
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
CARL BAKER
BRAD GLOSSERMAN

CREATIVE DIRECTOR
NICHOLAS CIUFFETELLI

SEPTEMBER – DECEMBER 2018
VOL. 20, NO. 3
JANUARY 2019



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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

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Bilateral relationships in East Asia have long been important to regional peace and stability, but in the post-Cold War environment, these relationships have taken on a new strategic rationale as countries pursue multiple ties, beyond those with the US, to realize complex political, economic, and security interests. How one set of bilateral interests affects a country's other key relations is becoming more fluid and complex, and at the same time is becoming more central to the region's overall strategic compass. *Comparative Connections*, Pacific Forum's triannual e-journal of bilateral relations in the Indo-Asia-Pacific, edited by Carl Baker and Brad Glosserman, with Ralph A. Cossa as senior editor, was created in response to this unique environment. *Comparative Connections* provides timely and insightful analyses on key bilateral relationships in the region, including those involving the US.

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

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

The online version of *Comparative Connections* is available at <https://cc.pacforum.org>.

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BY SHEILA A. SMITH, COUNCIL ON FOREIGN RELATIONS & CHARLES T. MCCLEAN,
UNIVERSITY OF CALIFORNIA, SAN DIEGO

2018 came to a relatively quiet close for the US and Japan. Prime Minister Abe Shinzo [secured a third term](#) as leader of the Liberal Democratic Party (LDP) in a party election on Sept. 20 and is now set to be Japan’s longest serving prime minister. In contrast, President Donald Trump faced an electoral setback in the November midterms. With Democrats taking over the House of Representatives in January, pressure on the administration will grow. In December, Trump dismissed Chief of Staff [John Kelly](#) and Defense Secretary [James Mattis](#), and locked horns with the incoming Democratic Party leadership over funding for his border wall. Nevertheless, the US-Japan relationship seemed steady. In September, Prime Minister Abe [agreed](#) to open bilateral trade talks and in return sidestepped the Trump administration’s looming auto tariffs. Yet there are differences over their goals, suggesting that continued compromise will be needed. Abe worked hard in numerous summits to position Japan in Asia in the final months of 2018. He [visited China](#), [hosted](#) India’s prime minister in Tokyo, and [restarted](#) the negotiations with Russia on the northern territories. Japan also announced its next [long term defense plan](#) and a five-year, \$240 billion implementing [procurement plan](#) that includes a considerable investment in modern US weapon systems.

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At the mid-point in the tenure of President Donald Trump, Southeast Asian leaders have largely accepted that the era of special attention to the region, which began in the second term of George W. Bush and continued through the Obama administration, has largely passed, if only temporarily. To be sure, Southeast Asia is included in the Indo-Pacific framework and will figure to some extent in Washington’s plans to counter China’s Belt and Road Initiative, which will be partially implemented through the Better Utilization of Investment Leading to Development (BUILD) Act. The region continues to hold up one side of the conflict with China over sovereignty and island-building in the South China Sea and so can be assured of continued attention from the US Indo-Pacific Command. Apart from these broad issues and initiatives, US-Southeast Asian dynamics have returned to a *status quo ante* of the 1990s, when Washington was focused on geopolitical shifts in other regions, and relations with Southeast Asian nations were bilateral and spiky.

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

Against the background of intensified US government pushback against Chinese economic, diplomatic, and military practices seen as adverse to US interests, President Xi Jinping and Premier Li Keqiang during visits to annual leadership meetings in the region conveyed confidence that Beijing's economic prominence, diplomatic resolve, and military power would continue to advance Chinese influence. Xi's November visits to the Philippines, Brunei, and Papua New Guinea (PNG), including the annual APEC Leaders' Meeting in Port Moresby, and Li's November visit to Singapore and participation in the East Asia Summit, ASEAN Plus Three, and China-ASEAN meetings there showed significant gains. Notably, ASEAN was pliant to Chinese preferences on South China Sea disputes and Beijing showed prominence as a rising power among the Pacific Island nations.

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2018 was a diplomatic breakthrough year for Kim Jong Un, including three summits each with Presidents Xi Jinping and Moon Jae-in and a historic meeting with President Trump. After years of frustration over North Korea’s nuclear and missile development, the 70th anniversary of the founding of the DPRK in September was an occasion for consolidating the China-DPRK friendship. Prospects for regional coordination on North Korea, however, have been hindered due to challenges of implementation of international sanctions and deadlocked US-DPRK denuclearization negotiations. The focus on inter-Korean progress both overshadowed and enabled the gradual recovery of China-South Korea economic and political relations, but progress on North Korea’s broader regional integration remains murky, and the regional dimension of the Korean puzzle remains unclear.

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Prime Minister Abe’s long coveted visit to Beijing gave the appearance of better China-Japan relations, although Chinese President Xi Jinping has yet to confirm a date for the expected reciprocal visit. Trade ties were strong, with Japanese firms taking tentative steps toward participating in China’s Belt and Road Initiative (BRI). As China’s GDP growth slowed, Japan’s showed modest gains. Instances of economic rivalry in Southeast Asia and Africa continued even as both affirmed the need for cooperation. Each side expressed alarm at the other’s robust defense preparations, amid numerous, though somewhat diminished in numbers, complaints from Japan about incursions into its territorial waters and airspace. Tokyo continued to court countries that share its concerns about Chinese expansion.

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Fall 2018 represented a turning point in Japan-South Korea ties as an uneasy truce between the two countries gave way to escalating tensions. South Korea’s Supreme Court ruled that two Japanese companies must compensate 10 South Koreans forced into labor during Japan’s occupation of the Korean Peninsula from 1910 to 1945. South Korea’s decision to dissolve the foundation built to implement the 2015 “comfort women” agreement between Seoul and Tokyo, though not unexpected, also added to the general atmosphere of growing tension. As 2018 came to a close, tensions flared as Japan alleged a South Korean Navy destroyer locked onto a Japanese Maritime Self-Defense Force plane with a radar used for targeting weapons – a claim Seoul vigorously denies. On the Japan-North Korea front, Prime Minister Abe’s willingness to meet Kim Jong Un characterized Tokyo’s response to the Trump-Kim summit amid increasing uncertainty concerning Japan’s role in talks on denuclearization of North Korea, but with no real change of Japan’s North Korea policy.

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On Sept. 11, 2018, two separate but related events in Russia's Far East underscored both the symbolic and substantive significance of the emerging entente between Russia and China. In Vladivostok, President Putin met Chinese counterpart Xi Jinping on the sidelines of Russia's Eastern Economic Forum (EEF). On the same day, the Russian military kicked off its massive *Vostok-2018* military exercise and was joined by People's Liberation Army (PLA) troops. The EEF and *Vostok* took place at a time of heightened tension between the West and the two large powers in multiple areas, ranging from the US-China trade war, termination of the Intermediate-Range Nuclear Forces (INF) Treaty, Russia's conflict with Ukraine (Kerch Strait on Nov. 25), the South China Sea (SCS), and Taiwan. Moscow and Beijing are increasingly moving toward a *de facto* alliance, albeit reluctantly. Welcome to the 21st century strategic triangle of reluctant players.

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BY SATU LIMAYE, EAST-WEST CENTER

Beginning in 2000, and in almost every year since, [Comparative Connections](#) has carried an annual assessment of India-East Asia relations; on occasion this assessment has been combined with one on India-United States relations. The approach to this series of articles has been to review India's relations with East Asia's individual countries and subregions such as Southeast Asia and the Pacific Islands. This year our annual assessment of India-East Asia relations takes a new approach: assessing India's involvement and integration with East Asia thematically (diplomacy, defense, trade/investment and multilateralism) incorporating updates on select/relevant countries during 2018. The impetus to the change is to arrive at a better appreciation of the most important elements of India's involvement and integration into East Asia's diplomatic, defense-security, and economic environment.

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Mixed messages, wrong messenger

Vice President Mike Pence's Oct. 4 speech to the Hudson Institute set the tone not only for his trip to Asia but for a redefinition or refinement of Washington's Indo-Pacific strategy. While mostly about China, he did reassure the audience that "on behalf of the President, I will deliver the message that America's commitment to the Indo-Pacific has never been stronger." The irony inherent in this message was not lost on the international press or among those he visited: if the commitment had never been stronger, why wasn't it being delivered by the president himself?



Figure 1 US Vice President Mike Pence delivers his Oct. 4 speech at the Hudson Institute. Photo: Hudson Institute

It is not unusual for senior US officials in advance of an overseas trip to lay out their harshest message in advance, which allows them to then put on a kinder and gentler face during the visit. Pence only partially followed this guide. He pulled no punches in his Hudson speech, asserting that "China wants nothing less than to push the United States of America from the Western Pacific and attempt to prevent us from coming to the aid of our allies," further claiming that "China has chosen economic aggression, which has in turn emboldened its growing military" as "China uses so-called 'debt diplomacy' to expand its influence."

His message in Asia was by most accounts more nuanced. In his [prepared remarks](#) at the East Asia Summit (EAS) in Singapore, Pence noted that "The United States seeks a relationship with China that is based on fairness, reciprocity, and respect for sovereignty. We have documented the difficulties that the United States and other nations face with China, and China knows where we stand." He was still very direct when it came to the South China Sea – "Let me be clear: China's militarization and territorial expansion in the South China Sea is illegal and dangerous. It threatens the sovereignty of many nations and endangers the

prosperity of the world." – but expressed optimism that "progress could be made" at the then-impending Trump-Xi meeting along the sidelines of the Argentina G20 meeting. (Details on this summit and the broader China-US relationship can be found in the US-China chapter.)

Pence's harshest words at the EAS were reserved for Myanmar, decrying "the slaughter and persecution by Myanmar's security forces and vigilantes." (See the US-ASEAN chapter for details of Pence's tit-for-tat with Aung San Suu Kyi.) Nonetheless, Pence assured Southeast Asians that "ASEAN is at the center of our Indo-Pacific strategy. The nations of Southeast Asia have a pre-eminent role to play in regional affairs, and the United States is proud of our 41-year strategic partnership with ASEAN." This echoed the previously reported message (last Regional Overview) from both Secretary Pompeo and Defense Secretary Mattis about "ASEAN centrality."

Message heard and (regrettably) received

Like the aforementioned internationalists, Pence also repeated Washington's commitment to its Asian security allies. Such remarks are held hostage, however, to presidential tweets that openly question the value of US alliances or seemingly hold them for ransom. Regrettably, the one message read loud and clear during this reporting period was Secretary Mattis' resignation letter after Trump's announced Syria pullout (now seemingly modified or on hold) in which he contrasted his own views on the value of US alliances with those of the president. This letter spoke louder than all of Pence's reassuring words.

We would be remiss if we failed to mention one other mixed (or mixed-up) message that was recently clarified and should have been clearly received in Washington. Ever since the Trump-Kim Jong-Un summit in Singapore in June, Secretary Pompeo has been claiming some (admittedly unspecified) degree of progress when it comes to "North Korea denuclearization." We have been among the chorus of Pyongyang watchers who have cautioned that there is a huge difference between *Korean Peninsula denuclearization* (which Kim agreed to "work toward" in Singapore) and *North Korean*

denuclearization. In a Dec. 20 KCNA commentary Pyongyang removed any element of doubt regarding Washington's "misguided" understanding:

The June 12 DPRK-U.S. joint statement signed by the top leaders of both sides and supported by the whole world does not contain any phrase called 'denuclearization of north Korea.' It only contains the phrase 'denuclearization of the Korean peninsula.' . . . When we refer to the Korean peninsula, they include both the area of the DPRK and the area of south Korea where aggression troops including the nuclear weapons of the U.S. are deployed ... the denuclearization of the Korean peninsula, therefore, means removing all elements of nuclear threats from the areas of both the north and the south of Korea and also from surrounding areas from where the Korean peninsula is targeted.

Pyongyang also made it clear that such steps had to occur in advance of any discussion on the North actually giving up its nuclear arsenal. Kim seems to believe, based on his conversation with Trump and his analysis of his tweets and comments about the value of the alliance, that the US president would be more receptive to his arguments than Secretary Pompeo or his designated representatives have been. Hence Pyongyang's insistence on a second Kim-Trump summit.

APEC goes off the rails

The antagonism that animates US-China relations was on full display at the November Asia Pacific Economic Cooperation (APEC) Economic Leaders Meeting that was held in Port Moresby, Papua New Guinea. There, Vice President Pence and President Xi traded accusations in their speeches, with Pence alleging that China engaged in intellectual property theft, forced technology transfers, and unfair trade practices. Pence [said](#) that "China has taken advantage of the United States for many, many years and those days are over." He went on to accuse China of drowning its aid recipients in "a sea of debt," [noting](#) that "The terms of those loans are often opaque at best. Projects they support are often unsustainable

and of poor quality. Too often, they come with strings attached and lead to staggering debt ..."

Xi countered that the world must choose between cooperation and confrontation, the institutionalism of the postwar order or unilateral protectionism. Speaking to the group, Xi argued that all differences could be bridged "through consultation," [warning](#) that "History has shown that confrontation, whether in the form of a cold war, a hot war or a trade war, will produce no winners." China's Foreign Ministry specifically responded to Pence's comments with spokeswoman Hua Chunying [asserting](#) that "Not a single developing country has been mired in debt difficulties because of its cooperation with China. On the contrary, their cooperation with China has helped them enhance their capacity for self-driven development and improved their people's livelihood."



Figure 2 US Vice President Mike Pence and Japanese Prime Minister Shinzo Abe arrive for APEC's family photo on Nov. 17. Photo: Asia Times

Differences between the US and China proved sufficient to derail the APEC process and prevented the 21 economic leaders assembled from issuing a communique for the first time since that process was inaugurated. Peter O'Neill, the prime minister of PNG and host of the meeting, [blamed](#) "two big giants in the room" for the discord. O'Neill said that World Trade Organization reform was the chief stumbling block, but added that the US and China weren't the only countries that could not agree on language. One Chinese official [explained](#) that "many countries" raised issues about the WTO, adding that "Different countries have different ideas about how to take this forward." US officials pushed back, saying that they had agreed to language on the WTO dispute settlement function, but that Beijing [objected](#) to a reference to "unfair trade practices," which

Chinese negotiators feared referred to them. The differences descended into farce when it was later [reported](#) that local police had to be called when Chinese officials attempted to barge into the office of the PNG foreign minister to force changes to the draft. Chinese officials denied any such acts occurred.

While the APEC breakdown worried many, it also prompted hope that a meeting between Xi and Trump at the G20 summit a few weeks later in Buenos Aires would give the top leadership a chance to put things right. They did reach a tentative ceasefire in the trade war, capping tensions and giving negotiators time to put the economic relationship on a more stable footing.

CPTPP sets the pace

The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP, sometimes referred to as the TPP-11) the successor to the Trans-Pacific Partnership, which Trump withdrew the US from during his first week in office, officially [entered into force](#) Dec. 30 for the first six countries to ratify the agreement: Australia, Canada, Japan, Mexico, New Zealand, and Singapore. The six became seven on Jan. 14, when it went into force in Vietnam, and will include Brunei, Chile, Malaysia, and Peru 60 days after each completes its own domestic ratification process. Trump's hope that US withdrawal would torpedo the deal proved groundless: the remaining 11 governments resumed negotiations with renewed fervor, concluding an agreement in January of this year and signing the final accord in March. The resulting deal accounts for 13.4 percent of the global [GDP \(about \\$13.5 trillion\)](#), making the CPTPP the world's third largest free trade area (by GDP) after NAFTA and the EU.

Tariff cuts have already commenced, and Australia, Canada, Mexico, New Zealand, and Singapore implemented a second round on Jan. 1, 2019; Japan's second round of reductions will occur on April 1. Those cuts have nonmembers concerned, as is noted in the chapter on US-Japan relations. Countries that are not members of the agreement are now threatened with higher tariffs on their products than are CPTPP members: US exporters, especially farmers and ranchers that have enjoyed access to Japan's market at reasonably favorable tariff rates are now going to be taxed at a higher rate,

disadvantaging their products. And while the US has promised to pursue bilateral deals that will ease that pain, Japanese officials have [insisted](#) that they will hold the line on tariff cuts with the US to those agreed in the CPTPP.

The deal is appealing. Colombia, Indonesia, Thailand, South Korea, the Philippines and Taiwan are reportedly considering joining the CPTPP, and even China is [said](#) to be discussing membership. Abe has offered Britain the option of joining, which London is also reportedly considering (although its trade negotiators – such as they are – already have their hands full with Brexit).

CPTPP isn't the only big trade deal of the year. Japan and the EU concluded negotiations on their Economic Partnership Agreement last year, signing the final accord last summer. The EU Parliament adopted the EPA on Dec. 12, four days after the Diet ratified the accord. The EPA will go into effect on Feb. 1, eliminating tariffs on 94 percent of imports from the EU and 99 percent of Japan's exports to the EU.

RCEP trudges along

In contrast to the heady accomplishments of CPTPP, the Regional Comprehensive Economic Partnership (RCEP) agreement continues to trundle along. Hopes that it would be concluded in 2018 were dashed; most reports blame India for the holdup. Nevertheless, negotiators remain optimistic that 2019 will prove to be the year that a deal – which would be the largest trade agreement since the conclusion of the Uruguay Round of trade negotiations in 1994, with its 16 members [accounting](#) for 25 percent of global GDP, 45 percent of its total population, 30 percent of global income and 30 percent global trade – would be concluded.

Progress was made in 2018, however: On Oct. 13, the sixth RCEP Intersessional Meeting was held in Singapore, at which stock was taken and discussion focused on political issues. The 24th round of negotiations followed in New Zealand from Oct. 18-27. An RCEP summit was part of the ASEAN-related meetings that convened in Singapore in mid-November. There, Lee Hsien Loong, prime minister of Singapore and meeting chair, declared that substantial progress had been made in talks – seven chapters have been concluded: Economic and Technical

Cooperation, Small and Medium Enterprises, Customs Procedures and Trade Facilitation, Government Procurement, Institutional Provisions, Sanitary and Phytosanitary Measures, and Standards, Technical Regulations and Conformity Assessment Procedures – and a final deal would be concluded in 2019. Chief negotiators are scheduled to meet in February with the goal of reaching a deal in the fall.

Expect an answer to that vital question in the opening months of 2019.

Unmixed message (for now)

Whether or not you agree with Trump's tariff-driven economic hardball approach toward Beijing or the Pentagon's branding of "major power competition" as the greatest threat facing the US, it must be said that, perhaps for the first time in the past two years, the president and his national security team (and especially Secretary Pompeo and National Security Advisor John Bolton and presumably whoever comes next to lead the Pentagon) are largely in sync. As we noted when the 2017 *National Security Strategy* and 2018 *National Military Strategy* documents were released, there was a disconnect between the official documents' description of China as the primary threat (along with Russia) to US security interests and Trump's rollout of the NSS report where he boasted about his great friendship with President Xi (and desire for closer ties with Putin).

Today the administration is speaking with one voice regarding China and it's one that is largely echoed in the Congress and by the national security establishment. While there may be disagreement about Trump's bedside manner, there is broad consensus that his diagnosis is largely correct: China poses the greatest economic and security challenge to the US and the softer approaches followed by Trump's (Democratic and Republican) predecessors have been interpreted in Beijing not as sincere gestures of cooperation but as weakness to be exploited. Trump has now clearly put the ball in Xi's court to halt its predatory practices and deliver on long-promised economic reforms or suffer real consequences. Meanwhile, the message from the Pentagon, the NSC, and Foggy Bottom (at least under Pompeo) has been clear and consistent from the start. But what happens if/when Beijing makes some grand (even if hollow or empty) gesture that Trump can proclaim as a "victory on the trade front"?

REGIONAL CHRONOLOGY

SEPTEMBER – DECEMBER 2018

Sept. 4, 2018: US Vice President Mike Pence calls on Myanmar's government to reverse a court ruling that [imprisoned](#) two *Reuters* journalists for seven years and to release them immediately.

Sept. 5, 2018: Chung Eui-yong, head of South Korea's Presidential National Security Office, [leads](#) a five-member delegation to Pyongyang, where they meet senior officials including Chairman Kim Jong Un.

Sept. 6, 2018: US [charges](#) North Korean programmer Park Jin Hyok for global hacking incidents including the WannaCry 2.0 virus, the 2014 Sony Pictures attack, and the 2016 cyber-heist of Bangladesh's central bank. The Justice and Treasury Departments say Park was part of the "Lazarus Group" that masterminded hacks "on behalf of the government of North Korea or the Workers' Party of Korea."

Sept. 6, 2018: US Secretary of State Mike Pompeo and Secretary of Defense James Mattis and Indian Minister of External Affairs Sushma Swaraj and Minister of Defense Nirmala Sitharaman meet in New Delhi to [conduct](#) the first US-India 2+2 Dialogue.

Sept. 7, 2018: Myanmar's government ["resolutely rejects"](#) a ruling by the International Criminal Court (ICC) that said the body has jurisdiction over alleged deportations of Rohingya Muslims to Bangladesh as a possible crime against humanity.

Sept. 7, 2018: North Korea and South Korea [ask](#) the United Nations to circulate a peace declaration their leaders agreed to in April that vows to remove nuclear weapons from the Korean Peninsula and work toward a formal end to the Korean War.

Sept. 9, 2018: North Korea [holds](#) a massive military parade to celebrate the country's 70th year, but does not include any intercontinental ballistic missiles. President Trump tweets, "This is a big and very positive statement from North Korea. Thank you to Chairman Kim. We will both prove everyone wrong! There is nothing like good dialogue from two people that like each other! Much better than before I took office."

Sept. 10, 2018: White House [announces](#) that it is in talks with North Korea to arrange a second summit after President Trump received a "warm, very positive letter" from Chairman Kim.

Sept. 11-13, 2018: Fourth [Eastern Economic Forum](#) (EEF) is held in Vladivostok. Participants include heads of five states and governments: Russia's President Vladimir Putin, China's President Xi Jinping, Mongolia's President Khaltmaagiin Battulga, Japanese Prime Minister Abe Shinzo, and South Korean Prime Minister Lee Nak-yeon.

Sept. 11-17, 2018: Russia conducts *Vostok-2018* military exercises, involving nearly 300,000 soldiers, 1,000 aircraft and 900 tanks and 3,200 troops from the PLA.

Sept. 13-16, 2018: Japan's Maritime Self-Defense Force [conducts](#) a "practical" anti-submarine drill in the South China Sea, including an exercise to spot enemy submarines with sonar devices.

Sept. 14, 2018: North and South Korea [open](#) liaison office in Kaesong, setting up a permanent channel of communication that is described as "a large step toward peace, prosperity and unification of the Korean peninsula."

