
PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

EDITED BY
ROB YORK
BRAD GLOSSERMAN

MAY – AUGUST 2020
VOL. 22, NO. 2
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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 Forum's programs encompass current and emerging political, security, economic and business issues and works to help stimulate cooperative policies in the Asia Pacific region through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas.

The Forum 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. We regularly cosponsor conferences with institutes throughout Asia to facilitate nongovernmental institution building as well as to foster cross-fertilization of ideas.

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HONOLULU, HAWAII

COMPARATIVE CONNECTIONS

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

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-Pacific, edited by Rob York and Brad Glosserman, 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.pacforum.org>.

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The “cold peace” between Washington and Beijing continued to heat up, with implications throughout and beyond the Indo-Asia-Pacific region. US pronouncements during the last four months should dispel any doubt that the US Asia strategy is aimed first and foremost at China, and more specifically at the Chinese Communist Party. Not only does the “Quad”—the US, Australia, India, and Japan—show signs of coordinated backbone, it seems to be forming the basis for a new “Quad-Plus” that includes other “like-minded states.” Meanwhile, the COVID-19 pandemic continues to hammer regional economies and the recovery is likely to be long and uneven. It looks like there may be a new model that describes its impact, and it doesn’t augur well for those countries.

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Several unexpected events during the summer of 2020 confounded US-Japan ties. The COVID-19 pandemic continued to challenge governments in Tokyo and Washington, as the number of infected grew. The scale of the pandemic’s impact was far greater in the United States, but Japan’s metropolitan centers faced an uptick in cases, as did less populated regions. The Japanese and US governments marked the 60th anniversary of the Treaty of Mutual Cooperation and Security, yet difficulties in defense cooperation rattled relations. A bigger surprise to the US-Japan relationship came on Aug. 28 when Prime Minister Abe Shinzo announced he would resign. Abe’s exit raises the question of whether his successor can manage the US-Japan relationship with the same skill.

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BY BONNIE S. GLASER, CSIS & KELLY FLAHERTY, CSIS

President Trump blamed China for the spread of the coronavirus, which opened the door to tougher US policies on a range of issues from Hong Kong to Xinjiang. The Phase One trade deal remained intact, although Chinese purchases of US goods lagged targets in the agreement. Senior Trump administration officials delivered a series of speeches that condemned Chinese policies and suggested that the CCP poses an unacceptable threat to the United States and other democracies. Charging that the Chinese consulate in Houston was engaged in espionage, the US demanded it be closed. Beijing retaliated by shutting down the US Consulate in Chengdu. The US aligned its South China Sea policy more closely with the July 2016 tribunal ruling and declared China's "nine-dash line" claim and actions based on it to be illegal. Tensions increased over Taiwan as the US took several steps to strengthen ties with Taipei and deter Chinese coercion.

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MASON RICHEY, HANKUK UNIVERSITY OF FOREIGN STUDIES & ROB YORK, PACIFIC FORUM

US relations with South Korea and North Korea settled into a holding pattern commingling frustration, disappointment, occasional bared teeth, and frequently forced smiles. Washington and Seoul failed to reach agreement on troop burden-sharing, an issue weighing down the US-South Korea alliance. Meanwhile US-South Korea joint military exercises remain scaled-down, and the administrations of Donald Trump and Moon Jae-in continue to try to mask obvious differences in prioritization of engagement for reconciliation and pressure for denuclearization. Ties between Washington and Pyongyang have stalled such that even talking about talking makes news. And in the background of these diplomatic doldrums Kim Jong Un's regime continues to build out and improve its nuclear weapons program and missile arsenal.

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BY CATHARIN DALPINO, GEORGETOWN UNIVERSITY

As Southeast Asia struggles to gain traction in the COVID-19 pandemic and address its economic damage, leaders are hobbled by conditions that make forging a regional approach to the virus more difficult. Although most states have launched partial and cautious reopening strategies, most intergovernmental business is still conducted online. This will remain the case for the rest of 2020, given widespread fears of a second surge of the coronavirus. In the meantime, several leaders face political challenges as their domestic populations struggle under the worst recession in years. Diplomatic traffic is ordinarily busy in the summer in Southeast Asia, but this year the Shangri-la Dialogue in Singapore was cancelled, the ASEAN Summit forced to go online, and the ASEAN Regional Forum (ARF) pushed into the early fall, also to be conducted by video. Yet, security tensions were not held in abeyance by COVID, and may have been exacerbated by it.

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BY ROBERT SUTTER, GEORGE WASHINGTON UNIVERSITY & CHIN-HAO HUANG, YALE-NUS COLLEGE

Beijing responded methodically to a major escalation in US challenges to Chinese expansionism in the South China Sea. Officials from Xi Jinping on down reached out to Southeast Asian countries with emphasis on growing economic relations and cooperation in countering COVID-19. Top-level officials generally eschewed public criticism of the United States on South China Sea issues, while government ministries and official and unofficial media used sometimes tough language in criticizing Washington. Overall, Beijing registered satisfaction that ASEAN adopted a neutral stance and most other states showed little sign of leaning toward the US against China.

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Simmering tensions across the Taiwan Strait were a concern in May at the World Health Assembly meeting, along with President Tsai's second inauguration, China's National People's Congress, and the 15th anniversary of the Anti-Secession Law. The beginning of Tsai's second term was defined by Taiwan's success in overcoming the health and economic impacts of COVID-19. Taiwan failed to win a seat at the World Health Assembly, but won unusually broad and public support from Washington and other typically silent partners. Taiwan offered assistance to victims of the Beijing's National Security Law for Hong Kong, prompting Beijing to warn of Taiwan's "black hand." Taiwan's ties with the US were showcased by the August visit of Secretary of Health and Human Services Alex Azar to Taipei.

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Claiming to be suddenly furious about defector activists sending propaganda via balloon across the Demilitarized Zone, North Korea issued ever more violent threats against the South, culminating in the symbolic but extreme act of blowing up the joint liaison office in Kaesong in June. Moon Jae-in's government deplored that and other aggressive Northern acts, yet its tone was more pained than sharp, and Moon remained oddly emollient toward Pyongyang overall. In July he named a new minister of unification who had allegedly been pro-North in his student days, as well as reshuffling three other top security posts. Although the new appointees were all even more strongly pro-engagement than their predecessors, North Korea showed little sign of being impressed.

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BY SCOTT SNYDER, COUNCIL ON FOREIGN RELATIONS & SEE-WON BYUN, SAN FRANCISCO STATE UNIVERSITY

The Korean Peninsula appears divided in what some analysts call a “new cold war” as US-China tensions escalate over issues ranging from COVID-19 to Hong Kong. Washington’s new China strategy prompted Pyongyang to voice its alignment with China while heightening Seoul’s dilemma of choosing sides. As the North Korean economy suffered the combined effects of ongoing sanctions, the global pandemic, and severe weather, a leaked UN report in August sharpened international criticism of China’s sanctions enforcement. The region’s current domestic political priorities reinforce Beijing, Seoul, and Washington’s trilemma over alternative approaches to DPRK denuclearization.

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Major concern in this period centered around the future of Sino-Japanese relations in the post-Abe era, with most analysts predicting that there would be little change. China’s impressive, though credit-fueled, rebound from the coronavirus pandemic as Japan’s economy sharply contracted indicate that Tokyo will seek to maximize trade with the PRC. Xi Jinping’s long-awaited state visit to Japan is on indefinite hold, with concern for the pandemic a convenient explanation for underlying multiparty opposition due to Beijing’s assertive actions in contested areas and its repressive measures in Hong Kong and Xinjiang. Differences on opinion remain on the wording of a so-called 4th Sino-Japanese Communiqué that is much desired by Beijing.

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Twin decisions—South Korea’s Supreme Court ruling on forced labor during Japan’s occupation of the Korean Peninsula and Japan’s export restrictions on key materials used for South Korea’s electronics industry—planted the seeds of discord and deterioration of bilateral ties during the summer months of 2020. In June, the Daegu District Court released a public notice to Nippon Steel to seize and liquidate the local assets of the company. In response to Japan’s imposition of export controls in 2019, South Korea filed a complaint with the World Trade Organization. This downward spiral will likely continue for the remainder of the year unless South Korea and Japan take decisive action to address these disputes. On the North Korea front, Japan’s newly published *Defense of Japan 2020* assessed North Korea’s nuclear and missile capabilities as posing greater threats to Japanese national security than previous years.

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China and Russia found themselves entangled in two separate triangular dynamics with the US and India. Russia, however, found itself in a curiously pivotal position within the two geopolitical triangles: an “innocent” bystander in the Beijing-New Delhi-Moscow trio and a useful, delicate balancer in the Washington-Beijing duel. Between its strategic partner (China) and persistent yet unrequited courter (the Trump administration), Russia carefully played its cards from a position of strategic weakness. By end of summer, the US-China-Russia triangle made its way into the US 2020 presidential elections as presidential candidates played the “Russia” and “China” cards. No matter who wins the 2020 US election, the stakes are high for China and Russia.

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BY GRAEME DOBELL, AUSTRALIAN STRATEGIC POLICY INSTITUTE

Challenged by COVID-19 and China, Australia confronts deteriorating strategic prospects and its first economic recession in nearly 30 years. The pandemic has worsened strained relations between Australia and China. Canberra’s call for an inquiry into the origins of COVID-19 was attacked by Beijing as a betrayal and Chinese trade retaliation has followed. Even before the pandemic hit, Australia talked of a “new normal” with China of “enduring differences.” Whatever the US election result, the phrase “new normal” is also being applied to changes wrought by President Trump. The US alliance is hugged anew as Canberra abandons a central strategic tenet it’s held for 50 years—the idea that Australia would have 10 years warning of any direct military threat.

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REGIONAL OVERVIEW

AN “ALLIANCE OF DEMOCRACIES”: IS THERE ANY THERE THERE?

RALPH A. COSSA, PACIFIC FORUM

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The “cold peace” between Washington and Beijing continued to heat up, with implications throughout and beyond the Indo-Asia-Pacific region. US pronouncements during the last four months should dispel any doubt that the US Asia strategy is aimed first and foremost at China, and more specifically at the Chinese Communist Party. Not only does the “Quad”—the US, Australia, India, and Japan—show signs of coordinated backbone, it seems to be forming the basis for a new “Quad-Plus” that includes other “like-minded states.” Meanwhile, the COVID-19 pandemic continues to hammer regional economies and the recovery is likely to be long and uneven. It looks like there may be a new model that describes its impact, and it doesn’t augur well for those countries.

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As the region (and world) focus on the fight against the global COVID-19 pandemic, the “cold peace” between Washington and Beijing continued to heat up, with implications throughout and beyond the Indo-Asia-Pacific region. US pronouncements during the last four months should dispel any doubt that the US Asia strategy is aimed first and foremost at China, and more specifically at the Chinese Communist Party (CCP). While critics of the Trump administration’s unilateralist approach continue to argue that “America First means America Alone,” this does not appear to be the case where China is concerned. Not only does the much-maligned (including by us) “Quad”—the loose grouping of the US, Australia, India, and Japan—show signs of coordinated backbone, it seems to be forming the basis for a new “Quad-Plus” that includes other “like-minded states.” The Quad’s focus on the promotion of the rule of law and freedom of navigation has Beijing’s attention, as does Secretary of State Mike Pompeo’s recent comment that “(M)aybe it’s time for a new grouping of like-minded nations ... a new alliance of democracies.”

Meanwhile, the COVID-19 pandemic continues to hammer regional economies and the recovery, if and when it occurs, is likely to be long and uneven. It looks like there may be a new model that describes its impact, and it doesn’t augur well for those countries. Finally, we offer some framing thoughts for a potential Biden foreign policy as the US presidential campaign enters the homestretch.

The Quad-Plus: An “Alliance of Democracies” in the Making?

The Trump administration took off the gloves in dealing with Beijing during the second third of the year. While President Trump himself focused on the “China virus,” also referred to derisively as the “Kung Flu,” other administration officials focused on China’s ideology rather than just its behavior. Even Attorney General William Barr joined the [chorus](#), encouraging the American people “to reevaluate their relationship with China, so long as it continues to be ruled by the Chinese Communist Party.”

Of significance (at least to us) was the aforementioned Pompeo comment about “a new alliance of democracies.” This puts into perspective the increased efforts by the four Quad members, collectively among themselves

and in concert with others, to tighten the circle (dare we call it a “containment policy?”) around an increasingly assertive China. The bilateral impact is covered expertly, as usual, in the [US-China chapter](#), and we will not dwell on it here. We will look instead at how this relates to present and future multilateral cooperation in the region and beyond.

The Quad had its semi-official birth in late 2017 when the four national leaders met along the sidelines of the annual East Asia Summit “to discuss our shared commitment to a free and open Indo-Pacific.” As we [noted](#) at the time, the event reminded us of Japanese Prime Minister Abe Shinzo’s decade-old dream of a “Concert of Democracies,” even if, at that point and until recently, it remained an informal cooperative effort.

But this may be changing. Simultaneous Quad-related July naval exercises in the Indian Ocean and Philippine Sea on July 21-22 involving a US aircraft carrier—the *USS Nimitz* and *USS Ronald Reagan*, respectively—prompted *The Hindustan Times* to [proclaim](#) in a headline that “Twin naval exercises with US supercarriers signal QUAD has arrived.” Reinforcing this message two days later, Pompeo announced that the “Quad is revived” while speaking at the US-India Business Council’s India Ideas Summit. America, he said “desires a new age of ambition” in its steadily expanding partnership with India. All four navies are expected to meet up again in the Indian Ocean in November for the annual India-hosted Malabar naval exercise, marking Australia’s first participation in this event in over a decade.



Figure 1 The aircraft carriers *USS Ronald Reagan* and *USS Nimitz* participate in naval exercises in the Indian Ocean and Philippine Sea on July 21-22. Photo: Reuters

Speaking at an online forum along the sidelines of the annual US-India Strategic Partnership Forum on Aug. 31, Deputy Secretary of State Steve Biegun took things a step further, [noting](#) that the US aimed to “formalize” its growing four-party strategic ties as part of a US effort “to push back against China in virtually every domain.”

Biegun observed that “the Indo-Pacific region is actually lacking in strong multilateral structures. They don’t have anything of the fortitude of NATO, or the European Union,” further noting “(T)here is certainly an invitation there at some point to formalize a structure like this.” He hastened to add that the Quad was not just about China: “I’d just be very careful to not define it solely as an initiative to contain or to defend against China, I don’t think that’s enough.” Biegun also cautioned against being “too ambitious.” In what could be interpreted (tongue-in-cheek) as self-criticism, he quickly downplayed his own NATO comparison: “I’ve heard loose talk about an Indo-Pacific NATO and so on. But remember, even NATO started with relatively modest expectations and a number of countries chose neutrality over NATO membership in post-World War II Europe.”

Nonetheless, he also stressed that the Quad “isn’t exclusive,” pointing to recent efforts by a Quad-plus “natural grouping” involving the four plus South Korea, New Zealand, and Vietnam, focused on the pandemic: “Seven of us on a weekly basis at my level, so just below the ministerial level, and each of those governments met weekly, and it was incredibly productive discussion among very, very cooperative partners.”

US National Security Adviser Robert O’Brien, [speaking](#) at the Atlantic Council on Aug. 28, also mentioned the growing importance of the Quad: “I think the Quad, which is really coming into its own ... is one of the most exciting diplomatic initiatives and one of the ... areas most likely to succeed and pay huge dividends in the future.” O’Brien announced that he and his Quad counterparts would be meeting in Hawaii in October, and that Pompeo would likewise meet his fellow Quad ministers in September and October.

Biegun explained why: “The purpose here can be to create a critical mass around the shared values and interests of those parties in a manner that attracts more countries in the Indo-Pacific,

and even from around the world, to be working in a common cause or even ultimately to align in a more structured manner with them.”

It’s still not clear who, even among the four, much less “around the world,” will sign up for a more formal structured grouping, although Australia may be a prime candidate, based on Prime Minister Scott Morrison’s early August [comment](#) to the Aspen Security Forum that “building a durable strategic balance” in the Indo-Pacific was a “critical priority.” It was necessary, he said, for “like-minded nations to act more cohesively, more consistently, more often. To align.”

Whatever is created will likely obtain bipartisan Congressional support. Writing in *War on the Rocks* in late May, Republican Sen. Jim Inhofe (R-Okla.) and Democratic Sen. Jack Reed (D-Rhode Island), [warned](#) that the “foundation of deterrence is crumbling as an increasingly aggressive China continues its comprehensive military modernization,” and announced their intention to establish a Pacific Deterrence Initiative (PDI) in the National Defense Authorization Act for Fiscal Year 2021. The Pacific Deterrence Initiative will “focus resources on key military capabilities to deter China. The initiative will also reassure US allies and partners, and send a strong signal to the Chinese Communist Party that the American people are committed to defending US interests in the Indo-Pacific.”

Other Multilateral Developments

Is a G10 possible? President Trump has yet to express any support for a new multilateral alliance mechanism—and given his lack of enthusiasm for alliances in general it is not expected he will do so anytime soon—but he did invite the two outlying Quad members, Australia and India, to attend this year’s US-hosted G7 meeting, along with South Korea and (sigh) Russia. The meeting, originally slated for Camp David in June, has been postponed until September. This has spurred [discussion](#) of a possible G10 (sans Russia) to “promote strategic cooperation on global political and security issues and advance the norms and values of a liberal international order.”

RIMPAC. Meanwhile, this year’s RIMPAC maneuvers off Hawaii, dubbed the world’s largest international maritime exercise, was a shadow of its former self, with only 10 of the

usual two dozen national navies making the trek to Honolulu. Three of the four Quad members (not India) made the trip. China, which joined the exercise in 2016, was “[disinvited](#)” in 2018 and was not invited to this year’s event. Due to COVID concerns participants were not able to come ashore and assist the struggling Hawaii economy. As a US Navy spokesperson explained: “The at-sea-only construct for RIMPAC 2020 was developed to ensure the safety of all military forces participating by minimizing shore-based contingents. This modified plan will allow us to conduct a meaningful exercise with maximum training value and minimum risk to the force, allies and partners, and the people of Hawaii.” All told, at least 20 ships and some 5,300 personnel took part in the biennial maneuvers.

Working toward a “networked region.” Defense Secretary Mark Esper reinforced the need for broader multilateral cooperation in dealing with the China challenge during his trip to the region in late August, even while acknowledging that the Pentagon was reexamining its current force posture in Northeast Asia. As acting Assistant Secretary of Defense for Indo-Pacific Affairs David Helvey [explained](#): “When we talk about promoting a networked region, we’re talking about building the relationships we have not only with our allies and partners, we’re promoting the contacts, coordination, integration [among] our allies and partners themselves.” Noting that the US was “heavily concentrated in Northeast Asia,” Helvey said the Pentagon would “like to be able to make our presence more geographically distributed, more operationally resilient. “Maybe the future is going to be less about bases and more about places,” he continued, “being able to operate across a multiplicity of locations, which give us the flexibility and the agility to respond to a variety of different threats and challenges.” Some of us are old enough to remember when then-Pacific Command Commander Chuck Larson introduced his “places not bases” strategy in the early 1990s. Seems like the more things change the more they remain the same.

COVID Rattles Regional Economies

The COVID pandemic continues to wreak havoc around the world. The IMF [anticipates](#) that the Asia-Pacific economy will shrink by 4.7% this year before recovering and marking 5.4% growth in 2021. Unemployment is expected to rise from 3.9% to 5.5% of the region’s labor force. In a summer survey by the Pacific

Economic Cooperation Council (PECC), [respondents](#) said they don’t expect an economic recovery to pre-crisis levels within the next five years.

Individual countries are suffering not just because of their own experiences with the virus and with measures to contain it but because of the ripple effects of COVID-prompted actions elsewhere. When the European and North American economies shut down, imports from Asia are reduced. In addition, shutdowns and lockdowns throttle the tourism that is the pillar of several Asian economies; as Cathrine Dalpino notes in [her chapter](#), Thailand is the second worst-hit country in the world (after Jamaica), with its tourism revenues falling \$47.7 billion (about 9% of its economy).



Figure 2 COVID shutdowns and lockdowns have throttled the tourism industry in several Asian economies. Immigration officers stand in an empty arrivals hall at Suvarnabhumi airport. Photo: Bangkok Post

Whatever the cause, the impact is severe. The US economy shrank by a third, although parts of it are rebounding (see below). Australia is experiencing its first recession in nearly 30 years, with GDP falling 7% in the June quarter, following a 0.3% drop in the first quarter. The head of National Accounts at the Australian Bureau of Statistics [called](#) the June report “by a wide margin, the largest fall in quarterly GDP since records began in 1959.” Initial reports that Japan’s economy had contracted 7.8% in the April-June quarter proved wrong. The [revised](#) figures were worse: the decline was actually 7.9% (compared to the preceding quarter), and the annual rate of decline was 28.1%. South Korea [recorded](#) a 3.2% decline in the second quarter, a worsening from the 1.3% contraction of the previous quarter. If there was a bright spot—and professionals always counsel skepticism about its numbers—it was [China](#),

where the economy posted 3.2% growth in the second quarter.

Southeast Asian economies had a [grim](#) March-June quarter. Malaysia's economy contracted by 17.1%, the Philippines by 16.5%, and Singapore's economy shrank 13.2 percent, the sharpest contraction since 1976. Thailand registered a 12.2% decline, the worst since 1998 when it was hit by the Asian financial crisis. Indonesia's economy—the region's largest—shrank by 5.3%, its first contraction in over two decades.

In several of those countries, economic difficulties are compounded by political problems. The Thai government is struggling with its COVID response, with a new economic team resigning just weeks into the job. Malaysia is encountering political uncertainty as that government tries to gain its footing in the face of determined opposition from Mahathir Mohammad, recently ousted as prime minister by backroom shenanigans. While continuity is promised for Japan whoever takes over for Abe Shinzo, there will be questions about the new prime minister's longevity and ability to fill his predecessor's shoes.

What's in a Letter?

Normally obsessed with numbers, the COVID-19 outbreak has economists now focused on the alphabet. When the bottom dropped out of the global economy, speculation raged about the shape of the future economic trajectory. Would the rebound look like a “U”—a sharp decline followed by a continued lull which would in turn be followed by an equally sharp return to normal—a “V”—the same decline with a much shorter time before recovery—an “L”—an enduring and seemingly endless decline—or a “W” (which this font doesn't capture properly)—in which decline is followed by a series of seeming recoveries and subsequent collapses as waves of the virus return?

More than a half year into the pandemic, a letter for the recovery is emerging—and it is none of the above. Instead, the most accurate representation is a “K”: a sharp decline followed by two separate recoveries, a strong one for some and a weak one for the rest. This is most apparent in the US, where in mid-August, the stock market had recovered from pandemic-triggered losses and the S&P 500 reached an all-time high. Unemployment in August was “only” 8.4% (we know, we know) but jobs have been

returning to the economy at a speed that outpaces [expectations](#). Still, all jobs are not created equal. One [analysis](#) concluded that in the US jobs are fully back for the highest wage earners, but fewer than half the jobs lost this spring have returned for those making less than \$20 an hour.

Work conditions—top earners can work from home—contribute to the K-shaped recovery, but they don't explain it all; there is another factor at play. Market returns flow to a small group of citizens. “It's one recovery for financial market investors and another recovery for everybody else,” [explained](#) one economist. Even Treasury Secretary Steven Mnuchin [conceded](#) the problem, acknowledging that “It's a two-tiered economy right now.” While some larger firms are benefiting, “there's plenty of small businesses that are on the ropes.”

This isn't just a US concern. Similar divergences are evident within Asian nations too. [India](#) is looking at a K-shaped recovery, as is [Australia](#). One [analysis](#) shows that the rich-poor divide is most severe among developing nations in Asia. When Bloomberg looked at 17 emerging markets, it found a 42% correlation between gross domestic product per capita and stock performance since the pandemic hit in January. The correlation between GDP per capita and currency returns was 31%. Specifically, stock returns from four economies with per capita GDP above \$10,000 in 2019—China, South Korea, Taiwan, and Malaysia—has been 20% higher than that of nations below that level (a list that includes India, Indonesia, the Philippines and Thailand). In other words, wealthier nations are recovering at a quicker pace than less wealthy ones; and even that good news should be leavened by the fact that within recovering economies, internal gaps could be widening.

Countries that are wealthier are better able to spend money and provide some cushion for the economic damage done by the pandemic. Singapore has [funded](#) four fiscal stimulus packages worth close to S\$100 billion (\$72 billion), around 20% of GDP. South Korea has spent 270 trillion won (\$226 billion), about 14% of its GDP. Poorer governments like the Philippines are struggling to find funds—Manila can't [fund](#) the 1.3 trillion pesos (\$30 billion) stimulus package approved in June.

Biden's Asia Team

As the presidential campaign draws to an end, there are the usual speculations about foreign policy in a Biden administration should “regime change” take place in Washington. For a take on the candidate’s foreign policy, check out his [web page](#) and the by-now ritual article in [Foreign Affairs](#). The campaign has been tightlipped about its advisors, although a handful of top officials have been publicly identified with Team Biden and can be expected to take positions in his administration. There isn’t much point in guessing who will get what post yet (he [reportedly](#) has over 1,000 members on his foreign policy team), but we can offer broad thoughts about Biden foreign policy should his campaign prove successful. Our next issue will dive more deeply into anticipated foreign policy changes or adjustments regardless of who prevails in November.

First, foreign policy will matter to the president and his administration. Biden has immersed himself in the subject throughout his political career, serving for many years on the Senate Foreign Relations Committee, becoming ranking member in 1997, and chair from 2001 to 2003 and then again from 2007 until he became vice president. In 2012, he was [called](#) the most powerful vice president on foreign policy, with the exception of his predecessor Dick Cheney. Biden knows the issues, takes an interest in them, and knows many key actors.

Second, foreign policy in a potential Biden presidency will revert to many of the more traditional US positions. Expect renewed support for multilateralism, US alliances, international institutions, and the rule of law. While the president will be engaged in foreign policy, he is likely to avoid the radical, seeming solitary gestures that Trump seems to revel in. Don’t expect “bolt from the blue” summits with adversaries or tearing up of painstakingly negotiated treaties. Instead, he will rely on traditional foreign policy processes and institutions. That means that his foreign policy team will do the heavy lifting—as in most administrations. The senior-most advisors and likely top officials are known quantities: Tony Blinken (his long-time foreign policy advisor who also served two years of deputy secretary of State, Susan Rice (former UN ambassador and President Obama’s National Security Advisor), Jake Sullivan (Biden’s national security advisor when Blinken left), Michelle Flournoy (former

undersecretary of defense for policy), Ely Ratner (former deputy national security advisor to Biden and China expert), among [others](#).

Third, and critically for Asia, a Biden administration will continue the hard line against China—the center of gravity in US thinking about China has shifted, likely permanently, in that direction as Xi’s “China dream” increasingly looks like America’s nightmare—but it will likely be more strategic, more measured, more multilateral, and more acknowledging of the need to find areas to cooperate with China amid intensified “great power” competition with Beijing. Among other things, this means that Asia will remain a priority for a Biden administration and the ongoing effort at coalition-building, outlined above, is likely to continue.

Finally, for all that continuity, should he win, Biden will be obliged to address domestic challenges that have grown during the last two decades. Deficits have mounted—blame overseas adventurism, ill-advised tax cuts, the COVID crisis—and inequality has exploded. National divisions exposed by the Black Lives Matter movement have widened during the campaign. There is a widespread belief throughout the US body politic that its leaders have devoted more attention to foreign than domestic affairs. A competent and capable US administration should be able to walk and chew gum at the same time, but priorities will change and this will have implications for US relations with the rest of the world. Under Biden, the US will not be retreating to isolationism, but even an administration that understands and appreciates the value of cooperative relations with allies and partners will have to engage differently.

REGIONAL CHRONOLOGY

MAY – AUGUST 2020

May 1, 2020: North Korean state media announces North Korean leader Kim Jong Un's [public reappearance](#) at a ribbon cutting for the Sunchon Phosphatic Fertilizer Factory. US President Donald Trump [tweets](#) the following day that he is glad to see Kim “back, and well!”

May 3, 2020: North Korean troops [fire](#) on a South Korean guardpost along the DMZ near Cheorwon.

May 4, 2020: Deputy National Security Advisor Matt Pottinger [delivers](#) a speech at the University of Virginia entitled “Reflections on China’s May Fourth Movement: an American Perspective.”

May 5, 2020: [Scuffle](#) between Chinese and Indian troops at border on Pangong Tso. Incident is downplayed and resolved.

May 6, 2020: Secretary of State Mike Pompeo publicly [calls](#) for Taiwan’s participation in the upcoming World Health Assembly as an observer.

May 8, 2020: Two of four China Coast Guard vessels in waters around the contested Senkaku Islands [approached](#) and chased a Japanese fishing boat, resulting in an immediate protest to the Chinese embassy in Tokyo.

May 10, 2020: Indian and Chinese security forces [scuffle](#) along the disputed border at the Naku La pass.

May 12, 2020: A Chinese survey ship and two coast guard vessels in the SCS leave the disputed waters after an oil exploration vessel contracted by Malaysian state energy company Petronas left the disputed waters earlier the same day.

May 14, 2020: A Chinese state-owned company [raised concerns](#) by looking to buy the largest mobile phone carrier in the Pacific islands Digicel, opening a new front in the fight for influence in the Pacific between China and democratic states.

May 10, 2020: Myanmar military [declares](#) a three-month nationwide ceasefire, excluding areas where terrorist groups take positions.

May 15, 2020: The Chinese embassy in Kiribati [re-opens](#).

May 18, 2020: Taiwan Foreign Minister Joseph Wu announces Taiwan will not pursue its effort to participate in the World Health Assembly of the World Health Organization.

May 18, 2020: President Trump [threatens](#) to permanently cut off WHO funding and revoke US membership if the group does not curb its purported pro-China bias.

May 15–20, 2020: The 30th round of Regional Comprehensive Economic Partnership negotiations [are held](#) as a virtual conference.

May 20, 2020: President Tsai Ing-wen is inaugurated for second term as president of the Republic of China.

May 22, 2020: China [proposes](#) new national security legislation for Hong Kong that many fear will essentially end the “one country two systems” arrangement

May 24, 2020: Policy makers and politicians from 23 countries [condemn](#) China for proposing new set of security laws for Hong Kong

May 24, 2020: Chinese Foreign Minister Wang Yi [calls](#) for more cooperation with the US to manage the global impact of the coronavirus and limit the global economic fallout.

May 24–25, 2020: US littoral combat ship USS *Gabrielle Giffords* and Singaporean frigate RSS *Steadfast* conduct [bilateral exercises](#) on the South China Sea to enhance interoperability between the two navies.

May 27, 2020: Nepal [shelves](#) plans to redraw its national map to include areas claimed by India.

May 27, 2020: Trump [offers](#) to mediate China-India border dispute as tensions rise.

May 28, 2020: Senators Jim Inhofe and Jack Reed, in a joint *War on the Rocks* commentary, [propose](#) the establishment of a Pacific Deterrence Initiative.

May 28, 2020: China's National People's Conference [officially passes](#) security bill which critics fear will undermine civil liberties in Hong Kong

May 29, 2020: Trump [announces](#) at a press conference that his administration "will take action to revoke Hong Kong's preferential treatment as a separate customs and travel territory from the rest of China."

May 29, 2020: China [sends](#) 5,000 troops to its Indian border in show of strength amidst growing tensions. Both sides claim the other transgressed their boundaries.

May 30, 2020: Following China's imposition of new national security laws on Hong Kong, the US [announces](#) it will eliminate policy exemptions on the enclave because it is "no longer sufficiently autonomous."

June 1, 2020: Philippines advises the US that it has [frozen the process](#) to cancel the bilateral Visiting Forces Agreement for a period of six months. Unless action is taken otherwise, the Philippines intends to abrogate the agreement at the end of the year.

June 3, 2020: Boris Johnson [pledges](#) to give nearly 3 million Hong Kong citizens the right to live and work in the UK if China enacts new security legislation for the territory.

June 4, 2020: Korea and US [reach](#) a new cost-sharing agreement for funding local employees at US bases in the country

June 4, 2020: India and Australia [sign](#) maritime peace operation agreement.

June 6, 2020: China's Ministry of Culture and Tourism [issues](#) travel warning urging Chinese citizens not to travel to Australia due to a rise in racial discrimination and violence against Chinese and Asian people there.

June 9, 2020: North Korea [announced](#) it will cut off all means of communication with South Korea in response to the South failing to stop activists floating anti Pyongyang leaflets across the border into the North.

July 10, 2020: Singapore holds 13th [general elections](#), which are won by the People's Action Party, albeit by a narrower margin than usual.

June 12, 2020: China [annexes](#) 60 square km of land claimed by India in Ladakh.

July 13, 2020: US State Department issues a [lengthy statement](#) on the US position on maritime claims in the South China Sea, sharply calling out Beijing for its claims and "bullying" there.

June 14, 2020: China [closes](#) areas of Beijing in response to fears of COVID 19 resurgence.

June 15, 2020: Rappler founder Maria Ressa [is convicted](#) of cyber libel in the Philippines. The verdict is seen as a blow to press freedom.

June 15-16, 2020: 20 Indian soldiers [are killed](#) in border clash with Chinese troops in the Galwan valley.

June 16, 2020: North Korea [detonates](#) the inter Korean Liaison office. Sources inside the regime say it is part of an effort by Leader Kim Jong Un's sister to boost her revolutionary credentials

June 16, 2020: Beijing experiences a [second mutated strain](#) of COVID-19.

June 18, 2020: Secretary of State Pompeo [meets](#) senior Chinese diplomat Yang Jiechi in Honolulu.

June 18, 2020: Taiwan [announces](#) it will set up office to help those thinking of leaving Hong Kong.

June 19, 2020: Pompeo [delivers](#) a speech at the Virtual Copenhagen Democracy Summit entitled "Europe and the China Challenge."

June 19, 2020: Australian Prime Minister Scott Morrison [calls attention to](#) ongoing series of hacking cases by a sophisticated foreign state actor. Australian government agencies believe China is behind the attacks.

June 22, 2020: Chinese Air Force jets [briefly enter](#) Taiwan's air defense identification zone and are warned to leave via radio and patrolling Taiwanese fighters.

June 22, 2020: Department of State [designates](#) Chinese media entities, including China Central Television, China News Service, *People's Daily*, and *Global Times*, as foreign missions.

June 22, 2020: Kiribati [re-elects](#) its pro-China president, who defeats a challenger who pledged to recognize Taiwan.

June 23, 2020: China [occupies](#) Rui village in Nepal.

June 23, 2020: Singapore Prime Minister Lee Hsien Loong [announces](#) election for July 10th.

June 24, 2020: National Security Advisor Robert O'Brien [delivers](#) a speech on China in Phoenix, Arizona entitled "The Chinese Communist Party's Ideology and Global Ambitions."

June 25, 2020: US Senate unanimously [passes](#) Hong Kong Autonomy Act to punish China for impositions on democracy in Hong Kong. The act will [sanction](#) businesses and individuals that impose on Hong Kong's democratic freedoms.

June 25, 2020: Australian intelligence services [raid](#) home of an elected Labor Party member Shaoquett Moselmane following allegations of foreign interference from China.

June 26, 2020: Department of State [imposes](#) visa restrictions on Chinese Communist Party officials for undermining Hong Kong's autonomy and restricting human rights.

June 30, 2020: India [bans](#) dozens of Chinese apps, including TikTok and WeChat, citing cybersecurity concerns.

June 30, 2020: Chinese government [asks](#) US media outlets to submit information about their Chinese operations. Foreign Ministry spokesperson Zhao Lijian named the Associated Press, National Public Radio, CBS and United Press International news agency as companies asked to submit information within seven days.

July 2, 2020: Vietnam and the Philippines [criticize](#) Chinese military drills in disputed area of the South China Sea, near the Paracel Islands.

July 2, 2020: Hanoi sends a diplomatic note to Beijing [protesting](#) Chinese naval drills off the Paracel Islands, which China has held since 1974 but which Vietnam also claims.

July 3: Japan's passes revised state secrets law that [allows](#) exchanges with partners such as India, Australia, and the UK as well as existing exchange with the US, making it easier to share data on Chinese movements. It also allows Japan to exercise its right to collective self-defense and supply fuel and ammunition to other militaries in situations that pose a threat to Japan.

July 3, 2020: Beijing [appoints](#) Zhen Yanxiong as director of new national security office in Hong Kong.

July 5, 2020: Koike Yuriko [wins](#) second term as governor of Tokyo.

July 7, 2020: FBI Director Christopher Wray [delivers](#) speech at the Hudson Institute entitled "The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States."

July 7, 2020: Australia [upgrades](#) travel warning for China. Canberra claims its citizens entering China may be at risk of arbitrary detention.

July 7, 2020: Seoul Central District Court [rules](#) that Kim Jong Un must pay more than \$35,000 in damages to two former prisoners of war detained in North Korea.

July 9, 2020: Australia [suspends](#) extradition arrangement with Hong Kong following China's passage of new national security law.

July 9, 2020: Trump administration [imposes](#) visa and asset sanctions on several Chinese officials for their role in human rights violations of Uighurs in Xinjiang.

July 9, 2020: State Department [authorizes](#) the repair and recertification of Patriot missiles (PAC-3) to Taiwan for an estimated cost of \$620 million.

July 10, 2020: People's Action Party [retain power](#) in Singapore election.

July 10, 2020: WHO [sends](#) advance team to China to organize investigation into origins of COVID 19.

July 11, 2020: State Department [warns](#) Americans of heightened detention risks in China, including detention and a ban from exiting the country.

July 13, 2020: Malaysian Prime Minister Muhyiddin Yassin [wins](#) a motion to remove the speaker of Parliament and replace the Speaker with his own candidate.

July 13, 2020: Pompeo [announces](#) formal rejection of “most” of China’s maritime claims in the South China Sea.

July 13, 2020: China’s Foreign Ministry [announces](#) retaliatory sanctions against US officials, including Sen. Marco Rubio (R-Florida) and Sen. Ted Cruz (R-Texas), over Xinjiang sanctions.

July 14, 2020: China [books](#) biggest single-day US corn purchase as it tries to meet trade deal commitments.

July 14, 2020: Trump [signs](#) into law the “Hong Kong Autonomy Act” and an [Executive Order](#) on “Hong Kong Normalization,” eliminating Hong Kong’s special status.

July 15, 2020: Russia [tests](#) anti-satellite weapon, launching a projectile from an orbiting satellite.

July 15, 2020: Department of State [imposes](#) visa restrictions on certain employees of Chinese technology companies that provide material support to regimes engaging in human rights abuses globally.

July 20, 2020: China [launches](#) Shiyan-6 marine research vessel to boost exploration activities, including in the South China Sea.

July 21, 2020: Britain [suspends](#) extradition treaty with Hong Kong. The UK also [places](#) an arms embargo on the territory, banning exports on riot gear which could be used to suppress protests.

July 21, 2020: US Justice Department [announces](#) charges against two suspected Chinese hackers. The 11-count indictment accuses Li Xiaoyu and Dong Jiazhi of a hacking campaign that targeted companies and NGOs and stole intellectual property and trade secrets.

July 21–22, 2020: US [conducts](#) simultaneous Quad-related naval exercises in the Indian Ocean and Philippine Sea.

July 22, 2020: US [orders](#) China to shut down its Houston consulate.

July 23, 2020: Australia [declares](#) that China’s claims in the South China Sea have no legal basis under international law.

July 23, 2020: Pompeo [delivers](#) a speech at the Richard Nixon Presidential Library and Museum entitled “Communist China and the Free Worlds’ Future.”

July 24, 2020: China [orders](#) US to shut down its Chengdu consulate in response to the closure of its Houston consulate.

July 24, 2020: Pompeo [tells](#) US-India Business Council’s India Ideas Summit that the “Quad is revived.”

July 27, 2020: Philippine President Rodrigo Duterte [asks](#) Chinese Chairman Xi Jinping for help getting access to a coronavirus vaccine and credit to purchase the vaccine.

July 28, 2020: European Union [imposes](#) sanctions on China over its treatment of Hong Kong.

July 30, 2020: Senate Committee on Commerce, Science and Transportation [holds](#) subcommittee hearing on “[The China Challenge: Realignment of US Economic Policies to Build Resiliency and Competitiveness](#).”

July 30, 2020: Former Taiwan President Lee Teng-hui dies. He is mourned as a hero of Taiwan’s democracy.

July 31, 2020: President Trump [announces](#) he will ban Chinese App TikTok in the US.

July 31, 2020: China [rejects](#) charges that hackers linked to its government targeted biotech firm Moderna Inc.

July 31, 2020: Treasury Department [blacklists](#) Xinjiang Production and Construction Corps (XPCC), along with former XPCC party secretary Sun Jinlong, and XPCC deputy party secretary and commander Peng Jiarui over accusations they are connected to human rights abuses against Uyghurs in Xinjiang.

Aug. 2, 2020: Thailand army [suspends](#) plans for joint training abroad with the US military after nine Thai soldiers test positive for coronavirus after returning from *Lightning Forge 2020* training in Hawaii.

Aug. 4, 2020: Australian PM Morrison [attends](#) Aspen Security Forum and says that building an Indo-Pacific alliance is a critical priority for his government.

Aug. 5, 2020: Pompeo [announces](#) the expansion of the Clean Network program aimed at removing Chinese technology companies from US telecommunications networks and app stores.

Aug. 6, 2020: Vietnam lodges protests against China's recent military drills near the Parcel and Spratly Islands in the South China Sea.

Aug. 6, 2020: Secretary of Defense Mark Esper [calls](#) Chinese Defense Minister Wei Fenghe and expresses concerns about Beijing's destabilizing activity near Taiwan and the South China Sea.

Aug. 7, 2020: US [imposes](#) sanctions on Hong Kong Chief Executive Carrie Lam, the current and former police chiefs, and eight top officials for curtailing political freedoms in the territory.

Aug. 10, 2020: China [imposes](#) sanctions on 11 US citizens, including six Republican lawmakers and other individuals at nonprofit and rights groups who Chinese Foreign Ministry spokesperson Zhao Lijian says "behaved egregiously on Hong Kong-related issues."

Aug. 10, 2020: Hong Kong media tycoon Jimmy Lai [is arrested](#) under new national security law.

Aug. 10, 2020: US Secretary of Health and Human Services Alex Azar [meets](#) Taiwan President Tsai in Taipei.

Aug. 10, 2020: Russian President Vladimir Putin [announces](#) that Russia is the first country to grant regulatory approval to a COVID-19 vaccine.

Aug. 12, 2020: Pompeo [calls](#) on European countries to rally against the Chinese Communist Party. Pompeo gives speech at the Czech Senate and says, "What's happening now isn't Cold War 2.0," adding "The challenge of resisting the CCP threat is in some ways much more difficult."

Aug. 12, 2020: Japanese Foreign Minister Motegi Toshimitsu [says](#) that arrests of Hong Kong pro-democracy activist Agnes Chow and media tycoon Jimmy Lai raise questions about freedom of speech and the press in Hong Kong.

Aug. 13, 2020: India [announces](#) a \$500 million package to fund a project in the Maldives. Indian Foreign Minister Subrahmanyam Jaishankar says the plan will link Male to the islands of Villingili, Gulhifahu, and Thilagushi in the largest civilian infrastructure project in the Maldives.

Aug. 13, 2020: Japanese FM Motegi [meets](#) Singaporean Foreign Minister Vivian Balakrishnan in Singapore and they agree to ease travel restrictions implemented in response to COVID 19.

Aug. 15, 2020: Photo of Chinese ambassador to Kiribati [walking](#) across the backs of local children goes viral, setting off controversy. Many i-Kiribati [defend](#) the practice as a local custom rather than a symbol of Chinese dominance, though other diplomats, including from Australia, say they have never participated in such a custom.

Aug. 15: Four Cabinet ministers [visit](#) the Yasukuni Shrine on the anniversary of Japan's defeat in World War II, the first such Cabinet-level visit since 2016 when two ministers attended.

Aug. 16, 2020: Russian Foreign Minister Sergei Lavrov [speaks](#) with Pompeo about Russia's proposed video summit at the United Nations to discuss Iran.

Aug. 16, 2020: New Zealand Prime Minister Jacinda Ardern [postpones](#) general elections to October 17 as Auckland remains in lockdown due to the coronavirus outbreak.

Aug. 17-30, 2020: 27th iteration of the Rim of the Pacific (RIMPAC) exercises [is held](#), with 10 of 25 invited nations participating. The Philippines and Singapore are the only Southeast Asian participants, which are at-sea-only because of the pandemic. The US Navy and partner nations wrap up RIMPAC 2020 with the sinking of a decommissioned amphibious cargo vessel.

Aug. 19, 2020: State Department [notifies](#) Hong Kong that Washington has suspended or terminated three bilateral agreements following China's imposition of a national security law.

Aug. 21, 2020: Philippines [lodges](#) a diplomatic protest over China's illegal confiscation of fish aggregating devices from Filipino fisherman at the Scarborough Shoal in the South China Sea.

Aug. 24, 2020: Japanese FM Motegi [meets](#) Myanmar leader Aung San Suu Kyi in Naypyidaw and they agree to reopen borders for long-term residents.

Aug. 25, 2020: US and Chinese trade negotiators [have](#) phone talks and affirm progress in implementation of their trade deal.

Aug. 24, 2020: China-based video sharing app TikTok [sues](#) US government for banning its service in the US, and demands annulment of the president's executive orders.

Aug. 25, 2020: State Department issues a [statement](#) marking third anniversary of the Tatmadaw's attack on a large group of Muslim Rohingya in Myanmar's Rakhine State, noting that 860,000 Rohingya who fled remain in camps in Bangladesh.

Aug. 26, 2020: US Commerce Department [blacklists](#) 24 Chinese companies and targeted individuals over their "role in helping the Chinese military construct and militarize the internationally condemned artificial islands in the South China Sea."

Aug. 27, 2020: Japanese Prime Minister Abe Shinzo [announces](#) he will resign because of chronic health problems.

August 27, 2020: Esper [delivers](#) speech at the Daniel K. Inouye Asia Pacific Center for Security Studies on countering China's "malign strategy."

Aug. 28, 2020: Esper [visits](#) Palau and meets President Tommy Remengesau.

Aug. 28, 2020: Taiwan President Tsai [announces](#) that she would ease restrictions on imports of beef and pork from the US.

Aug. 29, 2020 Esper [meets](#) Japanese Defense Minister Kono Taro in Guam. They [agree](#) to keep China's maritime assertiveness in check in the South China Seas.

Aug. 31, 2020: Thailand announces it will negotiate with China to [delay](#) its \$724 million purchase of two submarines.

Aug 31, 2020: Deputy Secretary of State Steve Beigun, speaking at an online forum along the sidelines of the annual US-India Strategic Partnership Forum, [says](#) the US plans to "formalize" its growing strategic ties with its Quad partners.

Chronology prepared by Pacific Forum Program Manager Taryn Ino and Research Intern Conrad Maclean.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

US-JAPAN RELATIONS

UNEXPECTED TURBULENCE FOR THE ALLIANCE

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Several unexpected events during the summer of 2020 confounded US-Japan ties. The COVID-19 pandemic continued to challenge governments in Tokyo and Washington, as the number of infected grew. The scale of the pandemic's impact was far greater in the United States, but Japan's metropolitan centers faced an uptick in cases, as did less populated regions. The Japanese and US governments marked the 60th anniversary of the Treaty of Mutual Cooperation and Security, yet difficulties in defense cooperation rattled relations. A bigger surprise to the US-Japan relationship came on Aug. 28 when Prime Minister Abe Shinzo announced he would resign. Abe's exit raises the question of whether his successor can manage the US-Japan relationship with the same skill.

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The impending US presidential election increasingly loomed large. The Democratic and Republican parties convened their conventions, with the [first online convention](#) showcased by the Democrats on Aug. 17. President Trump held his [convention at the White House](#) on Aug. 24, [drawing criticism](#) from his opponents, and while his supporters attended in person, it was a scaled-back version of what had initially been planned. By the end of the summer, [polling](#) still showed former Vice President Joe Biden, the Democratic nominee, had the lead. The president's [approval rating](#) remained low due largely to his handling of the coronavirus, with 58% of Americans saying they [disapproved](#) of the way Trump has responded to the pandemic in a CNN poll (Aug. 12-15).

On June 23, the Japanese and US governments [marked](#) the 60th anniversary of the Treaty of Mutual Cooperation and Security. Yet difficulties in defense cooperation rattled relations. The first was the decision by Japan's Minister of Defense Taro Kono on June 15 to [cancel](#) the deployment of the Aegis Ashore ballistic missile defense system. The decision caught many by surprise and resulted in a [broader decision](#) to redraft Japan's National Security Strategy (NSS) and to review the National Defense Program Guidelines adopted in December 2018. Tensions also grew in base communities, particularly in Okinawa, over [increasing cases](#) of COVID-19 infections within the US military stationed in Japan. Nonetheless, the United States and Japan continued to work closely on developing their Indo-Pacific cooperation. Chinese behavior [demonstrated](#) Beijing's assertion of its control over the South China Sea. Moreover, Beijing's decision on June 30 to [impose](#) the National Security Law on Hong Kong created ripple effects across the region as demonstrators and others critical of government were detained and arrested.

A bigger surprise to the US-Japan relationship came on Aug. 28 when Prime Minister Abe Shinzo announced he would [resign](#). Abe's relationship with Trump was widely seen as the reason Japan managed to avoid the growing strain between the US and its allies. In a [tweet](#), Trump said that Abe would "soon be recognized as the greatest Prime Minister in the history of Japan, whose relationship with the USA is the best it has ever been." Abe's exit, however, raises the question of whether his successor can manage the US-Japan relationship with the same skill.

Japan's About Face on AEGIS Ashore

Defense Minister Kono Taro announced on June 15 that Japan would [suspend deployment](#) of the Aegis Ashore, a sophisticated land-based missile defense system. At a press conference on June 25, Kono then announced that the National Security Council had decided to officially [cancel](#) the deployment in Akita and Yamaguchi prefectures. Trouble in Akita [began](#) in June 2019 when Ministry of Defense officials responsible for studying how and where the missile defense system would be located in the prefecture [incurred the wrath](#) of local residents by misrepresenting the trajectory of GSDF missiles that would shoot down incoming missiles.



Figure 1 Defence Minister Kono Taro announced that Japan would suspend plans for Aegis Ashore. Photo: [SCMP](#)

On top of this local concern, the early promise of the Aegis Ashore system was belied by the [growing technical capabilities](#) of North Korea, especially the increased maneuverability of its missiles. Furthermore, consultations with the United States suggested it would take more time than originally planned to adapt the system to Japan's demands. Ultimately with the prime minister's approval, Kono [decided](#) that the estimated \$4.1 billion cost of this new BMD system, designed to augment the sea-based Aegis system operated by the Maritime Self-Defense Force, was too great given its limitations in meeting Japan's growing defense needs. Kono noted that Japan had [already spent](#) \$1.02 billion on development, which he hoped could be repurposed toward other objectives. Other weapons systems, such as the purchase of Global Hawk unmanned surveillance aircraft, also [came under review](#).

But Kono did not stop at canceling this weapons system. After consultations with the LDP's defense experts, he recommended larger

changes to Japan's defense policy. The Abe Cabinet announced it would rewrite Japan's National Security Strategy, which was adopted in 2013 during the first year of the Abe's return to the *kantei*. With the marked improvement in North Korean nuclear and missile capabilities, the Cabinet decided it was also time to [re-evaluate](#) Japan's National Defense Program Guidelines and Mid-Term Defense Program, both adopted in 2018. Some in the LDP suggested the time had come to move beyond sole reliance on missile defenses and to seriously consider acquisition of an offensive strike option, an idea that had been [proposed](#) in 2017 by the LDP's Research Commission on Security. The Abe Cabinet ordered a full review of Japan's military planning to be completed by the end of 2020. On Sept. 5, Abe further said that he would publish a new statement outlining his [strategy on ballistic missile defense](#) before his planned resignation on Sept. 16.

US Forces in Japan faced growing Japanese criticism of their management of the coronavirus. By May 25, Japan had [lifted its state of emergency](#) as COVID-19 seemed to be contained. However, US Forces Japan had its own public health emergency status. Initially declared on April 6 for US bases in the Kanto area, the public health emergency was [expanded](#) to all US military installations in Japan on April 15 and [then repeatedly extended](#) over the summer. On July 11, Okinawa Governor Denny Tamaki [spoke out against](#) the large number of COVID-19 cases on US bases in his prefecture. While the US military said both Futenma and Camp Hansen had been placed on lockdown, Tamaki expressed "grave doubts" over whether the military had taken adequate steps to prevent US Marines from spreading COVID-19 off base. The number of confirmed cases among US military personnel rose from 45 on July 11 to [62](#) by July 12, [94](#) by July 13, and [201](#) by July 24. After the Japanese government urged them to conform to its protocols on quarantine for those arriving in Japan, US Forces Japan announced on July 24 that all arriving personnel [must undergo mandatory testing](#) before being released from two weeks quarantine. Five days later, a [joint press statement](#) was issued describing how the Japanese government and US Force Japan would cooperate on COVID-19 efforts. On Aug. 12, US Forces Japan once again [extended](#) its public health emergency for Japan for another month. With these tensions in the relationship, in a rare in-person meeting, Kono flew to Guam to [meet](#) US Secretary of Defense Mark Esper on Aug. 29.

Consultations on Japan's purchase of [105 F-35 joint strike fighters](#) moved forward, with US approval issued on July 9. Notable too was deepening US-Japan cooperation in space. On the civilian side, NASA Administrator Jim Bridenstine and Minister of Education, Culture, Sports, Science and Technology Hagiuda Koichi [signed](#) the Joint Exploration Declaration of Intent for cooperation on space exploration. Equally important, military cooperation in space, one of Abe's priorities, continued to move ahead. The US Chief of Space Operations, Gen. John Raymond, visited Tokyo in late August, and [met](#) Abe in addition to civilian and uniformed leaders at the Ministry of Defense.

The influence of Abe on Japan's defense preparedness and on the US-Japan alliance cannot be overstated. Just ahead for Tokyo and Washington are the potentially difficult negotiations over Host Nation Support. Trump's insistence that US allies do not do enough for their own defense has already had considerable impact on NATO as well as the US-ROK alliance. The US election will undoubtedly frame how Washington responds to Japan's efforts to realign and strengthen the SDF's force posture.

China Raises the Stakes for the Alliance

Over the summer, the United States and Japan increased their cooperation in the Indo-Pacific. Efforts to build a coalition of like-minded maritime powers to ensure freedom of navigation across the region stepped up as Chinese military activities also grew. In July, the MSDF and US Navy joined their counterparts from Australia for a [trilateral exercise](#) in the Philippine Sea. Capt. Sakano Yusuke, commander of the MSDF's Escort Division 4, emphasized that "strengthening cooperation with the US Navy and Royal Australian Navy is vitally important for Japan, and also contributes to a free and open Indo-Pacific in the region." Likewise, Capt. Russ Caldwell, commanding officer of the *USS Antietam*, noted that the "United States is fortunate to routinely operate alongside its allies across the Indo-Pacific, [as] coordinated operations like these reinforce our mutual commitments to international maritime norms and promoting regional stability."

Growing Chinese pressure on Taiwan also prompted greater US-Japan maritime collaboration, including a [major exercise](#) from Aug. 15-19, in the East China Sea and the Philippine Sea. The *USS Ronald Reagan* Carrier

Strike Group joined the Japanese destroyer JS *Ikazuchi* for the operations, which [involved](#) integrated flight operations, maritime defense exercises, and tactical training. At the same time, the United States [organized](#) the 10-country Rim of the Pacific (RIMPAC) exercises off Hawaii from Aug. 17–31, which included participation by Japan. While some drills had to be scaled back due to the pandemic, the exercises still involved approximately 5,300 personnel from these 10 countries. Vice Adm. Scott Conn, commander of the US 3rd Fleet and leader of RIMPAC 2020, said at the conclusion of the exercises that the “[diverse range of knowledge and professionalism](#)” among navies is what “makes us stronger, and allows us to work together to ensure a free and open Indo-Pacific and ultimately, our collective prosperity.”

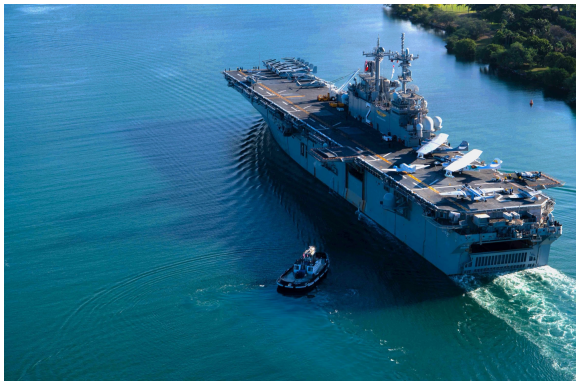


Figure 2 The USS Essex arrives in Hawaii for RIMPAC 2020.
Photo: [USNI News](#)

Chinese behavior in and around Taiwan and its decision to impose the National Security Law on Hong Kong prompted more coordination on China policy. Beijing’s growing pressure on Taiwan drew a series of steps from the Trump administration to signal the US commitment to peaceful cross-strait relations and to bolster Taipei. On Aug. 10, Secretary of Health and Human Services Alex Azar [visited](#) Taipei to discuss the COVID-19 pandemic, the highest-level US government official to visit, and [met](#) President Tsai Ing-wen. Washington has openly expressed interest in a bilateral trade agreement with Taiwan, rounding out its emphasis on the importance of Taiwan to US interests. Furthermore, on Aug. 31, the American Institute on Taiwan released [declassified documents](#) on the Six Assurances offered to Taipei during the Reagan administration. While the content of these documents had been well-known, Assistant Secretary of State for East Asia David

Stilwell noted that “it is [important to review history](#) like this because Beijing has a habit of distorting it ... The fundamental US interest is that the Taiwan question be resolved peacefully, without coercion, in a manner acceptable to the people on both sides of the Strait—as Beijing promised.”

