Sino-Japanese jointly [produced](#) film, “Legend of the Dragon Cat,” directed by acclaimed Chinese director Chen Kaige, began showing in Tokyo. Based on a period fantasy novel by Yumemakura Baku, it is based on a Japanese monk who meets a Chinese poet in Tang dynasty Chang’an.

Japan and China are scheduled to sign an agreement on joint film productions, the first of its kind for Japan, when Premier Li Keqiang visits Tokyo in May. The agreement aims at circumventing current problems such as permission to film in certain locations, visa issuances, and the import and export of film equipment. Since the Chinese government will regard films based on this accord to be domestic, they will not count against the PRC’s limit on the number of foreign films that can be screened in the country. However, a note of caution was [sounded](#) by Kawaguchi Yukihiro, president of Access Bright Japan, which specializes in Chinese content and has deep knowledge of the PRC’s entertainment industry. According to Kawaguchi, the accord may not be effective “when the political situation (with China) worsens.” The signing will occur as part of the festivities to mark the 40th anniversary of the Japan-China Treaty of Peace and Friendship.

Other tensions existed as well. Chinese netizens were reportedly refuting the contention of an article in Japan’s *Daiyamondo* that assessed Japanese children’s fitness as superior to those of Chinese children although, [according](#) to the reporter, it is true that grandparents, who often are the main caregivers for working parents, tend to cosset and spoil the youngsters.

Taiwan

Aware of extreme Chinese sensitivity over its claims to sovereignty over Taiwan, Japan and Taiwan continued to gently press the limits of China’s toleration of their interactions. *Kyodo*, for example, [reported](#) that an urban renewal project in Taipei had retained Japanese colonial era features, citing several Taiwanese experts on the benefits of Japanese rule of Taiwan.

In February, the *Taipei Times* [revealed](#) that the head of Taiwan's Veterans Affairs Council (VAC) had visited Japan in the previous month. According to the report, the VAC was responding to an invitation from Japan's veterans' association, Taiyukai, and "[paving] the way toward regular interactions between the two agencies." Although Taiyukai has no formal government affiliation, its headquarters are at the Japanese Ministry of Defense, its chair and director, retired generals, had separately served as heads of the SDF Joint Chief of Staff. The visit, the first since VAC was founded in 1974, was kept low-key to avoid Beijing's attention.

Eric Chuo, head of Taiwanese machinery manufacturer Hiwin Technologies [announced](#) that his company planned to make Japan its top priority in 2018. The company, with branches in nine countries, is considering building plants in Aichi, and plans to acquire a Japanese machinery maker.

A letter to the editor of the *Taipei Times* noted that the letter Prime Minister Abe had originally written to Taiwan president Tsai Ing-wen after the devastating Hualien earthquake was [deleted](#) from the Japanese government's website after the Chinese government complained. Abe had addressed Tsai as "Her Excellency" and urged Taiwan to "*ganbare*" (hang in there). The author of the letter added that a poll of Taiwanese showed that 75.8 percent of respondents believed that Japan was likely to help Taiwan in an emergency, as compared to 1.8 percent for China.

In an editorial headlined "China Must Not Heighten Regional Tensions with Intimidation of Taiwan," *Yomiuri* [stated](#) that tension between China and Taiwan is directly linked to Japan's national security, and that the Japanese government should take unspecified steps to counter China's intimidation tactics.

At a ceremony in Suao, Taiwan, a Sophia University student's camera, lost at sea two years ago, was returned to her. It had washed ashore there, and was found by school children; their teacher's post on Facebook led to establishing contact with the owner. Japan's *Jiji Press* [quoted](#) the grateful student as expressing her wish "to serve as a bridge for friendship between Japan and Taiwan." The accompanying photograph included placards celebrating Taiwan-Japanese friendship, with Taiwan's

national flag placed in parallel with that of Japan.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

JANUARY – APRIL 2018

Jan. 3, 2018: *Sankei Shimbun* reports the Japanese government had [begun](#) arrangements for an agreement with like-minded countries to create international rules on electronic commerce.

Jan. 4, 2018: An [opinion piece](#) in *Global Times* argues that bilateral security cooperation between Australia and Japan is part of a plan to preserve the hegemony of the two plus India and the United States, “reframed as ‘rules-based international order’ on the pretext of supporting a peaceful and stable Indo-Pacific.”

Jan. 4, 2018: *Xinhua* announces the [launch](#) of a multi-year effort to compile previously missing historical records from 1931-1945, including “invading, looting, and other crimes of Japanese troops” to help fill in missing gaps. The study is to include an estimated 1 million characters and to be ready for publication in 2020.

Jan. 4, 2018: At a press conference, Prime Minister Abe Shinzo [announces](#) that his new year’s resolution is to take the net big step toward revising the constitution.

Jan. 4, 2018: Speaking at a meeting at a Tokyo hotel, Prime Minister Abe [declares](#) that he would like to make 2018 a year in which both the “Japanese and the Chinese people perceive that bilateral relations have greatly improved.”

Jan. 5, 2018: *Global Times*, [reprinting](#) *Xinhua*, has a relatively low-key response to Abe’s plans to revise the constitution, adding only that there was “staunch criticism” from opposition parties and the public. *China Daily* [runs](#) a cartoon showing a slyly smiling Abe cutting the lock on the cage of a large, vicious lizard, as a frightened dove tried to fly away.

Jan. 7, 2018: Japanese comedian Muramoto Daisuke says if China invaded the Diaoyu/Senkaku Islands Japan should immediately surrender, adding that Japan had stolen Okinawa from China. *Global Times* responds with an opinion piece by a Chinese student in Japan, who said that criticism of the comment [revealed](#) “erosion of the concept of free speech in Japanese society.”

Jan. 11-13, 2018: *Yomiuri* [reports](#) the first government admission that a submarine, in this case accompanied by a PLAN frigate, had entered the contiguous zone near the Senkaku chain.

Jan. 11, 2018: *Global Times* [editorialized](#) that, although the submarine intrusion incident could have been addressed through diplomatic means, Japan had “hyped it up instantly, derailing its recent efforts to improve ties with China.” *Jiefang Junbao*, official newspaper of the PLA, added that “the Chinese military will continue to firmly defend China’s territorial sovereignty and security [interests](#) by all means necessary.”

Jan. 11, 2018: Chinese Foreign Ministry spokesperson [urges](#) Japan to stop making trouble over the Diaoyu Islands issue, protesting the entry of two MSDF ships entering the contiguous zone of Chiwei Islet.

Jan. 11, 2018: Japanese government [announces](#) arrangements to introduce a new missile intercept system on two of its *Aegis*-equipped destroyers that will be deployed in FY 2019 and 2020.

Jan. 13, 2018: Conservative Japanese daily *Sankei Shimbun* [asks](#) how, in the face of this fresh provocation, the Abe government could say that improved relations with China were possible.

Jan. 15, 2018: Thai professor [portrays](#) his country as playing China against Japan “like a bamboo tree in the wind.”

Jan. 18, 2018: Joint training exercises between the Indian and Japanese coast guards were for the first time joined by their counterparts from Sri Lanka and the Maldives.

Jan. 18, 2018: *China Military Online* [comments](#) that Japan's announced intention to unify its capabilities in space, cyberspace, and electronic warfare under one command "is yet another step toward Japan's 'normalization of the military' as well as an attempt to break the 'purely defensive defense' and the 'peace constitution.'"

Jan. 21, 2018: Japanese government [announces](#) plans to strengthen naval security capacities to nations in the Indian Ocean.

Jan. 23-24, 2018: Senior legislators from China and Japan meet in Tokyo and [agree](#) to work to improve ties.

Jan. 25, 2018: Japan and France agree to conduct a joint maritime exercise in February that is [described](#) as "a show of strength against China's ambition to make the South China Sea its stronghold."

Jan. 26, 2018: The first of an anticipated 10 F-35A stealth fighter jets is deployed at the Japanese ASDF base at Misawa Airbase in Aomori Province.

Jan. 26, 2018: A spokesperson for the Chinese Foreign Ministry [expresses](#) strong dissatisfaction with the opening of an exhibition in Tokyo to showcase Japan's claim for the Senkaku Islands. China's resolve to safeguard sovereignty over the Diaoyu Islands, she added was steadfast.

Jan. 27-28 2018: Foreign Minister Kōno Tarō visits China, his first since taking office in office and the first by a Japanese foreign minister in 21 months. His counterpart Wang Yi [calls](#) for "Japan's joint efforts to advance ties, [adding](#) that there were "many disturbances and obstacles."

Jan. 29, 2018: *Yomiuri* reports that Japan and China are making [arrangements](#) to resume military exchanges begun in 2003 but suspended since the Japanese government bought three of the five disputed Senkaku Islands from their Japanese owners in 2012.

Jan. 29, 2018: Chinese Vice Foreign Minister and Special Representative for Korean Peninsula Affairs Kong Xuanyou [meets](#) Japan's Director-General of the Asian and Oceanian Affairs and chief representative for Six-Party Talks Kanasugi Kenji in Beijing.

Feb. 5, 2018: Eric Chuo, head of Taiwanese machinery manufacturer Hiwin Technologies [announces](#) that his company planned to make Japan its top priority in 2018. The company, with branches in nine countries, is considering building plants in Aichi, and plans to acquire a Japanese machinery maker.

Feb. 10, 2018: An [article](#) in Hong Kong's *South China Morning Post* credits Japan with taking the lead in countering China's Belt and Road initiative, citing Foreign Minister Kōno's visit to Sri Lanka, which had given China rights to the port of Hambantota in exchange for debts.

Feb. 12, 2018: Japanese government [announces](#) that, in response to Chinese rapid military expansion it is considering introduction of the F-35B, which needs a much shorter airstrip. It has [commissioned](#) a study on the feasibility of converting the helicopter destroyer *Izumo* into an aircraft carrier, with the defense of Japan's remote islands in mind.

Feb. 14, 2018: Japanese economic growth in the last quarter of 2017 was 0.05 percent, the eighth straight quarter of growth and longest since the financial bubble of the 1980s.

Feb 19, 2018: At a meeting in Sydney, Japan, Australia, the US, and India [discuss](#) establishment of a joint regional infrastructure scheme as an alternative to China's Belt and Road Initiative.

Feb. 20 2018: Chinese analyst Zhu Haiyan [argues](#) that PM Abe has used UN peacekeeping operations to demonstrate both Japan's capabilities and its will to use them, promote a positive image, and accustom the world to Japan's resuming the use of force.

Feb. 20, 2018: An article in China's *Guoji Wenti Yanjiu* [predicts](#) that, despite obstacles such as institutional hurdles to constitutional revision, pacifist sentiment, and the inexperience of its military, Japan's capacity for self-defense is likely to increase in the coming years.

Feb. 21, 2018: Japan's MSDF [reports](#) a vessel marked *Min Ning De You 078* (with *Min* meaning Fujian, and *Ningde* a city in North Korea) transferring oil to a North Korean flagged tanker near Shanghai, in violation of UN sanctions. The Chinese Foreign Ministry spokesperson [states](#) that the Chinese government attaches great importance to the information and is carrying out an investigation.