Sept. 18-20, 2018: President Moon Jae-in and Chairman Kim Jong Un hold their third inter-Korean summit in Pyongyang. They [sign a joint statement](#) pledging to create "a land of peace without nuclear weapons or nuclear threats" and set out steps for economic integration.

Sept. 20, 2018: Department of State [announces](#) that the US will immediately impose sanctions on China for purchasing Russian military hardware in breach of the Countering America's Adversaries Through Sanctions Act (CAATSA), which decrees imposition of mandatory economic sanctions on countries importing Russian military hardware.

Sept. 24, 2018: US tariffs on \$200 billion worth of Chinese goods and retaliatory taxes by Beijing on \$60 billion worth of US products including liquefied natural gas (LNG) are implemented. China [accuses](#) the US of "trade bullyism."

Sept. 25, 2018: China [cancels](#) scheduled port visit of the *USS Wasp*, an amphibious assault ship, to Hong Kong, and cuts short a visit to the US by commander of the PLA Navy, Vice Adm. Shen Jinlong.

Sept. 25, 2018: Ji Chaoqun, a US Army reservist from China, is [arrested](#) in Chicago on charges of secretly providing information about US defense contractor employees to a Chinese intelligence officer. Ji's handler, an officer in China's Ministry of State Security's Jiangsu branch, was arrested in April.

Sept. 25-Oct. 1, 2018: General debate of the 73rd UN General Assembly is held in New York. Several leaders from the Indo-Pacific region attend and meet on the sidelines.

Sept. 27, 2018: Disagreement emerges at a UN Security Council meeting with the [US calling for strict enforcement](#) of UNSC resolutions on North Korea while China and Russia call for a provision to "modify the sanctions measures in light of the DPRK's compliance" and "to send a positive signal to Pyongyang to encourage concessions."

Sept. 30, 2018: US Navy carries out a freedom of navigation operation (FONOP) in the Spratly Islands as the *USS Decatur*, a guided-missile destroyer, sails within 12 nm of Chinese artificial islands at Gaven and Johnson Reefs as part of a 10-hour patrol.

Sept. 30, 2018: Soldiers from South and North Korea begin removing [landmines](#) located along part of the Demilitarized Zone (DMZ) as agreed in a recent military-military accord. Mine removal will focus on the Joint Security Area in Panmunjom.

Oct. 2, 2018: Chinese Defense Ministry [says](#) US Navy destroyer that sailed near islands claimed by China in the South China Sea on Sept. 30 posed a threat to its sovereignty and security.

Oct. 2, 2018: North Korea's KCNA [states](#) that declaring the end of the 1950-53 Korean War "can never be a bargaining chip" for getting North Korea denuclearized, and said the country "will not particularly hope for it" if the United States does not want the end of war.

Oct. 2, 2018: Chinese Foreign Ministry [announces](#) that the US-China Diplomatic and Security Dialogue, which was to take place later in October, has been postponed at the request of the US.

Oct. 3, 2018: Cybersecurity firm FireEye [releases a report](#) that identifies an "elite" group of North Korean hackers, dubbed APT38, whose cyberattacks have netted "hundreds of millions" of dollars. Funds from global bank heists since 2014 have supported the North Korean regime.

Oct. 4, 2018: Vice President Pence [delivers](#) remarks on the Trump administration's policy toward China at Hudson Institute.

Oct. 4-7, 2018: Japan's MSDF [conducts](#) a joint exercise with the Sri Lankan Navy in the Indian Ocean. The drill allows MSDF to share know-how on rescue operations and humanitarian assistance, and strengthen ties with Sri Lanka as part of its Indo-Pacific strategy.

Oct. 5, 2018: President Putin and Prime Minister Narendra Modi [meet](#) in New Delhi for annual India-Russia summit.

Oct. 6-8, 2018: Secretary of State Pompeo [travels](#) to East Asia with stops in Tokyo, Pyongyang, Seoul, and Beijing. He meets counterparts and heads of state to "reiterate the Administration's continued focus on the final, fully verifiable, denuclearization of the DPRK, and longstanding commitment to our alliances and partnerships in the region."

Oct. 7-15, 2018: Third Japan-India Maritime Exercise (JIMEX) is [held](#) in Visakhapatnam; the last iteration was in December 2013. The exercise is designed to improve understanding and interoperability between the two navies.

Oct. 9, 2018: Deputy division director of China's Ministry of State Security is [arrested](#) in Belgium and extradited to the US. He is charged with attempting to steal trade secrets from US companies including GE Aviation.

Oct. 9, 2018: Prime Minister Abe hosts 10th [Mekong-Japan Summit Meeting](#) in Tokyo; leaders of five Mekong countries – Cambodia, Laos, Myanmar, Thailand, and Vietnam – attend.

Oct. 9, 2018: During bilateral talks with Myanmar's leader Aung San Suu Kyi, Prime Minister Abe [pledges](#) support to aid the repatriation process for Rohingya refugees to Myanmar.

Oct. 10, 2018: Sri Lankan Prime Minister Ranil Wickremesinghe's office [rejects](#) US claim that China will develop Hambantota Port into a "forward military base"; he asserts that the Sri Lankan Navy's Southern Command is being relocated there "to control port security."

Oct. 11, 2018: Inaugural ASEAN Leaders' Gathering, hosted by Indonesian President Joko Widodo, is [attended](#) by leaders of Southeast Asian nations and the IMF, World Bank and UN.

Oct. 11, 2018: Philippine President Rodrigo Duterte [meets](#) Vietnamese Prime Minister Nguyen Xuan Phuc in Indonesia to discuss delineation of maritime boundaries. They agree to establish maritime territories "to achieve shared goals for stability in the region."

Oct. 15, 2018: North and South Korean reunification officials meet in Panmunjom and [agree](#) "to begin reconnecting rail and road links."

Oct. 16, 2018: Officials from North and South Korea and the United Nations Command (UNC) [hold](#) first three-way talks to plan for demilitarizing the border between the two Koreas.

Oct. 16, 2018: KCNA [accuses](#) the US of threatening inter-Korean negotiations by not loosening sanctions against the state, despite progress in reunifying the two Koreas.

Oct. 18-19, 2018: Twelfth [Asia-Europe Meeting](#) (ASEM) is held in Brussels. Leaders from Europe, Asia, the EU and ASEAN discuss "Europe and Asia: Global Partners for Global Challenges."

Oct. 18-20, 2018: Fifth ASEAN Defense Ministers Meeting (ADMM-Plus) [convenes](#) in Singapore. Territorial disputes in the South China Sea are a focus of discussion, as well as disaster relief, maritime research, and antiterrorism efforts.

Oct. 20, 2018: Eight countries, including the US and China, [express](#) "in-principle" support for nonbinding [Guidelines on Air Military Encounters](#) in a joint statement that emerged from the ADMM-Plus. The multilateral air code is hailed as the first of its kind, and will help reduce tensions between the US and China in the South China Sea.

Oct. 22, 2018: Two US warships [transit](#) the Taiwan Strait during a "routine" operation to demonstrate the US' "commitment to a free and open Indo-Pacific."

Oct. 22-28, 2018: ASEAN navies [conduct](#) their first joint exercises with China off Zhajiang in the South China Sea, in an effort to "enhance friendship and confidence." Singapore, Brunei, the Philippines, Thailand, and Vietnam send ships, while Cambodia, Indonesia, Malaysia, and Myanmar send observers. The exercises include maritime safety, medical evacuation, and search and rescue operations.

Oct. 25, 2018: Soldiers from North and South Korea, along with the US-led UNC, [remove](#) guns and guard posts from the Joint Security Area in Panmunjom, signaling progress in the inter-Korean talks as they work to disarm their border.

Oct. 25-27, 2018: Prime Minister Abe [travels](#) to Beijing to meet President Xi Jinping and other officials for the first bilateral visit by a Japanese prime minister in more than seven years.

Oct. 28-29, 2018: Prime Minister Modi [visits](#) Tokyo and meets Prime Minister Abe for the 13th India-Japan Annual summit.

Oct. 29-Nov. 7, 2018: US and Japan [conduct](#) military exercise *Keen Sword*.

Oct. 29–30, 2018: US Special Representative for North Korea Stephen Biegun [visits](#) Seoul to meet South Korean officials. US and South Korea announce the launch of a joint working group in November to coordinate strategy toward North Korea.

Oct. 30, 2018: South Korea's Supreme Court [upholds](#) a 2013 ruling that ordered a Japanese steelmaker to pay reparations to four South Koreans who were victims of forced labor and unpaid work during Japan's colonial rule of the Korean Peninsula.

Oct. 31, 2018: North Korea Vice Foreign Minister Sin Hong-chol [leads](#) a delegation to Moscow to mark the 70th anniversary of the DPRK-Russia agreement on economic and cultural cooperation. The two countries pledged for closer ties on this occasion.

Nov. 1–14, 2018: First joint military exercises between the armies of India and Japan [take](#) place in Northeast India, and focus on counter-terrorism cooperation.

Nov. 6, 2018: Malaysian Prime Minister Mahathir Mohamed and Prime Minister Abe agree to \$1.8 billion in “samurai bonds” that Japan will issue to Malaysia over 10 years and agree to cooperate on Malaysian infrastructure projects and regional security issues.

Nov. 6, 2018: Secretary of State Pompeo meeting in New York with North Korean Kim Yong Chol is abruptly [canceled](#).

Nov. 9, 2018: Secretary of State Pompeo and Secretary of Defense Mattis meet China's Director of Foreign Affairs Yang Jiechi and Defense Minister Gen. Wei Fenghe for the second [US-China Diplomatic and Security Dialogue](#).

Nov. 11–15, 2018: The [33rd ASEAN Summit](#) and other ASEAN-related meetings are held in Singapore. Thailand will assume the ASEAN chairmanship on Nov. 15.

Nov. 12, 2018: Vice President Pence [meets](#) Prime Minister Abe in Tokyo.

Nov. 14–15, 2018: The [13th East Asia Summit \(EAS\)](#) is hosted in Singapore by Prime Minister Lee Hsien Loong.

Nov. 15–16, 2018: President Xi [visits](#) Port Moresby, marking the first-ever Chinese presidential visit to Papua New Guinea. Xi meets leaders of eight Pacific Island countries that have joined or are strongly considering joining China's Belt and Road Initiative.

Nov. 17–18, 2018: The [26th Asia Pacific Economic Cooperation \(APEC\) Economic Leaders' Meeting](#) is held in Port Moresby, Papua New Guinea.

Nov. 18–19, 2018: President Xi [visits](#) Brunei to meet Sultan Hassanal Bolkiah.

Nov. 20–21, 2018: President Xi [meets](#) President Rodrigo Duterte in Manila, in the first official visit to the Philippines by a Chinese president in 13 years.

Nov. 25, 2018: The coast guards of the Philippines and Japan [conduct](#) a joint maritime exercise off the coast of Manila, with drills focusing on antipiracy and rescue operations.

Nov. 26, 2018: Guided-missile cruiser *USS Chancellorsville* [conducts](#) a freedom of navigation operation in the South China Sea by sailing near the Paracel Islands. A Chinese vessel shadowed the *Chancellorsville* as it sailed past the islands, but all interactions “were deemed safe and professional,” according to anonymous US officials.

Nov. 28, 2018: Two US Navy ships, the *USS Stockdale* and *USNS Pecos*, make a “routine” [transit](#) of the Taiwan Strait, the third to be conducted there this year.

Nov. 29, 2018: South Korea's Supreme Court [orders](#) Mitsubishi Heavy Industries to compensate 10 South Koreans for wartime forced labor during World War II. Japanese Foreign Minister Kono Taro calls the ruling unacceptable as the Japanese government considers the issue to have been resolved in a 1965 treaty to normalize diplomatic relations between the two countries.

Nov. 30, 2018: North and South Korea [begin](#) an 18-day joint inspection of two railways in the North, preliminary measures to reconnect cross-border rail lines.

Nov. 30, 2018: China [makes](#) official diplomatic protest against the US in response to the Nov. 26 FONOP near the Paracel Islands.

Nov. 30–Dec. 1, 2018: [G20 Leaders' Summit](#) is held in Buenos Aires.

Nov. 30, 2018: Russian President Vladimir Putin, President Xi, and Indian Prime Minister Modi [meet](#) for “the first leaders-level summit between their three countries in 12 years,” on the sidelines of the G20 Leaders' Summit. The three countries have met in recent years on the foreign ministers-level, as well as in the context of BRICS.

Nov. 30, 2018: President Donald Trump, Prime Minister Abe, and Prime Minister Modi [meet](#) on the sidelines of the G20 Leaders' Summit.

Dec. 1, 2018: Presidents Trump and Xi meet on the sidelines of the G20 Leader's Summit and the US [agrees](#) to not increase tariffs on Chinese goods from 10 to 25 percent for 90 days, during which it hopes to reach an agreement with China to balance their trade relationship.

Dec. 1, 2018: Canadian authorities [arrest](#) Huawei CFO Meng Wanzhou for extradition to the US on charges that she violated US export and sanctions laws by shipping US-origin products to Iran. The Chinese government strongly protest her arrest.

Dec. 4, 2018: Singapore [lodges](#) an official protest against the Malaysian government for extending the port limits of Johor Bahru, thus impeding Singapore's territorial waters off Tuas.

Dec. 10, 2018: US [announces](#) sanctions against three North Korean officials, including an aide close to Kim Jong Un, for human rights abuses and censorship.

Dec. 11, 2018: US [returns](#) the Bells of Balangiga to the Philippines after their removal from the Church of San Lorenzo de Martir following a violent episode between US forces and Filipino revolutionaries over 100 years ago.

Dec. 12, 2018: North and South Korean soldiers [cross](#) the MDL to verify the removal of each other's guard posts. Each side has removed 11 posts inside the DMZ, with about 50 South Korean posts and 150 North Korean posts remaining.

Dec. 13–16, 2018: Russia and India's navies [participate](#) in *Indra Navy 2018*, the 10th iteration of the bilateral Russia-India naval exercises, in the Bay of Bengal.

Dec. 17, 2018: Malaysia's Attorney General [files](#) criminal charges against three Goldman Sachs employees for attempting to embezzle \$2.7 billion from the state fund 1Malaysia Development Berhad (1MDB).

Dec. 18, 2018: Indonesia [opens](#) a military base in the Natuna Islands on the southern edge of the South China Sea. The base is supported by an army battalion, companies of marines and engineers, artillery, and a hangar for an unmanned aerial vehicle squadron.

Dec. 19, 2018: Japanese diplomats in Moscow [lodge](#) official protest against Russia for building four military barracks on the islands Etorofu and Kunishiri, two of the four islands north of Hokkaido whose territory is disputed between the countries.

Dec. 19–22, 2018: US Special Representative for North Korea Stephen Biegun [travels](#) to Seoul to meet South Korean counterpart Lee Do-hoon and other officials for a US-ROK working group meeting to improve coordination regarding North Korea.

Dec. 20, 2018: US Department of Justice [indicts](#) two Chinese citizens for hacking US businesses and government agencies for sensitive information. The hackers are members of the group APT 10, or “cloudhopper,” which Justice officials link to China's Ministry of State Security, underscoring China's violation of a 2015 agreement to not engage in “state-sponsored hacking for economic gain.”

Dec. 20, 2018: Secretary of Defense Mattis [resigns](#) from his post, citing fundamental disagreements with President Trump on security issues.

Dec. 21, 2018: US [agrees](#) to exempt the ban on industrial material transfers to North Korea to facilitate continued progress of the inter-Korean rail project that would connect rail lines between the North and South.

Dec. 24, 2018: US Federal Court judge [orders](#) North Korea to pay \$501 million in damages to the parents of Otto Warmbier for the “barbaric mistreatment” that led to his death shortly after his return to the United States in June 2017.

Dec. 28, 2018: South Korea’s Unification Ministry [acknowledges](#) that personal information of 997 North Korean defectors living in South Korea had been leaked earlier in the month, when a computer at the Hana Center in North Gyeongsang Province was hacked.

Dec. 30, 2018: The 11-nation Comprehensive Progressive Agreement for Trans-Pacific Partnership (CPTPP) [enters into force](#).

Dec. 31, 2018: US President Trump [signs](#) the Asia Reassurance Initiative Act (ARIA), authorizing \$1.5 billion a year from 2019 to 2023 to “develop a long-term strategic vision and a comprehensive, multifaceted, and principled United States policy for the Indo-Pacific region.”

COMPARATIVE

CONNECTIONS

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

US-JAPAN RELATIONS

STABILITY IN TOKYO, DISRUPTION IN WASHINGTON

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2018 came to a relatively quiet close for the US and Japan. Prime Minister Abe Shinzo [secured a third term](#) as leader of the Liberal Democratic Party (LDP) in a party election on Sept. 20 and is now set to be Japan's longest serving prime minister. In contrast, President Donald Trump faced an electoral setback in the November midterms. With Democrats taking over the House of Representatives in January, pressure on the administration will grow. In December, Trump dismissed Chief of Staff [John Kelly](#) and Defense Secretary [James Mattis](#), and locked horns with the incoming Democratic Party leadership over funding for his border wall. Nevertheless, the US-Japan relationship seemed steady. In September, Prime Minister Abe [agreed](#) to open bilateral trade talks and in return sidestepped the Trump administration's looming auto tariffs. Yet there are differences over their goals, suggesting that continued compromise will be needed. Abe worked hard in numerous summits to position Japan in Asia in the final months of 2018. He [visited China](#), [hosted](#) India's prime minister in Tokyo, and [restarted](#) the negotiations with Russia on the northern territories. Japan also announced its next [long term defense plan](#) and a five-year, \$240 billion implementing [procurement plan](#) that includes a considerable investment in modern US weapon systems.

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Toward a trade agreement (on goods)

At their summit in September, Trump and Abe agreed to enter into negotiations on a Japan-US trade agreement on goods, or TAG. The [joint statement](#) from the summit seemed to offer a quick diplomatic victory for both leaders. Trump could claim credit for bringing Japan to the negotiating table after months of Japanese officials insisting that they were not interested in bilateral talks. Instead, Abe's trade team had tried repeatedly to convince Trump to rejoin the multilateral Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, or TPP-11), an agreement from which Trump withdrew the US just days into his presidency. For Abe, agreeing to begin talks earned Japan at least a [temporary reprieve](#) from Trump's threatened 20 percent tariff on automobiles, which reports suggest would have increased manufacturing costs by \$8.6 billion, decreased car exports by 200,000 units, and cut profits by 2.2 percent. Moreover, Abe got the US to accept that Japan would not go any further than the CPTPP in opening up its agricultural and forestry markets.

Agreeing to begin TAG talks is, of course, just the first step in a long process. While Japan has drawn a line in the sand on agriculture, automobiles will be front and center in the coming negotiations. Trump has repeatedly stated that his goal is to [reduce](#) the US trade deficit and [improve](#) access to the Japanese automobile market for US car manufacturers. Automobiles and auto parts make up about 75 percent of the trade deficit with Japan, which at \$68.85 billion (2017) is the [third largest](#) for the US after its deficit with China and Mexico.

US Trade Representative Robert Lighthizer and Japanese Economic and Fiscal Policy Minister Motegi Toshimitsu are set to lead the first round of TAG negotiations in early 2019, but for now there is a divide between the two sides on what topics will be covered in the talks. Abe and senior Japanese officials have consistently stated that they are only interested in a [trade agreement on goods](#). In contrast, US officials want to pursue a much more comprehensive free trade agreement. On Dec. 21, the US Trade Representative (USTR) released a [summary](#) of 22 specific negotiating objectives for the talks, covering a wide range of services (e.g., financial, telecommunications, pharmaceutical), regulatory practices, intellectual property, and

investment, as well as a [provision](#) to prevent currency devaluations.

The Trump administration's desire for a more comprehensive agreement may come into conflict not only with their Japanese counterparts, but also with domestic industries that are hoping for a speedy resolution to negotiations. At a [USTR public hearing](#) for the trade talks on Dec. 10, representatives from several major US beef associations urged officials to reach a deal quickly with Japan as they are [worried](#) about being left behind after the CPTPP comes into effect. Under the CPTPP, Japan has agreed to gradually reduce its 38.5 percent tariff on beef imports to 9 percent over the next 16 years for [US competitors](#) such as Australia, New Zealand, and Canada that are party to the deal.

As US-Japan trade talks get underway in the new year, Japanese officials will also be paying close attention to how the US handles trade frictions with other partners, particularly China. President Trump and Chinese President Xi Jinping agreed to a 90-day ceasefire in their [trade war](#) at their meeting at the G20 Summit in Argentina. However, this does not leave much time to iron out their many differences on trade. The Trump administration could still raise tariffs from 10 to 25 percent on \$200 billion worth of imports from China, [or even increase the tariffs](#) to cover all \$500 billion of imported goods. The tariffs could have a significantly negative impact on [Chinese economic growth](#), raising US consumer prices and sending inflationary shockwaves through Asia. One [recent estimate](#) by a former Bank of Japan policy board member found that a US-China trade war could shrink the value of world trade by 2 percent and reduce Japan's GDP by 0.6 percent.

Apart from China, the US will also be busy in 2019 as Trump continues his efforts to revise the North American Free Trade Agreement (NAFTA). After months of bitter negotiations, the United States, Canada, and Mexico [reached an agreement](#) on Sept. 30 and [signed the new deal](#) two months later on Nov. 30. Now Trump must seek congressional approval, which will become much more challenging after Democrats assume control of the House in January. On Dec. 2, Trump [threatened](#) to withdraw from NAFTA, a move meant to force House Democrats to approve his revised version. If Trump follows through on the threat, Congress will have just six months to pass the new NAFTA; otherwise,

it will risk causing significant harm to industries across all three countries by allowing NAFTA to expire.

In Japan, Abe will be looking to continue the momentum he built in 2018, which marked a year of [significant progress](#) on several free trade agreements, from [signing](#) and [ratifying](#) the CPTPP to inking an even larger trade deal with the [European Union](#). The CPTPP officially [entered into force](#) on Dec. 30 for the first six countries to ratify the deal: Japan, Australia, Canada, Mexico, New Zealand, and Singapore. It will enter into force on Jan. 14 for Vietnam, and for Brunei, Chile, Malaysia, and Peru 60 days after they complete their domestic ratification processes. Even without the US, the deal still covers [more than 13 percent](#) of the global economy and \$10 trillion in GDP. Abe may be hoping to continue his success streak in negotiations with the US, but any new trade deals will have to compete with a busy political calendar in 2019, including local elections in April, Upper House elections in July, and a planned consumption tax increase from 8 to 10 percent in October.