Although Japan did not offer an official comment on Azar’s visit or the release of the declassified documents, [newspaper reports](#) cited an anonymous source from the Ministry of Foreign Affairs who on Aug. 10 said that Japan would continue to support Taiwan through “[available means](#).” Earlier, on May 20, the Ministry of Foreign Affairs had expressed support by referring to Taiwan as an “[extremely important partner](#)” in the annual Diplomatic Bluebook, which represented stronger language than the previous year’s description of Taiwan as a “crucial partner and an important friend.”

Beijing’s decision to impose its National Security Law on the citizens of Hong Kong invited a strong rebuke by both Washington and Tokyo. The Abe Cabinet had postponed a state visit by Chinese President Xi Jinping to Japan due to the pandemic. But the announcement of China’s intention to crack down on Hong Kong’s prodemocracy movement prompted a backlash against the visit. Government statements grew increasingly critical. Initially, Foreign Minister Motegi Toshimitsu noted the reports of China’s intentions as suggesting that if true, “then it is [regrettable](#) that it was enacted despite the strong concerns of the international community and the people of Hong Kong.” Later, Chief Cabinet Secretary Suga Yoshihide stated that imposition of the law “[undermines the credibility](#) of the “one-country, two-systems” principle. On July 7, after the enactment of the law, the Liberal Democratic Party [adopted a resolution](#) against Xi’s visit.

The Trump administration and the US Congress were more forceful in their condemnation. As early as May 22, Secretary of State Mike Pompeo warned of punishment and said that the proposed security measure would be a “[death knell](#)” for Hong Kong’s political freedoms. On June 30, Pompeo condemned the newly enacted law by saying that “the Chinese Community Party’s decision to impose draconian national security legislation on Hong Kong [destroys the territory’s autonomy](#) and one of China’s greatest achievements.” On July 1, the House of Representatives passed the [Hong Kong](#)

[Autonomy Act](#) by unanimous consent, requiring the Department of State to report annually to Congress on “foreign individuals and entities that materially contributed to China’s failure to comply with the Joint Declaration or the Basic Law” and on “foreign financial institutions that knowingly conducted a significant transaction with such identified individuals and entities.” On July 2, the Senate likewise approved the bill by [unanimous consent](#). On July 14, by [Executive Order 13936](#), Trump revoked Hong Kong’s special trading and economic status with the United States and signed the Hong Kong Autonomy Act into law. On Aug. 7, the Department of Treasury [designated](#) 11 individuals under the Executive Order.

The United States and Japan will need to further coordinate China policy as the US-China confrontation intensifies. Others in Asia are also taking a far more confrontational tack with Beijing, most notably Japan’s close partner, Australia. Tokyo remains more comfortable aligning with other partners in multilateral settings. For example, China’s announcement of the imposition of the National Security Law on Hong Kong prompted a strongly worded statement of condemnation by G7 foreign ministers on June 17, including Motegi and Pompeo. The foreign ministers said that they were “[extremely concerned](#)” that the action would threaten Hong Kong’s autonomy, rule of law, and the “fundamental rights and freedoms” of its people as they urged China to reconsider the decision. With the impending leadership transition in Tokyo, and possibly in the United States, a far more concrete alliance agenda for dealing with the many challenges posed by China will be required.

Abe’s Resignation and the US-Japan Relationship

Abe was [remarkable](#) among allied leaders in his approach to, and subsequent friendship with, Trump. Abe met with president-elect Trump at Trump Tower the week after the election in November and he was the first foreign leader to officially visit President Trump in February 2017, the month after his inauguration. Abe met with Trump at the White House, with the two leaders issuing a [joint statement](#) on the importance of the bilateral relationship, but he also enjoyed a weekend of golf with Trump at the president’s Mar-A-Lago resort in Florida. In May 2019, Trump [visited](#) Japan and became the first world leader to meet the new Emperor

Naruhito and Empress Masako. Abe’s close, personal relationship with Trump also helped him to handle Trump’s insistence on a bilateral rather than multilateral trade agreement. The two leaders [concluded a limited trade deal](#) in September 2019 and agreed to begin negotiations on a more comprehensive pact. In doing so, Abe managed to avoid Trump’s [threat of higher tariffs](#) on Japanese automobiles, which would have been devastating for the Japanese economy.



Figure 3 Prime Minister Shinzo Abe announces his intention to step down. Photo: [Kyodo](#)

Abe was also deft at navigating around the mercurial president. While Trump [officially withdrew](#) the United States from the Trans-Pacific Partnership (TPP) as soon as he entered office in 2017, Abe continued to be a fierce proponent of free trade. In 2018, Japan signed [two landmark free-trade agreements](#): the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), without US participation, and the even larger Japan-European Union trade deal. Abe also proved to be effective in asserting Japan’s interests in other multilateral settings, such as encouraging greater cooperation among the members of the UN Security Council in enforcing compliance on sanctions against North Korea. Similarly, as tensions between Washington and Beijing grew,

Abe continued the slow but important effort to find common cause with China in building a more open regional order. Although derailed by COVID and then by China's crackdown in Hong Kong, the carefully calibrated summitry between Abe and Xi contrasted markedly with the increasingly hostile tone of US-PRC relations.

At home, Abe [remained popular](#) throughout much of his tenure as Japan's [longest-serving prime minister](#), though his approval ratings suffered at times from allegations of corruption and more recently from criticism over his handling of the coronavirus pandemic. Even though Japan [fared much better](#) than many other countries, including the United States, citizens in Japan gave the Abe administration [low marks for its handling of the country's response](#). Critics worried that Abe was [prioritizing the economy](#), already in recession, at the expense of public health. Policies such as the 1.35 trillion yen (\$12.7 billion) Go-to-Travel program, which offered travel subsidies to encourage domestic tourism within Japan, [came under criticism](#) as the number of COVID-19 cases [began to surge](#). In August, Abe's approval rating fell to its [lowest level](#) (NHK: 34%) on the eve of his resignation. The same poll found that 58% disapproved of the government's handling of the pandemic, with 57% saying that Abe should declare a second state of emergency.

As the Abe Cabinet struggled to win popular support for its COVID-19 response, many local leaders in Japan gained popularity for implementing stronger measures to bring the coronavirus under control. Governor of Tokyo Koike Yuriko in particular emerged as a strong critic of Abe, taking on a role that some observers [likened](#) to the clash between New York Gov. Andrew Cuomo and Trump. Unlike Abe, Koike [received high praise](#) from Tokyoites for her daily video briefings, approachable style, and tougher stance on reopening businesses or promoting travel. On July 5, she easily [won re-election](#) with 59.7% of the vote. Apart from Koike, other governors in Japan have also received strong support in their prefectures for defying the central government by issuing their own coronavirus policies, including [Nisaka Yoshinobu](#) in Wakayama, [Suzuki Naomichi](#) in Hokkaido, [Omura Hideaki](#) in Aichi, [Yoshimura Hirofumi](#) in Osaka, and [Tamaki](#) in Okinawa. However, there have been some missteps at the local level as well, such as when Yoshimura [came under fire](#) for suggesting that a gargling

medicine could help patients with the coronavirus.

The era of Abe-Trump will come to a close when a new president of the LDP is chosen. All three candidates are well known in Washington, and all are deeply steeped in the workings of the US-Japan alliance. Ishiba Shigeru worked closely with the Bush administration when he was minister of Defense from 2007 to 2008. His position as secretary-general of the LDP from 2012 to 2014 also contributed to Japan's political relations with the United States. Kono Taro, now defense minister, was Japan's minister of Foreign Affairs from 2017 to 2019. Coming from Kanagawa Prefecture, Kono has a keen interest in ensuring that implementation of the Status of Forces Agreement does not come at the expense of the communities that host US forces. Finally, the most likely candidate to succeed Abe, Chief Cabinet Secretary Suga Yoshihide, has had ample exposure to the US-Japan relationship during both the Obama and the Trump presidencies. Suga visited Washington in May 2019 to [meet](#) Vice President Mike Pence and Pompeo.

Looking Ahead

National responses to the COVID-19 pandemic continue to consume Tokyo and Washington, and yet foreign and security cooperation in the US-Japan alliance needs considerable policy attention. From how to ensure deterrence against the growing missile threat to Japan to the conspicuous signs of a far more challenging Chinese military in the Indo-Pacific, the United States and Japan must organize themselves far more effectively if they are to shape the military balance in the region. The Japanese decision to revamp its missile defenses and its overall National Security Strategy this fall could falter as both governments face political transitions. To be sure, Abe's emphasis on strengthening Japan's defenses, including the US-Japan alliance, will not be abandoned by his successor. Yet there is an increasing sense that the alliance needs greater political stewardship in Washington to keep the United States and Japan on track to cope with fast-paced military changes in the region.

The US presidential election, of course, looms large. Will it be a Trump administration 2.0, and if so, who will assume the critical national security portfolios in a new Cabinet? With Abe gone, can the alliance receive the same level of

presidential attention it did during his time in office? Japan and the United States will begin [sensitive negotiations on Host Nation Support](#) soon, and the worry in Tokyo is that it could raise domestic political tensions over the alliance as similar US-ROK talks did in South Korea. Getting the Trump administration's nominee for US ambassador to Japan, the Hudson Institute's [Kenneth Weinstein](#), confirmed by the Senate would help ease the prospect of a disconnect on Host Nation Support.

A new US president would, of course, bring new issues to the fore. The lengthy process of nominating and confirming the Cabinet and a Biden presidency's Asia team would likely postpone strategic coordination. The traditional worry in Tokyo continues to be that a new Democratic administration, especially if backed up by a more progressive Democratic Party in the House and Senate, could have a far different foreign policy agenda. But until Japan's approach to China policy is reset, it will be hard to predict whether Tokyo and Washington can synchronize actions vis-à-vis China. Military cooperation will likely continue apace, and cooperation with Australia and India across the Indo-Pacific region is likely to continue or even increase. Yet Japan's economic investment in China could take longer to adapt.

CHRONOLOGY OF US-JAPAN RELATIONS

MAY – AUGUST 2020

May 8, 2020: President Trump and Prime Minister Abe Shinzo [speak](#) by phone about COVID-19.

May 8, 2020: Okamoto Yukio, veteran diplomat, adviser to prime ministers, and staunch advocate for the US-Japan alliance, [passes away](#) at the age of 74.

May 11, 2020: Minister of Foreign Affairs Motegi Toshimitsu and Secretary of State Mike Pompeo [participate](#) in a teleconference on COVID-19 with foreign ministers of Australia, Brazil, Israel, India, and South Korea.

May 12, 2020: US Forces Japan [extends](#) public health emergency in Japan until June 14, 2020.

May 20, 2020: Ministry of Foreign Affairs' annual Diplomatic Bluebook [describes](#) Taiwan as an "extremely important partner," a stronger description than the previous year's description of a "crucial partner and an important friend."

May 22, 2020: Pompeo [warns](#) China of punishment if it goes ahead with the planned security law for Hong Kong.

May 25, 2020: Abe [lifts](#) the state of emergency for COVID-19.

June 15, 2020: Defense Minister Kono Taro [announces](#) that Japan will suspend deployment of the Aegis Ashore ballistic missile defense system.

June 17, 2020: Pompeo and Motegi join G7 foreign ministers in issuing a [joint statement](#) of concern for China's national security law in Hong Kong.

June 23, 2020: Japan and the United States [mark](#) the 60th anniversary of the Treaty of Mutual Cooperation and Security entering into force.

June 25, 2020: Kono announces that the National Security Council has decided to [cancel](#) deployment of the Aegis Ashore ballistic missile defense system in Yamaguchi and Akita prefectures.

June 30, 2020: Chinese President Xi Jinping [signs](#) a new security law for Hong Kong.

June 30, 2020: Pompeo [condemns](#) China over Hong Kong's national security law.

July 1, 2020: US House of Representatives [passes](#) the Hong Kong Autonomy Act by unanimous consent.

July 2, 2020: The US Senate [approves](#) the Hong Kong Autonomy Act by unanimous consent.

July 5, 2020: Koike Yuriko [wins](#) reelection as governor of Tokyo.

July 7, 2020: Liberal Democratic Party [adopts](#) a resolution against Xi's visit to Japan.

July 9, 2020: United States [approves](#) Japan's planned purchase of 105 F-35 joint strike fighters.

July 9, 2020: NASA Administrator Jim Bridenstine and Minister of Education, Culture, Sports, Science, and Technology Koichi Hagiuda [sign](#) Joint Exploration Declaration of Intent on space cooperation.

July 9, 2020: US Forces Japan [extends](#) public health emergency in Japan until Aug. 13.

July 9-10, 2020: Deputy Secretary of State and Special Representative for North Korea Stephen Biegun [travels](#) to Tokyo to meet Motegi, Kono, Vice Foreign Minister Akiba Takeo, and other officials.

July 11, 2020: Okinawa Gov. Denny Tamaki calls the large number of COVID-19 cases at US bases in Okinawa "[extremely regrettable](#)" after being notified by the US military that the number of confirmed cases had risen to 62.

July 13, 2020: The US Marine Corps in Okinawa officially [reports](#) 94 confirmed cases of COVID-19 to the prefectural government.

July 14, 2020: Trump [issues](#) Executive Order 13936 revoking Hong Kong's special trading and economic status with the United States and signs the Hong Kong Autonomy Act into law.

July 19, 2020: Maritime Self-Defense Force, Australian Defense Force, and US Navy begin a [trilateral exercise](#) in the Philippine Sea.

July 23, 2020: Pompeo [delivers](#) a speech on China at the Nixon Library.

July 24, 2020: US Forces Japan [announces](#) that all arriving personnel must undergo mandatory COVID-19 testing before being released from two weeks of quarantine.

July 29, 2020: Government of Japan and United States Forces Japan issue [joint press release](#) on their efforts to combat COVID-19.

Aug. 3, 2020: Department of State [appoints](#) Donna Welton as senior advisor for security negotiations and agreements, where she will lead negotiations over the costs of stationing US forces in Japan.

Aug. 5, 2020: US Ambassador to Japan nominee Kenneth Weinstein [testifies](#) before the Senate Foreign Relations Committee.

Aug. 7, 2020: US Department of Treasury [designates](#) 11 individuals under Executive Order 13936.

Aug. 10, 2020: Secretary of Health and Human Services Alex Azar [visits](#) Taipei to discuss the COVID-19 pandemic and meet with President Tsai Ing-wen.

Aug. 12, 2020: US Forces Japan [extends](#) public health emergency for Japan until Sept. 12, 2020.

Aug. 13, 2020: Newspaper reports [suggest](#) that the Japanese government may abandon its plan to buy three US-made Global Hawk surveillance aircrafts.

Aug. 15-19, 2020: The US Navy and Maritime Self-Defense Force [conduct](#) joint operations in the East China Sea and Philippine Sea.

Aug. 17-20, 2020: The Democratic National Convention [convenes](#) in Milwaukee, Wisconsin.

Aug. 17-31, 2020: Maritime Self-Defense Force [participates](#) in the US-led, 10-country Rim of the Pacific (RIMPAC) exercises off the coast of Hawaii.

Aug. 24-27, 2020: Republican National Convention [convenes](#) in Charlotte, NC and Washington, DC.

Aug. 27, 2020: Abe [meets](#) with Chief of Space Operations General John Raymond in Tokyo.

Aug. 28, 2020: Abe announces that he will [resign](#) because of ill health.

Aug. 29, 2020: Secretary of Defense Mark Esper and Kono [meet](#) in Guam.

Aug. 31, 2020: Abe and Trump [speak](#) by telephone.

Aug. 31, 2020: The American Institute in Taiwan [declassifies](#) documents on the Six Assurances offered to Taipei during the Reagan administration.

Sept. 1, 2020: The Liberal Democratic Party [announces](#) that it will not include votes from rank-and-file members in the party election to decide Abe's successor.

Sept. 5, 2020: Abe [says](#) that he will publish a new statement on ballistic missile defense strategy before his planned resignation on Sept. 16.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

US-CHINA RELATIONS

US-CHINA RELATIONS IN FREE FALL

BONNIE S. GLASER, CSIS
KELLY FLAHERTY, CSIS

President Trump blamed China for the spread of the coronavirus, which opened the door to tougher US policies on a range of issues from Hong Kong to Xinjiang. The Phase One trade deal remained intact, although Chinese purchases of US goods lagged targets in the agreement. Senior Trump administration officials delivered a series of speeches that condemned Chinese policies and suggested that the CCP poses an unacceptable threat to the United States and other democracies. Charging that the Chinese consulate in Houston was engaged in espionage, the US demanded it be closed. Beijing retaliated by shutting down the US Consulate in Chengdu. The US aligned its South China Sea policy more closely with the July 2016 tribunal ruling and declared China's "nine-dash line" claim and actions based on it to be illegal. Tensions increased over Taiwan as the US took several steps to strengthen ties with Taipei and deter Chinese coercion.

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COVID-19's Grip on the World Continues

The COVID-19 pandemic's impact on global society deepened between May and August 2020, with thousands of deaths reported worldwide each day. The US-China relationship continued its downward spiral as both sides traded barbs, and President Trump made it a point to blame China for the pandemic at every turn. On May 3, US Secretary of State Pompeo doubled down on Trump's assertions that the virus originated from a laboratory in Wuhan, [claiming](#) in an ABC News interview that "there is a significant amount of evidence that this came from that laboratory in Wuhan." He accused China of having "a history of infecting the world and ... a history of running substandard laboratories." Chinese Foreign Ministry Spokesperson Hua Chunying dismissed these charges in a May 6 press conference, [stating](#) that "the origin of the virus is a complex scientific issue that should be answered by scientists" and, in an apparent dig at Pompeo, blasted "some individuals in the US" for "constantly accusing China out of their own domestic political interests." Pompeo uncharacteristically softened his assertions in an interview with Breitbart the following week, when he [acknowledged](#) that the US did not have any definitive knowledge on the virus's origins.

After repeated criticisms of the World Health Organization (WHO) and its response to the COVID-19 outbreak, Trump made good on his threats to withdraw from the WHO on May 18. In a letter to Director-General Dr. Tedros Adhanom Ghebreyesus, Trump [wrote](#) that the US would suspend all contributions to the organization, citing its "failed response to the COVID-19 outbreak" and "alarming lack of independence from the People's Republic of China." The letter did not sit well with Beijing. Two days later, Chinese Foreign Ministry Spokesperson Zhao Lijian picked apart the letter's allegations line by line at a press conference, [saying](#), "the international community does not agree with the US fact-distorting and self-contradictory actions that aim to shift the blame and responsibility to others and undermine international cooperation on COVID-19." President Trump fired back with two scathing tweets on May 20, [accusing](#) Zhao of "speak[ing] stupidly on behalf of China, trying desperately to deflect the pain and carnage that their country spread" and [blaming](#) the deaths from COVID-19 on "the 'incompetence of China,' and nothing else."

As summer continued, and the number of COVID-19 cases and deaths in the US soared, Trump repeatedly took to Twitter to pin the blame for the virus squarely on China. He [professed](#) to be "more and more angry at China" as a result of the devastating impact of the virus on the US. Every facet of US-China relations was soon touched by this anger, as Trump regularly pointed to China's handling of the pandemic as a reason to punish China economically, diplomatically, and politically. At the end of August, COVID-19 remained an open wound in the bilateral relationship with little hope of healing.

The Nonlinear Execution of the Phase One Deal

Hopes that the phase one US-China trade deal that was inked on January 15 would steady a relationship in free fall were dashed by the pandemic. After praising the deal when it was signed as "a momentous step ... toward a future of fair and reciprocal trade with China," Trump soured on the agreement. In a Fox News Virtual Town Hall on May 3, Trump definitively [stated](#) "if they don't buy, we'll terminate the deal," referencing Beijing's pledge to purchase at least \$200 billion in US goods and services. Economic negotiators on both sides were resolved to prevent the deal from falling apart, however. US Treasury Secretary Steven Mnuchin and US Trade Representative (USTR) Robert Lighthizer held a call with China's lead negotiator, Vice Premier Liu He, a few days later. The read out of the call from the USTR office [said](#) that "both sides agreed that good progress is being made on creating the governmental infrastructures necessary to make the agreement a success," and that Beijing and Washington agreed they would be able to live up to the terms of the deal despite the unforeseen economic blow from the pandemic. Shortly thereafter, China's Ministry of Finance [released](#) a list of 79 US products that would be exempt from tariffs, joining items like soybeans and pork that were already deemed to be exemptions.



Figure 1 U.S. President Donald Trump and Chinese Vice Premier Liu He displays the signed phase one of the U.S.-China trade agreement on January 15, 2020. Photo: Kevin Lamarque/Reuters

In what would be a recurring theme from May to August, Trump conflated the pandemic with the US-China trade deal in a tweet on May 13, [lamenting](#) that the US “just made a great Trade Deal, the ink was barely dry, and the World was hit by the Plague from China. 100 Trade Deals wouldn’t make up the difference.” In a Fox Business interview the following day, Trump implied potential repercussions for China’s alleged actions in the early days of the outbreak, [suggesting](#) that “there are many things we could do ... we could cut off the whole relationship.” He voiced further frustration with the pandemic’s economic impact on May 16, [writing](#) on Twitter that “Prior to the Plague floating in from China, our Economy was blowing everybody away, the best of any country, EVER,” before promising that the US economy would bounce back. Despite Trump’s souring view on economic cooperation with China, the USTR and the Department of Agriculture (USDA) released a statement on May 21 [announcing](#) “additional progress in the implementation of the agriculture-related provisions” of the phase one deal. US Secretary of Agriculture Sonny Perdue offered tepid optimism, [stating](#), “We look forward to continued cooperative work with China on implementation of Phase One commitments.”

In July, China made notable progress on promised agricultural purchases as outlined in the deal, though it was still far from on pace to meet its commitments on time. On July 10, USDA [reported](#) the sale of 1.365 million tons of corn to China over the course of the 2020 and 2021 marketing years. Four days later, this was overshadowed by an even larger purchase—1.762 million tons, which [marked](#) China’s

largest ever single-day corn purchase from the United States. China also [purchased](#) 129,000 tons of US soybeans. Trump was not won over by the large-scale purchases. In a White House press conference the very same day, Trump [stated](#) that the COVID-19 pandemic had led him to view the phase-one trade deal “much differently,” though he conceded that China was “buying a lot.” He [told](#) CBS News that he was “not interested right now in talking to China,” extinguishing any hope that phase-two trade talks would begin any time soon. However, Trump was not ready to abandon the deal and on July 22, he [reassured](#) his followers that the “China Trade Deal is fully intact.” At the end of July, China’s purchases [amounted](#) to less than half of the year-to-date target amount.

In early August, it was [reported](#) that Lighthizer and Liu would hold a videoconference on August 15 to conduct a mandatory review of the phase-one deal’s implementation progress in the six months since its enactment. This planned meeting was indefinitely [postponed](#) just one day prior, with initial sources pointing to scheduling conflicts as well as the US side’s desire to allow additional time for China to purchase more US goods. Trump assumed responsibility for the decision at an August 18 press conference, [declaring](#), “I postponed talks with China ... I don’t want to talk to China right now.” He again attributed his reasoning to the COVID-19 pandemic, insisting that China both could and should have contained the spread of the virus.

Chinese Ministry of Commerce Spokesperson Gao Feng [commented](#) that both parties “agreed to talk in the near future,” which proved to be true on August 24. Lighthizer, Mnuchin, and Liu discussed the status of the phase-one trade deal in the rescheduled call, with USTR’s statement [asserting](#) that “[b]oth sides see progress and are committed to taking the steps necessary to ensure the success of the agreement.”

A String of Trump Administration Speeches on China

More than three years after Trump was sworn in as president, the White House published a whole-of-government [strategy](#) toward China in accordance with the FY2019 National Defense Authorization Act titled *United States Strategic Approach to the People’s Republic China*. The 20-page report, issued on May 20, asserted that the Chinese Communist Party has opted “to exploit the free and open rules-based order and attempt

to reshape the international system in its favor.” Rather than seek to change China, the report maintained that the Trump administration’s goal is to protect US vital national interests. It insisted that the US does “not seek to contain China’s development or disengage from the Chinese people,” but “expects to engage in fair competition with the PRC” so both nations can benefit. The report reiterated the language of the December 2017 *National Security Strategy*, noting that there is a “long-term strategic competition” underway between the two systems represented by the United States and China. The challenges posed by China outlined in the report include economics, values, and security. Relying on a whole-of-government approach and “principled realism,” the strategy paper pledged to protect US interests and advance US influence in the face of China’s challenges.

Between May and August, the Trump administration ramped up efforts to persuade various constituencies at home and abroad that China poses an existential threat. In a series of speeches, senior Trump administration officials detailed the nature of the PRC threat and urged that greater action be taken in response. The central message of these speeches is that authoritarian China under the CCP poses a danger to democracies around the world because of its ideology and its violation of international norms.

The first speech, and perhaps the most remarkable, was delivered by Deputy National Security Advisor Matt Pottinger on May 4 as a keynote [address](#) for a conference organized by the University of Virginia. The speech was notable for at least two reasons. First, Pottinger gave the speech in Chinese, a clear signal that the target audience was the Chinese people. Second, marking the anniversary of the May Fourth Movement, which took place in 1919, Pottinger described “acts of moral and physical courage” by Chinese people past and present. In a veiled call for the Chinese people to stand up for their ideals, he posed the question, “Will the (May Fourth Movement’s) democratic aspirations remain unfulfilled for another century?”

On June 19, Secretary of State Mike Pompeo delivered a [speech](#) to the virtual Copenhagen Democracy Summit. The speech focused entirely on China and the menaces of the CCP, including its brutal campaign of repression against

Chinese Muslims, its military buildup in the South China Sea, its lies about the coronavirus, and its disinformation and cyber campaigns that are intended “to drive a wedge between the United States and Europe.” Denying that the Trump administration is trying to compel European nations to choose between the United States and China, Pompeo instead said that the choice is between freedom and tyranny, and it is being forced by the CCP. He hailed steps by Sweden to close all the Confucius Institutes in their country; by the UK to secure its networks from Huawei; by Denmark to push back against the CCP’s effort to censor Danish newspapers; and by the Czech Republic to stand up to the PRC’s coercive diplomacy. Pompeo called on the Europeans to do more to defend our shared values and protect our democracies.

Over the course of the next month, senior Trump officials gave four speeches on China. They were designed to be delivered in a series, culminating with a major policy address by the secretary of State. On June 26, National Security Advisor Robert O’Brien delivered an [address](#) to the Arizona Commerce Authority on “The Chinese Communist Party’s Ideology and Global Ambitions.” He argued that the CCP’s Marxist-Leninist ideology is inherently incompatible with the liberal international order. China’s form of communism, according to O’Brien, requires control not only over its own people, also over international actors, including companies, journalists, and private citizens across the United States. The Trump administration is taking steps to correct 40 years of a one-sided unfair relationship with China that has harmed America’s “economic” and “political well-being,” he maintained.

On July 7, FBI Director Christopher Wray gave a [speech](#) at the Hudson Institute in Washington DC titled “The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States.” Its main topic was Chinese espionage, which Wray called “the greatest long-term threat to our nation’s information and intellectual property, and to our economic vitality.” He described China’s espionage toolkit as comprising a diverse and multi-layered approach that exploits the open economic, social, and political system of the United States to pursue goals that undermine US national interests and the rule of law.

Attorney General William Barr gave the next [speech](#), “Remarks on China Policy,” on July 16 at the Ford Presidential Museum in Grand Rapids, Michigan. He portrayed China as using commercial ties, espionage, and industrial policies to supplant the United States as the world’s economic superpower and warned that the US is already “dangerously dependent on China.” Barr slammed US companies—including Google, Microsoft, Yahoo, Apple, and Disney—as well as universities for prioritizing short-term profits “at the expense of freedom and openness in the United States.”

Pompeo delivered the final [speech](#) at the Richard Nixon Presidential Library and Museum on July 23. Its title was “Communist China and the Free World’s Future.” He contended that 50 years of “blind” engagement toward China have imperiled US democracy, prosperity, and security and maintained that Xi Jinping seeks the “global hegemony of Chinese communism.” In response, Pompeo called for the freedom-loving nations of the world to form “a new alliances of democracies.” Their objective should be to “change Communist China” and “engage and empower the Chinese people” to push for change.

The series of speeches suggested that the Trump administration not only views China’s policies and behavior as contrary to US interests, but also believes that the existence of the CCP as the ruling party in China poses an unacceptable threat to the United States and other democracies. Although there haven’t been explicit calls for “regime change,” it increasingly appears that ending CCP rule is the desired goal.

In the Name of US National Security

Throughout 2020, the US took a string of actions against China in the name of protecting US national security interests. On May 13, US Secretary of Labor Eugene Scalia [announced](#) that “the Federal Retirement Thrift Investment Board voted unanimously in accordance with Trump’s direction to immediately halt all steps associated with investing Thrift Savings Plan assets in problematic Chinese companies,” claiming such “risky” companies “pose a threat to US national security.” The move stopped plans to invest US federal employee and military retirement savings in Chinese stocks. Just one week later, Chinese companies faced another blow when the US Senate unanimously [passed](#)

the Holding Foreign Companies Accountable Act, which could delist Chinese companies from the US stock market. The legislation, currently in the House of Representatives, would require foreign companies to comply with audits by the Public Company Accounting Oversight Board and to prove that they are “not owned or controlled by a governmental entity.” The justification for it was to “[protect] the interest of hardworking American investors.”

In what proved to be a hectic month, May also saw the US Department of Commerce Bureau of Industry and Security (BIS) [accuse](#) Huawei Technologies of “undermining the national security and foreign policy purposes of the [US] Entity List by commissioning their production in overseas foundries using US equipment.” In response to this alleged threat to US national security, BIS placed further restrictions on Huawei’s access to US technology and software as it pertained to the production of semiconductors. Beijing issued a same-day retaliation, [announcing](#) intentions to place US companies including Qualcomm, Apple, and Cisco on its own “unreliable entity list.” In August, BIS [tightened](#) these restrictions even further, in addition to placing 38 more Huawei affiliates on the Entity List.

On August 5, Pompeo [announced](#) a five-pronged effort to protect US telecommunications infrastructure as part of the Clean Network program. The initiative included keeping PRC carriers out of US telecom networks, clearing sensitive information from cloud-based systems accessible to Chinese companies, and removing from mobile application stores all PRC apps that “threaten our privacy, proliferate viruses, and spread propaganda and disinformation.” The very next day, the White House announced seemingly related measures to protect US national security, in the form of two widely publicized executive orders. Using largely parallel language, the orders were meant to address national security threats posed by [WeChat](#) and [TikTok](#), two social media platforms owned by Chinese companies. Both required the sale of the apps from their Chinese parent companies within 45 days in order to sustain operations in the United States. Cited concerns included unauthorized data collection that could be used nefariously by the CCP, dangerous disinformation campaigns, and problematic censorship practices—all of which were deemed to “threaten the national security, foreign policy, and economy of the United States.”

TikTok sued the Trump administration in response, [asserting](#) that “the Administration’s decisions were heavily politicized” and its countless attempts to address security concerns were “ignored.”

The US Ratchets Up Diplomatic Pressure

The Trump administration continued to speak out against the persecution of Uyghurs and other ethnic minorities in the Xinjiang Uygur Autonomous Region (XUAR), openly criticizing China’s human rights violations and using a variety of means to hold Beijing accountable. The US Department of Commerce added a total of 20 Chinese entities to its Entity List between [May](#) and [July](#), including companies accused of forced labor practices and others charged with enabling high tech surveillance in Xinjiang. These joined the 28 entities added in October 2019 for similar abuses in the region. Trump then [signed](#) the Uyghur Human Rights Policy Act of 2020 into law on June 17; it [imposes](#) sanctions on individuals and entities linked to human rights violations in Xinjiang. In early July, the US departments of State, Commerce, Homeland Security, and the Treasury jointly [published](#) the Xinjiang Supply Chain Business Advisory in an attempt “to caution businesses about the risks of supply chain links to entities that engage in human rights abuses, including forced labor, in [Xinjiang] and elsewhere in China.” The Department of the Treasury separately issued sanctions against Chinese government [entities](#) and [officials](#), including the Xinjiang Public Security Bureau and Communist Party Secretary of XUAR Chen Quanguo. Those sanctions elicited a sharp response from Chinese Foreign Ministry Spokesperson Hua Chunying, who [stated](#) that “the US has no right and no cause to interfere” in China’s internal affairs. Beijing also issued retaliatory sanctions against the US Congressional-Executive Commission on China, Ambassador at Large for International Religious Freedom Samuel Brownback, Senators Marco Rubio (R-Florida) and Ted Cruz (R-Texas), and Representative Chris Smith (R-New Jersey).

Tit-for-tat diplomatic digs were a hallmark of the summer, with the Trump administration lobbying various visa restrictions and foreign mission designations at China, which were in turn met with condemnations and occasional retaliatory measures from Beijing. On May 29, Trump [issued](#) a proclamation suspending visas for PRC nationals who are deemed “likely to support a PRC entity that implements and

supports the CCP’s ‘military-civil fusion’ strategy.” The Department of State issued multiple foreign mission designations, labeling four Chinese media outlets (China Central Television, China News Service, the *People’s Daily*, and the *Global Times*) plus the Confucius Institute US Center as “substantially owned or effectively controlled” by the Chinese government.

These diplomatic rows paled in comparison to the sudden and dramatic US closure of the Chinese Consulate in Houston and the retaliatory action by Beijing to shut down the US Consulate in Chengdu. On July 21, the US [ordered](#) the closure of China’s Houston Consulate, citing “espionage and influence activities” that were a direct threat to US national security. China’s Ministry of Foreign Affairs harshly [criticized](#) the move, labeling it “a political provocation unilaterally launched by the US side” and “an outrageous and unjustified move which will sabotage China-US relations.” Three days later, China [issued](#) a matching order to the US Consulate in Chengdu, demanding its immediate closure. Neither side has yet to make moves to reverse the decisions, leaving both countries down one diplomatic post in a time of severely strained relations.

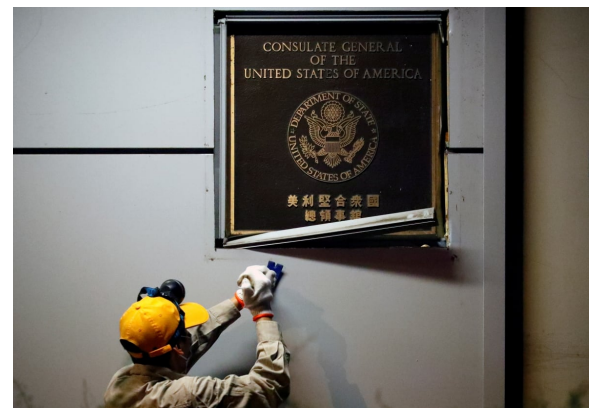


Figure 2 The U.S. Consulate plaque at the U.S. Consulate General in Chengdu, China is removed after China issues for its closure. Photo: Thomas Peter/Reuters

Shift in US South China Sea Policy

In what many observers viewed as a long overdue clarification of US policy, the Trump administration aligned its position more closely with the July 2016 ruling on the South China Sea by a tribunal convened under the UN Convention on the Law of the Sea (UNCLOS). The adjustment in US policy was [announced](#) by Pompeo on July 13 and was driven by the Trump

administration's effort to stop Chinese harassment of other claimants' development of resources within their Exclusive Economic Zones. Pompeo's statement noted, "We are making clear: Beijing's claims to offshore resources across most of the South China Sea are completely unlawful, as is its campaign of bullying to control them." The UNCLOS tribunal had ruled that China has no basis to assert "historic rights" to maritime areas beyond those allowed by UNCLOS, thus invalidating the "nine-dash line." The Obama administration had called on China and the Philippines to comply with the ruling when it was issued but had not explicitly endorsed the specific findings or declared any concrete Chinese actions in other countries' EEZs as "illegal."

The revised US position does not change longstanding US neutrality on territorial disputes in the South China Sea. It does, however, take a clear stance on maritime disputes over water and seabed rights. In other words, China can claim resources within its EEZ and continental shelf that extend into the South China Sea from its southern coast, and possibly in maritime zones generated by the Paracel Islands (which were not covered by the 2016 award), but cannot legally claim resources in other areas. Therefore, activities by Chinese Coast Guard ships and maritime militia to interfere with other countries' oil and gas exploration, as well as Chinese fishing and energy exploitation in large swaths of the Spratly Islands, are now judged to be illegal.

In late August, the Trump administration took two concrete actions to penalize China for its illegal, coercive, and destabilizing actions in the South China Sea. The Department of Commerce [placed](#) 24 Chinese companies on the Entity List, which imposes restrictions on exports of specific items to companies and individuals that threaten US national security. Of these companies, 22 are state-owned enterprises. Commerce Secretary Wilbur Ross indicated that these companies were placed on the list because they "played a significant role" in China's artificial-island building and militarization of the Spratly Islands. The second action was taken by the State Department, which [announced](#) that it would not issue visas to Chinese nationals "responsible for, or complicit in, either the large-scale reclamation, construction, or militarization of disputed outposts in the South China Sea, or the PRC's use of coercion against

Southeast Asian claimants to inhibit their access to offshore resources."

US Navy ships conducted three freedom of navigation operations (FONOPs) in the five-month period between April 1 and August 31. On May 28, the *USS Mustin*, an Arleigh Burke-class guided-missile destroyer, challenged China's claim to straight baselines enclosing the Paracel Islands and its requirement to obtain permission to enter Chinese territorial waters. On July 14, the guided-missile destroyer *USS Ralph Johnson* sailed within 12 nautical miles of Cuarteron and Fiery Cross Reefs. The operation challenged restrictions on innocent passage imposed by China, Vietnam and Taiwan. On August 27, the *USS Mustin* conducted another FONOP in the Paracel Islands.

Global Times, a tabloid owned by *People's Daily*, [charged](#) the US with ignoring the rules of international law, repeatedly stirring up troubles in the South China Sea, exercising "navigational hegemony" in the name of freedom of navigation, and seriously undermining China's sovereignty and security interests. It also claimed that the PLA "expelled" the US warship from the area. Speaking at The Atlantic Council, NSC Advisor Robert O'Brien [stated](#) that the US "is not going to back down" from its right to assert freedom of navigation and overflight in the face of China's "increasing assertiveness and aggressiveness."

Both the US and China conducted major military exercises in the South China Sea and elsewhere in the Pacific during the summer months. Chinese drills, which extended along the country's entire eastern seaboard, included a mock beach assault in Hainan province; a sea-crossing and landing with amphibious assault vehicles in Guangdong province; flights of missile-armed bombers and fighters over the South China Sea; and tests of DF-21D and DF-26 missiles into waters between Hainan Island and the Paracel Islands. Two US aircraft carriers, the *USS Ronald Reagan* and the *USS Nimitz*, along with their strike groups, conducted exercises in the South China Sea in July—the first time since 2014 that the US held dual-carrier operations in those waters. Rear Adm. Jim Kirk, commander of the *Nimitz*, [said](#) in a statement that the operations were intended "to reinforce our commitment to a free and open Indo-Pacific, a rules-based international order, and to our allies and partners in the region." Chinese

Foreign Minister Wang Yi [accused](#) the US of “increasing and showing off its military presence in the South China Sea,” flying military aircraft “more than 2,000 times” this year. He also charged that the US is attempting to drive a wedge between China and ASEAN countries and “hijack regional countries onto its chariot to serve US domestic politics and geopolitical agenda.”

Tensions Escalate Over Taiwan

The Trump administration took a series of steps to strengthen ties with Taiwan, prompting strong reactions from Beijing. On May 20, the occasion of Taiwan President Tsai Ing-wen's inauguration for her second term in office, Pompeo sent a recorded congratulatory message. China's Ministry of Defense (MND) expressed “strong dissatisfaction and firm opposition,” and insisted that the action was a “grave violation of the one-China principle and the three US-China joint communiqués. The MND statement also maintained that the US had jeopardized the development of relations between the two countries and the two militaries.

On the same day the Trump administration announced that it had notified Congress of a potential sale to Taiwan of 18 MK-48 Mod6 Advanced Technology Heavy Weight Torpedoes and related equipment for an estimated cost of \$180 million. Chinese foreign ministry spokesperson Zhao Lijian said that in response to the planned sale, Beijing lodged “stern representations” with the United States. He urged the US to abide by the one-China principle, and the three China-US joint communiqués, cancel the plan of arms sale to Taiwan and end its military links with the island before it causes more harm to China-US ties and peace and stability across the Taiwan Straits.

In July, the US approved a \$620 million package to extend the operation life of Taiwan's Patriot Advanced Capability-3 (PAC-3) missiles. Beijing announced that in retaliation it would impose sanctions on Lockheed Martin Corporation, manufacturer of the missiles. Threats of sanctions have been made by China in the past but have not been carried out. Even if Beijing follows through, sanctions on Lockheed Martin would not have a significant impact since less than 1 percent of the company's revenue comes from its business with China.

The visit by Health and Human Services Secretary Alex Azar to Taipei in early August marked the first time in six years that a Cabinet-ranked US official traveled to Taiwan. Azar met Tsai and signed a [statement](#) along with Taiwan's minister of health reaffirming the longstanding cooperation between the US and Taiwan to address global health challenges. China's foreign ministry spokesperson expressed Chinese opposition to the visit and warned that “People who play with fire will burn themselves.” Chinese fighter jets also briefly crossed the centerline of the Taiwan Strait as a warning to the US and Taiwan not to cross Chinese redlines.



Figure 3 U.S. Secretary of Health and Human Services Alex Azar meets Taiwan President Tsai Ing-wen at the presidential office in Taipei, Taiwan. Photo: Reuters

On Aug. 31, the Trump administration declassified two [cables](#) from 1982. One explained that the US willingness to reduce the quantity and quality of arms sales to Taiwan, which is a provision in the Aug. 17, 1982 US-China Joint Communique, would be conditioned on the threat posed by the PRC. The second cable contains the text of the Six Assurances which the Reagan administration provided to Taipei when it signed the Communique with Beijing. The US also announced a new economic and commercial dialogue with Taiwan focused on semiconductors, health care, energy, and other sectors. Beijing responded with a call for the US to “stop official interaction with Taiwan in all forms.”

The US Navy conducted and announced transits of the Taiwan Strait on May 14, June 4, Aug. 18, and Aug. 31. With each transit, US Navy spokesmen issued a statement noting that the operation demonstrated the US commitment to a free and open Indo-Pacific and to fly, sail, and operate anywhere international law allows. The four transits brought the number of times that

US Navy ships sailed through the Taiwan Strait to 11 so far this year compared to nine transits in 2019.

The Hong Kong National Security Law and Tit-for-tat Sanctions

On June 30, one day before the 23rd anniversary of the handover of Hong Kong from the UK to China, Xi Jinping signed the Hong Kong national security law. The law was first broached in May at the National People's Congress. The legislation is aimed at prohibiting secession, subversion of state power, terrorism activities, and foreign interference. In an official [statement](#), Pompeo condemned the decision, saying it “destroys the territory’s autonomy” and turns “one country, two systems” into “one country, one system.” A month earlier, Trump declared the US intention to end the special policy exemptions it grants Hong Kong, including the city’s preferential treatment as a separate customs and travel territory from the rest of China.



Figure 4 Billboards and signs promoting China’s national security law are put up in Hong Kong. Photo: Lam Yik Fei/The New York Times

On July 14, Trump followed through on his threat. He signed the Hong Kong Autonomy Act that called for imposing sanctions on foreign individuals and entities for “contributing to the erosion of Hong Kong’s autonomy.” He also signed an executive order to end the special status given to Hong Kong under US law. Speaking at a White House press conference, Trump said that Hong Kong would henceforth be treated the same as mainland China. “No special privileges, no special economic treatment, and no export of sensitive technologies,” he said.

The following month, the US Treasury Department levied [sanctions](#) on 11 Hong Kong officials, including Chief Executive Carrie Lam, for restricting freedoms and undermining the territory’s autonomy. The sanctions allow US officials to seize any property the designated officials have in the United States and bars them from doing business in the country. Governments in both Beijing and Hong Kong issued harsh statements with the Hong Kong government claiming that the sanctions had no legal standing. Washington subsequently suspended or eliminated special and differential treatment for the former British colony with respect to export controls, imports, immigration, the extradition and transfer or sentenced persons, training for law enforcement and security services, shipping tax, and cultural exchange programs.

In retaliation for US sanctions on Hong Kong officials, China imposed similar measures on 11 Americans, including five members of the US Congress, and heads of NGO organizations. China’s foreign ministry spokesman said “In response to the erroneous actions of the US, China has decided to impose sanctions today on those individuals who behaved badly on Hong Kong-related issues.” He did not specify what impact the sanctions would have, however.

Pompeo-Yang Meet in Hawaii

Secretary Pompeo and China’s foreign policy chief, Yang Jiechi, held a meeting in Hawaii in mid-June that lasted almost seven hours. Prior to the session, an official [speaking](#) on background told the *Washington Post* that Pompeo hoped to obtain more information from Beijing about the coronavirus outbreak and get access to Chinese virus samples, facilities, and scientists. In addition, according to the official, Pompeo planned to raise concerns about Chinese violations of Hong Kong’s autonomy and wanted to persuade China to enter into nuclear arms negotiations with the United States and Russia. Other sources indicated that the secretary intended to discuss Taiwan and Phase One of the US-China trade deal.

The State Department [readout](#) of the meeting was sparse, offering little insight into the lengthy conversation. It simply noted that Pompeo “stressed important American interests and the need for fully-reciprocal dealings between the two nations across commercial, security, and diplomatic interactions” and

urged “full transparency and information sharing” to combat the COVID-19 pandemic. Beijing maintained that the meetings was “constructive” and noted that Yang presented China’s positions on Hong Kong, Taiwan, and Xinjiang, insisting that the US should stop interfering in its internal affairs, according to a statement by the Chinese foreign ministry.

Asked about his meeting with Yang when participating in the Copenhagen Democracy Summit, Pompeo described the conversation as “frank” and noted that “each side stake out ... pretty familiar positions.” He related that he told Yang that the US is “just watching actions” because it isn’t sufficient to listen to what the CCP is saying, and cited as examples Chinese policies toward Hong Kong, Tibet, Xinjiang, India, Australia, and four Southeast Asian countries.

China Sounds Off, Then Steps Back

As the Trump administration denounced the CCP and took a spate of actions against China purportedly for the purpose of holding the CCP accountable and demanding reciprocity, Beijing struggled to come up with an effective counter strategy. For several months, Chinese officials spewed harsh rhetoric. Pompeo bore the brunt of many strident comments. Chinese Foreign Ministry Spokesperson Hua [labeled](#) him as “notoriously proud of lying and cheating.” She even sarcastically [tweeted](#), “I want to thank #Pompeo, because everytime you opened your mouth, the Chinese people loved their country and the #CPC even more deeply.” Another spokesperson, Zhao Lijian (who gained notoriety for his baseless claim that the US Army brought COVID-19 to Wuhan), condemned Pompeo as “[doomed](#) to fail” and “[neither](#) capable nor competent” in two separate tweets. These targeted attacks, largely executed by Chinese government officials on Twitter—a platform banned in the PRC—were prime examples of Beijing’s “Wolf Warrior diplomacy.” Named after a Chinese action blockbuster, this aggressive [strategy](#) was adopted to vigorously defend China’s interests on the world stage, particularly in response to foreign countries criticizing Chinese actions.

In mid-summer, however, Beijing shifted tactics in an attempt to stop the downward spiral in the US-China relationship. In a July 8 speech, Chinese Vice Foreign Minister Le Yucheng [spoke](#) of his optimism about the

trajectory of the bilateral relationship, stating “China stands ready to work with the US to advance China-US relations based on coordination, cooperation and stability.” Foreign Minister Wang Yi echoed these sentiments in an August 6 interview with Xinhua, [rejecting](#) the “new Cold War” mentality and professing that China has “no intention of becoming another United States.” A few days later, Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi [published](#) an article entitled “Respect History, Look to the Future and Firmly Safeguard and Stabilize China-US Relations.” This coordinated effort aimed at getting the US-China relationship back on stable footing didn’t evoke a more agreeable US response, however.

Conclusion: US Presidential Election Looms

Having identified China bashing as a means to get votes and deflect attention from the still-spreading coronavirus, the Trump administration will likely take more actions against China and deliver more speeches critical of the CCP in the runup to the presidential election. Moreover, Trump administration officials appear to be increasingly committed to transforming the US-China relationship into a strategic and ideological rivalry between two systems that cannot be easily changed if Trump loses the election. Regardless of the outcome of the US election, it is likely that strategic competition will continue to define the US-China relationship for many years to come.

CHRONOLOGY OF US-CHINA RELATIONS

MAY – AUGUST 2020

May 2, 2020: People's Liberation Army Navy (PLAN) [conducts](#) an escort mission drill through the disputed Spratly Island chain in the South China Sea. Type 052D guided-missile destroyer Taiyuan and Type 054A frigate Jingzhou participate in the exercise.

May 3, 2020: President Trump [says](#) in an interview that he is considering restoring tariffs on China, asserting "we're not going to get rid of tariffs. You got to treat our country with respect. You've been ripping off our country for many years."

May 3, 2020: In interview with ABC News, Secretary of State Mike Pompeo [argues](#) that "there is a significant amount of evidence that [COVID-19] came from that laboratory in Wuhan."

May 4, 2020: Deputy National Security Advisor Matt Pottinger [delivers](#) a speech at the University of Virginia entitled "Reflections on China's May Fourth Movement: an American Perspective."

May 7, 2020: US House of Representatives Minority Leader Kevin McCarthy [announces](#) the formation of a Republican-led China Task Force, "to help reinforce Congressional efforts to counter current and emerging cross-jurisdictional threats from China."

May 7, 2020: US Trade Representative Robert Lighthizer and Treasury Secretary Steve Mnuchin [hold](#) a call with Chinese Vice Premier Liu He on the implementation of the Phase One trade deal between the US and China.

May 7, 2020: US-China Economic and Security Review Commission [holds](#) a hearing on "China's Evolving Healthcare Ecosystem: Challenges and Opportunities."

May 8, 2020: US Department of Homeland Security [places](#) new restrictions on work visas for mainland Chinese journalists employed by foreign media entities, limiting them to a maximum stay of 90 days.

May 8, 2020: US-China Economic and Security Review Commission [holds](#) a hearing on "China's Strategic Aims in Africa."

May 11, 2020: Trump [tweets](#): "Asian Americans are VERY angry at what China has done to our Country, and the World. Chinese Americans are the most angry of all. I don't blame them!"

May 12, 2020: China's Ministry of Finance [publishes](#) a list of 79 additional products to be exempt from tariffs related to the trade war, effective starting May 19.

May 13, 2020: Trump [tweets](#): "As I have said for a long time, dealing with China is a very expensive thing to do. We just made a great Trade Deal, the ink was barely dry, and the World was hit by the Plague from China. 100 Trade Deals wouldn't make up the difference - and all those innocent lives lost!"

May 13, 2020: Federal Bureau of Investigation (FBI) and the Cybersecurity and Infrastructure Security Agency (CISA) [issue](#) Public Service Announcement warning organizations researching COVID-19 of likely targeting and network compromise by the PRC.

May 14, 2020: US Navy Arleigh Burke-class guided-missile destroyer USS McCampbell [transits](#) the Taiwan Strait.

May 14, 2020: Trump [says](#) in an appearance on Fox Business that he has considered cutting off the US-China relationship, suggesting "you'd save \$500 billion if you cut off the whole relationship." When asked about his relationship with Xi Jinping, he said he has a "very good relationship" but "right now I just don't want to speak to him."

May 15, 2020: US Bureau of Industry and Security (BIS) [announces](#) plans to protect US national security by restricting Huawei's ability to use US technology and software to design and manufacture its semiconductors abroad.

May 16, 2020: China's Ministry of Commerce [announces](#) a series of countermeasures to US Huawei restrictions, including putting US companies on an "unreliable entity list," as well as launching investigations and imposing restrictions on US companies such as Apple, Qualcomm, Cisco, and Boeing.

May 16, 2020: Trump [tweets](#): "Why is it that China, for decades, and with a population much bigger than ours, is paying a tiny fraction of \$'s to The World Health Organization, The United Nations and, worst of all, The World Trade Organization, where they are considered a so-called "developing country" and are therefore given massive advantages over The United States, and everyone else? Prior to the Plague floating in from China, our Economy was blowing everybody away, the best of any country, EVER. We will be there again, and soon!"

May 18, 2020: Pompeo [issues](#) statement condemning the exclusion of Taiwan from the World Health Assembly.

May 19, 2020: US Pacific Air Force B-1 bombers [conduct](#) a mission in the South China Sea, several days after training with US Navy forces near Hawaii.

May 20, 2020: China's Ministry of Defense issues a [statement](#) condemning Pompeo's congratulatory message to Taiwan President Tsai Ing-wen on her inauguration.

May 20, 2020: Trump [tweets](#): "Some wacko in China just released a statement blaming everybody other than China for the Virus which has now killed hundreds of thousands of people. Please explain to this dope that it was the 'incompetence of China', and nothing else, that did this mass Worldwide killing!"

May 20, 2020: Trump [tweets](#): "Spokesman speaks stupidly on behalf of China, trying desperately to deflect the pain and carnage that their country spread throughout the world. Its disinformation and propaganda attack on the United States and Europe is a disgrace... It all comes from the top. They could have easily stopped the plague, but they didn't!"

May 20, 2020: US [approves](#) the sale to Taiwan of 18 MK-48 Mod 6 Advanced Technology heavyweight torpedoes, which feature advanced sonar targeting for submarines, along with support equipment and related logistics support.

May 20, 2020: White House [delivers](#) a report entitled "US Strategic Approach to The People's Republic of China" to members of Congress.

May 22, 2020: Pompeo [issues](#) a statement condemning China's proposal to impose National Security Legislation on Hong Kong, calling it a "death knell" for the city's autonomy. He went on to say that the decision would "inevitably impact our assessment" of the city's special status.

May 22, 2020: Department of Commerce [adds](#) the PRC Ministry of Public Security's Institute of Forensic Science and eight Chinese companies to the Entity List for complicity in human rights violations and abuses in Xinjiang.

May 23, 2020: During a panel on the sidelines of China's National People's Congress, Defense Minister Wei Fenghe [says](#), "The United States has intensified the suppression and containment of our side since the [coronavirus] outbreak, and the Sino-US strategic confrontation has entered a period of high risk. We must strengthen our fighting spirit, be daring to fight and be good at fighting, and use fighting to promote stability."

May 27, 2020: Pompeo [certifies](#) to Congress that Hong Kong does not continue to warrant treatment under US law in the same manner as US laws were applied to Hong Kong before July 1997.

May 28, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Mustin* (DDG-89) [conducts](#) a freedom of navigation operation past the Paracel Islands in the South China Sea.

May 29, 2020: Trump [announces](#) at a press conference that his administration "will take action to revoke Hong Kong's preferential treatment as a separate customs and travel territory from the rest of China." He also said the US will "take necessary steps to sanction PRC and Hong Kong officials directly or indirectly involved in eroding Hong Kong's autonomy."

May 29, 2020: Trump [issues](#) proclamation suspending visas for students whose research activities are likely to support a PRC entity that implements and supports the Chinese Communist Party's "military-civil fusion" strategy.

June 3, 2020: Department of State [releases](#) its annual statement commemorating the 31st anniversary of Tiananmen Square.

June 4, 2020: White House [publishes](#) a presidential memorandum on "Protecting United States Investors from Significant Risks from Chinese Companies."

June 4, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Russell* (DDG-59) [transits](#) the Taiwan Strait on the anniversary of Tiananmen Square.

June 8, 2020: A group of PLA Sukhoi Su-30 fighter jets [cross](#) the median line in the Taiwan Strait, just hours after a US C-40A transport plane conducted a mission over the island.

June 11, 2020: FBI [arrests](#) Chinese military officer Xin Wang and charges him with visa fraud as he attempts to leave the US.

June 17, 2020: Pompeo [meets](#) CCP Politburo member and top Chinese diplomat Yang Jiechi to discuss US-China relations.

June 17, 2020: Trump [signs](#) the Uyghur Human Rights Policy Act of 2020 into law. The legislation seeks to hold accountable those responsible for the repression of China's Uyghurs, including measures such as sanctions on CCP Politburo member Chen Quanguo.

June 18, 2020: A group of PLA J-10 and J-11 fighter jets [enter](#) Taiwan airspace soon after a US Air Force KC-135 refueling plane flew over southeast Taiwan.

June 19, 2020: Pompeo [delivers](#) speech at the Virtual Copenhagen Democracy Summit entitled "Europe and the China Challenge."

June 22, 2020: Department of State [designates](#) Chinese media entities, including China Central Television, China News Service, *People's Daily*, and *Global Times*, as foreign missions.

June 22, 2020: Trump [tweets](#): "The China Trade Deal is fully intact. Hopefully they will continue to live up to the terms of the Agreement!"

June 24, 2020: National Security Advisor Robert O'Brien [delivers](#) a speech on China in Phoenix, Arizona entitled "The Chinese Communist Party's Ideology and Global Ambitions."

June 24, 2020: US-China Economic and Security Review Commission [holds](#) a hearing on "The Chinese View of Strategic Competition with the United States."

June 26, 2020: Department of State [imposes](#) visa restrictions on Chinese Communist Party officials for undermining Hong Kong's autonomy and restricting human rights.

June 29, 2020: US [ends](#) exports of US-origin defense equipment to Hong Kong and announces it will take steps toward imposing the same restrictions on US defense and dual-use technologies to Hong Kong as it does for China.

June 29, 2020: Pompeo [releases](#) a statement entitled "On China's Coercive Family Planning and Forced Sterilization Program in Xinjiang."

June 30, 2020: US House Foreign Affairs Subcommittee on Asia, the Pacific and Nonproliferation [holds](#) a hearing on "China's Maritime Ambitions."

June 30, 2020: Trump [tweets](#): "As I watch the Pandemic spread its ugly face all across the world, including the tremendous damage it has done to the USA, I become more and more angry at China. People can see it, and I can feel it!"

July 1, 2020: US House Permanent Select Committee on Intelligence [convenes](#) virtual hearing on "US-China Relations and its Impact on National Security and Intelligence in a Post-COVID World."

July 1, 2020: Department of State, along with the Departments of Treasury, Commerce, and Homeland Security, [issue](#) advisory to caution businesses about risks of supply chain links to entities that engage in human rights abuses, including forced labor in Xinjiang and elsewhere in China.