Feb. 23, 2018: According to former MSDF executives, and despite the Defense Ministry's denials, the helicopter destroyer *Izumo* was [designed](#) to be adapted as an aircraft carrier.

Feb. 23, 2018: Two men who [posed](#) in Japanese military uniforms at an anti-Japanese war monument in Nanjing are arrested after they upload photographs on themselves on social media. According to *South China Morning Post*, there have been similar instances in the past several months.

Feb. 24, 2018: *China Daily* article advocates passage of a law [prohibiting](#) the wearing of Japanese imperial army uniforms.

Feb. 27, 2018: Japan [launches](#) its seventh reconnaissance satellite, an optical satellite that can detect missile launches "and other things at military and other facilities" in North Korea and perhaps elsewhere in Asia.

March 3, 2018: Japan's leading business daily [describes](#) Abe as making efforts to charm allies to counter Beijing's growing influence, citing Australian Prime Minister Malcolm Turnbull's tour of the GSDF training ground and Defense Minister Onodera Itsunori becoming the first foreign dignitary to inspect *HMS Queen Elizabeth*.

March 6, 2018: Chinese government announces that the country's defense budget would increase by 8.1 percent in 2018. *Asahi* [reacts](#) with dismay, noting that the PRC's defense budget is already the world's second largest even though it does not include many military outlays.

March 7, 2018: *Yomiuri*, Japan's largest circulation paper, [opines](#) that Xi's consolidation of power "bodes ill for China and the world." Coupled with the PRC's sustained military buildup, it is essential for neighboring countries to be vigilant.

March 7, 2018: National Institute of Defense Studies' (NIDS), a think tank attached to Japan's Defense Ministry, publishes the 2018 version of its China security report, *The China-US Relationship at a Crossroad*.

March 7, 2018: China [reacts](#) angrily to the NIDS report, with Ministry of National Defense spokesperson terming it "irresponsible and untenable."

March 7, 2018: A *Nikkei* analyst, citing a number of efforts China has made to improve its weapons, expand its basing rights, and produce aircraft carriers, accuses China as "[acting](#) in a way that recalls European imperialism."

March 9, 2018: *Reuters* [reveals](#) that the Japanese government has issued requests for information (RFIs) to the US and Britain for a new fighter plane.

March 10, 2018: Foreign Minister Wang Yi, in an address to the National People's Congress, says China is willing to work with Japan to restore relations to healthy, stable growth "as long as Japan does not prevaricate, flip-flop or backpedal but accepts and welcomes China's development."

March 20, 2018: Japanese government [announces](#) that \$940 million in investments and loans will be made available to fund space start-ups, to better compete with China and other countries.

March 21, 2018: China transfers control of its Coast Guard to the People's Armed Police (PAP), which was placed under the command of the Central Military Commission (CMC) in January.

March 21, 2018: The LDP's Research Commission on National Security [recommends](#) that Japan introduce a multi-mission "defensive" aircraft carrier.

March 23, 2018: The GSDF [announces](#) creation of a Ground Component Command, to take effect from March 27. An Amphibious Rapid Deployment Brigade has been created as well. The reorganization aims to enhance the force's ability to respond to contingencies on remote islands as well as natural disasters.

March 24, 2018: A draft of Japan's third five-year ocean plan will explicitly address security threats [including](#) China's maritime advances.

March 25, 2018: Philippine Defense Secretary Delfin Lorenzana [accepts](#) three Beechcraft TC-90 planes from Japan, noting that, although the relationship between his country and China is very strong, the maritime row with China is “still a security worry.”

March 31, 2018: Chinese Foreign Ministry spokesperson, [responding](#) to a statement that Japan’s Ministry of Education had amended its curriculum guidelines to teach high school students that the Diaoyu/Senkaku Islands are indisputably Japanese territory, urged Japan to face squarely history and reality, educate youth with a correct view of history, and “cease stirring up troubles on the relevant issue.”

April 1, 2018: *Yomiuri* [editorializes](#) that the recent GSDF reorganization was crucial in dealing with China, whose incursions into Japan’s territorial waters had become a normal occurrence.

April 2, 2018: *Sankei Shimbun* [reports](#) that Japan is to deploy an ASDF mobile radar unit in the Ogasawara Islands to monitor airspace violations and approaching foreign aircraft, to compensate for the lack of fixed radars on surrounding islands.

April 4, 2018: *Yomiuri*, in a four-part series on the defense of Japan, [summarizes](#) efforts to reinforce remote islands against China.

April 6, 2018: According to *Asia Times*, Taiwan has been [sharing](#) with Japan information on its investigations into attacks, cyber espionage, and major data breaches. Taiwan is believed to be a testing ground for Chinese techniques before they are deployed against other countries.

April 7, 2018: Japan activates its first marine unit since World War II. It is [described](#) as having been trained to counter occupation by China.

April 12, 2018: *Japan Times* editorial applauds Xi Jinping’s promise to loosen trade restrictions, but [cautions](#) that follow-through was not automatic and should be carefully monitored.

April 13, 2018: *Yomiuri* [editorializes](#) that “resolute measures” are needed against China’s maritime advances, which could “pour cold water on efforts to improve Japan-China ties.”

April 16, 2018: Fourth high-level Sino-Japanese economic dialogue, and the first in eight years, opens in Tokyo.

April 17, 2018: British journal *Scientific Reports* publishes findings [confirming](#) massive deposits of rare earth minerals in Japan’s exclusive economic zone near Minami-Torishima Island.

April 21, 2018: Japanese Defense Ministry reveals that it has completed the design concept of fighter jets to replace the ASDF’s currently deployed F-2s.

April 23, 2018: *Yomiuri* editorial [states](#) that tension between China and Taiwan is directly linked to Japan’s national security, and that the Japanese government should take unspecified steps to counter China’s intimidation tactics.

April 25, 2018: Draft law prohibiting people in Japanese military uniforms taking selfies outside memorials and other locations associated with the War of Resistance Against Japanese Aggression is submitted to the Standing Committee of the National People’s Conference for second review, with supporters [stating](#) that “the new clause mainly targets acts that glorify the Japanese invasion and invaders. It clearly states that such behavior won’t be tolerated”

April 26, 2018: [Replying](#) to a question on a delegation of lower-ranking PLA officers visiting Japan after a six-year suspension of defense exchanges, Ministry of National Defense spokesperson Wu Qian states that China was willing to jointly work with the Japanese side to enhance mutual trust, accumulate consensus, and manage and control disputes.

April 27-28 2018: Britain’s Royal Navy and the MSDF participate in their first joint exercises in the waters off the Kanto region, designed to enhance their cooperation.

April 28, 2018: Japanese Defense Ministry [releases](#) study into the conversion of the MSDF’s helicopter destroyer into a full-fledged carrier “in case Japan were required to provide rear-line support for a U.S.-led war.”

April 28, 2018: Commenting on recent Sino-Japanese economic exchanges, a member of the Development Research Center of China's State Council [advocates](#) that the two stand together to protect an open global trading environment, and jointly oppose Trump's unilateralism.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

JAPAN-KOREA RELATIONS

THE NORTH KOREA FACTOR

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In the first four months of 2018, Japan's relationship with South Korea was influenced more than ever by North Korea as a thaw in inter-Korean relations created a new dynamic for Japan-Korea relations. The shift began with Kim Jong Un's expressed hope for improvement in Seoul-Pyongyang relations and inter-Korean talks in his 2018 New Year's speech. The PyeongChang Winter Olympics created significant momentum and the inter-Korean summit in late April put an exclamation mark on the dramatic turnabout. While Moon Jae-in's administration welcomed the initiative from the North with guarded optimism and facilitated the improvement in relations as the gracious host for both the Olympics and the summit, the Abe administration kept a skeptical and indeed critical stance toward North Korea's "charm offensive." However, Japan was forced to move away from its hardline policy in the face of inter-Korean bonhomie and when the US recognized the shift as an opportunity to move toward diplomacy with North Korea.

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North Korea emerges as a factor in South Korea-Japan relations

North Korea only recently became a factor in South Korea-Japan ties. Prompted by a shared concern about Pyongyang's provocations and its nuclear program, the two countries had closely cooperated on military and security matters in recent years. In the [previous year](#), ups and downs in relations were largely driven by their disagreement over the 2015 comfort women deal. The decision by the Moon administration to revisit the 2015 accord, concluding that it did not fully reflect a "[victim-oriented approach](#)" – a widely accepted norm of the international community for human rights of wartime women – created a diplomatic spat with the Abe administration, which maintained the position that the accord "finally" and "irreversibly" resolved the comfort women issue. While squabbling continued over history – not only comfort women, but also the Dokdo/Takeshima islets – continued in early 2018, it was less salient because Pyongyang's engagement with Seoul increased the urgency for close Seoul-Tokyo coordination on the North Korea issue.

Peace Olympics: 2018 PyeongChang Winter Olympics



[Olympism](#) – promoting peace through sports – was strong in the first four months of 2018. The 2018 PyeongChang Winter Olympics, hosted by South Korea from Feb. 9-25, was fraught with political and diplomatic implications for all countries in the region. Until the end of last year, Japan's Prime Minister Abe Shinzo had made clear his intention to [decline](#) to attend the opening ceremony, citing his objections to Seoul's recent revisiting of the 2015 comfort women accord. However, the remarkable diplomatic progress with North Korea in early 2018 led to Japan's request for talks on Jan. 24 with South Korea to arrange Abe's [attendance](#) at the ceremony; South Korea officially [welcomed](#) Abe's offer. The reversal was so sudden that on

Feb. 9, the opening day of the Olympics, Abe and President Moon held their third bilateral summit and shared their views on history, security, and diplomatic issues. Three factors led to the change in Abe's position on the opening ceremony of PyeongChang Olympics: domestic politics, the 2020 Tokyo Summer Olympics, and North Korea.

The *Hankyoreh* attributed Abe's attendance at the Olympics to [domestic politics](#). Abe viewed PyeongChang as the ideal venue to push the Moon administration to implement the 2015 comfort women accord and for Abe to regain his approval rating and momentum for constitutional reform. Indeed, the comfort women issue was a major point of contention during the Feb. 9 meeting. Moon urged Japan to look squarely at history and expressed his hopes for "[true friendship](#)" between the two countries. Abe [demanded](#) that South Korea faithfully implement the 2015 deal and asked for the removal of the comfort woman statue in front of the Japanese Embassy in Seoul. Moon responded that "the reason we decided that the comfort women issue has not been resolved is because the former comfort women and the Korean public have not accepted the content of the agreement that was reached by the previous administration."

Other analysts argued that Abe's decision was partly driven by a concern about the [2020 Tokyo Summer Olympics](#). A South Korean government official told the press that the Japanese government was conscious that cooperation with South Korea would be essential for successfully hosting the upcoming Olympics in Tokyo. However, domestic politics and diplomatic pragmatism did not really explain Abe's last-minute embrace of the PyeongChang Winter Olympics given that Abe was planning in late 2017 to [decline](#) South Korea's invitation.