U.S. Midterms, a divided Congress, and a beleaguered White House

The final months of 2018 produced a far more difficult political path ahead for President Trump. The midterm elections in November resulted in a steady wave of Democratic victories in the House of Representatives, but the Republicans held their majority in the Senate. The [new House leadership](#) is expected to scrutinize the president far more intensely than did their Republican predecessors. With the Intelligence, Judiciary, and Oversight Committees now all chaired by Democrats who have signaled interest in a more careful look at the links between private business interests and the Trump administration's decisions, expectations are that the White House will be under intense pressure to respond to multiple sources of congressional inquiry. Of particular interest are the Trump Organization's business relations with Russian banks and his family's decisionmaking in running his businesses since he assumed the presidency, but Trump administration Cabinet officials are also suspected of using their offices to their personal advantage.

A divided Congress is not all the White House will have to manage, however. [Legal challenges](#)

are likely to consume the attention of the president and his advisors. Lawsuits investigating the Trump family's management of his business while the president has been in office are now ongoing in multiple states. And, of course, the Justice Department's Special Counsel investigation of the Trump campaign and its ties to Russia has produced [multiple indictments](#) of senior campaign staff. In the fall, former Trump campaign chairman Paul Manafort, former Trump lawyer, Michael Cohen, and former White House national security adviser, Lt. Gen. Michael Flynn, were all in federal court for their criminal conduct during the campaign and the subsequent FBI investigation. Special Counsel Robert Mueller is expected to release his investigation's final report in 2019, but trials for some of those indicted by the Justice Department investigation will [continue](#) in the Southern District of New York.

Setting the tone for this increasingly fraught Washington was the government shutdown in the final days of 2018. In a [televised meeting](#) at the White House, President Trump locked horns with incoming House majority leader Nancy Pelosi and Senate minority leader Chuck Schumer over funding of the southern border wall. By the new year, President Trump was threatening to keep the government closed for ["months or even years"](#) if need be, while Pelosi also stood firm, offering a [new budget deal](#) that included funding for border security but not the \$5 billion the president wanted for his wall. 800,000 federal workers have been furloughed or are working without pay, and if the shutdown continues past Jan. 21, many more federal agencies will be affected.

President Trump's foreign policy decisions are becoming far more unpredictable. The president's abrupt announcement that US forces would be [withdrawn from Syria](#) and cut in Afghanistan, announced without preparation or internal consensus, has raised red flags about the reliability of US support to allies. Secretary of Defense Mattis resigned in protest on Dec. 20, and in his public [resignation letter](#), Mattis made clear that it was over the treatment of US allies.

Abe's major power diplomacy

The fall of 2018 was a busy time for Prime Minister Abe with multiple summits with other Asian leaders. From Oct. 25-27, Abe visited China to meet President Xi Jinping and Premier

Li Keqiang. Abe and Xi promised a “fresh start” for China–Japan relations. The tensions over the East China Sea seem to have waned somewhat, and the Japanese Ministry of Foreign Affairs [outlined steps](#) the two leaders had taken to enhance crisis communications, a reminder to audiences at home and in the region that neither side wants a military conflict. Yet Beijing and Tokyo are still struggling with some sensitive issues, including differences over their maritime boundary in the East China Sea and acceptable regulatory standards for food security. A new highlight, however, was cooperation in Asia’s [economic development](#). Specifically, Abe and Xi agreed that they would work together on infrastructure development projects. Nonetheless, each favors a different vision for Asia; Abe argued for a “free and inclusive Indo–Pacific,” while Xi continued to extol his Belt and Road Initiative (BRI). There was no joint statement from this meeting, but Xi is expected to visit Japan in 2019 as the culminating summit in this renewed effort at getting the bilateral relationship [back on track](#).

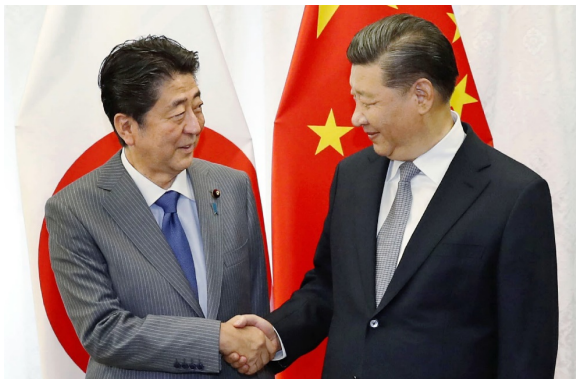


Figure 1 Japanese Prime Minister Shinzo Abe and Chinese President Xi Jinping shake hands in Vladivostok on Sept. 12. Photo: Kyodo

The Beijing summit notwithstanding, Abe has continued to emphasize the Japan–India partnership. On the day Abe returned from China, Prime Minister Narendra Modi landed in Tokyo, demonstrating once again the [close coordination](#) between Japan and India in realizing a new Indo–Pacific framing for regional cooperation. Abe and Modi signed a [Japan–India Vision Statement](#), marking their fourth year of ever–deeper strategic cooperation. Japanese support for Indian economic development continues to expand, including further workforce training and technology transfer opportunities as well as in creating better cooperation in the digital economy. Building on the success of the

trilateral *Malabar* exercises with the US, Japan–India security cooperation will now include a 2+2 strategic dialogue and a new cross–servicing agreement will allow the Indian and Japanese militaries to work together more effectively with the US.

Perhaps the most overlooked of Abe’s fall summits was the [meeting](#) with Russian President Vladimir Putin at the G20 meeting in Argentina on Dec. 1. Abe’s effort to persuade Putin to reach a compromise on the pathway to a peace treaty has been stymied by Russia’s reluctance to move on the sovereignty dispute over the islands Japan calls the Northern Territories and Russia refers to as the Southern Kuriles. Putin’s visit to Abe’s hometown in Yamaguchi Prefecture in 2016 [proved a setback](#) for the prime minister as Putin retreated to Moscow’s position that the only acceptable way forward was a two island solution, a reference to a 1956 joint declaration between Moscow and Tokyo to split the four islands between the two countries. On Nov. 14, Abe and Putin agreed to accelerate peace talks once again, and in Argentina they [announced](#) special envoys would conduct negotiations in the hope that another summit could be held between the two leaders in Jan. 2019. If Putin is serious about engaging Abe in his effort to finalize a peace treaty, Japan may be hard pressed to explain a warming in ties with Russia at precisely the time when US and Russian military tensions seem increasingly ominous.

Japan’s new defense plan

The Abe Cabinet’s much–anticipated new [ten–year defense plan](#) was announced in Tokyo on Dec. 18, alongside [procurement plans](#) totaling \$240 billion for the first five years. Reflected in the plan were Japan’s [continuing concerns](#) over the North Korean missile threat and China’s military expansion into the East and South China Seas.

Japan’s air defenses, including missile defense, got a conspicuous boost with the purchase of two major US weapon systems, 147 [F–35 fighters](#), and the AEGIS ashore enhanced ballistic missile defense (BMD) system. A year earlier, President Trump had urged Prime Minister Abe to buy more US weapons, and Abe seems to have made good on his promise to do so. Additionally, the Air Self–Defense Force (ASDF) will have longer–range missiles that can ensure offshore defenses. [Media headlines](#) zeroed in on one

particular initiative: the Ministry of Defense's proposal to refit the *JS Izumo* and other large helicopter-capable Maritime Self-Defense Force (MSDF) destroyers to accommodate the *F-35B*, which is capable of short take-off and landing. While no *F-35Bs* are to be stationed on these ships, this new platform for fighters offers the MSDF considerable flexibility in planning offshore defense operations. Finally, the Ground Self-Defense Force (GSDF) will operate the new AEGIS ashore system, bringing all three services into the BMD mission and creating the opportunity for a combined BMD command.

Modernizing Japan's existing forces has been an ongoing goal, but this new defense plan also placed considerable emphasis on [two new sets of challenges](#) for the Self-Defense Force (SDF). The first is in readiness and combined combat operations. The language of the 2018 plan clearly signals the renewed interest in the SDF's resilience and retaliatory capabilities. Being able to respond to attack has always been essential to deterrence, and a significant foundation of alliance readiness. SDF readiness is now at the forefront of Japanese planning, especially its ability to detect and defend offshore. The second highlight of this plan is to create capabilities in cyber, space, and defending against electromagnetic attacks. A new combined space command will be established, with input from Japan's space agency and personnel from the SDF. Each branch of the SDF will also form new units dedicated to cyber and electronic magnetic pulse operations.

Alliance qualms as 2019 begins

At the end of 2018, several uncertainties remain on the US-Japan alliance agenda. The first will be the continued dissatisfaction in Okinawa over Tokyo's plan to consolidate US bases there. In a special election on Sep. 30, residents [elected](#) Denny Tamaki to take the place of Gov. Onaga Takeshi, who passed away in August, and to carry on his resistance to Tokyo's plan to build a new home for the US Marines in Henoko. The defeat of the LDP-backed candidate, Ginowan mayor Sakima Atsushi, was a serious setback for the party, and reveals its continued electoral difficulties there. Tamaki served in the Diet as a member of the Democratic Party of Japan (DPJ) from 2009 to 2018, so he has experience in Tokyo. As governor, Tamaki announced his intention to hold a [prefecture-wide referendum](#) as a means of conveying Okinawan sentiment to Tokyo, and once more suggesting the possibility

of renewed citizen engagement in the base issue.



Figure 2 Okinawa Gov. Denny Tamaki speaks on Dec. 15 to a rally opposed to relocating the US military base. Photo: Kyodo

Second, trade negotiations are likely to continue to draw criticism as voters in both countries question the economic benefits of the US-Japan relationship. The governments differ on their preferences for managing trade, with the Trump administration focusing on bilateral talks and the Abe Cabinet continuing its emphasis on regional and global trade approaches. The Trump administration's insistence on tariffs as an instrument of pressure sits uneasily among the Japanese – policymakers and citizens, alike – and the lack of consultations on steel and aluminum tariffs still stings. The threat of auto tariffs was what got Japan to the table, but two issues remain sensitive in the negotiations ahead. The first is whether the US remains committed to accepting the market access for agricultural goods negotiated bilaterally during the TPP discussions and the second is whether the limit on trade agreements with nonmarket economies in the new Canada-US-Mexico agreement will become a precedent for all US trade deals.

Finally, Japan continues to worry about unresolved tensions with North Korea and with China. The US-China trade conflict remains unresolved, and an escalation in military tensions cannot be ruled out. The Trump-Kim talks remain unproductive, although North-South diplomacy on the Korean Peninsula continues. Kim Jong Un's [New Year's Address](#) seemed designed to flaunt these alliance differences. Close US-Japan military coordination remains imperative, and the exit of Defense Secretary Mattis—a strong believer in US alliances—has undoubtedly unsettled Tokyo.

As 2019 opens, the US-Japan relationship will continue to be managed carefully as Tokyo shores up its regional geostrategic position while it tries to wait out the increasingly difficult politics in Washington.

CHRONOLOGY OF US-JAPAN RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 20, 2018: Prime Minister Abe Shinzo [wins re-election](#) as president of the Liberal Democratic Party.

Sept. 21, 2018: Japan International Cooperation Agency (JICA) and the US Overseas Private Investment Corporation (OPIC) sign a [Memorandum of Cooperation](#) to strengthen cooperation in financing private sector investment projects.

Sept. 21, 2018: Secretary of State Mike Pompeo and Foreign Minister Kono Taro [speak by telephone](#) about North Korean denuclearization.

Sept. 23-28, 2018: Prime Minister Abe and Foreign Minister Kono visit New York for UN General Assembly meeting.

Sept. 23, 2018: Prime Minister Abe and President Trump [meet for dinner](#) at Trump Tower in NYC.

Sept. 26, 2018: President Trump and Prime Minister Abe [meet](#) on the sidelines of the UN General Assembly. They announce the two countries will enter into negotiations for a Japan-United States Trade Agreement on goods and services. [Joint Statement](#).

Sept. 30, 2018: Denny Tamaki is elected [governor of Okinawa](#).

Oct. 6, 2018: Secretary of State Pompeo [meets](#) Prime Minister Abe during his trip to Tokyo. [Remarks](#).

Oct. 6, 2018: Secretary of State Pompeo and Foreign Minister Kono [meet](#) in Tokyo.

Oct. 8, 2018: Secretary of State Pompeo and Foreign Minister Kono [speak by telephone](#) about Pompeo's visit to North Korea on Oct. 7.

Oct. 9, 2018: Parliamentary Vice Minister for Foreign Affairs Tsuji Kiyoto meets [family members of former Prisoners of War](#) (POWs) in Tokyo.

Oct. 17, 2018: Central Japanese government asks land ministry to [review and invalidate](#) Okinawa Prefectural government decision that suspended relocation work on US Marine Corps Air Station Futenma.

Oct. 24, 2018: US and Japan hold the second meeting of the [Japan-United States Strategic Energy Partnership](#) in Tokyo.

Oct. 25-27, 2018: Prime Minister Abe [visits China](#) where he meets President Xi Jinping and Premier Li Keqiang.

Oct. 29, 2018: Prime Minister Abe and Prime Minister of India Narendra Modi hold [Japan-India summit meeting](#) in Tokyo.

Oct. 29-31, 2018: Senior officials from Japan and the US hold bilateral [Extended Deterrence Dialogue](#) in Tokyo.

Nov. 1, 2018: Japanese central government [resumes work](#) on relocation of Marine Corps Air Station Futenma after reversing the ban by Okinawa's Prefectural government.

Nov. 4, 2018: Foreign Minister Kono discusses US-Japan trade talks and disputes with South Korea in an [interview](#) with *Bloomberg*.

Nov. 6, 2018: Mid-term elections take place for US congressional, state, and local offices.

Nov. 12-13, 2018: Vice President Mike Pence visits Japan and [meets](#) Prime Minister Abe and Deputy Prime Minister Aso Taro. [Joint Statement](#).

Nov. 13, 2018: Governor of Okinawa Tamaki pledges to hold a [referendum](#) on the relocation of US Marine Corps Air Station Futenma sometime in early 2019.

Nov. 13, 2018: Deputy Secretary of State John Sullivan [meets](#) Vice Minister of Foreign Affairs Akiba Takeo in Tokyo.

Nov. 15, 2018: Senior officials from the US, Japan, Australia, and India meet in Singapore for [consultations on the Indo-Pacific region](#).

Nov. 27, 2018: Okinawa Gov. Tamaki announces he will hold the relocation [referendum](#) for US Marine Corps Air Station Futenma on Feb. 24, 2019.

Nov. 30, 2018: Prime Minister Abe and President Trump [meet](#) on sidelines of G20 Summit in Argentina.

Nov. 30, 2018: President Trump, Prime Minister Abe, and Prime Minister Modi [meet](#) on sidelines of the G20 summit in Argentina.

Dec. 1, 2018: Prime Minister Abe and Russian President Vladimir Putin agree on a [framework for talks](#) on a bilateral peace treaty.

Dec. 8, 2018: President Trump announces that White House Chief of Staff John Kelly will [resign](#) by the end of the year.

Dec. 10, 2018: US Trade Representative (USTR) holds a [public hearing](#) regarding a proposed US-Japan Trade Agreement.

Dec. 18, 2018: Abe Cabinet [announces](#) the [2018 National Defense Program Guidelines](#) (NDPG) and the [2019-2023 Mid-Term Defense Program](#).

Dec. 20, 2018: South Korean Navy destroyer [locks fire-control radar](#) onto a Maritime Self-Defense Force P-1 patrol aircraft in the Sea of Japan, according to Japanese Ministry of Defense.

Dec. 20, 2018: Secretary of Defense James Mattis announces [resignation](#) and plan to leave office by the end of February.

Dec. 21, 2018: USTR releases its [negotiating objectives](#) for possible US-Japan trade agreement.

Dec. 23, 2018: President Trump announces that he will [remove](#) Secretary of Defense Mattis early from his office on Jan. 1. Deputy Secretary of Defense Patrick Shanahan will take over as acting secretary of defense.

Dec. 28, 2018: Japanese Ministry of Defense releases [video footage](#) of the incident with the South Korean destroyer on Dec. 20.

Dec. 30, 2018: The 11-nation Comprehensive Progressive Agreement for Trans-Pacific Partnership (CPTPP, or TPP-11) [enters into force](#).

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

A DEAL IS STRUCK IN BUENOS AIRES

BONNIE S. GLASER, CSIS

KELLY FLAHERTY, CSIS

On the sidelines of the G20 summit, Donald Trump and Xi Jinping put tariff hikes on hold and agreed to resume trade negotiations. Prior to the agreement, the US-China spat spilled over into the multilateral arena causing the first-ever failure to reach a joint communique at the Asia-Pacific Economic Cooperation (APEC) meeting in Port Moresby, Papua New Guinea. The imposition of sanctions by the US on the People's Liberation Army's Equipment Development Department and its director resulted in a temporary setback in military ties. The US took actions against Chinese individuals and hacking rings for allegedly stealing US technology to gain commercial advantage. The second US-China Diplomatic and Security Dialogue was held in Washington DC. Trump and Xi talked by phone in November and December.

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90-Day tariff truce and talks

The 13th G20 summit convened in Buenos Aires, Argentina on Nov. 30, bringing President Trump and President Xi face to face amid the ongoing US-China trade war. While expectations were uncertain going in, both sides emerged declaring the meeting a success. According to the statement from the White House Press Secretary, which President Trump [reportedly](#) dictated himself, the US [agreed](#) to leave the current 10 percent tariffs on \$200 billion of Chinese goods untouched to allow for a 90-day period of negotiations, after previously threatening an increase to 25 percent. In the same statement, China's concessions were said to include the purchase of "a not yet agreed upon, but very substantial, amount of agricultural, energy, industrial, and other product from the United States" as well as a promise "to start purchasing agricultural product from [US] farmers immediately." A further notable point was that China had "agreed to immediately begin negotiations on structural changes with respect to forced technology transfer, intellectual property protection," and several other key areas of US concern.



Figure 1 Chinese President Xi Jinping and US President Donald Trump during dinner in Buenos Aires. Photo: The Guardian

The Chinese Ministry of Foreign Affairs presented a different interpretation of the meeting's outcomes. The MFA's statement was markedly less detailed and contained no mention of the purported 90-day period of negotiations, instead [stating](#) that both sides "reached consensus not to impose new additional tariffs and agreed to instruct the economic teams of the two sides to step up negotiations." The only mention of a timeline came from Chinese State Councilor and Foreign Minister Wang Yi, who [told](#) the press that the goal would be "to reach a specific mutually-

beneficial agreement at an early date" – still a decidedly ambiguous characterization by comparison. The statement also did not touch on technology and cyber concerns nor mention any negotiations on changes to China's economic structure.

Discrepancies within the Trump administration over what the US and China agreed on also emerged. On Dec. 3, chief economic advisor Larry Kudlow [confirmed](#) to reporters that the 90-day trade truce would begin on Jan. 1. Yet, that evening the White House issued a correction to the transcript of Kudlow's briefing to reflect a Dec. 1 start date. Trump reiterated the correction the next day, tweeting that "negotiations with China have already started. Unless extended, they will end 90 days from the date of our wonderful and very warm dinner with President Xi in Argentina," which took place on Dec. 1.

Whether the US and China have significant differences over what was agreed upon in the deal remains to be seen. However, an agreement of any kind at Buenos Aires was never a certainty given the tumultuous months that preceded it.

Rising tensions

In early September, in the thick of the bilateral tit-for-tat tariffs, President Trump [told](#) reporters on Air Force One that "the \$200 billion [tariffs] . . . could take place very soon . . . and I hate to say this, but behind that is another \$267 billion ready to go on short notice if I want." Chinese Vice Premier Liu He planned to meet US Treasury Secretary Steven Mnuchin in Washington in late September, but the prospect quickly dissolved following President Trump's declaration of a new wave of 10 percent tariffs on \$200 billion of Chinese goods starting Sept. 24. The Chinese Ministry of Commerce predictably [slapped](#) retaliatory tariffs on \$60 billion of US goods "in response to the emergency caused by the US's violation of its international obligations and in order to safeguard China's legitimate rights and interests." President Xi cancelled Liu He's trip shortly after any sort of agreement appeared futile.

An early November phone call between Trump and Xi (the first known call in several months) offered a glimmer of hope for progress, with Kudlow [describing](#) the conversation as "a thaw" in the chilly relationship. However, US Trade

Representative Robert Lighthizer's updated Section 301 investigation report released on Nov. 20 suggested that it was premature to conclude that ties were headed in a positive direction. The original investigation findings released in March had sharply criticized China's laws, policies, and actions that harm US intellectual property, technology transfer, and innovation. In USTR's updated report, Lighthizer [concluded](#) that "China has not fundamentally altered its unfair, unreasonable, and market-distorting practices that were the subject of the [initial investigation]." The Chinese Ministry of Commerce [dismissed](#) the report as "level[ing] new, groundless accusations that go against facts."

APEC ends on a sour note

Outcomes from the annual Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Port Moresby, Papua New Guinea revealed further fissures in the US-China relationship. For the first time since its founding, leaders from the 21-member economies were unable to agree upon a joint communique. Papua New Guinea Prime Minister Peter O'Neill, who chaired the annual meeting, [pointed](#) to "the two big giants in the room" as the reason, unequivocally referring to the US and China. It was widely reported that the source of the disagreement was specific language in the communique, but the specific section and which country refused to compromise were both unclear. O'Neill told reporters that the inclusion of a section on World Trade Organization reform pushed by one country (which some sources [thought](#) to be the US) proved to be the issue. Other reports [suggested](#) that both the US and China objected to language proposed by the other, while still others [claimed](#) that China was the only holdout. The finger-pointing, lack of consensus, and contradictory stories underscored the friction in the US-China relationship. The spillover of the US-China row into the multilateral arena sparked concerns in many capitals.

Post-G20 progress

In the wake of the Buenos Aires summit, which President Trump [lauded](#) as "extraordinary," he put Ambassador Lighthizer in charge of upcoming negotiations, supported by Mnuchin, Kudlow, US Secretary of Commerce Wilbur Ross, and White House trade adviser Peter Navarro.

As 2018 came to a close, the agreements from the meeting began to play out on both sides. On Dec. 12, China [purchased](#) over 1.5 million tons of soybeans from the US, a welcomed relief for US farmers with record-high harvests. This was quickly [followed](#) by a second purchase of nearly 1.2 million tons just one week later. The Chinese Ministry of Finance [announced](#) that it would reverse its retaliatory tariff on US automobile imports, which was previously hiked to 25 percent in response to US tariff increases. In a further goodwill gesture to close out the year, China [published](#) a draft of its proposed law on foreign investment that specifically banned forced technology transfer. This action appeared aimed at meeting the US demand that China take steps to stop forced technology transfer and protect intellectual property. Many foreign observers remained [skeptical](#), however, that the law, if passed, would result in harsh prosecution of violators and deter further wrongdoing.