July 1, 2020: House Foreign Affairs Committee [holds](#) a full committee hearing on “The End of One Country, Two Systems?: Implications of Beijing’s National Security Law in Hong Kong.”

July 2, 2020: Foreign Affairs Committee of China’s National People’s Congress [condemns](#) and opposes the passage of the “Hong Kong Autonomy Act” by the US Congress.

July 2, 2020: Department of Defense [releases](#) a statement expressing concern about the People’s Republic of China (PRC) decision to conduct military exercises around the Paracel Islands in the South China Sea on July 1–5.

July 4, 2020: *USS Ronald Reagan* and *USS Nimitz* carrier strike groups [conduct](#) dual exercises in the South China Sea, while the PLA Navy conducts exercises in contested waters off the Paracel Islands.

July 6, 2020: Trump [tweets](#): “China has caused great damage to the United States and the rest of the World!”

July 7, 2020: US FBI Director Christopher Wray [delivers](#) a speech at the Hudson Institute entitled “The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States.”

July 8, 2020: Director General of the Department of Arms Control of the Chinese Foreign Ministry Fu Cong [says](#) in a press conference that China would enter trilateral nuclear talks with the US and Russia only if the US decreased its arsenal to match China’s.

July 9, 2020: Department of State spokesperson Morgan Ortagus [releases](#) a statement calling for face-to-face meetings between US and Chinese negotiators on arms control.

July 9, 2020: Department of the Treasury formally [adds](#) China’s Xinjiang Public Security Bureau and four Chinese officials to the Specially Designated Nationals And Blocked Persons List under Global Magnitsky designations.

July 9, 2020: State Department [authorizes](#) the repair and recertification of Patriot missiles (PAC-3) to Taiwan for an estimated cost of \$620 million.

July 10, 2020: Trump [tells](#) reporters that the US relationship with China has been “severely damaged” and discounts the chances of a new China trade deal.

July 13, 2020: China’s Foreign Ministry [announces](#) retaliatory sanctions against US officials, including Sen. Marco Rubio (R-Florida) and Sen. Ted Cruz (R-Texas), over US Xinjiang sanctions.

July 13, 2020: Pompeo [releases](#) a statement on the “US Position on Maritime Claims in the South China Sea.” The statement declares most of China’s claims in the South China Sea “completely unlawful.”

July 13, 2020: A US Air Force E-8C Joint Surveillance Target Attack Radar System plane [conducts](#) a flyover 68 miles off the coast of Guangdong Province.

July 14, 2020: China’s Foreign Ministry spokesman Zhao Lijian [announces](#) that China will impose sanctions on Lockheed Martin in response to its sale of Patriot missiles to Taiwan.

July 14, 2020: Department of State Assistant Secretary for East Asia and the Pacific David Stilwell [delivers](#) a speech at the Center for Strategic and International Studies entitled “The South China Sea, Southeast Asia’s Patrimony, and Everybody’s Own Backyard.”

July 14, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Ralph Johnson* (DDG 114) [conducts](#) a freedom of operation navigation in the South China Sea.

July 14, 2020: Trump [signs](#) into law the “Hong Kong Autonomy Act.”

July 14, 2020: Trump [signs](#) executive order on “Hong Kong Normalization,” eliminating Hong Kong’s special status.

July 15, 2020: Department of State [imposes](#) visa restrictions on certain employees of Chinese technology companies that provide material support to regimes engaging in human rights abuses globally.

July 20, 2020: Department of Commerce [adds](#) 11 Chinese companies to the Entity List for involvement in human rights abuses in Xinjiang.

July 22, 2020: Senate Foreign Relations Committee [holds](#) full committee hearing on “Advancing Effective US Competition With China: Objectives, Priorities, and Next Steps,” with witness Deputy Secretary of State Stephen Biegun.

July 22, 2020: Senate Committee on Banking, Housing, and Urban Affairs Subcommittee on Economic Policy [holds](#) a hearing on “US-China: Winning the Economic Competition.”

July 22, 2020: Department of State [orders](#) China’s consulate in Houston to close.

July 23, 2020: Pompeo [delivers](#) a speech at the Richard Nixon Presidential Library and Museum entitled “Communist China and the Free Worlds’ Future.”

July 24, 2020: China’s Ministry of Foreign Affairs [announces](#) that the US consulate in Chengdu will be required to close in retaliation for the closing of China’s consulate in Houston.

July 24, 2020: Washington State Department of Agriculture [posts](#) an alert about unsolicited seeds in the mail from China and issues a warning against planting the seeds.

July 30, 2020: Senate Committee on Commerce, Science and Transportation [holds](#) a subcommittee hearing on “[The China Challenge: Realignment of US Economic Policies to Build Resiliency and Competitiveness](#).”

July 31, 2020: Department of the Treasury [imposes](#) sanctions against one Chinese government entity and two government officials in connection with rights abuses against ethnic minorities in Xinjiang.

Aug. 5, 2020: Pompeo [announces](#) the expansion of the Clean Network program aimed at removing Chinese technology companies from US telecommunications networks and app stores.

Aug. 6, 2020: Trump signs executive orders banning [TikTok](#) and [WeChat](#) from operating in the US if not sold by their Chinese parent companies within 45 days.

Aug. 7, 2020: Secretary of Defense Mark Esper [holds](#) call with Chinese Defense Minister Wei Fenghe.

Aug. 7, 2020: Department of the Treasury [sanctions](#) 11 Hong Kong and mainland Chinese officials for undermining Hong Kong’s autonomy, including Hong Kong Chief Executive Carrie Lam.

Aug. 10, 2020: Chinese Foreign Ministry spokesman Zhao Lijian [announces](#) sanctions on 11 US citizens, including five sitting senators, in response to US sanctions against Hong Kong and mainland Chinese officials.

Aug. 11, 2020: Trump [says](#) in a Fox Sports Radio interview: “I had a great relationship with President Xi. I like him, but I don’t feel the same way now.”

Aug. 12, 2020: In a speech in the Czech Republic, Pompeo [argues](#) that the Chinese Communist Party poses a greater threat than Russia.

Aug. 13, 2020: Department of State [designates](#) the Confucius Institute US Center as a foreign mission of the PRC.

Aug. 13, 2020: Department of Justice [announces](#) charges against a former CIA officer for conspiracy to communicate national defense information to aid the PRC.

Aug. 18, 2020: Department of Commerce [announces](#) that it will expand existing restrictions by preventing Huawei from acquiring chips made outside the US but developed or produced with US software or technology. It adds another 38 Huawei affiliates in 21 countries to its Entity List.

Aug. 18, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Mustin* [transits](#) the Taiwan Strait following an exercise with Japanese Maritime Self Defense Forces.

Aug. 18, 2020: At a campaign rally in Yuma, Arizona, Trump [says](#), “I canceled talks with China...I don’t want to talk to China right now.”

Aug. 19, 2020: Department of State [announces](#) the suspension or termination of three bilateral agreements with Hong Kong.

Aug. 24, 2020: TikTok [sues](#) the US government over Trump’s executive order banning the app in the US if not sold by its Chinese parent company in 45 days.

Aug. 24, 2020: Esper [publishes](#) an op-ed in *The Wall Street Journal* entitled “The Pentagon Is Prepared for China.”

Aug. 25, 2020: Chinese Ministry of Defense Spokesperson Wu Qian [condemns](#) the “trespassing of a US reconnaissance aircraft into a no-fly zone.”

Aug. 25, 2020: Trade Representative Robert Lighthizer and Treasury Secretary Steve Mnuchin [hold](#) a call with Chinese Vice Premier Liu He on implementation of the Phase One trade deal between the US and China.

Aug. 26, 2020: Department of State [imposes](#) visa restrictions on PRC individuals accused of “large-scale reclamation, construction, or militarization of disputed outposts in the South China Sea.”

Aug. 26, 2020: Department of Commerce [adds](#) 24 Chinese companies to the Entity List for helping build military islands in the South China Sea.

Aug. 26, 2020: Pompeo [issues](#) a press statement entitled “On China’s Continued Coercion of the United Kingdom.”

Aug. 27, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Mustin* [conducts](#) a freedom of navigation operation in the South China Sea.

Aug. 27, 2020: Esper [delivers](#) a speech at the Daniel K. Inouye Asia Pacific Center for Security Studies on countering China’s “malign strategy.”

Aug. 28, 2020: China’s Ministry of Commerce [updates](#) export control rules to cover technologies deemed sensitive.

Aug. 31, 2020: Stilwell [delivers](#) a virtual speech at the Heritage Foundation on US-Taiwan economic cooperation in the face of a more aggressive China.

Aug. 31, 2020: US Navy Arleigh Burke-class guided-missile destroyer *USS Halsey* [transits](#) the Taiwan Strait.

Aug. 31, 2020: US government [declassifies](#) two cables from 1982 on the “Six Assurances” and Taiwan arms sales, originally written in the context of the Aug. 17 joint communiqué between the US and China.

Chronology prepared by CSIS Research Interns Aidan Powers-Riggs and Benjamin Parker

PACIFIC  FORUM

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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-PACIFIC

US-KOREA RELATIONS

SHADOWS STILL REMAIN, AND WAITING FOR A COLD NOVEMBER RAIN

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US relations with South Korea and North Korea settled into a holding pattern commingling frustration, disappointment, occasional bared teeth, and frequently forced smiles. Washington and Seoul failed to reach agreement on troop burden-sharing, an issue weighing down the US-South Korea alliance. Meanwhile US-South Korea joint military exercises remain scaled-down, and the administrations of Donald Trump and Moon Jae-in continue to try to mask obvious differences in prioritization of engagement for reconciliation and pressure for denuclearization. Ties between Washington and Pyongyang have stalled such that even talking about talking makes news. And in the background of these diplomatic doldrums Kim Jong Un's regime continues to build out and improve its nuclear weapons program and missile arsenal.

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While inter-Korean relations saw a fraught—even [explosive](#)—May–August reporting period, US relations with South Korea and North Korea settled into a holding pattern commingling frustration, disappointment, occasional bared teeth (from North Korea), and frequently forced smiles (from South Korea).

Washington and Seoul failed to reach agreement on troop burden-sharing, an issue weighing down the US–South Korea alliance. Meanwhile, US–South Korea joint military exercises remain scaled-down, in part due to COVID-19, even as South Korea is committing to greater capabilities for its own defense. Regarding alliance coordination on diplomacy with North Korea, the administrations of Donald Trump and Moon Jae-in continue to try to mask obvious differences in prioritization of engagement for reconciliation and pressure for denuclearization. Ties between Washington and Pyongyang have stalled such that even talking about talking makes news. And in the background, Kim Jong Un’s regime continues to build up and improve its nuclear weapons program and missile arsenal.

Overall, US relations with the two Koreas are in a wait-and-see mode, with all three governments delaying significant steps until after the November US presidential election.

US–North Korea—Double Talkin’ Jive

The US and North Korean governments had no publicly known official interactions between May and September. The Trump administration has been fixated on the COVID-19 pandemic and its economic fallout, heightened strategic rivalry with China, and the November US presidential election campaign. In North Korea, activity in 2020 has been inwardly focused and relatively opaque even by its standards, as it has largely [closed its borders](#) with its primary trade and strategic partner, China, to limit its exposure to the novel coronavirus (in-country [cases](#) of which it has only reluctantly, and dubiously, intimated). Pyongyang has also assiduously attended to domestic concerns: making rare [public admission](#) of economic policy failures, dealing with flooding (prompted by heavy rains), [re-shuffling](#) political/party posts, and readying [major construction projects](#) for the October 75th anniversary of the founding of the Worker’s Party of Korea (WPK). Kim Jong Un’s health has remained a background issue. The biggest exception to Pyongyang’s inward focus

was a dizzying [July 10 statement](#) by Kim Yo Jong (Kim Jong Un’s sister), who assailed the asymmetric value of US–North Korea summits (benefiting Trump more than Kim), lauded the positive relationship between the two leaders, and made a veiled threat that Washington should avoid antagonizing Pyongyang into an unpleasant “October Surprise.”

As noted in the previous [reporting period](#), May began with Kim’s return to the [public eye](#) after weeks of absence and rumors regarding his wellbeing. President Trump responded by [tweeting](#) well wishes, saying that it was good to see Kim “back, and well!” This was followed by another set of relatively long periods in which Kim was not publicly depicted, and although he has since chaired high-level party meetings, reports of his [“delegation”](#) of some authority to others in the regime inner circle, notably Kim Yo Jong, have sustained speculation about his rule.

If Trump’s sentiments were aimed at prompting negotiations with North Korea, they failed. Throughout the summer Pyongyang and Washington failed to move beyond talking about talks. If the purpose was to support the façade of bonhomie between Trump and Kim to forestall potential provocations and keep open the door for future diplomacy, however, the results appear better. North Korea’s expressions of hostility—Kim Yo Jong’s May missives, the demolition at the inter-Korean liaison office, threatening to militarily occupy the DMZ—were directed more at Seoul than Washington. Advanced artillery and short-range ballistic missile launches, which had been regular events in 2019 and into spring 2020, were not repeated in the summer, and at points both the US and North Korea hinted at the future possibility of resumed talks.



Figure 1 An explosion at the inter-Korean liaison office.
Photo: [WSJ](#)

Secretary of State Mike Pompeo [said](#) on July 9 that he was “very hopeful” talks on North Korea’s denuclearization could take place, a little more than a month after he [reaffirmed](#) that denuclearization remained the objective. Other officials [echoed](#) these calls, and in the following month Pompeo’s boss said much the same, [blaming](#) uncertainty surrounding the November election from keeping additional talks, culminating in a deal, from occurring. “North Korea, we’re doing fine,” Trump said. “We’re doing fine with everything. They’re all waiting now to see.”

Two weeks later, Trump made a case for re-election by [saying](#) that Kim, along with Chinese Communist Party Chairman Xi Jinping and Russian President Vladimir Putin, were all “world-class chess players” with whom he developed a rapport, but that his election opponent, former Vice President Joe Biden, could never contend with them. At moments over the summer Trump declared that his 2016 election was all that had [prevented a war](#) with North Korea. In July word [leaked](#) to the *American Conservative* that Trump administration insiders were hoping to reach a deal before the election. Much commentary in recent months has cast doubt on the Trump administration’s ability to achieve (or even interest in) a substantive deal, rather than settling for the optics of détente. The status quo allows Trump to claim success—earned or not—in the form of North Korea’s moratorium on nuclear and long-range missile testing. And US voters are notorious for discounting foreign policy in presidential elections, so any deal brokered by the Trump administration to boost his election would have to be significant. Based on the signals from North Korea since Kim Jong Un’s resurfacing, Pyongyang intends to drive a hard bargain, and is nearly unmovable on its nuclear deterrent. This state of affairs buttresses the Trump administration’s political choice to rest on its ostensible laurels and softpedal the North Korea dossier until after the Nov. 3 election.

The Kim regime faces a similar question: does it want a real deal (achieved either opportunistically via exploiting US election season, or, more likely, after November), or is it content with the image of a détente and testing pause, while quietly building up its nuclear arsenal and attempting to ensure economic survival in the face of sanctions (via physical and cyber-enabled sanctions evasion) and COVID-19? Questions about regime intention are

always difficult, especially as concerns Pyongyang, and that is even more the case currently, as the Kim regime is facing numerous, simultaneous challenges whose valence for regime preferences for external action is ambiguous. It requires a lot of bandwidth to improve a difficult domestic situation by balancing a focus on internal governance issues with reinforcement of national pride in possessing nuclear weapons, so delaying tricky diplomacy with a distrusted interlocutor facing potential political transition seems sensible. Some short-term solutions to domestic (especially economic) problems could take a path of least resistance, however, through nuclear diplomacy with the prospect of sanctions relief.

This ambivalence was on display throughout the summer. Kim—having disappeared for another three weeks following his May 1 reemergence—stepped back into the public eye on May 24 to [convene](#) a Central Military Commission (CMC) meeting focused on increasing strategic nuclear deterrence. A follow-up CMC meeting in July did not explicitly discuss nuclear weapons, but Kim [told](#) participants repeatedly that “bolstering a war deterrent of the country” would remain a priority. A week later, in an address marking the 67th anniversary of the Korean War armistice, he [called](#) nuclear weapons a “reliable, effective” deterrent that could prevent a second war. A July [Politburo meeting](#) chaired by Kim was dedicated to improving measures to prevent COVID-19. The meeting featured criticism of some officials’ response to the pandemic, implicitly indicating failure to keep the coronavirus out of North Korea. Certainly it indicated a regime preoccupied by an internal threat. That sense was reinforced in late August, when Kim called a [WPK Central Committee](#) meeting that produced both a rare public admission of the failure of recent (2016–2020) economic planning, and a scheduled 8th Party Congress for early 2021.



Figure 2 North Korean leader Kim Jong Un gives an address marking the 67th anniversary of the Korean War armistice. Photo: [Reuters](#)

If Kim said little about relations with Washington, senior officials acknowledged diplomatic stalemate while sending bi-valent messages regarding the use-value of negotiations with the US. In mid-June, two high-ranking North Korean officials threw cold water on the prospects for talks. Kwon Jong Gun, director general of the American affairs department of the Ministry of Foreign Affairs, responded to a US statement of disappointment with North Korea cutting communication lines with the South by [warning](#) against US intervention in inter-Korean disputes, claiming the result would be a “hair-riser” during US elections. The next day, Foreign Minister Ri Son Gwon [vowed](#) North Korea would build a reliable force to cope with long-term military threats from the US. Notably, instead of issuing a denunciation of “US imperialists” or “Washington,” Ri explicitly criticized the Trump administration, reiterating the notion that the administration’s calculus is largely driven by high-profile, low-substance summits that primarily look good for re-election campaigns. “In retrospect, all the practices of the present US administration so far are nothing but accumulating its political achievements. Never again will we provide the US chief executive with another package to be used for achievements without receiving any returns.”

A month later Kim Yo Jong—to whom brother Kim has reportedly delegated some power, including perhaps [heading](#) the powerful WPK Organization and Guidance Department (OGD)—chimed in with a multifaceted commentary, adumbrated above. Apparently acting both to increase her profile and as a mouthpiece for the North’s dissatisfaction with the South in June, Kim’s younger sister released

a lengthy statement through the state wire service, KCNA, in which she [expressed doubt](#) about a summit, saying this would benefit the US almost exclusively and give little benefit to the North. “Serious contradiction and unsolvable discord exist between the DPRK and the US,” she said. “Under such circumstances, I am of the view that the DPRK-US summit talks is not needed this year and beyond, and for our part, it is not beneficial to us unless the US shows decisive change in its stand.” She did not close the door entirely on a meeting, saying “a surprise thing may still happen, depending upon the judgment and decision between the two top leaders.”

Any agreement the two sides reach between now and November—or beyond—does not appear as though it will include North Korea abandoning, or meaningfully downsizing, its nuclear arsenal. Consequently, regardless of whether Kim and Trump hold another summit, the US remains committed to a comprehensive pressure campaign against North Korea’s nuclear weapons program. Prior international and US sanctions remain in place, while on May 28 the US Justice Department [indicted](#) 33 North Koreans—including executives of the state-owned Foreign Trade Bank—on charges of facilitating \$2.5 billion in illegal payments for Pyongyang’s nuclear weapons and missile program. The US government is also reportedly [seizing](#) 280 cryptocurrency accounts linked to North Korean hackers who stole and laundered millions of dollars as a part of sanctions mitigation.

In mid-June US B-52H strategic bombers were spotted near the Korean Peninsula on two separate occasions during a period of high inter-Korean tension following Pyongyang’s destruction of the Kaesong inter-Korean liaison office. On July 20, a US Air Force RC-135W *Rivet Joint* [flew](#) over South Korea to reconnoiter North Korea, possibly looking for the enhanced “war deterrent” Kim had mentioned just prior at a CMC meeting. In late August, before the start of US-South Korea joint military exercises, a [detachment](#) of US strategic bombers (four B-1Bs and two B-2s from the US and US Naval Support Facility Diego Garcia) was joined by a squadron of fighters (including F-35s from the aircraft carrier USS *Ronald Reagan* and F-15s from Japan’s Air Self-Defense Force) in crossing over the Korean Strait as a part of combined air drills. Beijing was likely the primary target of this action underlining US-led alliance force

projection capabilities, but INDOPACOM's statement clearly indicated that Pyongyang was also an intended recipient of the message.

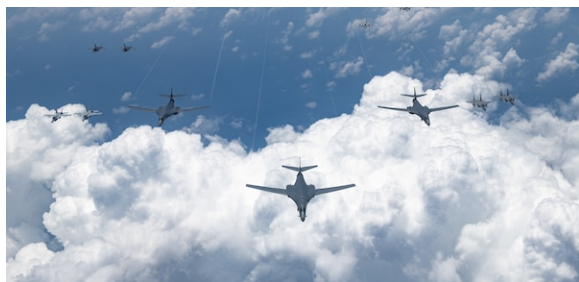


Figure 3 US strategic bombers and a squadron of fighters cross over the Korean Strait. Photo: [INDOPACOM](#)

On the diplomatic front, US Assistant Secretary of State and Special Envoy for North Korea Stephen Biegun [visited](#) Seoul in July, where he made efforts to underscore the strength of the US-South Korea alliance and reiterated that the US is prepared to re-enter denuclearization talks with North Korea. A month later, continuing with the same basic message, US Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell, speaking during the 33rd US-ASEAN Dialogue, [said](#) North Korea “must halt provocations, abide by its obligations under the UNSCRs, and engage in sustained negotiations” to achieve fully verified denuclearization. In late August at a security forum, Defense Secretary Mark Esper [reiterated](#) a call for negotiations with the North, while emphasizing denuclearization as the objective. Meanwhile on September 1 the US State Department published an [industry advisory](#) directed at constraining North Korea's missile programs by clearly reminding companies across the globe of the consequences for sales (even unintentional) to Pyongyang of missile-related (and dual-use) technology and materials.



Figure 4 South Korean First Vice Foreign Minister Cho Seiyoun meets US Deputy Secretary of State Stephen Biegun in Seoul. Photo: [Reuters](#)

US-South Korea—Estranged, or Knockin’ on Heaven’s Door?

US-South Korea alliance relations reached an absurd low point in early 2020, with the US ambassador to Seoul accused of Japanese sympathies because of his mustache and Trump belittling a South Korean film's Oscar win. More substantively, Washington continued pressing outrageous demands in negotiations over troop cost burden-sharing under the Special Measures Agreement (SMA).

The May-August period did not plumb such depths, but the alliance is still strained. SMA negotiations are [unresolved](#), the US has [sent signals](#) that troop levels may decrease, Trump's disregard for Moon in particular and South Korea in general remains, Seoul and Washington have misaligned priorities on North Korea policy, and US-South Korea joint military exercises continue to be [reduced and modified](#) (partially due to policy choice, partially due to COVID-19) such that “conditions-based” remanding of wartime operational control of the military (OPCON transfer) to South Korea is at [risk of delay](#). Behind-the-scenes accounts suggest barely concealed bitterness toward the White House within the Moon administration (whose reshuffling of senior aides has brought to power figures with a history of latent anti-Americanism dating from the 1980s). On the positive side, rows over trade between Washington and Seoul have receded, and Moon's Blue House has committed to a significantly growing budget for high-end weapons and defense systems (including purchases from the US). One also notes that despite the general unease in the alliance caused by mutual disdain at the highest levels, popular and institutional (e.g., diplomatic corps, military) support girding the US-South Korea alliance in both countries is [resilient](#), so far preventing the worst instincts of decision-makers from becoming reality.

The SMA negotiations remain deadlocked almost certainly due to Trump's transactionalist fixation on financial cost-sharing and misunderstanding of the role and value of alliances in the maintenance of international order. James DeHart, former US State Department envoy for cost-sharing negotiations with South Korea, reportedly had a deal ready in April, but Trump refused it and ordered negotiations to continue. DeHart's replacement, Donna Welton, received her

[appointment](#) as chief negotiator in August, and is tasked with extracting higher payments from Seoul for the stationing of US troops on the Korean Peninsula, as well as for temporary deployment to South Korea of off-peninsula assets.

Although Washington has reduced its extortionate demand from late 2019 (ca.\$5 billion annually), the current figure (supposedly \$1.3 billion) is still a 50% increase over the amount agreed (\$860 million) in the previous SMA. Seoul's counteroffer is a 13% increase (ca. \$975 million). This is a substantial, albeit bridgeable, difference. That said, the US is incentivized to push for the higher figure as a message to Japan, which will soon enter similar negotiations with the US. Beyond the monetary amount, there are also questions about the duration of the agreement (Seoul wants to lock-in multi-year SMAs as was the case before the 2019 stopgap agreement), and whether Seoul will be amenable to expanding areas of burden-sharing, such as payment for rotation of strategic assets (a burden-sharing metastasis that Seoul has so far avoided by tying it to renegotiation of the SOFA, in which the US has no interest). Seoul is content to run out the clock on the Trump administration, assuming a Biden White House will make more reasonable demands. If Trump wins re-election, Moon will likely adjust expectations regarding what constitutes an acceptable negotiation outcome. Regardless, the SMA issue will continue to cause friction in the alliance in the near term.

Looming in the background, the biggest potential negative knock-on effect of SMA discord is how it is linked to Trump's threat of troop reductions on the peninsula. Indeed, there is well-founded worry that SMA disagreement gives Trump a policy-based excuse to scratch his anti-alliance itch and reduce US troop numbers in South Korea without a strategic plan. Seoul is concerned about this, but so is a bipartisan coalition in Washington. Starting in 2019 the National Defense Authorization Act (NDAA) set the lower bound for US troop levels in South Korea at 22,000, absent certification from the Defense Secretary that drawdown below that level would not adversely affect US national security. The 2020 and 2021 (draft) NDAA's tighten restrictions on drawdown, with the latter setting the floor at 28,500 (the current deployment level) and requiring a more stringent Pentagon certification process,

including consultation with South Korea. Nonetheless, given Trump's proclivity to violate institutional guardrails, a behavior likely to be more unrestrained post-re-election, these bureaucratic measures are hurdles not barriers. US-South Korea joint exercises have also faced difficulties. Combined exercises have been delayed or reduced (even cancelled entirely in spring 2020), either as a policy choice (reflecting Trump's lack of enthusiasm for "expensive wargames," and the Moon administration's desire not to aggravate North Korea) or due to COVID-19, which has infected soldiers in both militaries. The US and South Korea [carried out](#) annual computer-simulated Combined Command Post Training (CCPT/CPX) exercises during the summer, but even this routine event had thorny implications. The most recent combined exercises were reduced enough to prevent a Full Operational Capability (FOC) test, a necessary milestone in South Korea's retaking of OPCON. News of the delayed FOC was followed shortly by reports that Gen. Robert B. Abrams, the commander of USFK/CFC/UNC, submitted to the Blue House enhanced criteria for OPCON transfer, increasing the METL (Mission Essential Task List) by 61 items (now totaling 155). This is likely to push back OPCON transfer beyond the 2022 deadline that the Moon administration had set.

Not all was gloomy in the US-South Korea alliance, however. At the end of May, Trump [announced](#) that the G7 summit, which the US originally planned to host in June, would be delayed by several months. Furthermore, he said that the present G7 membership "does not properly [represent] what's going on in the world" and that more countries, including South Korea, would be invited to attend. On June 1, South Korean President Moon Jae-in [said](#) he would accept Trump's invitation. This invitation was not met with universal approval; [Japan](#) has objected to Seoul's participation and [Germany](#) opposes the addition of 4-5 more members, as Trump has proposed, saying that a "G11" or "G12" is unnecessary given the G20. Chinese state media has also [warned](#) South Korea about participating in a format it sees as designed to contain Beijing. However, as of mid-August, the US was still reportedly [in communication](#) with Seoul on the summit, and South Korea had promised to fulfill the duties of attendance.

Also on the diplomatic front, the US point man for the Korean Peninsula, Stephen Biegun, visited his South Korean counterparts in July to

coordinate on alliance politics and North Korea policy; he followed that up with a productive discussion with Lee Do-hoon, Seoul's envoy to North Korea. Trump even found kind words for South Korea—or at least the renegotiated US-South Korea FTA—during the Republican National Convention in late August.

Meanwhile Seoul is demonstrating impressive bona fides in improving its military capabilities. The announced 2021 defense budget will rise to \$44 billion (+5.5% year-on-year), a record high. This would be the first installment of a [2021-2025](#) defense budget cycle that the Moon administration plans to total \$235 billion, much of which is for military modernization, procurement, and research-and-development. In that vein, summer 2020 witnessed the announcement of several big ticket items, including the purchase of 40 [additional](#) F-35s slated for deployment on a planned light aircraft carrier. South Korea is also upgrading its ISR capabilities. After an initial launch—executed by SpaceX—of a military satellite for surveilling North Korea, Seoul has negotiated with the US the removal of solid-fuel restrictions for its own space launch vehicles, which will allow it to more economically place military satellites. These ambitions are advancing as a new South Korean Minister of National Defense (Suh Wook) and chairman of the Joint Chiefs of Staff (Won In-choul) are taking up their posts. Time will tell if they manage to shepherd these procurement programs—which are important for OPCON transfer—toward completion.



Figure 5 Army Chief Gen. Suh Wook tapped as new defense minister. Photo: [Yonhap](#)

Finally, the US-South Korea relationship—and by extension the alliance's approach to North Korea—also received context when former Trump National Security Advisor (NSA) John Bolton published an account of his time working with the president. No party was flattered by Bolton's description of Korean Peninsula diplomacy. Although *The Room Where it Happened*, [published](#) in late June, has an unreliable narrator with an ax to grind, critics of current relations between Washington and Seoul, and their feckless, superficial, and/or self-interested coordination on North Korea, had confirmed a lot of their suspicions. The Trump and Moon administrations were nonplussed and embarrassed.

Bolton claims that the Blue House was naïve (or possibly duplicitous) in establishing unrealistic expectations concerning denuclearization, which led to dashed hopes all around (and perhaps to the North's recent hostility). Bolton's portrayal of President Moon focuses on his reeking desperation to be visible at momentous occasions with Trump and Kim, most notably at their DMZ meeting in June 2019. Seoul responded in anger at the substance of Bolton's claims (calling them "distorted") and with aggrievement at the process foul—secret leader conversations were revealed (arguing it "violates the basic principles of diplomacy"). The Trump administration denied Bolton's version of events (Trump called Bolton a "disgruntled boring fool who only wanted to go

to war”), but distrust and tension between Washington and Seoul were amplified.

Bolton’s revelations on the North got the most attention, however. The former NSA asserted that Trump met Kim at the Singapore summit in 2018 because he considered it “great theater,” complimented Kim as a “really smart ... a very good person, totally sincere, with a great personality,” and “preened” when Kim said he had demonstrated courage by coming to Singapore. Trump, Bolton continued, was happy to sign a substance-free communiqué in Singapore because of his greater concern with optics. This, however, led to mistaken impressions on the North Korean side, as Kim believed there would be “action for action,” with the US rolling back sanctions as North denuclearized in phases. Then, in the ill-fated Hanoi summit, Bolton writes that Trump, irritated by his former lawyer Michael Cohen’s testimony before Congress, chose to “walk away” rather than give the North Koreans a small deal that would not make for a big story.

Assessment and Strategic Picture: Welcoming Either Biden to the Jungle, or Trump’s Appetite for Destruction

US relations with the two Koreas are an uneasy holding pattern leaving critical matters in limbo. Existing dossiers—SMA negotiations, US troop levels on the Korean Peninsula, international sanctions, and North Korea’s nuclear and missile programs—have worsened with studied inattention. Failure to agree on US–South Korea alliance cost-sharing has produced bad publicity for the US, and fed Trump’s desire to reduce US troop levels on the Korean Peninsula. For the US, there may be a need to rethink US force posture in light of changing power dynamics in the Indo-Pacific, but a strategic perspective and approach are necessary, not presidential pique over costs. China has used Korean Peninsula diplomatic stasis to lessen sanctions enforcement. North Korea has continued producing (and presumably improving) nuclear weapons and delivery systems, albeit at the high price of economic stagnation.

These areas should receive stimulation after the November US presidential election. How that impulse is transmitted depends on which candidate wins. If Biden unseats Trump his party [has pledged](#) to counter North Korea by strengthening regional alliances, including with

South Korea, which could thus expect a more accommodating US on burden-sharing and other issues. This would remove some of the unpredictability surrounding Washington’s relationship with Seoul and Pyongyang since 2017. It would likely also mean Strategic Patience 2.0, which is unrealistic and destined to fail given North Korea’s nuclear arsenal improvement since the Obama administration. For a Moon administration that covets progress on inter-Korean reconciliation, Strategic Patience 2.0 would be a bitter exchange for a more predictable Biden White House.

How a re-elected Trump would manage the alliance—both per se and vis-à-vis North Korea—is both more and less clear. It is clearer in that Trump’s tendencies (e.g., alliance disparagement, transactionalism) and obsessions (trade balances, media coverage) are well-known and fairly fixed. It is less clear in that Trump revels in unpredictability. The prospect of a US troop drawdown would be real, with unknown (but likely negative) knock-on effects for regional stability, notably for the credibility of US extended nuclear deterrence.

Finally, whoever is inaugurated as US president on January 20, 2021 will have a tough row to hoe on two strategic issues. The first is convincing South Korea to commit to an active Asia-Pacific policy line that is in consonance with—if not part of—the Free and Open Indo-Pacific (FOIP) concept, which is led by the US, Japan, and Australia, and supported by other regional states. As a “lynchpin” ally of the US, South Korea’s absence is noticeable. The reason, of course, is China, which objects to FOIP and whose likely pressure on South Korea, were it to align its Asia-Pacific regional policy with that of the US, is dissuasive. This is symptomatic of the second, larger strategic challenge the US has with respect to the Korean Peninsula: how should it be integrated—both in terms of the alliance with the South and diplomacy with the North—into the larger China-focused rivalry in a structurally dynamic Indo-Asia-Pacific? Whether Biden or Trump, this bracing question awaits the election winner like a cold November rain.

CHRONOLOGY OF US-KOREA RELATIONS

MAY – AUGUST 2020

May 1, 2020: North Korean state media announces leader Kim Jong Un's [public reappearance](#) at a ribbon cutting for the Suncheon Phosphatic Fertilizer Factory. US President Donald Trump [tweets](#) the following day that he is glad to see Kim "back, and well!"

May 3, 2020: North Korean soldiers [fire](#) at a South Korean guardpost across the DMZ, prompting South Korean retaliatory fire with no damages or casualties, in the first breach of 2018 inter-Korean military pact.

May 4, 2020: Pompeo [reaffirms](#) that denuclearization remains key US strategic goal following North Korean leader Kim's public reappearance.

May 4, 2020: North Korean defectors-turned South Korean assemblymen Thae Yong-ho and Ji Seong-ho [apologized](#) for "rash, careless" remarks confirming Kim's public disappearance.

May 7, 2020: North Korean military representative [says](#) South Korean military drills were a "grave provocation" and violated inter-Korean agreements.

May 7, 2020: Kim Jong Un [extends](#) greetings to Chinese President Xi Jinping, congratulating him on a successful COVID-19 response.

May 10, 2020: South Korean President Moon Jae-in, in 3rd annual address to nation, [says](#) communications "not smooth" with North Korea, expressing hope for cooperation over coronavirus.

May 24, 2020: Kim Jong Un, in first appearance in 20 days, [convenes](#) Central Military Commission meeting focused on increasing strategic nuclear deterrence capabilities, mentioning nothing on inter-Korean activity.

May 26, 2020: UN Command [concludes](#) that both North and South Korea violated 1953 armistice agreement during exchange of fire following multinational special investigation .

May 26, 2020: US Justice Department [indicts](#) 28 North Koreans with facilitating \$2.5 billion in illegal payments for Pyongyang's nuclear weapons and missile program.

June 1, 2020: In phone call Moon [says](#) he would accept Trump's invitation to G7 summit.

June 4, 2020: Kim Yo Jong, sister of North Korean leader Kim Jong Un, [threatens](#) to withdraw from inter-Korean military agreement and exchange projects over anti-Pyongyang leaflet activity.

June 4, 2020: South Korean Ministry of Unification [releases](#) statement denoting suspension of leaflet activities as a risk to inter-Korean cooperation.

June 7, 2020: Kim Jong Un [convenes](#) Politburo meeting of Workers' Party concerning economic self-sufficiency.

June 8, 2020: North Korean Central News Agency [says](#) the country will cut all inter-Korean communication following order of Kim Yo Jong.

June 11, 2020: North Korean director general of the American affairs department of the Foreign Ministry Kwon Jong-gun [warns](#) the US against meddling in inter-Korean affairs, threatening a "hair-riser" during American elections.

June 12, 2020: North Korean Foreign Minister Ri Son Gwon [vowed](#) North Korea would build a reliable force to cope with long-term military threats from US, adding his country would "never again" provide US with "another package" that Trump could use to boast.

June 15, 2020: North Korean state media [threatens](#) South Korea with "severe punishment" over tepid approach to inter-Korean relations, saying "no need to sit face to face with the South Korean authorities."

June 15, 2020: North Korean People's Army's General Staff [says](#) it is prepared to move armed forces into DMZ.

June 16, 2020: North Korea [blows](#) up inter-Korean liaison office in Kaesong, followed by US urging North Korea from "further counterproductive actions."

June 23, 2020: John Bolton, in his memoir, [claims](#) Trump thought the 2017 Singapore Summit with Kim Jong Un would be "great theater" and claims that Moon set unrealistic expectations concerning denuclearization.

June 24, 2020: Kim Jong Un [suspends](#) planned military action against South Korea in fifth meeting of the Seventh Central Military Commission of the Workers' Party.

July 9, 2020: Pompeo [says](#) he is "very hopeful" about resuming denuclearization talks with North Korea.

July 9, 2020: Kim Yo Jong [states](#) that she doubts a US-North Korea summit will take place this year, adding that the summit would only serve to benefit the US.

July 16, 2020: Maryland Gov. Larry Hogan [claims](#) President Trump called South Koreans "terrible people" during private dinner, and questioned US protection of South Korea because "they don't pay us."

July 16, 2020: North Korean Pyongyang science research council [claims](#) it is developing vaccine for COVID-19.

July 19, 2020: South Korea [says](#) there were no discussions with US on US troop drawdown from Korean Peninsula following report that Pentagon provided troop cut proposals in March.

July 19, 2020: Kim Jong Un [presides](#) over Central Military Commission meeting of the ruling Workers' Party concerning "bolstering a war deterrent of the country."

July 20, 2020: US [flies](#) spy plane RC-135W Rivet Joint over South Korea to reconnoiter North Korea, possibly in reaction to recent Central Military Commission meeting.

July 20, 2020: Kim Jong Un rebukes officials during "field guidance" trip over "careless" construction of large-scale hospital planned for completion by October 10.

July 21, 2020: South Korea [rejects](#) UNC request to hold annual ceremony of Korean War armistice agreement at Freedom House in Panmunjom over coronavirus concerns and inter-Korean tensions.

July 25, 2020: North Korea declares state of emergency and [places](#) Kaesong under lockdown after allegedly finding South Korean runaway with COVID-19 symptoms in city.

July 27, 2020: South Korea [confirms](#) former North Korean defector secretly crossed back to North Korea, but cannot confirm if he had COVID-19.

July 27, 2020: Kim Jong Un [calls](#) his nuclear weapons a "reliable, effective" deterrent that could prevent a second war in address celebrating 67th anniversary of the Korean War armistice.

Aug. 3, 2020: Chicago Council of Global Affairs [releases](#) poll presenting that 90% of South Korean adults support the US-ROK alliance despite tensions over burden sharing.

Aug. 3, 2020: Donna Welton, former assistant chief of mission at the Embassy in Afghanistan, named new envoy for defense cost-sharing negotiations with South Korea replacing Jim DeHart.

Aug. 5, 2020: US Deputy Special Representative for North Korea Alex Wong [says](#) "US is ready" to negotiate on North Korean denuclearization.

Aug. 5, 2020: US Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell [says](#) North Korea "must halt provocations, abide by its obligations under the UNSCRs, and engage in sustained negotiations" to achieve fully verified denuclearization during 33rd US-ASEAN Dialogue.

Aug. 5, 2020: Trump [says](#) "...you don't know that, and they have spikes," during interview when asked if he thought South Korea was faking its COVID-19 statistics.

Aug. 5, 2020: Trump [says](#) North Korea would be "wanting to make a deal" if US presidential elections were not months away.

Aug. 5, 2020: US Defense Secretary Mark Esper [remarks](#) that expanding “lateral partnerships with South Korea and other Asian nations can help deter China's ‘bad behavior’” during Aspen Security Forum.

Aug. 11, 2020: ROK Ministry of Defense [releases](#) \$252.7 billion five-year defense blueprint including acquisition of light aircraft carrier and multi-tiered missile interception system.

Aug. 12, 2020: ROK Unification Ministry [launches](#) investigation into North Korean civic and defector groups.

Aug. 13, 2020: Kim Jong Un [lifts](#) lockdown on Kaesong, insisting on closed borders and rejection of international flood aid.

Aug. 18, 2020: US and South Korea [began](#) computer-simulated annual Combined Command Post Training (CCPT/CPX) exercises planned to run until Aug. 28.

Aug. 18, 2020: President Trump [says](#) Kim Jong Un is among “world-class chess-players,” adding “we get along.”

Aug. 19, 2020: Department of State [says](#) it regularly “coordinates on diplomatic efforts” with South Korea on inter-Korean affairs following US Ambassador to South Korea Harry Harris’ statement reaffirming importance of inter-Korean cooperation working group.

Aug. 19, 2020: Kim Jong Un [says](#) he will present a new five-year economic development plan at an Eighth Congress of the Workers' Party in January 2021.

Aug. 20, 2020: Kim Jong Un reportedly [delegates](#) partial power to sister Kim Yo Jong, among other close aides.

Aug. 25, 2020: During speech on first day of Republican National Convention, Trump [says](#) he improved the 2012 US-Korea free trade agreement.

Aug. 25, 2020: South Korea reportedly to [purchase](#) 40 Lockheed Martin F-35 jets at the cost of \$6.7 billion to be delivered by the end of 2021.

Aug. 27, 2020: Esper [says](#) the goal of “complete, verifiable and irreversible” denuclearization of North Korea hasn’t changed, reiterating diplomacy as “best path forward.”

Aug. 27, 2020: North Korean TV stations [air](#) footage of damage caused by Typhoon Bavi as Kim Jong Un emphasizes need to minimize damage at politburo meeting.

Aug. 28, 2020: US Department of Justice [files](#) civil forfeiture complaint against 280 North Korean-linked cryptocurrency accounts.

Aug. 28, 2020: North Korea [broadcasts](#) alleged encrypted spy message for first time on state-run Radio Pyongyang's YouTube channel.

Aug. 31, 2020: US Forces Korea [suspends](#) training in Pocheon after a military vehicle driven by two US soldiers crashes into SUV killing four South Korean civilians.

Chronology prepared by Pacific Forum Korea Foundation Fellow Kangkyu Lee

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

US-SOUTHEAST ASIA RELATIONS

DIPLOMATIC DOLDRUMS: ASEAN LOSES MOMENTUM IN THE PANDEMIC AS SECURITY TENSIONS RISE

CATHARIN DALPINO, GEORGETOWN UNIVERSITY

As Southeast Asia struggles to gain traction in the COVID-19 pandemic and address its economic damage, leaders are hobbled by conditions that make forging a regional approach to the virus more difficult. Although most states have launched partial and cautious reopening strategies, most intergovernmental business is still conducted online. This will remain the case for the rest of 2020, given widespread fears of a second surge of the coronavirus. In the meantime, several leaders face political challenges as their domestic populations struggle under the worst recession in years. Diplomatic traffic is ordinarily busy in the summer in Southeast Asia, but this year the Shangri-la Dialogue in Singapore was cancelled, the ASEAN Summit forced to go online, and the ASEAN Regional Forum (ARF) pushed into the early fall, also to be conducted by video. Yet, security tensions were not held in abeyance by COVID, and may have been exacerbated by it.

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Security tensions were not held in abeyance by COVID, and may have been exacerbated by it. China's attempts to disrupt oil and gas explorations of the Southeast Asian claimants in the South China Sea evoked an unusually strong statement from Washington in mid-July; the reactions of the Southeast Asian claimants, particularly Vietnam and the Philippines, were a litmus test in part of their confidence in the US to ameliorate the situation. A security crisis of a different sort continued as the Mekong River entered its second year of drought, raising concerns about upstream dams controlled by China.

Containing COVID

Though the summer the COVID-19 pandemic continued to exhibit a [three-tiered course](#) in Southeast Asia. Countries that were visited early by the virus—Thailand, Malaysia, and Vietnam—have largely been able to contain it, although the economic damage to Thailand makes it the worst-hit country in this trio. Vietnam continues to show outstanding progress, still with no reported deaths, but a spike in cases in urban areas is a caution that the pandemic is by no means past.

The most worrisome countries in containment of the virus continue to be Indonesia and the Philippines. In round figures, by late August the Philippines led the region with the number of cases (232,000), while Indonesia registered the highest number of deaths (7,800). As archipelago nations, both face particular challenges enforcing lockdowns and other restrictions and both have called upon their security sectors for assistance. Although Indonesia's use of the TNI has not as yet granted a larger political role to the military, human rights activists [worry](#) that emergency powers given to Philippine President Duterte in the pandemic, and [extended](#) at the end of August, may become permanent for the remainder of his tenure. As in several other countries, the pandemic has exposed weaknesses in his governance and stirred up public discontent.

A third group of Southeast Asian countries, the more isolated ones, have largely been missed by the pandemic but could easily become "hot spots" if they are harder hit, because of fragile health systems and, with the exception of Brunei, inadequate economic resources to cushion the impact of the virus. Laos, Cambodia,

and Myanmar were reportedly less affected than the larger Southeast Asian countries, but concern is growing over Myanmar in particular: the summer showed a dramatic [rise in cases](#), from roughly 250 in June to 1,250 at the end of August.

Economic Damage and Its Political Consequences

The coronavirus has penalized Southeast Asia for its openness to the international economy and, particularly for its robust tourist sector. In July, the United Nations Conference on Trade and Development (UNCTAD) [estimated](#) that for every \$1 million lost in revenue from international tourism, a country's national income could drop by \$3 million, with a dramatic impact on employment. It identified Thailand as the second-most affected country in the world, after Jamaica. Thailand's loss to tourism is [estimated](#) at \$47.7 billion, or 9% of its gross domestic product (GDP).

Across the region, reports of economic contractions were alarming. The [World Bank estimated](#) that Malaysia, among the least affected, nevertheless would experience a sharp 3.1% contraction in 2020; this relatively good performance is likely due to large stimulus packages put into place quickly by the government. By early August Indonesia had reported its worst economic drop in two decades, 5.3% from the previous year. The Philippines' economy fell more than expected in the second quarter, falling into its first recession in 29 years, with the government [estimating](#) a 5.5% contraction. The Singapore government expects a [5-7% shrinkage](#) this year, its worst recession. Thailand's estimates of contraction range from 6.5% to 8.1%, potentially making it the [worst-performing economy in Southeast Asia](#) this year.

COVID-19 has not yet forced leadership changes in Southeast Asia, as the 1997 Asian financial crisis did in Thailand and Indonesia, but it has stressed political systems. Governments in the larger states continue to pass stimulus packages, but those are not likely to make real traction until the virus is under control and the international economy improves. In the meantime, leaders calculate how best to avoid political downturns as their populations experience exponential economic stress.

Although Singapore Prime Minister Lee Hsien-Loong was criticized for calling a [snap election](#) in the middle of a pandemic, he was anxious to settle in the next government before the worst of the COVID-related economic damage was felt. Lee was candid in warning the public that the worst may still lie ahead: that unemployment would likely increase and that “external uncertainties” (such as the US November elections and the course of US-China relations) could worsen the situation. Even so, he calculated that an earlier election would be more beneficial to the PAP than one later in the year.

Not surprisingly, however, the government’s handling of the pandemic was the primary fodder by which opposition parties criticized the government, although ethnic issues also surfaced. Although the People’s Action Party (PAP) retained power, as was universally expected, the [party’s percentage dropped](#) to 61.24%, down from 69.86% in 2015. The PAP won 83 of 93 seats; all 10 of the remaining seats were captured by the Worker’s Party, making Pritam Singh the official leader of the opposition.

Apart from the economic downturn caused by COVID, voters were also influenced by Lee’s choice of a successor, Heng Swee Keat, his deputy prime minister and finance minister. Heng secured his parliamentary seat with only a 53% vote; more broadly, the “4G” group—the fourth generation in Singapore’s political history—did not fare as well overall compared to their PAP elders, whose vote percentages averaged 74%. These results may compel Lee to rethink his succession plans or, at the least, consider more carefully the timing of his transition out of office.

In other Southeast Asian countries, economic pressure from COVID has led to Cabinet reshuffles, or the threat of them. The COVID-led economic crisis has also caused Indonesian President Joko Widodo to criticize his Cabinet publicly and [threaten](#) a reshuffle, but any such action is not expected until the fall.

In Thailand, Prime Minister Prayuth Chan-ocha’s hand was forced in July by the resignation of a critical team of economic technocrats, including Deputy Prime Minister Somkid Jatusripitak and Minister of Finance Uttama Savanayana. It is not clear whether Somkid and his team jumped or were pushed, but under the circumstances a reshuffle was

inevitable. In early August Prayuth replaced them with a group that included Predee Daochai, former chair of the Thai Bankers’ Association, as finance minister, but in less than a month Predee had [resigned](#) his post, which increases uncertainty over Bangkok’s economic recovery plan. Prayuth also faces a new and daunting political challenge, with growing public [demonstrations critical of the monarchy](#), long the “third rail” of Thai politics. If he cannot quell this social strife, he not only risks further delays in Thailand’s economic recovery but possibly his ouster at the hands of the military.

ASEAN Online

The lifeblood of the “ASEAN Way” is regional consensus achieved through dialogue that, on a formal level is often overly choreographed and stilted, but on an informal level is rich in “corridor conversations” and backroom negotiations. The COVID-19 pandemic has sharply curtailed the informal aspects of ASEAN, driving all meetings online, but the overall schedule has been maintained virtually. As the 2020 chair, Vietnam has attempted to keep the possibility of in-person meetings alive at every turn, but was forced to host the ASEAN Summit in June on video and to postpone the ASEAN Regional Forum to September; that is also scheduled to take place online.

The situation has encouraged speculation that this more constricted form of business has thwarted or delayed ASEAN’s most high-profile initiatives with external partners. Foremost is negotiation of an ASEAN-China Code of Conduct (COC) on the South China Sea, and the finalization of the Regional Comprehensive Economic Partnership (RCEP) which, technically an ASEAN-based project, had been scheduled for signing in February.

The delays caused by the pandemic were likely not critical to the immediate outcomes. China’s bolder moves in the South China Sea to check oil and gas exploration by Southeast Asian claimants, and their growing willingness to disturb fishing in Southeast Asian Exclusive Economic Zones (EEZ’s) would have impeded progress on a Code of Conduct, although Beijing insists that completion of that process is possible in 2022. In July, Hanoi sought an [extension](#) of the three-year deadline for completion of the COC, and although Manila, current coordinator for ASEAN-China dialogue, maintains that negotiations, albeit virtual, are

still underway, there have been no tangible signs of forward movement.

Nor did RCEP appear to be headed for early success before COVID. In November 2019 Prime Minister Narendra Modi said publicly that [India would not participate](#) in RCEP, because seven years of negotiations had not produced an agreement that met his country's needs; ASEAN leaders interpreted his remarks as an invitation to continue talks. However, intervening months have done little to change Modi's mind, and the region now faces the prospect of an RCEP without India. Hanoi has tentatively set a signing date for November, when the East Asia Summit will presumably convene.

At its full potential (with Indian membership), RCEP would be the world's largest free trade area, encompassing roughly 45% of the world population and a third of global GDP. Economists [calculated](#) that the RCEP group would eventually see a rise of \$171 billion in collective GDP; without India, the rise would be \$137 billion. While that lower figure is doubtless disappointing to ASEAN, it is nevertheless substantial. However, India's withdrawal from RCEP negotiations is a political win for China, particularly as it comes when India-China border tensions are rising. It also underscores the salience of the Asia-Pacific region over the Indo-Pacific, a concept now vigorously promoted by the United States, although the US itself does not participate in RCEP.

Finally, a stripped-down ASEAN in 2020 is a disappointment for Vietnam, whose rise as an economic player in the region has increased dramatically since Hanoi last chaired the group in 2010 and its image as a leader within Southeast Asia has been growing as well. Vietnam has been said to be quietly [pressing for an extended chairmanship](#), for another year, with the next rotation (to Brunei) presumably in 2022. Although ASEAN rotates the chair annually in alphabetical order, changes to that order are not unprecedented. The obvious irony of this, however, is that Hanoi would likely need backroom negotiations to persuade other ASEAN states to agree to an extension, a tool not presently available. Nevertheless, the prospect of ASEAN leadership under one of the larger and stronger members in 2021, a year which itself may be challenging, may appeal to some states.



Figure 1 Vietnamese Prime Minister Nguyen Xuan Phuc delivers a speech at the opening ceremony of the virtual 36th ASEAN Summit in Hanoi, Vietnam Friday, June 26, 2020. Photo: AP Photo/Hau Dinh

Economic Tug-of-War

It has become a cliché to say that Southeast Asia does not want to be forced to “choose” between the United States and China. ASEAN concepts of 21st-century neutrality are based in large part on balancing relations among larger powers so as to avoid hegemony by any one country. Since the 1990s, balancing relations between the United States and China, while strengthening ties with secondary powers such as Japan and India, has been and will continue to be a challenge.

The COVID-19 pandemic has added greater pressure to this process. In the [“mask diplomacy” competition](#) between Washington and Beijing to help Southeast Asia fight the virus, the two powers are roughly equal in “soft power” returns. Both countries continue to supply economic support as well as equipment and supplies. Although regional leaders uniformly express gratitude for such assistance, some have also expressed weariness that Beijing insists on elaborate ceremonies with the handover of every donation and disappointment that the US response was relatively late. More recently, disappointment in the United States has also extended to its performance in curbing the virus and reducing deaths, particularly compared to China. Nor is the region interested in joining the rhetorical war between Washington and Beijing over COVID-19 and the attendant conspiracy theories over the origins of the virus.

More worrisome to ASEAN leaders is the upward spiral in economic tensions between China and the United States. Although both countries claim that there is progress toward finalization of the

first phase of a trade agreement, the near-daily exchange of blows between them contributes to economic uncertainty. Overall, the US-China trade war has both benefitted and disadvantaged Southeast Asia, but the flurry of US sanctions in July and August involving Chinese companies as well as the trade status of Hong Kong is likely to be destabilizing in the short term.

Heightened US-China tensions also complicate Southeast Asia's participation in global supply chains. The COVID pandemic has been an object lesson for the region on the perils of economic over-dependence. However, Washington's exhortations that other countries join the United States in "de-coupling" from Chinese supply chains through the [Economic Prosperity Network](#) initiative are wishful thinking for most of Southeast Asia at present.

A regional foreign trade and investment strategy that includes both China and the West probably best serves the economic diversity within ASEAN at present. More developed Southeast Asian economies aspire to rise up the supply chain through greater involvement with the West, while less-developed countries may be paired more appropriately with China. Moreover, with the US withdrawal from the Trans-Pacific Partnership (TPP) and an "America First" trade policy that appears singularly focused on reducing the US trade deficit, Washington offers few opportunities for greater economic integration with the United States. And even if de-coupling delivered greater foreign investment to Southeast Asia, even the larger ASEAN states that would most benefit, such as Vietnam, admit that they have limited capacity to absorb such flows. Infrastructure, regulatory frameworks, and education and training of the workforce are in need of improvement in most ASEAN countries.

Lastly, by targeting Chinese technology, the United States puts some Southeast Asian governments in an uncomfortable position with respect to their own populations. Many ASEAN states are on the fence with regard to vendors for 5G technology, since choosing Western or South Korean companies would build in higher consumer costs than Huawei or ZTE. In addition, an assault on popular Chinese apps such as TikTok or WeChat would be a political liability in many Southeast Asia countries, such as Vietnam and Indonesia, with populations that skew toward the younger end of the age spectrum.

China's Dual Challenge to Security

If Southeast Asian leaders find it difficult to follow the economic lead of the United States, some are less conflicted on the security side. In 2020, before and following the arrival of COVID-19, ASEAN's maritime states have been more inclined to push back against Beijing's actions in the South China Sea and more generally Southeast Asian EEZs. This has not constrained China in its interruptions of Southeast Asian energy exploration or fishing. Whereas Beijing was inclined earlier in the year to withdraw in the face of Southeast Asian protests, it more frequently doubles down on these incursions.

This trajectory led the State Department to issue a [lengthy and unequivocal statement](#) on July 13 declaring Chinese claims in the South China Sea to be illegal and chastising Beijing for its bullying of Southeast Asian states. This was followed on August 26 with an [announcement](#) that the Commerce Department would impose sanctions on 24 Chinese companies involved in island-building in the South China Sea. For Washington, the latter action has the advantage of clipping Beijing in another lane: one of the biggest fish on the sanctions list, China Communications Construction Company (CCCC), is a major player in the Belt and Road Initiative (BRI).

The reactions of the two frontline Southeast Asian claimant states—Vietnam and the Philippines—to these US actions reveals the complexity of maritime security issues in Southeast Asia, as well as in US relations with these two countries. Notwithstanding Vietnam's complicated relations with China, the July 13 statement and August 26 announcement of sanctions appears to have emboldened Hanoi. Recently, the Vietnamese government has lodged public protests against Chinese actions in the South China Sea—this year because of persistent naval drills off the Parcel Islands—and has occasionally said it may seek legal action against China before an international tribunal, similar to the petition entered by Manila before the arbitral tribunal of the UN Convention on the Law of the Sea. On August 26, seemingly in concert with the US sanctions announcement and echoing the July 13 statement, Hanoi issued a [decree](#) declaring illegal any unlicensed activity related to oil and gas exploration in Vietnamese territory.