Then, what changed within the one month? The recent thaw in inter-Korean relations seems to be the best explanation. Reversing an earlier position of no participation, Kim Jong Un's willingness to send a North Korean delegation to the 2018 Winter Olympics changed everything. It was welcome news to the Moon administration, which wanted to make the PyeongChang Winter Olympics a "[Peace Olympics](#)" and had made persistent [efforts](#) to invite North Korea to the Games. South Korea immediately welcomed the North's decision. It also changed Japan's calculus even though the

Abe administration remained critical and cautious toward the North.

The divergence of South Korean and Japanese views on North Korea's new diplomatic gesture was evident at "a Foreign Minister's Meeting on Security and Stability on the Korean Peninsula" that took place in Vancouver, Canada Jan. 15-16. There, South Korean Foreign Minister Kang Kyung-wha expressed guarded optimism that the Olympics could be a watershed event that might lead to [détente](#) on the Korean Peninsula. She proposed resuming humanitarian assistance to the North. Japanese Foreign Minister Kono Taro warned that the world should not be naive or blinded by North Korea's "charm offensive," and voiced [opposition](#) to South Korea's humanitarian aid proposal. Kono [remarked](#), "I am aware that some people argue that because North Korea is engaging in inter-Korean dialogue, we should reward them by lifting up sanctions or by providing some sort of assistance.... Frankly I think this view is just too naive. I believe that North Korea wants to buy some time to continue their nuclear missile program." The US and the UK agreed.

Abe's decision to participate in the Olympics was initially driven by Japan's desire to nudge Seoul to be more cautious about the North's charm offensive and [maintain](#) a strong united front on the denuclearization of North Korea. During their bilateral summit on Feb. 9, Abe expressed Tokyo's concerns about Pyongyang's "[smile diplomacy](#)" and explicitly called on South Korea to resume its annual joint military drills with the United States, which Seoul and Washington earlier agreed to postpone until after the PyeongChang Olympics to encourage North Korea's participation in the Games. However, President Moon [rejected](#) Prime Minister Abe's call to resume the joint military drills outright, telling Abe that the issue is a matter of South Korea's sovereignty, saying, "I understand what Prime Minister Abe said is not to delay South Korea-U.S. military drills until there is progress in the denuclearization of North Korea. But the issue is about our sovereignty and intervention in our domestic affairs."

To show how complex this diplomacy was, a Japanese government insider noted that [Washington](#) strongly urged Tokyo to consider having Abe attend the Olympics, citing the need to "warn Moon in person against breaking with the maximum pressure strategy spearheaded by the U.S. and Japan."



Diplomatic spat and sync: the 2018 inter-Korean summit

After the Olympics, the single most dramatic event in Northeast Asia was the April 27 North-South summit. In the run-up to the summit, South Korea and Japan worked most closely on diplomatic approaches to North Korea, despite different views on its overture toward the South. Dispelling Japan's concern that the thaw in inter-Korean relations could rupture Seoul and Tokyo's united front on North Korean nuclear issues, the two countries exchanged views and information on North Korea to ensure close policy coordination. For instance, on March 15, senior diplomats and defense officials from Japan and South Korea held the first [joint diplomacy-defense talks](#) in three years to discuss details of planned bilateral [summits](#) between Moon and Kim and between Moon and Trump. On March 17, Foreign Ministers Kono and Kang [met](#) in Washington to discuss the security situation on the Korean Peninsula and details related to the upcoming inter-Korean summit. The two ministers agreed to [strengthen](#) coordination. On March 21, the US, South Korea, and Japan held the [Defense Trilateral Talks](#) (DTT) in Washington.

Efforts by Seoul and Tokyo to synchronize policies were criticized by North Korean media in March. The *Korean Central News Agency (KCNA)* accused Japan of trying to [undermine](#) the recent improvement in the North's ties with South Korea and the US and said that "Now is time to [reject](#) cooperation with foreign forces," because it "leads to confrontation and war." *Rodong Sinmun*, the newspaper of the North Korean Workers' Party, [slammed](#) South Korea's security consultation meeting with Japan in March by describing it as "foul meetings to plot confrontation which run counter to the current reconciliatory mood for inter-Korean relations and improving the security situation of the Korean Peninsula." However, despite the risk of

provoking the displeasure of Pyongyang and spoiling the mood on the Korean Peninsula, Seoul and Tokyo continued to work closely. On March 30, Foreign Ministers Kang and Kono had an “in-depth” [phone conversation](#) on preparations for the inter-Korean summit and the North Korea nuclear issue. Kang reaffirmed South Korea’s commitment to peacefully resolving the North’s nuclear program and promised to closely cooperate with relevant partners on that matter. Kono called for close cooperation to make the planned inter-Korean summit a success.

In April, policy coordination efforts between Tokyo and Seoul further intensified through shuttle diplomacy, which reassured Japan and allowed South Korea to earn Tokyo’s support for the summit. On April 10–11, Foreign Minister Kono [traveled to](#) South Korea for the first time since he took office in August 2017. On April 23, South Korea’s top nuclear negotiator Lee Do-hoon met Japanese counterpart Kanasugi Kenji in Seoul. At the meeting, the [envoys](#) emphasized the importance of consultation and cooperation between relevant countries for the successful inter-Korean summit and denuclearization of North Korea.

To show how sensitive all parties are, an issue that engendered a diplomatic spat between South Korea and Japan was South Korea’s decision to offer a [dessert](#) featuring an image of Dokdo/Takeshima – disputed islets between Japan and Korea – at the inter-Korean summit. After Cheong Wa Dae disclosed details of the menu for the summit dinner, Japan’s Foreign Ministry’s Director General of Asian and Oceanian Affairs Kanasugi expressed regret and called on the South Korean government to drop the food from the menu. Ignoring Tokyo’s protest, the dessert was served at the dinner on April 27. After all, if there is one thing that North and South Korea can agree on, it is that Dokdo is Korean.



After the inter-Korean summit, Prime Minister Abe [said](#) that he welcomed the inter-Korean summit talks to build peace and denuclearize the Korean Peninsula and “takes them as positive moves.” He also praised the South Korean government’s efforts that led to the summit. However, Abe also strongly urged North Korea “to take concrete action” following the agreement and said that he “will keep watching North Korea.” Two days after the inter-Korean summit, Moon and Abe talked by telephone to discuss the results. Moon told Abe that he had relayed Tokyo’s hopes to normalize ties with Pyongyang and offered to [broker](#) a dialogue between North Korea and Japan. Abe expressed his gratitude to Moon for relaying Tokyo’s interest in meeting with Kim and for addressing the [abduction](#) of Japanese nationals by the North at the inter-Korean summit.

The months ahead

The next few months will likely be the most consequential and potentially transformative in decades for Northeast Asia. Depending on the success of the US–North Korea summit, which will be held in Singapore on June 12, relations in the region could move dramatically for the better, or rapidly return to the threats and name-calling of the past year. Four months ago, it would have been almost inconceivable to think that North Korea would have a voluntary moratorium on missile testing, be talking about dismantling its nuclear weapons program (whatever that means in practical terms), be discussing an end to the Korean War, and be discussing diplomacy with the United States. Given the rapid increase in diplomacy in the region, all countries and all leaders are scrambling to adjust to new possibilities. The North Korea factor will continue to drive the course of Seoul and Tokyo’s relations in the summer months of 2018. The critical factor will

be whether North Korea takes concrete actions toward denuclearization based on the inter-Korea agreement. If it does in any meaningful way, it will profoundly affect both South Korea and Japan's policy coordination toward North Korea and toward each other. If a North Korea-Japan bilateral summit is scheduled for 2018 as Abe is attempting to do, Seoul-Tokyo relations will be largely shaped by their close coordination on that summit. These are truly fascinating times, and ones that are, in some ways, unprecedented in recent history.

CHRONOLOGY OF JAPAN-KOREA RELATIONS

JANUARY – APRIL 2018

Jan. 2, 2018: South Korean Foreign Minister Kang Kyung-wha [cites](#) strained bilateral relations with Japan over comfort women issues as one of the diplomatic challenges confronting South Korea in her New Year speech.

Jan. 4, 2018: South Korean President Moon Jae-in [holds](#) a lunch meeting with eight former wartime sex slaves of the Japanese military at Cheong Wa Dae as an apparent demonstration of his objection to 2015 comfort women agreement. It followed Moon's visit to Kim Bok-dong, a 90-year-old former sex slave at a local hospital.

Jan. 4, 2018: Lee Do-hoon, special representative for Korean Peninsula peace and security affairs, talks by telephone with Japanese counterpart Kanasugi Kenji to [share](#) assessments of the security situation of the Korean Peninsula.

Jan. 5, 2018: *Yonhap* reports that Foreign Minister Kang has begun efforts to [listen](#) to views of former wartime sex slaves of Japan since the Foreign Ministry task force concluded that the 2015 comfort women deal had procedural problems and did not fully reflect opinions of the victims and civic groups.

Jan. 8, 2018: South Korean Foreign Ministry Director General for Northeast Asian Affairs Kim Yong-kil [meets](#) Director General for Asian and Oceanian Affairs Kanasugi to discuss bilateral issues.

Jan. 8, 2018: Choi Jong-ku, chairman of the Financial Services Commission (FSC), says South Korea seeks deeper [cooperation](#) with Japan and China in regulating cryptocurrencies.

Jan. 9, 2018: Foreign Minister Kang says South Korea will not seek [renegotiation](#) of the 2015 comfort women deal with Japan, but demands Japan's fresh "voluntary and heart-felt apology" to victims. In response, Foreign Minister [Kono](#) Taro says, "It's totally unacceptable that South Korea demands Japan carry out more measures, even though the 2015 Japan-South Korea agreement confirmed a final and irreversible resolution."

Jan. 10, 2018: In a nationally televised press conference, President Moon [calls for](#) Japan's sincere apology to resolve wartime sexual slavery issue.

Jan. 15-16, 2018: Foreign Ministers Kang and Kono [attend](#) "a Foreign Minister's Meeting on Security and Stability on the Korean Peninsula" in Vancouver, Canada, where foreign ministers of 20 countries [express](#) support for inter-Korean talks and the importance of diplomatic efforts to resolve the North Korea's nuclear issue.

Jan. 21, 2018: South Korea's Finance Ministry [levies](#) a 56.3 percent preliminary anti-dumping duty on coated paper from Japan to protect its local industry.

Jan. 22, 2018: At the 196th session of the Diet, Foreign Minister Kono [reaffirms](#) Japan's commitment to closely cooperating with South Korea on North Korea issue and building a future-oriented relationship. He stresses that the Japan-ROK agreement on the comfort women issue is "final and irreversible." and reaffirms Tokyo's position that Takeshima is an inherent part of the territory of Japan.

Jan. 23, 2018: Ambassador Lee Su-hoon says South Korea needs to take a [long-term](#) approach in dealing with sexual slavery issue with Japan. South Korean Foreign Ministry spokesperson says Seoul has yet to determine the fate of a [fund](#) worth ¥1 billion paid by Japan under the 2015 comfort women deal and will also consult with Japan about how to handle the fund.

Jan. 24, 2018: Japanese Embassy in Seoul officially requests Prime Minister [Abe's](#) attendance at the opening ceremony of PyeongChang Winter Olympics. Cheong Wa Dae [welcomes](#) Abe's offer to visit South Korea.