Anticipation that President Xi Jinping's Dec. 18 speech commemorating the 40th anniversary of economic reform and opening would signal renewed determination to proceed with a reformist economic agenda, spurred by Chinese sources pushing to use US pressure to implement reforms, was not met with hoped for results. Rather than advancing Deng Xiaoping's pro-market vision, Xi appeared to double down on CPP policies that emphasize state-owned enterprises. At the Central Economic Work Conference held later that same week, there was no mention of "Made in China 2025," the industry investment plan aimed at making China leader in cutting edge technologies of the 21st century that the Trump administration has denounced, but industrial policy was [assigned](#) priority as one of seven "key tasks for 2019."

In the US, the Office of the United States Trade Representative [issued](#) a Notice of Modification of Section 301 Action, officially postponing the 25 percent tariff increase originally scheduled for Jan. 1 until after the 90-day window agreed upon by both sides. President Trump confirmed the continued dialogue in his Dec. 29 tweet, announcing that he "just had a long and very good call with President Xi of China. Deal is moving along very well . . . big progress being made!" The conversation is [set](#) to continue in early January, with a US trade delegation scheduled to meet in Beijing followed by Washington talks in the following weeks between Liu He, Lighthizer, and Mnuchin.

Temporary setback in military ties

As part of an effort to impose costs on Russia in response to its interference in the US election process, its behavior in eastern Ukraine, and other unspecified “malign” activities, the US government [expanded](#) its blacklist of individuals and entities subject to sanctions under the Countering America’s Adversaries Through Sanctions Act (CAATSA). Among the entities added to the list on Sept. 20 was the People’s Liberation Army’s Equipment Development Department and its director, Li Shangfu, who purchased *Su-35* combat aircraft and a *S-400* surface-to-air missile system from Russia. US law requires sanctions to be imposed on anyone undertaking significant transactions with certain people in the Russian intelligence and military services, including arms manufacturers.

Chinese Foreign Ministry Spokesman Geng Shuang condemned the action, claiming that the sanctions “severely violated the basic norms of international relations and damaged the relations between the two countries and two militaries.” In retaliation, China recalled PLA Navy Commander Shen Jilong, who was attending the 23rd International Seapower Symposium at the US Naval War College in Newport, Rhode Island, and postponed a three-day bilateral dialogue between the joint staff departments of the two militaries. According to CCTV, the Chinese government [called](#) on the US to “immediately correct its mistake” and “revoke the sanctions,” and said that the PLA reserved the right to take further countermeasures.

A few days later, China [denied](#) a request for the *USS Wasp*, an amphibious assault ship, to make a port call in Hong Kong in October. The Chinese didn’t explicitly link the denial with the US sanctions, saying only that approvals for US military ship visits to Hong Kong are always carried out on a case-by-case basis, “in accordance with the principle of sovereignty and the detailed situation.”

Signaling a further increase in bilateral tensions, the second Diplomatic and Security Dialogue which had been planned for mid-October in Beijing was shelved at the end of September. The US blamed China for the cancelation, but the Chinese insisted that the US had requested a postponement.

On the same day that the US made the announcement, the US Navy destroyer *Decatur* conducted a freedom of navigation operation (FONOP), sailing within 12 nm of Gaven and Johnson Reefs in the Spratly Islands. In what the US Navy [called](#) “an unsafe and unprofessional” maneuver, a Chinese *Luyang*-class destroyer came within 45 yards of the *Decatur*’s bow, forcing the US warship to veer sharply to prevent a collision. A few weeks later, US Defense Secretary James Mattis told reporters on the plane as he embarked on a trip to Asia, “When the Chinese ships are putting bumpers over the side. . . you don’t do that when you’re out in the middle of the ocean, unless you’re intending to run into something.”



Figure 2 A US Navy photo of the near-collision of the *USS Decatur* (left) and PRC Warship 170 on Sept. 30. Photo: gCaptain

Mattis seized the opportunity to lower bilateral tensions in a meeting with Chinese Defense Minister Wei Fenghe on the sidelines of the ASEAN Defense Minister Meeting Plus in Singapore on Oct. 18. In a 90-minute discussion, Mattis reportedly stressed that the two militaries should act as a stabilizing force in the bilateral relationship. He invited Wei to visit the US as soon as possible. According to Assistant Secretary of Defense Randy Schriver, Mattis [highlighted](#) the concerns of other Asia-Pacific countries over Chinese behavior in the South China Sea. *Xinhua*’s coverage of the meeting emphasized Wei’s call for the two militaries to “make a joint effort to strengthen strategic communication, manage and control security risks, expand areas of cooperation, and promote the sound and stable development of the two armies’ relations.”

At a regular press conference after Wei returned to Beijing, China’s Ministry of National Defense spokesman [called](#) for the US and China to promote bilateral military ties as a “stabilizer” for bilateral relations.

Just three weeks after the two defense officials' meeting in Singapore, Wei Fenghe visited the Pentagon, marking the third meeting between Mattis and Wei in less than five months. The talks apparently [included](#) discussion of risk reduction efforts that both sides can take to avoid an inadvertent accident. Chinese media noted that the South China Sea, Taiwan, and the Korean Peninsula were on the agenda. A *Xinhua* report [cited](#) Mattis stating that the US "has no intention to contain China and that fostering a constructive military-to-military relationship with China has always been a goal for the United States." In a sign of easing tensions, the aircraft carrier *USS Ronald Reagan* stopped in Hong Kong in mid-November.

Another FONOP took place toward the end of November. The *USS Chancellorsville* sailed near the Paracel islands, challenging China's excessive maritime claims. The US warship was shadowed by a Chinese vessel, but no unsafe maneuvers were reported. Two days later, two US Navy ships sailed through the Taiwan Strait – the third time that US warships passed through that waterway this year. China protested both operations.

Diplomatic and Security Dialogue convenes

On Nov. 9, the second US-China Diplomatic and Security Dialogue was held in Washington DC, led by Secretary of State Mike Pompeo and Secretary of Defense Mattis on the US side, and by Director of the CCP's Office of Foreign Affairs Yang Jiechi and State Councilor and Defense Minister Gen. Wei Fenghe on the Chinese side. The meeting lasted less than two hours, and, according to the media note [issued](#) by the US Department of State, touched on many issues, including the overall bilateral relationship, strategic security and mil-mil relations, North Korea, Afghanistan, Iran, the South China Sea, Taiwan, Xinjiang, counternarcotics, and US institutions and citizens.



Figure 3 (L to R) Chinese State Councilor and Defense Minister General Wei Fenghe, CCP Office of Foreign Affairs Director Yang Jiechi, US Secretary of State Mike Pompeo, and US Secretary of Defense James Mattis. Photo: Flickr

Given the large number of issues tabled and the limited time spent in discussions, it is likely that there was little more than an exchange of talking points. For the Chinese side, however, simply holding the meeting was sufficient to signal an improved atmosphere in the bilateral relationship before the meeting between the US and Chinese presidents at the G20 in Buenos Aires.

At a joint press availability [following](#) the dialogue, Secretary Pompeo described the talks as friendly and constructive. Although both the US and China continue to "confront important differences in the bilateral relationship," Pompeo said, "cooperation remains essential on many, many central issues." He also noted that "the United States is not pursuing a Cold War or containment policy with China," adding "Rather, we want to ensure that China acts responsibly and fairly in support of security and prosperity in each of our two countries."

Yang Jiechi termed the dialogue "candid, constructive, and productive." Addressing the Asia-Pacific, Yang asserted that China respects US interests in the region, but at the same time expects the US to respect China's security interests there as well. He defended China's construction in the South China Sea as necessary "in response to possible threats from outside." Yang put forward brief statements on every issue discussed during the dialogue, including human rights, which he insisted "have been fully respected and protected" in China, and called upon the US to "respect" that fact.

Defense Secretary Mattis underscored that "competition does not mean hostility, nor must

it lead to conflict.” In the South China Sea, he called on all Chinese vessels and aircraft, including those in the PLA Navy, the Chinese Coast Guard, and the Maritime Militia, to operate in a safe and professional manner, in accordance with international law. Mattis said that the US is committed to creating a military-to-military crisis deconfliction and communication framework with China as well as implement and strengthen confidence-building measures.

Defense Minister Wei emphasized that China’s defense policy is “defensive in nature” and pledged that China would never seek hegemony “however strong we may grow.” He urged the US to respect China’s core interests and major concerns so that the two countries could “achieve a relationship defined by no conflict, no confrontation, mutual respect, and win-win cooperation,” a formulation that Xi Jinping has dubbed a new type of great power relations.

Speech by Vice President Pence draws China’s ire

Speaking to the United Nations Security Council in September, President Trump accused China of attempting to interfere in the 2018 election. “They do not want me or us to win,” he said, “because I am the first president to challenge China in trade.” Foreign Minister Wang Yi, who attended the UNSC session, said that China would not “accept any unwarranted accusations against China,” insisting that his country “do(es) not and will not interfere in any countries’ domestic affairs.

Chinese interference in US elections was among the issues addressed in a major [speech](#) on China delivered by Vice President Pence on Oct. 4 at the Hudson Institute in Washington DC. The tone of the speech was confrontational. Pence laid out a litany of Chinese behaviors that the US finds objectionable but didn’t offer much in the way of solutions except for China to change fundamentally. He accused China of engaging in economic aggression, attempting to push the US out of the Western Pacific, persecuting religious believers in China, and using “debt diplomacy” to expand its influence. He [accused](#) China of using “an arsenal of policies inconsistent with free and fair trade” and warned that the US “will levy even more tariffs . . . unless a fair and reciprocal deal is made.” Pence also charged that Beijing is employing its power “in more proactive and coercive ways to interfere in the

domestic policies . . . and to interfere in the politics of the United States.”

The Chinese were likely stunned by the frontal attack and questioned the Trump administration’s intentions. Undoubtedly many viewed the speech as evidence that Washington was launching a new Cold War aimed at containing China’s rise. China’s foreign ministry called Pence’s remarks “malicious slander” that was created out of “thin air.” Following the speech, Chinese state media published a series of commentaries denouncing the vice president’s pronouncements. One such *Xinhua* commentary published over a week after the speech, [maintained](#) that “The accusations are so spurious and so absurd that they cannot stand any serious fact check.” It called for the US to “restore sanity and responsibility to its China policy.”

When Secretary Pompeo arrived in Beijing from a visit to Pyongyang to discuss Korean Peninsula matters, he was barraged with protests from Chinese officials. Wang Yi [complained](#) that the Trump administration’s actions “directly impacted our mutual trust and cast a shadow over our bilateral relations.” Yang Jiechi insisted that China would safeguard its interests. In a clear signal of displeasure, Xi Jinping, who had met Pompeo on a prior visit in June, refused to receive the US secretary of state.

Trade espionage concerns

A Chinese intelligence official was arrested in Belgium and extradited to the US in mid-October, where he will face espionage charges. The extradition marked the first time that a Chinese official from the Ministry of State Security has been brought to the US to be prosecuted and tried in a public trial. The official, Xu Yanjun, worked for the Ministry of State Security, and allegedly tried to steal trade secrets from US companies. China rejected US espionage claims against Xu, saying that the charges were trumped up “out of thin air.”

At the end of October, the US indicted 10 Chinese intelligence officers and co-conspirators on hacking charges targeting US and European aircraft engine firms between 2010 and 2015. According to the US, the hackers sought to steal turbofan jet engine technology for Chinese companies. Once again, the Chinese dismissed the charges as “sheer fiction and totally fabricated.” The head of the justice

department's national security division, John Demers, [said](#), however, "This is just the beginning. . . . Together with our federal partners, we will redouble our efforts to safeguard America's ingenuity and investment." Meanwhile, the Trump administration [announced](#) new restrictions on foreign investment aimed at preventing China from gaining easy access to American companies.

Trump and Xi

There were no meetings or phone calls between Presidents Donald Trump and Xi Jinping in September or October. When Trump was in New York to attend UN meetings in September, he told the press that his friendship with Xi, which in the past he described as close, could be over. Asked how Xi Jinping could remain a friend given the spike in US-China tensions, Trump [replied](#), "He may not be a friend of mine anymore, but I think he probably respects me."

On Nov. 1, Trump and Xi talked by phone and appeared to patch up their relationship. After the call, Trump tweeted: "Just had a long and very good conversation with President Xi Jinping of China. We talked about many subjects, with a heavy emphasis on Trade. Those discussions are moving along nicely with meetings being scheduled at the G-20 in Argentina. Also had a good discussion on North Korea!"

According to the *Xinhua* account of the call, Trump said that he "attached importance to excellent relations with President Xi Jinping" and called for the two countries' heads of state to "often maintain direct communication." Xi was reportedly less effusive, saying that he was "very pleased to talk again" with President Trump on the phone, that he also "attached importance to maintaining excellent relations between the two leaders, and that he was willing to meet with Trump on the sidelines of the G20 Summit.

When the two presidents sat down for dinner along with their top advisers on Dec. 1 in Argentina, the outcome was not predetermined. Although the US and Chinese teams held discussions beforehand, no deal had been finalized. According to White House Trade Adviser Peter Navarro, Xi Jinping [spoke](#) the first 30 minutes of the dinner, "laying out chapter and verse all of the things that they promised to do," including addressing US concerns about

forced technology transfer, cyber theft and lack of market access. Xi's commitments apparently persuaded Trump that a truce should be declared on tariffs and trade negotiations should begin but produce results within 90 days.

The statements released by both the US and China hailed the results of the meeting, with the US calling it "highly successful" and the Chinese calling it "very successful." The Chinese statement was devoid of details, highlighting the importance of the US-China relationship and a shared commitment to increase bilateral cooperation and maintain close exchanges. Both statements referenced the two sides' agreement to strengthen law enforcement cooperation to combat distribution of the synthetic drug Fentanyl. The Chinese statement noted that the leaders had discussed Taiwan and the US "pledged to continue to adhere to the one-China policy." Trump and Xi also "compared notes on the Korean Peninsula situation and other major international and regional affairs," according to China's statement. The US statement closed with a remark by President Trump that "This was an amazing and productive meeting with unlimited possibilities for both the United States and China. It is my great honor to be working with President Xi."

A year-end phone call was initiated by President Trump. According to *Xinhua*, Trump told Xi that he is "very happy that the work teams of the two countries are making efforts to implement the important consensus that I reached with President Xi Jinping when we met in Argentina" and expressed his hope that the negotiations can achieve "positive results that are favorable to the people of our two countries and others in the world." Xi said that he hoped "the teams of both sides can meet each other half way and pay close attention to the work to strive to as early as possible reach an agreement..."

Strategic crossroads?

US-China trade negotiations will begin in the first quarter of 2019. The talks hold out the potential for a resolution to some of the economic problems if the Trump administration opts to lower the bar and settle for less than it has demanded. An alternative outcome is that the talks end with insufficient progress, followed by a return to acrimony and a resumption of tariffs. The first few months of 2019 will be critical in determining the course of US-China relations for the remaining two years of the Trump administration.

CHRONOLOGY OF US-CHINA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 5, 2018: Senate Foreign Relations Subcommittee on East Asia, The Pacific, and International Cybersecurity Policy holds [hearing](#) on “The China Challenge, Part 2: Security and Military Developments.”

Sept. 6, 2018: Chinese Commerce Minister Gao Feng [warns](#) that China will be forced to retaliate if President Trump announces new tariffs on Chinese goods.

Sept. 7, 2018: Aboard Air Force One, President Trump reportedly [says](#), “The US\$200 billion we are talking about could take place very soon depending on what happens with them. To a certain extent it’s going to be up to China, and I hate to say this, but behind that is another US\$267 billion ready to go on short notice if I want. That changes the equation.”

Sept. 8, 2018: Trump [tweets](#), “Apple prices may increase because of the massive Tariffs we may be imposing on China - but there is an easy solution where there would be ZERO tax, and indeed a tax incentive. Make your products in the United States instead of China. Start building new plants now. Exciting! #MAGA”

Sept. 9, 2018: Trump [tweets](#), “If the U.S. sells a car into China, there is a tax of 25%. If China sells a car into the U.S., there is a tax of 2%. Does anybody think that is FAIR? The days of the U.S. being ripped-off by other nations is OVER!”

Sept. 8-9, 2018: Vice Foreign Minister Zheng Zeguang [visits](#) Washington for two days to prepare for the Diplomatic and Security Dialogue.

Sept. 12, 2018: China [requests](#) authorization from the World Trade Organization to impose \$7 billion a year in sanctions on the US in retaliation for Washington’s non-compliance with a ruling in a dispute over US dumping duties.

Sept. 13, 2018: Trump [tweets](#), “The Wall Street Journal has it wrong, we are under no pressure to make a deal with China, they are under pressure to make a deal with us. Our markets are surging, theirs are collapsing. We will soon be taking in Billions in Tariffs & making products at home. If we meet, we meet?”

Sept. 13, 2018: US [imposes](#) sanctions on a China-based tech firm, Yanbian Silverstar Network Technology Co, its North Korean CEO, and a Russian subsidiary, accusing them of moving illicit funding to North Korea in violation of US sanctions.

Sept. 17, 2018: Trump [announces](#) tariffs, scheduled to go into effect on Sep. 24, on \$200 billion worth of Chinese products.

Sept. 17, 2018: China’s Ministry of Finance [announces](#) it will enact retaliatory tariffs on \$60 billion of US goods, ranging from meat to wheat and textiles, taking effect on Sep. 24, 2018.

Sept. 17, 2018: 2018 Asia Pacific Military Medicine Conference sponsored jointly by the Chinese and US militaries [takes](#) place in Xi’an, Shaanxi.

Sept. 18, 2018: China’s Ministry of Commerce [says](#) that “In order to safeguard our legitimate rights and interests and the global free trade order, China will have to take countermeasures,” in a statement, continuing that, “[They] deeply regret this.”

Sept. 18, 2018: Trump [tweets](#), “China has openly stated that they are actively trying to impact and change our election by attacking our farmers, ranchers and industrial workers because of their loyalty to me. What China does not understand is that these people are great patriots and fully understand that.....”

Sept. 18, 2018: Trump [tweets](#), “.....China has been taking advantage of the United States on Trade for many years. They also know that I am the one that knows how to stop it. There will be great and fast economic retaliation against China if our farmers, ranchers and/or industrial workers are targeted!”

Sept. 20, 2018: Under the Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA), the Trump administration [sanctions](#) a Chinese military department and its director, Li Shangfu, for engaging in significant transactions with Russia's main arms exporter.

Sept. 22, 2018: China's Ministry of Defense [recalls](#) Navy Commander Shen Jinlong from the US where he was attending a conference and postpones US-China joint staff talks that were to take place Sep. 25-27 in Beijing.

Sept. 24, 2018: CIA Director Gina Haspel [remarks](#) at the University of Louisville that she thinks China is working to "diminish US influence in order to advance their own goals," and expresses the CIA's concern about Beijing's efforts to expand its global influence through loans to poorer nations.

Sept. 24, 2018: US Department of State [notifies](#) Congress of the sale of \$330 million in spare parts for F-16s and other aircraft to Taiwan.

Sept. 25, 2018: China [denies](#) a request for a US port visit to Hong Kong by the *USS Wasp*.

Sept. 25, 2018: Director of National Intelligence Dan Coats [warns](#) about China's cyber activities trying to "exploit divisions between US federal and local levels on policy," during his remarks at The Citadel in Charleston, SC.

Sept. 25, 2018: President Trump [remarks](#) that he has "great respect and affection for [his] friend, President Xi, but [Trump has] made clear [the US-China] trade imbalance is just not acceptable. China's market distortions and the way they deal cannot be tolerated," during his address to the 73rd United Nations General Assembly.

Sept. 26, 2018: Trump [accuses](#) China of "attempting to interfere in [the] upcoming 2018 election, coming up in November, against [the Trump] administration," in his remarks to a UN Security Council meeting on nonproliferation in New York. State Councilor Wang Yi responds, "We did not and will not interfere in any country's domestic affairs. We refuse to accept any unwarranted accusations against China," in the same session.

Sept. 26, 2018: President Trump [remarks](#) that President Xi "may not be a friend of mine anymore but I think he probably respects me," at a press conference following a UNSC meeting on nonproliferation in New York.

Sept. 26, 2018: House of Representatives [passes](#) Reciprocal Access to Tibet Act, which seeks to impose a visa ban on Chinese officials who deny US citizens, government officials, and journalists access to Tibet.

Sept. 26, 2018: Trump [tweets](#), "China is actually placing propaganda ads in the Des Moines Register and other papers, made to look like news. That's because we are beating them on Trade, opening markets, and the farmers will make a fortune when this is over!"

Sept. 30, 2018: US Navy destroyer *Decatur* [sails](#) within 12 nm of Gaven and Johnson Reefs in the Spratly Islands, conducting a freedom of navigation operation.

Sept. 30, 2018: US says China [canceled](#) the annual Diplomatic and Security Dialogue between high-level officials from the US and China that was planned to take place mid-October in Beijing. China later says it was the US that canceled the meeting.

Oct. 1, 2018: Secretary James Mattis [tells](#) reporters "There's tension points in the relationship, but based on discussions coming out of New York last week and other things that we have coming up, we do not see it getting worse"

Oct. 3, 2018: China's Ambassador to the United States Cui Tiankai [blames](#) the US for the trade war, remarking that China is "ready to make a deal. [China is] ready to make some compromise, but it needs the goodwill from both sides," in an interview with *National Public Radio (NPR)*.

Oct. 4, 2018: Vice President Mike Pence delivers [speech](#) on China at the Hudson Institute, criticizing its political system and trade policies, and accusing it of interfering in US elections.

Oct. 8, 2018: Secretary Pompeo [meets](#) Minister Wang Yi and Yang Jiechi in Beijing after visiting Pyongyang and Seoul. Both express harsh criticisms of US policies toward China.

Oct. 10, 2018: Trump administration [announces](#) new powers to Committee on Foreign Investment in the US (CFIUS) that will allow the US to block a wider array of foreign investments including joint ventures and smaller investments deemed critical to national security.

Oct. 10, 2018: Chinese spy, Yanjun Xi, is [extradited](#) to the United States for stealing US technology secrets.

Oct. 11, 2018: Trump administration [announces](#) new restrictions on civilian nuclear technology exports to China.