Predictably, Manila's reaction to China's more assertive actions and the US response has been more conflicted. In June the government [suspended](#) its move to terminate the US-Philippines Visiting Forces Agreement (VFA), although only for six months. This was viewed as a broad indication of Manila's increasing uneasiness with trends in the South China Sea. On August 3, however, Defense Secretary Delfin Lorenzana announced that President Rodrigo Duterte had [barred the Philippines](#) from participating in exercises in international waters in the South China Sea. The government subsequently clarified that Duterte feared Philippine participation would contribute to tensions between China and the United States.

In contrast, following Washington's announcement of sanctions on Chinese companies working in the South China Sea, Foreign Affairs Secretary Teodoro [Locsin said](#) he would "recommend" following Washington's lead, although it would mean cancelling an agreement with CCCC to build an airport south of Manila. This seesaw approach by Manila reflects a disconnect between Duterte and his foreign policy Cabinet members; unresolved issues surrounding the US-Philippines alliance; and Duterte's hesitations about offending Beijing and quashing his hopes for a deeper economic relationship with China.

If the security of maritime states of Southeast Asia has been challenged by China in recent months, Southeast Asia's mainland is also under pressure as the Mekong River endures its second consecutive year of drought. [Water levels](#) have been reduced by two-thirds and rainfall in the current monsoon season is also down by 70%. Environmentalists attribute this to a combination of climate change and actions to withhold water via upstream dams, primarily in China.

On August 24, Lao Prime Minister Thongloun Sisoulith and Chinese Premier Li Keqiang hosted the [3rd Lancang-Mekong Cooperation Meeting](#) by video. The wide-ranging meeting considered the establishment of a special Mekong fund and China's vision of a land-sea trade corridor connected by the Mekong. If representatives from the five Southeast Asian members were inclined to protest the impact of upstream dams, it was primarily in the form of requesting advance data about the dams' operations from Beijing. That China sees the Mekong less as a river system and more broadly as a political and

economic community is increasingly evident. For example, at the meeting Chinese Premier Li Keqiang [promised](#) to prioritize Mekong countries for access to a COVID-19 vaccine when one is available. In response to the Lancang meeting, the State Department has scheduled an online ministerial meeting for the Lower Mekong Initiative (LMI) on the margins of the virtual ASEAN Regional Forum in September.



Figure 2 An aerial view of the Mekong River in northeastern Thailand, taken in October 2019, shows sandbars exposed by the second year of severe drought in the Mekong region. Photo: Lillian SUWANRUMPHA / AFP via Getty Images

The Near-Term Outlook

For the remainder of 2020, Southeast Asia's relations with the United States will be hampered by an increasing state of suspended animation, awaiting the outcome of US elections in November. This is normal as major elections approach; however, Japanese Prime Minister Abe's surprise resignation adds an element of uncertainty to Southeast Asian relations with two major partners. In the short-term, however, there will be less suspense with Tokyo, since the LDP will remain in power until elections in late 2021. These transitions will likely dilute US and Japanese participation in the East Asia Summit, although in this case a virtual meeting may facilitate their attendance. The new US-China "cold war" will continue to intensify until the November elections and, depending on the outcome, possibly beyond, and Southeast Asia will brace for more turbulence. In November Myanmar will also hold general elections. The NLD is the expected victor, possibly with a slimmer margin than before, but there will be less excitement in Washington if Aung Sang Suu Kyi's government wins re-election, largely because of its response to the Rohingya crisis.

CHRONOLOGY OF US-SOUTHEAST ASIA RELATIONS

MAY – AUGUST 2020

May 22, 2020: US Embassy in Bangkok [hosts](#) a video-conferenced unveiling of a [report](#) by Eyes of Earth, Inc., on the impact of changes on the Mekong River, supported by the Lower Mekong Initiative. With data from 1992 to 2019, the report looks at how upstream dams alter the natural flow of the river.

May 24-25, 2020: US littoral combat ship USS *Gabrielle Giffords* and Singaporean frigate *RSS Steadfast* [conduct](#) bilateral exercises on the South China Sea to enhance interoperability between the two navies. The events, which include a maneuvering exercise and large- and small-caliber gun firings, are conducted with social distancing measures.

June 1, 2020: Philippines [advises](#) the US that it has **frozen the process** to cancel the bilateral Visiting Forces Agreement for a period of six months. Unless action is taken otherwise, the Philippines intends to abrogate the agreement at the end of the year.

June 4, 2020: The *USS Theodore Roosevelt* [leaves](#) Guam Naval Base and enters the Philippine Sea, on a scheduled deployment to the US 7th Fleet area of operations.

June 15-19, 2020: The 7th [Airman-to-Airman Talks](#) between Thailand and the US [are held](#) virtually, with the Pacific Air Force, the Royal Thai Air Force, and the Washington Air National Guard (the State partner to the Thai Air Force).

June 16, 2020: State Department [issues](#) a statement expressing concern over a trial court's verdict against journalists Maria Ressa and Reynaldo Santos in the Philippines. They were convicted on June 15 of libeling a wealthy businessman by citing an intelligence report that linked him to drug smuggling and human trafficking.

June 26, 2020: ASEAN holds its 36th Annual Summit, chaired by Vietnam, via video-conference. Although the Summit focused primarily on responses to the COVID pandemic, the Chairman's Statement [diverged](#) from those of recent years in its treatment of tensions in the South China Sea, with a more explicit reference to the UN Convention on the Law of the Sea (UNCLOS) as the basis for dispute settlement.

July 2, 2020: Hanoi [sends](#) a diplomatic note to Beijing protesting Chinese naval drills off the Paracel Islands, which China has held since 1974 but which Vietnam also claims. Vietnam claims that the exercises are a violation of Vietnamese sovereignty and that they complicate efforts of ASEAN and China to reach agreement on a Code of Conduct in the South China Sea. Vietnam is quickly joined in the protest [by the Philippines](#).

July 9, 2020: US State Department [issues](#) a [statement](#) commending Indonesia for providing humanitarian assistance to 99 Rohingya refugees arriving in Aceh province. The statement also criticizes the Myanmar army for a recent offensive in Rathedaung Township in Rakhine State.

July 9-20, 2020: Gen James McConville, chief of Staff of the US Army, [visits Thailand](#) to meeting with Prime Minister Prayuth Chan-ocha and Thai Army Chief Gen. Apant Kongsompong. McConville and his delegation become the first foreign officials to visit Thailand since the Thai government closed its borders because of COVID-19. McConville and Apant sign a Strategic Vision Statement, intended to aid the two allies in tailoring military-to-military cooperation in the face of COVID-19 and other challenges. The July statement builds on a broader [Strategic Vision Statement](#) signed by Defense Secretary Mark Esper and Prime Minister Prayuth Nov. 19, 2019.

July 10, 2020: Singapore [holds](#) 13th [general elections](#), which are won by Prime Minister Lee Hsien-Loong to office and the People's Action Party (which has held power continuously since 1959). The margin of victory and issues raised in the campaign spark questions about the ability of the PAP to maintain its political monopoly.

July 13, 2020: US State Department [issues](#) a [lengthy statement](#) on the US position on maritime claims in the South China Sea, sharply calling out Beijing for "intimidation to undermine the sovereign rights of Southeast Asian coastal states in the South China Sea, bully them out of offshore resources, assert unilateral dominion, and replace international law with 'might makes right.'" The statement officially aligns the US position on maritime claims with the 2016 Arbitral Tribunal decision under UNCLOS.

July 14, 2020: Guided missile destroyer USS *Ralph Johnson* [conducts](#) freedom of navigation [operations](#) in the waters off the Spratly Islands.

July 15-20, 2020: Economic team in the administration of Thai Prime Minister Prayuth Chan-ocha, including Deputy Prime Minister Somkid Jatusripitak and Finance Minister Utaama Savanayana [resign](#). It is viewed as a sign that Thailand, suffering the worst economic downturn in Southeast Asia as a result of COVID, is struggling to formulate a plan for economic recovery.

July 16, 2020: In commemoration of the 4th anniversary of its win in the 2016 arbitral tribunal regarding the South China Sea, Philippines Foreign Affairs Secretary Teodoro Locsin [vows](#) that Manila will "adhere without compromise" to the court victory and that the decision is "non-negotiable." The same day, the US Embassy in Manila releases a [detailed position paper](#) by US Ambassador Sung Kim on the ecological and economic importance of the West Philippine Sea, emphasizing US support to the Philippine Coast Guard in protecting the Philippines' EEZ.

July 20, 2020: Assistant Secretary of State for East Asia/Pacific David Stillwell [represents](#) the US at the [East Asia Summit Senior Officials Meeting](#), hosted by Hanoi via video-conference. He proposes that the EAS, scheduled to be held in November, discuss China's imposition of a national security law in Hong Kong; the Rohingya crisis; and the need for North Korea to abide by UN Security Council resolutions.

July 21, 2020: Stillwell [participates](#) in the 27th [ASEAN Regional Forum Senior Officials Meeting](#), hosted virtually by Vietnam as the 2020 ASEAN Chair. Stillwell emphasizes Washington's commitment to supporting ASEAN's economic recovery, among other objectives.

July 21-23, 2020: 19th iteration of the Southeast Asia Cooperation and Training (SEACAT) event [is conducted](#) as a virtual maritime domain awareness symposium, with planning and logistical support from the Western Pacific/Task Force 73. It draws the largest-ever number of participants, including nine from Southeast Asia (Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, and Vietnam).

July 27, 2020: Philippine President Duterte [delivers](#) his fifth State of the Union Address. He cautions against military clashes with China in the South China Sea, saying that "China has the arms, we do not," and signals that Manila will rely upon "diplomatic endeavors" to defend its territorial rights.

July 28, 2020: Deputy Secretary of State Stephen Biegun [delivers remarks](#) at a virtual celebration of the 25th anniversary of diplomatic relations between the US and Vietnam, hosted by the Vietnam Embassy in Washington. He details the breadth of current relations, from joint efforts to address the continuing impact of Agent Orange to regular dialogues on human rights, to a trade relationship that has grown to \$77 billion. Biegun also announces the completion of an agreement to place US Peace Corps Volunteers in Vietnam for the first time.

Aug. 3, 2020: Philippine Defense Secretary Delfin Lorenzana [announces](#) that President Duterte has barred the Philippines from participating in exercises in international waters in the South China Sea. The following day Presidential spokesperson Harry Roque clarifies that Duterte feared Philippine participation would contribute to tensions between China and the US, and that Manila maintains an independent foreign policy.

Aug. 4, 2020: Assistant Secretary of State for East Asia/Pacific Stillwell and Deputy Foreign Minister Thongphane Savanphet of the Lao People's Democratic Republic [co-chair](#) the 33rd [US-ASEAN Dialogue](#). Laos serves as current coordinator of ASEAN affairs with the US. The virtual dialogue focused on the need for a peaceful resolution of disputes in the South China Sea in accordance with the UNCLOS and the 2016 Arbitral Tribunal ruling. Stillwell affirmed US intentions to expand its partnerships on the Mekong.

Aug. 6, 2020: Secretary of State Mike Pompeo has a series of telephone calls with Southeast Asian claimant states in the South China Sea on the July 13 statement of US policy on maritime claims in the South China Sea. He [talks](#) with Vietnamese Deputy Prime Minister Pham Binh Minh; [speaks](#) with Philippines Secretary of Foreign Affairs Teodoro Locsin; and [confers](#) with Malaysian Foreign Minister Hishammuddin Hussein.

Aug. 13, 2020: State Department [releases](#) a [statement](#) of concern after the conviction and sentencing of 8 members of the Hien Phap organization, a press freedom collective, in Vietnam, who were given more than 40 years in prison.

Aug. 14, 2020: *Ronald Reagan* Carrier Strike Group [enters](#) the South China Sea to conduct maritime air defense operations.

Aug. 15, 2020: The European Union [begins imposing](#) customs duties on Cambodian exports to the EU over human rights concerns, hitting 20% of total Cambodian exports to the EU. The sanctions will particularly affect the garment sector, already weakened by the COVID pandemic.

Aug. 17-30, 2020: 27th iteration of the Rim of the Pacific (RIMPAC) exercises [is held](#), with 10 of 25 invited nations participating. The Philippines and Singapore are the only Southeast Asian participants, which are at-sea-only because of the pandemic. The US Navy and partner nations wrap up RIMPAC 2020 with the sinking of a decommissioned amphibious cargo vessel.

Aug. 24, 2020: Lao Prime Minister Thongloun Sisolith and Chinese Premier Li Keqiang [host](#) the 3rd Lancang-Mekong Cooperation Meeting by video-conference. The five Lower Mekong countries and China discuss the 300 cooperative projects under the LMC; the establishment of a special fund; and Beijing's concept of a new International Land-Sea Trade Corridor on the Mekong.

Aug. 25, 2020: State Department [issues](#) a [statement](#) marking the third anniversary of the Tatmadaw's attack on a large group of Muslim Rohingya in Myanmar's Rakhine State, noting that 860,000 Rohingya who fled remain in camps in Bangladesh. Since 2017, the US has provided \$951 million in humanitarian assistance to the Rohingya, in Myanmar and Bangladesh.

Aug. 26, 2020: Commerce Department [announces](#) that it will add 24 Chinese companies to its sanctions list for implementing the Chinese government's island-building activities in the South China Sea.

Aug. 26, 2020: Vietnam [issues](#) Decree No 99/2020/BD-CP, declaring illegal any unlicensed activity related to oil and gas exploration in Vietnamese territory. While the decree applies to both Vietnamese and foreign actors, it is more narrowly directed at China. The declaration comes on the heels of a [second protest](#) from Hanoi in two months against Chinese naval maneuvers in the Paracel Islands.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

CHINA- SOUTHEAST ASIA RELATIONS

CHINA FACES STRONGER US OPPOSITION IN SOUTH CHINA SEA

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Beijing responded methodically to a major escalation in US challenges to Chinese expansionism in the South China Sea. Officials from Xi Jinping on down reached out to Southeast Asian countries with emphasis on growing economic relations and cooperation in countering COVID-19. Top-level officials generally eschewed public criticism of the United States on South China Sea issues, while government ministries and official and unofficial media used sometimes tough language in criticizing Washington. Overall, Beijing registered satisfaction that ASEAN adopted a neutral stance and most other states showed little sign of leaning toward the US against China.

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The Chinese government in this reporting period faced unprecedented US criticism and US military, diplomatic, and economic moves targeting Chinese expansionism in the South China Sea. US South China Sea initiatives were part of a remarkable government campaign in 2020 to solidify opposition to Chinese practices in a worldwide struggle reminiscent of the Cold War. The intensity and scope of the US campaign appeared to catch Chinese leaders by surprise. They were firm in defending interests but seemed anxious to avoid exacerbating tensions.

Regarding Southeast Asia and the South China Sea, it remained to be seen whether and how escalated US opposition would change the recent pattern of Chinese incremental expansion using generally unpublicized coercive means to expand control in the South China Sea while developing close economic and diplomatic ties advancing Chinese leverage with regional governments. Top Chinese leaders generally didn't discuss recent South China Sea disputes with the US, leaving that task to lower-level officials and official and unofficial commentary. Xi Jinping [followed](#) this practice in the past, notably when he publicly ignored the rising complaints of President Barack Obama and his administration about Chinese practices in the South China Sea and several other policy areas and moved ahead with initiatives opposed by the US government. The commentary of top leaders and other officials continued past practice emphasizing the public face of Chinese cooperation with Southeast Asian neighbors in broadening economic relations and countering the COVID-19 pandemic. Prominent Chinese military exercises and coercive activities of Chinese coast guard and maritime militia continued. And Chinese specialists and commentary in less authoritative Chinese media outlets warned of the danger of military conflict.

Responding to US Challenges

The high point of the US challenges came in back-to-back statements on July 13 and 14 by Secretary of State Michael Pompeo and Assistant Secretary of State David Stilwell that offered the [strongest US rebuke](#) of China's South China Sea claims and the strongest support for the positions of the other claimants. These initiatives coincided with the anniversary of the July 12, 2016 ruling of a UNCLOS (United Nations Convention on the Law of the Sea) tribunal, highlighted in the US statements, that the vast majority of Chinese South China Sea claims were

illegal. They came as US naval and air forces were carrying out over a four-week period the largest US military show of force in the maritime periphery of Southeast Asia since the Cold War. They were followed by announcements on Aug. 26 by the State Department and the Commerce Department of visa restrictions imposed on Chinese officials and bans on the purchase of US products imposed on Chinese companies involved in constructing Chinese outposts in the South China Sea.

Relevant Background

In the months before the mid-July US statements, Beijing dealt with South China Sea issues consistent with past practice that treated disputes sparingly in low-key commentary. Premier Li Keqiang did not mention the issues during his work report to the National People's Congress on May 22 or his press conference after the congress on May 29. Foreign Minister Wang Yi at a [press conference](#) on the sidelines of the Congress followed that pattern in saying that the South China Sea situation "has stabilized" and the code of conduct consultations with ASEAN were "preceding smoothly," though he acknowledged that COVID-19 caused a pause in deliberations. He stressed Chinese-ASEAN cooperation in countering COVID-19 and forecast robust economic cooperation under the rubric of China's Belt and Road Initiative and ASEAN development plans.

Other South China Sea matters also were dealt with routinely, which seemed to support the judgments of such foreign specialists as Mathieu Duchatel, Gregory Poling, Ian Storey, and Carlyle Thayer that Chinese behavior in the South China Sea earlier in 2020 was in line with past behavior and did not represent the substantial escalation of assertiveness claimed in various commentary. Thus, in May, once the survey ship employed by Malaysia to carry out exploration in Malaysian claimed waters disputed by China stopped work and left the area, the Chinese survey ship and two coast guard vessels that had been shadowing and intimidating the Malaysian ship also left the area. This ended a one-month standoff that in April saw the United States deploy warships to this area, marking the first direct US military intervention to counter such Chinese coercion and intimidation. A US Freedom of Navigation Operation (FONOPS) near the Paracel Islands on May 28 received a routine Chinese response. The defense ministry's monthly press conference on

May 29 said the situation in the South China Sea was “generally stable,” while accusing the United States of using naval and air exercises, FONOPS, and close-in reconnaissance to carry out “militarization” of the South China Sea.

The Thayer Consultancy Background Briefs continued systematic coverage, noted in the [previous issue](#) of *Comparative Connections*, of the sequence of diplomatic notes submitted in the aftermath of Malaysia’s submission on its South China Sea claims on Dec. 12, 2019 to the UN Commission on the Limits of the Continental Shelf (CLCS). On May 26, Indonesia followed China, the Philippines, and Vietnam in submitting its diplomatic notes. China affirmed its claims and the two other claimants affirmed theirs in opposition to China. Indonesia also aligned against China. Jakarta asserted that Indonesia was not a party to the territorial disputes, the UNCLOS tribunal ruling confirmed Indonesia’s territorial claims regarding the South China Sea, and China’s nine-dash line implying historical rights that infringe on Indonesian sovereignty lacked international legal basis.

On June 1, the United States became the fifth country to weigh in against Chinese claims. Its diplomatic note reiterated previous US objections to China’s maritime claim and endorsed the UNCLOS tribunal’s finding rejecting Chinese historical rights. On July 23, Australia became the sixth country to submit a diplomatic note against China’s claims, providing the most detailed rejection of China’s claims to date. Low-key Chinese reaction saw the Chinese foreign ministry spokesperson on June 3 push back against US objections, reasserting China’s position that it acquired territorial sovereignty over the South China Sea through a long historical process and that Chinese maritime rights and interests were consistent with the UN Charter and UNCLOS. The spokesperson added that the United States was not a party to the disputes, and that its diplomatic and military interference undermined peace and stability in the South China Sea. A *China Daily* editorial on July 28 warned that Australia “jumping on the US bandwagon and meddling in the South China Sea disputes” would damage its relations with China and the broader region.

In a related development, the [Chairman’s statement](#) of the 36th ASEAN Summit of June 26, 2020 as usual had two paragraphs devoted to the

South China Sea and as usual they did not mention China or its actions there. But this year’s statement was seen to undercut Chinese territorial claims based on historical process by asserting that the 1982 UNCLOS is the basis for determining maritime rights and governing “all activities” in the oceans and seas.



Figure 1 Vietnamese Prime Minister Nguyen Xuan Phuc, and Chairman of ASEAN for 2020 attend the 36th ASEAN Summit. Photo: ASEAN

Though official comment remained moderate, Chinese specialists raised alarm in unofficial outlets about perceived growing South China Sea tensions caused by the United States. A June 23 [commentary](#) in *Global Times* by a member of a team at the National Institute for South China Seas Studies—which published a major report on US military presence in the Asia-Pacific that month—noted that “many scholars” are discussing whether large-scale military conflicts between China and the US will break out in the Asia-Pacific region, and argued that the main determinant of conflict will be the attitudes of “US hawks” toward China. Peking University’s newly formed South China Sea Probing Initiative was busy tracking more active US reconnaissance, FONOPS, and military exercises, asserting that the US military was responsible for growing tensions in the South China Sea. The defense ministry spokesperson’s comments at the monthly press conference on June 24 gave unusual attention to the South China Sea, charging the US with self-serving efforts to use stepped-up military activity, diplomatic interventions, and slanderous statements against China to raise tensions over the South China Sea.

China’s Reaction to US Military and Diplomatic Interventions

The main US military exercises featured in Chinese and regional commentary involved three aircraft carriers—the USS *Theodore Roosevelt*, USS *Nimitz*, and USS *Ronald Reagan*—

and supporting warships in their respective strike groups. The *Roosevelt* and the *Nimitz* held joint exercises in the Philippines Sea on June 21. The *Nimitz* and the *Reagan* then combined to form a strike force for operations in the South China Sea on July 4-7; and they returned for another round of operations in the South China Sea on July 17. The exercises also were notable for involving long-range US B-52 and B-1 bombers. On July 20 the *Nimitz* was exercising with Indian forces in the Bay of Bengal at the mouth of the strategic Malacca Strait, and on July 21-23 the *Reagan* exercised in the Philippines Sea with Japanese forces and a large contingent of warships from Australia. Such unprecedented US military muscle-flexing was seen in Chinese commentary as providing the background for the Pompeo and Stilwell statements strongly supporting regional South China Sea claimants against China's illegal claims.



Figure 2 USS Nimitz and Reagan in the July 17 operation in the South China Sea. Photo: US Navy

Chinese media and specialist commentary responded quickly to the US exercises in early July. Wu Shicun of National Institute for South China Seas Studies, who had warned earlier of rising tension in the South China Sea, saw the US exercises confirming his prediction in an article in *The Global Times* on July 7. The *People's Liberation Army Daily* on July 12 accused the US of militarizing and promoting instability in the region. Pointing to the exercises, *China Daily* the next day warned the region to be on high alert in the face of US disruptive behavior.

Beijing's reaction to the State Department statements of July 13 and 14 focused on Pompeo's July 13 remarks. The foreign ministry spokespersons and official media were measured in rebutting Pompeo's arguments against China and its territorial claims and then weighed in against the United States for attempting to create "nothing but chaos" in the South China Sea. The foreign ministry, the Chinese embassy in the United States, and

official Chinese media labeled the United States as a troublemaker with commentary predicting that China-regional cooperation involving the Code of Conduct negotiations, growing trade and investment, and common efforts against COVID 19 would offset US efforts. *The People's Daily* [reported](#) positively about the results of meetings between senior officials held by video link July 21-22. The report focused on the above areas of cooperation while avoiding reference to US disruption and South China Sea disputes. The meetings involved ASEAN and all its dialogue partners and others involved in various multilateral groups convened by ASEAN, notably the ASEAN Regional Forum and the East Asia Summit. At the monthly press briefing on July 30, China's defense ministry was sharply critical of the US "hegemonic mentality" in the South China Sea, and official media said the defense minister addressed South China Sea issues in a phone conversation with Defense Secretary Mark Esper on Aug. 6.

China also held live fire exercises near the Paracel Islands on July 1-5, which the US Department of Defense, the Philippines foreign and defense ministers, and the Vietnamese foreign ministry criticized. In early August, both Wang Yi and China's most senior foreign policy official, Politburo member Yang Jiechi, addressed broader problems involved in the sharp decline in US-Chinese relations, with Wang prominently [discussing](#) South China Sea issues and the more senior Yang, like his superiors Xi Jinping and Li Keqiang, avoiding comment on the South China Sea disagreements. Wang responded to a question specifically asking whether military tension in the South China Sea would lead to US-China "conflicts." Wang avoided answering the question while condemning US behavior undermining regional stability and peace. Chinese specialists writing in non-official outlets were much more direct in warning of the dangers of a US-China military clash. Reasons offered included conflict started by regional states, backed by the US, taking steps to expand territorial holdings at China's expense, and clashes between the US and Chinese military forces that have recently encountered each other in the region "several times" daily and "thousands of times" annually, according to Hu Bo of the South China Sea Strategic Probing Initiative. Zhu Feng of Nanjing University's South China Sea center [argued](#) that the South China Sea and Taiwan situations showed "great tension" caused by US military and diplomatic

interventions that could result in military conflict. He strongly urged the two powers to establish and use actively military dialogues as “soon as possible” to guard against misjudgment and accidental friction and collision that may cause armed conflicts.

In diplomatic outreach to the region following Pompeo’s statement, Wang Yi criticized US troublemaking in a phone conversation with the Philippines foreign minister and in video talks with Vietnam’s foreign minister. Xi spoke by phone with leaders of Thailand and Singapore and Li Keqiang had a videoconference with his Laotian counterpart.

The regional response to the US initiative was muted. The Philippines foreign minister marked the anniversary of the July 12, 2016 UNCLOS tribunal ruling against China’s claims by criticizing illegal Chinese practices and the need for compliance. The Philippines defense minister also called on China to comply with the tribunal ruling. The Philippines presidential office was more cautious, stressing that Manila sought to develop relations with China while continuing to “agree to disagree” on the South China Sea. Other regional reactions included Indonesia’s bland statement that any country’s support for Indonesian rights in the South China Sea is “normal.” Vietnam’s foreign ministry spokesperson said Vietnam welcomed any views on the South China Sea that were in accordance with international law.

ASEAN underlined a neutral stance in the US-China dispute over the South China Sea in a statement on Aug. 8 marking the 53rd anniversary of ASEAN’s founding. The ASEAN foreign ministers called on all countries to exercise self-restraint, refrain from the threat or use of force, and resolve differences and disputes by peaceful means in accordance with international law. They underlined the importance of the ASEAN-led East Asia summit and its principles of mutually beneficial relations. They sought to affirm ASEAN’s centrality and encourage moderate behavior by the United States and China in dealing with their differences. Official Chinese media [highlighted](#) the statement positively, arguing that China’s growing economic importance to Southeast Asia added to reasons for even South China Sea claimants in ASEAN to avoid aligning against China.

In reaction to the official Chinese media call to “take countermeasures against the US provocations,” the Chinese military in the last week of August conducted two sets of military exercises in the South China Sea along with other exercises in waters further north in the East China Sea and the Bohai Sea. The Defense Department on Aug. 27 condemned the exercises in the South China Sea, particularly China’s launching of reportedly four intermediate-range ballistic missiles designed to destroy naval targets including aircraft carriers. It asserted the missile tests undermined regional stability and Beijing’s commitment to ASEAN under the 2002 Declaration on the Conduct of Parties in the South China Sea to avoid activities that would complicate or escalate disputes and affect peace and stability. While avoiding comment on the missile firings, the Chinese Defense Ministry spokesperson at the monthly press briefing on Aug. 27 condemned continued US provocations, that propelled China-US relations to “an extremely severe and complicated situation.”

Other actions taken by regional governments related to US-China and other disputes over the South China Sea included:

The Philippines: Manila on June 2 seemed to rebalance toward the US in the US-China rivalry by suspending the pending decision to abrogate the Visiting Forces Agreement with Washington. Ending the agreement would have seriously weakened US military interaction with Philippines armed forces. The engagement between the two militaries has remained active, even though President Rodrigo Duterte sharply criticizes the United States and favors Beijing. Several days later, the defense minister made a widely publicized visit to a Philippine-occupied island within the scope of China’s broad South China Sea claim to open a beach ramp that will allow for offloading equipment for construction and repair of facilities, including an airstrip and military barracks. On July 3 came a five-minute video by the Philippines foreign minister protesting Chinese exercises in early July near the Paracel Islands and warning of “the severest response” if the drills spill over into Philippines-claimed territory. On Aug. 26, the Philippines foreign minister criticized China following an Aug. 20 government protest after the Chinese coast guard confiscated the equipment of Philippine fishermen in the disputed Scarborough Shoal and repeated Chinese military challenges to patrolling

Philippine aircraft over the Chinese claimed South China Sea.

For his part, Duterte sought Chinese support in providing vaccines to help counter surging coronavirus infections in the Philippines. The president went off script in his long state of the nation address in late July to respond to criticisms that his government had not done enough to assert the Philippines' South China Sea claims against China. As he said in the past, Duterte asserted that the Philippines was unable to counter China. "China is claiming it. We are claiming it. China has the arms. We do not have it. So, it's as simple as that. They are in possession of the property, so what can we do?" Along these lines and in seeming contrast with the foreign minister's criticism of China in August, the presidential office spokesperson said that the unresolved territorial issue will not be a hindrance in developing closer economic and other ties with China. Also in August, official Chinese commentary noted with approval the defense minister's announcement that the Philippines would not join US-led military exercises in the South China Sea.

Vietnam: Vietnam in May rejected China's annual fishing ban in the South China Sea. When a Chinese coast guard ship rammed and seriously damaged a Vietnamese fishing boat in June the Vietnamese Fisheries Society protested and the foreign ministry demanded an investigation. Against this background and the earlier Chinese coast guard ramming and sinking of a Vietnamese fishing boat in April, Vietnam on July 22 signed a memorandum of understanding with the US government to improve Vietnam's fisheries management and law enforcement capabilities.

Meanwhile, Thayer Consultancy Background Briefs interpreted as Vietnamese acquiescence to Chinese intimidation the agreement in June by the foreign oil exploration firm Repsol to transfer to Vietnam the company's exploration interests in three exploration blocks in Vietnam's EEZ. Because of Chinese harassment, Repsol exploration in the blocks was halted by Vietnam in 2017 and 2018. There has been no Vietnamese commercial oil exploration in these blocks since then. The Consultancy offered a similar interpretation for Vietnam's decision in July to cancel a contract for a foreign drilling rig to work in the Vanguard Bank, also within China's South China Sea claim. The rig was in Vietnamese waters and ready to start work when

the Vietnamese government decided to cancel the contract and make a termination payment.

Malaysia: Rising US-China tensions in the South China Sea saw Malaysia adopt carefully balanced positions despite Chinese harassment of oil exploration activities in Malaysian-claimed waters disputed by China. When the US deployed warships to the area where Chinese ships were intimidating Malaysian ships exploring for oil in April, the Malaysian foreign minister didn't take sides, tried to defuse the situation, and stressed the need to avoid unintended incidents. The foreign minister said on Aug. 5 that "I do not want Malaysia to be dragged and trapped in a geopolitical tussle between superpowers." But Malaysia continued to defend its claims in the South China Sea and affirm that China's counterclaims have no basis under international law in a diplomatic note to the UN Commission on the Limits of the Continental Shelf (CLCS) on July 29.

China-ASEAN COVID and Economic Cooperation

Notwithstanding tensions in the South China Sea and increasing uncertainty over the global pandemic, business, trade, and economic ties between ASEAN and China expanded over the first seven months of 2020. News reports [cited](#) China's trade with ASEAN reaching \$362 billion through July 2020, growth of nearly 7% from last year. China-Vietnam trade increased by 18 percent in the first half of this year alone, making it the strongest bilateral trading partnership in ASEAN-China relations.

A decade after the signing of the China-ASEAN Free Trade Area (CAFTA) agreement, trade in goods and services within the region has steadily expanded. China's Ministry of Commerce noted that ASEAN-China trade amounted to over \$600 billion in 2019, a 12-fold increase over regional trade volume in the early 2000s. The deepening integration of industrial and value chains and reduction of tariffs on over 7,000 products have improved trade ties. While the global pandemic may have shifted demand in the West for goods from Asia, consumption of goods and services remained relatively robust within the region.

The Belt and Road Initiative and the Lancang-Mekong Cooperation are two additional platforms that China is spearheading and working with Southeast Asian countries to

minimize the pandemic's impact on regional economies. At the third Lancang-Mekong Cooperation Leaders' Meeting in August, for instance, Chinese Premier Li Keqiang [established](#) a special fund for upgrading regional public health collaboration and for sharing clinical data on COVID-19 and public health emergencies. The Chinese government also indicated it will give priority to providing COVID-19 vaccines to the Mekong River countries.



Figure 3 Premier Li Keqiang attends the third Lancang-Mekong Cooperation Leaders' Meeting conducted virtually.
Photo: Xinhua

The extent to which increasing economic interdependence would yield warmer political, security, and diplomatic ties between ASEAN and China remains to be seen. An [extensive report](#) in Singapore's Straits Times noted that the region is still wary of China's activities in the maritime dispute. The US-China power play is a growing source of concern for ASEAN countries, with a general reluctance to pick sides or be caught in an intensifying strategic rivalry between Washington and Beijing. Former Indonesian Foreign Minister Marty Natalegawa penned an [opinion piece](#) in August urging ASEAN to navigate this challenge prudently and to do so with a clearer, collective voice to avert open conflict in the region.

Outlook

Heading the list of variables and uncertainties influencing China-US competition and reactions in Southeast Asia is the US presidential election. Candidate Joe Biden has a more nuanced approach to China than the Trump administration's current hard line. And reelected President Trump may be prepared to moderate election-year posturing to ease tension and seek agreements with China. Yet, military tensions may escalate to confrontation.

For its part, Beijing may be just as inclined to accommodate a newly elected or newly reelected US president as it is to toughen its posture to test the new or the reelected US leader.

China-Southeast Asia relations are expected to evolve as the next reporting period includes a number of key events. Vietnam, current chair of ASEAN, is eager to make tangible progress on Code of Conduct negotiations and would likely push for concrete results and progress in the next ASEAN and ASEAN-China regional summit in the second half of 2020. In particular, whether an agreement on the halting of further construction in the disputed islands or a ban on establishing unilateral air defense identification zones in the South China Sea would gain strong regional consensus merits continued observation. In November, regional leaders are also expected to conclude and sign the Regional Comprehensive Economic Partnership (RCEP). If passed and ratified, the agreement would facilitate regional trade amidst continued uncertainty as a result of the global pandemic.

CHRONOLOGY OF CHINA-SOUTHEAST ASIA RELATIONS

MAY – AUGUST 2020

May 8, 2020: China announces a unilateral fishing ban from May 1 to Aug. 16 in the South China Sea (SCS), drawing criticism from Vietnam.

May 12, 2020: A Chinese survey ship and two coast guard vessels in the SCS leave the disputed waters after an oil exploration vessel contracted by Malaysian state energy company Petronas left the disputed waters earlier the same day.

May 28, 2020: Indonesia submits a diplomatic note to United Nations Secretary-General reiterating the validity of the UN Convention on the Law of the Sea (UNCLOS) and endorsing the 2016 ruling by the Permanent Court of Arbitration on the South China Sea.

June 4, 2020: Cambodian Prime Minister Hun Sen publicly denies claims that China has set up a military presence in the Ream Naval Base.

June 10, 2020: Chinese President Xi Jinping exchanges congratulatory messages with Philippine counterpart Rodrigo Duterte to celebrate the 45th anniversary of bilateral diplomatic ties. Xi says China is ready to promote closer political, economic, diplomatic, and cultural ties to new levels.

June 10, 2020: Philippine Defense Minister Delfin Lorenzana arrives on Thitu Island to launch a beaching ramp for construction of infrastructure on the disputed island reef in the SCS.

June 13, 2020: Vietnam protests the laying of undersea cables at the disputed Paracel Islands by China, citing the activity as a violation of Vietnam's territorial sovereignty and a potential source of concern for militarizing the disputed islands in the South China Sea.

July 1, 2020: Chinese Premier Li Keqiang exchanges congratulatory messages with Thai counterpart Prayut Chan-o-cha on the 45th anniversary of bilateral diplomatic ties. The two leaders reaffirm the importance of Sino-Thai strategic partnership and of collaboration in containing COVID-19.

July 13, 2020: Trade and commerce officials from China and Myanmar hold an online planning meeting to discuss cross-border electronic commerce between China's Yunnan province and Myanmar's Mandalay region. The two sides emphasize the increasing importance of digital and mobile platforms for payments and retail trade in furthering bilateral business, economic, and trade ties.

Aug. 6, 2020: Vietnam lodges protests against China's recent military drills near the Parcel and Spratly Islands in the South China Sea.

Aug. 8, 2020: ASEAN foreign ministers reiterate their call on all countries to refrain from the use of force and exercise self-restraint in the South China Sea.

Aug. 10, 2020: Myanmar's government formally approves China's strategic deep seaport project in the Rakhine State. The project is part of the China-Myanmar Economic Corridor and China's Belt and Road Initiative and will, when complete, provide China with direct access to the Indian Ocean and allow it to bypass the Malacca Strait for oil and other imports.

Aug. 20, 2020: Yang Jiechi, member of China's Politburo and director of the Chinese Communist Party's Foreign Affairs Office, arrives in Singapore for a three-day visit and meets Singaporean Prime Minister Lee Hsien Loong. The two leaders discuss bilateral cooperation and the COVID-19 situation, as well as regional security and global developments. The two countries are keen to strengthen supply chain and cross-border connectivity to facilitate economic recovery amidst the global pandemic.

Aug. 24, 2020: The third Lancang-Mekong Cooperation Leaders' Meeting convenes via videoconference. Chinese Premier Li co-chairs the meeting with Laotian counterpart Thongloun Sisoulith. At the meeting, China pledges to share water management data on the Mekong River, which would enable downstream countries to make plans and adjustments in the river's flow for fishing and farming practices.

Aug. 26, 2020: Philippines' Foreign Minister Teodoro Locsin indicates in a public interview that Manila will continue to patrol the Spratlys, ignoring warnings from China to stop "illegal provocations" in the disputed island chain.

Aug. 27, 2020: Regional trade ministers indicate that they are making significant progress to finalize the Regional Comprehensive Economic Partnership (RCEP), a sprawling trade agreement that spans 15 countries in the Asia-Pacific, including China and all 10-member states in ASEAN. The ministers are hopeful that the deal will be ready for signing at the summit of RCEP leaders in November.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

CHINA - TAIWAN RELATIONS

TAIWAN NAVIGATES US-CHINA TENSIONS AS IT MANAGES THE EFFECTS OF COVID-19

DAVE KEEGAN, JOHNS HOPKINS SCHOOL OF ADVANCED INTERNATIONAL STUDIES
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STUDIES

Simmering tensions across the Taiwan Strait were a concern in May at the World Health Assembly meeting, along with President Tsai's second inauguration, China's National People's Congress, and the 15th anniversary of the Anti-Secession Law. The beginning of Tsai's second term was defined by Taiwan's success in overcoming the health and economic impacts of COVID-19. Taiwan failed to win a seat at the World Health Assembly, but won unusually broad and public support from Washington and other typically silent partners. Taiwan offered assistance to victims of the Beijing's National Security Law for Hong Kong, prompting Beijing to warn of Taiwan's "black hand." Taiwan's ties with the US were showcased by the August visit of Secretary of Health and Human Services Alex Azar to Taipei.

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Elsewhere, seeking to jumpstart negotiations on a bilateral trade agreement with the US, Tsai announced that Taiwan will allow imports of US pork and beef. The Nationalist Party's recent presidential candidate Han Kuo-yu was recalled as Kaohsiung mayor and replaced by DPP candidate Chen Chi-mai. Meanwhile, the new KMT leadership's initiative to sever ties to the "1992 Consensus" provoked generational dissension and a sharp warning from Beijing. Lee Teng-hui was mourned at his death as a democratic hero.

The Annual Frustration of the World Health Assembly

Two days before Tsai's inauguration, Taiwan Foreign Minister Joseph Wu informed reporters that Taiwan was abandoning its bid for observer status at the World Health Assembly, saying he wanted the World Health Organization to use the two-day meeting to focus on pandemic response. As it has every year since Tsai became president, Beijing blocked Taiwan's participation as an observer. However, Taiwan could take some solace in having won a broad range of public international support. The US statement of support was [issued by Secretary of State Mike Pompeo](#), an unusually high level. Japan, Australia, and New Zealand, which had been quiet in the past, spoke out as well. Then, [a report in Foreign Policy](#) claimed that Beijing had written WHO Director-General Tedros Adhanom Ghebreyesus, insisting that the "one-China principle" precluded Taiwan's participation. However, the momentum Taiwan may have gained this year in its observer bid was undercut by the US announcement that it would withdraw from the WHO, potentially depriving Taiwan of its most vocal and influential advocate.

Tsai's Inauguration—A High-Profile, Socially Distanced Celebration

On May 20, Tsai was inaugurated for her second term as president. Restrictions imposed by the COVID-19 pandemic meant the event lacked the scale and pomp of previous inaugurations. Tsai opted instead for a small celebration in front of a few dozen local dignitaries and resident foreign diplomats. The inability to host visiting heads of state focused more attention on congratulatory statements, such as [Pompeo's press statement](#) and US National Security Council Senior Director Matthew Pottinger's video statement in Chinese, both of which were highlighted during the event. Though not

mentioned during the ceremony, Democratic candidate Joe Biden also publicly congratulated Tsai, as he had on her election in January. But, unnerving some in Taiwan, the Vatican did not join the congratulatory chorus.



Figure 1 Tsai Ing-wen takes the oath of office to begin her second term as Taiwan's first female president on Wednesday, May 20, 2020. Photo: CNA

The president used her [inaugural address](#) to thank "the people of Taiwan" for handling COVID-19 calmly and responsibly, which also enabled her to claim credit for the success with which the Taiwan government managed both the pandemic and the economic downturn it engendered.

As in her 2016 inaugural address, Tsai focused first on domestic reforms before turning to regional and international relations, and then to relations with China. She repeated her commitment to conduct cross-Straits relations according to the Constitution of the Republic of China and to maintain a "peaceful and stable status quo." She called for cross-Straits dialogue, repeating the call in her [election victory statement](#) in January for cross-Straits relations based on "peace, parity, democracy, and dialogue." She specifically rejected "one country, two systems" à la Hong Kong, which she said would only "undermine the status quo."

Tsai stressed a commitment to national defense reform, a theme not included in her 2016 inaugural address, promising that Taiwan will accelerate development of its asymmetrical capabilities and strengthen defenses against "threats of cyber warfare." She promised to strengthen Taiwan's reserve forces and mobilization capabilities while improving the military's prestige and morale.

COVID-19: A Crisis Well-Managed

Taiwan's successful management of COVID-19 highlighted President Tsai's steady low-key managerial skills. By mid-May, new infections declined sharply, deaths remained in the single digits, and life returned to near-normal. By the end of August, foreign students were allowed to return to Taiwan universities, including mainland Chinese students.

As a result of the pandemic, the economy slowed significantly. In response, the Ministry of Finance introduced a [pair of programs](#) to revitalize investment in core industries, including bio-tech and cyber security. At the beginning of July, Premier Su Tseng-chang announced a series of vouchers to stimulate consumer spending. On June 29, Taiwan began to reopen to business travelers from low-risk areas, including Hong Kong and Macau. Despite these efforts, the Ministry of Labor [reported](#) that the number of furloughed workers had exceeded 31,000, the highest level in 11 years.

By the end of July, economic analysts, including the Taiwan Institute for Economic Research (TIER), were beginning to increase their GDP forecasts for the year—which, though still anticipated to show less than 2% growth, were still better than the negative growth in other Asian tigers.

Beijing Signals Restrained Displeasure

China's Taiwan Affairs Office (TAO) and Ministry of Foreign Affairs both issued the obligatory statements rejecting Tsai's inaugural address as another attempt to create "Taiwan independence." China's National People's Congress (NPC) opened its 2020 annual meeting on May 22, after a delay from March due to the pandemic, with Premier Li Keqiang presenting the government's work report. As always, it included a statement of the government's commitment to reunification and opposition to Taiwan independence. In reiterating those commitments, the premier's work report failed to say that the reunification China would pursue would be "peaceful" and based on the 1992 consensus. The omission of these two standard elements prompted many analysts to wonder what policy changes or warning they might signify. Whatever the omissions were intended to have signaled was clearly limited since Li used both "peaceful" and "1992 consensus" in discussing Taiwan in his [press conference](#) at the

conclusion of China's NPC, and they were later added to the official NPC text of his work report online.

Hard on the heels of the NPC, Politburo member Li Zhanshu took a somewhat harder line at a forum marking the 15th anniversary of China's Anti-Secession Law, saying that the law provided grounds for taking "necessary actions" against any Taiwan move toward independence. Taiwan's Mainland Affairs Council (MAC) in turn rejected any use of force against Taiwan and repeated Tsai's call for the mainland to accept "peace, parity, democracy and dialogue."

As the Anti-Secession Law was ratified by the NPC on March 14, 2005, it is interesting to speculate whether the anniversary was pushed back to late May because it was packaged together with the NPC as a follow-on event. While that seems likely, it is also possible that the Chinese leadership saw celebrating the Anti-Secession Law as a convenient cudgel to swing after Tsai's celebration of Taiwanese identity in her inaugural address. Certainly, Beijing had to be disconcerted at how Taiwan burnished its reputation by overcoming difficulties like COVID-19 and exclusion from the WHA.

Visibility Defines US-Taiwan Relationship

The US was unusually forthright in its praise for Taiwan and critical of China both at the World Health Assembly opening and Tsai's inauguration. Secretary of Defense Mark Esper later went to Twitter to emphasize the US defense commitment "to a democratic Taiwan," and the [joint statement](#) of the annual meeting of the US and Australian ministers of foreign affairs and defense (AUSMIN) highlighted their "renewed resolve to support Taiwan." In a Fox News interview on the opening day of the Republican Nominating Convention, when asked what he would do if China invaded Taiwan, President [Trump responded](#) "China knows what I'm gonna do. China knows."

In early July, the head of the Taiwan Economic and Cultural Representative Office (TECRO), Stanly Kao, completed his term and departed Washington; his successor Bikhim Hsiao arrived a few days later. What would have been an inconsequential formality for any other ambassadorial-level change of the guard, departure, and arrival courtesy calls, led to TECRO's first ever publicized meetings in the

State Department with the Assistant Secretary of East Asian and Pacific Affairs David Stilwell. Both Kao and Hsiao were photographed standing next to Stilwell in his office. For China, these two photos marked a visible and troubling departure from the custom since 1979 that TECRO-State meetings were held quietly and outside Department offices to underscore that US-Taiwan relations were unofficial. A/S Stilwell's [Aug. 31 speech](#) before the Heritage Foundation praising Taiwan as "one of America's most reliable partners in the Indo-Pacific, and indeed in the world" would have reinforced their concerns.

On Aug. 9, Secretary of Health and Human Services Alex Azar visited Taiwan in the first secretary-level visit since 2014, which the US characterized as the most senior-level cabinet official to visit Taiwan since 1979. Azar called on President Tsai, lauded Taiwan's handling of COVID-19, and [rebuked China](#) for failing "to warn the world and work with the world on battling the virus." Even before Azar arrived in Taiwan, the Chinese foreign ministry spokesman [warned](#) the US to "refrain from sending any wrong signals to the 'Taiwan independence' forces, so as not to seriously damage Sino-US relations and relations."



Figure 2 Taiwan President Tsai Ing-wen wearing a face mask speaks during a meeting with U.S. Secretary of Health and Human Services Alex Azar at the presidential office, in Taipei, Taiwan, Aug. 10, 2020. Photo: Central News Agency/Reuters

The US Congress was also active on Taiwan. On May 11, the Senate passed [S.249](#) "to direct the Secretary of State to develop a strategy to regain observer status for Taiwan in the World Health Organization." On July 21 and 23, the House and Senate passed [S.4049/H.R.6395](#), the Defense

Authorization Act for 2021, which included four provisions related to Taiwan: (1) calling on the Defense Department to fully support Taiwan's defense, as called for in the Taiwan Relations Act; (2) endorsing port calls in Taiwan by the USNS *Comfort* and *Mercy*; (3) calling for DOD to fully implement "regular defensive arms sales to Taiwan" as stipulated in the 2018 Asia Reassurance Initiative Act; and (4) requiring that a report from the Director of National Intelligence on high-technology trends assess the potential impact of "significant geopolitical trends, including those related to Taiwan." In addition, the Armed Services Committee [report](#) on the bill required DOD to report to Congress on the feasibility of providing a senior officer to teach at Taiwan's National Defense University.

Reps. Mike Gallagher (R-Wisconsin), and Ted Yoho (R-Florida) and Sen. Josh Hawley (R-Missouri) introduced the "Taiwan Invasion Protection Act," [HR.7423/S.3936](#), declaring it US policy "to deny a fait accompli by the People's Republic of China against Taiwan." Finally, Sen. Ed Markey (R-Massachusetts) and Rep. Yoho introduced [S.4327/H.R.741](#) directing the State Department to establish a two-year fellowship program for US government employees to study in Taiwan and work in a Taiwan government agency. This last provision, if implemented, would carve another salami slice from the eroding US policy of unofficiality.

Military and Security Tensions Mirrored Political Tensions

Over these four months, cross-Strait and US-China tensions were reflected in Chinese and US military operations near Taiwan.

The US Air Force conducted a series of flights past Taiwan past or near Taiwan. One reportedly entered Taiwan airspace and prompted warnings by China's [TAO](#) and Ministry of National Defense. In mid-August, the Arleigh Burke-class guided-missile destroyer USS *Mustin* transited the Taiwan Strait, and drew a routine rebuke from China's MND. Taiwan media highlighted reports that the carrier USS *Ronald Reagan* moved closer to the northern tip of Taiwan as Azar completed his visit to Taiwan. Although the US, following standard practice, did not explain the movement, they appear more related to the increased pace of US military activities in the South and East China Seas than any signaling over Taiwan.

Signaling a new US willingness to advertise military operations with Taiwan, the US Special Forces posted a promotional [video clip](#) showing training with Taiwanese forces in Taiwan, and AIT posted photos of a US Air Force tanker refueling Taiwan F-16s during a training exercise.



Figure 3 Taiwanese F-16 fighter jets flying in formation at an inauguration ceremony held in Taichung, Taiwan in August 2020. Photo: Reuters

People's Liberation Army Air Force combat and reconnaissance aircraft repeatedly flew along the median line of the Taiwan Strait and edges of Taiwan's air defense identification zone (ADIZ) in what Foreign Minister Joseph Wu described as "virtually a daily occurrence," all chronicled nervously by the Taiwan press.

Beijing generally refrained from explaining this PLA activity, although it seemed clearly intended as a warning, leaving it to Taiwan to read the tea leaves (or flight paths). The exception was an announcement by the PLA Eastern Theater Command in early August that it was conducting live combat drills near Taiwan, including a crossing of the median line in the Taiwan Strait by two PLA aircraft during Secretary Azar's visit. The PLA spokesman said these demonstrated the PLA's resolve to defend China's national sovereignty and were a warning against increasing US official contacts with Taiwan. On Aug. 23, when President Tsai was joined by AIT Taipei Director Brent Christensen at a memorial service on Kinmen of the 1958 Taiwan Strait Incident, a PLA combat aircraft entered the Taiwan ADIZ as Tsai flew back to Taipei. On Aug. 24, the PLA announced an additional series of four military exercises in the Taiwan region aimed at deterring Taiwan secessionists and the US.

For its part, Taiwan's MND indicated that its 2021 budget will rise 3%, or 7% if the first payment for 66 new F-16s is included.

Hong Kong National Security Law and Taiwan

Reports that the NPC was about to promulgate a National Security Law (NSL) for Hong Kong, barely a month after Tsai was inaugurated, reinforced for many Taiwanese the fear of China that caused them to reelect Tsai as president. On May 24 Tsai posted on her Facebook page that the Taiwan government would take "necessary emergency measures" to assist Hongkongers and loosen visa conditions for entry into Taiwan. When the NSL became law on June 30, China's TAO accused Taiwan of being a "black hand" interfering in Hong Kong's internal affairs, and Taiwan's Cabinet spokesman responded by warning Taiwanese to beware of new risks in traveling to Hong Kong. On the day the NSL became law, Taiwan's MAC announced the opening of the Taiwan-Hong Kong Services and Exchanges Office to assist Hongkongers seeking to escape to Taiwan. Tsai said that the NSL proved that China has broken its promise to Hong Kong of a high degree of autonomy for 50 years and repeated that "one country, two systems" is not feasible for Taiwan.

On July 6 Hong Kong authorities published [implementation rules](#) for article 43 of the NSL. The rules threatened criminal sanctions for "foreign and Taiwanese political organizations and agents" if they failed to cooperate with Hong Kong police investigations under the NSL. Ten days later, MAC Minister Chen Ming-tong complained that Hong Kong was imposing additional political conditions on TW representatives, reportedly requiring that they sign a statement accepting "one country, two systems" in order to renew their Hong Kong visa. In retaliation, Taiwan refused to extend visas for Hong Kong's representative office in Taiwan. The Taiwan National Immigration Agency [reported](#) that the number of Hongkongers granted residency in Taiwan in the first half of 2020 was up 116% over 2019. Despite this uptick, some economic analysts expressed concern that excessive regulation might make Taiwan less attractive to Hong Kong investors and skilled professionals than competing destinations.

Trade and Investment Caught Between China and the US

The trade dispute between China and the US continued to have a major impact on Taiwan companies and the Taiwan economy. In May, Taiwan Semiconductor Manufacturing Company

(TSMC) decided, in response to US sanctions on Huawei, to discontinue taking new orders from the Chinese company starting in September. Despite cutting off this major customer, it was reported that TSMC expected to sell all its anticipated production of five nanometer chips.

TSMC also announced May 15 that it was looking to build a new chip foundry in Arizona to ensure access to the US market. As TSMC negotiates with state and local governments for financial and tax incentives to offset startup costs, it is also encouraging its Taiwan suppliers to open operations in the US as well.

Three Taiwanese producers of iPhone components announced plans to begin production in India. Despite these moves, in the first six months of 2020, [over 40% of Taiwan's exports](#) were destined for China, the highest level in 10 years. Chinese media [reported](#) that Taiwanese companies like Foxconn continued to expand their production in China.

Taiwan's efforts to win a bilateral trade agreement (BTA) with the US have long been stalled by its refusal to allow US pork and beef into Taiwan's market. To break this logjam, Tsai [announced](#) on August 28 that Taiwan would open its market to US pork and beef. US officials, but not the USTR, quickly welcomed Tsai's move, and the KMT as quickly denounced it. Three days later, Assistant Secretary Stilwell announced "[a new bilateral economic dialogue.](#)" Rapid progress toward a BTA will likely be slowed by the US election campaign and a possible change of administrations as the new team at USTR sorts out its and the president's international trade priorities.

Will Its Kaohsiung Defeat Slow KMT Reform?

Kaohsiung Mayor Han Kuo-yu of the Nationalist Party (Kuomintang or KMT) was recalled on June 6, suffering the after-effects of a perceived lackadaisical performance as mayor and the breaking of his promise not to run for president against Tsai in January. The recall vote was marred by the suicide of the speaker of the Kaohsiung City Council, Hsu Kun-yuan, shortly after Han conceded. On Aug. 15 former DPP Vice Premier Chen Chi-mai won the byelection to replace Han with 70% of the vote. This was the first electoral test for newly elected KMT chairman Johnny Chiang Chi-chen. In the wake of the defeat, Lin Wei-chu, KMT caucus whip in Taiwan's Legislative Yuan, said it was time to

say goodbye to the "Han wave," and KMT party officials insisted that there was no reason for party chairman Chiang to resign to take responsibility.

The more fundamental issue facing the KMT has been how to adjust its public posture on cross-strait relations, which many assess led to its defeat in January's presidential and legislative elections. On June 19, the KMT Reform Committee rolled out its [draft proposal](#), which will be submitted to the KMT's National Party Congress on Sept. 6. The Committee and its Cross-Strait Task Force rejected China's "one country, two systems" and insisted that Beijing must respect the sovereignty of the Republic of China. It then said that the "The '92 Consensus" is the key factor" in the recent deadlock between China and Taiwan. It had been the basis for substantial improvements in cross-strait political and economic relations under former President Ma Ying-jeou (2008-16), they said, but it has been distorted by both the DPP and the Communist Party of China. The Cross-Strait Task Force called the 1992 Consensus "a [historical description](#) of past cross-strait interaction" rather than a basis for future cross-strait dialogue. This discarding of the 1992 Consensus immediately drew the ire of the older generation of KMT leaders, who accused the reformers of mimicking DPP policy, while younger party activists called on the party not to saddle them with a policy that only serves to alienate young voters. China's [TAO responded](#) by claiming that the 1992 Consensus is the foundation of Beijing's cross-strait policy and trust between the Communist Party and the KMT.

Ma Ying-jeou became a flashpoint in this debate by asserting an approach to the 1992 Consensus unpopular with the new generation of KMT leaders, the DPP, and Beijing. He insisted that the 1992 Consensus, incorporating ROC sovereignty, remains the only approach to reducing cross-strait tensions; He then said that the DPP and Tsai were "propelling Taiwan to the brink of war" by rejecting the 1992 Consensus and relying on the US, which could never respond in time to protect Taiwan if the mainland were to attack. On the day she visit Kinmen, [Tsai responded](#), contrasting her support for Taiwan's military with Ma's weak approach to China, insisting that she would never fail to defend Taiwan's sovereignty.

The Death of Former President Lee Teng-hui

Former [President Lee Teng-hui](#) died on July 30 at the age of 97. He was eulogized by Taiwanese and international leaders for laying the foundations of Taiwan's democracy, building on the reforms of Chiang Ching-kuo and serving as the first Taiwanese president of the Republic of China. Lee held the first popular election for president on Taiwan, which he won in 1996. His increasing emphasis on Taiwan identity set the stage for the election in 2000 of Chen Shui-bian, a member of the pro-Taiwan identity and pro-independence Democratic Progressive Party, as president. Lee's passing offered a reminder of Taiwan's democratic transformation since Lee became president in 1988 and how far that transformation has distanced Taiwan from an interest in reunification with China.