Jan. 25, 2018: [Nikkei](#) reports that Abe's decision to attend the opening ceremony of the PyeongChang winter Olympics was prompted by the US.

Jan. 25, 2018: South Korea strongly protests Japan's establishment of an [exhibition](#) hall intended to promote its claims to Dokdo/Takeshima.

Jan. 29, 2018: South Korean Defense Minister Song Young-moo suggests that the navies of South Korea, Japan, the US, China, and Russia hold a joint forum on peace and [maritime](#) order in Northeast Asia.

Feb. 1, 2018: Ferrotec Korea Corp., the local subsidiary of Japanese semiconductor parts firm Ferrotec, is referred to South Korean prosecutors over industrial [spying](#) allegations.

Feb. 6, 2018: Chief Cabinet Secretary Suga Yoshihide says South Korea's use of flag showing Dokdo/Takeshima islets during PyeongChang Winter Olympics is "extremely regrettable" and urges Seoul to take "appropriate measures." South Korea's Foreign Ministry reaffirms it will not use a unification [flag](#) showing Dokdo/Takeshima during the Olympics.

Feb. 8, 2018: South Korea's [export](#) of agricultural products and food increase in January, aided by a jump in shipments to Japan. A cheering squad of [Chongryon](#), a pro-North Korea organization in Japan, arrives in South Korea for the PyeongChang Winter Olympics.

Feb. 9, 2018: Prime Minister Abe makes his first visit to South Korea since President Moon took office. The two meet in Pyeongchang.

Feb. 10, 2018: Cheong Wa Dae official says President Moon [rejected](#) Prime Minister Abe's call to resume South Korea-US military drills.

Feb. 12, 2018: [Lawmakers](#) from South Korea and Japan discuss North Korea's Olympics charm offensive as the key topic at the second annual forum.

Feb. 14, 2018: Japan's Education Ministry posts new [textbook](#) guidelines with its renewed claim to Takeshima on Tokyo's e-government website for public view. South Korea voices strong [protest](#) against the textbook guidelines.

Feb. 18, 2018: South Korean man is detained for threatening to [blow up](#) the Japanese Embassy in Seoul after an NBC commentator's favorable remark about Japan's colonial rule of Korean Peninsula.

Feb. 20, 2018: Seoul Central District Court orders South Korean government to pay 7 million won in [compensation](#) to Kato Tatsuya, a former Seoul bureau chief of the *Sankei Shimbun*, acquitted of defaming ex-President Park Geun-hye in a news article regarding the Sewol Ferry sinking in 2014.

Feb. 22, 2018: Japan's Shimane Prefecture holds annual event to promote its claim to Takeshima, which was designated "[Takeshima Day](#)" in 2005. South Korean Foreign Ministry lodges an official protest with Tokyo.

Feb. 22, 2018: South Korea's trade ministry says that it will [appeal](#) the World Trade Organization (WTO) ruling on import restrictions on Japanese seafood after the 2011 Fukushima nuclear disaster to safeguard public health and safety.

Feb. 26, 2018: During her keynote speech to the [United Nations Human Rights Council](#) in Geneva, Foreign Minister Kang says efforts to resolve the issue of Japan's sexual enslavement of Korean women during World War II "lacked a victim-centered approach."

Feb. 28, 2018: Japan allows [import](#) of processed poultry from South Korea following six years of negotiations.

March 1, 2018: In a speech marking the anniversary of the March 1 Movement, President Moon strongly urges Japan to sincerely reflect on past wrongdoings and says that Japan has [no right](#) to claim that the sex slave issue is settled.

March 8, 2018: South Korean businesses in Japan forecast [increased](#) sales in 2018 due to Japan's economic recovery, according to Korean International Trade Association (KITA).

March 12, 2018: Suh Hoon, special envoy of President Moon, [visits](#) Japan to meet Prime Minister Abe and Foreign Minister Kono to explain the outcome of his two-day visit to North Korea, where he held talks and dinner with leader Kim Jong-un. During a meeting with Suh, Kono voices his “respect” for South Korea’s diplomatic efforts to bring North Korea back to negotiations and describes the situation as a “[moment right before the miracle](#).”

March 15, 2018: Japan and South Korea hold a [joint meeting](#) of senior diplomats and defense officials, the so called “two-plus-two” meeting, to discuss policy cooperation for the first time in three years.

March 16, 2018: Prime Minister Abe and President Moon hold a phone conversation. Moon stresses that inter-Korean ties can move forward when [Pyongyang-Tokyo ties](#) improve.

March 17, 2018: Foreign Ministers Kono and Kang [meet](#) in Washington to discuss the latest security situation on the Korean Peninsula and details related to the inter-Korean summit. They agree to [strengthen](#) coordination on North Korea.

March 17, 2018: Korean Central News Agency (KCNA) accuses Japan of trying to [undermine](#) the recent improvement in North Korean relations with South Korea and the US.

March 19, 2018: Cheong Wa Dae tells reporters that the national security advisers of South Korea, Japan, and the US had an [unannounced meeting](#) in San Francisco to discuss ways for “complete denuclearization” of Korea.

March 21, 2018: US, South Korea, and Japan hold [Defense Trilateral Talks](#) (DTT) in Washington.

March 23, 2018: South Korea, Japan, and China hold trade talks in Seoul.

March 23, 2018: South Korea, Japan, and the US agree to maintain close cooperation against North Korea’s [illegal maritime activity](#), including illicit shipment, which is prohibited under UN Security Council resolutions.

March 26, 2018: *Rodong Sinmun* [slams](#) South Korea’s security consultation meeting with Japan in March by describing it as “foul meetings to plot confrontation which run counter to the current reconciliatory mood for inter-Korean relations and improving the security situation of the Korean Peninsula.”

March 30, 2018: Foreign Ministers Kang and Kono have a [phone](#) discussion on inter-Korean summit, North Korea nuclear issue, and bilateral relations. Seoul strongly [condemns](#) Tokyo’s endorsement of new textbook guideline with its sovereignty claim over Dokdo/Takeshima.

April 1, 2018: KCNA [criticizes](#) South Korea’s defense cooperation with Japan and the US saying that “Now is the time to reject cooperation with foreign forces,” because it “leads to confrontation and war.”

April 5, 2018: *Yonhap* reports that Japan and South Korea will decide the fate of their protracted negotiations for a [bilateral fisheries agreement](#) by the end of April.

April 9, 2018: Oh Tai-kyu, South Korea’s new consul general in Osaka, vows to narrow [differences in perceptions](#) among Koreans and Japanese over Japan’s wartime sexual slavery of Korean women. South Korea’s trade ministry says that it has filed an [appeal](#) against a ruling by the WTO on its import restrictions on Japanese seafood.

April 10–11, 2018: Foreign Minister Kono [visits](#) South Korea and [meets](#) President Moon and Foreign Minister Kang. Moon says “[close communication and cooperation](#) between South Korea and Japan are more important than ever.”

April 13, 2018: Coalition of South Korean civic groups vows to [erect a statue](#) for forced labor victims near Japanese consulate in Busan.

April 20, 2018: South Korea protests a group of 76 high-level Japanese officials’ visit to [Yasukuni Shrine](#). The group includes State Minister for Foreign Affairs Sato Masahia and Okuno Shinsuke, state minister for internal affairs and communications.

April 21, 2018: South Korea voices deep concerns over Prime Minister Abe’s sending of [offering](#) to the Yasukuni Shrine.

April 23, 2018: Top [nuclear envoys](#) of South Korea and Japan meet in Seoul to discuss cooperation on North Korea and its nuclear issues.

April 24, 2018: In a telephone conversation with President Moon, Prime Minister Abe expresses [hope](#) to meet North Korean leader Kim Jong Un after inter-Korean summit.

April 25, 2018: Japan protests South Korea's plan to offer a [dessert](#) featuring "Dokdo" at the upcoming inter-Korean summit.

April 27, 2018: Prime Minister Abe [welcomes](#) inter-Korean summit agreements to build peace and denuclearize the Korean Peninsula, but also strongly urges North Korea "to take concrete action" following the agreement.

April 29, 2018: President Moon and Prime Minister Abe hold telephone talks to discuss the result of the inter-Korean summit.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

CHINA - RUSSIA RELATIONS

ABSORBING SHOCK AND AWE: TRUMP STYLE

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A year into Donald Trump's presidency, both China and Russia have found themselves in a more difficult relationship with the United States. For the first time in history, the two large powers were characterized as "revisionists," "strategic competitors," and "rivals" in a series of US strategy documents: the 2017 [National Security Strategy](#) (NSS), 2018 [National Defense Strategy](#) (NDS) and 2018 [Nuclear Posture Review](#) (NPR). In practical terms, the US threatened Beijing with a [trade-war](#) and tried to play the [Taiwan card](#), while punishing Russia with [Syria bombings](#) and [diplomat expulsions](#). Meanwhile, Russian President Putin secured his next six years, his fourth term in office, with 77 percent of the vote while President Xi Jinping succeeded in [ending a two-term limit](#) on the PRC presidency. At the onset of 2018, the three largest powers in the world were in the hands of strongmen and the world was in uncharted waters as the US appeared ready to simultaneously take on China and Russia as its main rivals for the first time since the early 1970s.

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All the president's men...

The first four months of 2018 did not witness any top-level leadership exchanges between China and Russia. Other senior officials, however, frequented each other's capitals. By early April, both newly appointed Chinese foreign and defense ministers went to Moscow for their first trips abroad as Russia's relations with the West had plunged to a new low. In facing the increasingly hawkish and unpredictable Trump administration, these exchanges continued to define the shape and substance of the Sino-Russian "comprehensive strategic partnership of coordination" (CSPC).

In his meeting with visiting Chinese Foreign Minister Wang Yi on April 5, Russian Foreign Minister Sergey Lavrov stressed the strategic and comprehensive nature of bilateral relations. "Our relations are global and strategic. Moscow and Beijing set an example with their balanced and responsible approach to resolving current international issues and effectively work together in various multilateral formats, primarily in the UN, but also in the SCO, BRICS, G20, APEC, East Asia Summits and the Conference on Interaction and Confidence-Building Measures in Asia as well as at other venues," said [Lavrov](#). Indeed, given the inconsistencies of Trump's foreign policy, Russia and China found more assurance in each other's arms as the Russian foreign minister described "[the unprecedentedly high level](#) of Russian-Chinese comprehensive partnership and strategic cooperation."

In his meeting with President Putin, Wang Yi also framed China's relations with Russia as based on "the highest level of political mutual trust" (最高水平的政治互信) with the CSPC as the only status that each country granted to the other (中俄互为彼此唯一的全面战略协作伙伴). Wang's Moscow trip was particularly weighted as he was defined as a special envoy of President Xi, who received his second term as Chinese president five days after Putin got his fourth-term presidency. Russia was also Wang's first foreign destination after his appointment as a counselor of the State Council (国务委员), which is equivalent to being a vice premier. This means Wang will supervise China's foreign affairs even after he retires from the foreign minister position.