Oct. 12, 2018: US Treasury Secretary Steven Mnuchin [meets](#) People's Bank of China Governor Yi Gang on the sidelines of the IMF and World Bank meeting in Bali.

Oct. 15, 2018: At Chiefs of Defense Conference Dinner in Washington DC, US Ambassador to the UN Nikki Haley [condemns](#) China's detention of Uighurs in camps, saying that "the government is engaged in the persecution of religious and ethnic minorities that is straight out of George Orwell."

Oct. 15, 2018: On a plane en route to Vietnam, Secretary of Defense Mattis [says](#) the US is "not out to contain China" and is cooperating whenever possible, but that there would be times they would "step on each other's toes."

Oct. 16, 2018: Two US Air Force bombers [depart](#) from the Anderson Air Force Base in Guam as part of what the US says is a "routine training mission in the vicinity of the South China Sea."

Oct. 17, 2018: US Department of the Treasury [refrains](#) from naming China as a currency manipulator in its semiannual Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States.

Oct. 17, 2018: Speaking to *FOX News*, Trump [remarks](#), "[China wants] to make a deal. I said you guys are not ready yet. You're just not ready because look, they have been taking \$500 billion a year out of our country. It is time that we stopped."

Oct. 18, 2018: Secretary of Defense Mattis and Chinese Defense Minister Wei Fenghe [meet](#) on the sidelines of the ASEAN Defense Ministers Meeting Plus in Singapore.

Oct. 22, 2018: Two US Navy vessels [sail](#) through the Taiwan Strait.

Oct. 25, 2018: Trump [tweets](#), "The New York Times has a new Fake Story that now the Russians and Chinese (glad they finally added China) are listening to all of my calls on cellphones. Except that I rarely use a cellphone, & when I do it's government authorized. I like Hard Lines. Just more made up Fake News!"

Oct. 26, 2018: Planned \$330 million arms sale to Taiwan [wins](#) de facto congressional approval.

Oct. 29, 2018: In an interview with *FOX*, Trump [says](#), "I think that we will make a great deal with China and it has to be great, because they've drained our country." He threatens further tariffs on the \$267 billion in Chinese exports to the United States.

Oct. 29, 2018: US Department of Commerce [announces](#) it will begin restricting US companies from selling software and technology goods to Fujian Jinhua Integrated Circuit Co., a state-owned chip maker.

Oct. 31, 2018: US Department of Justice [accuses](#) two Chinese intelligence officers of stealing aerospace secrets.

Nov. 1, 2018: Attorney General Jeff Sessions [announces](#) that a grand jury in San Francisco returned an indictment alleging economic espionage on the part of a Chinese state-owned, government owned, company, a Taiwan company, and three Taiwan individuals for an alleged scheme to steal trade secrets from Micron, an Idaho-based semi-conductor company.

Nov. 1, 2018: At President Trump's request, he and President Xi [speak](#) by phone. Xi tells Trump that economic and trade disputes risk harming both of their countries.

Nov. 1, 2018: Trump [tweets](#), "Just had a long and very good conversation with President Xi Jinping of China. We talked about many subjects, with a heavy emphasis on Trade. Those discussions are moving along nicely with meetings being scheduled at the G-20 in Argentina. Also had good discussion on North Korea!"

Nov. 1, 2018: Premier Li Keqiang [meets](#) US Congressional delegation headed by Sen. Lamar Alexander.

Nov. 2, 2018: Asked about being directed by President Trump to draft a trade solution for China, White House Economic Advisor Larry Kudlow responds, “There’s no massive movement to deal with China,” in an [interview](#) with *CNBC*.

Nov. 9, 2018: US and China convene the second round of the US-China Diplomatic and Security Dialogue in Washington DC. Secretary Pompeo, Secretary Mattis, Yang Jiechi, and Defense Minister General Wei Fenghe [hold](#) a press conference afterwards.

Nov. 9, 2018: Via phone, Treasury Secretary Mnuchin and Vice Premier Liu He [resume](#) discussion about a deal to ease trade tension.

Nov. 13, 2018: Sen. Marco Rubio and Sen. Chris Coons [express](#) concern about the prospect of China getting control of a port in Djibouti in a letter to Secretary Pompeo.

Nov. 13, 2018: Chinese and US armed forces [start](#) an eight-day joint humanitarian assistance and disaster relief drill in Nanjing.

Nov. 14, 2018: Sen. Rubio and Sen. Bob Menendez [introduce](#) the Uyghur Human Rights Policy Act, which calls for the State Department to appoint a Special Coordinator for Xinjiang and apply Global Magnitsky and related sanctions to Chinese officials.

Nov. 16, 2018: Trump [tells](#) White House reporters that in an effort to reduce trade tensions, China “sent a list of things that they’re willing to do, which is a large list, and it’s just not acceptable to me yet.”

Nov. 18, 2018: Differences between the US and China [prevent](#) the issuance of a communique for the first time ever at the APEC Leaders’ Meeting in Papua New Guinea.

Nov. 20, 2018: USTR releases a [report](#) updating information on its Section 301 investigation of “China’s acts, policies and practices related to technology transfer, intellectual property and innovation.”

Nov. 21, 2018: The aircraft carrier *USS Ronald Reagan* [makes](#) a port call in Hong Kong.

Nov. 26, 2018: In an interview with the *Wall Street Journal*, Trump [says](#) that he thinks it is “highly unlikely” he will delay applying tariffs to remaining Chinese imports.

Nov. 26, 2018: Chinese Ambassador Cui Tiankai [tells](#) the *Wall Street Journal* that he hopes a Trump-Xi meeting at the upcoming G20 Summit will “give us clear strategic guidance on where the relationship is going.”

Nov. 26, 2018: *USS Chancellorsville* [conducts](#) a freedom of navigation operation, sailing near the Paracel islands to challenge excessive Chinese maritime claims.

Nov. 27, 2018: In an interview with *Reuters*, Ambassador Cui Tiankai [states](#) that he does not think Beijing will use its holding of US Treasuries as a weapon in the trade war.

Nov. 28, 2018: US [sends](#) two warships, including a guided-missile destroyer, through the Taiwan Strait.

Nov. 28, 2018: Congressional-Executive Committee on China [holds](#) a hearing on “The Communist Party’s Crackdown on Religion in China.”

Nov. 29, 2018: Trump [tweets](#), “Billions of Dollars are pouring into the coffers of the U.S.A. because of the Tariffs being charged to China, and there is a long way to go. If companies don’t want to pay Tariffs, build in the U.S.A. Otherwise, lets just make our Country richer than ever before!”

Nov. 29, 2018: Trump [tells](#) the media before taking off for Argentina, “I think we’re very close to doing something with China, but I don’t know that I want to do it, because what we have right now is billions and billions of dollars coming into the United States in the form of tariffs and taxes . . . I think China wants to make a deal. I’m open to making a deal, but, frankly, I like the deal we have right now.”

Dec. 1, 2018: Presidents Trump and Xi [meet](#) on the sidelines of the G20 Summit and agree to delay imposing new tariffs.

Dec. 1, 2018: Canadian authorities [arrest](#) Huawei CFO Meng Wanzhou for extradition to the US on charges that she violated US export and sanctions laws by shipping US-origin products to Iran. The Chinese government strongly protest her arrest.

Dec. 2, 2018: Trump [tweets](#), “China has agreed to reduce and remove tariffs on cars coming into China from the U.S. Currently the tariff is 40%.”

Dec. 3, 2018: Trump [tweets](#), “My meeting in Argentina with President Xi of China was an extraordinary one. Relations with China have taken a BIG leap forward! Very good things will happen. We are dealing from great strength, but China likewise has much to gain if and when a deal is completed. Level the field!”

Dec. 3, 2018: Trump [tweets](#), “Farmers will be a very BIG and FAST beneficiary of our deal with China. They intend to start purchasing agricultural product immediately. We make the finest and cleanest product in the World, and that is what China wants. Farmers, I LOVE YOU!”

Dec. 3, 2018: Trump [tweets](#), “President Xi and I have a very strong and personal relationship. He and I are the only two people that can bring about massive and very positive change, on trade and far beyond, between our two great Nations. A solution for North Korea is a great thing for China and ALL!”

Dec. 4, 2018: Trump [tweets](#), “The negotiations with China have already started. Unless extended, they will end 90 days from the date of our wonderful and very warm dinner with President Xi in Argentina. Bob Lighthizer will be working closely with Steve Mnuchin, Larry Kudlow, Wilbur Ross and Peter Navarro... Trump [continues](#), “...on seeing whether or not a REAL deal with China is actually possible. If it is, we will get it done. China is supposed to start buying Agricultural product and more immediately. President Xi and I want this deal to happen, and it probably will. But if not remember...” He [adds](#), “...But if a fair deal is able to be made with China, one that does all of the many things we know must be finally done, I will happily sign. Let the negotiations begin. MAKE AMERICA GREAT AGAIN!”

Dec. 4, 2018: Trump [tweets](#), “We are either going to have a REAL DEAL with China, or no deal at all – at which point we will be charging major Tariffs against Chinese product being shipped into the United States. Ultimately, I believe, we will be making a deal – either now or into the future....”

Dec. 4, 2018: Trump [concludes](#) his tweets, writing that “...China does not want Tariffs!”

Dec. 5, 2018: Eighth US–China Dialogue on Rule of Law and Human Rights [takes](#) place in Beijing.

Dec. 5, 2018: Trump [tweets](#), “China officially echoed President Donald Trump’s optimism over bilateral trade talks. Chinese officials have begun preparing to restart imports of U.S. Soybeans & Liquified Natural Gas, the first sign confirming the claims of President Donald Trump and the White House that.....” Trump [continues](#), “.....China had agreed to start “immediately” buying U.S. products.’ @business”

Dec. 5, 2018: President Trump [tweets](#), “Very strong signals being sent by China once they returned home from their long trip, including stops, from Argentina. Not to sound naive or anything, but I believe President Xi meant every word of what he said at our long and hopefully historic meeting. ALL subjects discussed! He [adds](#), “One of the very exciting things to come out of my meeting with President Xi of China is his promise to me to criminalize the sale of deadly Fentanyl coming into the United States. It will now be considered a “controlled substance.” This could be a game changer on what is.....” And [concludes](#), “.....considered to be the worst and most dangerous, addictive and deadly substance of them all. Last year over 77,000 people died from Fentanyl. If China cracks down on this “horror drug,” using the Death Penalty for distributors and pushers, the results will be incredible!”

Dec. 6, 2018: Chinese government [demands](#) the immediate release of Meng Wanzhou, Huawei Technologies’ chief financial officer and the daughter of the company’s founder, after she was arrested changing planes in Vancouver, B.C. on Dec. 1.

Dec. 6, 2018: Trump [tweets](#), “Statement from China: “The teams of both sides are now having smooth communications and good cooperation with each other. We are full of confidence that an agreement can be reached within the next 90 days.” I agree!”

Dec. 7, 2018: Trump [tweets](#), “China talks are going very well!”

Dec. 8, 2018: Chinese government summons both the US and Canadian ambassadors in Beijing to demand the release of Meng Wanzhou, chief financial officer of Huawei.

Dec. 9, 2018: US Trade Representative Robert Lighthizer [says](#) on CBS: “If there’s a deal to be done, we’ll make it. The president wants us to make a deal. It has to be verifiable, it has to be monitored, it can’t be just vague promises like we’ve seen over the last 25 years....As far as I’m considered, it’s a hard deadline.”

Dec. 10, 2018: Treasury Secretary Steven Mnuchin, USTR Lighthizer, and Chinese Vice Premier Liu He [talk](#) by phone. US sources say that Chinese purchases of agricultural products and changes to fundamental Chinese economic policies were discussed. China’s Commerce Ministry issues a statement saying the call was meant to “push forward with next steps in a timetable and road map” for negotiations.

Dec. 11, 2018: Secretary of State Pompeo [cites](#) China as one of 10 countries that has engaged or tolerated “systematic, ongoing (and) egregious violations of religious freedom.” All 10 nations are categorized as “Countries of Particular Concern” under the International Religious Freedom Act of 1998.

Dec. 11, 2018: US Senate passes the Reciprocal Access to Tibet Act ([H.R. 1872](#)) and the legislation goes to the desk of President Trump, who is expected to sign the bill into law.

Dec. 11, 2018: Trump [tweets](#), “Very productive conversations going on with China! Watch for some important announcements!”

Dec. 13, 2018: National Security Adviser John Bolton [delivers](#) a speech at the Heritage Foundation in Washington DC in which he argues that the greatest threat to Africa comes from an expansionist China and from Russia, not from poverty or Islamist extremism.

Dec. 13, 2018: Bipartisan group of six US senators, led by Marco Rubio (R-FL) and Catherine Cortez Masto (D-NV), send a letter to key members of the Trump administration urging action on allegations of the Chinese Communist Party's interference in Taiwan's elections.

Dec. 14, 2018: Trump [tweets](#), “China just announced that their economy is growing much slower than anticipated because of our Trade War with them. They have just suspended U.S. Tariff Hikes. U.S. is doing very well. China wants to make a big and very comprehensive deal. It could happen, and rather soon!”

Dec. 19, 2018: China and the US [hold](#) a vice-ministerial level telephone call on trade and other economic issues.

Dec. 20, 2018: US and British authorities allege a Chinese hacking group known as APT-10 led a two-year effort against the West which included targeting 45 US technology companies, more than 100,000 US Navy personnel, and computers belonging to NASA. US Justice Department [charges](#) two Chinese nationals with conducting the attacks on behalf of the Chinese Ministry of State Security.

Dec. 21, 2018: China and the US hold another vice-ministerial level telephone call and, according to the Chinese Ministry of Commerce, [achieve](#) a “deep exchange of views” on trade imbalances and the protection of intellectual property rights.

Dec. 29, 2018: Presidents Trump and Xi talk by phone.

Dec. 29, 2018: Trump [tweets](#), “Just had a long and very good call with President Xi of China. Deal is moving along very well. If made, it will be very comprehensive, covering all subjects, areas and points of dispute. Big progress being made!”

COMPARATIVE

CONNECTIONS

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

US-KOREA RELATIONS

PATIENCE, TACK AND IMPASSE

STEPHEN NOERPER, KOREA SOCIETY AND COLUMBIA UNIVERSITY

Despite an impasse in the US-DPRK dialogue, the United States and Republic of Korea largely voiced common cause while tacking to new realities. The allies showed flexibility by continuing the drawdown in military exercises and destroying military posts along the demilitarized zone following the Moon-Kim summit in Pyongyang. The outgoing and incoming USFK commanders both acknowledged challenges to readiness, but spoke in support of inter-Korean efforts to reduce military tensions. Secretary of State Mike Pompeo bristled at inter-Korean accords made without US consultation, while President Moon Jae-in credited the alliance with facilitating the dramatic improvements in inter-Korean relations. Moon sought to spur a second Trump-Kim Jong Un summit, with both seemingly committed. Chairman Kim Jung Un and Pompeo met in October, yet North Korea turned away both Pompeo and the new US special representative for North Korea policy, Stephen Biegun, a month later over sanctions concerns and a block on US aid workers. The US and ROK tacked on an updated KORUS free trade agreement and the launch of a bilateral working group aimed at coordinating North Korea policy. Domestic political developments – Trump’s midterm loss of the House and Moon’s skeptics and economic concerns – will check momentum, though a second Trump-Kim summit might stimulate some activity in relations.

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What a difference a year makes

Tensions in Korea were high early in 2018, but “fire and fury” gave way to an Olympic moment-turned-movement by year’s end. In an address to the Council on Foreign Relations, Korea Society, and Asia Society group in late-September, Moon Jae-in marveled at “something miraculous happening on the Korean Peninsula.” Fueled by three inter-Korean summits in 2018 – the latest in Pyongyang in September – Moon reassured his main ally and the international community that his approach was viable and that Kim Jong Un was serious and sincere. Though Moon won over many in the UN General Assembly with his call for a peace regime, most on the Security Council and in Washington remained cautious, if not skeptical.

North Korea refrained from nuclear and missile tests for the entirety of 2018, last testing a nuclear device in September 2017 and a long-range missile in November 2017, affording Moon space to exercise his efforts at bringing in North Korea from the cold. Inter-Korean ties flourished in late 2018, and the Pyongyang summit in September saw South Korean business leaders dangle the prospect of investment and the two Koreas committed to significant confidence building measures. ROK Ministry of National Defense (MND) mid-December footage of South and North Korean troops surveying demolished guard posts and sharing cigarettes, coupled with scenes of the groundbreaking for a common rail corridor, suggest an inter-Korean dynamic with a head of steam, despite checks on rail and road upgrades until sanctions are lifted.



Figure 1 A North Korean military officer (left) shakes hands with a South Korean military officer near the DMZ on Nov. 22. Photo: The Atlantic

The White House portrayed the lack of missiles flying as a marked success, and Trump voiced

enthusiasm for the process while counseling patience and no timelines. Despite his call to not rush the complicated process of denuclearization, experts in both Washington and Seoul pressed for real commitments. Many deem the test moratorium simply not enough, see the DPRK strategy as a repeat of past feints (or as insincere), and argue that the DPRK is proceeding with weapons development, despite the stated turn toward economic modernization.

US research institutions – the Center for Strategic and International Studies in Washington and the Middlebury Institute Nonproliferation Center in Monterey – confirmed in late 2018 the existence of 13 of a suspected 20 undeclared missile operating bases and an expansion of DPRK long-range missile housing facilities near the Chinese border. In late November, the International Atomic Energy Agency reported upgrades at Pyongyang’s main nuclear facility at Yongbyon.

There has been no progress on a DPRK declaration of facilities and weaponry and none or little on verification, with Moon suggesting that Kim committed to some verification at the Pyongyang summit, a point reiterated by the ROK Ministry of Foreign Affairs late fall. Secretary Pompeo left his early October meeting also noting assurances from Kim of verification of both nuclear and rocket test sites once logistics were coordinated. At Seoul’s urging, Washington agreed to withhold insistence on a declaration for the time being.

A primary reason for the summitry and increase in inter-Korean interactions and confidence building has been the steady ballast provided by Moon’s administration. Moon righted the ship in advance of the Trump-Kim meeting in Singapore when it looked like the summit might not happen and again in the fall to assuage criticism and build momentum for renewed talks. Pompeo’s meeting with North Korean counterpart Ri Yong Ho on the UNGA sidelines and Kim Jong Un’s reception of Pompeo weeks after the Pyongyang summit demonstrate the ongoing process.



Figure 2 North Korean Leader Kim Jong Un hosts US Secretary of State Mike Pompeo in Pyongyang on Oct. 7. Photo: Twitter

Yet Seoul faces a tough balancing act with its increasing role as mediator between the US and the DPRK, wanting to advance inter-Korean ties while being checked by US doubts and constraints of the sanctions regime. Given the complexity of processes and players, it seems likely that North Korea will have to make at least tacit commitments in 2019 for momentum to hold.

Lead-up to the new year

Kim Jong Un may understand the political issues faced by Moon, to whom he's expressed deference when meeting, or simply be exerting his self-perceived image as a new global leader, but the end of year saw a build-up toward the DPRK leader's new year address that was starkly different than in years prior. In the final days of December, Kim sent a letter to Moon expressing regret for not fulfilling his promise to visit Seoul within the year and urging more summits with Moon in 2019. Kim also issued a "conciliatory" message to Trump, reportedly aimed at a second summit and breaking the impasse in talks – a message that the US president praised.

Kim's New Year's speech itself focused squarely on domestic economic issues, with only a third of the address related to foreign relations. Despite a threat to pursue new ways if the US failed to make progress in talks, Kim urged a new phase in relations with the US and suggested the rapid development of good relations with South Korea as a model. The

address was also different in form, with the young, suited leader shown descending a staircase and delivering his address seated in a study, suggesting a warmer and more worldly fireside chat.



Figure 3 Kim Jong Un delivers his annual New Year's speech on Jan. 1. Photo: Lawfare

Whether Kim saw himself proffering a more sophisticated global persona – further evidence of Moon's success at bringing the North in from the cold – or calculated stagecraft aimed at international support for economic opening, Trump, seizing on the end-of-year and New Year's messages, focused on a perceived commitment by North Korea to halt nuclear and missile production. Proponents of Moon's approach argue that the momentum is real, and that North Korea has seen through its early commitments: the test moratorium, closure of its nuclear test site, and a return of US war remains.

Aid, trade, and burden-sharing

Following the summer return of US war remains, efforts slowed as North Korea bristled over the maintenance of sanctions and Washington's cut-off in visas for US-based humanitarian aid workers. North Korea's KCNA and its New York channel representatives couched the DPRK effort – the only area from the Singapore summit on which it explicitly followed through – as a "humanitarian" gesture, and one requiring a quid pro quo from the Americans.

US aid organizations took a muscular approach in addressing the State Department's denial of visas for its representatives to visit North Korea, citing the immediate and dramatic health and food needs of the North Korean public. Sanctions have curtailed incoming equipment and financing for humanitarian initiatives, complicating their efforts. The National Committee on North Korea in Washington, DC

expressed concern over the visa cut-offs, following US pressure that saw the Global Fund cancel activities in North Korea earlier.

NCNK Executive Director Keith Luse warned that the Trump administration regarded the provision of humanitarian assistance to the North Korean people as a legitimate target for its maximum pressure campaign. The NGOs met some success through meeting with special representative Steve Biegun, who in a mid-December visit to Seoul announced that US would revisit the aid and visa issues, and that assistance would be expedited. Seoul announced that Washington would provide support for flu treatments being sent north as well.

The US also tacked toward a corrective in seeing through an update of the KORUS Free Trade Agreement. Many wondered why the White House would threaten to abandon the FTA at a time when coordination with Seoul seemed essential to advance stability. The updated FTA afforded a few concessions, including that each US automaker may double to 50,000 the number of cars it can sell in South Korea without meeting local safety standards. The updated KORUS provided Trump his first such trade agreement.

However, military burden-sharing remains an unsettled issue, raising eyebrows in Seoul and among US supporters of a strong alliance. Washington wants Seoul to significantly increase its share of host nation support beyond 50 percent annually, with reports that Trump wants Moon to hike the \$860 million commitment to \$1.3 billion. Korea Society President Tom Byrne asked in a December *Washington Post* opinion piece about “what could strain the alliance, potentially crippling a coordinated diplomacy of engagement? ... failed negotiations on the Special Measure Agreements that govern burden-sharing for the 28,000 troops based in South Korea ... playing hardball with Korea on payments is puzzling at this historic moment, given the troops’ larger strategic purpose” he added.