Figure 4 Lee Teng-hui became the first native president of Taiwan and recent died on July 30 at the age of 97. Photo: Lam Yik Fei for The New York Times

Looking Ahead

As the US heads toward its presidential election and a possible change of administrations, US commentators are debating how Taiwan factors into increasingly acrimonious US-China relations. Is supporting Taiwan too risky, or must we deploy pressure and skillful diplomacy to prevent Taiwan from becoming the next Hong Kong? Is Taiwan worth no more to the US than the point of Trump's sharpie, or is "strategic ambiguity" a thing of the past? Taiwan commentators, especially from the KMT, have wondered if the US will and can really defend against a Chinese attack.

Beijing finds itself confronted with a DPP president who has begun her second term with a string of successes—managing the COVID-19 crisis, seeing her party defeat the KMT in a key

election in Kaohsiung, and winning full-throated support from the US as a "reliable partner." Thus far, Beijing appears to be restraining its anti-Tsai rhetoric while slowly ratcheting up its military saber-rattling.

Tsai's greatest challenge may be solidifying her strategic support in Washington and avoiding damage to Taiwan's economic and trade interests from the US-China war over trade and technology. She must do that without provoking diplomatic or other threats from Beijing beyond Taiwan's ability to handle. Tsai must also be conscious that potential presidential successors are in the wings, including her vice president. They may be encouraged to take a more confrontational stance by the series of polls stressing growing support for a separate identity from China and sympathy for Hong Kong. The Tsai administration has managed to avoid the political deflation that has usually struck Taiwan presidents within months of their election, thanks to its adroit management of the twin COVID-19 crises in public health and the economy. Once these crises pass, will Tsai's popularity and DPP unity fade with it?

The KMT will go into its Party Congress in September seeking to build a younger renewed party that can overcome its stumbles in the 2020 elections and build a cross-Strait identity that can win elections in Taiwan without splitting the party. Beijing may be looking to see if and how it can influence some portion of the Taiwan political leadership to accept, or at least not reject, its terms for peaceful reunification. Can it build a bridge to the younger KMT generation or perhaps Taipei Mayor Ko Wen-je to have some hope of resuming cross-Strait dialogue on its terms? Or, will it see its only option as renewed diplomatic, economic, and military pressure?

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

MAY – AUGUST 2020

May 15, 2020: China's Taiwan Affairs Office (TAO) announces [11 new measures](#) to assist Taiwan businesses in China in recovering from the effects of Covid-19 shutdowns.

May 18, 2020: Taiwan Foreign Minister Joseph Wu announces Taiwan will not pursue its effort to participate in the World Health Assembly of the World Health Organization.

May 20, 2020: President Tsai Ing-wen is inaugurated for her second term as the president of the Republic of China. Her inaugural address calls for cross-Straits relations to be conducted on the basis of “peace, parity, democracy, and dialogue.”

May 20, 2020: China's Taiwan Affairs Office and Ministry of Foreign Affairs separately issue statements criticizing Tsai's inaugural address as fomenting “Taiwan independence.”

May 20, 2020: US Defense Security Cooperation Agency (DSCA) notifies Congress of the proposed sale of 18 MK-48 Mod6 Advanced Technology (AT) Heavy Weight Torpedoes (HWT) and related equipment to Taiwan.

May 22, 2020: Chinese Premier Li Keqiang delivers the government Work Report to the National People's Congress. It included the standard commitment to work toward Taiwan's reunification, though without including the standard language that reunification would be “peaceful” and on the basis of the “1992 Consensus.”

May 24, 2020: Tsai posts on her Facebook page her promise that Taiwan will take “necessary emergency measures” to help those fleeing Hong Kong.

May 29, 2020: Chinese Premier Li holds traditional press conference at the end of the NPC. When asked about Taiwan reunification he says that it should be peaceful and based on the 1992 Consensus.

May 29, 2020: Li Zhanshu, third-ranking member of the Chinese Communist Party Politburo, gives the keynote address to a forum celebrating the 15th anniversary of China's Anti-Secession Law, warning that China will take “necessary actions” if Taiwan moves toward independence.

June 6, 2020: Nationalist (KMT) Party Mayor of Kaohsiung, Han Kuo-yu, loses recall vote. Of the 42% of the electorate voting, 97% approved his removal.

June 19, 2020: KMT Chairman Johnny Chiang Chi-chen introduces a draft proposal to reform the KMT, calling the 1992 Consensus a “historical description” no longer useful in pursuing cross-Straits interaction.

June 22, 2020: Taiwan's first indigenous advanced jet trainer, the “Brave Eagle,” has its inaugural test flight.

June 29, 2020: Taiwan allows the first business travelers from designated COVID-19 safe areas, including Hong Kong and Macao, to enter Taiwan.

June 30, 2020: Taiwan's Mainland Affairs Council (MAC) opens Taiwan-Hong Kong Services and Exchanges Office to assist those fleeing Hong Kong.

July 6, 2020: Hong Kong announces implementation rules for article 43 of the National Security Law, threatening criminal sanctions against Taiwan organizations.

July 9, 2020: US State Department [approves](#) a request from Taiwan to recertify its Patriot Advanced Capability-3 missiles for an estimated cost of \$620 million.

July 14, 2020: China's Foreign Ministry Spokesman [announces](#) China will sanction Lockheed Martin over its support for Patriot recertification for Taiwan.

July 16, 2020: Taiwan MAC complains that Hong Kong is imposing political conditions for employees of the Taiwan representative office to renew their visas, reportedly including acceptance of “one country, two systems.”

July 19, 2020: Departing TECRO Representative to the United States Stanley Kao pays farewell call on State Department Assistant Secretary for East Asian and Pacific Affairs David Stilwell. Breaking precedent they meet in Stilwell’s State Department Offices, and TECRO posts a photo of their meeting.

July 20, 2020: Taiwan’s Ministry of National Defense [says](#) that the Air Force did not have authorization to commit to the PAC-3 [recertification](#) announced by the US State Department.

July 20, 2020: Taiwan’s Legislative Yuan launches new cross-party USA Caucus with Director of AIT Taipei Brent Christensen and new TECRO Representative to Washington Bi-khim Hsiao in attendance.

July 22, 2020: Taipei Mayor Ko Wen-je [defends](#) his “pragmatic” approach to relations with China, saying that “family harmony is better than family hostility” during an annual forum between the cities of Taipei and Shanghai.

July 27, 2020: US Democratic Party [platform](#) endorses Taiwan Relations Act, which supports “a peaceful resolution of cross-strait issues consistent with the wishes and best interests of the people of Taiwan.”

July 29, 2020: Newly arrived TECRO Representative Bi-khim Hsiao pays introductory call on Assistant Secretary of State Stilwell in his State Department offices, and TECRO posts a photo of their meeting.

July 30, 2020: Former Taiwan President Lee Teng-hui dies. He is mourned as a hero of Taiwan’s democracy.

Aug. 6, 2020: Taiwan’s Ministry of Education announces, at the direction of the MAC, that Mainland Chinese students will not be allowed to return to Taiwan universities with other foreign students. The MAC says it is acting in response to China blocking students returning to Taiwan.

Aug. 6, 2020: China’s Taiwan Affairs Office denies it is blocking students from returning to university in Taiwan.

Aug. 15, 2020: Taiwan’s former Vice Premier Chen Chi-mai of the Democratic Progressive Party wins the by-election to replace Han Kuo-yu as mayor of Kaohsiung.

Aug. 17, 2020: Taiwan opens its representative office in Somaliland.

Aug. 24, 2020: Chinese combat aircraft enters Taiwan Air Defense Identification Zone (ADIZ) as President Tsai flies to Taipei from Kinmen.

Aug. 27, 2020: AIT posts on its Facebook page photos of US Air Force tanker planes refueling Taiwan F-16s during exercises at Luke Air Force Base in Arizona.

Aug. 27, 2020: Tsai [says](#), in response to a question during a virtual talk to the Australian Strategic Policy Institute, that she is concerned about the possibility that a military accident involving China might lead to international conflict.

Aug. 28, 2020: Tsai announces Taiwan will allow the import of US pork and beef next year.

Aug. 29, 2020: Vice President Mike Pence and Secretary of State [Mike Pompeo](#) praise Tsai’s announcement on US pork and beef.

Aug. 31, 2020: State Department Assistant Secretary Stilwell announces establishment of a new economic dialogue with Taiwan during an address to the Heritage Foundation.

Aug. 31, 2020: [AIT releases](#) two declassified cables from 1982 on the Six Assurances, one instructing James Lilley to provide the assurances to Taiwan President Chiang Ching-kuo, and the other approving Taiwan’s public use of the Six Assurances so long as they were not linked to then-President Ronald Reagan.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

NORTH KOREA-SOUTH KOREA RELATIONS

A TEMPESTUOUS SUMMER

AIDAN FOSTER-CARTER, LEEDS UNIVERSITY, UK

Claiming to be suddenly furious about defector activists sending propaganda via balloon across the Demilitarized Zone, North Korea issued ever more violent threats against the South, culminating in the symbolic but extreme act of blowing up the joint liaison office in Kaesong in June. Moon Jae-in's government deplored that and other aggressive Northern acts, yet its tone was more pained than sharp, and Moon remained oddly emollient toward Pyongyang overall. In July he named a new minister of unification who had allegedly been pro-North in his student days, as well as reshuffling three other top security posts. Although the new appointees were all even more strongly pro-engagement than their predecessors, North Korea showed little sign of being impressed.

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This was a tempestuous summer on the Korean Peninsula in more ways than one. Relations between the two Koreas, already bad, reached a new nadir in June. Claiming to be suddenly furious about defector activists sending propaganda via balloon across the Demilitarized Zone (DMZ), North Korea issued ever more violent threats against the South. These culminated in the symbolic but extreme act of physically blowing up the (by then unoccupied) joint liaison office in Kaesong, just north of the DMZ, on June 16. Moon Jae-in's government deplored that and other aggressive Northern acts, like opening dams to send floodwaters downstream into the South without warning. Yet its tone was more pained than sharp, and Moon remained oddly emollient toward Pyongyang overall. In July he named a new minister of unification (MOU) in Lee In-young, who had allegedly been pro-North in his student days, as well as reshuffling three other top security posts. Although the new appointees were all even more strongly pro-engagement than their predecessors, North Korea showed little sign of being impressed.

No doubt Kim Jong Un was preoccupied elsewhere, by tempests of a more literal kind. After the longest summer [monsoon](#) season ever recorded, the peninsula was buffeted by back-to-back typhoons in August and early September. Both Koreas suffered—separately, since Kim refused all aid from the South (or anyone), citing COVID-19 concerns, just as he had rebuffed Moon's offer to help regarding the virus itself. With North Korea turning inward and focused on reconstruction—a new Party Congress, set for January, looks like an attempt at a fresh start—and the clock starting to tick on Moon's term of office which must end in May 2022, the chances of inter-Korean cooperation reviving any time soon seem sadly small.

More Fake News re: Kim Jong Un

Compared to the storms—manmade and otherwise—which were to come, the period under review began quietly. After coming back from the (allegedly) dead on May Day (discussed in our previous issue), Kim Jong Un promptly vanished again for three more weeks. Calm heads in Seoul advised that this was not unusual, and Kim duly resurfaced on May 24—but not before global tabloid [media](#) confected wild tales that the resurrected Kim was actually a double. The same used to be claimed regarding his [father](#) Kim Jong Il; one Japanese [professor](#)

has insisted that the real KJI died in 2003, with all subsequent appearances being by impostors.

Small wonder that in May the ROK Ministry of Unification (MOU) launched a “fake news” page to scotch some of the more egregious myths. It began with anti-Moon allegations on YouTube that South Korea was secretly sending facemasks to the North, when they were (or had briefly been) in short supply in the South. Such nonsense appeared unstoppable. August saw a new bout when [Chang Song-min](#), a known [maverick](#) with a history of spreading rumor, claimed that Kim was in a coma and his sister Kim Yo Jong was in charge. Though lacking a shred of evidence, this once again made [headlines](#). Clicks rule, and North Korea is great bait.

Back in the real world, May 10 was Moon Jae-in's third anniversary as ROK president. He marked this with a big speech, which *inter alia* renewed all the proposals South Korea has been making for cooperation—despite the North showing no interest since late 2018. Moon, in particular, suggested quarantine cooperation as a good first step, as this would not be in breach of international sanctions. Admitting that Pyongyang was not responding to Seoul's initiatives, he blamed this on “difficulties” due to COVID-19. The North kept its silence.

Late May brought a grimmer anniversary. On May 24, 2010 the ROK announced sanctions as a reprisal for the sinking of the corvette *Cheonan*, with 46 fatalities, two months earlier. Then-President Lee Myung-bak banned all inter-Korean trade—with the large exception of the joint venture Kaesong Industrial Complex (KIC), which he pragmatically kept going. (This journal [analyzed](#) that episode in detail at the time: still interesting reading, a decade later.)

Here is a puzzle: Moon's government constantly frets about how inter-Korean cooperation is stymied by sanctions, especially those imposed by nine unanimous [votes](#) of the UN Security Council (UNSC) between 2006 and 2017. Yet as Chad O'Carroll [noted](#) in July, successive ROK administrations over the years have also tied their own hands with a series of bilateral sanctions, beginning with Lee's “May 24 measures.” Moon has shown no inclination to undo any of these, which might have been tricky with Washington but surely not impossible.

As May 24 approached, MOU weighed in, [muddying](#) the waters further. On May 20 it claimed that past exemptions have effectively eroded the May 24 sanctions, so they no longer pose a hindrance to inter-Korean exchanges. Next day it reiterated that stance, but declined to say if the sanctions might therefore be lifted. At that point the minister stepped in: Kim Yeon-chul clarified that the May 24 measures will remain in place. As Christopher Green nicely [put](#) it, “they are Schrödinger’s sanctions: both alive and well, yet a dead letter at the same time.”

An Explosive June

If a quiet May gave leisure for such casuistry, June sharply concentrated minds in Seoul. Our last issue recorded the debut in March of Kim Jong Un’s sister, Kim Yo Jong, as an issuer of statements in her own name and right: one upbraiding Moon Jae-in, then another—more polite—directed at Donald Trump. This pattern continued, and intensified. On June 4 Ms. Kim fired a second broadside at Seoul, which KCNA headlined: “Kim Yo Jong Rebukes S. Korean Authorities for Conniving at Anti-DPRK Hostile Act of ‘Defectors from North.’”

As that title suggests, Ms. Kim was vexed (purportedly) by defectors who launch propaganda-bearing balloons into the North, most recently on May 31. Insulting the perpetrators—“human scum” and “mongrel dogs,” three times each—she was scarcely less contemptuous of “the south Korean authorities” (not government) for failing to stop such activity. Unless they do, she warned, “they had better get ... ready for possibility of the complete withdrawal of the already desolate Kaesong Industrial Park following the stop to tour of Mt. Kumgang, or shutdown of the north-south joint liaison office whose existence only adds to trouble, or the scrapping of the north-south agreement in military field which is hardly of any value.”

No less remarkable than this diatribe, if far more polite, was Seoul’s swift reply. Without a word of reproach for Ms. Kim’s tone or content, the executive summary could well be: “Yes ma’am!” Or as Yonhap’s headline put it: “S. Korea to legislate ban on anti-Pyongyang leaflet campaign after N.K. threats.” MOU stressed that it is trying to make such “tension-causing acts”—meaning the leafleteers, not Pyongyang—illegal. The ministry added that the leaflets were also a pain to locals, causing litter, as they

mostly land in the South anyway. These were not mere words. Seoul also began harassing activist groups by reviewing their registration and more, prompting [criticism](#) from those [affected](#), plus politicians and human rights [watchdogs](#).

This emollient (not to say craven) response cut no ice with the North, which blasted right back next day with another, even ruder, [statement](#), this time by an unnamed spokesman of the United Front Department of the Central Committee of the Workers’ Party of Korea. Besides contemptuously dismissing Seoul’s excuses, this in effect admitted that Pyongyang had it all planned: “We do not hide that we have had long in mind decisive measures to fundamentally remove all provocations from the south and to completely shut down and remove all the contact leverage with the south side ... We are about to start the work that can hurt the south side soon to make it suffer from annoyance.” This is reproduced as Appendix I, so readers can see the tone for themselves and judge what hopes it offers for any kind of future engagement.

Meanwhile the regime whipped up one of its campaigns. Article after article, in both domestic media and those for external consumption, carried reports of students, workers, et al, at various locations angrily denouncing the “human scum” and threatening dire retribution. (Appendix 2 lists those published on KCNA – there were many more in other media – and the chronology quotes from some of the more significant ones.) All this went on for over a week, steadily building—but to what? South Koreans took comfort in the thought that, if the North really planned to attack, it would hardly scream its intentions in advance.

On June 13 things became clearer when Kim Yo Jong issued another statement. This included vague threats—“the right to taking the next action against the enemy will be entrusted to the General Staff of our army”—but also a specific warning: “Before long, a tragic scene of the useless north-south joint liaison office completely collapsed would be seen.” Sure enough, on June 16 the Kaesong liaison office—built with some \$14 million of South Korean taxpayers’ money, and opened barely 21 months earlier with great fanfare as a 24/7 point of contact—was blown up. (It was unoccupied, due to coronavirus concerns.) Pictures showed that the blast also seriously damaged the adjacent

and larger management building of the idled Kaesong Industrial Complex, blowing out most of its windows.



Figure 1 North Korea blows up an inter-Korean liaison office in Kaesong. Photo: KCNA via Reuters

What to make of such extraordinary behavior? The ROK's official [statement](#), striking a note more of sorrow than anger, said that this "abandons the hopes of everyone who wanted the development of inter-Korean relations and peace settlement in the Korean Peninsula ... [All] responsibility of this situation lies in the North." Perhaps clutching at straws, and in no way condoning such wanton violence, at least there was no loss of life—unlike the *Cheonan* [a decade ago](#), the last time Pyongyang felt it needed to convey to Seoul its vehement anger and sense of betrayal. This time it contented itself with symbolic aggression. Progress?

The North was not quite done yet. On June 17 Kim Yo Jong let fly at Moon again, this time directly and with both barrels; the headline read "Honeyed Words of Impudent Man Are Disgusting." This at last prompted a sharp riposte from the Blue House, as did Pyongyang's revelation that Moon had secretly offered to send special envoys to defuse the crisis. North Korea's wider agitation continued, this time with a new new tack—if hardly consistent. Angry at being leafleted, it would riposte by leafleting the South right back, so there! Pictures showed images of Moon Jae-in in an ashtray, smudged with cigarette butts. Millions of these were going to be launched across the DMZ, they warned—but it never happened. In late June North Korea called off the campaign as suddenly as it had begun—as shown in Appendix 2.



Figure 2 A photo of anti-South Korea leaflets featuring President Moon Jae-in covered with cigarette butts and dirt, taken from the Korean Central News Agency website. Photo: KCNA via Yonhap

This writer has endeavored to analyze these strange goings-on elsewhere. One thing is clear. The leaflets issue, regarding which there are genuine [concerns](#), was not the real point but just a pretext. Reading the successive DPRK statements, especially that of June 5 (Appendix 1), makes it clear that Pyongyang planned all this in advance.

Mission accomplished, one assumes—though what mission exactly remains a mystery. Or perhaps not. The liaison office explosion prompted South Korea's Unification Minister, Kim Yeon-chul, to offer his resignation—which President Moon promptly accepted. As I wrote [elsewhere](#), "why a Southern minister should take the rap for an unprovoked act of aggression by Pyongyang is a mystery." Moon may have thought this was the moment for a policy reset, with new personnel; that would be understandable. Time for a fresh approach?

Not a bit of it. Instead, Moon decided to [double down](#) with more of the same. The new MOU, Lee In-young, hitherto parliamentary leader of the ruling Democratic Party (DP), is a former activist who in the 1980s led a radical student body, Chondaehyop, widely seen as pro-North. This prompted sharp but fascinating [exchanges](#) at his confirmation hearing with Thae Yong-ho: the former DPRK diplomat, now a lawmaker for the conservative opposition party (itself recently renamed as People's Power in yet another rebranding). Some, this [writer](#) included, found Lee rather evasive; [others](#) thought it all a storm in a teacup. Lee took office on July 27.

In a wider reshuffle, Park Jie-won was a surprise choice to head the National Intelligence Service

(NIS). Though Park and Moon see eye to eye on engaging North Korea—Park played a key role in Kim Dae-jung’s “Sunshine” policy—domestically they are, or were, adversaries. Park had been a leading light in the Party for Democracy and Peace (PDP), a regionally based party wiped out in April’s elections. So the NIS, which has had its own [vicissitudes](#), is now run by a man once jailed for illegally sending \$450 million to Pyongyang. (Arguably, any and all dealings with North Korea could be deemed technically illegal under the South’s broadly worded National Security Act.) Still, this appointment raised conservative [eyebrows](#). Park, who took office on July 29, will oversee planned [reforms](#) of the agency, including loss of its powers to investigate suspected DPRK spies; that remit would now fall to the police.

Suh Hoon, hitherto NIS chief, moved sideways to become Moon’s National Security Adviser. Completing the new lineup, Moon’s former chief of staff, Im Jong-seok, another ex-student radical with North Korean connections, returned as a special adviser on foreign policy and national security. The ROK probably never had a top security team quite so [well-known](#) in Pyongyang. Whether that will produce the hoped-for breakthrough in [reviving](#) inter-Korean relations, time will tell. The ball is very much in Kim Jong Un’s court, and for a long time now—21 months, and counting—he has shown no inclination to pick it up.



Figure 3 During the Unification Minister Hearing at the National Assembly, Thae Yong-ho shared a chart of “Kim Il-sung Juche Ideology believers”—himself and Lee In-young.
Photo: East Asia Research

Redefector Brings in Virus Shock! (Allegedly)

July also brought a bizarre new inter-Korean twist to the already odd saga of North Korea and COVID-19. The DPRK has yet to report any cases to the WHO, and long claimed to be virus-free. Yet it takes precautions—such as facemasks—which imply otherwise, as do unofficial reports.

On July 26 KCNA [reported](#) “an emergency event” in Kaesong. A week earlier, a “runaway” (kinder than “human scum”) who had fled South three years before came home, once again “illegally crossing the demarcation line.” This time he brought something with him: “the vicious virus.” Or maybe he didn’t: KCNA admitted that several checkups were inconclusive. Nonetheless, the full might of the state and party swung into rapid action.

Kim Jong Un convened and chaired an “emergency enlarged meeting” of the WPK Politburo, having already taken “the preemptive measure of totally blocking Kaesong City and isolating each district and region from the other.” Additionally, he now “declared a state of emergency in the relevant area and clarified the determination of the Party Central Committee to shift from the state emergency anti-epidemic system to the maximum emergency system and issue a top-class alert.” On and on he went in this vein: “the dangerous situation in Kaesong City ... may lead to a deadly and destructive disaster.” Due caution is one thing, but this was overkill—with a distinct note of paranoia. Less than three weeks later, a subsequent Politburo [meeting](#) on Aug. 13 lifted Kaesong’s lockdown: there was no deadly disaster after all.

What was this all about? Seoul confirmed the redefection, which is interesting in itself on several fronts. Such cases are rare but not unique: there have been at least [29](#), maybe more. Also rare is crossing the DMZ directly, as opposed to going the long way round via China. What may be unique, and a comment on both sides’ border security (or lack thereof), is that the 24-year-old Kim returned the same way he had arrived: by swimming to/from Ganghwa island, whose drainage ditches are, or were, [unmonitored](#). He did show up in Southern surveillance footage, but that only came to [light](#) after the North announced his arrival. An ROK general has been relieved of his command; his KPA counterparts probably face a harsher fate.



Figure 4 Who knew it was this easy! A North Korean defector is believed to have gone through the drain in Ganghwa County, Incheon to escape. Photo: [Korea JoongAng Daily](#)

Kim was reportedly a [rape](#) suspect in Seoul, but South Korean authorities doubt that he had the coronavirus. In a thoughtful [commentary](#), Benjamin Katzeff Silberstein noted how convenient this tall tale was. North Korea's long and porous northern border with China is a far likelier source of infection. But easier to blame South Korea, demonizing it as a source of danger—rather than of help, as Moon's government would wish. "COVID-19 Cases Increase In S. Korea" is a headline DPRK media lazily and mendaciously [used](#) 18 separate times between March and June this year, with nary a hint of the actual ups and downs, much less the overall success (fingers crossed) of the ROK's battle against the virus. On a slightly more positive note, recently Pyongyang seems to be accepting small amounts of virus-related aid from Southern NGOs, while still officially spurning Seoul or any outside assistance.

Much Ado A-Barter Nothing

With South Korea's new North-focused security team in post for little over a month, it would be premature to judge its performance. Our next issue, published in January, will be a better time for such an appraisal. Still, the first straws in the wind are not encouraging. Quite apart from North Korea's lack of interest (to put it mildly), one may wonder whether "more of the same" is the best way. Moreover, the clock is ticking. With just five years to make a mark, most ROK presidents become lame ducks as their term draws to a close. However unfairly, in Pyongyang they may already have given up on Moon and be wondering who they will have to deal with next come May 2022.

Meanwhile, Moon keeps trying. But the lofty agreements and big hopes of 2018 have given

way to scrabbling around for loopholes, real or imaginary, in the sanctions regime. Our last issue looked at one of these, the idea of individual tourism to Mount Kumgang, and judging it a seriously daft idea, on five separate grounds. Yet this fantasy remains an avowed policy goal for Seoul, recently [endorsed](#) by new MOU Lee In-young.

Now we have the barter deal that never was. On Aug. 12 Yonhap deemed this worthy of one of its News Focus [backgrounders](#), headlined: "Push to barter S. Korean sugar for NK liquor raises both hopes, concerns." In June, a farmers' NGO, Unification Nonghyup, inked a deal with two DPRK entities to barter Southern sugar for Northern liquor, candy, and other items. Worth all of 150 million won (around \$127,000), this hardly warranted the excitement it generated, even before MOU [nixed](#) it on Aug. 24, after belatedly learning from the NIS that one of the Northern firms was under sanctions. Incompetence and lack of coordination aside, the idea that little loopholes could ever be a royal road to resumed inter-Korean cooperation makes no sense.

It also risks friction with Washington, which the likes of Lee are all too happy to stoke. This transcends our strictly inter-Korean remit, but the idea that the US is a major obstacle to inter-Korean relations, though almost an article of faith among South Korean "progressives" – Park Jie-won has [banged](#) this drum, which may be why he got the NIS job—is a nationalist red herring. As noted above, nine unanimous [votes](#) of the UN Security Council (UNSC) between 2006 and 2017 have sanctioned the DPRK. This effort may be US-led, but it has wide assent. Visiting five European nations in 2018 during the inter-Korean thaw, Moon got no support for easing sanctions—absent serious steps by Pyongyang toward denuclearization. Looking for loopholes in the sanctions regime sends all the wrong signals to the international community. With Kim Jong Un hostile anyway, it's a real mystery why Seoul persists with this approach.

Nature Unites Korea—In Destruction

The most recent inter-Korean phenomena have been natural events, not manmade. Weather is no respecter of the DMZ, and late summer brought unprecedented extremes. After the longest ever summer monsoon rains, the peninsula was buffeted by back-to-back typhoons. These brought destruction and loss of

life to South and North alike: much worse in the latter, given its greater poverty and concomitant lesser resilience.

Sticking to our inter-Korean remit, there are several implications. First: South Korea is keen to help, but Kim Jong Un on Aug. 13 rejected any outside assistance, claiming speciously that this risked bringing in the coronavirus. Several further typhoons later, as of mid-Sept. he was still sticking to that stance. Second, in direct breach of a North-South accord signed in 2009, North Korea [four times](#)—twice in July, then again on Aug. 3 and 10—released [water](#) from its Hwanggang dam on the Imjin river without warning, causing flood damage downstream in the South. Visiting one affected site, President Moon called the North's action “regrettable”; one could think of stronger words.

Third, the question arises whether this latest body-blow, on top of the harm caused by COVID-19 (or rather the DPRK's efforts to keep it out: closing its borders and stifling trade), all in the context of pressure from UN sanctions, might prompt Kim Jong Un to consider a real change of course. He hinted as much on Sept. 8 in the wake of Typhoon Maysak (and with Haishen yet to strike), contemplating the wreckage in the Komdok mining area in the northeast:

“[Due] to the unexpected damage by typhoon we are faced with the situation in which we cannot help but change the direction of our struggle after comprehensively considering the year-end tasks that were under way with the nation-wide efforts.”

Even before that, on Aug. 19 North Korea unexpectedly announced that the next full WPK Congress will be held in January (of all inhospitable seasons in northern Korea). It was not due until May, a far more clement time of year. With talk even then of a new five-year plan, the implicit aim seemed to be to deflect attention from the imminent and hitherto much-hyped 75th Party Founding anniversary on Oct. 10, which may have all too little to celebrate, and to concentrate on making a fresh start in the New Year.

Truly fresh, or just the same old stale wine in tarted-up bottles? So far Kim Jong Un's vaunted concern for economic development has hardly been bold. Decades after China and Vietnam embraced markets, North Korea is still taking

baby steps, often reversed. If there is one good reason for Moon Jae-in's otherwise puzzling persistence in the face of continual rebuffs, it is perhaps the idea that if and when Kim comes to his senses and decides to turn over a new leaf, South Korea will be there to lend a helping hand. That is not mere nationalist sentimentality, but sound geopolitics. It is in the ROK's national interest to try to regain some of the clout it once had in Pyongyang by virtue of trade, but which the past decade has seen ceded to China.

Yet even if that comes to pass, which is a big if, condoning so much petulant behavior hardly sets up a healthy basis for future inter-Korean relations. As so often before, we shall see.

Appendix 1: [Statement](#) of Spokesman for the United Front Department of the Central Committee of the Workers' Party of Korea, 5 June 2020

Pyongyang, June 5 (KCNA) -- A spokesman of the United Front Department of the Central Committee of the Workers' Party of Korea published a statement on Friday.

The statement reads:

Today, our people are feeling towering rage and disgust towards the act of scattering anti-DPRK leaflets by the "defectors from the north" and the south Korean authorities' connivance at it.

Though it is wise to avoid things filthy, it is hard to contain fury towards mongrel dogs which dare faulted the dignity of our supreme leadership and went out of control to fly dirty trash to our sacred area.

Reflecting the enagement of our people, Kim Yo Jong, first vice department director of the Central Committee of the Workers' Party of Korea, issued a statement on June 4 giving a very meaningful warning to those human scum and the south Korean authorities who left the thing to take its own course to properly understand the gravity and catastrophic aftereffect of the situation and to do what they should do.

However, the attitude of the southern neighbor towards this is quite extraordinary.

The south side seems to be used to give a favorable interpretation of dreams. First, it construed the statement as a threat to it and then foolishly analyzed that it is a hidden message proposing the south side to come out for exchange and cooperation first. With time it, saying that though leaflets were scattered ten times last year and three times this year the north side has called the recent one into particular question, has a pipe dream that the north seems to hope for dialogue and negotiations.

What stunned us is that a spokesperson for the "Ministry of Unification" made a senseless remark that the leaflet-scattering should be stopped as most of the leaflets scattered by the "defectors from the north" fall in the area of the south side to pollute the ecological environment in the area of the south side along the Military Demarcation Line and have bad impact on the life and living conditions of the inhabitants.

The south side has gone so impudent as to claim that it has long taken a measure for preventing the leaflet-scattering to fundamentally defuse tension along the line where both sides stand in confrontation and that an efficient plan for improving the system was under examination in a bid to give impression that the inglorious incident happened by mistake.

Nowhere can there be found even slight regret or a will not to take useless acts of escalating tension again.

We clearly know that it is not just a drunken frenzy of a man, being unaware of the fact that the recent incident amounts to the serious abrogation of the historic declaration and agreements made before the nation and a thoughtless act of stoking hostility and tension.

Before caviling at others, they should read each word and phrase of the statement, recalling that it was a warning issued by the first vice department director looking after the affairs with south Korea.

If they fall short of understanding its meaning, they must be ignorant imbeciles and if they feign ignorance, they must be the meanest bastards.

First Vice Department Director Kim Yo Jong Friday gave instructions to the field in charge of the affairs with south Korea to start examination for the technical implementation of the content mentioned in the statement.

It was May 31 when the anti-DPRK leaflets were openly flown but the nonstop disposal of dirty rubbish from the south side has exhausted us so much as to come to a clearer conclusion that enemies are enemies after all.

We do not hide that we have had long in mind decisive measures to fundamentally remove all provocations from the south and to completely shut down and remove all the contact leverage with the south side.

As the first thing, we will definitely withdraw the idling north-south joint liaison office housed in the Kaesong Industrial Zone to be followed by effectuation of various measures which we had already implied.

The south Korean authorities are belatedly making a little more advanced excuses, claiming they are reviewing a bill for stopping leaflet-scattering. Then does it mean that they signed the agreement in the military field on halting all the hostile acts in the areas along the Military Demarcation Line with no definite guarantees like such a bill.

Then even though we start things that can be annoyance to the south in the area bordering it, it will be left with no words until the bill is adopted and put into effect.

We are about to start the work that can hurt the south side soon to make it suffer from annoyance.

Our determination is to follow as far as the evil cycle of the confrontation leads while facing the situation squarely, because our path is always straight.

The south willing to pull down a tower which is hard to build is now keen on turning nightmare into a reality. So will there be any need to stop it.

It is our stand that it is better to remove and break things which would finally be removed and broken. -
O-

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Appendix 2: All KCNA Items on North-South Relations, 2020 so far (January 1 through Sept.10)

Reverse chronological order, most recent items first. Nothing new has appeared since July 7.

Source: <http://kcna.kp/kcna.user.home.retrieveHomeInfoList.kcmsf>, section “North-South”
(nb: KCNA does not give unique hyperlinks for either separate pages or individual articles)

The list below comprises every item under this heading during the period. It illustrates two points: Pyongyang’s hyperbolic language (non-KCNA media were even more lurid), and the intensity of June’s anti-South campaign. After just six items in the first five months of 2020, the month of June – more exactly, the period June 4-24 – saw the total jump to 40. Thereafter the onslaught stopped as suddenly as it had started: a single item in July, and silence since.

Since June (July through Sept. 10)

Director General of Department of U.S. Affairs of DPRK Foreign Ministry Issues Statement (2020.07.07)

June

South Korean Military Warned against Imprudent Acts (2020.06.24)

South Korean Authorities Urged to Take Responsibility for Destroying Inter-Korean Relations (2020.06.22)

S. Korean Bodies Urge Authorities to Stop Hostile Acts (2020.06.22)

KCNA Report on Planned Distribution of Leaflets against Enemy (2020.06.22)

Leaflet-scattering against South Will Not Be Bound to Any Agreement and Principle (2020.06.21)

Preparations for Distributing Leaflets towards South Pushed forward (2020.06.20)
 S. Korean Authorities Deserve Punishment: KCNA Commentary (2020.06.19)
 We Will Never Sit Face to Face with S. Korean Authorities: Director of United Front Department of WPK Central Committee (2020.06.17)
 Honeyed Words of Impudent Man Are Disgusting: First Vice Department Director Kim Yo Jong of WPK Central Committee (2020.06.17)
 KCNA Commentary on Height of Impudence (2020.06.17)
 S. Korean Authorities Plead for Accepting Special Envoys (2020.06.17)
 Our Army Will Provide Sure Military Guarantee for All External and Internal Measures of Party and Government: Spokesman for KPA General Staff (2020.06.17)
 Nothing Can ever Calm down Enraged People (2020.06.17)
 Ominous Prelude to Total Catastrophe of North-South Relations (2020.06.17)
 Implementation of North-South Agreement Urged in S. Korea (2020.06.16)
 North-South Joint Liaison Office Completely Ruined (2020.06.16)
 Our Army Is Fully Ready to Go into Action: KPA General Staff (2020.06.16)
 Crucial Measures of DPRK Supported (2020.06.15)
 First Vice Department Director of WPK Central Committee Issues Statement (2020.06.13)
 South Korean Military Stages Joint Naval Drill (2020.06.13)
 Press Statement by Director-General of Department of U.S. Affairs of Foreign Ministry of DPRK (2020.06.13)
 North-South Ties Have Reached Uncontrollable Phase: Director of United Front Department of WPK Central Committee (2020.06.12)
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Before June (January-May)

Spokesperson for Ministry of People's Armed Forces of DPRK Blames S. Korean Military for Its Reckless Military Provocation (2020.05.08)
 KCNA Commentary Censures S. Korean Ministry of Unification for Being Engrossed in "Unification by Absorption" (2020.04.11)
 KCNA Commentary Blames S. Korean Conservatives for Raising "North Wind" (2020.03.05)
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 KCNA Commentary Denounces Conservatives of S. Korea for Escalating Confrontation with Fellow Countrymen (2020.02.29)
 Statement Issued by Advisor of DPRK Foreign Ministry (2020.01.11)

CHRONOLOGY OF NORTH KOREA-SOUTH KOREA RELATIONS

MAY – AUGUST 2020

May 1, 2020: After a three-week absence prompted speculation that he was ill or dead, Kim Jong Un (KJU) [reappears](#). Flanked by most of the top DPRK leadership, he [cuts](#) a ribbon to open the Sunchon Phosphatic Fertilizer Factory, some 50 miles north of Pyongyang. NK News [notes](#) a new mark on his wrist, which could indicate a minor cardiac procedure.

May 3, 2020: South Korea's Joint Chiefs of Staff (JCS) [report](#) that at Northern gunfire struck a border guardpost at Cheorwon in the central part of the peninsula, leaving four bullet holes. Following procedure, the ROK Army reacted with broadcast warnings, followed by two bursts of return fire (10 rounds each). Though a clear breach of 2018's inter-Korean military agreement, Seoul reckons the North did not intend a provocation. The JCS noted that "it was quite foggy and the North Korean soldiers usually rotate shifts around that time."

May 3, 2020: Yonhap, South Korea's quasi-official news agency, cites an unnamed Blue House official as [denying](#) that KJU has undergone any kind of medical procedure.

May 4, 2020: ROK Ministry of National Defense (MND) [says](#) Pyongyang has not yet offered any explanation for yesterday's gunfire incident at the Demilitarized Zone (DMZ).

May 4, 2020: Yonhap [says](#) that the Korea Institute for International Economic Policy (KIEP), an ROK state think-tank, is proposing that South Korea sign a Comprehensive Economic Partnership Agreement (CEPA) with North Korea, "to accelerate reform ... and to help it integrate into the international market." (KIEP's [homepage](#) lists a report with this date, but in [fact](#) published last December—so it is unclear what exactly is new here.)

May 6, 2020: US-led United Nations Command (UNC) [says](#) it is conducting "a full investigation" into May 3 border shooting incident. It was reportedly unable to enter the Northern side of the DMZ. Pyongyang has still offered no explanation, much less apology.

May 6, 2020: ROK Minister of Unification (MOU) [visits](#) the DMZ. Kim Yeon-chul's trip to Panmunjom is to assess preparations for planned resumption of tourism, suspended since last year's outbreak of African swine fever.

May 8, 2020: Maj. Gen. Kim Do-gyun, MND's point man on inter-Korean affairs, is promoted to three stars – and taken off the case. He becomes chief of the Capital Defense Command. The [report](#) does not state who will replace him on the North Korea beat at MND.

May 10, 2020: In a "[special address](#)" on the third anniversary of his inauguration, President Moon [suggests](#) quarantine cooperation as a way to revive inter-Korean relations, as this would not breach international sanctions. He admits that "North Korea is not responding"—but blames this on "difficulties" due to COVID-19.

May 11, 2020: Blue House spokesman [insists](#) it is too early to rule out a fresh inter-Korean summit this year, even though "truly, it seems difficult at the moment."

May 13, 2020: ROK JCS [says](#) it now has "decisive" evidence (which it does not reveal) that May 3 cross-border firing by the DPRK was accidental.

May 13, 2020: Yonhap [reports](#) that MOU's latest annual who's who in North Korea lists, among other changes, a new chief of the Reconnaissance General Bureau (RGB), the DPRK's military intelligence agency. [Rim Kwang Il](#), an army general, replaced Jang Kil Song last December. MOU notes high turnover rates during the past year: almost 80% for the WPK Politburo, and 82% for the State Affairs Commission (SAC).

May 18, 2020: MND [denies](#) and deplores media claims that protests by Pyongyang prompted cancellation of a biannual inter-service maritime live fire drill, due to be held this week off Uljin on the east coast. The ministry insists that adverse weather was the real reason.

May 19, 2020: MOU [says](#) it expects North Korea to face an overall grain shortage of 860,000 tons this year.

May 20, 2020: Yonhap [reports](#) that MOU has launched a “Fake News Response” [page](#) on its website, the first ROK ministry to do so, a result of worries that rumor and speculation “could cause confusion and instability in society and financial markets.” Two early targets are YouTube videos, claiming that facemasks are abundant in North Korea though scarce in the South, and that a Southern factory is sending the North a million masks a day.

May 20, 2020: Approaching the tenth anniversary of the “May 24 measures”—a ban on most North-South trade imposed by Seoul in 2010, in reprisal for the sinking of the *Cheonan* that March—MOU [says](#) these have “virtually lost ... effect” and pose no obstacle to inter-Korean exchanges. It [reiterates](#) this next day, claiming past administrations had eroded the sanctions through exemptions; but declines comment on whether they might be lifted entirely.

May 21, 2020: Unification Minister Kim Yeon-chul [says](#) the May 24 measures will remain in force.

May 22, 2020: With KJU unseen for three weeks since his re-emergence on May Day, MOU [says](#): “The relevant authorities are keeping a close watch”—while noting that such absences are not unusual.

May 24, 2020: Kim [reappears](#). KCNA [reports](#) that he guided “the Fourth Enlarged Meeting of the Seventh Central Military Commission of the Workers' Party of Korea (WPK)” —presumably a day earlier, on May 23. Topics discussed included “new policies for further increasing ... nuclear war deterrence.”

May 25, 2020: ROK Cultural Heritage Administration (CHA) [announces](#) a year-long comprehensive survey, the first, of the DMZ; presumably on the Southern side only, below the Military Demarcation Line (MDL). A 55-person panel will look for archaeological relics, flora, and fauna at 40 sites. No North Korean involvement is mentioned.

May 26, 2020: MOU [says](#) it wants to revise the South-North Exchange and Cooperation Law, enacted in 1990, to make cooperation easier. Ideas include allowing municipalities to have their own dealings with the North, and loosening reporting and permission rules for a range of inter-Korean contacts. (See also June 1.)

May 27, 2020: MOU [says](#) South Korea will give \$4.9 million over five years to a project by the UN Economic and Social Commission for Asia and the Pacific (UNESCAP). The goal is “improving North Korean people's understanding of international principles on statistics and usability of data as part of efforts to enhance the country's sustainable development capacity.”

May 28, 2020: Citing coronavirus concerns and chilly relations, MOU [says](#) South Korea will mark next month's 20th anniversary of the first North-South summit on its own, without North Korea. This is not new; there has been no joint celebration since 2009.

June 1, 2020: MOU [says](#) it wants to revise the South-North Exchange and Cooperation Act to make it easier for North Korean firms to do business in the South.

June 2, 2020: An optimistic MOU [says](#) that in hopes the North will respond, it will prepare for inter-Korean relations in the post-coronavirus age, citing the east coast rail project.

June 4, 2020: In a sharply worded [statement](#), her second aimed at Seoul this year, Kim Yo Jong attacks “human scum” who send leaflets by balloon into North Korea, warning that “the south Korean authorities will be forced to pay a dear price if they let this situation go on.”

June 4, 2020: Responding within hours, MOU does not criticize Kim Yo Jong's diatribe but [says](#) it is working on plans to legislate a ban on cross-border leafleteering. Such activity, it adds, causes tensions, creates litter and endangers residents in border areas.

June 5, 2020: Unnamed “spokesman of the United Front Department of the Central Committee of the Workers' Party of Korea” (UFD, CC, WPK) [warns](#), among other threats and insults, that “we are about to start the work that can hurt the south side soon.” (See Appendix 1.)

June 6-22, 2020: DPRK media – domestic and external– launch blitzkrieg of attacks echoing and amplifying Kim Yo Jong's. Dozens of such articles appear over the next fortnight. Typical headlines include “[Unpardonable Hostile Act](#)” and “[No mercy for the filthy scum](#).”

June 9, 2020: KCNA [reports](#) that, following a Party review decreeing that “work towards the south should thoroughly turn into the one against enemy,” as a first step all North-South communication lines will be severed at noon that day. It itemizes these as “ ... the north-south joint liaison office, the East and West Seas communication lines between the militaries of the north and the south, the inter-Korean trial communication line and the hotline between the office building of the Central Committee of the WPK and the Chongwadae [Blue House]”.

June 9, 2020: South Korea [confirms](#) that the North is no longer picking up the phone on both civilian and [military](#) hotlines. Test calls are normally scheduled for 9 am and 4 pm daily.

June 11, 2020: Blue House [warns](#) that it will “thoroughly crack down” on cross-border leafleteering, saying this violates both domestic ROK law and inter-Korean agreements. The same day, MOU files criminal charges against two leaflet-sending groups.

June 12, 2020: Jang Kum Chol, director of the UFD of the WPK CC, [warns](#) that, in KCNA's headline, “North-South Ties Have Reached Uncontrollable Phase.” Jang concludes: “From now, time will be, indeed, regretful and painful for the south Korean authorities.”

June 13, 2020: Kwon Jong Gun, director-general of the Department of US Affairs in the DPRK Ministry of Foreign Affairs (MFA), warns South Koreans not to “poke their noses into” US-North Korea relations or the nuclear issue. Among other colorful images, he calls the South “long forsaken like a good-for-nothing cucumber stalk thrown into swill”, and “preemies [sic] ... burping after drinking a still water.” More analytically: “We are not what we were two years ago.”

June 13, 2020: Kim Yo Jong issues [statement](#). Extracts: “I feel it is high time to surely break with the south Korean authorities. We will soon take a next action ... Before long, a tragic scene of the useless north-south joint liaison office completely collapsed would be seen ... Rubbish must be thrown into dustbin.”

June 15, 2020: In [two speeches](#) on the 20th anniversary of the first North-South summit, President Moon regrets that “inter-Korean relations have not progressed in a straight line” and urges Pyongyang “not to close the window on talks.” Still, “We will usher in an era, without fail, when South and North Korea band together and cooperate for peace and prosperity.”

June 16, 2020: Under headline “Our Army Is Fully Ready to Go into Action: KPA General Staff,” KCNA [reports](#) that North Korea's military is, inter alia, “studying an action plan for taking measures to make the army advance again into the zones that had been demilitarized under the north-south agreement.”

June 16, 2020: North Korea [destroys](#) joint liaison office in Kaesong with “a terrific explosion,” [citing](#) “the mindset of the enraged people to surely force human scum and those, who have sheltered the scum, to pay dearly for their crimes.” An adjacent building, once the management office for the Kaesong Industrial Complex, also appears seriously damaged.

June 17, 2020: KPA General Staff [says](#) troops will reoccupy Kaesong and Kumgang former joint venture zones. “Civil police posts” withdrawn from the DMZ will be “set up again,” front line artillery units will be reinforced, and “all kinds of regular military exercises in the areas close to the boundary” will resume.

June 17, 2020: Pyongyang [reveals](#) and spurns a secret Southern offer on June 15 to send special envoys North. Kim Yo Jong “flatly reject[s] the tactless and sinister proposal.”

June 17, 2020: In her longest (almost 2,000 words) and rudest—even she calls it “a bomb of words” —[diatribe](#) yet, headlined “Honeyed Words of Impudent Man Are Disgusting,” Kim Yo Jong flays Moon's June 15 speeches as “a string of shameless and impudent words full of incoherence”, and calls it “sickening” to hear this “spate of flunkeyist jargon.”

June 17, 2020: UFD's Jang Kum Chol [weighs in](#): "We have no idea to sit together with the authorities of the south side who evoke only disgust and nasty feelings. [There] will be neither exchange nor cooperation with the [South] in the future. And there will be no word to be exchanged. It is our stand that we had better regard everything that happened between the north and the south as an empty dream. ... [The] enemy is the enemy, after all."

June 17, 2020: Blue House [calls](#) Kim Yo Jong's attack "rude" and "senseless": "We won't tolerate any more of North Korea's indiscreet rhetoric and act." It also condemns the North's disclosure of its special envoy proposal as a breach of "basic etiquette."

June 19, 2020: Blue House [announces](#) that Moon has accepted Kim Yeon-chul's resignation as Minister of Unification, [offered](#) two days earlier.

June 19, 2020: A propos defector activists, MOU [vows](#): "In close cooperation with the police and local authorities, the government will beef up its crackdown, including the response on the ground." One such group, Keunsaem, [says](#) it is temporarily suspending plans to send plastic bottles containing rice to North Korea from Gangwha island on June 21.

June 20, 2020: Pyongyang [threatens](#) to send "leaflets of punishment" south, launched by students: "The south Korean authorities will face really horrible time." It reiterates this threat on June [21](#) and [22](#), claiming to have printed 12 million leaflets—[images](#) show Moon Jae-in's face in an ash-tray, smeared with fag-ends and dirt—and that 3,000 balloons are ready. In the event nothing happens.

June 20, 2020: MOU [responds](#): "It is very regrettable that North Korea unveiled via a media outlet its plan to send massive anti-South Korea leaflets (sic), and we demand its immediate halt."

June 21, 2020: North Korea keeps sending small groups of troops to border sentry posts for bush clearance and road maintenance, according to anonymous official source [quoted](#) by Yonhap. It adds, there is no sign of military preparations, which would require at least platoon-level movements.

June 23, 2020: At what KCNA [calls](#) "a preliminary meeting of the Fifth Session of the Seventh Central Military Commission of the Workers' Party of Korea," chaired by Kim Jong Un, the CMC suspends the KPA General Staff's "plans of military action toward the south". North Korea's campaign thus ends as suddenly as it began. (See Appendix 2)

June 23, 2020: Park Sang-hak, leader of Fighters for a Free North Korea, [claims](#) his group defied tight police surveillance to fly leaflets into the North. ROK authorities doubt that any got there, given wind conditions. MOU warns Park he will face "strict measures." On June 26 police [search](#) his office; he refuses them entry to his house.

June 25, 2020: [Speaking](#) at Seoul Air Base on the 70th anniversary of the outbreak of the Korean War, President Moon [urges](#) North Korea to "boldly embark on an endeavor to end the most sorrowful war in world history"—while warning that "our military has strength to ward off any threat." Saying that inter-Korean competition is over, Moon notes that South Korea's GDP is over 50 times the North's and its trade is 400 times larger.

June 25, 2020: MOU [calls](#) Kim's suspension of military plans "positive behavior." It adds that DPRK media have "withdrawn articles critical of South Korea en masse" (this seems to mean they added no new ones; the old ones remain up). ROK military sources say the North has begun removing propaganda loudspeakers it installed just days before near the DMZ.

June 30, 2020: In rare criticism, Moon Chung-in, one of President Moon's most dovish and influential long-time advisers, [calls](#) on Pyongyang to explain its demolition of the liaison office. Built with 17 billion won (\$14.2 million) of ROK taxpayers' money, this was "a symbol of inter-Korean reconciliation and peace," so "it is hard for our people to accept that the North unilaterally blew it up like a show."

July 1, 2020: Because of COVID-19, the number of North Korean defectors reaching the South in the second quarter was a [record low](#), according to MOU. Just 12 arrived, compared to 135 in the first quarter and 320 in Q2 last year. The annual flow has steadily declined in the Kim Jong Un era, from 2,400 in 2010 to 1,407 in 2019.

July 3, 2020: Moon [reshuffles](#) several senior security and diplomatic [positions](#). Lee In-young, parliamentary leader of the ruling Democrats (DP), becomes Unification Minister. Park Jie-won, another politician, will lead the National Intelligence Service. Suh Hoon moves from heading the NIS to be Moon's National Security Advisor. The previous NSA, Chung Eui-yong, becomes a special adviser, as does Im Jong-seok, Moon's former chief of staff. All four new appointees are well [connected](#) in Pyongyang.

July 7, 2020: Two elderly former POWs whom the DPRK did not repatriate in 1953—they only escaped half a century later—[win](#) a landmark, if symbolic, legal case. Seoul Central District Court orders North Korea and Kim Jong Un to pay each man 21 million won (\$17,550) for 33 months of forced labor during 1953–56. This is the first time an ROK court has acknowledged its formal jurisdiction over North Korea and issued a compensation order.

July 8, 2020: In another largely symbolic case, South Korean lawyer files [suit](#) against Kim Yo Jong and Gen. Pak Jong Chon, CGS of the KPA, over last month's office demolition. Prosecutors duly open an enquiry on July 16. Plaintiff Lee Kyung-jae notes that under DPRK criminal law, intentional destruction of state property can be punished with life imprisonment.

July 16, 2020: MOU [says](#) it has approved 16 projects by NGOs to aid in the first half of this year. Two are coronavirus-related. It does not name the organizations involved.

July 16, 2020: Jeong Se-hyun, former Unification Minister and current executive vice chair of the presidential National Unification Advisory Council (NUAC), [calls](#) on the next MOU to dissolve the joint US-ROK working group that coordinates policies on North Korea: "Why on earth did such a thing as the explosion of the joint liaison office take place? It's because the working group held back inter-Korean relations every single step of the way."

July 16, 2020: Korea Institute for National Unification (KINU), an ROK state think tank, [says](#) Kim Jong Un made only 19 public appearances in the first half of 2020. During 2017–19 he averaged 40–50 in the equivalent period. KINU attributes this to COVID-related caution.

July 19, 2020: An aide to Im Jong-seok (see July 3) [says](#) Im is keen to promote cooperation between cities in North and South Korea, via a nonprofit foundation he heads.

July 20, 2020: Both MOU and the nominee to head it, Lee In-young, [aver](#) that suing North Korea for blowing up the joint liaison office is not a viable way to proceed.

July 21, 2020: MOU nominee Lee [suggests](#) that "humanitarian areas related to eating, suffering and things that people want to see before they die" (i.e. family reunions and visits) are fit matters for inter-Korean cooperation without any need to consult Washington.

July 23, 2020: Lee faces [lively](#) and robust confirmation [hearing](#). Ex-DPRK diplomat Thae Yong-ho presses him on whether he was pro-Pyongyang in his youth. Lee is confirmed as the new MOU, taking up his post on July 27.

July 25, 2020: An emergency enlarged meeting of the WPK CC Politburo is [called](#), after a "runaway" (defector) who illicitly returned home to Kaesong on July 18 is suspected of having "the vicious virus." KJU orders a lockdown of Kaesong and other measures, to avert "a deadly and destructive disaster." The lockdown is lifted three weeks later.

July 27, 2020: South Korea [acknowledges](#) that a defector did swim back into North Korea around July 18 from Ganghwa island, as claimed by North Korea. It [adds](#) that there is no evidence he has COVID-19. Other [reports](#) name him as Kim, aged 24, and claim he was facing charges of raping a fellow defector.

July 28, 2020: Park Jie-won starts work as South Korea's new spy chief, a day after his National Assembly confirmation [hearing](#). He was grilled about his role in transferring \$450 million to North Korea around the June 2000 summit, for which he was later jailed.

July 30, 2020: UN special rapporteur on human rights in North Korea, Tomas Ojea Quintana, [tells](#) MOU that its planned inspection of defector activist groups should not undermine efforts to improve the DPRK rights situation.

Aug. 3, 2020: MOU [denies](#) that its upcoming audit of civic groups affiliated to it targets defectors, insisting that its criteria are strictly performance-based.

Aug. 5, 2020: MOU is [reportedly](#) reviewing a proposed inter-Korean barter deal. Unification Nonghyup, an ROK farmers' group, signed a 150 million won (\$126,710) deal in June with two DPRK companies to swap 167 tons of Southern sugar for Northern liquors, candies, teas et al. Unification Minister Lee had voiced support for such small-scale barter.

Aug. 7, 2020: After heavy rains, MND [says](#) it is looking out for North Korean mines which might have been swept out of the DMZ into South Korea. Some just look like wooden boxes.

Aug. 11, 2020: ROK Joint Chiefs of Staff (JCS) [say](#) that amid heavy rainfall, floodgates of North Korea's Hwanggang Dam on the Imjin river remain partly open. Four times recently the North has [discharged](#) water from the dam without warning, contravening a 2009 accord reached after a similar incident caused flash floods which drowned six South Korean campers. On Aug. 5 Seoul [urged](#) Pyongyang to give due notice, to no response.

Aug. 12, 2020: Yonhap [weighs](#) pros and cons of proposed barter deal (Aug. 5, and Aug. 24). It could put North-South ties back on track – or fall foul of international sanctions and US disapproval.

Aug. 12, 2020: Yonhap [reports](#) that the UN has granted a sanctions waiver for the ROK's Gyeonggi provincial government to provide a greenhouse system and related materials, worth \$368,000, for a nutrition project in the DPRK's Nampo city and South Pyongan province. It is not stated whether Pyongyang will accept this aid.

Aug. 12, 2020: MOU [launches](#) a rare inspection of 25 NGOs registered with it, with more to follow. 13 are run by North Korean defectors. The same day, Seoul Administrative Court accepts a plea by Keunsaem, one of two groups whose operating license the ministry revoked in July, to suspend that decision. Legal proceedings will continue.

Aug. 18, 2020: Joint US-ROK military drills, scaled down and largely computer-based this year, [kick off](#) two days late after a Korean participant tested positive for COVID-19. They end on Aug. 28.

Aug. 18, 2020: Meeting with US Ambassador Harry Harris, Unification Minister Lee [calls](#) for upgrading the allies' joint forum on North Korea policy to "Working Group Version 2.0." [Critics](#) suggest this is actually a downgrade, since the goal is more autonomy for Seoul to follow its own path with Pyongyang – regardless of Washington.

Aug. 19, 2020: North Korea unexpectedly [announces](#) that the "Eighth Congress of the WPK will be convened in January, Juche 110(2021)." It was not due until May, a milder season.

Aug. 20, 2020: National Intelligence Service (NIS) [tells](#) lawmakers that Kim Jong Un, though still absolute leader, has partially delegated authority to his sister Kim Yo Jong, whom it calls the "de facto No. 2," and two pairs of senior economic and military figures. One aim, it suggests, is to "relieve stress ... and avert culpability in the event of policy failure."