1 President Putin with Special Envoy of the Chinese President, Member of the Chinese State Council, and Foreign Minister Wang Yi

Other high-ranking Chinese officials were also in Moscow in early April. China's newly appointed Defense Minister Wei Fenghe (魏凤和) visited April 1-5 on his first overseas trip after his mid-March appointment. In addition to getting acquainted with his Russian counterparts, Wei attended the Seventh International Security Conference on April 4-5, which, according to Wei, was [a signal](#) to "let the Americans know about the close ties between the armed forces of China and Russia." In his meeting with Wei, Russian Defense Minister Sergey [Shoigu](#) was quoted as saying that the high-level Russian-China relationship was becoming an important factor for world security.



2 Defense Minister Sergey Shoigu and Defense Minister Wei Fenghe (Xinhua)

It was a coincidence that China's foreign and defense ministers were in Moscow in early April since Wang's original visit was originally set for March 27-28. However, immediately after a big fire in a department store in the Siberian city of Kemerovo, which killed 60 people, Russia requested that China [postpone Wang's Russia trip](#) to early April.

In their [talks](#) in Moscow, Russian and Chinese defense officials focused on the Korean nuclear

issue and its military implications for Russia and China. They also talked about the US security strategy that defines both China and Russia as its rivals. [Wei](#) was accompanied by the PLA's Army Chief of Staff Liu Zhenli (刘振立) and Air Force Chief of Staff Yu Qingjiang (俞庆江). The PLA delegation also visited the Military Academy of Russia's General Staff, the elite Tamaskaya Tank Division (Таманская дивизия) outside Moscow and some underground facilities at an unknown location. For Wang, the first order of business was to prepare for Putin's official visit scheduled for June as the Russian president will join the annual SCO summit in Qingdao. Beyond these time-sensitive issues, senior Chinese and Russian officials reportedly reassessed the scope, substance, and adaptability of the CSPC in light of changed US security and nuclear strategies.

An anti-US non-alliance?

China and Russia would not form a military alliance, but would cooperate to confront US hegemony, remarked Dmitri [Trenin](#) of the Carnegie Moscow Center. Trenin's "anything-but-not-alliance" depiction of the CSPC offered the highest degree of freedom of action, while leaving options open for an alliance if necessary. Those who called for an alliance between Moscow and Beijing, such as Qinghua University political scientist Yan Xuetong, have never been the mainstream. Top leaders of both countries have said that the goal of CSPC is not alliance formation. For Beijing and Moscow, an ideal world order would be the democratization of interstate relations in which multiple centers of different political, economic, and civilizational entities would co-exist. This diverse world would accommodate current efforts to construct multilateral institutions and conceptualized frameworks such as the [SCO](#), [BRICS](#), [BRI](#), [AIIB](#), [EAEU](#), [Harmonious World](#), [Community of Common Destiny](#), while continuing to work with West-led multilateral institutions such as the UN, World Bank, IMF, G20, G7, etc. A Beijing-Moscow alliance would require some fundamental changes in the thinking and practice of their current foreign policy paradigms.

A China-Russia alliance could also be impractical given the nature and scope of the threats posed to each of them. Despite the deterioration of the security situation, external threats to China and Russia have not been

systemic and irreversible. Many, if not all, of these threats could be managed by diplomatic and nonmilitary means. A case in point is the North Korean nuclear issue. Until recently, it was perhaps the most imminent threat to regional and even global stability with the possibility of a real war involving major powers. A series of diplomatic maneuvers, notably by the two Koreas and almost all the major powers (except Japan), has defused, or at least delayed, the Korea "time bomb" by reorienting it into an ironic competition for a Nobel Peace Prize. In fact, the outcome of the Korean issue, at least for now, testifies to the validity of the long-time position of Beijing and Moscow that the Korean issue should be resolved through diplomatic and political means. This nonmilitary approach also applies to and is preferred regarding many current security issues for China and Russia such as Taiwan, the South China Sea, China's border disputes with India, Iran, and Syria.

The identification of China and Russia by the Trump administration as revisionists and top rivals, ahead of North Korea and ISIS, may lead to a situation in which Russia and China are simultaneously challenged, or even threatened, by the US to an extent that Moscow and Beijing are forced to form a formal alliance. That prospect, however, is far from certain given the inconsistencies of the Trump administration, the relative decline of US power and still credible nuclear deterrence. Nor are these strategies necessarily new. The Ukraine crisis happened during the Obama administration, whose Asia-Pacific "rebalance" and TPP were far more substantial than the strategy of the Trump administration. In the longer term, what is needed in the age of WMD is to manage disputes and crises. In this area, an alliance may not be the best option for Russia and China.

Nevertheless, the Sino-Russian partnership could be highly effective in synchronizing joint actions, particularly on military-security issues of mutual grave concern. One such issue was the joint naval [transportation of Syrian chemical weapons in 2013-14](#). Another case was their response to the United States' deployment of missile defense in South Korea in 2017. Chinese and Russian defense agencies conducted [two computerized missile defense simulations](#) in May 2016 and December 2017 and held four joint briefings on missile defense issues in multilateral forums in 12 months. The potential for Russia and China to move toward a real alliance, therefore, may depend on external

circumstances, particularly their respective relations with the West. Nor does it necessarily target any particular third country. In essence, the CSPC has been an adaptable, dynamic, and open-ended process through which both sides have learned to manage important bilateral, regional, and global affairs.

Perhaps the most important argument against an alliance between Moscow and Beijing is the current CSPC, which is a product of non-alliance, and which both sides find more equitable and comfortable. This “best ever” relationship has been achieved despite the huge change in the balance of power between the two: namely, the steady rise of China and historical decline of Russia, which is unprecedented in bilateral ties since the 16th century. There must be a more powerful and mutually beneficial construct of bilateral relations to displace the CSPC, which is not in sight.

Putting China and Russia in the same category of the US’ “main rivals,” however, may have unintended consequences for the Trump administration, which has not abandoned its plan to drive a wedge between Moscow and Beijing. Even at the lowest point in US-Russian relations, Trump does not seem to have given up on winning Russia over. After the March 2018 Russian presidential election, Trump initiated a phone call with Russian President Putin to [congratulate](#) him on his re-election. The US president never raised the issue of Russia’s meddling in the US election or the alleged nerve agent attack in London. Instead, the two focused on issues of “shared interests” including North Korea, Ukraine, etc. The US president went so far as to invite Putin for a summit “in the [not-too-distant future](#)” It was the [ninth phone call](#) between the two leaders despite all the accusations against Trump. They also expressed satisfaction with the relaxed Korean situation.

In contrast, Trump never officially congratulated Xi Jinping on his second term as China’s president. *Xinhua* released a strange piece with the title “Trump congratulated Xi’s reelection as Chinese president (特朗普祝贺习近平当选中国国家主席).” But after a lengthy list of greetings from 26 heads of states, the article ended by saying that, “US President Trump congratulated Xi with [other means](#)” (以其他方式). Apparently, Trump has not given up pulling Russia away from China, according to Beijing’s *Global Times* citing [various Russian sources](#) praising Trump’s initiatives. To drive home his

Russian-friendly-and-China-phobia strategy, Trump signed the [Taiwan Travel Act](#) that encourages the US to send senior officials to Taiwan and vice versa on March 16. Although the legislation is nonbinding, [Beijing](#) considers it a major departure from the one-China principle, which is seen as the foundation of the China-US relationship.

Trump was not the only person inside the Beltway to toy with the idea of dividing Russia from China, which is singled out as the main and long-term challenger to the US-led liberal international order (LIO). Research by the National Bureau of Asian Research (NBR) also explored this possibility (see [Asia Policy, Vol. 13, No. 1, January 2018](#)).

Efforts to undermine the CSPC between Beijing and Moscow will continue regardless of what happens between the two Eurasian powers. They may not lead to the desired outcomes, however, since the CSPC has been driven largely by bilateral dynamics of the two countries and is therefore independent of, or immune to, their respective relations with the West, particularly with the US. One reason for this is the fact that the CSPC is ideology-free, meaning the two countries no longer assess and work with each other on the principle of ideological sameness. This state of mind evolved through a prolonged process in which the same communist ideology first minimized and then maximized socio-cultural differences between the two communist systems. Both sides paid a huge price for their overemphasis on ideology. After a short “honeymoon” (Sino-Soviet alliance, 1949–1960) and prolonged “divorce” (or confrontation in 1960–1989), the two countries found themselves in the “just-right” (Goldilocks) state of affairs as they deal with each other as they are, not what they want the other side to become. It is a cliché to depict Sino-Russian relations as a “marriage of convenience,” but living with one another without sentimentality, but with sensitivity to the lessons of history and each other’s vital interests, is a tacit ideational construct for many Russian and Chinese political elites.

The CSPC has gone well beyond current liberal interventionism in the West, which has caused many instabilities and miseries in the Middle East and much blowback against the West in the form of terrorism, refugees, and anti-establishment populism. For China and Russia, the current harsh posture of the US stems

largely from a strong sense of disappointment and dismay over the failed effort to “change” the two large powers with a [neoliberalist](#) agenda (democracy and free market economics) – hence the alleged “end” of the liberal international order. Unless the West significantly moderates its liberal interventionism, the CSPC between Moscow and Beijing, which is ideology free, will not be abandoned.

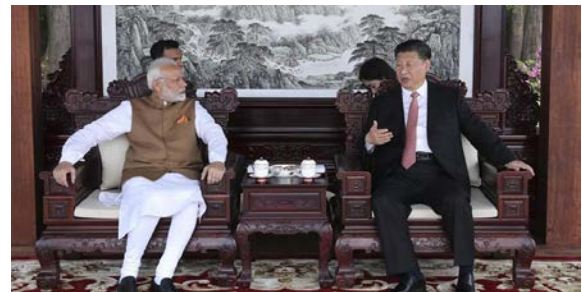
FOIP vs. Primakov’s Dream?

One of the key components of the December 2017 US *National Security Strategy* is the “free and open Indo-Pacific” (FOIP) strategy, which made a lot of sense given the sensitive and unstable relationship between China and India. In the post-Cold War decades, India became a favorite of the West as it was the most populous democracy in the world and has a thriving economy. As a result, the India factor in the FOIP strategy, which is seen as formulated around the quadrilateral security dialogue among the US, Japan, Australia, and India, seems natural for the Trump administration to contain a rising China.

China has not officially responded to the FOIP strategy, although Chinese experts have been actively [debating](#) its scope and substance with a wide spectrum of assessments. Some believe that strategy has yet to take definitive shape. Others consider it an extension of Obama’s Asia-Pacific “rebalancing.” Still others see it as a comprehensive strategy consisting of military, economics and political dimensions, although its players may have different dreams despite being in the same “bed” (FOIP), according to [Wu Minwen](#) (吴敏文) of the University of Science and Technology of National Defense. A major difference between FOIP and Obama’s rebalancing, however, seems to be the “infrastructure” dimension of the FOIP, according to [an assessment](#) in early April. This focus is evident in the infrastructure-centered Japan-US-Indian foreign ministerial meetings in New Delhi on April 4; the three countries committed to major infrastructural projects in several Southeastern countries with specific funding and coordination. The most alarmist Chinese analysts believe that FOIP transformed itself from a geographic concept to a geostrategic one on Oct. 18, 2017 when former US Secretary of State Rex Tillerson delivered a talk to CSIS. One of the goals of FOIP was to balance and constrain China’s Belt and Road Initiative (BRI) strategy, said [Wei Hongxia](#) (魏红

霞), a researcher in the American Institute of the Chinese Academy of Social Science in Beijing. The last thing that China would like to see is FOIP’s integration with Taiwan’s “[New South Policy](#)” (新南向政策).