Sanctions, alliance coordination, and human rights

Despite hyperbole about growing fissures, both the US and ROK agreed on the necessity of maintaining the current sanctions regime to curtail North Korea’s nuclear and missile development and lead it toward

denuclearization. Several times in late 2018, US and ROK officials reiterated the need for DPRK compliance prior to any discussion of downgrading measures in place. US Treasury leveled sanctions against several individuals and entities over the period, with US Ambassador to the UN Nikki Haley calling out Russian efforts to undermine sanctions and ease banking regulations.

As Moon advances his plans for inter-Korean integration, South Korea will be obliged to call upon the United Nations Security Council (UNSC) to begin to make exceptions to the current sanctions regime. Seoul’s task will be easier as long as Pyongyang maintains its test moratorium. Meanwhile, China and Russia stepped up calls for downgrades to the sanctions regime, which left South Korea trying to balance impulses toward opening with the common cause of denuclearization shared with and primarily articulated by the United States.

Official pronouncements describe a US-ROK alliance that is steadfast. President Moon reiterated to Vice President Mike Pence in November that “it is entirely the power of the strong Korea-US alliance that drew North Korea into dialogue and made the current situation possible.” At the transition of the UNC/CFC/USFK commander – from Gen. Vincent Brooks to Gen. Robert Abrams – the generals acknowledged operational challenges, but emphasized the greater unity in US-South Korea relations. Seoul reported that Pompeo balked at a lack of coordination and consultation in adopting the inter-Korean military accord that took effect Nov. 1. Although the US is supportive of the inter-Korean processes, it is concerned over implications of some of the changes, including the no-fly zone, which in the event of a crash or altercation could ratchet tensions with a North Korea that might feel justified in a more belligerent response. The US, through the UNC, and ROK and DPRK military representatives, met several times to discuss the rapid changes within the Joint Security Area (JSA). Pompeo reminded Seoul that inter-Korean relations should improve in conjunction with denuclearization.

The Nov. 20 launch of a new senior-level US-ROK working group aims to strengthen coordination on diplomacy, verifiable denuclearization, UNSC resolution implementation, inter-Korean cooperation, and lasting peace. In doing so, the new working

group may temper fissures in the alliance, narrow divisions of opinion on policy, and facilitate better communications and understanding.

Though the impasse in US-DPRK talks slowed movement toward an end-of-war declaration or peace regime, Seoul has made its priorities clear, and the US will need to take those expectations into consideration. Ultimately, only Pyongyang knows if it intends to trade away its nuclear and missile capabilities. The US and ROK strive to make the DPRK understand that those capabilities do not enhance its security; security lies in abandoning them. Trump and Moon have made it clear to Kim that economic prosperity lies with denuclearization, which at present is the only articulated path to sanctions relief.

Some US observers have argued the benefits of more manageable, near-term goals: partial denuclearization, demilitarization, and arms control. Trust-building after 70 years of hostilities – hot and cold – is formidable, yet a basic issue underscored by North Korea’s foreign minister and others.

The agenda of concerns grows. The Dec. 24 Federal District Court decision awarding Otto Warmbier’s parents \$501 million in damages from North Korea (not simply symbolic given the US State Sponsors of Terrorism victims fund) reminds us that human rights looms large in future discussions with North Korea. US Treasury leveled sanctions against three senior DPRK officials over human rights violations – leading to a strong retort from Pyongyang and its mid-December contention that denuclearization applies to the entire peninsula – albeit not a new call, yet another stumbling block in the US-DPRK impasse.

Domestic determinants will check both Trump and Moon in 2019. The shift of control in the House of Representatives to the Democrats means more congressional engagement on Korea. Though the impact on general policy will be limited, a Democratic House may engage more on issues like human rights and humanitarian assistance or seek more frequent testimonial on the pace and scope of negotiations with North Korea. Trump’s longer term viability – especially relative to Russia and the Mueller investigation – will impact the time and attention paid to North Korea, perhaps in unexpected ways.

The departure of Defense Secretary James Mattis on Dec. 31 especially worried US allies; Mattis was the “adult in the room” on many Korea-related decisions. Although he had stepped back somewhat with Pompeo’s arrival at State, Mattis was a stable, sensible leader at a time of flux. A common voice on Korea among State, Defense, and the National Security Council is increasingly important.

For Moon, who has staked his presidency on inter-Korean progress, time is important. He needs results as his popularity declines and as Seoul skeptics grow in number. Domestic issues remain a drag, especially in the areas of jobs and the economy. Political cleavages in Seoul have deepened.

Moon’s steady rudder made the earlier breakthrough in US-DPRK dialogue and summitry possible, but managing Washington and Pyongyang, issues at home, and the pace of inter-Korean reconciliation present persistent and profound challenges. Empowered, flexible, and well-oiled relations between the United States and Republic of Korea are essential to advance peace and avoid a return to heightened tensions on the Peninsula.

CHRONOLOGY OF US-KOREA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 4, 2018: US President Donald Trump speaks with South Korea President Moon in advance of ROK delegates heading north and Moon's visit to New York.

Sept. 6, 2018: President Moon underscores the need for the DPRK's "complete denuclearization; and Trump thanks Kim Jong Un for "unwavering faith" after Kim suggests a denuclearization timeline.

Sept. 6, 2018: US accuses North Korea of engaging in a global cyber-crime wave.

Sept. 7, 2018: President Trump states he is expecting a "positive" letter from Kim Jong Un.

Sept. 9, 2018: North Korea military parade features floats and no long-range missiles. Kim Jong Un tells Chinese envoy North Korea he is upholding US nuclear deal.

Sept. 10, 2018: Kim Jong Un sends Trump a letter requesting a follow-on meeting.

Sept. 11, 2018: Two more US service members' remains returned in DPRK handover.

Sept. 12, 2018: Two Koreas open liaison offices with around-the-clock communications channels.

Sept. 13, 2018: Two Koreas hold working-level military talks. US imposes North Korea-related sanctions on Russian and Chinese technology firms. US approves possible \$2.6 billion in military sales to ROK.

Sept. 13, 2018: US accuses Russia of covering up breaches of North Korea sanctions. Despite US warning, North Korea coal shipped into South Korea. DPRK decries US accusations of computer network hacking as a "smear campaign."

Sept. 14, 2018: *New Yorker* article describes US North Korea policy advisors: "None of them is where the President is." Pompeo accuses Russia of actively undermining sanctions.

Sept. 17, 2018: Moon meets Kim, who credits earlier meeting with Trump as stabilizing region and promises to visit Seoul. US Ambassador to the UN Nikki Haley accuses Russia of "cheating" on DPRK sanctions.

Sept. 18, 2018: Kim Jong Un says North and South Korea agreed to denuclearization efforts.

Sept. 19, 2018: DPRK invites foreign experts to watch closure of missile engine testing site and launch pad at Tongchang-ri. US says it is ready to resume talks with North Korea.

Sept. 20, 2018: Moon says Kim wants another Trump summit to speed denuclearization.

Sept. 24, 2018: Updated KORUS Free Trade Agreement is finalized.

Sept. 25, 2018: Incoming USFK Commander Gen. Robert Abrams suggests a slight dip in readiness with the suspension of exercises and acknowledges tactical risk if US troops were removed from the Korean Peninsula in Senate confirmation hearings.

Sept. 25, 2018: Trump praises Kim, but says sanctions must stay for now.

Sept. 26, 2018: Moon tells UN General Assembly that "ending the Korean War is an urgent task" and calls for a peace regime.

Sept. 27, 2018: Trump underscores there is no timeframe for denuclearization and anticipates a second summit with Kim. Pompeo tells UNSC the only path for the DPRK is diplomacy and denuclearization.

Sept. 29, 2018: DPRK Foreign Minister Ri Yong Ho tells UNGA that the DPRK in "no way" will disarm without trust.

Sept. 30, 2018: Trump tells US public rally he and Kim "fell in love."

Oct. 2, 2018: Washington announces Pompeo will visit Pyongyang again despite negative signals. Pyongyang says its steps toward denuclearization must be met by US concessions.

Oct. 3, 2018: ROK FM Kang Kyung-wha suggests that the US should hold off its demand for a DPRK declaration and accept a verified closure of the Yongbyon nuclear facility.

Oct. 4, 2018: US Treasury sanctions a Turkish firm and a DPRK diplomat for weapons trade.

Oct. 4, 2018: The Arms Control Association announces release of *North Korea Denuclearization Digest*.

Oct. 5, 2018: Pompeo suggests optimism for “better understandings, deeper progress and a plan forward.”

Oct. 7, 2018: Secretary Pompeo meets Kim Jong Un in Pyongyang and notes progress on Singapore commitments. Blue House announces Pompeo and Kim agree to a second US-DPRK summit.

Oct. 8, 2018: Secretary Pompeo says North Korea is ready to let inspectors into the Punggye-ri nuclear test site and Sohae missile engine test facility after US and DPRK agree on logistics.

Oct. 9, 2018: President Moon suggests that a “new order is being created on the Korean Peninsula.” Pompeo describes seeing a “path” to denuclearization. Trump says a second summit will come after midterm elections.

Oct. 10, 2018: ROK says Secretary Pompeo complained about inter-Korean military agreement.

Oct. 11, 2018: Seoul says it has made no change on DPRK sanctions.

Oct. 12, 2018: Seoul says Pyongyang intends to abolish all nuclear weapons.

Oct. 15, 2018: Moon argues that Kim is sincere and should see rewards for abandoning nuclear weapons.

Oct. 16, 2018: ROK MND announces that UNC, ROK, and DPRK representatives are meeting about disarming the joint security area. State Department announces Special Representative for North Korea Policy Stephen Biegun is traveling to Moscow, Paris, and Brussels for working-level meetings.

Oct. 18, 2018: Media reports suggest the US is opposed to inter-Korean agreement on a no-fly zone. *The Wall Street Journal* describes a US-ROK “wrangle” over DPRK policy.

Oct. 20, 2018: US and ROK agree to suspend more drills in an effort to bolster diplomacy with the DPRK. US official suggests that the next US-DPRK summit will take place in the new year.

Oct. 22, 2018: US Treasury expresses “deep concern” over ROK bank plans for DPRK. UNC, ROK and DPRK hold second round of military working-level talks aimed at demilitarization.

Oct. 25, 2018: US and ROK chairmen of respective Joint Chiefs of Staff hold annual Military Committee Meeting, underscoring the alliance.

Oct. 26, 2018: ROK and DPRK agree to scrap 22 guard posts along the DMZ. ROK Defense Minister Jeong Kyeong-doo reaffirms the temporary status of THAAD deployments.

Oct. 29, 2018: Special Representative Biegun meets ROK counterpart Lee Do-hoon.

Oct. 30, 2018: ROK FM Kang asks US for “maximum flexibility” on Iran sanctions.

Oct. 31, 2018: Secretary of Defense Mattis and South Korean Defense Minister Jeong Kyeong-doo meet for the 50th Security Consultative Meeting in Washington, DC. The agree to strategic guidelines that aim to reduce uncertainty over transfer of wartime operational control.

Oct. 31, 2018: US announces Pompeo meeting with a DPRK counterpart in early November. ROK and US agree to wartime operational control transfer principles for facilitation.

Nov. 1, 2018: No-fly zone and military drill ban take effect along DMZ.

Nov. 2, 2018: Defense Secretary James Mattis describes “continuity for the ROK-led future CFC.”

Nov. 4, 2018: US and ROK resume low-key military drills. North Korea warns of strengthening its nuclear arsenal without US sanctions relief in advance of Pompeo meeting.

Nov. 5, 2018: Outgoing USFK Commander Gen. Vincent Brooks voices support for September inter-Korean military accord.

Nov. 6, 2018: Joint Chiefs of Staff Chairman Gen. Joseph Dunford notes that US-DPRK talks could affect US military posture.

Nov. 6, 2018: Gen. Brooks meets FM Kang, saying the alliance has “overcome a range of challenges as a team amid the changing situation on the Korean Peninsula.”

Nov. 6, 2018: Secretary of State Pompeo’s meeting in New York with North Korean Kim Yong Chol is abruptly canceled.

Nov. 9, 2018: Democratic Sen. Ed Markey calls on Trump to ease the ban on US aid workers to DPRK.

Nov. 12, 2018: Center for Strategic and International Studies says it identified 13 of an estimated 20 undeclared missile bases inside North Korea. Trump says DPRK missile sites are “nothing new.”

Nov. 12, 2018: DPRK’s *Rodong Sinmun* condemns US-ROK small-scale exercises by the Korean Marine Exchange Program as a violation of the Sept. 19 Pyongyang accords.

Nov. 14, 2018: US Congressional Commission reports China has relaxed sanctions enforcement on North Korea.

Nov. 15, 2018: President Moon tells visiting Vice President Mike Pence that the alliance has made the current situation possible. Pence says Trump will meet Kim in 2019, but won’t allow broken promises.

Nov. 16, 2018: North Korea state media reports that Kim Jong Un visited the site of a successful test of a “newly developed, ultramodern tactical weapon.” Pompeo thanks North Korea and Sweden for the release of US citizen Bruce Byron Lowrance, detained in October.

Nov. 20, 2018: US Treasury sanctions a South African for helping supply oil to the DPRK. North Korea destroys 10 guard posts in the JSA.

Nov. 20, 2018: Special Representative Biegun and counterpart Lee Do-hoon convene a US-ROK working group aimed at strengthening coordination on DPRK policy.

Nov. 21, 2018: Secretary Pompeo suggests progress on denuclearization should accompany better inter-Korean relations. Defense Secretary Mattis announces reduction in scope of 2019 US and ROK *Foal Eagle* exercises.

Nov. 23, 2018: IAEA reports the DPRK is expanding operations at its main nuclear site at Yongbyon.

Nov. 26, 2018: Secretary Pompeo suggests a need for patience in resolving the denuclearization issue and underscores that sanctions will remain in place.

Nov. 27, 2018: US Army Pacific Commander Gen. Robert Brown describes the alliance as rock solid, and that to maintain readiness, high-level exercises should take place off-peninsula.

Dec. 4, 2018: Defense Secretary Mattis identifies North Korea as the most urgent threat to the US. National Security Advisor John Bolton says despite lapses, a second summit will occur.

Dec. 6, 2018: Middlebury Institute Nonproliferation Center report suggests North Korea is expanding facilities to house long-range missiles.

Dec. 10, 2018: US Treasury sanctions three DPRK officials for human rights violations.

Dec. 11, 2018: US Missile Defense Agency reports successful missile defense system test aimed at intermediate-range missiles.

Dec. 17, 2018: *KCNA* commentary warns the US over stalled negotiations.

Dec. 19, 2018: Special Representative Biegun announces that the US will try to expedite humanitarian aid and review a ban for aid workers on his arrival for a four-day visit to Seoul.

Dec. 20, 2018: ROK MND announces smaller military drills with the US in 2019 given North Korea negotiations.

Dec. 20, 2018: North Korean state media says denuclearization includes “eliminating the US nuclear threat.”

Dec. 21, 2018: Defense Secretary Mattis announces his resignation.

Dec. 22, 2018: ROK announces that the US will help it get flu drugs to the DPRK, despite stalled nuclear talks.

Dec. 24, 2018: US Federal Court Judge Beryl Howell orders North Korea to pay Otto Warmbier’s parents \$501 million for “torture, hostage-taking, and extrajudicial killing.”

Dec. 26, 2018: Inter-Korean groundbreaking for rail and road reconnection occurs.

Dec. 30, 2018: Blue House says Kim Jong Un wants more summits with Moon in 2019.

Dec. 31, 2018: *Chosun Ilbo* reports that Kim sent Trump a “conciliatory message” about the stalled negotiations. Departing Defense Secretary Mattis urges the US to stand firm alongside its allies.

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

DEEPENING UNCERTAINTIES

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At the mid-point in the tenure of President Donald Trump, Southeast Asian leaders have largely accepted that the era of special attention to the region, which began in the second term of George W. Bush and continued through the Obama administration, has largely passed, if only temporarily. To be sure, Southeast Asia is included in the Indo-Pacific framework and will figure to some extent in Washington's plans to counter China's Belt and Road Initiative, which will be partially implemented through the Better Utilization of Investment Leading to Development (BUILD) Act. The region continues to hold up one side of the conflict with China over sovereignty and island-building in the South China Sea and so can be assured of continued attention from the US Indo-Pacific Command. Apart from these broad issues and initiatives, US-Southeast Asian dynamics have returned to a *status quo ante* of the 1990s, when Washington was focused on geopolitical shifts in other regions, and relations with Southeast Asian nations were bilateral and spiky.

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A more difficult balancing act

The primary theme in US–Southeast Asian relations in the waning months of 2018 was reaction to ratcheting tensions in US–China relations. Bilateral relations could be better described in terms of episodes than trends. Among these were a faceoff between Vice President Mike Pence and Myanmar State Counselor Aung San Suu Kyi over the Rohingya crisis at the East Asia Summit (EAS); demands from Malaysia that the investment bank Goldman Sachs return funds they received from the 1 Malaysia Board Development Berhad (IMDB); and renewed threats from the Trump administration to forcibly deport Indochinese refugees resulting from the Vietnam War. However, one development may herald a new turn in Trump’s trade policy: the announcement that Washington and Manila would begin negotiations on a free trade agreement.

Southeast Asian governments expect turbulence on multiple fronts in 2019, not necessarily in their relations with Washington but as a consequence of US actions in other regions. The greatest dislocation is likely to be fallout from the trade war between the United States and China, launched officially in September when the Trump administration imposed \$200 billion in tariffs on Chinese goods entering the US. Previous tariff regimes had been aimed at businesses, but the September tranche primarily hit consumer goods. Deeply entwined in China’s supply chain, Southeast Asia was inevitably affected. However, the impact was uneven across the region, benefitting some economies, such as Vietnam, and disadvantaging others. Although the US and China have entered into a 90-day negotiation period to resolve their trade problems and head off further US tariffs, Southeast Asian leaders worry that an agreement, if one is reached, may not stick. Apart from the economic impact, they also fear the increasing strategic costs of a serious rupture between the US and China. That threat became more imminent when the annual APEC Economic Leaders’ Meeting in Papua New Guinea adjourned without a formal statement for the first time in the group’s history, due to the failure by the US and China to find common ground on trade.

By year’s end, senior officials in the region were increasingly – and publicly – worried that a serious downturn in US–China relations could threaten the core rationale for ASEAN.

Southeast Asian economies are generally invested in both the Chinese and US supply lines, and it would be difficult if not impossible for them to swing completely to one trading partner if forced to choose. Although negotiations on the Regional Comprehensive Economic Partnership (RCEP) are scheduled to conclude in late 2019, and implementation of the scaled-down Trans-Pacific Partnership (TPP-11) has commenced, Southeast Asian leaders are resigned to the freeze on further trade liberalization in the region that results from the Trump administration’s refusal to join in.

Instead, they fear political pressure to align with Washington or Beijing on security issues, which could severely damage the carefully constructed balance among regional powers that ASEAN has maintained since the end of the Cold War. At the conclusion of the East Asia Summit in November, Singapore Prime Minister Lee Hsien-Loong admitted reluctantly that, although Southeast Asian countries would prefer not to take sides in disputes between regional powers, they might be forced to do so.



Figure 1 Leaders pose during a photo shoot at the East Asia Summit in November. Photo: South China Morning Post

A new ISIS surge?

An upswing in trade tensions between Washington and Beijing may have been foreseeable, but Trump’s announcement by tweet on Dec. 18 that he would withdraw US troops from Syria immediately, followed soon after by announcement of his intention to draw down troops in Afghanistan, caught Southeast Asia off guard. White House officials have since underscored that the administration would seek a more gradual and conditional withdrawal from Syria, but Trump’s apparent decision nevertheless had a chilling effect on US allies in the region.

Trump's surprise announcement has implications for Southeast Asia beyond the reliability of the US as an ally. Few leaders in the region share his optimism that ISIS is on the ropes; in Southeast Asia, the Islamic State has been on the upswing for the past two years as Indonesian and Malaysian fighters return from the Middle East. The 2017 siege of Marawi City was a coup for the terrorist group, in that it took Philippine security forces six weeks to regain control. Since then, ISIS affiliates have been more vocal about their ambitions of establishing a Caliphate in the region. Sudden shifts in conflict-prone areas of the Muslim world – such as Syria and Afghanistan – have the potential to energize ISIS operations in other regions.

The costs – and opportunities – of the tariff war

The reactions by Southeast Asian leaders to the US-China tariff dispute have alternated between fear and hope. The list of fears includes secondary tariffs on Southeast Asia, more likely to be from Washington than Beijing; Chinese dumping of surpluses (which has begun); Chinese transshipment of goods; and attempts by both China and the US to force Southeast Asian countries to choose one or the other.

On the other hand, there is a general consensus that considerable international investment and other assets will be relocated to Southeast Asia. A survey conducted by US Chamber of Commerce in Beijing in November revealed that half the manufacturing companies polled intend to relocate facilities out of China, many signaling that they would consider moving their manufacturing base to Southeast Asia. Vietnam and Thailand would be the largest recipients of this relocation.

Some Southeast Asian countries also believe they will benefit from diversion of trade in specific sectors. For example, Cambodia anticipates it will see increased trade in textiles, and the Philippines expects to increase its garment trade. But this will be uneven. A Nikkei survey released in November sheds some light on the early impact of the tariffs imposed on China in September on Southeast Asia in terms of changing orders for export goods. Not surprisingly, orders have increased for Vietnam while those for other countries, such as Malaysia, have decreased.

Early readings of both business leaders and government officials in Southeast Asia suggest that there is some daylight between the region's governments and private sectors. In general, Southeast Asian government leaders appear to see the US-China trade war as a net negative, while business leaders see it as a net positive. One explanation for this discrepancy may be that governments are more likely to see all the ramifications of trade tensions between Washington and Beijing – not only on trade but also on security and diplomacy – while the business sector is more narrowly focused on economics.

Moreover, recent remarks from Trump administration officials that Washington will demand structural changes in the Chinese trade regime in the current round of talks, which Beijing is almost certain to resist, may presage a return to the “Asian Values Debate” of the early 1990s. Then, the cultural and political clash was driven by China, Malaysia, and Singapore on the Asian side and the United States on the side of the West. Although Singapore would likely try to avoid taking sides if the debate is revived, Malaysian Prime Minister Mahathir Mohammad would probably be willing to reprise his role.

A new trade direction through Manila?

The Trump administration came into office determined to revise or cancel US participation in multilateral trade agreements it deemed unfavorable to the United States. Accordingly, the US withdrew from the Trans-Pacific Partnership and renegotiated the US-South Korea Free Trade Agreement (KORUS) and the North American Free Trade Agreement (NAFTA). The administration also vowed to negotiate new agreements, singling out the United Kingdom, the European Union, and Japan.