Aug. 21, 2020: MOU Lee [calls](#) for inter-Korean cooperation against "disasters and catastrophes that have no boundaries," also pledging "concrete plans ... in three areas: health, prevention of infections and climate." In a separate meeting, he tells firms invested in the Kaesong Industrial Complex (KIC) that he will "actively seek ways to resume" its operations.

Aug. 21, 2020: MOU [reveals](#) that Seoul has approved plans by two unnamed NGOs to send coronavirus-related items, such as masks and protective clothing, to North Korea. The consignments are worth 180 and 300 million won (respectively \$151,000 and \$253,000).

Aug. 24, 2020: ROK lawmakers [inform](#) media that the barter deal will not go ahead, saying Vice Unification Minister Suh Ho told the National Assembly's Intelligence Committee that one of the DPRK partners is under sanctions. MOU, however, [denies](#) that the project has been [scrapped](#). (See also Aug. 5 and Aug. 12, above.)

Aug. 25, 2020: In a report to lawmakers, MOU [says](#) a "triple whammy" – sanctions, COVID-19, and floods – is slowing the DPRK economy, jeopardizing targets set for October's 75th Party founding anniversary. The Ministry vowed to keep pushing for humanitarian inter-Korea cooperation, and to seek opportunities for "small-scale trading".

Aug. 25, 2020: ROK Defense Minister Jeong Kyeong-doo [tells](#) lawmakers that Kim Yo Jong, though formally a WPK CC first vice departmental director, appears to be overseeing North Korea's strategy toward South Korea and the US.

Sept. 1, 2020: Meeting with Japan's Ambassador in Seoul, Koji Tomita, MOU Lee [asks](#) Tokyo to support efforts to improve inter-Korean ties, as this will be "very beneficial for Japan as well."

Sept. 1, 2020: MOU [says](#) it has requested a 3.5% increase in its budget for inter-Korean co-operation next year, to 1.24 trillion won (\$1.05 billion). Even though relations are stalled, the plan is to earmark more for hypothetical joint action against disease and natural disasters.

Sept. 2, 2020: National Security Adviser Suh Hoon [clarifies](#) that the ROK-US working group forum on North Korea is "basically ... useful," and critics are misinformed. Seoul and Washington are consulting on how to improve it, by "adjusting the aspects of it being misunderstood and excessively functioning" (sic).

Sept. 3, 2020: Meeting Shin Hee-yong, the new head of the ROK Red Cross, MOU Lee [says](#) he hopes the two Koreas "can kick off video reunions over the Chuseok holiday" (the Korean harvest festival, this year falling on Oct. 1). This seems optimistic: North Korea has never accepted video equipment which Seoul paid for, and obtained a UN sanctions [waiver](#) as long ago as March 2019.

Sept. 3, 2020: MOU [says](#) it may redeem funds from the UN World Food Programme (WFP) if there is no progress by end-2020. In June 2019 Seoul announced plans to send 50,000 tons of rice aid, and gave WFP \$11.6 million to cover costs—but Pyongyang rejected the offer.

Sept. 3, 2020: At the annual Seoul Defense Dialogue (SDD), ex-USFK commander Gen. Vincent Brooks [predicts](#) that North Korea will hold off re-engaging with the South until 2021, when the election campaign for Moon Jae-in's successor may give it more leverage.

Sept. 4, 2020: NK News [reports](#) that in late August a court in Incheon acquitted a lawyer who had brought back North Korean books and newspapers after attending a business forum in Pyongyang in November 2018. The judge ruled that since MOU had approved his trip, the defendant could legally possess such items – otherwise banned under the National Security Law (NSL)—for personal research use.

Sept. 5, 2020: Pyongyang [vows](#) "severe punishment" for officials in Wonsan, accusing them of failing to prepare for Typhoon Maysak which struck the east coast of both Koreas on Sept. 2. An unspecified incident in the port city caused dozens of casualties.

Sept. 7, 2020: Typhoon Haishen, the tenth this season, batters the eastern ROK and Japan's Kyushu region. Landing at Ulsan, it temporarily knocks out power to [Hyundai's](#) main auto plant. It then passes along the [DPRK's](#) east coast, already hard-hit by Typhoon Maysak.

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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-PACIFIC

CHINA - KOREA RELATIONS

US-CHINA RIVALRY DIVIDES THE TWO KOREAS

SCOTT SNYDER, COUNCIL ON FOREIGN RELATIONS
SEE-WON BYUN, SAN FRANCISCO STATE UNIVERSITY

The Korean Peninsula appears divided in what some analysts call a “new cold war” as US-China tensions escalate over issues ranging from COVID-19 to Hong Kong. Washington’s new China strategy prompted Pyongyang to voice its alignment with China while heightening Seoul’s dilemma of choosing sides. As the North Korean economy suffered the combined effects of ongoing sanctions, the global pandemic, and severe weather, a leaked UN report in August sharpened international criticism of China’s sanctions enforcement. The region’s current domestic political priorities reinforce Beijing, Seoul, and Washington’s trilemma over alternative approaches to DPRK denuclearization

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Pyongyang Takes China's Side in a US-China "Face-Off"

Xi Jinping and Kim Jong Un [exchanged](#) verbal messages of support on May 8–9 recognizing Beijing's success fighting COVID-19. North Korea firmly backed Beijing in response to the Trump administration's China [strategy](#) released in May, which according to [Pyongyang Times](#) shows that "Washington is 'now scheming to politically destroy China's social stability, economically hinder its development, militarily encircle it and diplomatically compress the space of its activity.'" Such criticism centered largely on defending the Chinese Communist Party (CCP). The Workers' Party of Korea (WPK) international affairs department on June 4 [condemned](#) US Secretary of State Mike Pompeo's Fox News interview remarks on the CCP regime, in its first independent statement since Kim Jong Un took power in 2011 according to South Korea's Yonhap News. DPRK Ambassador to China Ji Jae-ryong in a July 3 [Global Times](#) interview accused Washington of attempting to "disintegrate and disrupt socialist China," expressing "full support and solidarity with the Chinese people and the CPC in their efforts to resist US interference." Showering much praise on the CCP leadership, [Pyongyang Times](#) on Aug. 7 called the United States' "categorical denial" of China's socialist system the most serious attack in an emerging "face-off between systems that cannot exist together."

North Korean support for the CCP regime clearly surfaced in the controversy over China's Hong Kong security law, a "legitimate step" [according](#) to the DPRK foreign ministry. Meeting PRC Ambassador Li Jinjun in Pyongyang on June 4, Foreign Minister Ri Son Gwon [promised](#) to continue supporting Beijing's position on "total unification," and called external interference on Hong Kong a "violation of Chinese sovereignty and international law." The DPRK media reiterated this position through *Rodong Sinmun* commentaries on [June 7](#) and [June 11](#), and a *Pyongyang Times* article on [June 15](#) criticizing the West's "anti-China offensive." At the UN Human Rights Council, North Korea [joined](#) a Cuba-led statement on June 30 to endorse the Hong Kong security law's passage. Fifty-three supporters of the joint statement [outnumbered](#) the 27 critics, and South Korea took neither side.

Bilateral anniversaries offered symbolic opportunities for expressing solidarity amid US-China tensions. Marking the 59th anniversary of

the friendship treaty, chairman of the DPRK-China Friendship Association [pledged](#) in June: "we fully support all measures taken by the Party and Government of China to defend the country's sovereignty, security and territorial integrity and will always side with the Chinese people in the struggle to safeguard the socialist cause in the future." State media commemorated the 70th anniversary of the Korean War's outbreak by [exchanging](#) similar pledges. Chinese media attention on bilateral [advancements](#) over the past two years beyond the Xi-Kim summits were largely limited to cultural cooperation. China's entertainment industry is busy producing Korean War-themed TV dramas and films projecting "revolutionary" historical narratives, such as [Kuaguoyalujiang](#), depicting China's fight "[against hegemony](#)," [Bingxue Changjinhe](#), and [Jingangchuan](#), all scheduled to be released in 2021, when the CCP celebrates its 100th founding anniversary.



Figure 1 PRC Vice Foreign Minister Luo Zhaohui and Deputy Minister for Political Affairs Kim Gunn hold a video conference on bilateral relations. Photo: Yonhap

Planning For Xi Jinping's Visit To Seoul

Having completed his strategic communication with Kim Jong Un, Xi Jinping [held a phone call](#) with Moon Jae-in on May 13. Moon reiterated his invitation to Xi to visit Seoul for the first time since 2014. The visit, which Moon characterized as "more important than any other thing" in the bilateral relationship, might have occurred in March or April if not for the outbreak of COVID-19. Xi told Moon that "as good neighbors, our countries have become a model for international quarantine cooperation."

An Aug. 21–22 visit to Busan by former PRC Foreign Minister and Chinese Communist Politburo Member Yang Jiechi for talks with new

National Security Advisor Suh Hoon marked another significant step in planning for a Xi visit to South Korea. In advance of the meeting, a senior South Korean diplomat outlined the Moon administration's goals toward Beijing in the [Korea Times](#), stating that "The most important reason that President Moon wants to have good relations with China is primarily economic, and secondly, North Korea issues, now that US-North Korea relations are virtually frozen. We know that China still has channels of communication with North Korea. Therefore we are hoping that President Xi Jinping will play a more active role in facilitating the resumption of South-North talks and North Korea-US bilateral talks."



Figure 2 CCP member Yang Jiechi meets National Security Advisor Suh Hoon in Busan. Photo: [Yonhap](#)

The high-level exchange drew attention in South Korea as the first significant senior-level meeting between South Korea and China since the intensification of the downturn in US-China relations following China's promulgation of a National Security Law for Hong Kong and a range of retaliatory actions and responses from the Trump administration on a wide number of issues. Yang's visit yielded an agreement that Xi would visit South Korea "as soon as the COVID-19 situation has been stabilized and the right conditions are in place."

South Korea's *Hankyoreh Sinmun* [reported](#) that Yang proposed to Suh that China and South Korea "elevate our strategic cooperative partnership to a new level" by "strengthening high-level exchange and strategic communication and actively linking our two countries' development strategies." Blue House Spokesperson Kang Min-seok summarized South Korea's response as emphasizing that "a relationship of mutual prosperity and amicable cooperation between the United States and China is important to the peace and prosperity of Northeast Asia and the world."

While Yang hinted at the need for a strategic reframing of the China-South Korea relationship, National Security Advisor Suh Hoon focused on technical issues including cooperation on the COVID-19 pandemic, acceleration of second-phase negotiations of the South Korea-China Free Trade Agreement, and exploration of trial programs for linking China's Belt and Road Initiative with South Korea's New Southern and New Northern Policies.

[Global Times](#) reported the Heilongjiang Provincial Academy of Social Sciences Director Da Zhigang stated that Yang's visit "not only paves the way for higher level exchange visits in the future, but also shows that China appreciates South Korea's objective attitude on issues related to China—Seoul has not chosen a side, unlike what Japan has done, as it has the big picture of friendship in mind and understands the geographic proximity between the two countries."

Premier Li Keqiang is also likely to visit Seoul by the end of 2020 to participate in the China-South Korea-Japan summit meeting. The Xi-Moon call coincided with efforts to re-establish travel links and support economic recovery between the two countries.

Pandemic-Era Recovery of China-South Korea Economic Ties

China's economic recovery from the pandemic and the revitalization of China-South Korea trade ties have emerged as an important influence on South Korean economic prospects through the end of 2020. To the extent that China's economy recovers quickly, exports to China will buoy South Korea's export picture and buoy South Korea's economic recovery. To this end, the two countries have cooperated to promote expedited entry and streamlined quarantine regulations in an attempt to normalize economic exchange and to support closer China-South Korea ties.

Samsung Electronics [Vice Chairman Lee Jae-yong](#) was one of the first Korean CEOs to take advantage of the guidelines in mid-May, visiting a semiconductor plant in Xian. Lee's visit came shortly following a US announcement that it will limit the supply of memory chips made with US technologies to Huawei Technologies, symbolizing the complexities of the technological competition between South

Korea's Samsung and China's Huawei as two global end-to-end suppliers of every component of the technology supply chain for 5G products.

Samsung and Huawei are the largest 5G patent holders in the world, with Huawei ranking first in market share of 5G equipment based on the rapid expansion of China's large domestic market. Samsung leads in the number of 5G patents granted by international patent offices. Samsung is a supplier of memory chips to Huawei, but new US restrictions on sales of US-origin technology chips to Huawei may tilt Samsung's new investments in memory chip production toward the United States rather than China. [The Korea Herald](#) reports that South Korean semiconductor, electric battery, and display manufacturers remain ahead of Chinese competitors, but the lead is diminishing on the strength of Chinese state-led investments in cutting-edge technologies such as 5G and Artificial Intelligence (AI).

The China-ROK-US Trilemma on DPRK Denuclearization

Beijing [reiterated](#) its commitment to peninsula peace and stability after North Korea blew up an inter-Korean liaison office on June 16 and announced plans to deploy forces to the demilitarized zones. North Korea's actions signaled frustration over the US-ROK alliance and economic sanctions, while reminding China of the geopolitical risks of inter-Korean tensions. According to the Korean Central News Agency on May 24, Kim Jong Un led a meeting of the WPK Central Military Commission that [discussed](#) "new policies for further increasing the nuclear war deterrence of the country." Satellite imagery reports in May identified ongoing developments in North Korea's weapons program, including the continued [operation](#) of the Pyongsan Uranium Concentrate Plant and [near-completion](#) of a new ballistic missile facility in Pyongyang. Based on the International Campaign to Abolish Nuclear Weapons [estimates](#), North Korea spent an annual \$620 million on its nuclear weapons program in 2018 and 2019. Despite such developments, PRC State Councilor and Foreign Minister Wang Yi at a May 25 press [briefing](#) for the National People's Congress (NPC) annual session claimed that North Korea's "positive steps" toward denuclearization "have not been reciprocated in a substantive way by the US side." As US-DPRK talks remain deadlocked

since the failed February 2019 Trump-Kim summit in Hanoi, Beijing continues to advance its December 2019 UN Security Council (UNSC) draft resolution proposed jointly with Russia, and a dual-track approach to denuclearization and peace.

Some Chinese analysts remain optimistic about the prospects for regional diplomacy. Central Party School expert Zhang Liangui [projected](#) in July that US-DPRK talks are likely to resume regardless of the outcome of 2020 US elections, claiming, "North Korea is a failed state ... very few people in China realize how big a threat North Korea can be." Zhang Tuosheng of China Foundation for International and Strategic Studies in a *China Daily* op-ed [proposed](#) restarting the Six-Party Talks, arguing "countries have far more common interests than differences" on Korean peninsula issues. In his July 22 [testimony](#) to the US Senate Foreign Relations Committee, a week after meeting counterparts in Seoul and Tokyo, Deputy Secretary of State and Special Representative for North Korea Stephen Biegun identified North Korea as one area of US-China cooperation given their "shared strategic interest" in peninsula peace and stability. But the Chinese foreign ministry appeared to dismiss such remarks two days later, [insisting](#) that "China upholds an independent foreign policy ... China will act based on its own position and judgment." After Kim Jong Un's subsequent claims on North Korea's nuclear deterrent capabilities, China's foreign ministry [argued](#) that peace talks remained stalled because "the DPRK's legitimate concerns are not paid enough attention." China Global Television Network released an [op-ed](#) on July 27 suggesting that the risks of a legitimate nuclear North Korea for the United States' regional position explain "why the Korean War has yet to formally come to an end."

The impasse on DPRK denuclearization underscores the challenges of coordinating Moon's proactive engagement of Pyongyang, Xi's minimal interference, and Trump's maximum pressure. Such strategies perpetuate a trilemma over alternative approaches—China-ROK appeasement of North Korea, US-ROK alliance cooperation and economic pressure, and US-China bargaining on the Korean Peninsula—that risk marginalizing one party. Despite the three leaders' respective summit diplomacy with Kim Jong Un, recent tensions in the three bilateral relationships may

only weaken the prospects for trilateral cooperation and enhance Pyongyang's diplomatic leverage.

An Unexpected Invitation and South Korean Strategies for Managing Sino-US Animosity

Amid growing China-US tensions, Moon Jae-in received and rapidly accepted an unexpected and impromptu invitation from President Trump in early June to join the next G7 as an observer to be held in November along with Australia, India, and possibly Russia. It remains to be seen whether the G7 will come off in an expanded form, given objections to expansion by Germany and Japan. But most notable for South Korea has been China's reaction to the expanded version of the G7 as a thinly veiled effort to expand a US-led international containment coalition against China. A [Global Times](#) commentary by Li Jiacheng of Liaoning University sent a shot across the South Korean bow warning that "South Korea bows to the US rashly and is choosing to pick the side of the US amid China-US conflicts. This is not a wise choice and will jeopardize China-South Korea relations."

The dramatic deterioration in US-China relations symbolized by Beijing's decision to impose a new national security law on Hong Kong and the US response has catalyzed debate among South Korean security analysts regarding what Seoul National University Professor Yoon Young-kwan described as "[the shape of Asia's new Cold War](#)." South Korea's debates have centered on an increasingly open competition between Beijing and Washington to force South Korea to align with either Washington or Beijing despite South Korea's preferred strategy of choice avoidance.

Following the August Yang Jiechi visit to Busan, [The Korea Times](#) advocated for "the government to maintain the principle of 'balanced diplomacy' without siding with a certain nation. Maintenance of the alliance with the US is essential as the backbone of our security. Yet keeping friendly ties with China is also essential as it is our top trade partner, in addition to its role in inter-Korean affairs and regional stability." But this strategy assumes that South Korea can find the space necessary to continue choice avoidance.

As South Korean analysts look for the leverage necessary to avoid hard choices, some have proposed peninsula-based options premised on

inter-Korean cooperation. For instance, special advisor to President Moon, [Moon Chung-in](#) has [advocated](#) that "South Korea needs to take a more prudent balancing diplomacy. In so doing, Seoul needs to make a major breakthrough to inter-Korean relations. Improved inter-Korean relations will serve as a very valuable buffer to US-China strategic rivalry on the Korean Peninsula."

An alternative argument relies on South Korea's global diplomacy to escape the China-US rivalry. Korea National Diplomatic Academy's [Kang Seon-jou](#) advocates that "Seoul could also think of alternatives, if its national objective doesn't necessarily require taking one side ... It could be banding together with other nations, such as European countries, Australia and Canada," said Kang. "Seoul needs a diplomatic system that could relieve some pressure of having to choose."

Immediate diplomatic necessities may drive South Korea to walk a diplomatic tightrope by selectively appeasing both Washington and Seoul. This is the pathway that [Lee Seong-hyeon](#) envisions when he observes that when Xi comes to Seoul later this year, China may raise complex requests during the Busan visit related to US-led initiatives such as the Indo-Pacific strategy, Economic Prosperity Network and the Clean Network Initiative. Xi may also ask Moon to formally declare South Korea's joining the China-led Belt and Road Initiative." Another concern is that China might again utilize its economic leverage to drive wedges in the US-South Korea alliance. South Korean analyst [Park Won-gon](#) speculated that, "The underlying idea is to capitalize on Korea to make US strategy to contain China trickier" by enhancing South Korea's export dependency on China.

China-DPRK Economic Exchanges and Sanctions Implementation

According to the Korea International Trade Association, North Korea's trade dependence on China reached a record high of 95% last year after bilateral trade in 2018-2019 grew by 15% to \$2.84 billion. In January-June 2020, it [fell](#) by 67% to \$412 million compared to the same period in 2019, reflecting a 72% decline in exports and 67% decline in imports. Chinese customs data suggests a slow recovery in trade under the constraints of sanctions and COVID-19. China shipped 2,820 tons of refined petroleum products to North Korea in January-

June according to UNSC data, 37% of what it provided during the same period last year. Despite this decline, UN self-reported data in July showed stable monthly inflows of fuel exports to North Korea in January-May, supported largely by Russia. Chinese food exports to the North similarly showed modest increases in April-May, while North Korean grain imports from Russia almost tripled in April compared to last year's volume. Satellite imagery reports in the summer suggested a gradual recovery in cross-border projects like the new Yalu River [bridge](#) linking Dandong and Sinuiju, Tumen-Namyang [bridge](#), and an island economic development [zone](#). *Joongang Daily* [warned](#) that China's opening of a new Changbaishan office under the Changchun customs office on Aug. 17, to manage border trade with North Korea, could affect South Korean business with China.

Such trends reinforce a wide consensus on the [limits](#) of US pressure and international sanctions. According to the Institute for Science and International Security, China [accounted](#) for almost a quarter of the 250+ identified cases of DPRK sanctions violations in February 2019-2020, followed by Hong Kong's 8%. The US Justice Department on Aug. 27 [filed](#) a complaint to forfeit 280 cryptocurrency accounts tied to North Korean cyber hacks, revealing the links to Chinese money laundering. As the DOJ [announced](#) on July 23, the United States also filed a complaint to forfeit more than \$2.37 million from four companies accused of laundering money on behalf of sanctioned DPRK banks, including Dandong Zhicheng, sanctioned by the Treasury Department for buying coal from the North. In May, the DOJ [charged](#) 28 North Koreans and 5 Chinese of laundering more than \$2.5 billion to support North Korea's weapons program.

An April report of the UN Panel of Experts on North Korea suggested a range of sanctions evasion strategies, leading some analysts to [conclude](#), "it is clear the Chinese are now quite comfortable violating these sanctions with only the thinnest veneer of deniability." Media leakage of a draft UN Panel of Experts midterm report enraged China's Permanent Mission to the UN, which [stated](#) on Aug. 4: "China has been completely and strictly implementing DPRK-related resolutions of the Security Council, and faithfully fulfilling its international obligations. To that end, China has sustained huge losses and made tremendous sacrifice." According to

the UN report, North Korea made more than 30 illegal coal [shipments](#) in late March-early May, transferred mostly from DPRK ports to Chinese buyers. Forty-three countries [filed](#) a complaint to the UNSC sanctions committee in July on DPRK violations of UN restrictions on refined petroleum imports. A UN report in August showed that North Korean IT workers under the Munitions Industry Department continued to work in China and Russia after last year's ban on DPRK overseas workers, raising an estimated \$1.2 million-plus in 2019.

North Korea's Economic Challenges and "Ghost Ships"

Kim Jong Un's acknowledgement of the failure of his five-year economic plan drew much media [attention](#) at the end of August, as did his plans to reveal a new one at the next WPK congress, [timed](#) to occur nearly simultaneously with the US presidential inauguration in January 2021. Combined impacts of sanctions, COVID-19, and August floods heighten North Korea's economic challenges. The UN reported in May that it has raised \$1.3 million to support North Korea's fight against COVID-19. Kim Jong Un [declared](#) a state of emergency in Kaesong on July 26 after the inter-Korean border city reported a suspected COVID case, while there were reports that cases also [surged](#) in June in the China-DPRK border city of Mudanjiang. A ROK unification ministry official [warned](#) of major food shortages compounded by poor weather and Pyongyang's January decision to close the border with China, where DPRK troops were [mobilized](#) in August to [enforce](#) quarantine control. The US Department of Agriculture's International Food Security Assessment [report](#) in August supported these assessments, designating 60% of North Korea's population as "food insecure." But even as flood damages further threatened North Korea's economic stability, Kim [rejected](#) "any outside assistance whatsoever" due to concerns over the pandemic, while *Rodong Sinmun* [called](#) for self-reliance. UNICEF indicated in August that North Korea will temporarily close a humanitarian [aid](#) sea route between Dalian and Nampho. DPRK officials [reportedly](#) ordered the suspension of all border trade from Aug. 25 in an effort to prevent COVID-19 from affecting events marking the WPK's founding in October.

North Korea's COVID-19 lockdown has even been linked to an increase in suspected illegal Chinese [fishing](#) in DPRK waters in violation of

UN sanctions, believed to [present](#) a potential source of illicit fees for Pyongyang. An NGO [report](#) in July revealed what it called “the largest known case of illegal fishing” operations involving more than 900 vessels originating from China in 2017, associated with a sharp increase in “[ghost ships](#)” appearing on Japan’s coast that year carrying dead North Koreans. According to *Daily NK*, a DPRK patrol vessel capsized in July after clashing with Chinese fishing boats over North Korean bribes, prompting Chinese authorities to temporarily ban Chinese fishing activity in waters off Dandong. In apparent retaliation, North Korean patrols [killed](#) three Chinese on Aug. 11 after firing at their boat.

Conclusion: “Peaceful Development” or “New Cold War”?

As Zhang Tuosheng [questioned](#) in July, “Northeast Asia is at a crossroad. Will it enjoy more peaceful development or move toward a new cold war?” Although Zhang calls for cooperation toward the former scenario, the intensification of great-power competition means that “small and medium-sized countries in the region may face the difficult situation of having to choose sides.”



Figure 3 Chinese and ROK economic ministers join the 8th RCEP Ministerial Meeting via videoconference. Photo: ASEAN

Domestic politics remain the key factor in Beijing and Seoul’s external orientation and trilateral ties with Washington. As the CCP prepares to celebrate its 100th founding anniversary next year, Xi’s domestic challenges continue to generate tough foreign policy and public skepticism over Seoul’s commitment to the “three nos” since the 2016–2017 THAAD dispute. South Korea’s millennial generation has grown increasingly [vocal](#) in resisting Moon’s policies as Kim’s “henchman” and Xi’s “puppet,” pointing to costs for national

security, the US–ROK alliance, and South Korean democracy. While US priorities now center on domestic political debates, tensions with Beijing may subside after the November elections and save Seoul from taking sides.

Research assistance and chronology compilation provided by Chenglong Lin, San Francisco State University.

CHRONOLOGY OF CHINA-KOREA RELATIONS

MAY – AUGUST 2020

May 1, 2020: Two chartered flights depart from Seoul with the first group of Korean high-tech workers returning to Wuhan.

May 8-9, 2020: Kim Jong Un and Xi Jinping exchange verbal messages of support.

May 10, 2020: First group of Korean electronics workers depart Seoul for Tianjin through fast-track entry.

May 12, 2020: China's National Development and Reform Commission releases guidelines on establishing the China-ROK (Changchun) International Cooperation Demonstration Zone.

May 13, 2020: Leaders Xi Jinping and Moon Jae-in and defense ministers Wei Fenghe and Jeong Kyeong-doo hold separate telephone talks.

May 15, 2020: PRC, ROK, and Japanese health ministers hold a trilateral teleconference.

May 16, 2020: South Korea's defense ministry indicates that plans to repatriate remains of Chinese soldiers killed in the Korean War have been postponed this spring due to COVID-19.

May 18, 2020: China's foreign ministry expresses China's willingness to continue cooperation with South Korea and Japan on COVID-19.

May 17-19, 2020: Samsung Electronics Vice Chairman Lee Jae-yong visits China, where he inspects the company's Xian chip plant and meets Shaanxi Governor Hu Heping.

May 24, 2020: State Councilor and Foreign Minister Wang Yi states that US-DPRK dialogue is a prerequisite for resolving the Korean Peninsula issue and expresses support for China-Japan-ROK cooperation on COVID-19.

May 26, 2020: ROK Coast Guard arrests a Chinese national who illegally entered by boat in May 20 with seven others.

May 28, 2020: Premier Li Keqiang expresses support for China-Japan-ROK economic cooperation.

May 29, 2020: China's foreign ministry expresses Beijing's opposition to THAAD deployment.

May 30, 2020: North Korea foreign ministry backs China's security legislation for Hong Kong.

June 1, 2020: Protesters in front of PRC Embassy in Seoul oppose Beijing's Hong Kong security legislation.

June 3, 2020: PRC Ambassador to South Korea Xing Haiming and SK Group Chairman Chey Tae-won meet in Seoul.

June 4, 2020: Protesters in Seoul oppose Beijing's Hong Kong security legislation and commemorate victims of the 1989 Tiananmen crackdown.

June 4, 2020: PRC Ambassador to North Korea Li Jinjun and DPRK Foreign Minister Ri Son-gwon meet in Pyongyang.

June 4, 2020: ASEAN+3 economic ministers adopt a Joint Statement on mitigating COVID-19's economic impact.

June 11, 2020: North Korea's *Rodong Sinmun* supports Beijing's position on Hong Kong.

June 11, 2020: PRC Vice Foreign Minister Luo Zhaohui and Deputy Minister for Political Affairs Kim Gunn hold a videoconference.

June 12, 2020: China's foreign ministry calls for US-DPRK dialogue.

June 13, 2020: ROK authorities detain six Chinese suspected of having illegally entered South Korea via boat.

June 20, 2020: *Rodong Sinmun* publishes an article commemorating last year's Xi -Kim summit.

June 22, 2020: A PRC military plane enters South Korea's air defense identification zone.

June 23, 2020: RCEP trade ministers hold a videoconference.

June 24, 2020: PRC and ROK officials hold video talks on fisheries cooperation.

June 29, 2020: China-ROK (Changchun) International Cooperation Demonstration Zone is officially established.

June 30, 2020: After China's National People's Congress passes Hong Kong national security law, South Korea's foreign ministry states that "it's important for Hong Kong to continue to prosper and maintain stability while enjoying a high level of autonomy under China's 'one nation, two systems' policy."

June 30, 2020: Korea Tourism Organization announces partnership with Ctrip, China's leading online travel agency.

June 30, 2020: WPK sends a floral basket to the CCP on the occasion of the CCP's 99th founding anniversary.

July 1, 2020: The Jilin Provincial Government Information Office holds a news conference on the China-ROK (Changchun) International Cooperation Demonstration Zone.

July 1, 2020: South Korean civic groups boycott the movie *Mulan* in opposition to lead actress Liu Yifei's pro-Chinese comments during Hong Kong democracy protests.

July 2, 2020: China, Japan, and South Korea hold a video conference for COVID-19 experts coordinated by the Trilateral Cooperation Secretariat and the UN Economic and Social Commission for Asia and the Pacific.

July 2, 2020: *Rodong Sinmun* expresses "full support" for China on the Hong Kong issue.

July 3, 2020: South Korea's nuclear negotiator Lee Do-hoon holds separate meetings with PRC and Russian ambassadors to South Korea.

July 14, 2020: South Korean civic groups protest China's Hong Kong security law.

July 20-21, 2020: ASEAN+3, the East Asia Summit, and ASEAN Regional Forum hold Senior Officials Meetings via videoconference.

July 26, 2020: China-Japan-ROK Cultural and Creative Industrial Park is launched in Yantai, Shandong.

July 27, 2020: Kim Jong Un pays tribute to the Chinese People's Volunteer Army on the occasion of the 67th anniversary of the signing of the Korean Armistice Agreement.

Aug. 1, 2020: Li Chenggang, PRC assistant minister for commerce, and Lee Seong-ho, ROK deputy foreign minister for economic affairs, lead 24th China-ROK Joint Economic Committee session in Qingdao.

Aug. 3, 2020: China and South Korea hold virtual talks on expanding the bilateral FTA.

Aug. 4, 2020: China's Permanent Mission to the UN expresses "indignation and concern" over the leaking of a draft Midterm Report of the Security Council 1718 Committee Panel of Experts.

Aug. 5, 2020: The ROK Coast Guard announces the arrest of 18 Chinese who entered the country illegally by boat in April-May.

Aug. 10, 2020: The ROK Foreign Ministry lowers its travel advisory for Hubei province.

Aug. 11, 2020: China-Japan-ROK Sports Culture Industrial Park opens in Yantai, Shandong.

Aug. 13, 2020: US lifts sanctions against Macao-based Banco Delta Asia bank, accused of working with North Korea on money laundering.

Aug. 15, 2020: The China-Korea Friendship Cultural Festival starts in Shanghai.

Aug. 17, 2020: Chinese Premier Li Keqiang sends congratulatory message to Kim Tok-hun, member of the Presidium of the WPK Central Committee Political Bureau and premier of the DPRK Cabinet, on his appointment as Prime Minister.

Aug. 19, 2020: ROK Unification Minister Lee In-young and PRC Ambassador to South Korea Xing Haiming meet in Seoul.

Aug. 22, 2020: Yang Jiechi, member of CCP Central Committee Political Bureau and Director of the Central Commission Office for Foreign Affairs, meets Suh Hoon, Director of ROK national security office, in Busan.

Aug. 24, 2020: South Korean singer Lee Hyori suggests use of the stage name “Mao,” resulting in a backlash from Chinese netizens who accuse her of belittling former leader Mao Zedong. .

Aug. 25, 2020: PRC Ambassador to Seoul Xing Haiming donates \$20,000 to the Seoul-based International Vaccine Institute for coronavirus vaccine development.

Aug. 25, 2002: Chinese and ROK media executives join counterparts from Australia, India, Japan, and Turkey for an Asian Broadcast Union video conference on post-pandemic challenges.

Aug. 27, 2020: Chinese and ROK economic ministers join 8th RCEP Ministerial Meeting via videoconference.

Aug. 29, 2020: PRC and ROK ministers participate in the 23rd ASEAN Economic Ministers Plus Three Consultations via video conference.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

JAPAN-CHINA RELATIONS

THE VELVET GLOVES FRAY...SLIGHTLY

JUNE TEUFEL DREYER, UNIVERSITY OF MIAMI

Major concern in this period centered around the future of Sino-Japanese relations in the post-Abe era, with most analysts predicting that there would be little change. China's impressive, though credit-fueled, rebound from the coronavirus pandemic as Japan's economy sharply contracted indicate that Tokyo will seek to maximize trade with the PRC. Xi Jinping's long-awaited state visit to Japan is on indefinite hold, with concern for the pandemic a convenient explanation for underlying multiparty opposition due to Beijing's assertive actions in contested areas and its repressive measures in Hong Kong and Xinjiang. Differences on opinion remain on the wording of a so-called 4th Sino-Japanese Communique that is much desired by Beijing.

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Politics

Xinhua on Aug. 28 [reported](#) matter-of-factly on the sudden resignation of Prime Minister Abe Shinzo due to illness, with *Global Times* [observing](#) that, since stable relations with China were vital to the Japanese economy, his successor would likely continue Abe's policies. That is not necessarily good news for Sino-Japanese relations. The Chinese government's repressive actions toward Hong Kong were the main source of friction during this period. Still, Japanese newspapers avoided commenting directly on China's National People's Congress passing a law that severely limits Hong Kong's autonomy, generally reprinting foreign press agencies' coverage that described the issue as between China on one hand and the US and UK on the other.



Figure 1 Abe announces his resignation. Photo: AP

From May 8-10 a [standoff](#) took place in waters around the disputed Senkaku (Diaoyu) Islands between the Japanese Coast Guard (JCG) and two Chinese Coast Guard (CCG) ships as the Chinese vessels pursued a Japanese fishing boat. The Chinese government responded to Japanese protests by saying that the CCG was simply regulating illegal operations in Chinese waters and demanded that the JCG refrain from future obstruction. A *Japan Times* commentator on May 11 urged Japan to cooperate with the Philippines,

Vietnam, and other friendly facing the same challenges, with no noticeable results thus far.

Chief Cabinet Secretary Suga Yoshihide, regarded as a likely successor to Abe, at the end of June said only that China's decision on Hong Kong was "regrettable," particularly after the strong concern expressed by the international community, and that the government would continue to appropriately address the issue with the countries involved. In response to a question at his regular press conference on May 26, Foreign Minister Motegi Toshimitsu [addressed](#) the draconian Hong Kong national security, saying that he had had his deputy call in the Chinese ambassador, and "not for the first time," to express Japan's concern that the territory maintain the freedoms it had enjoyed under the previous system. Japan, he said, would "carefully observe" developments and respond in "an appropriate manner."

The Abe administration's diffident approach to China's actions in Hong Kong contrasted sharply with that of Japanese public opinion and of many members of the Diet, including those in the prime minister's own party. [Responding](#) to Japan's failure to join other democracies in denouncing the PRC's legislation on Hong Kong, a Kyorin University professor emeritus accused his country of "judo diplomacy" at the beginning of June; pulling back when pressed and moving forward when pushed, thus fatigued other countries without consuming much energy and moving principles to the back burner. Questioned about an LDP draft resolution criticizing China for its new security law targeting Hong Kong and calling for cancellation of Xi Jinping's planned visit to Tokyo, Chinese foreign ministry spokesman Zhou Lijiang on July 3 [responded](#) that the statements "are meaningless and I do not have the time or interest to deal with them."

A [rally](#) in support of Hong Kong democracy advocate Agnes Chow took place in Tokyo in mid-August. Tweets with the hashtag "FreeAgnes" went [viral](#) in Japan following her arrest in August for violating China's new national security law, with more than 290,000 messages posted under it. Chow, fluent in Japanese, later said that she thought of the song "Fukyouwaon" (Discord) by a Japanese girl group as she was arrested.



Figure 2 A rally in support of Hong Kong pro-democracy advocat Agnes Chow took place in Tokyo in mid-August. Photo: Asahi Shimbun

Some support for more harmonious relations remains, however. In a mid-May interview with center-right *Yomiuri Shimbun*, Japan's highest circulation daily, journalist Ma Licheng [repeated](#) calls for reconciliation, noting that previous efforts had resulted in "fierce attacks" against him by people "who regard anti-Japan as justice [sic]." In the same vein, in a dispassionate mid-May article in *Global Times*, the director of Northeast Asian Studies at the Heilongjiang Academy of Social Sciences [noted](#) that while Japan is reducing its industrial plans in China and encouraging industries to relocate back to Japan, it has also signed the Comprehensive and Progressive Agreement for Trans-Pacific Trade, promoted the China-led Regional Comprehensive Economic Partnership, and is an active partner in the China-Japan-South Korea Free Trade Agreement. According to the director, although Japan will be more vigilant of risks in its cooperation with China, it will not give up its decades-long investment and future goals in China.

On the other hand, in late June both China and Taiwan [protested](#) a vote by the Okinawa city council to change the administrative status of the disputed Diaoyu/Senkaku islands from "Tonoshiro" to "Tonoshiro Senkaku," purportedly to avoid confusion with another area of Ishigaki, which administers the islands. The China Coast Guard (CCG) said that a "fleet" of its ships was in the waters around the islands. And *Global Times* [warned](#) Japan in late May that, if it wants to maintain sound economic and

trade relations with China, it had better not side with the US. A *Global Times* article observed that since Japan, unlike South Korea, does not have a fast-track entry system, passengers on the two chartered flights from Osaka to Wuhan the previous day would have to spend two weeks in quarantine, and hoped that "Japanese politicians should have a clear mind when considering bilateral relations."

At the beginning of June, the center-left *Asahi* [took note](#) of Japan's struggle to cooperate with China in the economic sector while strengthening its defense alliance with the US. It described the Abe administration as divided, with some officials, mainly in the Ministry of Economy, Trade, and Industry, wanting to stress business the foreign ministry leans toward emphasizing national security and international norms.

Xinhua [reported](#) that a joint statement by Japanese civic groups in commemoration of the 83th anniversary of the July 7, 1937 hostilities at Marco Polo Bridge had called on Japan to recognize that only when it faced up to history could there be mutual trust and understanding between the two nations. Also in July, the Japanese government [protested](#) to Beijing over a Chinese maritime scientific survey ship that operated for 10 days inside the exclusive economic zone claimed by Japan around Okinotori. The Chinese government maintains that Okinotori is a rock, not an island, and is therefore not entitled to an EEZ or the need to seek permission to operate within it.

In a gesture of defiance to China as well as South Korea, four Cabinet ministers [visited](#) the Yasukuni Shrine on the Aug. 6 anniversary of Japan's defeat in World War II, the first such Cabinet-level visit since 2016, when two ministers attended. Abe did not attend but sent a representative who paid for a ritual offering of the sacred *sakaki* tree. Uncharacteristically, Xinhua barely [mentioned](#) the visit at the end of a longer article about the emperor expressing "deep remorse" in a separate ceremony at the Nippon Budokan. [Symbolically](#), however, in his address to the Nippon Budokan ceremony, Abe did not mention "taking the lessons of history deeply into our hearts," standard language since then Prime Minister Murayama Tomiichi first included it in 1995. Murayama, now 97, pronounced the omission "utterly unacceptable." The Chinese government has

regarded the Murayama statement as the absolute minimum for an acceptable apology.



Figure 3 Four Japanese cabinet ministers, including Environment Minister Shinjiro Koizumi visit the Yasukuni Shrine on Aug. 6. Photo: Asahi Shimbun

Abe replaced the missing phrase by saying that Japan has worked tirelessly to make the world a better place. Though neither Xinhua nor *Global Times* commented, *China Daily* [ran](#) a mildly critical article on Aug. 17 headlined “War End Anniversary Sees No Abe Apology.” Referencing a virtual summit between the Indian and Japanese prime ministers in early September, a research director at Tsinghua University [opined](#) that India’s anticipated effort to “rope Japan into” an effort to suppress China was doomed to fail because Tokyo needs stable economic relations with Beijing in the post-pandemic era. In an unusual departure from past practice, a *Global Times* cartoonist did not depict Japan as a sumo wrestler or samurai, but as a benign-looking figure in a business suit.

Economics

Japan’s GDP dropped by 27.8% in the April–June period while China’s rebounded from a prior drop by 3.2%, though economists [cautioned](#) that the uptick was credit-fueled and that consumer demand, although improving somewhat, remained worrisomely sluggish. Japan is officially in [recession](#) after 71 months of growth, just short of the postwar record of 73 months, with a rise in the consumption tax adding to the depressive effects of the coronavirus. In a move to mitigate the drop, the Japanese government has been [encouraging](#) Hong Kong financial professionals to move to Tokyo. However, on June 24, reflecting Tokyo’s concern over China’s growing influence, the government also announced more stringent regulations on foreign investment in 518 firms it identified as having operations critical to national security.

Although downplaying the effects of Japan’s stimulus package of subsidies to businesses to move production back to Japan, Beijing was sufficiently [concerned](#) in mid-May to press Japanese authorities to explain the meaning of the measure, and to poll Japanese businesses in China on whether they planned to leave.

As if picking up on this, the director of Northeast Asian Studies at the Heilongjiang Academy of Social Sciences [noted](#) that, while Japan was reducing its industrial plans in China and encouraging industries to relocate back to Japan, Tokyo had also signed the Comprehensive and Progressive Agreement for Trans-Pacific Trade, promoted the China-led Regional Comprehensive Economic Partnership, and has been an active partner in the China–Japan–South Korea Free Trade Agreement. Although Japan will be more vigilant of risks in its cooperation with China, it will not give up its decades-long investment and future goals in China. On May 14, *Yomiuri* reported on a 2019 Chinese language document that enumerates 63 industrial technologies not possessed by China and the names of foreign companies and research institutes that possess them, including those involving Japanese semiconductor materials and carbon fibers. An anonymous former administrative vice-minister then lamented that Japan had almost no weapons to counter the PRC’s efforts to gain technological supremacy, with both the Office of the Prime Minister and the newly founded economic department of the National Security Secretariat’s arguing that passing laws to protect theft would “excessively provoke China.” A *Nikkei* survey in mid-August [revealed](#) that in 2019 China surpassed Japan in 12 high-technology markets and is now second only to the United States.

Yomiuri commented that behind the struggle against the coronavirus, the battle between nations over national security has been intensifying. In a revised Foreign Exchange and Foreign Trade Law, the Japanese government has designated 558 companies in 12 sectors as particularly important for national security, and will require all foreign investors seeking to acquire more than 1% in them to notify the government in advance. One of these, chemical manufacturer Denka, whose production line for the anti-coronavirus drug Avigan, had been transferred to China, agreed to reopen a Niigata factory that had been scheduled for demolition. Eager to get its economy back to normal, the

Chinese government [proposed](#) easing its travel ban if the number of new cases declines, with the largest number of tourists coming from Japan. Japan remains reluctant to participate in Xi's Belt and Road Initiative (BRI) and has effectively excluded China's equipment in its core telecom infrastructure for [fear](#) of inviting a Trojan horse into the network.

Japan's Ministry of Economy, Trade, and Industry in mid-July [announced](#) the first tranche of companies eligible for "China exit subsidies." Eighty-seven companies are to receive a total of \$653 million. Thirty of these are to shift production to Southeast Asia while the other 57 will move operations back to Japan. A consortium of Japanese companies' bid to build a \$2 billion liquified natural gas-fired power plant in Myanmar with a projected capacity of about 20% of the country's existing power plants. Myanmar, with its access to the Indian Ocean, is a key part of BRI, with Chinese companies having secured the rights to a similar-sized power plant in 2018.

According to a Japanese industry ministry source, China's recent [praise](#) for Japanese companies is likely motivated by a desire to build a supply chain that cannot be blocked by Washington. Japanese executives do not want to offend the U.S. but, because they are ultimately responsible to their company's shareholders, will avoid dealing with products and services that infringe on national security while calculating political risk and seeking ways to make profits in both countries. In August, *China Daily* [ran](#) a mildly critical article linking Abe's failure to apologize for World War II to prospects for improved trade: its unnamed author advised Japanese policymakers to "recognize the status quo and thus explore the potential of bilateral relations more boldly and aggressively to find new growth proposals for economic cooperation with China."

Following on Japan's success in the Myanmar bid, and [described](#) by *Nikkei* as a snub to China, the Chilean government at the end of July chose Japan's trans-Pacific fiber-optic cable route over China's. When completed, the cable will be the first to directly connect South America with the Asia-Pacific. The Japanese route will have Sydney as its terminus, whereas the route proposed by China would end in Shanghai. The conservative *Sankei Shimbun* [reported](#) that NTT DoCoMo, Japan's largest mobile phone operator, is heading a movement to bring together

different countries to build a low-cost communication network without Huawei technology. The Japanese government is [boosting](#) its stockpile of rare metals to reduce its dependence on China which, despite earlier efforts, still accounted for 58% of rare earth imports in 2018. In what is expected to reduce the dependence still further, in August, the Japan Oil, Gas, and Metals National Corporation announced the successful [excavation](#) of rare metals from inside the seabed of Japan's EEZ. It did not mention the commercial feasibility of the extraction. According to the *Yomiuri*, Japan is seeking to [reduce](#) the security risks inherent in its dependence on China by establishing a supply chain network that combines Japan's technological capabilities with Australia's natural resources and Indian information technology, with the participation of the Association of Southeast Asian states.

Despite the rivalry with China and concerns over the PRC-US trade war, Japanese companies have continued to seek opportunities in the PRC. In late August, Daiwa Securities Group [announced](#) that it will set up a joint venture, Daiwa Securities (China) with \$146 million in capital. It will be 51% owned by Daiwa, 33% an investment company owned by the city of Beijing, and 16% by Beijing Xicheng Capital Holdings. Acknowledging the risks of doing business in China, a Daiwa spokesman explained that the PRC is a large market where Daiwa wants to have a foothold.

Defense

In May, two of four Chinese coast guard vessels in waters around the contested Senkaku Islands [approached](#) and chased a Japanese fishing boat, resulting in an immediate protest to the Chinese embassy in Tokyo. This was the first such incident since April 17. A little more than a week later, it was announced that Japan's Ground Self-Defense Force were receiving their first new rifles in 31 years to [assist](#) in defending the Nansei Islands against increasing Chinese pressure. The new Type 20 assault rifles are said to be more resistant to water and corrosion than their predecessor Type 89, and hence better suited for amphibious operations on the Nansei chain, which stretches 1,200 km from Kagoshima's Osumi Islands to Yonaguni in Okinawa Prefecture.

As of mid-June Chinese ships had been operating in the contiguous zone to the

contested Diaoyu/Senkaku islands for 65 days, beginning from mid-April and surpassing the previous record of 64 in 2019 (eventually reaching 100 days; more on this below). In 2019, a total of 1,097 Chinese government ships operated in the contiguous zone over 282 days, a record high for both the number of days they operated and the number of vessels involved. LDP lawmakers called on the government to vigorously protest what they referred to as the repeatedly stalking of Japanese fishing boats in these waters. In June, a Chinese submarine [passed through](#) the contiguous zone off the coast of Amami-Oshima island in southern Japan, the first such incident since January 2018. Trained by a Japanese destroyer and patrol aircraft, it left two days later. Two days later, Defense Minister Kono Taro [announced](#) that the government had heightened its vigilance against Chinese incursions into its territorial and connecting waters. In a conciliatory gesture in mid-August, local Chinese authorities [reportedly](#) instructed fishermen not to sail within 30 nautical miles of the Diaoyu/Senkakus. This was interpreted in Tokyo as a hedge against worsening relations with the United States.



Figure 4 Amami-Oshima island. Photo: Asahi Shimbun

The *Yomiuri* opined on June 24 that the need for discussions on how to respond to China's development of hypersonic missiles is pushing the US-Japan alliance to a turning point that must be addressed in negotiations on burden-sharing, since the current agreement will expire at the end of March 2021.

A retired senior colonel from the PLA's Academy of Military Science [construed](#) Japan's call for the Rim of the Pacific (RIMPAC) 2020 military exercises to be held on schedule as indicative of its desire to expand its influence in the area, with its navy taking the initiative. The director of Heilongjiang's Institute of Northeast Asian

Studies [opined](#) that Japan is unlikely to permanently abandon the Aegis Ashore system but is awaiting an opportune time to restart the deployment.

Noting the implications of 5G for warfare and China's push to dominate the underseas cable industry, the *Yomiuri* on May 11 urged Japan to act swiftly to ensure the safety of its information and communications systems. A few days later, the paper, lamenting that Japan continued to [procrastinate](#) on hosting the International Linear Collider (ILC) while China had overtaken the country in fields such as quantum encryption technologies, quoted a member of the National Security Secretariat as saying that unless the country nurtured new technologies it would not have any technologies left to protect.

A security expert interviewed by the *Asahi* [stated](#) in May that China's approximately 2,000 intermediate-range missiles can reach anywhere in Japan, while the US, because it signed the now-expired Intermediate Range Nuclear Forces Treaty with Russia, has no IRBMs. Advocating that such missiles be deployed in Japan, he responded to questions about whether offensive-oriented missiles are barred under the constitution by saying that constitutional scholars and legal experts are not specialists in analyzing the security environment or in defense planning.

In May, Mitsubishi Electric [reported](#) that a cyberattack last year "likely" leaked information on the hypersonic glide missile provided by the Japanese Defense Ministry's Acquisition, Technology, and Logistics Agency (ATLA), for purposes of bidding on a contract to develop them. The information included the missile's range, required level of heat resistance, and propulsion, with the hackers exploiting defects in Mitsubishi Electric's computers and the communications equipment of affiliated companies in China to obtain it. Mitsubishi Electric did not win the bid. [Reacting](#) to news in early August that Tokyo would welcome an invitation to join the Five Eyes (FVEY) intelligence alliance, Chinese expert on Japanese issues Liu Junhong attributes Tokyo's interest to its mistrust of China "despite bilateral relations being generally positive in the last two years." Regarding the idea of a FVEY free trade zone, Liu opined that if Japan insists on undermining the sustainable development of China-Japan relations, "there will inevitably be consequences." A desire to avoid offending

China may have accounted for Defense Minister Kono [stating](#) that, although unspecified members of the Five Eyes intelligence sharing consortium are seeking closer cooperation with Japan in response to China's growing military expansion, he did not think Japan needs to join the group in the formal sense: "We will just bring our chair to their table and tell them to count us in."

In May several Japanese newspapers reported that a draft of the Japanese defense ministry's annual white paper may [accuse](#) China of spreading false information about the coronavirus outbreak to bolster its geographic influence, and that China's efforts to forge a new regional and global order more to its advantage could create a security issue for Japan. The conservative *Japan Forward* [urged](#) Tokyo to stop ignoring Japan's and Asia's China problem. Among *Japan Forward*'s suggestions were to establish a joint operational headquarters in Japan where US and Japanese forces could coordinate the defense of Northeast Asia; make the defense of the Nansei Shoto a joint effort; consider the defense of Taiwan to be part of its mandate; make the JSF truly a joint force and military service a respected profession; and increase defense spending by 10% for the next five years. [Explaining](#) his decision to explicitly identify a submarine that ventured near Japanese territorial waters as Chinese, Kono said that it was necessary to raise awareness of what is going on around Japan, giving as examples China's actions in the South China Sea, Hong Kong, and along its border with India.

In late June Xinhua [reported](#) without editorial comment Japan's decision to end its Aegis Ashore program, quoting Japanese official sources on the high cost of the project. Japan's revised state secrets law will [allow](#) exchanges with partners such as India, Australia, and the UK as well as the existing exchange with the US, making it easier to share data on Chinese movements. It will also allow Japan to exercise its right to collective self-defense and supply fuel and ammunition to other militaries in situations that pose a threat to Japan. By July 22, Chinese government ships had [sailed](#) into the waters surrounding the Diaoyu/Senkaku Islands for the 100thth straight day, exceeding the previous record, 64 days, in 2019. In what an anonymous Japanese Coast Guard source [described](#) as his government's "sense of crisis," the JCG deployed three large patrol vessels of

3,500 to 6,500 tons in Okinawa and Kagoshima prefectures. Three new jets deployed at Naha Air Base are monitoring the area on rotation, and the Okinawan police have created a guard squad for protecting borders and remote islands against incidents such as illegal landing by armed Chinese fishermen.

In the first explicit [commitment](#) to help address Chinese encroachment in the waters around the contested Diaoyu/Senkaku Islands, Lieutenant General Kevin Schneider, commander of American forces in Japan said on July 30 that "the United States is 100% absolutely steadfast in its commitment to help the government of Japan with the situation ... that's 365 days a year, 24 hours a day, seven days a week."

In light of these developments and China's military exercises near the Paracel Islands of the South China Sea, the *Yomiuri* editorialized on Aug. 31 that countries in the region such as Japan, the US, and Australia need to support ASEAN in emphasizing respect for international rules and protecting freedom of navigation, taking advantage of such opportunities as the RIMPAC naval exercise. Due to [concern](#) that China is siphoning off advanced technological information in the name of joint research, legislation on a certification system for those handling such data will be submitted to next year's Diet session. Japan is the only G7 member lacking such a certification system, which precludes its nationals from participating in cooperative projects.

Japan's Ministry of Defense [released](#) its 2020 White Paper, accusing China, inter alia, of unilateral attempts to change the status quo by coercion, lack of transparency in its defense budget, and enhancing its capabilities in space, cyberspace, and the electromagnetic spectrum, leading to "a situation of grave concern." A Chinese Foreign Ministry spokesperson [responded](#) by describing the White Paper as fraught with bias against China and false information, while providing no details. He urged Japan to work with China to build constructive security relations, adding that "at the same time, China is unswerving in upholding its sovereignty, security, and development interests."

As the report period closed, Kono [warned](#) China that the SDF and Japanese Coast Guard will respond to intrusions around the

Diaoyu(tai)/Senkaku Islands, but declined to elaborate on what such actions might entail.

Culture

Amid rumors that Beijing was eager to improve China-Japan relations to smooth the way for a Xi Jinping visit to Tokyo, *China Daily* [reported](#) in May on the close work between Chinese and Japanese ornithologists to save the crested ibis from extermination, emphasizing the need for “people to put aside their conflicts and pursue a common goal.” Elsewhere, Chinese documentary film maker Wang Bing’s *Dead Souls*, [detailing](#) the horrors suffered by victims of Mao Zedong’s anti-rightist campaign, is to be shown in Japan.

Taiwan

China continued to respond to perceived Japanese efforts to support Taiwan’s anti-unification government. Beijing protested when Chief Cabinet Secretary Suga Yoshihide [congratulated](#) Tsai Ing-wen on her inauguration in May, using her formal title of president, although Suga was careful to add that relations would be deepened on a nongovernmental level. Simultaneously, the Japanese Ministry of Foreign Affairs 2020 Diplomatic Blue Book for the first time backed Taiwan’s inclusion in the World Health Assembly as an observer. *Global Times* [termed](#) this a “hypocritical move” designed to please the US. The paper also noted that, whereas the 2019 Blue Book described Taiwan as an “important partner” of Japan, the 2020 version called it “critically important,” and that content on Taiwan had been raised from half a page in 2019 to a full page in 2020.

In another, albeit modest, sign of cooperation, Japan Airlines in late May [evacuated](#) Taiwanese who had been stranded in Russia for two months due to the pandemic, re-routing a flight from Helsinki to stop in Moscow to pick them up. The *Asahi*’s lead [editorial](#), the day after China’s National People’s Congress passed a national security law that drastically limits Hong Kong’s autonomy, was entitled “Taiwan’s Success in Containing the Virus Should Be a Lesson Passed On.” In keeping with publicizing the positive side of Japan-Taiwan relations during the colonial period, Kyodo in early July ran an usually long [article](#) on a Taipei celebration commemorating Japan’s contribution to Taiwan’s tap water. The event centered around the premiere of a documentary film, *Tracing*

Roots, that focuses on the island’s transformation under Japanese rule.

Separately, on July 7 *Yomiuri* expressed concern about the increasing number of Chinese planes making threatening flights around Taiwan, which it attributed to testing the Taiwan military’s defense capability in case of a contingency, and linking the incursions with the increasing presence of Chinese ships in waters that China and Japan contest ownership of. In a mid-July interview with *Nikkei*, Taiwan’s digital minister and former hacker Audrey Tang [warned](#) Japan that putting China’s equipment in its core telecom infrastructure is akin to inviting a Trojan horse into the network.

The Japanese government announced on July 19 that it will invite Taiwan Semiconductor Manufacturing Company (TSMC) to take part in joint projects in Japan, in response to a potential threat from China’s efforts to build systems to enable its companies to produce finished products, including semiconductors, all on their own.

All major Japanese newspapers carried the obituary of former Taiwan president Lee Teng-hui, praising his knowledge of Japan. Prime Minister Abe also [praised](#) Lee for contributing to enhancing Japan and Taiwan’s bilateral relations and for promulgating freedom and democracy in Taiwan. However, in an obvious effort to avoid annoying China, the government delegation that [visited](#) Taiwan to pay respects to Lee was headed by the long-ago and not highly regarded Prime Minister Mori Yoshiro. Despite the brevity of the trip, Mori’s delegation did meet with Tsai and conveyed to her Abe’s “heartfelt gratitude for Lee’s guidance for Japan.”

Nonetheless, friction continue to exist on a few matters. Several dozen Taiwanese [protested](#) outside the Taipei office of the Japan-Taiwan Exchange Association after Okinawa’s Ishigaki City, which administers the disputed Senkaku/Diaoyu(tai) Islands, had changed the administrative designation of the islands from Tonoshiro to Tonoshiro Senkaku. Taiwan’s widely read anti-unification *Liberty Times* [pointed out](#), however, that all the protestors were from the China-friendly KMT and accused the party of seizing on the issue to divert attention from its poor approval ratings. The paper noted that Ishigaki mayor Nakayama Yoshitaka had said he would not object to

Taiwan's Yilan County Council making similar changes since it would be a matter of domestic policy for each side, and that Nakayama had closed his explanatory letter by putting the Taiwan flag next to the Japanese flag, implying sovereignty between the two nations. The article urged the two democracies to work together to develop resources of the disputed area.