The rationale for the FOIP was complicated when Indian Prime Minister Narendra Modi paid a surprise “unofficial” visit to China on April 27–28. The two-day “informal” summit between President Xi and Prime Minister Modi was “nothing but [extraordinary](#),” remarked Xi as he greeted the visiting Modi. Despite its “informal” format, the summit in Wuhan reportedly achieved “[broad consensus](#)” through “in-depth exchanges of ideas regarding issues of global, long-term and strategic importance,” according to the *Global Times*. For the first time in 28 years, the non-performing “link” of the Russia-India-China (RIC) trio, which was conceptualized by the late Russian PM Yevgeny Primakov (Евгений Примаков) in 1995, is coming back to life.



3 Prime Minister Modi and President Xi meet in Wuhan (Xinhua)

Much of their nine-hour discussion covered development strategies and governing methods of the two largest countries in the world. Xi explained China’s approaches to urbanization, urban-rural relations, and China’s focus on quality of life through “[supply-side](#)” economics, meaning structural changes for producers to meet the specific needs of China’s consumers. It remains to be seen how Xi’s “new era for building socialism of Chinese characteristics” and Modi’s “new India” will converge.

For Xi, mutual trust is the key to the stability and development of bilateral relations. The China-India relationship was of [strategic importance](#), given that the two large Asian countries are not only the most rapidly developing markets but also the main forces for global multipolarity and economic globalization.

“The two agreed on the need to strengthen strategic communication through greater consultation on all matters of common interest,” said Indian Foreign Secretary Vijay Gokhale after the summit. Beyond bilateral ties, the two sides agreed on building an open, multipolar and an open global economic order. Peaceful and stable India-China ties would be a positive development for global governance.

It would be naive to expect that the cumulative problems between the two largest Asian countries would evaporate with one summit. Modi’s sudden pivot to Wuhan may well be driven more by his need for another five years in office than a genuine policy reorientation. This informal meeting took place, however, against a backdrop of heightened US pressure on China, particularly the Indo-Pacific strategy with a visible Indian role in containing China. The two-day summit apparently improved mutual trust so much that Modi’s invitation to Xi for a second meeting in India was immediately accepted. Any improvement in relations with India would reduce the likelihood of a C-shaped encirclement of China by the US’ Indo-Pacific strategy. Modi said India pursued an independent foreign policy, globalization, multilateralism and democratization of international relations. These concepts run counter to Trump’s unilateralism and America-firstism and Beijing would like to see India live up to its declared independent posture in world affairs.

India and China have plenty of issues between themselves. The Tibet issue, though being managed, persists. India still lives in the shadow of its [1962 war](#) with China. The Kashmir issue and the \$62 billion China-Pakistan Economic Corridor (CPEC) remain irritants for India. And, India has yet to join China’s BRI. Finally, India’s ruling elite remain suspicious and even hostile toward China. The informal summit, nonetheless, represents a first step toward a more pragmatic relationship after years of mutual suspicion.

One of the concrete results of the informal summit was a “[strategic guidance](#) to their ... militaries to strengthen communication in order to build trust and mutual understanding and enhance predictability and effectiveness in the management of border affairs,” according to the Indian media. The commitment to confidence-building between the two militaries was both timely and vital given the 73-day standoff in

June–August 2017 in the Doklam border area (*dong lang* 洞朗 in Chinese). The two sides are working to ensure that their 3,488-km joint border would not see a repeat of the faceoff that sent ties plummeting.

For India, China’s declared foreign economic policies provide India with specific benefits, while the US factor remains uncertain. Trade with China has increased steadily since 2014. In 2017, bilateral trade grew 20 percent to \$84.4 billion, and India’s exports to China jumped 40 percent. Meanwhile, China’s investment in India increased by 40 percent as major Chinese appliance and electronics companies continue to invest in India. All these developments require the two sides to synchronize in a world in which more than a third of the population (2.6 billion) are Chinese and Indian. The benefit from cooperation is certain while the cost for confrontation is also guaranteed. Xi and Modi seem to have chosen the former.

The elephant-dragon “dance” may lead to substantial outcomes in geopolitics as the Xi-Modi summit constitutes the first step toward a more equitable Eurasian league. It remains to be seen if the dream of Primakov will give rise to new dynamics not only in the China-Russia-India trio but in the US-India-China-Russia quadrilateral game in a fluid and unpredictable international environment.

CHRONOLOGY OF CHINA-RUSSIA RELATIONS

JANUARY – APRIL 2018

Jan. 10, 2018: Russia's Deputy Foreign Minister Igor [Morgulov](#) meets China's Ambassador to Russia Li Hui to discuss the Korean Peninsula and agree to coordinate bilateral efforts with a view to reaching a political and diplomatic settlement.

Jan. 13, 2018: Deputy Foreign Minister Morgulov meets Chinese Assistant Foreign Minister [Kong Xuanyou](#) in Moscow. They exchange opinions on the Korean nuclear issue and Northeast Asia and emphasize "the need to further improve coordination of efforts between Russia and China in order to de-escalate tension and settle the entire range of problems in the region based on mutually promoted peace initiatives."

Jan. 26, 2018: Russia's Deputy Foreign Minister and Special Presidential Representative for the Middle East and Africa Mikhail [Bogdanov](#) receives Chinese Ambassador Li to discuss the Middle East and Syria.

Feb. 7, 2018: [Opening ceremony](#) for the Years of Russian-Chinese Interregional Cooperation (2018 and 2019) is chaired in Harbin by Chinese Vice Premier Wang Yang and Russian Deputy Prime Minister and Plenipotentiary Presidential Representative in the Far Eastern Federal District Yuriy Trutnev.

March 3, 2018: Russian State Aerospace Group (ROSCOSMOS) and China National Space Administration sign an [agreement of cooperation](#) in the areas of moon exploration, deep space studies, and the creation of a joint data center for space exploration. The document is signed on the sidelines of the second International Forum of Space Exploration in Tokyo.

March 12, 2018: Deputy Foreign Minister Morgulov receives Ambassador Li to discuss bilateral relations and the current state of affairs on the Korean Peninsula.

March 15, 2018: Deputy Foreign Minister [Morgulov](#) travels to Beijing to co-chair the Russian-Chinese Dialogue on Security in Northeast Asia with China's Assistant Foreign Minister Kong Xuanyou. Morgulov also meets Foreign Minister Wang Yi.

March 15, 2018: Deputy Foreign Minister and Special Presidential Representative for the Middle East and Africa [Bogdanov](#) meets China's Special Envoy on the Middle East Gong Xiaosheng on the sidelines of the Rome II Ministerial Meeting to support the Lebanese Armed Forces and the Internal Security Forces. They discuss the Middle East, including the current situation in Syria and Libya, and the prospects for a Palestinian-Israeli settlement.

March 17, 2018: President Vladimir Putin sends congratulatory [message](#) to Xi Jinping on his election as president of China. Putin notes that Russia-China relations have reached an unprecedented height thanks largely to Xi's personal push.

March 19, 2018: President Xi sends [a congratulatory message](#) to President-elect Putin. Xi and Putin also [talk](#) over the phone.

March 26, 2018: President Xi and Premier Li Keqiang send messages of condolence to Russian counterparts for the 64 victims of a fire in a department store in Kemerovo Siberia.

March 26, 2018: More than 20 Western countries expel more than 130 Russian diplomats in retaliation against the alleged nerve agent poisoning of former Russian spy Sergei V. [Skripal](#) and his daughter in the UK on March 4.

April 1-5, 2018: China's Defense Minister Gen. [Wei Fenghe](#) visits Russia and leads the Chinese group for the seventh Moscow International Security Conference.

April 4-5, 2018: China's Foreign Minister and State Counselor Wang Yi visits Moscow as President Xi's special envoy. He meets Russian counterpart Lavrov and President Putin.

April 4-5, 2018: Russian-Chinese Commission on the joint verification of two sections of the state border between Russia and China holds its [first sessions](#) in Moscow.

April 23-24, 2018: Russian FM Lavrov visits China and meets FM Wang. Lavrov also attends the SCO's annual foreign ministerial meeting, where President Xi meets SCO foreign ministers.

April 25-26, 2018: Fifth Russian-Chinese conference of the Valdai Discussion Club, titled "Russia and China: Contemporary Development Challenges" is held in Shanghai and more than 50 officials and leading experts from Russia and China attend.



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

JAPAN-SOUTHEAST ASIA RELATIONS

REDIRECTING STRATEGIC FOCUS IN THE AGE OF THE INDO-PACIFIC

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Japan and Southeast Asia faced a new regional dynamic in 2017 following the inauguration of President Donald Trump in the United States and Philippine President Rodrigo Duterte's accommodative foreign policy toward China. US withdrawal from the Trans-Pacific Partnership and the Philippines' unwillingness to discuss the 2016 South China Sea arbitration award forced Japan and some Southeast Asian states to redirect their strategic focus. Most Southeast Asian states increasingly welcome Japan's regional initiatives in trade, security, and development to fill the vacuum created by these policy shifts. Japan has actively emphasized the "Free and Open Indo-Pacific Strategy," the geographic scope of which goes well beyond East Asia and covers the entire Pacific Ocean to East Africa. This new strategic focus has revitalized Japan's cooperation with Southeast Asia. Nevertheless, there are serious challenges that Japan needs to overcome, particularly in clarifying ASEAN's roles in the strategy.

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Three renewed agendas: trade, security, and development

The policy adjustments that Japan and Southeast Asian states have made derive from the power shift caused by China's increasing influence in East Asia and the world, but this trend accelerated with the emergence of Trump and Duterte. In East Asia, the adjustments are well illustrated by the August 2017 release of the *Revised Implementation Plan of the Vision Statement on ASEAN-Japan Friendship and Cooperation: Shared Vision, Shared Identity, Shared Future*. The document is the revision of the implementation plan of the 2013 ASEAN-Japan Vision Statement, which emphasized the importance of enhancing social, economic, political, and security ties between Japan and ASEAN, as well as between Japan and each Southeast Asian state. Furthering their comprehensive ties, three agendas became the center for their strategic focus in 2017/2018: trade, security, and development.