In Southeast Asia, the only US FTA – with Singapore – is unlikely to be targeted by the administration for renegotiation, not least because Singapore has a trade deficit with the United States. FTA negotiations between Malaysia and the United States failed in 2008 but were folded into the Trans-Pacific Partnership. However, with the US now out of the TPP there is little possibility that talks on a bilateral FTA will be revived. Nor will there be an attempt to resurrect the failed negotiations on a US-Thailand FTA, which met sharp opposition from the Thai public in the early 2000s over pharmaceutical issues and quietly

died in 2006, when then Prime Minister Thaksin Shinawatra was overthrown by a military coup.

The announcement that Washington and Manila would open negotiations on a bilateral free trade agreement in November was unexpected. This will be a “greenfield” agreement, one that will start essentially from scratch rather than the revision of an existing agreement. For its part, Manila sees an FTA as a good defense against a US trade offense, that is, tariffs. By virtue of its inclusion in the 2003 ASEAN-China Free Trade Agreement, the Philippines has an FTA with China; adding one with Washington will help maintain balance in trade relations and may appease the Philippine public. Polls in November showed growing public disapproval of President Rodrigo Duterte’s handling of Philippine security in the South China Sea. Washington too has multiple motivations for pursuing an FTA, foremost of which is countering Duterte’s economic outreach to China since his inauguration, which received a boost when President Xi Jinping visited Manila Nov. 20–21.



Figure 2 Chinese President Xi Jinping meets with Philippines President Rodrigo Duterte at Malacanang Palace on Nov. 20. Photo: *The Diplomat*

BUILDing a role for the United States in infrastructure?

Duterte’s motivation in seeking a new economic relationship with China is primarily focused on securing financial and technical assistance for infrastructure development. For most of the decade Beijing has pursued infrastructure partnerships with Southeast Asian countries, with the ultimate goal of forging new transportation networks in the region that would serve Chinese economic and strategic interests. These plans pre-date the Belt and Road Initiative (BRI) and have been folded into that broader scheme.

Although Beijing has encountered resistance to many of its projects in the region – from Southeast Asian governments uneasy about falling into “debt traps,” and from affected local populations – it has also capitalized on political shifts. Since the 2017 crackdown on the Rohingya in Myanmar, which has brought sharp criticism and sanctions from the West, China has moved to revive talks on infrastructure with Nay Pyi Taw, aiming to establish a China-Myanmar Economic Corridor (CMEC). If it comes to fruition, the corridor will run from China’s Yunnan Province to Mandalay in central Myanmar, and then east and west to the Kyaukphyu Special Economic Zone (SEZ). Progress toward the corridor will be halting at best, but Myanmar’s downturn in relations with the West, particularly the United States, will boost momentum in the near-term.

In recent months, the Trump administration has been vocal in warning of the strategic risks that BRI presents and has promised to increase US infrastructure investment abroad. In October, Congress provided some means toward that end with passage of the BUILD Act. The bill is one of the first new US initiatives linked to the Trump administration’s Indo-Pacific framework, which Vice President Pence underscored in his address at the East Asia Summit in November.

Without doubt, BUILD funds will increase the US share in infrastructure projects abroad, but the fine print has given some Southeast Asian leaders pause. While Pence and other administration officials have set the level at \$60 billion, the total funds appropriated by Congress, the reality is likely to be little more than half that amount. The legislation creates a new development finance entity to replace the Overseas Private Investment Corporation (OPIC); however, in inheriting OPIC, this entity will also inherit the drawdown already made on OPIC funds, leaving roughly \$37 billion for new projects. Some of this amount will likely go to partnerships for US companies in Southeast Asia, but South Asia and Africa will also lay claim to a significant portion of the pot.

Strategic upswing in Cambodia

A timely development in Washington’s growing concern over Chinese influence and control in the poorer and smaller countries of Southeast Asia is renewed speculation over the establishment of a Chinese naval base in Cambodia. This speculation is based on an

opaque Chinese port project underway for the better part of a decade in Koh Kang province on the Gulf of Siam. When finished, the port is rumored to be deep enough to accommodate Chinese frigates and destroyers, as well as container ships, giving the PLA Navy a strategic outpost on mainland Southeast Asia and another opening to the South China Sea. Moreover, the facility would potentially draw a minor maritime country in Southeast Asia, as opposed to a claimant country, into the maritime conflict. The would-be base's proximity to Thailand, a treaty ally of the US, would give it added geostrategic significance.

While this issue is nothing new, it strengthens a common perception in the US and Southeast Asian security communities of a growing military relationship between Cambodia and China, complementing Beijing's increasing economic domination in the country and a more pervasive Chinese presence in the country. (Chinese tourism to Cambodia increased by 72 percent in 2018 over 2017.) Joint military exercises have increased, and earlier this year Beijing pledged \$100 million to modernize the Cambodian Army.

In November, US diplomats raised the port issue with the Cambodian government and, according to Prime Minister Hun Sen, Vice President Pence wrote a letter to him expressing concern on the subject. Hun Sen denies the presence – or plans for – a Chinese naval base in Cambodia, but he would not be expected to make a public announcement of Chinese intentions in any case. He has said he plans to reply to Pence, but neither government has made public any correspondence on this issue. However, the latest round of speculation serves to draw international attention to more concrete and public trends in Cambodian cooperation with China that merit concern.

Reporting on the Rohingya crisis

On Sept. 24, the State Department released its long-awaited report on atrocities committed by Myanmar's military, the Tatmadaw, against Muslim Rohingyas in Rakhine State in late 2017. It followed on the heels of a United Nations report released in late August. A joint project of the Department's Bureaus of Intelligence and Research and of Democracy, Human Rights and Labor, the State Department report concluded that the violence in Rakhine was "extreme, large-scale, widespread and seemingly geared

toward both terrorizing the population and driving out the Rohingya residents." It found that the scope and scale of the military's operations were clearly planned and well-coordinated.

The reports have not yet resulted in new sanctions since those imposed by Western countries in mid-2018. Attempts in Congress to stiffen sanctions in the House were met with resistance in the Senate, where some lingering admiration for Myanmar State Counselor Aung San Suu Kyi remains in the leadership.

However, the reports have strengthened calls in the international community for accountability by the Tatmadaw. It is not clear how and under whose auspices such an exercise would be conducted. Myanmar is not a signatory to the International Criminal Court, along with the United States and China. It is legally possible that Bangladesh (which is an ICC member) could enter an action in the ICC against Myanmar; however, Dhaka will probably opt not to, in order to maintain positive relations with Nay Pyi Taw. The Bangladesh government will want to ensure that the 1 million Rohingya refugees on its territory are able to return to Myanmar someday.

The two countries were scheduled to take a small and tentative step in that direction in November, when 2,000 Rohingya were to be repatriated under a bilateral Memorandum of Understanding forged in early 2018. However, Dhaka cancelled the repatriation at the last minute when the United Nations protested the refugees return without protection and the designated Rohingya themselves refused to be moved.

This failed attempt was a backdrop for the meeting between Vice President Pence and Aung San Suu Kyi on the margins of the East Asia Summit in Singapore. To little surprise, the meeting was described as a standoff, in which Pence criticized Suu Kyi's government for atrocities against the Rohingya, which he said were "without excuse," and for the imprisonment of two *Reuters* journalists who reported on the crisis. Suu Kyi had no qualms about telling Pence, in a brusque press conference, that comments about Myanmar's internal affairs were best left to those who understood them.

Deporting Vietnamese

Proposed repatriations of another sort were also a source of controversy in late 2018 as the Trump administration continued to insist that it would deport Vietnamese nationals who had immigrated to the United States after 1975 and committed felonies after their entry into the US. This would run contrary to an agreement with the Vietnamese government that explicitly protects immigrants who entered prior to 1995, when the US and Vietnam normalized relations. Estimates vary, but community groups believe that as many as 9,000 Vietnamese-Americans could be subject to forcible return. Human rights watchdogs, veterans organizations, and Vietnamese-American advocacy groups mounted protests in December, claiming that if these immigrants were deported to Vietnam they would most likely be jailed there.

As the Trump administration continues to wrangle with Congressional Democrats over funding for a wall across the US-Mexican border, adjunct issues such as the deportation of Vietnamese with criminal records help to keep alive Trump's contention that immigration poses a threat to American security. However, it carries a political price, and the administration has received bipartisan complaints from Congress about the proposal. Trump may himself be impacted politically by such a decision. Although the Vietnamese-American community's 1.5 million people are a diverse group politically, older generation immigrants tend to identify as Republican and are unlikely to forget a blow to their community.

Looking ahead

As it braces for the possibility of further tensions in the US-China relationship in 2019 – and political and economic fallout from that for Southeast Asia – the region also faces several political transitions that may be impacted by growing uncertainty in the global economy. In Thailand, if elections do not go as the junta plans (that is, continued political control by the military), an economic downturn will strengthen incentives for the military to hold onto power, or to retake it if a civilian political party wins a substantial majority.

Current polls show that Joko Widodo will likely win re-election in April, but they also indicate that the greatest factor that will influence the polls will be economic conditions. The

September and December tsunamis have placed additional pressure on the government to provide relief and exposes it to greater public criticism. Increased uncertainty may even affect the resolutely stable Singapore. Although the country is not due for general elections until 2020, Prime Minister Lee Hsien Loong has raised the possibility of holding polls in 2019, specifically citing the unstable regional and global economy. He would likely do this to control the transition to his successor while he is in a position of greatest power.

Although the Trump administration will continue to take a more *ad hoc* approach to Southeast Asia in comparison to the Obama era, the inauguration of a new Congress with a divided majority may invigorate greater interest in the region on the Hill. Over the past two years the Southeast Asian embassies have revived their regional and country caucuses in Congress, and they will seek further activity through them on such issues as trade, immigration, and economic assistance. However, chairs and membership in the Asia subcommittees will not be determined until late January, after which time the Congressional agenda on policy toward Southeast Asia should become clearer.

CHRONOLOGY OF US-SOUTHEAST ASIA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 2, 2018: Court in Myanmar sentences Wa Lone and Kyaw See Oo, *Reuters* journalists, to seven years in prison for violating state secret laws related to their reporting on the killing of Muslim Rohingya by security forces.

Sept. 4, 2018: US Vice President Mike Pence calls on Myanmar's government to reverse a court ruling that [imprisoned](#) two *Reuters* journalists for seven years and to release them immediately.

Sept. 5, 2018: Singapore and Malaysia [agree to postpone](#) construction of the KL–Singapore High-Speed Rail until May 2020; Malaysia will pay Singapore \$11 million for costs incurred in suspending the project.

Sept. 7, 2018: Myanmar's government [“resolutely rejects”](#) a ruling by the International Criminal Court (ICC) that said the body has jurisdiction over alleged deportations of Rohingya Muslims to Bangladesh as a possible crime against humanity.

Sept. 21, 2018: Vietnamese President Trang Dai Quang dies after a year-long illness. He is replaced by Communist Party Secretary Nguyen Phu Trong, who will wear both the party and the state hats for the next two years.

Sept. 28, 2018: A 7.4 magnitude earthquake and tsunami strikes the Indonesian island of Sulawesi, killing nearly 1,350 people.

Sept. 30, 2018: US Navy carries out a freedom of navigation operation (FONOP) in the Spratly Islands as the USS *Decatur*, a guided-missile destroyer, sails within 12 nm of Chinese artificial islands at Gaven and Johnson Reefs as part of a 10-hour patrol.

Oct. 5, 2018: Congress passes the Better Utilization of Investment Leading to Development (BUILD) Act, which will create a new entity to aid US companies in developing partnerships abroad for infrastructure projects.

Oct. 9–12, 2018: Assistant Secretary of State for International Security and Nonproliferation Christopher Ford travels to Singapore, Vietnam, and Thailand for consultations on policy measures to maintain “maximum pressure” on North Korea to promote denuclearization on the Korean Peninsula.

Oct. 10, 2018: US and the Philippines announce they will begin “scoping exercises” intended to move toward the negotiation of a free trade agreement in November. Since then, the timing for commencement of talks has slid into 2019.

Oct. 11, 2018: Inaugural ASEAN Leaders' Gathering, hosted by Indonesian President Joko Widodo, is [attended](#) by leaders of Southeast Asian nations and the IMF, World Bank, and UN.

Oct. 18–20, 2018: Fifth ASEAN Defense Ministers Meeting (ADMM-Plus) [convenes](#) in Singapore. Territorial disputes in the South China Sea are a focus of discussion, as well as disaster relief, maritime research, and antiterrorism efforts.

Nov. 11–15, 2018: The [33rd ASEAN Summit](#) and other ASEAN-related meetings are held in Singapore. Thailand will assume the ASEAN chairmanship on Nov. 15.

Nov. 12, 2018: At the ASEAN Meeting on Business and Investment in Singapore, Malaysian Prime Minister Mahathir Mohammad says that Goldman Sachs “cheated Malaysia” in its dealings with the state fund 1MDB and indicates that the US government would help return fees that Goldman earned from the fund.

Nov. 14, 2018: Vice President Pence addresses the East Asia Summit in Singapore and says there is no place for “empire and aggression” in the Indo-Pacific region. He emphasizes that smaller countries must be allowed to prosper, an obvious reference to Southeast Asia.

Nov. 14, 2018: In a meeting with Myanmar State Counselor Aung San Suu Kyi, Vice President Pence declares that the crackdown on Rohingya in Rakhine State in late 2017 by the Tatmadaw was “without excuse.” He calls on Suu Kyi to pardon two imprisoned *Reuters* journalists. Suu Kyi suggests the US position on these issues lacked understanding of conditions in Myanmar.

Nov. 14-15, 2018: The [13th East Asia Summit \(EAS\)](#) is hosted in Singapore by Prime Minister Lee Hsien Loong.

Nov. 16, 2018: Senate Human Rights Caucus, led by Sen. Thom Tillis, issues a statement applauding Vice President Pence for “affirming the United States’ commitment to a free and independent press and delivering a strong criticism of the treatment of the Rohingya” during his meeting with Aung San Suu Kyi.

Nov. 16, 2018: State Department releases statement welcoming the judgment of the Extraordinary Chambers in the Courts of Cambodia that found two Khmer Rouge leaders, Khieu Samphan and Nuon Chea, guilty of crimes against humanity when the Khmer Rouge were in power in Cambodia 1975-79.

Nov. 26, 2018: Guided-missile cruiser *USS Chancellorsville* [conducts](#) a freedom of navigation operation in the South China Sea by sailing near the Paracel Islands. A Chinese vessel shadowed the *Chancellorsville* as it sailed past the islands, but all interactions “were deemed safe and professional,” according to anonymous US officials.

Nov. 29, 2018: Following on Mahathir’s comments in Singapore, in an interview with the *Financial Times* Anwar Ibrahim, leader of the Parti Keadilan Rakyat (PKR) party in Malaysia, demands that Goldman Sachs return \$826.59 million it collected to raise bonds for 1MDB.

Dec. 11, 2018: US [returns](#) the Bells of Balangiga to the Philippines after their removal from the Church of San Lorenzo de Martir following a violent episode between US forces and Filipino revolutionaries over 100 years ago.

Dec. 17, 2018: Malaysia’s Attorney General [files](#) criminal charges against three Goldman Sachs employees for attempting to embezzle \$2.7 billion from the state fund 1Malaysia Development Berhad (1MDB).

Dec. 21, 2018: Congressman Ed Royce, then-chair of the House Committee on Foreign Affairs, and Congressman Mike McCaul send letter to Secretary of State Pompeo and Homeland Security Secretary Kirstjen Nielsen expressing deep concern by reports of the administration’s intentions to deport Vietnamese immigrants “who have lived in the United States more than 23 years.”

Dec. 23, 2018: An unexpected tsunami, thought to be caused by the collapse of the Anak Krakatau volcano, hits the coast of Indonesia’s Sunda Strait, killing over 300 people and injuring over 1000.

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

XI JINPING, LI KEQIANG ADVANCE CHINA'S INFLUENCE, COUNTER US PUSHBACK

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Against the background of intensified US government pushback against Chinese economic, diplomatic, and military practices seen as adverse to US interests, President Xi Jinping and Premier Li Keqiang during visits to annual leadership meetings in the region conveyed confidence that Beijing's economic prominence, diplomatic resolve, and military power would continue to advance Chinese influence. Xi's November visits to the Philippines, Brunei, and Papua New Guinea (PNG), including the annual APEC Leaders' Meeting in Port Moresby, and Li's November visit to Singapore and participation in the East Asia Summit, ASEAN Plus Three, and China-ASEAN meetings there showed significant gains. Notably, ASEAN was pliant to Chinese preferences on South China Sea disputes and Beijing showed prominence as a rising power among the Pacific Island nations.

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ASEAN, South China Sea

Following protocol, Premier Li Keqiang represented China at the heads-of-government ASEAN-related summits in Singapore. Hailing progress on the ASEAN-China Code of Conduct on the South China Sea during China's annual summit with ASEAN leaders, Li encountered no public objection to China's preferred slow walking of the completion of the process, saying it would take three more years. At the annual East Asia Summit meeting involving leaders of other ASEAN dialogue partners, including the United States and Russia, Li emphasized China's support for continuity in international economic governance amid thinly disguised criticism of US unilateralism and protectionism. Along these lines, he called for completion next year of the Regional Comprehensive Economic Partnership (RCEP), a multilateral Asia-Pacific free trade agreement (FTA) that notably excludes the United States.



Figure 1 Chinese Premier Li Keqiang meets with Russian President Vladimir Putin at ASEAN Summit on Nov. 15. Photo: President of Russia website

Chinese official commentary stressed powerful economic ties between China and ASEAN, showing 2018 trade valued at \$518 billion. Commentary said two-way investment has now amounted to \$200 billion. Li's official visit in Singapore prior to the ASEAN meetings saw the signing of an upgraded bilateral FTA to include Beijing's Belt and Road Initiative (BRI) for the first time. Li's meeting with ASEAN leaders was marked by an upgrading of the ASEAN-China FTA, with Li setting a goal of the two sides achieving \$1 trillion in bilateral trade in 2020. A China-ASEAN Strategic Partnership Vision of 2030 also was adopted.

Chinese commentary showed advancements in security ties with ASEAN states as further evidence of China's positive regional influence.

The navies of China and the 10 ASEAN countries held their first joint maritime exercise in China's Guangdong Province on Oct. 22-28. It was first time ASEAN as a whole held a military exercise with a single country. The drill involved three ships from China and one each from Singapore, Thailand, Vietnam, Brunei, and the Philippines. Also in October, China held a joint naval drill with Thailand and Malaysia.

Meanwhile, the Chinese foreign minister, other ministry spokespersons and official Chinese commentary rebuffed the many challenges China faced from the United States and its allies and partners over the disputed South China Sea and other regional issues. While President Trump's absence was viewed as an opportunity to expand Chinese influence, Trump's stand-in, Vice President Mike Pence, was viewed as a "troublemaker," as he was seen using thinly veiled criticisms of Beijing in efforts to pit China against its neighbors over territorial disputes and other issues. Notably, Pence told the media that his plane's flight from Tokyo to Singapore across the disputed South China Sea was a type of "[freedom of navigation](#)" mission contesting China's territorial claim and showing that the US had no intention of ceding influence or control of the region to Beijing. Underlining this point, National Security Advisor John Bolton told the media that the US opposed China's proposal in the forthcoming China-ASEAN code of conduct that would restrict US military exercises with ASEAN countries and other activities in the South China Sea.

The China-US acrimony in Singapore caused host Prime Minister Lee Hsien Loong to [warn](#) at the end of the meetings that while it's desirable for ASEAN states not to take sides in the rivalry between the two powers, "circumstances may come when ASEAN may have to choose one or the other. I am hoping that it's not coming soon."



Figure 2 A PLA Navy fleet in the South China Sea in April 2018. Photo: The Interpreter

In October, China's prominent South China Sea expert Wu Shichun used the occasion of a near collision of a Chinese warship with the *USS Decatur* conducting a freedom of navigation operation (FONOP) exercise within 12 nm of Chinese artificial islands in the South China Sea on Sept. 30 to underline the marked increase of such US exercises by the Trump government. He said that some of the US FONOPs were not made public and overall they averaged one every two months in 2017, occurring much more often than during the Obama government. Wu took note of US allies Japan, Australia, Great Britain, and South Korea showing support for US efforts by conducting military operations in the South China Sea. Other Chinese commentary highlighted the periodic US B-52 bomber patrols and the frequent large-scale naval exercises there, notably the naval exercise in the disputed South China Sea conducted by two US aircraft carrier battle groups coincident with Xi Jinping's and Li Keqiang's visits to the region.

Xi at APEC, Pacific Islands' issues

President Xi Jinping's prepared remarks at the APEC forum spoke in broad terms of common Chinese media themes of achieving economic development and cooperation in the Asia-Pacific region and the world at large, despite "increasing economic instability and uncertainty," words that reminded participants of recent US disruptions. Along the favored line of state-directed Chinese publicity, Xi's trip highlighted China's concept of a community with a shared future for mankind, deepened partnerships, boosted the construction carried out by the BRI, stressed confidence in multilateralism and sought greater consensus on common development.

Various [media](#) highlighted Vice President Pence's warning against China using the Belt and Road Initiative to saddle smaller nations with unsustainable debt and his oblique reference to China in asserting that "empire and aggression have no place in the Indo-Pacific." Xi for his part seemed to try to stay above the fray in pointing indirectly to the harder US posture against China and advising that "confrontation whether in a Cold War, hot war or trade war will produce no winner." The president left it to Foreign Minister Wang Yi and his subordinates to defend China's interests, which reportedly led Chinese Foreign Ministry officials to barge into a PNG minister's office to

press for changes in the wording of the final communiqué sought by China. Beijing rejected these reports, claiming that unnamed "individual economies" presumably led by the United States, "imposed" language and would not accept China's "reasonable revisions," leading to the first time the APEC Economic Leaders' meeting ended without a closing communique. Nonetheless, the credibility of the charges of rude and intimidating Chinese pressure on an official of a much smaller Pacific Island state seemed higher as they followed an incident at the annual meeting of the 18-nation Pacific Islands Forum in Nauru in September where the Chinese delegate caused an incident during the proceeding as he pressured the presiding host, Nauru's president, to adhere to China's demand that the Chinese delegate speak before others.

While indirect in criticizing the US at the APEC meetings, President Xi was much more specific in dealing with growing Chinese interests and involvement in Pacific Islands during his concurrent state visit to Papua New Guinea and his summit and other meetings there with leaders of the eight Pacific Island countries that have official relations with Beijing. Six of the small Pacific Island states have official relations with Taiwan. Extensive Chinese publicity of Xi's initiatives coincided with a flurry of foreign reports of China's advanced involvement in the Pacific Islands and resulting counteractions by the US and Australia.