Conclusion

Both countries began to recover from the coronavirus pandemic, China with seemingly more success than Japan. A halt in the escalating PRC pressure in the waters around Japanese administered Diaoyu(tai)-Senkaku islands is believed to be temporary as Beijing attempts to cope with difficult relations with the US and Europe as well as protests in Hong Kong and Inner Mongolia. Politically, China-Japan relations continued to be on hold, with Abe's successor unlikely to have an appreciable effect on this status.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

MAY – AUGUST 2020

May 8, 2020: The Japanese government [announces](#) more stringent regulations on foreign investment in 518 firms it identifies as having operations critical to national security.

May 8, 2020: Two of four China Coast Guard vessels in waters around the contested Senkaku Islands [approached](#) and chased a Japanese fishing boat, resulting in an immediate protest to the Chinese embassy in Tokyo.

May 11, 2020: Noting the implications of 5G telecommunications technology for warfare, and China's push to dominate the underseas cable industry, *Yomiuri* [urges](#) Japan to act swiftly to ensure the safety of its information and communications systems.

May 11, 2020: Eager to get its economy back to normal, the Chinese government [proposes](#) easing its travel ban in anticipation of large numbers of Japanese tourists, assuming that the number of new cases declines

May 12, 2020: Although dismissive of Japan's stimulus package for subsidies to businesses to move production back to Japan, Beijing is sufficiently [concerned](#) to press Japanese authorities to explain the meaning of the measure and poll Japanese businesses in China on whether they plan to leave.

May 12, 2020: Center-right *Yomiuri Shimbun* publishes interview with former *Renmin Ribao* commentator Ma Licheng in which Ma [repeats](#) his past calls for reconciliation with China.

May 14, 2020: *Yomiuri* [reports](#) on a 2019 Chinese language document that enumerates 63 industrial technologies not possessed by China and the names of foreign companies and research institutes that possess them, including Japanese semiconductor materials and carbon fibers.

May 16, 2020: In *Global Times*, director of Northeast Asian Studies at the Heilongjiang Academy of Social Sciences [notes](#) that while Japan is reducing industrial plans in China and encouraging industries to relocate back to Japan, it has also signed the Comprehensive and Progressive Agreement for Trans-Pacific Trade, promoted the China-led Regional Comprehensive Economic Partnership, and is an active partner in the China-Japan, South Korea Free Trade Agreement.

May 16, 2020: *Yomiuri* [quotes](#) a member of the National Security Secretariat as saying that unless the country nurtured new technologies it would not have any technologies left to protect.

May 19, 2020: *Global Times* [calls](#) Japan's 2020 Diplomatic Blue Book, which, for the first time voices support for Taiwan's observer status in the World Health Assembly, a "hypocritical move."

May 19, 2020: Japan's Ground Self-Defense Force reportedly [receives](#) its first new rifles in 31 years to assist it in defending the Nansei (southwestern) Islands against increasing Chinese pressure.

May 19, 2020: A retired senior colonel from the PLA's Academy of Military Science [construes](#) Japan's call for Rim of the Pacific (RIMPAC) 2020 military exercises to be held on schedule as indicative of its desire to expand its influence in the area.

May 20, 2020: Chief Cabinet Secretary Suga Yoshihide [congratulates](#) Tsai Ing-wen on her inauguration, using her formal title of president, eliciting protest from China.

May 20, 2020: A security expert interviewed by *Asahi* [states](#) that China's approximately 2000 intermediate-range missiles can reach anywhere in Japan, while the US, because it signed the now-expired Intermediate Range Nuclear Forces Treaty with Russia, has none.

May 20, 2020: Mitsubishi Electric [reports](#) that a cyberattack last year “likely” leaked information on the hypersonic glide missile provided by the Japanese Defense Ministry’s Acquisition, Technology, and Logistics Agency (ATLA), for purposes of bidding on a contract to develop them.

May 22, 2020: Several Japanese newspapers [report](#) that a draft of the Japanese defense ministry’s annual white paper may accuse China of spreading false information about the coronavirus outbreak in order to bolster its geographic influence.

May 23, 2020: Japanese newspapers react negatively to the 6.6% increase in the PRC’s announced military budget, with *Asahi* [asking](#) when China will stop its aggressive military buildup ... that exacerbates global security risks” and *Nikkei* describing the increase despite falling revenue as [reflecting](#) an “aggressive diplomatic posture.”

May 23, 2020: *China Daily* [reports](#) on close work between Chinese and Japanese ornithologists to save the crested ibis from extermination, emphasizing the need for “people to put aside their conflicts and pursue a common goal”

May 26, 2020: Japan Airlines [evacuates](#) Taiwanese who had been stranded in Russia for two months due to the pandemic, re-routing a flight from Helsinki to stop in Moscow to pick them up.

May 28, 2020: *Asahi*’s lead [editorial](#) is entitled “Taiwan’s Success in Containing the Virus Should Be a Lesson Passed On.”

May 28, 2020: *Global Times* [warns](#) Japan that, if it wants to maintain sound economic and trade relations with China, it had better not side with the US as Australia has.

May 29, 2020: Foreign Minister Motegi Toshimitsu [addresses](#) China’s National People’s Congress passing a draconian national security law that would affect Hong Kong’s freedoms, saying that he had had his deputy call in the Chinese ambassador to express Japan’s concern.

May 29, 2020: A document delivered to Chief Cabinet Secretary Suga by two LDP foreign policy panels [urges](#) reconsideration of plans for a state visit by Xi Jinping due to “grave and serious concern from the standpoint of respecting freedom and democracy.”

June 1, 2020: *Asahi* [notes](#) Japan’s struggle to cooperate with China in the economic sector while strengthening its defense alliance with the US.

June 2, 2020: A commentary in *Japan Times* [takes note](#) of a May 8–May 10 standoff between the Japanese Coast Guard (JCG) and two Chinese Coast Guard (CCG) ships in waters around the disputed Senkaku (Diaoyu) Islands as the CCG pursued a Japanese fishing boat.

June 3, 2020: Motegi [says](#) in a television interview that Xi’s visit would not take place until after the G20 summit slated for November, and a major factor is China’s National People’s Congress passage of draconian security legislation for Hong Kong.

June 3, 2020: [Criticizing](#) Japan’s reluctance to join other democracies in denouncing PRC legislation on Hong Kong, a Kyorin University professor emeritus accused his country of “judo diplomacy.”

June 4, 2020: LDP Diet members [call](#) on the government to vigorously protest China’s repeated stalking of Japanese fishing boats in waters near the disputed Senkaku/Diaoyu islands and again urge the government to carefully reconsider a visit by Xi.

June 8, 2020: The conservative *Japan Forward* [urges](#) that Japan stop ignoring its, and Asia’s, China problem, suggesting a joint operational headquarters in Japan where US and Japanese forces could coordinate the defense of Northeast Asia, consider Taiwan’s defense part of its mandate, and increase defense spending by 10% for the next five years.

June 9, 2020: *Yomiuri* [comments](#) that a revised Foreign Exchange and Foreign Trade Law identifies 558 companies in 12 sectors as particularly important for national security, and requires all foreign investors seeking to acquire more than 1% in and of them to notify the government in advance.

June 10, 2020: Several dozen Taiwanese [protest](#) outside the Taipei office of the Japan-Taiwan Exchange Association after reports that Okinawa's Ishigaki City, which administers the disputed Senkaku/Diaoyu(tai) Islands, is planning to change the administrative designation of the islands from Tonoshiro to Tonoshiro Senkaku.

June 17, 2020: Chinese ships [operate](#) in the contiguous zone to the contested Diaoyu/Senkaku islands for the 65th days, surpassing the previous record of 64 in 2019.

June 18, 2020: *Wall Street Journal* [reports](#) that, after helping to organize a statement critical of China's actions in Hong Kong, the Japanese government is encouraging Hong Kong financial professionals to move to Tokyo.

June 18, 2020: Da Zhigang, director of Heilongjiang's Institute of Northeast Asian Studies, [opines](#) that Japan is unlikely to permanently abandon the Aegis Ashore system but is awaiting an opportune time to restart the deployment.

June 18, 2020: A submarine, presumed but not specifically identified as Chinese, [passes through](#) the contiguous zone off the coast of Amami-Oshima island in southern Japan, the first such incident since January 2018.

June 22, 2020: Both China and Taiwan [protest](#) a vote by the Okinawa city council of change the administrative status of the disputed Diaoyu/Senkaku islands from "Tonoshiro" to "Tonoshiro Senkaku," purportedly to avoid confusion with another area of Ishigaki, which administers the islands.

June 24, 2020: Defense Minister Kono Taro, after taking the unusual step of naming China as the probable owner of the submarine that passed through Japan's contiguous zone (June 18) [announces](#) that the government had heightened vigilance against Chinese incursions.

June 24, 2020: *Yomiuri* [describes](#) urgent need for discussions on how to respond to China's development of hypersonic missiles that is pushing the US-Japan alliance to a turning point and must be addressed in negotiations on burden sharing.

June 25, 2020: Kono [explains](#) his decision to identify a submarine that ventured near Japanese territorial waters as Chinese as necessary to raise awareness.

June 25, 2020: Xinhua [reports](#) without editorial comment Japan's decision to end its Aegis Ashore program, quoting Japanese official sources on the high cost of the project.

June 26, 2020: Taiwan's widely read anti-unification *Liberty Times* [points out](#) that all the protestors to Ishigaki's changes to the names of disputed areas (see June 22) were from the opposition KMT and accused the party of seizing on the issue to divert attention from its poor approval ratings.

June 30, 2020: Chief Cabinet Secretary Suga says that China's imposition of a national security law for Hong Kong is "[regrettable](#)," particularly after strong concern expressed by the international community, and that his government will continue to appropriately address the issue with the countries involved.

July 3, 2020: Japan's passes revised state secrets law that [allows](#) exchanges with partners such as India, Australia, and the UK as well as existing exchange with the US, making it easier to share data on Chinese movements. It also allows Japan to exercise its right to collective self-defense and supply fuel and ammunition to other militaries in situations that pose a threat to Japan.

July 4, 2020: Chinese foreign ministry spokesman Zhou Lijiang [responds](#) to an LDP draft resolution criticizing China for its new security law for Hong Kong by saying the statements "are meaningless and I do not have the time or interest to deal with them."

July 6, 2020: Kyodo [reports](#) that two Chinese Coast Guard vessels stayed in the territorial waters of the Senkaku/Diaoyu(tai) Islands for 39 hours and 23 minutes, longer than the 30 hours 17 minutes recorded on July 3, over which the Japanese government issued a protest.

July 6, 2020: An unusually long [article](#) in *Kyodo* covers Taipei City's celebration of Japan's contribution to Taiwan's tap water centered around the premiere of a documentary film, *Tracing Roots*, that focuses on the country's transformation during the Japanese colonial period.

July 7, 2020: *Yomiuri* [editorializes](#) on the importance of countries like Japan, the US, and Australia to support ASEAN in its concern for freedom of navigation in the South China Sea through such mechanisms as the RIMPAC naval exercise. *Yomiuri* also [expresses](#) concern about the increasing number of Chinese planes making threatening flights around Taiwan.

July 7, 2020: Xinhua [reports](#) on a joint statement by Japanese civil groups to commemorate the 83rd anniversary of the outbreak of hostilities at Marco Polo Bridge in 1937.

July 14, 2020: Japan's Ministry of Defense [releases](#) its 2020 White Paper, accusing China, inter alia, of unilateral attempts to change the status quo by coercion, lack of transparency in its defense budget and enhancing its capabilities in space, cyberspace, and the electromagnetic spectrum, leading to "a situation of grave concern."

July 14, 2020: Chinese Foreign Ministry spokesperson [describes](#) the Defense of Japan 2020 White Paper as fraught with bias against China and false information, while providing no details.

July 15, 2020: In an interview with *Nikkei*, Taiwan's Audrey Tang [warns](#) Japan that putting China's equipment in its core telecom infrastructure is akin to inviting a Trojan horse into the network.

July 16, 2020: In a move that symbolizes the Japanese government's hope for warmer ties with the PRC, Tarumi Yoshio, a member of the Ministry of Foreign Affairs' China School, is [appointed](#) ambassador to the PRC. Tarumi is close to LDP Secretary-General Nikai Toshihiro, who is known for his pro-China views.

July 18, 2020: Japan's Ministry of Economy, Trade, and Industry [announces](#) first tranche of companies eligible for "China exit subsidies;" 87 companies will receive a total of \$653 million.

July 19, 2020: The Japanese government will [invite](#) Taiwan Semiconductor Manufacturing Company (TSMC) to take part in joint projects in Japan, in response to a potential threat from China's efforts to build systems to enable its companies to produce finished products, including semiconductors, all on their own.

July 21, 2020: Japanese government [protests](#) to Beijing over a Chinese maritime scientific survey ship that operated for 10 days inside the EEZ claimed by Japan around Okinotori.

July 22, 2020: Chinese government ships [sail](#) into waters surrounding the Diaoyu/Senkaku Islands for the 100th straight day.

July 23, 2020: A consortium of Japanese companies [bests](#) China in a bid to build a \$2 billion liquified natural gas-fired power plant in Myanmar, with a projected capacity of about 20 percent of the country's existing power plants. Myanmar, with access to the Indian Ocean, is a key part of China's Belt and Road Initiative, with Chinese companies having secured the rights to a similar-sized power plant in 2018.

July 24, 2020: *Sankei Shimbun* [reports](#) that NTT DoCoMo, Japan's largest mobile phone operator, is heading a movement to bring together different countries to build a low-cost communication network without Huawei technology.

July 29, 2020: In what *Nikkei* [describes](#) as a snub to China, the Chilean government chooses Japan's trans-Pacific fiber-optic cable route in preference to China's. When completed, the cable will be the first to directly connect South America with the Asia-Pacific.

July 29, 2020: Reflecting what an anonymous Japanese Coast Guard source [describes](#) as his government's "sense of crisis," the JCG deploys three large patrol vessels of 3,500 to 6,500 tons in Okinawa and Kagoshima prefectures.

July 30, 2020: In the first explicit [commitment](#) to help address recent Chinese encroachment in the waters around the contested Diaoyu/Senkaku Islands, Lt. Gen Kevin Schneider, commander of American forces in Japan, says that "the United States is 100% absolutely steadfast in its commitment to help the government of Japan with the situation ... that's 365 days a year, 24 hours a day, seven days a week."

July 31, 2020: All major Japanese newspapers carry obituary of Taiwan's former President Lee Teng-hui, mentioning his impressive knowledge of Japan. Prime Minister Abe Shinzo [praises](#) Lee for contributing to enhancing Japan and Taiwan's bilateral relations and for promulgating freedom and democracy in Taiwan.

Aug. 3, 2020: According to a Japanese industry ministry source, China's recent showering of [praise](#) on Japanese companies seems part of a campaign to build a supply chain that cannot be blocked by Washington.

Aug. 4, 2020: Reacting to news that Tokyo would welcome an invitation to join the Five Eyes (FVEY) intelligence alliance, Chinese expert on Japanese issues Liu Junhong [attributes](#) Tokyo's interest to its mistrust of China "despite bilateral relations being generally positive in the last two years."

Aug. 4, 2020: Defense Minister Kono [warns](#) China that the SDF and Japanese Coast Guard will respond to intrusions around the Diaoyu(tai)/Senkaku Islands, declining to elaborate on what such actions might entail.

Aug. 9, 2020: A delegation led by former Prime Minister Mori Yoshihiro [visits](#) Taiwan to pay respects to Lee, meeting with President Tsai as well. Mori conveyed to her Abe's "heartfelt gratitude for Lee's guidance for Japan."

Aug. 12, 2020: A *Nikkei* survey [reveals](#) that in 2019 China surpassed Japan in 12 hi-tech markets and is now and second only to the United States.

Aug. 12, 2020: Tweets with the hashtag "FreeAgnes" go [viral](#) in Japan in response to activist Agnes Chow's arrest in Hong Kong for violating the new national security law, with more than 290,000 messages posted under it.

Aug. 13, 2020: A rally of support for Chow [takes place](#) in Tokyo.

Aug. 13, 2020: Due to concern that China is siphoning off advanced technological information in the name of joint research, legislation on a certification system for those handling such data will be [submitted](#) to next year's Diet session. Japan is the only G7 member lacking such a certification system.

Aug. 13, 2020: Japanese government [boosts](#) its stockpile of rare metals to reduce its dependence on China which, despite earlier efforts, still accounted for 58% of rare earth imports in 2018.

Aug. 14, 2020: Kono [states](#) that unspecified members of the Five Eyes intelligence sharing consortium are seeking closer cooperation with Japan in response to China's growing military expansion but opines that he does not think Japan needs to in the formal sense.

Aug. 15, 2020: Four Cabinet ministers [visit](#) the Yasukuni Shrine on the anniversary of Japan's defeat in World War II, the first such Cabinet-level visit since 2016 when two ministers attended. Abe does not, but sends a representative who paid for a ritual offering of the sacred *sakaki* tree. Uncharacteristically, Xinhua barely [mentions](#) the visit.

Aug. 16, 2020: Local Chinese authorities [reportedly](#) instruct fishermen not to sail within 30 nautical miles of the Diaoyu/Senkaku, possibly as a hedge against worsening relations with the US.

Aug. 16, 2020: In a government memorial service for the war dead, Abe [does not mention](#) "taking the lessons of history deeply into our hearts," which has been standard since then Prime Minister Murayama Tomiichi first included it in 1995.

Aug. 17, 2020: *China Daily* [runs](#) a mildly critical article on the memorial service headlined "War End Anniversary Sees No Abe Apology." The unnamed author advised Japanese policymakers to "recognize the status quo and thus explore the potential of bilateral relations more boldly and aggressively to find new growth policies for economic cooperation with China."

Aug. 17, 2020: In response to news that Abe visited a hospital for a health check-up, *Global Times* opines that the Japanese economy, having suffered a 27.8 % contraction in the last quarter, also needed a check-up.

Aug. 20, 2020: Referencing a virtual summit between the Indian and Japanese prime ministers in early September, a research director at Tsinghua University [opines](#) that India's anticipated effort to "rope Japan into" an effort to suppress China is doomed to fail because Tokyo needs stable economic relations with Beijing in the post-pandemic era.

Aug. 22, 2020: Japan Oil, Gas, and Metals National Corporation announces successful [excavation](#) of rare metals from inside the seabed of Japan's EEZ, describing it as an important step in Japan's plans to reduce its reliance on China for these commodities.

Aug. 28, 2020: Xinhua [reports](#) matter-of-factly on the sudden resignation of Abe due to illness, while *Global Times* [observes](#) that, since stable relations with China was vital to the Japanese economy, his successor would likely continue Abe's policies.

Aug. 31, 2020: Japanese brokerage house Daiwa Securities Group [announces](#) that it will set up a joint venture, Daiwa Securities (China) with \$146 million in capital. It will be 51% owned by Daiwa, 33% an investment company owned by the city of Beijing, and 16% by Beijing Xicheng Capital Holdings.

Aug. 31, 2020: *Yomiuri* reports that Japan is seeking to [reduce](#) security risks inherent in its dependence on China by establishing a supply chain network that combines Japan's technological capabilities with Australia's natural resources and Indian information technology, with the participation of the Association of Southeast Asian states.

PACIFIC  FORUM

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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-PACIFIC

JAPAN-KOREA RELATIONS

DEFINED BY DISTRUST

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Twin decisions—South Korea’s Supreme Court ruling on forced labor during Japan’s occupation of the Korean Peninsula and Japan’s export restrictions on key materials used for South Korea’s electronics industry—planted the seeds of discord and deterioration of bilateral ties during the summer months of 2020. In June, the Daegu District Court released a public notice to Nippon Steel to seize and liquidate the local assets of the company. In response to Japan’s imposition of export controls in 2019, South Korea filed a complaint with the World Trade Organization. This downward spiral will likely continue for the remainder of the year unless South Korea and Japan take decisive action to address these disputes. On the North Korea front, Japan’s newly published *Defense of Japan 2020* assessed North Korea’s nuclear and missile capabilities as posing greater threats to Japanese national security than previous years.

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“Cold economics, cold politics” has become the new normal in Japan-South Korea relations. Instead of the practical stability that they maintained in the first months of this year, latent tension became the defining force as Seoul and Tokyo followed through their earlier decisions made in 2018 and 2019. The twin decisions—South Korea’s Supreme Court ruling on forced labor during Japan’s occupation of the Korean Peninsula and Japan’s export restrictions on key materials used for South Korea’s electronics industry—planted the seeds of discord and deterioration of bilateral ties during the summer months of 2020. In June, following the 2018 Supreme Court’s order, the Daegu District Court released a public notice to Nippon Steel, formerly known as Sumitomo Metal, a move to seize and liquidate the local assets of the company. In response to Japan’s imposition of export controls in 2019, South Korea filed a complaint with the World Trade Organization. This downward spiral will likely continue for the remainder of the year unless South Korea and Japan take decisive action to address these disputes. On the North Korea front, Japan’s newly published *Defense of Japan 2020* assessed North Korea’s nuclear and missile capabilities as posing greater threats to Japanese national security than previous years.

Japan’s 2020 Defense White Paper and North Korea

Defense of Japan 2020 is noteworthy for its [assessment](#) that “North Korea is considered to have miniaturized nuclear weapons to fit in ballistic missile warheads and to possess the capability to launch an attack on Japan with a nuclear warhead.” To counter North Korea’s missile capabilities, Japan had a plan to deploy a US-made Aegis Ashore missile defense system. However, in early June the Japanese government surprised many experts by announcing that it has decided to halt the plan. Japan’s decision to purchase two Aegis Ashore systems in December 2017 came after a flurry of North Korean missile launches, along with pressure from the Trump administration. However, Defense Minister Kono Taro [told](#) Prime Minister Abe Shinzo that he would not pursue the plan, as it became clear that expected costs associated with modifications to the rocket booster to ensure sure that it would not fall on residential areas reached some 200 billion yen (\$1.89 billion) while taking as long as 12 years to complete.



Figure 1 Defence Minister Taro Kono cited technical and cost issues in his plan to halt the deployment of US-made Aegis Ashore missile defense system *Photo: [AP](#)*

Japan is considering alternative plans with a panel of experts who are also discussing revisions of Japan’s National Security Strategy. Meanwhile, its missile defense will focus on the Maritime Self-Defense Force’s (MSDF) Aegis destroyers’ SM-3 interceptor missiles. Abe sought to advance the idea [again](#) that Japan should consider acquiring a preemptive strike capability within the limitations of the Japanese pacifist constitution. While it remains to be seen how Japan proceeds with a new national security strategy, Japan’s choices will likely have implications for broader regional security, as well as its alliance with the United States.

COVID-19 Diplomacy and Japan’s Diplomatic Bluebook

In early May, the story of Japan assisting a young South Korean girl who had acute leukemia to return home in South Korea from India was a heartwarming episode that thawed frosty Seoul-Tokyo relations, albeit temporarily. As the COVID-19 pandemic suspended all flights from India to Seoul Korea, the South Korean Embassy in New Delhi appealed to other countries for help and the Japanese Embassy responded by arranging a special Japan Airlines flight. South Korean Foreign Minister Kang Kyung-wha sent a letter of appreciation to her Japanese counterpart Motegi Toshimitsu. This story received wide media coverage in both countries.

Another potentially positive sign in May was that the *2020 Diplomatic Bluebook of Japan* again referred to South Korea’s place in Japanese foreign policy as “an important neighboring country,” which hinted at Tokyo’s desire to stop further deterioration of bilateral relations with

Seoul. In a press conference on May 19, Motegi [commented](#) that the bluebook should be read “from the perspective of the current direction of Japan’s diplomacy.” He went on to say that “Regarding Japan–ROK relations, there have been various circumstances concerning our two countries since last year, including good and bad. The aforementioned phase was used taking all that into account.” The *2017 Diplomatic Bluebook* had previously described South Korea as “Japan’s most important neighbor that shares strategic interests with Japan,” but that reference was omitted in 2018 and 2019. The same *2020 Diplomatic Bluebook* simultaneously signaled that there was no change in the Japanese government’s claims over the Dokdo/Takeshima islets, which led the South Korean government to protest strongly. When *Defense of Japan 2020* repeated their claim over the Dokdo/Takeshima islets, South Korea again reiterated its claim and protested the Japanese government position.

Simmering Tensions—Forced Labor and Export Control

Over the summer of 2020, the intertwined issues of history and trade were at the heart of heated contestation between Tokyo and Seoul. On June 1, South Korea’s Daegu District Court released a public notice to Nippon Steel with a ruling to seize and liquidate the company’s local assets. The seizure order focused on PNR, a joint venture between Nippon Steel and POSCO. In August, Nippon Steel decided to appeal the court order. Chief Cabinet Secretary Suga Yoshihide [said](#) that the Japanese government will respond firmly and consider various countermeasures.



Figure 2 The photos of four Korean victims of forced labor are displayed by South Korean and Japanese activists outside Nippon Steel’s Tokyo headquarters in November 2018 Photo: [Hankyoreh archives](#)

In June, South Korea’s Ministry of Trade, Industry and Energy (MOTIE) filed a petition against Japan with the World Trade Organization (WTO) dispute settlement procedures. About a year earlier in July 2019, the Japanese government had placed export restrictions on hydrogen fluoride, fluorinated polyimide, and photoresists on [national security grounds](#), asserting that South Korea had inadequate manpower and screening techniques and failed to strictly control illegal exports. This move was widely interpreted in South Korea as retaliation to the 2018 South Korean Supreme Court ruling on forced labor. In September 2019, South Korea lodged a complaint with the WTO, but in November the two sides agreed to hold bilateral consultations and postpone WTO dispute settlement procedures.

In May of this year, South Korea’s MOTIE notified Japan that it addressed the issues raised by Japan and requested that Japan clarify its position by the end of the month. Director-General Kim Jung-han of South Korea’s Ministry of Foreign Affairs [urged](#) the Japanese government to promptly withdraw unjust export-restrictive measures” during his talk with Japanese counterpart Takizaki Shigeki of the Ministry of Foreign Affairs. When South Korea decided that Japan had failed to keep its side of the bargain, it went ahead with the petition at the WTO, which led Japan to express “dismay” at Seoul’s decision. In late June, the WTO Dispute Settlement Body agreed to set up an arbitration panel. A final ruling on the dispute can take about 10–13 months or longer. In late June, the Japanese government launched an anti-dumping investigation into imports of potassium carbonate from South Korea, which is used for liquid crystal panels.

After South Korea filed the WTO complaint against Japan, South Korean Trade Minister Yoo Myung-hee’s bid to become WTO director general became a topic of discussion within Japan, while some in South Korea [speculated](#) that Japan might try to block Yoo’s candidacy. Japanese Trade Minister Kajiyama Hiroshi [remarked](#), “It’s important that [the WTO director-general] be a person capable of exercising leadership in the COVID-19 response and WTO reform. In that respect, Japan wants to be definitively involved in the election process.” In a press conference after her hearing, which is part of the application process for the WTO position, Yoo [asked](#) to be evaluated by her credentials “rather than from the perspective of

the disputes.” She said, “When they actually look at the candidates, to Japan, what’s utmost important is the person’s, the candidate’s, competency and capability to save and enhance the WTO, and also to take up WTO reform. So in this regard, I will reach out to Japanese colleagues and will present my vision for the WTO.”

In late May, Japan’s reaction to the proposal by President Trump that South Korea be invited to the upcoming G7 summit—an invitation that South Korean President Moon Jae-in accepted—received much media attention in South Korea. According to [Kyodo News](#) in late June, a high-ranking Japanese official reached out to the United States and conveyed the message that Japan was against Seoul’s participation on the basis that Seoul held differing diplomatic positions on China and North Korea from the G7. Suga said, “It’s very important to maintain the G7 framework.” While Tokyo’s opposition was widely viewed as an attempt to maintain its status as the only Asian member of the G7, a high-ranking South Korean official at the Blue House was reported to have [said](#), “It is shameless for the Japanese government to attempt to obstruct President Moon Jae-in’s attendance at an event to which he was formally invited. This is unthinkable behavior from our neighbor.”

Contentious Politics of Official Narratives

In international politics, states are constantly constructing official narratives about who they are through interpretations of the past. According to [Thomas Berger](#), they find concrete expressions in multiple domains of government policies, including rhetoric (how political leaders and public intellectuals talk about the past), commemoration (i.e., museums, monuments, and holidays), education (i.e., history textbooks), compensations (policies that are geared toward helping victims of past injustices), and punishment (policies that restrict freedom of speech and deal with perpetrators of injustice). Generally speaking, difficulties in bilateral relations between South Korea and Japan had much to do with colliding interpretations of the two sides’ official narratives about their shared past.

This summer, in conjunction with the dispute over compensation issues, Japan’s Industrial Heritage Information Center in Tokyo and the narratives that Japan associated with it to

commemorate the history of industrial revolution intensified Seoul-Tokyo diplomatic friction. In 2015, UNESCO granted World Heritage status to 23 industrial facilities related to Japan’s industrialization. At that time, during a UNESCO World Heritage Committee meeting in Bonn in July 2015, Japan [promised](#) that the history of Koreans conscripted for forced labor during Japan’s occupation of the Korean Peninsula would be part of the commemoration. When the contents of the exhibits were made available to the press in June, they prompted sharp criticism from South Korea. The South Korean daily [Choson Ilbo](#) reported, “the exhibits feature interviews with around a dozen people who worked on Hashima Island and glorify its history. Pay envelopes are also on display in an attempt to prove that Korean laborers were rewarded properly.”

On June 15, South Korea’s First Vice Minister of Foreign Affairs Lee Tae-ho summoned Ambassador Tomita Koji to lodge a protest over the omission of Korean forced laborers. On June 22, the South Korean government formally submitted a request to UNESCO that these sites be removed from the World Heritage list. The Japanese government responded by saying that South Korean criticisms are “unacceptable.” Center director Kato Koko [said](#), “We interviewed over 70 island residents, and none of them said they had suffered abuse.” Sixty-four South Korean and Japanese civic groups [issued](#) a statement calling on the Japanese government to “honor the promise it made when it registered the Meiji Industrial Revolution-related facilities as UNESCO Heritage Sites in 2015.”

On Aug. 15, four Cabinet ministers of Japan visited the Yasukuni Shrine, while in South Korea the National Archives of Korea, the National Library of Korea, and the Northeast Asian History Foundation released documents produced during Japan’s occupation of the Korean Peninsula related to Japan’s conscription of Koreans, especially women and children, for forced labor.



Figure 3 People praying at Tokyo's Yasukuni shrine while maintaining social distancing amid the coronavirus pandemic. Photo: [Kyodo](#)

During the summer, a civic group that has led a weekly rally every Wednesday near the Japanese Embassy calling for Japan's apologies for the so-called "comfort women" issue was at the center of scandals in South Korean domestic politics. Allegations surrounding this group, Korean Council for Justice and Remembrance for the Issues of Military Sexual Slavery, included misappropriation of donations from South Koreans. Yoon Mi-hyang, its former president who was elected as a proportional representative in the South Korean National Assembly in April, denied the allegations. She was summoned for questioning as prosecutors began investigating in May. This received Japanese media attention but did not become a diplomatic issue between the two countries.

Economic Relations

A year after Japan's export restrictions, the South Korean government [evaluated](#) that disruptions and setbacks to South Korean economy have been limited. President Moon Jae-in said in a Cabinet meeting that "so far there have been no production setbacks... It [Japan's export controls] has spearheaded the localization of materials, parts and equipment as well as establishing a diverse and stable supply chain." In January, it was [reported](#) that Dupont, a US company, will build a manufacturing plant for photoresist, one of the three chemicals that Japan placed export restrictions on, in South Korea. It is expected that South Korea will continue to seek localization and diversification strategies.

A movement within South Korea to boycott Japanese products in response to Japan's export restrictions has been waning but [still affects](#) South Korean consumption patterns. According to Korea Customs Service data, in April 2020,

imports from Japan constituted 297 billion won (\$248 million), 30% less than April 2019. Compared to the same period last year, sales of Japanese products dropped 35% in January 2020, 14.9% in February, and 17.7% in March. Sales of Japanese beer and cars are among the hardest hit. In April 2020, Japanese beer sales dropped 88% from the last year. Similarly, Japanese car sales dropped to 7,308 units from January to May 2020, a 62.6% decline from the previous year. Yet all was not bad: other Japanese consumer brands opened stores in South Korea as they saw increases in sales.

Overall, both South Korean and Japanese economies are struggling. South Korea went into a technical recession in the second quarter, like Japan, Thailand, and Singapore, as the COVID-19 pandemic negatively affected its economy. According to the [Bank of Korea](#), South Korea's GDP shrank 1.4% in the first quarter and 3.3% in the second quarter. This was South Korea's [worst performance since 1998](#). Japan's economy also plunged into a recession. According to the [Cabinet Office of Japan](#) figures, Japan's GDP shrank by [an annual 2.2%](#) in the first three months of 2020, marking a technical recession for [the first time since 2015](#), followed by an annual 7.8% contraction in the second quarter, as the pandemic hit Japan as well.

Looking Ahead

At a deeper level, *distrust*—defined as "regard with suspicion; doubt the honesty or reliability of"—has been shaping these countries' actions and messages this summer. It remains to be seen whether either of the two upcoming developments—Abe's resignation and leadership change in Japan and the US presidential election in November—will provide the two countries with opportunities to create new momentum for their relations.

CHRONOLOGY OF JAPAN-KOREA RELATIONS

MAY – AUGUST 2020

May 1, 2020: North Korean leader Kim Jong Un makes first public appearance in 20 days amid health rumors.

May 12, 2020: South Korea's Ministry of Trade, Industry and Energy (MOTIE) urges the Japanese government to clarify its stance about resolving white list issue and three products under export controls.

May 13, 2020: South Korean Ministry of Foreign Affairs Director-General of Asian and Pacific Affairs Kim Jung-han and Japanese Ministry of Foreign Affairs Director-General Takizaki Shigeki discuss Japan's export controls on semiconductor materials, the South Korean Supreme Court's ruling ordering compensation for victims of forced labor, and COVID-19 during a phone call.

May 19, 2020: The *2020 Diplomatic Bluebook* of Japan says "South Korea continues to illegally occupy Takeshima with no basis whatsoever," referring to Dokdo/Takeshima islets.

May 19, 2020: South Korean Ministry of Foreign Affairs responds by saying, "We strongly protest the Japanese government's reiteration of its unjustified territorial claims regarding Dokdo."

May 24, 2020: North Korean state media reports that North Korean leader Kim Jong Un convened a military meeting to discuss bolstering North Korea's nuclear arsenal.

May 30, 2020: President Trump invites South Korea, Australia, India, and Russia to G-7 meeting on the ground that the current makeup of G7 nations is "a very outdated group of countries."

June 1, 2020: Following the 2018 South Korean Supreme Court ruling, Daegu District Court releases a public notice to Nippon Steel with ruling to seize and liquidate company's local assets.

June 2, 2020: South Korea's MOTIE says it will resume filing a WTO complaint over Japan's export controls during press conference.

June 4, 2020: Japan Defense Minister Kono Taro meets with Prime Minister Abe Shinzo to discuss Aegis Ashore ballistic missile defense system.

June 14, 2020: Japan's Industrial Heritage Information Center in Tokyo's Shinjuku ward opens to press.

June 15, 2020: Kono tells reporters that he has given instructions to suspend deployment of Aegis Ashore missile defense system.

June 15 2020: South Korea's First Vice Minister of Foreign Affairs Lee Tae-ho summons Japanese Ambassador Tomita Koji and protests omission of Korean forced labor victims in Industrial Heritage Information Center.

July 16-17, 2020: Japan and South Korea takes part in multilateral anti-piracy drill by the European Union Naval Force Somalia in the Gulf of Aden.

June 18, 2020: Abe says, "We should renew our discussion of adequate deterrence we need, considering North Korea's missile technology that has advanced since the time we introduced our missile defense systems."

June 22, 2020: South Korean government submits letter asking UNESCO to consider revoking World Heritage site registration for Hashima Island.

June 25, 2020: Kono announces decision to abandon plans for Aegis Ashore missile defense system.

June 28, 2020: Kyodo News Agency reports that immediately after President Trump's May announcement a senior Japanese official communicated to US that South Korea's "diplomatic position on China and North Korea differs from the G7" and Japan "opposes South Korea's participation" for this reason.

June 29, 2020: High ranking Blue House official says, “It’s shameful for the Japanese government to attempt to obstruct President Moon Jae-in’s attendance at an event to which he was formally invited. This is unthinkable behavior from our neighbor.”

June 29, 2020: Chief Cabinet Secretary Suga Yoshihide says “It’s very important to maintain the G7 framework” during daily press briefing.

June 29, 2020: Jiji Press reports that Japan has started investigation into possible dumping of potassium carbonate by Korea.

July 7, 2020: Japanese Trade Minister Kajiyama Hiroshi says “It’s important that [the WTO director-general] be a person capable of exercising leadership in the COVID-19 response and WTO reform. In that respect, Japan wants to be definitively involved in the election process” during daily press briefing.

July 14, 2020: *Defense of Japan 2020* claims the Dokdo/Takeshima islets as Japanese territory. It also states that “North Korea is assessed to have already miniaturized nuclear weapons to fit ballistic missile warheads.”

July 14, 2020: South Korean Ministry of Foreign Affairs spokesperson calls for an immediate withdrawal of Japan’s claims over the Dokdo/Takeshima islets.

July 28, 2020: During press briefing Suga responds to reports of a statue of a kneeling man, seemingly representing Abe, before a statue of a comfort woman at Korea Botanic Garden in Gangwon by saying, “If the reports are true, I believe this could decisively effect Korea-Japan relations.”

July 29, 2020: WTO Dispute Settlement Body begins review of Japan’s export restrictions.

Aug. 1, 2020: During appearance on Yomiuri TV Japan’s Chief Cabinet Secretary Yoshihide Suga says Japanese government is “reviewing all responses to [liquidation]” if Korean court order for seizure of Nippon Steel assets proceeds as scheduled.

Aug. 4, 2020: Daegu court serves notice to Nippon Steel that assets will be seized to compensate wartime forced labor victims.

Aug. 4, 2020: During a press conference Ministry of Foreign Affairs spokesperson Kim In-chul says “GSOMIA is something that can be terminated at any time.”

Aug. 7, 2020: Nippon Steel appeals Daegu court decision for seizure of assets.

Aug. 13, 2020: National Archives of South Korea releases documents showing Japan’s mobilization of Korean girls and women into forced labor.

Aug. 15, 2020: President Moon Jae-in says “The government is prepared to sit down with the Japanese government at any time” during the celebratory address of the anniversary of Korea’s liberation from Japan’s colonial occupation.

Aug. 15, 2020: Environment Minister Koizumi Shinjiro, Education Minister Hagiuda Koichi, State Minister for Okinawa and Northern Territories Eto Seiichi, and Internal Affairs Minister Takaichi Sanae visit Yasukuni Shrine on the anniversary of Japan’s defeat in World War II.

Aug. 28, 2020: Abe holds news conference to formally announce intention to resign and states he is “no longer in a condition to confidently respond to the mandate given to him by the public.”

Chronology prepared by Patrice Francis.

PACIFIC  FORUM

COMPARATIVE

C O N N E C T I O N S

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

CHINA - RUSSIA RELATIONS

AGE OF TRIANGULAR POLITICKING

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China and Russia found themselves entangled in two separate triangular dynamics with the US and India. Russia, however, found itself in a curiously pivotal position within the two geopolitical triangles: an “innocent” bystander in the Beijing-New Delhi-Moscow trio and a useful, delicate balancer in the Washington-Beijing duel. Between its strategic partner (China) and persistent yet unrequited courter (the Trump administration), Russia carefully played its cards from a position of strategic weakness. By end of summer, the US-China-Russia triangle made its way into the US 2020 presidential elections as presidential candidates played the “Russia” and “China” cards. No matter who wins the 2020 US election, the stakes are high for China and Russia.

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While the coronavirus raged throughout summer 2020, China and Russia found themselves entangled in two separate triangular dynamics with the US and India. China faced off with India along the long mountainous border, culminating in the June 15 deadly brawls. Meanwhile, the “[whole-of-government approach](#)” of the Trump administration against China led to a near-freefall in bilateral relations, featuring the highly ideologized, militarized connotations of the Cold War (1947–1991). In both cases, China’s strategic space was increasingly constrained.

Russia, however, found itself in a curiously pivotal position within the two geopolitical triangles: an “innocent” bystander in the Beijing–New Delhi–Moscow trio and a useful, delicate balancer in the Washington–Beijing duel. Between its strategic partner (China) and persistent yet unrequited courter (the Trump administration), Russia carefully played its cards from a position of strategic weakness. By end of summer, the US–China–Russia triangle made its way into the US 2020 presidential elections as presidential candidates played the “Russia” and “China” cards. No matter who wins the 2020 US election, the stakes are high for China and Russia.

Virtual Diplomacy, Real-world Issues

Summer is peak season for diplomatic activities and Moscow and Beijing planned a series of high-level exchanges for the 75th anniversary of Russia’s Great Patriotic War (World War II) victory. The pandemic, however, forced the two sides to suspend all planned activities, replacing a few of them with phone calls and videoconferencing.

On May 8, Xi initiated a [call](#) to Putin, congratulating the Russian president on the Great Patriotic War anniversary. Several leaders—including Boris Johnson, Angela Merkel, Emmanuel Macron, Benjamin Netanyahu, Abe Shinzo, and Donald Trump—also called Putin prior to the commemoration. The Chinese president, however, sought to connect China and the Soviet Union by saying the two countries were the main WWII theaters for, respectively, Asia and Europe. He noted the special importance of this date for the peoples of their countries, who sustained the heaviest losses in the war. And China was willing, together with Russia, to safeguard the victory of WWII and the international order for

international justice, multilateralism, peace, and development.

[Putin thanked](#) Xi for preserving the memory of thousands of Soviet soldiers and volunteers that perished in China. According to Chinese Ambassador Zhang Hanhui, the Soviet Union was the only country to provide direct military assistance to China in the early phase of China’s war with Japan. This included \$170 million in funding, 1,200 airplanes, 1,317 artillery pieces, large amounts of munitions, and petroleum. While history embodies powerful symbolism for Russia and China, the two also discussed current challenges, particularly the pandemic. They reaffirmed cooperation for vaccine development, joint efforts to control the pandemic at the global level, and avoiding politicization of the issue. They also agreed to enhance communication and coordination within the Shanghai Cooperation Organization (SCO) and BRICS frameworks, and that the two countries would resume [high-level visits](#) after the pandemic.

On July 8, Putin and Xi talked again by phone. [Xi](#) congratulated Putin on the success of the national vote on the constitution, which allows the 67-year Putin to potentially [stay in power up to 2036](#). Xi pledged China’s support for Russia’s choice to follow its own path of development and its effort to reach its goals. The Russian president [expressed thanks](#) for the People’s Liberation Army’s participation in Russia’s Victory Day parade and said Russia’s constitutional amendments helped maintain Russia’s long-term political stability, better safeguarding national sovereignty and opposing external interference. Regarding a national security law for [Hong Kong](#), Putin told Xi that Russia firmly supports China’s efforts to safeguard national security in the Hong Kong Special Administrative Region.

The two calls were perhaps the most they could do in the pandemic, which posed “[a serious challenge](#)” to bilateral relations, according to a joint group of scholars in late Aug. In his phone call with Putin on July 8, Xi went as far as to anticipate a “[prolonged pandemic](#).” For this, the Chinese leader suggested that the two sides adopt more flexible and diverse ways for cooperation, including the reopening of the economy.

Senior diplomats managed to engage on many occasions. Chinese officials and diplomats

[publicly supported](#) the Russian constitutional amendment, while, Russian officials endorsed China's position on the Hong Kong issue. Regional issues and hot spots also attracted their attention. Foreign ministers of SCO and BRICS met via videoconferencing on May 13 and Aug. 26, respectively. On May 14, Russian Foreign Minister Sergey Lavrov and his Chinese counterpart [joined](#) a four-party videoconference with Iran and Pakistan on Afghanistan. This was followed by a trilateral teleconsultation on June 4 between the Russian, US, and Chinese special representatives on Afghan affairs.

Russia between Two Partners: Diplomacy of Doing Nothing?

The India-China border disputes injected new chemistry into Eurasian politicking, as both sides are Russia's strategic partners. Starting from early May, [a series of standoffs and physical clashes](#) occurred along the Line of Actual Control (LAC) in the Pangong Lake area and then Sikkim. On June 15, an hours-long [brawl](#) occurred in the remote Galwan Valley. Twenty Indian soldiers reportedly died, dozens were wounded, and several captured (before being released later). Chinese casualties were unknown. Chinese Foreign Minister Wang Yi and his Indian counterpart Subrahmanyam Jaishankar talked over the phone on June 17 and [agreed to de-escalate](#).

This border clash, the worst in 40 years between the two Asian giants, alarmed Russia. For more than three decades Russia has promoted and steered the Russian-Indian-China trilateral mechanism (RIC) for multiple purposes. This included projecting Russian influence across Eurasia and countering perceived Western influence, but also balancing steadily growing Chinese clout. Russia's effort to bring India into the SCO, which occurred in 2017, was seen as part of Russia's grand strategy for the volatile Eurasian landscape. The June 15 clash was an immediate, serious challenge to Russia's special role in the trio as well as Eurasian stability.

Lavrov and Kremlin spokesman Dmitry Peskov [expressed concerns](#) on June 17. "Both China and India are very close partners for us, allies," said Peskov. "We are paying close attention to what is happening on the China-India border." He also believed that China and India "are capable by themselves of taking steps so that such situations do not happen again ... and so that

this region is safe for the peoples of China and India."

Despite the clash and growing pressure in India to "[punish China](#)," the scheduled Russian-Indian-China dialogue (RIC) went ahead on June 23 with Russia chairing the annual tri-party talks via videoconference. In their televised opening speeches, none of the three foreign ministers directly addressed the border clash.

While Lavrov and Wang covered the pre-set agenda of global/regional issues, COVID crises, etc., [Jaishankar](#) went out of his way to remind his Russian and Chinese counterparts of India's contribution to the victory of WWII, in which 2.3 million Indian troops helped the Allies win World War II. The history-minded Indian secretary of external affairs, however, also aimed at China's unwillingness to support India's ascendance to permanent membership of the UN Security Council (UNSC). Russia already publicly supports India as a permanent member of a reformed and expanded UNSC, which [Lavrov reiterated](#) at his post-conference news briefing.

The circumvention of the clash was expected given the RIC rule of not addressing bilateral issues. After the RIC session, [Lavrov](#) ruled out the possibility of Moscow acting as a mediator between India and China. "I see no reason that Russia or anyone else would be imposing their services on India and China in order to solve their own problems," he remarked, adding that "I don't think that India and China need help and assistance aiming to somehow resolve their disputes or situations ... Military commanders met on the ground immediately after the border incidents, and foreign ministers contacted each other, too. As far as I understand, these contacts also continue today. Neither party has made any statements about a reluctance to reach an agreement under mutually acceptable approaches."

Russia's reluctance to mediate, at least publicly, does not necessarily mean nothing happened between the three top diplomats. During their videoconference, Lavrov proposed a RIC defense ministerial meeting later this year. Wang supported the idea and suggested a series of [RIC ministerial dialogues](#) for cooperation in trade, energy, transportation, education, cultural exchanges, health, and forums of experts and VIPs. Moscow searched for some quick crisis management actions, while Beijing looked to

some medium and long-term solutions for the difficult border issue.

For Moscow, the border faceoff had far-reaching geopolitical implications as part of the US “containment” of China through the formation of the Indo-Pacific coalition in which India was seen as the main “counterbalance” to China. For Moscow, “the emergence of a rigid bipolar relations system in Asia is also strategically dangerous, since it entails the loss of Russia’s current room for maneuver that greatly benefits Russia’s diplomacy today,” warned a group of Russian scholars in their [report](#) with their Chinese counterparts. “Like China, Russia is not interested in further rapprochement between India and the United States, since it will inevitably produce problems for Russia-India relations. Therefore, every effort should be channeled into normalizing China-India relations. The trilateral RIC mechanism could be used for that purpose.”

The border situation, however, remained tense and volatile despite the RIC efforts and Russia’s influence. On the night of Aug. 29-30, Indian troops “[preempted](#)” the PLA’s “provocative military movements” by taking several [strategic heights](#) on the Southern bank of Pangong Lake. China [rejected](#) India’s accusations, saying Chinese forces never crossed the LAC. By the end of the summer, India and China looked poised for a protracted faceoff. It is uncertain how much this will affect Russia’s investment in RIC. Its sustainability requires not only Russia’s constant steering but also chemistry between the other two participants. The crisis also laid bare that RIC has been largely symbolic with relatively little institutional embedment. Wang’s push for more bureaucratic infrastructure may be too little, too late.

US Strategy: China-fright, Russia-friendly

From Beijing’s perspective, China’s posture within the US-China-Russia strategic triangle became increasingly asymmetrical as the Trump administration applied a “whole-of-government approach” to delink and denounce China while flirting with Moscow to find any opportunity to snatch Russia away from China.

US-China relations have been deteriorating rapidly across all areas: from trade, high-tech, education, to diplomacy and security. In less than one month, four senior Trump administration officials—[Robert O’Brien](#),

[Christopher Ray](#), [William Barr](#), and [Michael Pompeo](#)—took turns publicly denouncing China. Starting from the release of the “[US Strategic Approach to the People’s Republic of China](#)” on May 26, Washington’s China strategy became highly ideologized as high-level officials used charged vocabulary like “CCP,” “general secretary,” “regime,” “Politburo,” “tyranny-vs-the-free-world,” etc., closely resembling the early years of the Cold War. The US military conducted increasingly provocative maneuvers in sensitive areas of the South China Sea (SCS), the Taiwan Strait, and East China Sea, including a [U-2 spy plane](#) trespassing into a no-fly zone of a PLA live-fire drill on Aug. 25, which “seriously interrupted the Chinese troops’ normal exercises.”

This sharply contrasts with Washington’s outreach to Moscow at the same time: from the [joint statement](#) on April 25 for the 75th anniversary of US-Soviet troops meeting on the Elbe, to several phone calls between Putin and Trump (May 7 and June 2, offering medical supplies and inviting Putin to G7), two rounds of strategic arms control talks, etc.

This made perfect sense to the US, whose interest lies in preventing Putin from playing a “reverse Nixon” shock “if Moscow and Beijing aligned more closely,” argued John Arquilla of US Naval Postgraduate School in a US Defense Department [White Paper](#) in May 2019. One of the key areas of possible agreement with Russia was nuclear arms control, wrote Arquilla, because the current nuclear competition “is no longer bilateral,” and therefore Washington and Moscow should “work together to corral the others who are now making dangerous progress with intermediate and other—including long-range—weapons.”

APPROVED FOR PUBLIC RELEASE



Russian Strategic Intentions

A Strategic Multilayer Assessment (SMA) White Paper

May 2019

Figure 1 US Defense Department Strategic Multilayer Assessment White Paper. Photo: US Department of Defense

US' "Unilateral Cold War" and Russia's Options

US outreach to Russia in 2020 seemed to follow the Arquilla script. More momentum was generated on Aug. 5 when more than a hundred of former top US officials and prominent academia/experts signed an [open letter](#) urging for more cooperation with Russia. Among the signatories were George Shultz, William Perry, John McLaughlin, Sam Nunn, Gary Hart, Joseph Nye, Graham Allison, John Mearsheimer, etc. No such open letter has been initiated at this level of prominence for US-China relations. Though some (like Stephen Blank, senior fellow at the Foreign Policy Research Institute) believe China and Russia are developing "a [burgeoning alliance](#)," the China-heavy, Russia-lite US strategy alarmed Beijing. [Pundits](#) and [laymen](#) debated the potential scope and implications of the perceived asymmetrical strategic triangle, as well as the degree of and speed at which China and Russia were deepening their strategic partnership.

At the expert level, however, the assessment of triangle was reserved. An authoritative report ("[Russia-China Dialogue: the 2020 Model](#)") by prominent analysts from both Russia and China saw that

the exacerbation of the US-China confrontation opens up additional strategic opportunities, although Russia will have to exert significant efforts in order to make full use of them. At the same time, the deterioration of relations between China and the United States does not automatically mean that relations between Russia and the US will improve. On the other hand, escalating tensions between Beijing and Washington create new challenges and risks for Moscow that are difficult to predict with any degree of accuracy and almost impossible to prepare for.

As a nation with real experience with a Cold War with the US, influential Russian academics and policy experts shared insights with Chinese counterparts. In an [interview](#) with China's *Global Times* at the end of August, Alexander Lukin, a leading Sinologist in the prestigious Moscow Higher School of Economics (HSE), coined the term "neo-unilateral Cold War" as a "protracted geopolitical confrontation" between Beijing and Washington. It actually started, according to Lukin, in the Obama administration and was publicly proclaimed by Trump.

Current US actions were driven primarily by three ideational factors, said Lukin. One was a conviction, which China has defied, that economic prosperity would inevitably lead to Western-style democratization. Second, the current "bipartisan consensus" against China is derived from the belief that US economic difficulties are due to China's dishonest, unfair, and deceptive actions. It is inconceivable, from the US ideological perspective, that the US economic system itself could have any problems. Last, he argued, the "classic American logic" is all-or-nothing: "My stuff is mine. So let's talk about your stuff."

Lukin ruled out Russia siding with the US against China for at least three reasons. One was a lack of trust after US sanctions against Russia following the 2014 Ukraine crisis. Second, the US would never respect Russia's legitimate interests in its near-abroad space. Third, any big country would be regarded as a US competitor if it did not want to become part of the US sphere of influence and if it practiced a different political system. Both Russia and China fell, therefore, into the category of US competitors. Because of these developments, current US-Russian relations were the "worst in a century, at least from the establishment of US-Soviet diplomatic relations in 1933."

Lukin also argued that current US policy toward China is a "new norm"; anti-China measures will come continuously and China needs to learn how to live with them. Perhaps more importantly, Lukin took the opportunity to share Russia's "speak softly" approach in dealing with Washington. Russian officials, including Putin, avoid harsh rhetoric while referring to Americans as "our partners," making sure to leave the door open to cooperation.

Other Russian scholars were more concerned about the limits of Russia's ability to maneuver within the triangle. [Dmitry Trenin](#) of the Carnegie Moscow Center cautioned that Russia should "carefully maintain equilibrium, though not equidistance" in the US-China rivalry and emerging US-China bipolarity. [Sergei Karaganov](#), head of Russia's Council on Foreign and Defense Policy, strongly criticized Washington's "unwillingness to cooperate with anyone in hope to make a last stand for its waning hegemony," but was not entirely comfortable with China's "excessive power, especially due to its increasingly offensive,

though not aggressive, policies with regard to smaller and dependent countries.” Karaganov advised that Russia “will not ‘ditch’ China, but will look, and is already looking, for ways to expand the room for maneuver,” meaning to improve relations with European countries and key Asian countries.

Both Lukin and Karaganov expressed grave concerns that the new cold war may not stay cold. While Lukin warned about an “unintentional hot war” resulting from either a local conflict such as Taiwan or the South China Sea, [Karaganov](#) said “the American elite has opted for an almost all-round confrontation with China.” This “is simply dangerous ... with the deteriorating situation in the military-technical sphere—more and more destabilizing weapons appear in the world, the remaining arms limitation regimes are being torn down, and the intellectual level and responsibility of elites in a number of countries are degrading—this hostility increases the likelihood of an unintended war and its escalation to the level of global nuclear catastrophe.” In February, Washington announced that in six months it would suspend participation in the Intermediate-range Nuclear Forces (INF) treaty unless Moscow destroyed missiles which, the US and its NATO allies alleged, violate the agreement. On Aug. 2, the US [formally withdrew](#) from the treaty.

In this regard, Russia (Karaganov) and the US (Arquilla) converge over the prospect of WMD proliferation. Publicly, Russian officials continued to [deflect the US suggestion](#) that China be part of nuclear arms control talks. Behind the scenes, however, the Russians told their Chinese counterparts Moscow would like to at least partially retain its strategic arms control mechanism with the US and [ultimately make it trilateral with China’s involvement](#). The absence of an effective arms control mechanisms between major nuclear powers would increase “the overall risks to the stability of international relations, which is a problem for all of its actors, including Russia,” according to [the 2020 joint annual dialogue](#).



Figure 2 The 2020 Russia-China Dialogue. Photo: [Russian International Affairs Council](#)

Russia’s apparent concern about China’s growing strategic capabilities was not a surprise for many in China, who had suspected Russian “acquiescence” with the US at the strategic level. For veteran Russologists such as [Guan Guihai](#) of Peking University, this was consistent with reports in John Bolton’s memoir (*The Room Where It Happened*). In its leaked version to the public in late January, the former national security advisor to Trump painstakingly documented his meetings with top Russian officials, including Putin and Defense Minister Sergey Shoygu, who reportedly shared concerns about China’s nuclear capabilities.

At the strategic level, China should not expect Russia to “unconditionally side with China no matter how bad US-China relations and how bad Sino-Russian relations are,” said [Guan](#). Guan also downplayed the significance of Russia’s possible “defection” for three reasons: 1) Russia’s goal was a state of equality with other major powers; 2) it would not accept the role of “junior follower,” either of China or the US; and 3) China would be more willing than the US to recognize Russia as an equal.

At the systemic level, the emerging US-China bipolarity may well be a “new beginning” of US-China-Russian trilateralism, [argued Zhao Huasheng](#), a prominent Russologist in Shanghai in June. Such dynamics mean both challenges and opportunities for Russia, which is expected “to pursue more independent and more flexible posture between China and the US,” Zhao said.

Likewise, Russia’s strategic thinking was equally, and even more brutally, realpolitik. Bolton’s account of his encounters in Russia need to be taken with caution, said [Dmitry Trenin](#), because of his “ambition to create an anti-Beijing coalition and draw Russia into it.”