1Abe and Duterte 2017 (Rappler)

Trade

The US withdrawal from the Trans-Pacific Partnership (TPP) in 2017 had a negative impact on prospects for the treaty. Politically, the withdrawal illustrated the fluctuation in the US commitment to Asia and raised doubts about the US leadership role in East Asia under the Trump administration. Trump's willingness to meet Southeast Asian leaders did create a positive impression. Trump invited several leaders to Washington, including Vietnam Prime Minister Nguyen Xuan Phuc in May 2017, Malaysia Prime Minister Najib Razak in September 2017, and Thailand Prime Minister Prayut Cha-ocha in October 2017, while meeting Singapore Prime Minister Lee Hsien Loong and Indonesia President Joko Widodo at the G20 Summit in

Germany. In November 2017, Trump also attended ASEAN-related meetings in the Philippines, although did manage to skip the East Asia Summit plenary when it was delayed for a few hours. However, withdrawal from the TPP had a broader strategic impact because it aimed at setting the highest standards for international trade that could influence economic relations in the Asia-Pacific region and beyond. Economically, the US accounted for over 60 percent of total GDP of the TPP member states. Its withdrawal significantly reduces the impact of the TPP on world trade. Southeast Asian states, namely Singapore, Malaysia, and Vietnam, will realize fewer economic benefits following US withdrawal.

The Regional Comprehensive Economic Partnership (RCEP) has often been considered a worthy alternative to the TPP. The membership of the RCEP includes the original East Asia Summit members: the 10 ASEAN states, China, Japan, South Korea, India, Australia, and New Zealand. The total GDP accounts for approximately 30 percent of world GDP, giving RCEP the potential to become a mega-regional free trade agreement (FTA). Yet, given different economic growth levels and wide economic gaps among member states, it has been very difficult to conclude the agreement. Even if the RCEP is completed, it would likely produce an FTA focused on tariff removal rather than high-quality trade standards.

In this context, Japan, which now accounts for approximately 50 percent of the total GDP of the TPP-11, took the lead to renegotiate TPP provisions throughout 2017, resulting in the conclusion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in March 2018. TPP members in Southeast Asia welcomed this leadership, which reinvigorated political momentum to pursue a new economic agreement in Asia, as shown by Thailand's expressed willingness to join the CPTPP by the end of 2018.

Security

Japan and the Southeast Asian states continuously and incrementally strengthened security cooperation despite changes in the regional strategic environment. This became possible partly because Japan institutionalized its security commitment by issuing the 2016 Vientiane Vision. Its [objectives](#) include (1)

“consolidate the order based on the principles of international law”; (2) “promote maritime security”; and (3) “cope with increasingly diversifying and complex security issues.” The primary focus of Japan-ASEAN security cooperation is nontraditional security, particularly humanitarian assistance/disaster relief (HADR) given Asia’s vulnerability to natural disasters. Military engagement in maritime security cooperation also has implications for traditional security issues, including management of territorial issues.

Japan and ASEAN conducted joint military exercises throughout 2017/2018. These included the Japan-ASEAN Ship Rider Cooperation Program in June 2017, where Japan provided seminars on international laws and communication training through CUES (Code for Unplanned Encounters at Sea); the Japan-ASEAN Joint Exercise for Rescue (JXR) Observation Program in June 2017; and the Japan-ASEAN Disaster Relief Study Tour in August/September 2017. In February 2018, the *Cope North* joint military exercise involving Australia, Japan, and the United States invited ASEAN states to observe the HA/DR exercise. These exercises were part of Japan’s capacity-building efforts to strengthen ASEAN’s security capabilities.

For its part, ASEAN is the core element of multilateral security institutions in the Asia-Pacific region, including the East Asia Summit, ASEAN Regional Forum (ARF), and the ASEAN Defense Ministers Meeting-Plus (ADMM-Plus). Japan has been a strong supporter of these institutions and an active participant in sub-group activities, such as the Inter-sessional meetings in ARF and the Expert Working Groups (EWGs) in ADMM-Plus although Japan is not a chair of any EWG in 2017–2018.

Bilaterally, Japan and each Southeast Asian state have strengthened security cooperation at a pace that is comfortable to both sides. HA/DR is the area of bilateral cooperation that most ASEAN states are eager to engage in, but defense and law enforcement capacity-building programs also have become an important component in political and security cooperation. This could lead to political cooperation over traditional security issues. For example, in conjunction with the enhancement of their comprehensive security cooperation, Japan and Vietnam expressed “deep concern” about the situation in the South China Sea in the 2017 Joint Statement

on Deepening the Japan-Viet Nam Extensive Strategic Partnership. They strengthened maritime law enforcement cooperation to manage “gray zone” situations, as illustrated by the joint training that Japan’s Coast Guard ship *Echigo* conducted at DaNang with Vietnam’s Coast Guard in June 2017. In November, Foreign Minister Kono Taro and Foreign Minister Pham Binh Minh also discussed Japan’s provision of a newly-built patrol ship to Vietnam.

Malaysia, while maintaining some reservation in openly expressing concerns on the South China Sea, steadily worked with Japan in enhancing Malaysia’s maritime law enforcement mechanisms by receiving patrol ships and education from Japan. This cooperation also extended to defense. In April 2018, Japan and Malaysia signed an agreement regarding the transfer of defense equipment and technology in April 2018.

The Philippines has been quietly but continuously accepting Japan’s maritime capacity-building programs through the “Maritime Safety Capability Improvement Project for the Philippine Coast Guard” and received two patrol ships and four high-speed boats in March 2018.

Indonesia and Japan signed the basic framework for JICA/Japan Coast Guard-BAKAMLA (Indonesian Maritime Security Agency) cooperation in October 2017 and agreed strengthen maritime security cooperation in addition to the Japan-Indonesia maritime forum, which was established in December 2016.

Southeast Asian states have their own measures to maintain political and security distance from regional great powers, including Japan, China, and the United States, to avoid being entrapped by great power politics. Maritime cooperation is generally welcomed because it enables Southeast Asian states to not only manage nontraditional security issues more effectively, but also provides a hedge against China’s maritime encroachment – gray zone coercion – in the South China Sea.

Development

One of Southeast Asia’s most important strategic agendas since the 2000s is ASEAN connectivity. It aims to build “hard” (e.g., road, railways, telecommunication) and “soft” (e.g., human development, standards for

environmental protection, transparency) infrastructure that facilitates connectivity and integration of the region, which is stipulated in the 2016 Master Plan on ASEAN Connectivity 2025 (MPAC). China has actively engaged in this Southeast Asian initiative through its initiative to revitalize its land and maritime connectivity, the Belt and Road Initiative (BRI), which originated in Chinese President Xi Jinping's 2013 speeches in Kazakhstan and Indonesia regarding establishment of a Silk Road Economic Belt and the Maritime Silk Road of the 21st Century, respectively. Given the large infrastructure needs in Asia -- an [estimated investment](#) of \$1.7 trillion per year until 2030 -- demand goes beyond the capacity of major development banks, such as the World Bank or the Asian Development Bank (ADB). The BRI matches ASEAN's needs, and Southeast Asian countries generally welcome China's initiative.

It was in this context that Japan took the initiative through collaboration with the ADB to establish the [Partnership for Quality Infrastructure](#) in 2015, [providing](#) a 30 percent increase in infrastructure investment, accounting for approximately \$110 billion, until 2020. The initiative aims to achieve a high standard of infrastructure development, such as long-life cycle, safety, human development, and disaster resilience, by facilitating cooperation with domestic private sectors, such as *Keidanren*. In 2016, Japan enhanced the initiative by adopting the [Expanded Partnership for Quality Infrastructure](#), which now contains approximately \$200 billion to cover not only Asian infrastructure needs but also those of the world. This initiative is also welcomed by Southeast Asian states and has become an additional program that they can rely on for infrastructure development and connectivity.

Japan and ASEAN revised the implementation plan for the [Vision Statement on ASEAN-Japan Friendship and Cooperation](#) in August 2017, incorporating the objective to establish high quality infrastructure that relates to developmental schemes, such as the Initiative for ASEAN Integration (IAI) Work Plan III, the Mekong-Japan Action Plan, and the Mekong Industrial Development Vision (MIDV). Japan also [emphasized](#) the importance of openness, transparency, economic efficiency, and financial soundness in infrastructure development. ASEAN [suggested](#) that Japan examine subregional cooperative frameworks, including the Brunei-Indonesia-Malaysia-Philippines

East ASEAN Growth Area (BIMP-EAGA) and the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) as potential areas of development. By coordinating institutional arrangements with ASEAN on infrastructure development, Japan has consistently sought to offer an alternative to China's BRI.

Bilateral cooperation on infrastructure development also progressed through development projects and institutionalization of development committees between Japan and some Southeast Asian states. The latter includes the Japan-Thailand High Level Joint Commission (HLJC), which discusses potential connectivity between Cambodia, Laos, Myanmar, Vietnam, and Thailand, and the Japan-Philippines Joint Committee on Infrastructure Development and Economic Cooperation, which manages approximately \$9 billion in economic and infrastructure assistance that Japan provides the Philippines. The committee also facilitates mutual understanding of current and expected demand and supply for Philippine infrastructure needs. The [third meeting](#) of the HLJC was held in June 2017; the Japan-Philippines Joint Committee met in July and September 2017 and February 2018.

Japan has promoted infrastructure development in Indonesia through the Japan-Indonesia strategic partnership with the Patimban Port project, the Jakarta Mass Rapid Transit (MRT) project, and the Trans-Sumatran Highway. Cooperation with Singapore and Malaysia includes Japan's bid for construction of the Malaysia-Singapore high-speed railway, the winner of which should be announced by the end of 2018. Cambodia has a long history of receiving Japanese ODA, which focuses on logistics, human resources, and urban development. A recent project is the second phase of the Phnom Penh City Transmission and Distribution System Expansion Project. Assistance to Brunei aims at economic diversification to facilitate the shift from an energy-dependent economy. Myanmar and Japan have discussed the general direction of infrastructure development, which prioritizes urban development in Yangon, logistics, and electricity. Laos and Japan continued to implement the 2016 Joint Development Cooperation Plan for the Sustainable Development of Lao PDR, particularly logistical connectivity and human exchange with neighboring states and urban

development, including waterworks and electric power systems.

These bilateral and multilateral efforts to facilitate high-quality infrastructure aim to uphold the international standard for development that major international organizations, such as the United Nations, the World Bank, and the ADB, have long nurtured. For Japan, these projects serve to check China's growing development influence through the BRI, which is still unclear about transparency and financial feasibility.

The “Free and Open Indo-Pacific Strategy” and Southeast Asia

Seeking to enhance Japan-Southeast Asia relations at a time of growing strategic uncertainty in Asia, Japan has reinvigorated its broad vision, the “Free and Open Indo-Pacific Strategy” (FOIPS). The idea of the FOIPS is not new. Prime Minister Abe Shinzo has focused on the idea of the Indo-Pacific since he made a speech on the “Confluence of the Two Seas” before Indian Parliament in 2007. Abe made subsequent attempts to institutionalize a quadrilateral coalition with the United States, Australia, and India, the so-called “Quadrilateral Strategic Dialogue.” His 2012 publication, *Asia's Democratic Security Diamond*, emphasized the importance of US-Japan-Australia-India relations in containing China's increasing influence in the Indo-Pacific. Revitalization of the Indo-Pacific strategy began in the 2016 [opening speech](#) by Abe at the Sixth Tokyo International Conference on African Development (TICAD VI), in which he promised Japan's strong commitment to ensure free and open trade and sea lines of communication (SLOCs) between the Indian Ocean and the Pacific Ocean.