Russia should not take the bait, warned Trenin, and it would “be crazy to fall for Trump’s entreaties—even if he did have something to offer in return.”

Trenin’s point was echoed by the Russian Foreign Ministry spokeswoman [Maria Zakharova](#), who said that Russia was “surprised” by the “defiant tone” as well as the “crude references to China, its social and political system and its leaders” in Pompeo’s July 23 speech. “The tension in relations with Beijing is being provoked by Washington,” added Zakharova. She further stated that US attempts to drag Moscow into the US anti-Chinese campaign were a naive effort to complicate the Russian-Chinese partnership and drive a wedge into their friendly ties.

Nukes and Missile Defense

Given the stakes for Russia in the US “unilateral Cold War” or *de facto* “dual containment,” Moscow [recognized](#) that the sharp deterioration of US-China relations “creates significant risks for the entire world and specific threats for Moscow.” Russia therefore should carefully assess its interests and possible actions regarding its strategic partnership relations with Beijing. In addition to strengthening bilateral cooperation in global and regional affairs, as well as in non-conventional security issues such as the pandemic, Russia-China military-strategic cooperation was transforming from a “bilateral component” of bilateral relations into “a major geopolitical factor of global significance,” noted the joint assessment, and “the US-China confrontation reinforces the trend.” One indication was that Russia and China had “heightened levels of secrecy” in their military and technological consultations for the increasingly complicated global military and political situation.

Both sides looked for more and even “radically deepened” military and political cooperation. Some Russian participants in the annual dialogue recommended “the creation of a certain quasi-alliance” based on political consensus. This “informal” alliance had already reached a level that “a potential adversary preparing an attack on one has to account for various joint response scenarios. Such strategic certainty will act as a deterrent for any hypothetical adversary and their allies.”

In the summer, both Moscow and Beijing were visibly moving toward more preparedness for the post-INF world. On June 2, Putin endorsed [Russia’s nuclear deterrent policy](#), which allows him to use nuclear weapons in response to a conventional strike against the nation’s critical government and military infrastructure. This reflects Russian concerns about the development of weapons that could give the US the capability to destroy key Russian military assets and government facilities without resorting to nuclear weapons.

China’s “no-first-use” nuclear deterrence strategy remained unchanged, at least officially. The cry for more proactive nuclear posture, however, grew throughout the summer. [Hu Xijin](#), editor of *Global Times*, publicly proposed on May 8 that China needed to expand the number of its nuclear warheads to 1,000 “in a relatively short time” to “curb US strategic ambitions and impulses toward China.” Hu argued that this was imperative because China was “facing an increasingly irrational US, which only believes in strength.”

This is not the first time the nuclear factor has been injected into bilateral US ties. A few days after Trump was inaugurated in 2017, China unveiled the mobile and MIRV-capable Dong Feng-41, the most powerful ICBM in China’s nuclear arsenal. In the five years between the 2015 military reforms, which officially created China’s strategic missile force as an independent service of the PLA, and mid-2020, China’s ICBM forces had reportedly increased to [20 brigades](#), an increase of 60%. Hu’s call for up to 1,000 nuclear warheads apparently took place under the assumption that China’s nuclear stockpile is far lower than that. One estimate puts China’s arsenal at no more than [500 nuclear warheads](#), far lower than Russia’s 6,500 and the US’s 6,185.

In 2020, the US sharply increased its naval and air activities around China’s peripheries (the South China Sea, Taiwan, etc.). According to China’s count, the US conducted more than 2,000 reconnaissance flights in the first half of 2020 in the SCS alone. Several times in 2020 ([Fe. 4](#), [Aug. 4](#), and [Sept. 2](#)), the US tested Minuteman III ICBMs. On Aug. 26, China [tested](#) its highly accurate DF-21D (1,800-km range launched from coastal province of Zhejiang Province) and DF-26B (4,000-km range from inland Qinghai Province). Both hit the same target ship in the SCS at the same time.

Amid such posturing, talks in Russia and China about joint efforts for a missile defense mechanism were in the making. Putin had announced in December 2019 that Russia was helping China develop its national missile attack warning system, which would “radically increase China’s defense capabilities.” By April 2019, China and Russia had conducted three computerized missile defense simulations, indicating a degree of [information/intel-sharing](#) for early warning purposes.

On Aug. 24, [Sergei Boyev](#), chief designer of Russia’s missile attack warning system and CEO of Vimpel Company, told TASS at the Army-2020 forum that Russia had started work on elements of the Chinese missile attack warning system and had “achieved certain success in this area.” The coronavirus outbreak affected the pace of the project, but “cooperation is proceeding in a planned manner.” Boyev indicated that the two sides were working on “the area of space control” or “space-based echelon comprises satellites that can detect launches of ballistic missiles from the territory of any state in real time.” It happened that Russia and China signed an agreement on cooperation of the GLONASS and BeiDou satellite systems, which is capable for both civilian and military uses.

Chinese pundits recognized the value for China of Russia’s rich experience in missile defense strategies and operations. Russia’s vast northern landmass was a natural and short path for the US land-based ICBMs to reach targets in China. Russia’s existing early warning system would be ideal for China. Meanwhile, China’s rapidly developing electronic and AI capabilities, would be a huge plus for upgrading Russia’s early warning infrastructure. China’s own vast territory, with early warning radar networks south of Russia, would be vital for Russia’s missile defense capabilities against US sea-based SLBMs from the Pacific and even the Indian Ocean. This type of more integrated early warning and missile defense system for China and Russia remained out of reach, veteran Chinese military expert [Chen Feng](#) said, given Russia’s deep suspicion of China. The potential, however, was there and external pressure from the US and Europe may lead them toward a more integrated early warning system.

2020 US Election and Triangularism: Inside-out or Outside-in?

The 2020 US presidential election is destined to be consequential, not only for US domestic politics, but also Russia and China. Although both are US strategic competitors, Russia and China have been treated vastly different. The Democrats will never let Russia off the hook, and Putin’s preference for Trump’s second term is therefore understandable. The Chinese have so far refrained from publicly expressing a preference for the US election because there is no good choice between Trump’s nonstop “shock-and-awe” and the Democrats’ softer tone with a much bigger “stick.” China therefore opts to wait for the dust to settle.

Neither Russia nor China want to see further destabilization of the US domestic scene, leading to major breakdowns of the political, social, and economic infrastructure. Both China and Russia have become far more conservative when it comes to radical social transformation and revolution in the wake of their own turbulent times in the 20th century. This is one reason for their strong opposition to US interventionism around the world. Any radical decline of the US domestic order is not good for Russia, according to one [penetrating analysis](#). China shares much of Russia’s concerns, given the scope and depth of US-China economic, educational, and societal exchanges.

China and Russia’s deep unease with the prospect of a disorderly United States may also derive from their cultural anchorage in Confucianism and Eastern Orthodox/Slavic culture, respectively. It is unclear if the US will be able to manage its decline peacefully without deep cultural underpinnings aside from a political ideology of liberalism. Lukin, for one, expressed alarm at the “excessive” liberalism of the US, which is dedicated to an “[anti-racist universalism](#).” He said: “A new all-embracing totalitarian theory is looming ahead, according to which all social and historical phenomena will have to be analyzed from a ‘racial’ point of view, just as the Marxists analyzed them through the lens of ‘class struggle.’”

What Russia and China think about the US may not matter too much to US domestic dynamics. They must, however, be ready to deal with outcomes of its policies. For Russian strategic and thinkers like [Dmitry Trenin](#), for example, the current US focus on China “has not eased the

pressure on Russia; it is practicing dual containment ... In reality, all Trump has done is sign American sanctions against Russia into law, which has made them virtually eternal,” wrote Trenin in his assessment of Bolton’s book in the *Moscow Times*.

Regardless, the stage is being set for a more dynamic triangularism both in and outside the US for the remainder of 2020.

CHRONOLOGY OF CHINA-RUSSIA RELATIONS

MAY – AUGUST 2020

May 8, 2020: President Xi Jinping [initiates a telephone call](#) with President Vladimir Putin, congratulating him on the 75th anniversary of Victory in the Great Patriotic War. The two heads of state also agreed to resume [high-level visits](#) after the pandemic.

May 13, 2020: [Eight SCO foreign ministers hold videoconference](#) and discuss the coronavirus pandemic. They also discuss an action plan to ensure sanitary, epidemiological safety and biosafety to be discussed in the [SCO summit](#) to be held this year in St. Petersburg.

May 14, 2020: [Lin Songtian](#), appointed head of the Chinese Association for Friendship with Foreign Countries, [meets](#) Russian Ambassador Andrey Denisov in Beijing to discuss cooperation in dealing with COVID and the 75th anniversary of Russia's Great Patriotic War.

May 18, 2020: Russia [chairs a four-party videoconference](#) with China, Iran, and Pakistan on Afghanistan.

May 20, 2020: Russian Ambassador to China Andrey [Denisov says](#) in a news briefing that Russia is “carefully studying China’s large-scale measures” for both pandemic control and economic stimulation.

May 26, 2020: Russian Foreign Minister Sergey Lavrov says in the CIS foreign minister conference that “the [Hong Kong](#) issue is completely one of China’s domestic politics.”

June 2, 2020: Russian Foreign Ministry spokesperson Maria [Zakharova tells](#) RIA Novosti news agency that President Trump’s suggestion of an expanded G7 session including Russia “is right in principle,” but “could not be a success without China’s participation.”

May 30, 2020: President [Trump](#) says that he planned to postpone the annual G7 summit until September and that he wanted to [invite Russia](#) to rejoin and to discuss the future of China.

June 3, 2020: Chinese Foreign Minister spokesman [Zhao Lijian says](#) that China “respects and understands Russia’s effort to safeguard its national security efforts,” referring to Putin’s endorsement of Russia’s [nuclear deterrent policy](#), which allows Russia to use nuclear weapons in response to a conventional strike against the nation’s critical government and military infrastructure.

June 3, 2020: Russian Deputy Foreign Minister Igor [Morgulov has](#) a telephone conversation with Chinese Ambassador to Russia Zhang Hanhui, discussing Russian-Chinese relations and cooperation between Russia’s Eurasian integration project and China’s Belt and Road Initiative.

June 4, 2020: [Trilateral consultation](#) between the Russian, US, and Chinese special representatives on Afghanistan affairs [takes place](#) by telephone. Russian Presidential Representative for Afghanistan Zamir Kabulov and a Pakistani representative also took part.

June 10, 2020: Russian Deputy Foreign Minister [Igor Morgulov speaks](#) via telephone with Chinese Vice Minister of Foreign Affairs Le Yucheng, discussing cooperation in countering the pandemic and plans to develop bilateral relations.

June 15, 2020: Chinese and Indian forces [clash](#) in the remote Galwan Valley in the Himalayas, resulting in at least 20 deaths on the Indian side.

June 19, 2020: Russian Ambassador to China [Andrey Denisov tells](#) Russian media that the charge that China intentionally concealed information about the coronavirus was “groundless.”

June 23, 2020: Russian Foreign Minister Sergey Lavrov, Indian Minister of External Affairs Subrahmanyam Jaishankar, and Chinese Foreign Minister Wang Yi [take part](#) in a regular [RIC](#) videoconference. Lavrov proposes a trilateral [defense ministerial meeting](#) and China [supported](#) the idea.

June 23, 2020: Putin [proposes](#) a summit of five permanent UNSC members in 2020 in his address to the World Holocaust Forum in Jerusalem.

June 24, 2020: Russia holds massive military parade in Moscow with more than 13,000 service personnel for the 75th anniversary of Nazi Germany’s capitulation in World War II. The event was rescheduled from its original date, on May 9 because of the COVID pandemic. [105 Chinese military honor guards join](#) the parade together with 13 other countries.

July 4, 2020: Russian Deputy Foreign Minister [Sergei Ryabkov describes](#) the US idea for an expanded G7 summit without China as “flawed.”

July 6, 2020: Putin [sends a message](#) to Xi, conveying his condolences over heavy flooding in southern China.

July 7, 2020: Russian Deputy Foreign Minister Sergey Vershinin [speaks by telephone](#) with Chinese Vice Foreign Minister Ma Zhaoxu. They discussed cooperation in multilateral forums (UN) regarding Syria, Yemen, and the WHO.

July 8, 2020: Xi [calls](#) Putin, congratulating him on the successful constitutional amendments and discussing economic and tech cooperation while containing the pandemic.

July 8, 2020: SCO health ministers hold their 3rd session via videoconference.

July 10, 2020: [Lavrov describes](#), in the Primako Forum, US-China tensions and US accusations against China as “really alarming,” saying Russia “would not decline” to perform as “a balancing influence” between them.

July 17, 2020: Wang takes part in a telephone conversation with Lavrov, stressing the importance of prioritizing a Sino-Russian strategic partnership in each other’s foreign policy. Both criticize US unilateralism and exceptionalism.

July 24, 2020: Russian Foreign Ministry Spokeswoman Maria [Zakharova says](#) Russia was “surprised” by Pompeo’s “defiant tone” and “crude references to China, its social and political system and its leaders” in his [speech](#) the day before at the Nixon Library.

July 24, 2020: Kremlin spokesman Dmitry [Peskov tells](#) a daily briefing that Russia won’t join any alliance against anyone, especially China, as Moscow and Beijing share special relations.

July 25, 2020: Chinese Foreign Ministry spokesperson and head of the FM Information Bureau [Hua Chunying holds](#) videoconference with Russian counterpart Maria Zakharova, discussing cooperation in countering disinformation and fake news, particularly amid the pandemic.

Aug. 2, 2020: US [formally withdrew](#) from the Intermediate-range Nuclear Forces (INF) treaty with Russia, claiming it undermines its national security interests. In February, Washington had announced that in six months it would suspend its participation in the treaty unless Moscow destroyed missiles, which the US and its NATO allies allege violate the agreement.

Aug. 8, 2020: Russian Foreign Ministry Spokeswoman Maria [Zakharova criticizes](#) US restrictions on the TikTok app for the purpose of dominating the international information space.

Aug. 18, 2020: [Chinese media reports](#) that only 46% of Sino-Russian trade in the first quarter was done with US dollars, the lowest in history. 30% of bilateral trade was made with euros and 34% with Chinese yuan (RMB) and Russian rubles. Meanwhile, 15% of Russia's foreign reserve was in RMB, which constituted a quarter of all RMB in the world held as foreign reserves.

Aug. 23, 2020: Russian Foreign Minister [Lavrov says](#) that Russia is [ready](#) to cooperate with China and its Huawei on 5G technology.

Aug. 26, 2020: Russian Deputy Foreign Minister [Mikhail Bogdanov chairs](#) a consultation via videoconference with deputy foreign ministers/special representatives of the BRICS countries for the Middle East and North Africa. They issue a joint statement on the situation in the Middle East and North Africa.

Aug. 28, 2020: Chinese President Xi and Russian President Putin [send greetings](#) to the opening ceremony of Russian-Chinese Scientific, Technical and Innovative Cooperation 2020-2021.

Aug. 28, 2020: Despite the pandemic, Russia poultry exports to China [increase seven times over](#), amounting to 67% of Russia's poultry exports. The increased export of Russian agricultural and meat products was the result of marked improvement of export infrastructure in Russia as a result of investments from both Russia and China.

Aug. 31, 2020: India informs Moscow that it won't participate in Russia's "Kavkaz-2020" multinational exercises in southern Russia's Astrakhan region in early September, shortly before India accuses China of fresh "provocative" military movements at the site of the brawl in June on their contested border. India cites COVID for not attending the exercises.



COMPARATIVE

C O N N E C T I O N S

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

AUSTRALIA-US/EAST ASIA RELATIONS

CORONAVIRUS, CHINA AND THE US NEW NORMAL

GRAEME DOBELL, AUSTRALIAN STRATEGIC POLICY INSTITUTE

Challenged by COVID-19 and China, Australia confronts deteriorating strategic prospects and its first economic recession in nearly 30 years. The pandemic has worsened strained relations between Australia and China. Canberra's call for an inquiry into the origins of COVID-19 was attacked by Beijing as a betrayal and Chinese trade retaliation has followed. Even before the pandemic hit, Australia talked of a "new normal" with China of "enduring differences." Whatever the US election result, the phrase "new normal" is also being applied to changes wrought by President Trump. The US alliance is hugged anew as Canberra abandons a central strategic tenet it's held for 50 years—the idea that Australia would have 10 years warning of any direct military threat.

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Australia Crashes the Economy to Contain COVID-19

“We confront today a new, complex, hydra-headed and rapidly evolving challenge. The coronavirus, COVID-19 ... This is one of those national interest moments. Whatever you thought 2020 was going to be about. Think again.”

—Prime Minister [Scott Morrison](#), March 10, 2020

By March 23, the prime minister was telling Australians they faced “the toughest year of our lives.” To contain the coronavirus, Australia shut down, and is paying the price with its first recession since 1991. Australia’s international border is closed, with only Australian citizens and residents allowed to enter. Anyone who arrives in Australia is [quarantined for 14 days](#). Australia is one of the only democracies in the world that has [banned its citizens](#) from leaving the country as a public health measure during the pandemic.



Figure 1 Australian Prime Minister Scott Morrison outlining Australia’s coronavirus response. Photo: [AAP/Lukas Coch](#)

COVID-19 has caused what the [Bureau of Statistics](#) calls a series of unprecedented economic events. Australian Gross Domestic Product (GDP) fell 7.0 % in the June quarter, the largest quarterly fall on record. More than 1 million Australians are unemployed (12.4 million have jobs): a jobless rate of 7.5%. The [devastating hits](#) mean unemployment is predicted to hit 10% by the end of the year. General government net saving fell to minus-\$82.6 billion in the quarter ending in June, from \$1.2 billion in the previous quarter. The June quarter plunge reflected the government’s economic response to COVID-19: record high subsidy payments of \$55.5 billion and reduced tax income. More than a third (35%) of

Australian businesses say they will [struggle](#) to meet financial commitments.

Entering September, Australia (population: 25.6 million) had recorded nearly 26,000 cases of COVID-19 and 663 deaths. The major outbreak is in the state of Victoria, with 576 of those deaths. To keep out COVID-19, some states closed their borders to the rest of Australia, the first border shutdowns since the 1919 Spanish flu. Australians have been reminded that the six states that formed the federation in 1901 still have considerable powers because of their control of police and hospitals—and, again, over state borders. On September 4, seven of the states and territories agreed on a plan to reopen Australia’s [internal borders](#) by Christmas. The holdout state is Western Australia, which won’t agree to an [“arbitrary deadline”](#) to reopen its hard border. Western Australia has shut out the coronavirus and its mining-based economy has taken less of an economic hit.

Among the many political shocks the pandemic has inflicted on the federal government has been the assertiveness of the six state and two territory governments. Power normally flows from the federal government because it controls taxation and distributes funds to the states and territories. The pandemic weakens Canberra’s ability to dominate by pulling on the purse strings, as the states assert their constitutional role. Facing COVID-19, state premiers have been in the front line and have had the unusual experience of bending the prime minister to their will.

A significant initiative to confront the pandemic—and in the administration of the federation—was the creation in March of a [“national cabinet”](#) involving the prime minister, the six state premiers and two territory chief ministers. Despite wrangles over state border closures, the regular national cabinet teleconferences have delivered relatively united and consistent leadership (a striking contrast to the normal political battles and money haggles between Canberra and the states). The national cabinet is an innovation in the way Australia is governed that is set to endure beyond the pandemic. As a thought experiment, contemplate the difference in the US experience if President Trump had done a weekly teleconference with state governors seeking consensus on a national response to the coronavirus.

Pandemic, China and “Poor White Trash”

“There are few signs that Australia intends to stop provoking China, or to attempt to ease escalating tensions. Instead, its insistence on continuing along the US’ lose-lose path toward decoupling will undoubtedly cause huge damage to its already severely injured economy... further decoupling with China will not send China back to poverty, but will only make former Singaporean Prime Minister Lee Kuan Yew’s famous statement more likely to come true: that if Australia doesn’t open up its economy and reduce unemployment, it risks becoming the ‘poor white trash of Asia.’”

—Yu Lei, China’s [Global Times](#), August 31, 2020
The Australia-China relationship has, literally, descended to “trash” talk. Top levels of China’s government aren’t talking to Australia’s leaders, while Party mouthpieces in Beijing fling abuse. The reference to “decoupling” is both challenge and threat, because Australia’s economy is so closely wedded to China. China accounts for nearly [a third of Australia’s exports and around a fifth of our imports](#). To repeat: one dollar of every three that Australia makes on the world market comes from China. Australia is the “[most China-dependent country](#) in the developed world.” China sailed Australia clear of the global financial crisis and is the external factor most responsible for Australia’s economic success in this century. A relationship that has delivered huge benefits is reassessed for vulnerability and risks.

The political, diplomatic, and strategic breach between Canberra and Beijing is in its fourth year, and has been made worse by COVID-19. Australia launched a new front by calling for an international inquiry on the origins and development of the pandemic. On April 19, Foreign Minister Marise Payne said Australia would “[absolutely insist](#)” on the independent review. “It’s clear that the virus originated in Wuhan,” Payne said, calling on China to be transparent about “the genesis of the virus, about the approaches to dealing with it, and addressing it, about the openness with which information was shared, about interaction with the World Health Organization, interaction with other international leaders.” The foreign minister said the international inquiry would be similar to past reviews into “egregious human rights issues.”

When I saw that interview—especially the “egregious” comparison—my reaction was,

“Wow, go to battle stations.” Payne is a deliberate player with a safe pair of hands, more a low-key than high-note performer. From her, that was a head-kicking message: Australia had decided to go in hard against China, partly because it’s getting used to argument rather than agreement. Payne’s line in April was that the WHO shouldn’t conduct the independent inquiry, because that would be poacher acting as gamekeeper. By May, Australia claimed vindication when the WHO set up its own [investigation](#) into “the lessons learned from the WHO-coordinated international health response to COVID-19.”

The response from Beijing started quickly and is still building. On April 26, China’s ambassador to Australia, Cheng Jingye, told the *Australian Financial Review* that Australia was “politically motivated” and was joining the US in “[resorting to suspicion, recrimination or division](#).” Cheng said the Chinese public was “frustrated, dismayed and disappointed with what you are doing.” Chinese parents mightn’t want their children to study in a “hostile” country, he said, and people could stop drinking Australian wine or eating Australian beef. The AFR’s headline was made: “[China consumer backlash looms over Morrison’s coronavirus probe](#).”

To protest at China’s threat of a trade squeeze, secretary of the Department of Foreign Affairs and Trade Frances Adamson phoned the ambassador. The Chinese embassy then “verballed” Adamson with its [version of the conversation](#): “Secretary Adamson tried her best to defend Australia’s proposal about the independent review, saying the proposal neither has political motive nor targets China. She also admitted it is not the time to commence the review now and Australia has no details of the proposal. She further said that Australia does not want the matter to have any impact on Australia-China relationship.” Canberra cried diplomatic foul and trade blackmail. Beijing bloviated about Australia as “[gum stuck to the bottom of China’s shoe](#).”

See it all as another cold front in what the [2018 Comparative Connections](#) called a new “icy age” blowing through Australia’s security, economic, trade, social, diplomatic and political worlds. The chill winds gathered in 2017 when Australia’s language about Chinese coercion became [shriller](#). Pointing to Chinese interference in domestic affairs, Australia announced legislation to [ban foreign political](#)

[donations](#) and broaden the definition of espionage. It's been more snow than sunshine ever since, as the icy age enters its fourth year.

The pandemic fight merely reveals how things have been behind the diplomatic screen. The Chinese leadership doesn't bother talking to Australia. When President Xi Jinping hit the phone in April to talk to the leaders of 29 nations and international organisations about the pandemic, Scott Morrison didn't get a call. As journalist [Karen Middleton](#) commented: "That a fellow member of the G20 did not make the Chinese leader's top 20 or even top 30 priority list for consultations says everything about the state of bilateral relations."

Australia has become accustomed to higher pain levels. The diplomatic cost-benefit equation has shifted. An angry China—what's new? And so Canberra takes aim at Beijing as it calls for the equivalent of international weapons inspectors to investigate disease outbreaks. Plucky Oz speaking blunt truth about COVID-19. Or silly Oz, the nail that sticks up its head to be hammered. Or Oz standing way too close to US criticism of China. Take your pick. Certainly, the retaliation predicted by China's ambassador has arrived. He nominated wine and beef, and both have been targeted, along with barley for beer. In May, China announced [huge tariffs on Australian-grown barley](#) typically used to make beer. That decision, based on claims of dumping, essentially [priced](#) Australian farmers out of the market. Days later, China slapped a suspension on four [Australian abattoirs selling beef](#) to China for not meeting labeling requirements.



Figure 2 Western Australian barley farmers have had to adjust their planting plans following the announcement of large import tariffs Photo: ABC Rural/Jo Prendergast

In June, China's Ministry of Culture and Tourism issued an alert warning citizens not to [visit](#) Australia because of a "significant

increase" in racist attacks on "Chinese and Asian people." State-run media chimed in to editorialize that Chinese students should "be cautious about studying in Australia." In August, China announced an [anti-dumping](#) inquiry into Australian wine exports. China's Ministry of Commerce will investigate whether Australian winemakers "dumped" wine at low prices to crowd Chinese producers and claim a bigger market share.

In June, Morrison announced a "[sophisticated state-based actor](#)" (interpreted as a reference to China) has stepped up cyber attacks on Australia. The Foreign Affairs Department has warned Australians they risk being "[arbitrarily detained](#)" if they visit China. Because of China's new national security law for Hong Kong, Australia suspended its [extradition](#) treaty with Hong Kong. New visa arrangements will enable Hong Kong [passport holders](#) to remain in Australia. The federal government has announced it will introduce a new law, under foreign policy powers, so it can [veto](#) arrangements states, territories, councils and universities make with foreign governments. One target of the law is the state government of Victoria, which has signed on to China's Belt and Road Initiative.

As the reporting period ended, relations were still deteriorating. Two Australian foreign correspondents fled China on Sept. 7 after each was questioned by police from China's Ministry of State Security. Australian diplomats [negotiated](#) the exit of Bill Birtles, of the Australian Broadcasting Corporation, and Michael Smith, of *The Australian Financial Review*. During the negotiations, Birtles sought diplomatic protection by moving into the Australian embassy in Beijing while Smith was sheltered by the Australian consulate in Shanghai. Their exit means that for the first time since the 1970s, when Australia restored diplomatic relations with China, no Australian media group has a correspondent in China. Birtles and Smith were told they were persons of interest in an investigation into the [Chinese-born Australian news anchor](#) Cheng Lei who has been [detained](#) in China. Cheng works for Chinese Government's English news channel, CGTN, and Australia was given formal notification of her detention in August.

Foreign Minister Marise Payne has emphasised the travel warning to Australians not to visit China because of "the [risk](#) of arbitrary detention

based on national security grounds.” Beijing responded by charging that Australia started the attack on journalism. Chinese media revealed that Australian national security agencies had [raided](#) the homes of four Chinese state media reporters in June, seizing their equipment and ordering them to stay silent about the probe. The four Chinese journalists [left](#) Australia after being questioned by the Australia Security Intelligence Organisation, while two Chinese academics have also had their visas revoked on national security grounds.

The Five-Year Arc to the Abnormal “New Normal”

Australia has been on a five-year arc—mostly downward—to an abnormal “new normal” with China. The [2015 Comparative Connections](#) reported on Xi’s fifth visit to Australia and the president’s warm address to the Australian Parliament. A free trade agreement with China had been agreed in 2014 and was signed in 2015. Australia was so relaxed that in late 2015 it let a Chinese company buy the Port of Darwin, the base for US Marines training in Australia. Yet that 2015 *Connections* report also recorded the vivid view of then Prime Minister Tony Abbott that Australia’s China policy was driven by “[fear and greed](#).” Whatever the fear, five years ago greed was winning. Xi’s Canberra address and the free trade deal are the optimistic starting point for the downward arc.

See the journey through the eyes of Malcolm Turnbull, who seized the prime ministership in a party room coup in September 2015, and was, in turn, discarded by the Liberal caucus in August 2018. Matching Abbott’s “fear and greed,” Turnbull also got the duality of the China relationship into a bumper sticker. Turnbull’s one word version was “[frenemy](#),” both friend and enemy. Turnbull started off as a firm friend but was increasingly alarmed by enemy-like behavior. While not reusing the “frenemy” word, Turnbull’s memoir, [A Bigger Picture](#), devotes a chapter to China and that balance between friend and enemy. And how to deal with Beijing when it’s being a “bully,” a word that runs through the account. Turnbull’s discussion of China’s island-building land grabs in the South China Sea—“to create facts on the ground, or above the water”—illustrates the tests and tensions. He repeatedly told Chinese leaders that their strategy was counterproductive: “Was the tenuous advantage

given by establishing these forward operating bases worth the tensions that it was creating?”

Australia doesn’t recognize the legitimacy of what China has built in the South China Sea. But unlike the US Navy, the Royal Australian Navy doesn’t sail ships inside 12 nautical miles (the limit of territorial waters) of the new islands. Australia stays outside that zone to avoid a confrontation that “would easily play into China’s hands,” as Turnbull writes:

“The People’s Liberation Army Navy knows that if it conflicts with a US ship, it runs the risk of rapid escalation into full-blown conflict. But an Australian ship is a different proposition altogether. If one of our ships were to be rammed and disabled within the 12-mile limit by a Chinese vessel, we don’t have the capacity to escalate. If the Americans backed us in, then the Chinese would back off. But if Washington hesitated or, for whatever reasons, decided not to or was unable immediately to intervene, then China would have achieved an enormous propaganda win, exposing the USA as a paper tiger not to be relied on by its allies. My judgement was that given the volatile geopolitical climate at the time, especially between the USA and China, it wasn’t a risk worth taking.”

Parse the fears in that account of China ramming and disabling an Australian navy ship. The question of what China might do immediately becomes a question of what the US would then be prepared to do. Australia does the frenemy balance with China while keeping a constant eye on Uncle Sam.

Turnbull hates being called a panda hugger. Yet his China chapter describes a hugger who slowly picked up the sword of a dragon slayer. Start that journey from a [speech](#) Turnbull gave in 2011, at the London School of Economics, rejecting the thought that “China’s economic growth meant it was inevitably going to become a military threat.” The strategic response, he said, “should be to hedge against adverse and unlikely future contingencies as opposed to seeking to contain (futilely in all likelihood) a rising power.”

The 2011 speech had elements that ran through all of Turnbull’s later foreign policy thinking:

- China would become the world's largest economy and, in time, a military equal of the US.
- China's institutions and culture are very different to Australia's, yet China is "in large measure responsible for our current and prospective prosperity."
- Australia wants good relations with both the US and China but must deal with a multipolar world by drawing closer to other countries in Asia, "as we deepen our relations and trust with our neighbors."

By 2017, Turnbull was fretting at "the gathering clouds of uncertainty and instability" and warning that Asia couldn't rely on China or the US "to safeguard our interests." This was Turnbull's [keynote address](#) to the Shangri-La Dialogue in June 2017. At the time, I called it a [Hunger Games vision](#) and now rank the Singapore oration as the defining foreign policy speech of Turnbull's prime ministership: toughen up to Beijing, tiptoe around Trump.

Turnbull's Shangri-La hope was for a free and open neighbourhood, but the details had turned devilish. The region we wanted to help shape wasn't emerging in the shape that we wanted. The language about Beijing had become robust. In Turnbull's words, it was a "dark view" of a "coercive China" seeking domination. Canberra was working out how to cope with the "bullying tactics" of a Beijing seeking "to supplant the United States as the leading power in the region." Criticizing China meant consequences, Turnbull notes: "Ministerial visits would be stopped or curtailed, trade deals would be frozen or not followed through, Chinese tourism would drop off, foreign businesses in China would be boycotted."



Figure 3 Australian Prime Minister Malcolm Turnbull providing the keynote address at the 2017 IISS Shangri-La Dialogue. Photo: Stratbase ADR Institute

Australian Prime Minister Malcolm Turnbull providing the keynote address at the 2017 IISS Shangri-La Dialogue. ([Stratbase ADR Institute](#))

Charting what happened between those two speeches, Turnbull cites a maxim of defense strategy—capability changes over decades, but intent can change in a heartbeat:

"In the six years between my speech at the LSE in 2011 and my Shangri-La address in 2017, China's capabilities, in every respect, had continued to grow; but what had really changed was its intent. Under Xi, it became more assertive, more confident and more prepared to not just reach out to the world, as Deng [Xiaoping] had done, or to command respect as a responsible international actor, as Hu Jintao and Jiang Zemin had done, but to demand compliance."

Turnbull records his question to China's Premier Li Keqiang: "Surely China should want to be seen as more of a cuddly panda than a scary dragon?" Turnbull relates his own shifting answer, starting with the geopolitical impact of China's island-building land grab in the South China Sea. He dishes domestic detail on cyber espionage, Chinese investment and political interference, and banning Chinese 5G technology. The five-year arc is a story of how Chinese behaviour caused [Australia's China reset](#).

Turnbull describes Australian alarm at the brazen scale of China's cyber assault: "[W]hat's become increasingly apparent over the last decade is the industrial scale, scope and

effectiveness of Chinese intelligence gathering and in particular cyberespionage. They do more of it than anyone else, by far, and apply more resources to it than anyone else. They target commercial secrets, especially in technology, even where they have no connection with national security. And, finally, they're very good at it. A last point, which speaks to the growing confidence of China, is that they're not embarrassed by being caught."

Beijing got heartburn at Canberra's refusal to join the Belt and Road Initiative. Australia would be happy to work on specific projects, Turnbull writes, "but we would not sign up to a slogan when we had no control over its content or substance."

Turnbull laments a slow response to Chinese espionage and foreign interference: "Australian governments had simply not been paying attention." The former prime minister says he came to see that Australia's "espionage laws were out of date, last revised during the Cold War, and we had no legislation to regulate, let alone prohibit, foreign political donations. With so much foreign, mostly Chinese, money flowing in and around politics, we also lacked any transparency legislation." Turnbull introduced legislation on foreign interference and foreign influence in December 2017, stating the Chinese Communist Party worked covertly to interfere with the Australian Parliament, media, and universities. China denounced the law; Turnbull responded using a defiant line drawn from [Mao Zedong's 1949 victory statement](#): "The Australian people stand up." Rendering it in Mandarin made the point even sharper, enraging Mandarin speakers from Beijing to former Labor leader [Kevin Rudd](#).

Turnbull recalls the "slightly discordant note" when President Barack Obama complained in 2015 about the Port of Darwin being leased to a Chinese company for 99 years. With the US rotating marines through Darwin, Turnbull concedes, "it wasn't a good look." Communications had "gone amiss" and the US government first heard about the deal from the *Wall Street Journal*. Turnbull reruns his jest line: "I did offer to buy the White House a subscription to the *Northern Territory News*." The jests evaporate when he gets to "a far more serious snafu" that arose over New South Wales' effort—nearly a done deal—to sell almost all its electricity assets to China. "There had clearly been a breakdown in communications within

our national security agencies." The wake-up response was to create a center to check on the national security risks of foreign acquisitions of critical infrastructure. The mood shift is such that during the COVID-19 crisis, the government has [cut to \\$0](#) the threshold for [checks by the Foreign Investment Review Board](#). No vital assets will be sold cheap during the pandemic. And, you could deduce, there's no way Darwin's port would be sold today.

In the week the Liberal Party toppled Turnbull as prime minister, Australia became the first nation to ban "high risk" vendors (read: China's Huawei and ZTE) from building its 5G network. Unlike 4G and 3G, he notes, 5G can't be divided into core and non-core elements: "[T]he core is no more—the intelligence it used to contain will be distributed throughout the network." The 5G risk arrived, Turnbull writes, because of "ferocious competition from the Chinese vendors on price and an absence of mind" in the Five Eyes intelligence club (the US, Australia, the UK, Canada, and New Zealand). Turnbull says: "An adversary with a permanent beachhead in an economy's most important enabling platform technology would have the ability to make all or parts of the network—or devices and institutions within it—unavailable or unresponsive." After investigation and discussions with other Five Eyes countries, "the unequivocal advice was that the risks couldn't be mitigated." Huawei isn't a smoking gun, Turnbull says, but a loaded gun. The wake-up words mount in Turnbull's account of the "frenemy" arc: absence of mind, lack of attention, no control, snafu.

With two grandchildren of Chinese heritage, Turnbull ends by dismissing "the false premise that any criticism of or concern about China and its ruling Communist Party is 'anti-Chinese' or racist." Australia has shifted because its major economic partner has form as a bully and reveals its potential as an adversary. According to the secretary of Australia's Department of Foreign Affairs and Trade, Frances Adamson, the "[new normal](#)" of Australia's relationship with China is that it will be marked by "enduring differences." Giving evidence to the Senate [hearing](#) in October, last year, Australia's top diplomat described what Australia and China face:

"[I]t will be a relationship where we will need, on both sides, to work quite hard to manage what I really think will be enduring differences.

Some points of difference may come and go and be able to be resolved, but other points of difference which go more deeply to the differences between our systems and our values are likely to endure. It should, therefore, not be surprising in my view that a relationship where there are points of difference, some of which are actively canvassed in the public domain—and whilst I don't particularly like the term—is the 'new normal.'

In the multipolar Indo-Pacific, Adamson said, Australia's vision of an "open, inclusive, peaceful region" will sometimes bump against China pursuing objectives "contrary to ours." The "new normal" with China feeds through to what Australia sees as the "new normal" with the United States and a deteriorating strategic future.

The 2020 Strategic Update and the US Alliance

"[P]repare for a post-COVID world that is poorer, that is more dangerous, and that is more disorderly... we have not seen the conflation of global, economic and strategic uncertainty now being experienced here in Australia in our region since the existential threat we faced when the global and regional order collapsed in the 1930s and 1940s."

—Prime Minister [Scott Morrison](#), July 1, 2020

Morrison raised the "very haunting" parallels to an era of depression and world war when launching the [2020 strategic update](#). The update is a somber accounting. Order suffers. Coercion rises. War in the Indo-Pacific is a more likely prospect than it was only four years ago. The update is notable for ditching 50 years of Australian strategic theology: Australia no longer believes it has 10 years' warning time of a conventional conflict, based on the time it'd take an adversary to prepare and mobilize for war. The comfort of 10 years to get ready no longer applies, as the update explains:

"Previous [Defense] planning has assumed a ten-year strategic warning time for a major conventional attack against Australia. This is no longer an appropriate basis for [defense] planning. Coercion, competition and grey-zone activities directly or indirectly targeting Australian interests are occurring now. Growing regional military capabilities, and the speed at which they can be deployed, mean Australia can no longer rely on a timely warning ahead of conflict occurring. Reduced warning times mean

[defense] plans can no longer assume Australia will have time to gradually adjust military capability and preparedness in response to emerging challenges."

What the Defense Department describes as the "more benign" view of its [2016 defense white paper](#) gives way to a darker focus on the likelihood of state-to-state conflict: "Major power competition has intensified and the prospect of high-intensity conflict in the Indo-Pacific, while still unlikely, is less remote than in the past."



Figure 4 Prime Minister Malcolm Turnbull speaking at the launch of Australia's 2016 Defence White Paper. Photo: [The ASPI Strategist](#)

As usual in Canberra's defense thinking, the United States is the country that Australia mentions the most: the US is referred to in the update 17 times, plus twice in the formulation "US-led coalition." Of the [seven defense white papers](#) Australia released between 1976 and 2016, the US was top of the chart in six. The only time it wasn't the most discussed nation was in the 1976 document (just after the Vietnam defeat), when Australia talked more about Indonesia and the Soviet Union.

In the update (as in the 2009, 2013, and 2016 white papers), China supplants Indonesia to take second spot in the most-mentions hierarchy. China gets nine update mentions, but in five of those it's in the joined phrase "the United States and China." And two of the China sightings are when the document refers to the South China Sea, talking about "militarization" and "coercive para-military activities." Consistent with [Australian usage since the 2013 white paper](#), Australia's region is the Indo-Pacific (25 mentions) but—back to the future—the area of primary strategic interests is Southeast Asia and the Southwest Pacific.

Australia's defense thinkers have always worried about self-reliance and order. The r's reign: [rules and self-reliance and region](#). In the 2016 defense white paper, "[rules](#)" appeared 64 times—48 of those in the formulation "rules-based global order." The rules repetition was a fearful chant about what's fraying. Come the 2020 update, the rules-based order gets three mentions, along with a further two references to rules and norms. Rules are strained, undermined by disruptions; stability is challenged; and pressures on governance in the global commons are causing friction. Rules are trumped by threats in the update, with a total of 12 mentions of coercion or coercive activities, to achieve strategic or economic goals without provoking conflict.

As coercion is code for China, you could redo the count to argue that there are more update sightings of China than of the US. That's a notable shift in the way Australia orders its strategic thinking. Not so long ago, the rules-based order was also code for US leadership; unfortunately that bit of code has been mislaid under Trump. China fires up lots of "c" words in the US and Australian vocabulary. The new US "[strategic approach](#)" to China is to compete, compel, and challenge. Australia sees a "more competitive and contested region." The update's discussion of the strategic environment uses "competition" or "competitive" a dozen times, with formulations such as "greater strategic competition" and "major power competition" between the US and China.

The update was released July 1, and by the end of the month Foreign Minister Marise Payne and Defense Minister Linda Reynolds were in Washington for the annual Australia-US Ministerial talks (AUSMIN), hosted by Secretary of State Mike Pompeo and Secretary of Defense Mark Esper. The trip meant the two Australian ministers had to do 14 days COVID-19 quarantine when they returned from Washington.

Pompeo said the ministers [talked](#) at length about the Chinese Communist Party's "malign activity" in the Indo-Pacific: "The United States commends the Morrison government for standing up for democratic values and the rule of law, despite intense, continued, coercive pressure from the Chinese Communist Party to bow to Beijing's wishes. It is unacceptable for

Beijing to use exports or student fees as a cudgel against Australia. We stand with our Australian friends."

Australia agreed to "increased and regularized maritime cooperation" in the South China. Asked if Australia would join freedom-of-navigation operations closer to the disputed island chains in the South China Sea, Reynolds seemed to stick to the policy of Australian ships not sailing within 12 miles of Chinese-made islands: "Our approach remains consistent, and we will continue to transit through the region in accordance with international law."

The two sides announced they'd [signed](#) a classified "Statement of Principles on Alliance Defense Cooperation and Force Posture Priorities in the Indo-Pacific." The agreement establishes a working group to "advance force-posture cooperation in the Indo-Pacific to promote a secure and stable region and deter coercive acts and the use of force." While the statement of principles is secret, it will build on the framework of the 2014 [force posture agreement](#) authorizing the presence of US forces in Australia, free movement of US aircraft, vessels and vehicles, prepositioning of materiel, logistic support, and cost-sharing. To strengthen supply chains, the US and Australia are to establish a military fuel reserve in Darwin, funded by the US. To get critical minerals for defense purposes (and weaken China's monopoly hold on rare earth metals) the Pentagon is funding the Australian company Lynas to plan a facility to extract rare earth elements.

Over the previous decade, the annual AUSMIN communiqués have never once mentioned Taiwan. The 2020 communiqué is notable for a lengthy statement of support for Taiwan: "The Secretaries and Ministers re-affirmed Taiwan's important role in the Indo-Pacific region as well as their intent to maintain strong unofficial ties with Taiwan and to support Taiwan's membership in international organizations where statehood is not a prerequisite. Where statehood is a prerequisite for membership, both sides support Taiwan's meaningful participation as an observer or guest. The United States and Australia highlighted that recent events only strengthened their resolve to support Taiwan. They reiterated that any resolution of cross-Strait differences should be peaceful and according to the will of the people on both sides, without resorting to threats or

coercion. They also committed to enhancing donor coordination with Taiwan, with a focus on development assistance to Pacific Island countries.”

The “New Normal” Delivered by Donald Trump

As Australia adjusts to a new normal with China, it’s also contemplating the new normal delivered by Donald Trump. The [new normal line](#) is offered by Australia’s previous ambassador to the US, Joe Hockey, who served in Washington for four years. As he stepped down as ambassador in January, Hockey told the *Sydney Morning Herald*: “We are not going back. America has changed, global commerce has changed, geo-politics has changed and it’s going to have a profound impact on every part of the world.”

Here’s Hockey on how the new normal has arrived: “The US has basically torn up the whole multinational framework. Relationships now are overwhelmingly bilateral not multilateral. And I don’t think this is exclusive to the Republicans.” Hockey pointed to the positions of Democratic presidential contenders who, while opposing Trump’s abrasive style, share his protectionist trade instincts and resistance to deploying American troops overseas. So, the US turns away from the global system it built using its rules, based on its economic model. There’s a lot there to make a good ally fret. Especially the thought that even if Trump loses his bid for re-election, he’s already shaped the future.

The Trump-flavoured new normal Australia fears is a US that is protectionist and mercantilist, skeptical of alliances, and more interested in deals than democracy. A nightmarish scenario pushes at Australia: China coming, US going. In that scenario, China delivers both pain and profit while questions about what the US will choose to do give Canberra conniptions. Much Australian discussion of the China challenge is actually about US choices.

On a strictly bilateral view, Trump has turned out fine for Australia. It’s only when you widen the lens that much multilateral smoke and ruin comes into focus. Stress that bilaterally Trump has been good to Australia. The state dinner Trump gave Morrison at the White House in September, 2019—only the second of Trump’s presidency—was all that any junior partner could ask for. Personal warmth, lots of pomp,

heaps of history, and a strong affirmation of the alliance. The [outcomes](#) list from that meeting was a fine mix of big aims and specific decisions by the US and Australia, including:

- Develop a new mechanism to strengthen and align coordination of their Indo-Pacific strategies.
- Develop a Memorandum of Cooperation to further support infrastructure development in the Indo-Pacific Region, with a new focus on the Pacific Island Countries
- In recognizing over 60 years of successful cooperation between the United States and Australia in space, and the 50th anniversary of the Apollo 11 Moon Landing, the Australian Space Agency will sign a Joint Statement of Intent in support of NASA’s plans to return to the Moon by 2024, through the Artemis program, and onto Mars, and to expand collaboration in areas of mutual interest such as robotics, automation, and remote medicine including through industry-industry collaboration and research solutions.
- Develop a US–Australia Critical Minerals Action Plan that will:
 - Improve the security and supply of rare earths and other critical minerals;
 - Increase US–Australia interconnectivity throughout the supply chain of critical minerals;
 - Leverage the interest of other partners to improve the health of the global critical minerals supply chain.

The AUSMIN 2020 communiqué started by quoting Trump’s words to Morrison on the “long, cherished, and unwavering friendship between the United States and Australia.” Any Australian leader in the last 80 years would embrace the tribute. Strong ties with Australia are one tradition that Trump has toasted, not trampled on. It’s when Australia lifts its gaze beyond the bilateral that the doubts arise.

Australia has a split policy ticket on Trump—quietly horrified at his multilateral impact, yet quite satisfied with the bilateral relationship. Multilateral smash-up contrasts with relative bilateral smoothness. Canberra clings to the Trump administration while opposing (yet not naming) the US president on trade and the “rules-based” international system.

Weighting policy differently in bilateral vs. multilateral dealings is standard diplomacy. But the Trump personality has dramatized the barbed-wire straddle, the tensions between Australia’s alliance and global interests. Canberra has performed the bilateral-multilateral straddle with quiet skill—and a sharp eye for the personality of a New York billionaire. Fortunately, the Australian prime minister on watch when Trump arrived had experience with billionaires. As Malcolm Turnbull observes: “For all of Trump’s so-called madness, in my own dealings with him I found him no less rational than many other billionaires I have dealt with over the years. For all of our differences, as two businessmen, we spoke the same language.”

The Trump chapter in [Turnbull’s memoir](#) launches with [this quote](#): “Don’t worry Malcolm. The American people will never elect a lunatic to sit in this office.” The speaker is Barack Obama, talking to the Australian PM in the Oval Office at the start of the 2016 election year. By November, Turnbull writes, the world was stunned because “the unthinkable had happened. And lunatic or not, Trump had won.” The psychological analysis the Canberra system offered was that Trump was “a narcissist who’d respond well to flattery.” Turnbull says he dismissed this approach as mistaken. Based on the billionaires he’s known (Kerry Packer, Conrad Black, Jimmy Goldsmith, Bob Maxwell), “sucking up to them is precisely the wrong way to go.”

Turnbull applies the same word to Trump as he does to China: “bully.” Like any predator, Trump “could sense fear and weakness from miles away.” Deference and flattery didn’t earn respect or gratitude. Japan’s Abe Shinzo tried flattery, he writes, and in return “Trump was pretty tough on Abe.” Instead, Turnbull says he was “frank and forthright” in their two big bilateral arm wrestles. The forthright stuff was all in private. In public, Australia has followed the quiet policy: if Canberra can’t say something

nice about Trump, it switches to generalities about how wonderful the US is.

The first fight was getting Trump to honor the agreement for the US to accept refugees Australia had sent to Nauru and Manus Island. The refugees caused a [notorious Trump-Turnbull phone conversation](#) on Jan. 28, 2017, a week after the president’s inauguration. Trump berated Turnbull (“This is the worst deal ever”). The deal held, and soon Trump was joking about the Australian prime minister’s negotiating skills. “The subject of an incandescent row a few months before was now something to make light of. It was just another deal,” Turnbull recalls.

The second protracted fight was to exempt Australian steel and aluminum from US tariffs and quotas. About 15 of the 23 pages of the Trump chapter track this “contentious issue.” Turnbull says Trump was “thoughtful and good-humored” and ultimately exempted Australia. Canberra tailored its arguments and pleas to reach a US president who is more of a talker than a reader and has a zero-sum view of trade: I win, you lose. Thus, when writing to Trump about the tariff/quota tussle, Turnbull’s letter had to be “short and punchy and written not just to be read, but to be read aloud—more like a script.” In dealing with Trump, Turnbull says he worked to protect Australia’s particular interests and, “as far as I could, influence him to act in a way that advanced our wider interests.” Dwelling on the bilateral, Turnbull’s references to Trump’s multilateral impacts tend to be sharp asides rather than a sustained discussion.

On a continued US role in “our region,” Turnbull has a hopeful formulation, saying that, despite “some dramatic flourishes,” Trump “has not let us down.” Then Turnbull reaches beyond Trump to a broader hope about the US: “The ‘indispensable nation’ is nowhere more so than in our region.” The discussion of Trump’s views, though, is at odds with the notion of the US continuing to play that indispensable role. The separate chapter on saving the Trans-Pacific Partnership after Trump jumped ship comments that the remaining TPP nations felt “a little liberated that we could do it ourselves: the United States wasn’t as essential as everyone had thought.”

Turnbull calls Trump a “natural isolationist” with a “thoroughly dystopian” perspective on

East Asia and the Middle East. He writes that Trump's "wilful and intemperate nature" and "deliberate unpredictability" generate fear rather than respect for the US: "America may be stronger in economic and military terms, but its influence is diminished. In fact, under Trump, America seeks less influence, not least by rejecting many of the global institutions created by the USA after the Second World War...wherever Trump creates a leadership vacuum, others will fill it, often with values very different to our own."

Australia always frets about the US alliance and Donald Trump has given Canberra lots to agonize about. Australia embraces Trump bilaterally but is careful never to refer to Trump directly when discussing damage he has inflicted on America's role in the world. In a speech to the Aspen Security Forum in August, Scott Morrison [lamented](#): "The liberal rules and norms of what has been known as the American Century are under assault." A troubling, unstated element of that lament is that some of those assaults over the past four years have been mounted by the US president.

Australia's new normal with China will be marked by enduring differences. The new normal delivered by the Trump presidency, Canberra worries, is a US less willing to lead and less committed to maintaining the international system. Australia still loves the alliance, but Donald Trump has given Australia cause to ponder the future nature of its ally.

CHRONOLOGY OF AUSTRALIA-US/EAST ASIA RELATIONS

SEPTEMBER 2019 – AUGUST 2020

Sept. 16, 2019: Visiting Canberra, Fiji's Prime Minister, Frank Bainimarama, [signs](#) a Vuvale (Family) partnership agreement with Australia.

Sept. 19, 2019: Prime Minister Scott Morrison [flies](#) to the US to visit Washington, New York, Chicago, and Ohio.

Sept. 20, 2019: Morrison [visits](#) President Trump at the White House. Morrison is the second world leader to be given a state dinner by Trump.

Oct. 9, 2019: US Commerce Secretary Wilbur Ross [visits](#) Canberra to discuss development of Australian mines to diversify rare earths production away from China.

Oct. 20, 2019: Morrison attends the inauguration of President Joko Widodo in Jakarta.

Oct. 21, 2019: Australia's House of Representatives passes legislation for bilateral free trade agreements with Indonesia, Hong Kong, and Peru.

Nov. 2-4, 2019: At the ASEAN Summit and East Asia Summit in Thailand, India [withdraws](#) from the Regional Comprehensive Economic Partnership trade agreement. The other 15 RCEP states—ASEAN, Australia, China, Japan, New Zealand, and South Korea—announced the [conclusion](#) of all 20 chapters of the deal, and aim to sign the treaty in 2020.

Nov. 23-Dec. 6, 2019: Bougainville referendum [delivers](#) a 98% vote for independence from Papua New Guinea.

Dec. 10, 2019: South Korea and Australia [meet](#) in Sydney for “two plus two talks” on regional security.

Dec. 13, 2019: Rachel Noble is [appointed](#) Director-General of the Australian Signals Directorate, the first woman to head a major intelligence agency in Australia.

Jan. 4, 2020: Australian Defense Force Reserve is [called out](#) to assist fire-hit communities across Australia.

Jan. 23, 2020: Fighting bushfires near Cooma, New South Wales, three members of a US aerial firefighting crew, are killed when their C-130 air tanker crashes.

Feb. 10, 2020: Indonesia's President Joko Widodo [addresses](#) joint sitting of the Australian Parliament.

Feb. 27, 2020: Predicting that the world will soon enter a pandemic phase of the coronavirus, the national security committee of federal cabinet [activates](#) Australia's emergency response plan.

Feb 28, 2020: The annual Australia-New Zealand leaders' meeting [takes place](#) in Sydney. New Zealand Prime Minister Jacinda Ardern, said Australia's policy of [deporting](#) New Zealanders convicted of crimes, even if they're long-term Australian residents, is “unfair” and is “testing” the friendship of the two nations.

March 12, 2020: The Australian government announces an A\$17.6 billion (about \$13 million) stimulus package to try to stave off an economic recession caused by COVID-19.

March 20, 2020: To slow the spread of coronavirus, Australia [closes its borders](#) to “all-non citizens and non-residents.”

March 22, 2020: Australian government announces a further A\$66 billion economic stimulus package. With other initiatives in the previous 10 days, plus action by the Reserve Bank, the pandemic stimulus spend will total A\$189 billion dollars, equivalent to 10% of GDP.

March 23, 2020: Morrison [holds](#) a “virtual summit” with Singapore Prime Minister Lee Hsien Loong.

March 26, 2020: Morrison [takes part](#) in a teleconference summit of G20 leaders to discuss the COVID-19 crisis. Morrison emphasises the importance of supporting the South Pacific islands and Timor-Leste as Australia's "Pacific family."

March 28, 2020: From midnight, all travellers flying into Australia are taken to hotels for 14 days of quarantine.

April 8, 2020: Federal Parliament passes legislation to spend A\$130 billion to support wages and business during the pandemic shutdown.

April 19, 2020: Foreign Minister Marise Payne [calls](#) for independent inquiry into the coronavirus outbreak, how it developed and spread.

April 22, 2020: Australian frigate *HMAS Parramatta* [joins](#) three US warships in the South China Sea near an area Chinese vessels are suspected of exploring for oil.

May 5, 2020: The first military aircraft to be designed and built in Australia in more than 50 years—the unmanned [Loyal Wingman](#)—is rolled out as part of a partnership between the Royal Australian Air Force and Boeing Australia.

May 18, 2020: World Health Organization resolves to review "[lessons learned](#)" from COVID-19.

June 3, 2020: Treasurer Josh Frydenburg says Australia is entering its first recession in 29 years.

June 4, 2020: Virtual summit between India [lifts](#) the relationship to the level of comprehensive strategic partnership, deepening ties in business, defense, and cyber security, as they increasingly find common cause in strained relations with China.

June 5, 2020: The federal government announces changes to foreign investment laws to protect national security.

June 19, 2020: Morrison [says](#) a "sophisticated state-based actor" (interpreted as a reference to China) has stepped up cyber attacks on Australia.

July 1, 2020: The 2020 Defense Strategic Update [says](#) the strategic environment has deteriorated rapidly, calling for adjustments to defense policy, capability and force structure.

July 1, 2020: Foreign Minister Marise Payne [expresses](#) deep concern at Beijing's imposition of a National Security Law on Hong Kong. She says Australia is troubled by the law's implications for Hong Kong's judicial independence, and on the rights and freedoms of the people of Hong Kong.

July 7, 2020: Foreign Affairs Department [warns](#) Australians they risk being "arbitrarily detained" if they visit China.

July 9, 2020: Virtual summit [takes place](#) between Morrison and Japan Prime Minister Abe Shinzo.

July 9, 2020: Because of China's new national security law for Hong Kong, Australia [suspends](#) its extradition treaty with Hong Kong. New visa arrangements will enable Hong Kong [passport holders](#) to remain in Australia.

July 17, 2020: Morrison briefs Trump on Australia's new defense posture, outlined in the 2020 strategic update.

July 28, 2020: 30th Australia-United States Ministerial meeting [held](#) in Washington. Secretary of State Mike Pompeo and Secretary of Defense Mark Esper host Australia's Minister for Foreign Affairs Marise Payne and Minister for Defense Linda Reynolds.

Aug. 5, 2020: Australia and Papua New Guinea [announce](#) a new Comprehensive Strategic and Economic Partnership.

Aug. 15, 2020: Morrison [marks](#) the 75 anniversary of victory in the Pacific, calling it the greatest national effort in Australia's history.

Aug. 27, 2020: The federal government [announces](#) it will introduce a new law, under foreign policy powers, so it can veto arrangements states, territories, councils and universities make with foreign governments.

Sept. 7, 2020: Two Australian foreign correspondents [leave](#) China after each is questioned by police from China's Ministry of State Security.

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