This strategy gained diplomatic traction when the United States began to focus on the “Indo-Pacific” region. During his Asia trip in November 2017, President Trump's use of the term “Indo-Pacific” instead of “Asia-Pacific” indicated a shift in US geostrategic focus. Most importantly, his discussion with Prime Minister Abe in Tokyo clarified [three principles](#) of the strategy: (1) promotion and establishment of fundamental values; (2) pursuit of economic prosperity; (3) and a commitment to peace and stability. The first principle includes ensuring freedom of navigation and rule of law, the second includes promoting connectivity in the

Indo-Pacific region, and the third includes capacity-building programs for maritime law enforcement. Trump and Abe agreed that the strategy would include countries that agree with these principles.

The FOIPS has geostrategic implications for Southeast Asia. Not only is it the geographic center where the Indian Ocean and the Pacific Ocean meet, it is also home to the vital SLOCs that connect the oceans to each other and the South China Sea. Given Japan's diplomatic emphasis on “quality infrastructure” development in the region and the rule of law at sea, including the freedom of navigation in the South China Sea, the FOIPS is a fundamental component for Japan-Southeast Asia relations. Accordingly, Japan has engaged with Southeast Asian states to explain the conceptual framework of the strategy.

In June 2017, Prime Minister Abe explained the strategy to Southeast Asian leaders. This includes Vietnam's Prime Minister Phuc during the Japan-Vietnam Summit, Laos' Prime Minister Thongloun Sisoulith during the Japan-Laos Summit in June 2017, Cambodia's Prime Minister Hun Sen in August 2017, Thailand's Foreign Minister Don Pramudwinai in September 2017, Vietnam's Prime Minister Phuc again in November 2017, and Myanmar's President Htin Kyaw in December 2017. Foreign Minister Kono explained the strategy to Brunei's Foreign Minister Erywan and Singapore's Prime Minister Lee Hsien Loong in February 2018. As a result, Cambodia and Thailand expressed their support for the strategy in August and September 2017, respectively, while Vietnam indicated its support in June and November 2017. Reactions from ASEAN member states to the FOIPS have been generally positive, thanks to Japan's long-standing confidence-building efforts toward the region since the 1977 Fukuda Doctrine.

Looking ahead: challenges for FOIPS

Despite some success, the FOIPS needs to be carefully developed because Southeast Asian states remain uncertain about the intent behind the strategy. There are several challenges that Japan and Southeast Asian states face.

First, the conceptual vagueness of the FOIPS has raised some doubts in Southeast Asia. While some have expressed support, Southeast Asian states are wary that the strategy could cause

great power rivalry in the region. The FOIPS has the potential to intensify great power politics, especially between the United States and China. That potential is seen in Japan's emphasis on strategic cooperation with the US in the Indo-Pacific region. The concern arises when Japan's call for cooperation with the US is combined with emphasis in the US security and defense strategies on the resurgence of competition with China and Russia; the re-emergence of quadrilateral frameworks among the United States, Japan, Australia, and India; and concerns over the intent behind China's BRI. If the FOIPS generates criticism of China's behavior and openly provokes China, it will become difficult for the Southeast Asian states to fully support the strategy without taking a political position in great power competition between the US and China.

Indeed, there seems to be some reservation or strategic silence among ASEAN member states. From May 2017 to April 2018, there were three summits and two foreign minister meetings, including a telephone talk, between Japan and the Philippines, yet the Ministry of Foreign Affairs of Japan did not indicate that they discussed the Indo-Pacific strategy. Likewise, the summits with Indonesian President Joko Widodo and Malaysian Prime Minister Najib Razak in November 2017 did not have any discussion of the strategy. These facts suggest that some Southeast Asian states are still cautious about the FOIPS.

Second, ASEAN centrality and unity would become a political issue in the FOIPS. ASEAN's role in FOIPS is not clear. Japan has repeatedly reaffirmed its support for ASEAN centrality and unity – Japan and ASEAN stated that FOIPS “reinforces the ASEAN-centered regional architecture” in the 2017 [Chairman's statement](#) of the ASEAN-Japan Summit. In March 2018, Kentaro Sonoura, special advisor to Prime Minister Abe, [ensured](#) that ASEAN unity and centrality would not be threatened by the FOIPS. The Japanese argument has been that strategy is evolutionary, but it has failed to explain what roles ASEAN could play in its development and has yet to indicate how ASEAN centrality and unity would be ensured. The evolutionary process to formulate the FOIPS gives greater flexibility to adjust to the prevailing strategic situation in the Indo-Pacific region, yet unless clarified, it would be difficult for ASEAN as an institution to fully support the strategy.



20th ASEAN-Japan Summit 2017 (ASEAN)

This issue becomes important because the quadrilateral framework, the so-called “Quad,” has been back on track after the working-level meeting on the Indo-Pacific in November 2017. Given their status in the region, Japan, the United States, Australia, and India can play a pivotal role in directing regional cooperation, which would become a political concern for ASEAN because such a framework may marginalize ASEAN role in regional cooperation.

Third, gaps between the FOIPS' principles and Japan's actions exist, and narrowing them is important to maintain Japan's political credibility. One of the important points of reference is the South China Sea. Japan has made it clear that the rule of law in the South China Sea should be ensured, a reference to the 2016 South China Sea Arbitration Tribunal award. Since this award was issued in accordance with the UNCLOS and was final and binding, Japan needs to help ensure China's compliance, which China has refused. Nevertheless, Japan faces political and military limits, and it has been difficult for Japan to change China's behavior.

Discussion on the creation of a code of conduct in the South China Sea is underway between China and ASEAN, which is an encouraging sign. However, this arrangement could end up ensuring peace and stability in the maritime domain through political means because the rule of law will be undermined if compliance with the tribunal's award is ignored. The FOIPS emphasizes the rule of law, and without actions to ensure the tribunal's award is followed, it becomes increasingly unclear the degree to which such principles are important in pursuing the strategy.

Myanmar's Rohingya crisis and Cambodia's general election process in 2018 create a similar

problem. Despite media reports on Myanmar's human rights violations against the Rohingya in Rakhine State and Cambodia's murky election process, such as the dissolution for the main opposition party by the decision of the Supreme Court, Japan's response has been lukewarm, stating that these are internal affairs and other states should not intervene. However, such behavior can be seen as inconsistent with the principles of the FOIPS, including democracy, the rule of law, and human rights.

Over the past year, Japan-Southeast Asia relations remained stable. Both sides have adjusted policies as the regional strategic environment has shifted. These adjustments hedge against uncertainty and Japan's evolutionary concept of the FOIPS serves such a purpose. Yet, because the strategy is vague, it could become counterproductive, inviting misperception and misunderstanding from other regional states. The fundamental challenge in the next one to two years is getting Japan and Southeast Asian states to clearly define the roles of ASEAN and Southeast Asian states in the FOIPS to enhance long-term strategic cooperation.

CHRONOLOGY OF JAPAN-SOUTHEAST ASIA RELATIONS

MAY 2017 – APRIL 2018

June 6, 2017: Prime Minister Abe Shinzo visits Vietnam and a Japan-Vietnam summit is held in DaNang. Vietnam Prime Minister Nguyen Xuan Phuc expresses support for the initiative Japan took under the Free and Open Indo-Pacific Strategy.

June 7, 2017: Laos Prime Minister Thongloun Sisoulith visits Japan and a Japan-Laos summit is held in Tokyo. Japan and Laos confirm steady progress of the 2016 Japan-Lao PDR Joint Development Cooperation Plan.

June 16, 2017: Coast guards of Japan and Vietnam conduct joint training near DaNang.

July 8, 2017: Japan-Singapore summit held in Hamburg, Germany on sidelines of the G20 meeting.

Aug. 6, 2017: ASEAN-Japan Post Ministerial Meeting adopts the *Revised Implementation Plan of the Vision Statement on ASEAN-Japan Friendship and Cooperation*.

Aug. 7, 2017: Japan-Cambodia summit held in Tokyo. Prime Minister Hun Sen expresses support for Japan's Free and Open Indo-Pacific Strategy.

Aug. 7, 2017: Seventh East Asia Summit (EAS) Foreign Ministers Meeting is held in Manila. Japan supports making maritime cooperation and counter terrorism priority areas for EAS. Japan and several states address the importance of the 2016 South China Sea arbitration award.

Sept. 13, 2017: Japanese Maritime Self-Defense Force (MSDF) conducts joint training with the Philippine Navy, including a search and rescue exercise involving a MSDF P-3C aircraft in the South China Sea.

Sept. 26, 2017: Thailand's Foreign Minister Don Pramudwinai meets Prime Minister Abe and expresses support for the Free and Open Indo-Pacific Strategy.

Oct. 30, 2017: Philippine President Rodrigo Duterte visits Japan and a Japan-Philippines summit is held in Tokyo. A joint statement on bilateral cooperation is issued, which reassures delivery of Japan's ¥1 trillion aid package in the next 5 years, including contributions to the Mindanao peace process and the Anti-Illegal Drug Measures campaign.

Nov. 6, 2017: President Trump visits Tokyo and discusses the "Free and Open Indo-Pacific Strategy" with Prime Minister Abe.

Nov. 10, 2017: A Japan-Vietnam summit is held in Tokyo.

Nov. 12, 2017: The Japan-Malaysia summit is held in Manila.

Nov. 13, 2017: Japan-Philippines summit and a Japan-Brunei summit are held in Manila.

Nov. 13, 2017: Japan-ASEAN summit is held in Manila. Japan expresses support for positive development of the South China Sea, including the code of conduct negotiation.

Nov. 13, 2017: Ninth Mekong-Japan summit is held; Japan emphasizes high-quality infrastructure development based on international standards.

Nov. 14, 2017: Japan-Myanmar summit is held in Manila. Japan pledges yen-loan-financed projects (approximately ¥117 billion), including the Agricultural Income Improvement Project.

Nov. 14, 2017: The 12th East Asia Summit is held in Manila. Prime Minister Abe emphasizes the political, economic, and security contributions that the Free and Open Indo-Pacific Strategy could make in the region.

Dec. 9, 2017: Sri Lanka government hands over Hambantota port on a 99-year lease agreement to the China Merchant Ports Holdings.

Dec. 14, 2017: Prime Minister Abe meets Myanmar President Htin Kyaw in Tokyo.

Jan. 13, 2018: Japanese Prime Minister Kono Taro visits Rakhine State, Myanmar.

Jan. 29, 2018: Coast guards from Japan and Malaysia conduct an antipiracy exercise near Kuantan.

March 11, 2018: Japanese Maritime Self-Defense Force and US Navy conduct a joint training exercise with JDS *Ise* and the *USS Carl Vinson* in the South China Sea.

April 16, 2018: First Japan-Singapore Joint Committee Meeting on Cooperation in Science and Technology is held.

April 18, 2018: Agreement between Japan and Malaysia on the transfer of defense equipment and technology is signed.

May 1, 2018: Thailand's Deputy Prime Minister Somkid Jatusripitak expresses Thailand's interest in joining the CPTPP.

May 2, 2018: China's installation of the missile defense systems – anti-ship cruise missiles and surface-to-air missiles – in the Spratly Islands, namely Fiery Cross Reef, Subi Reef, and Mischief Reef, is reported by media.

ABOUT THE CONTRIBUTORS

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