Xi's arrival in Port Moresby, the first by a Chinese president to PNG, saw Chinese commentary highlight China's role in constructing the APEC meeting site and providing for its maintenance, as well as for the six-lane road linking the meeting site to the National Parliament and other important buildings in the capital. Xi's official host, PNG Prime Minister Peter O'Neill, signed an agreement in June making PNG the first Pacific Island state to join the BRI. It was followed in succession by Niue, Samoa, Micronesia, Fiji, and Cook Islands. Vanuatu and Tonga announced that they were joining the BRI during Xi's visit. O'Neill lauded Chinese assistance in a variety of areas while Xi foresaw a bilateral free trade agreement.

The PNG government rebuffed reported efforts by the US, Australia, and Japan to try to persuade it to end the construction of a 3,300-mile network of submarine cables linking 14 coastal

towns by the Chinese firm Huawei, which is viewed with great suspicion by the US and its allies. Australia had succeeded in July in blocking Huawei from laying submarine cable from Sydney to PNG and the Solomon Islands. Relatedly, one of the areas covered by the Huawei cable venture in PNG is Manus Island; Vice President Pence said in Port Moresby that the United States would join Australia to expand a naval base there.

President Xi's meeting with the eight Pacific Island leaders followed his initial such summit meeting in Fiji in 2014. China's trade value with Pacific Island countries was \$7.25 billion in 2017 and its accumulated investment was \$3 billion. 100 Chinese assistance projects completed in the islands involve power stations, roads, bridges, government buildings, and communications networks. Chinese officials rejected the "outdated" mentality seen in the US and Australia regarding the allies' interests in the Pacific Islands, arguing that the region "doesn't fall within any country's sphere or influence." Nevertheless, facing a perceived challenge from China, Australia has worked in consultation with the US and allies New Zealand, Japan, France, and Great Britain in increasing economic and military assistance in the Pacific Islands. And New Caledonia voted in November to keep its status as French territory, enhancing the commitment of the French government and the government in New Caledonia for a "free and open Indo-Pacific," echoing the slogan used by the US, Japan, Australia, and their partners.

Brunei

On Nov. 18-19, Xi made his first visit to Brunei and the first such visit by the Chinese head of state in 13 years. The two countries have amicable relations despite territorial disputes over the South China Sea, which are handled discreetly by Brunei officials. They agreed to establish a strategic cooperative partnership. Xi repeated many common Chinese PR themes emphasizing the BRI, ASEAN-China cooperation, the RCEP, and the upgraded ASEAN-China Free Trade Agreement.

Xi visits Manila, progress amid constraints

Xi's Nov. 21-22 visit to the Philippines marked the first official visit by the Chinese president in 13 years. The two leaders pushed forward in their ever-closer relationship. Xi and Philippine President Rodrigo Duterte reached 29 new

agreements promoting economic cooperation and development. Philippine officials said the agreements included investment valued at an estimated \$9.8 billion and would generate over 10,000 Philippine jobs. Media reports said that over the past year, China has surpassed Japan as the Philippines largest trading partner. Total trade in 2017 was valued at over \$50 billion. Chinese commentary during the visit said Chinese financing is essential to Duterte's infrastructure program known as "Build, Build, Build," which needs an estimated \$68 billion to upgrade Philippines' infrastructure over the next three years. It highlighted the groundbreaking ceremony in July of the construction of two bridges by a Chinese company to ease traffic congestion in Manila. Philippines officials said that the number of Chinese tourists visiting the Philippines grew markedly, reaching 764,000 in the first seven months of the year, making China second only to South Korea as a source of foreign tourists to the Philippines.

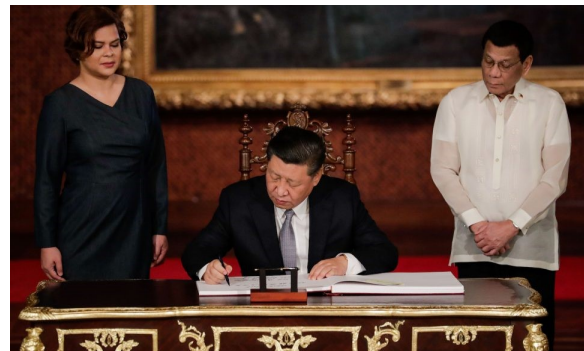


Figure 3 Chinese President Xi Jinping signs the guestbook at Malacanang Palace in Manila on Nov. 20. Photo: Asia Times

Both sides reaffirmed in the [joint statement](#) marking Xi's visit that they would continue to manage their clashing maritime claims in the South China Sea in ways that avoid conflict and allow for greater cooperation. The statement affirmed that "contentious issues are not the sum total of China-Philippines bilateral relations and should not exclude mutually beneficial cooperation in other fields." In the lead-up to the Xi visit, the two sides held in Beijing on Oct. 18 their third meeting of their Bilateral Consultative Mechanism, a formal dialogue that addresses differences, prevents and manages incidents at sea, and enhances maritime discussion and cooperation. A topic of discussion at the meeting was cooperation on jointly exploring and developing offshore oil and gas, on the basis of not prejudicing each other's sovereignty, sovereign rights, and jurisdiction.

Foreign Minister Wang Yi followed with a visit in late October to Duterte's hometown, Davao City, where he presided over the opening of China's third consulate in the Philippines and met the Philippines president and foreign minister to discuss Xi's forthcoming visit. Philippine and Chinese officials forecast that the two sides were close to reaching an agreement allowing for joint exploration and development of offshore oil and gas resources in the disputed South China Sea.

Speaking to the [media](#) at the ASEAN meetings in Singapore in November, President Duterte argued against US and allied military drills contesting Chinese claims in the South China Sea. He said "China is already in possession (of the South China Sea). It's now in their hands. So why do you have to create frictions ... that will prompt a response from China?"

Another advance in the relationship was a bilateral China-Philippines military exercise held in China in conjunction with the China-ASEAN military exercise held in late October.

Despite the progress in China's relations with the Philippines, the actual outcomes of agreements and media and specialist commentary show many shortcomings and obstacles. The Memorandum of Understanding (MOU) on Oil and Gas Development signed during the Xi visit did not show much progress beyond creating a government body to study models for future projects. Such joint projects face constitutional obstacles in the Philippines that critics of Duterte's accommodation of China have pledged to use against any such deal with Beijing. The critics are backed by public opinion polls showing strong opposition to the government's inaction in the face of China's expanding control in South China Sea areas claimed by the Philippines. It has also prompted the foreign affairs secretary to quell public concerns and clarify that the MOU did not specify joint exploration for oil and gas development in the contested areas of the South China Sea.

Widespread skepticism in the Philippines about weak follow-through on various pledges of Chinese investment and infrastructure financing agreed to during Xi's visit and during President Duterte's earlier visits to China is supported by specialist calculations and media reports. They show that of the 27 agreements valued at over \$24 billion reached during

Duterte's visit to China in 2016, as of mid-2018 there was only a \$73 million funding commitment. Also, repeated reports of the Philippine military leadership's strong orientation toward the United States and suspicion of China was underlined as US and Philippine generals conferring in the Philippines just prior to Xi's arrival in Manila. The Armed Forces of the Philippines has agreed to increase the number and scope of Philippines joint military exercises with the United States in 2019.

Outlook

China's activities in the last four months featured back-to-back high-profile visits to the region from two of China's top leaders – Xi Jinping and Li Keqiang. The flurry of regional activities sought to demonstrate Southeast Asia's importance in China's increasingly active foreign policy approach that advances China's influence and limits the US role in the region. While China continues to articulate its vision for win-win partnerships, regional leaders [remain skeptical](#) of China's growing footprint. Notable indicators in the next reporting period will include the near-final stage of RCEP negotiations and the final text of the Code of Conduct in the South China Sea. The negotiation process and outcome for both documents will provide further insights into China's ambitions and influence, as well as the extent to which there are noticeable changes to Southeast Asia's preferred choice for regional leadership.

CHRONOLOGY OF CHINA-SOUTHEAST ASIA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 1, 2018: Chinese Coast Guard and rescue vessels are deployed to provide assistance to a stranded Philippine frigate in the eastern edge of the disputed area of the Spratly Islands in the South China Sea.

Sept. 17, 2018: Chinese Ministry of Foreign Affairs issues a statement of support for the consensus reached between Laos and Cambodia to resolve border tensions, which includes troop withdrawals and joint patrols.

Sept. 20, 2018: Chinese Vice Premier Han Zheng meets Singaporean Deputy Prime Minister Teo Chee Hean in Singapore for 14th joint meeting for bilateral cooperation. They agree to increase and expand economic ties, as well as to launch negotiations for a treaty to provide clearer legal assurance to economic projects under the Belt and Road initiative.

Oct. 14, 2018: Results of a new Pew research survey indicate that 73 percent of the respondents in Asia – Japan, South Korea, the Philippines, Indonesia, and Australia – favor the United States over China as the leading global power.

Oct. 22–28, 2018: China and ASEAN hold their first joint naval exercise off the coast of Guangdong Province. ASEAN will hold a similar confidence building drill with the United States in 2019.

Oct. 24, 2018: China Railway Eryuan Engineering Group and Myanmar Railways sign agreement for a feasibility study on a proposed cross-border rail line from Muse to Mandalay. The rail line was proposed in 2011, but the project was suspended in 2014 by the military junta regime amidst public objections to the project. The study will assess the environment and social impact of the rail line.

Oct. 26, 2018: China, Malaysia, and Thailand hold a trilateral military exercise. The exercise focuses on joint planning and coordination for humanitarian assistance and disaster relief, maritime security, and counter-terrorism.

Oct. 27, 2018: Chinese Defense Minister Wei Fenghe meets Vietnamese Minister of Defense Ngo Xuan Lich in Beijing to discuss ways to improve and expand military and security cooperation between the two armed forces.

Oct. 29, 2018: Chinese State Councilor and Foreign Minister Wang Yi meets Philippine counterpart Teodoro Locsin in Davao, the Philippines, and agrees to increase consultation on the final agreement on the Code of Conduct in the South China Sea. Philippines has recently taken over from Singapore as coordinating country for China-ASEAN relations.

Nov. 5, 2018: President Xi Jinping meets Laotian Prime Minister Thongloun Sisoulith in Shanghai on the sidelines of the inaugural China International Import Expo. They agree to increase the bilateral partnership along the China-Laos economic corridor and the Lancang-Mekong region.

Nov. 9, 2018: Under the Belt and Road Initiative, senior officials from China and Myanmar sign an agreement to develop the first phase of a deep sea port in Myanmar's Kyaukphyu Special Economic Zone.

Nov. 12–16, 2018: Premier Li Keqiang visits Singapore to attend regional meetings, including the China-ASEAN meeting, ASEAN Plus-Three meeting, and the East Asia Summit.

Nov. 17–18, 2018: President Xi attends the 26th Asia-Pacific Economic Cooperation (APEC) Economic Leaders' meeting in Port Moresby, Papua New Guinea.

Nov. 18–19, 2018: President Xi visits Brunei and meets Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah. They agree to deepen practical cooperation and to elevate bilateral ties to a strategic cooperative partnership.

Nov. 19–20, 2018: Senior Chinese and Vietnamese military officials meet for the fifth bilateral border meeting. They pledge defense cooperation for border stability.

Nov. 20–21, 2018: President Xi visits Manila for a state visit and meets Philippine President Rodrigo Duterte. They agree to establish the China-Philippines comprehensive strategic cooperative partnership.

Dec. 16, 2018: Chinese State Councilor and Foreign Minister Wang Yi meets senior officials from Myanmar to discuss border security and the Rakhine issue. Wang pledges that China will play a constructive role in the process and hopes that Myanmar and Bangladesh can finalize the repatriation plans for the Rakhine community at an early date.

Dec. 20, 2018: Senior military officials from China and Myanmar hold a bilateral defense meeting in Kunming to exchange views on the border situation in northern Myanmar. Chinese officials express support for Myanmar's peace process, including the new round of peace talks with minority groups in Myanmar at the Panglong Ethnic 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

CHINA- TAIWAN RELATIONS

DPP SUFFERS DEFEAT

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STUDIES

The Democratic Progressive Party (DPP) suffered a stunning defeat in Taiwan's November local elections. Although local issues and personalities were the focus of the campaign, cross-strait economic issues did play a role. The Kuomintang's (KMT) revival, which improves its prospects in the 2020 legislative and presidential elections, was welcomed in Beijing. While Taipei continues to be concerned about seriously strained US-China relations, Taipei and Washington continue to strengthen their ties.

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A setback for the DPP

On Nov. 24, Taiwan conducted its nine-in-one local elections electing six big city mayors, 16 county magistrates, city and county councilors, and multiple grassroots officials. The DPP lost seven of the 13 mayor and magistrate positions it had held, and its overall vote count in these elections fell by over 1 million votes to 39.2 percent. The DPP retained only six counties and cities, its lowest number since 1989. By contrast, the opposition KMT party won impressive surprise victories defeating the DPP incumbents in Taichung and Kaohsiung and winning in 15 mayor and magistrate races. Its overall vote count in the mayor/magistrate elections increased by over 1 million to 48.8 percent.

Although Taiwan does not allow exit polling, it appears that the DPP defeat was primarily a negative verdict on President Tsai Ing-wen's domestic policies. "Disliking the DPP" (討厭民進黨) was a catchphrase during the election and in the KMT campaign. Tsai's labor and pension reforms have been particularly controversial. The DPP's economic policies have not delivered hoped-for growth, jobs and prosperity. Han Kuo-yu, the KMT candidate in Kaohsiung, made economic revival a core issue. In several referenda related to energy policy and same-sex marriage, voters rejected core elements of DPP policy. DPP majority whip Ker Chien-ming pointed to his party's support of same-sex marriage as an element in its defeat. Lu Shiow-yen, the KMT candidate in Taichung, made pollution the main issue in her campaign.



Figure 1 Han Kuo-yu, the KMT candidate in Kaohsiung. Photo: Wikipedia

This is not to say that cross-strait tensions played no role in the election. Many in Taiwan are critical of Tsai's cross-strait policy, and many advocate basing cross-strait ties on the 1992 Consensus that President Tsai has refused to endorse. The KMT candidate in Kaohsiung, Han Kuo-yu, made outlandish charges that two decades of DPP rule had turned Kaohsiung into a poor, dirty city. He promised to restore prosperity by growing tourism from China and increasing agricultural exports to China, basing ties with Beijing on the 1992 Consensus. As he won by a large margin in what is part of the DPP's south Taiwan base, the 1992 Consensus and cross-strait economic ties are likely to play a large role in the 2020 elections.

Beijing's approach toward the campaign

The Chinese Communist Party (CCP) generally avoided public comment on the elections. One of the rare official comments was about the referendum proposing that Taipei participate in the 2020 Olympics under the name "Taiwan." The Taiwan Affairs Office (TAO) criticized that referendum as a Taiwan independence plot. The International Olympic Committee (IOC), under pressure from Beijing, sent a letter reiterating that the approved name "Chinese Taipei" could not be changed and warning that approval of the referendum might compromise Taiwan's participation in the Olympics. Taiwanese voters rejected the proposal by a margin of 1 million votes, apparently valuing their athletes' participation over the identity politics imbedded in the terminology.

The CCP's pressure campaign against the DPP continued during the campaign. There was no let-up in constraints on Taiwan's international space. However, there was a hiatus in the island encircling exercises during the campaign. The PLA Air Force and Navy activity resumed about a month after the election. Beijing's policies that have reduced Chinese tourism, particularly to DPP areas in the south, and that have given preference to KMT counties in China's agricultural purchases together created the context in which Han Kuo-yu devised his campaign plan for restoring growth in Kaohsiung.

There was considerable attention to covert CCP efforts to influence the elections. Beijing has a long history of manipulating the media in Taiwan. There were almost weekly statements by President Tsai, Premier Lai Ching-de,

National Security Bureau (NSB) Director-General Peng Sheng-chu, Mainland Affairs Council Chair Chen Ming-tong, Ministry of Justice Investigation Bureau (MOJIB) Director Liu Wen-chung and other DPP officials alleging media manipulation and misinformation discrediting the DPP. Unfortunately, few concrete examples were cited. The clearest example was an inaccurate social media post on PTT – Taiwan’s most popular online message board – alleging that the Chinese Consulate had aided distressed Taiwan tourists at Osaka’s airport who had not been helped by Taiwan’s representative office. The original post, which had gone viral producing a flood of criticism of DPP representatives in Japan, was traced back to a netizen in Beijing. Another example was a false Taiwan news story that DPP candidate Chen Chi-mai used an earpiece during an election debate, which was then hyped on Taiwan social media sites including by netizens in China. Shortly, before the debate a post from China asserted that Chen would cheat during the debate. The MOJIB stated that it was investigating numerous vote-buying cases including four allegations that Beijing had funneled money through Taiwan businessmen to specific candidates. Another element was the positive coverage that pro-China newspapers and TV stations gave to news about Han Kuo-yu. Hopefully, the government will produce a report that will document the variety and extent of CCP influence efforts.

The impasse on core issues continues

The CCP was relieved that the election revived the KMT as a strong party and potential partner. The Taiwan Affairs Office (TAO) spokesman said the elections showed that people in Taiwan want cross-strait peace and economic development. The CCP sees opportunities to expand its cooperation with the newly elected KMT mayors and magistrates. Their purpose is to show that accepting Beijing’s political conditions will bring economic and other benefits and thus undermine support for Tsai and the DPP. In his address on the 40th anniversary of Deng’s Reform and Opening Policy, Xi Jinping indicated the CCP’s basic policy requiring Tsai to accept the 1992 Consensus as the condition for resuming cross-strait contacts will not change.

Tsai Ing-wen resigned her position as DPP chairperson to take responsibility for the defeat. She will remain as president and the DPP will retain its dominant position in the Legislative

Yuan (LY) until 2020. In her resignation statement, Tsai said she would adhere to her core commitments to democratic values and protecting Taiwan sovereignty. Several days later, she said she did not believe voters had signaled a desire for change in cross-strait policy. Having asserted this interpretation, Tsai said she would adhere to her policy to maintain the status quo in cross-strait relations.



Figure 2 Taiwan’s president, Tsai Ing-wen, center, resigned as leader of the Democratic Progressive Party. Photo: New York Times

At the start of the New Year, each side reaffirmed its determination. In her New Year’s [address](#), President Tsai called on Beijing to recognize the reality of the “ROC (Taiwan),” to respect the Taiwan people’s commitment to freedom and democracy, and to authorize the resumption of contacts. She did not address Beijing’s political terms. The following day, President Xi reaffirmed his determination to achieve the “peaceful reunification” of the motherland and called for the two sides to explore “one country, two systems” modalities in order to accomplish the great rejuvenation of the Chinese people. Tsai responded promptly, stating that she had not accepted the 1992 Consensus because it is linked to the unacceptable “one country, two systems” proposal and that there is a consensus on Taiwan against that proposal. [Xi’s address](#) seems to reflect a desire to address political issues with a future KMT administration.

Post-election developments

Immediately after his victory, Kaohsiung Mayor-elect Han Kuo-yu stated his intention to set up a cross-strait task force, his support for the 1992 Consensus, and his desire to visit Beijing. Taichung Mayor-elect Lu Shiow-yen and several KMT magistrates expressed similar sentiments. The TAO spokesman responded

cautiously by saying contacts with cities must be based on the 1992 Consensus, on opposition to Taiwan Independence, and on a correct understanding of the nature of cross-strait relations, an indirect reference to the ties being between cities within one China. The new KMT magistrate in Penghu, Lai Feng-wei, was the first to visit Beijing. He met TAO Director Liu Jieyi to discuss tourism and direct air flights.

On Dec. 20, Shanghai Executive Deputy Mayor Zhou Bo led a 135-member delegation to Taipei for the Shanghai-Taipei Forum. At a welcome dinner, Taipei Mayor Ko Wen-je repeated his controversial statement that the people on the two sides of the strait are one family. While Beijing has not required Ko to endorse the 1992 Consensus, this “one family” view, promoted by Xi Jinping, has been the political basis for conducting the Shanghai-Taipei Forum. Zhou told the press that Shanghai would be open for ties with other cities, provided there is a correct understanding of the nature of cross-strait relations.

Taichung Mayor-elect Lu Shioh-yen stated that she would seek a review of the decision to cancel Taichung’s hosting the 2019 East Asia Youth Games. Premier Lai said the central government would support that effort. In July, Beijing had persuaded the East Asia Olympic Committee (EAOC) to cancel those games, stating that this was necessary because the Tsai administration had allowed the Olympic name referendum to proceed. After the election, the TAO spokesman said the issue should be decided by EAOC.

As soon as the election was over, maneuvering for the 2020 elections began. Although KMT Chairman Wu Den-yih is not popular with the public, party members give him considerable credit for their election victory. Wu has the ambition to be president, but has called for the party to agree on a nomination process. Former candidate Eric Chu, a principal rival, has indicated his intention to seek the nomination. Some KMT legislators are calling for the “middle-aged generation” to take leadership roles in the party. On the DPP side, the election defeat means that Tsai’s re-election is no longer a foregone conclusion. DPP party members will elect a new party chairman in January. Premier Lai has indicated he will resign at an appropriate time, possibly after Chinese New Year, and there is speculation he may challenge Tsai. With presidential and legislative elections likely to be held in January 2020, both parties will be

making nominations next summer. Independent Taipei Mayor Ko is also considering becoming a candidate.

Other cross-strait developments

Even though the local elections dominated cross-strait relations, some other developments deserve note. After the first case of African Swine Fever (ASF) was detected in northeast China in August, the outbreak spread to almost all provinces in China by late December. ASF is a disease that affects pigs. As pork production is a major industry and employer in Taiwan, Taipei banned the import of pork products from China and established an emergency task force in December. Although Taiwan’s Straits Exchange Foundation (SEF) and the Council of Agriculture have requested consultations several times, Beijing has not made an exception to its ban on direct contacts to permit this. The exchange of such information is required under the 2009 Cross-Strait Agreement on Agricultural Products inspection and Quarantine. In late December, President Tsai called on China to provide comprehensive real-time information to assist Taipei in preventing spread of the disease to Taiwan.

For a week in December, Taiwan was consumed with the story of Kaohsiung master baker Wu Bao-chun, the owner of a chain of bakery/cafés. When his first café on the mainland in Shanghai was about to open, Chinese netizens accused Wu of being pro-independence. How much of the ensuing onslaught was popular nationalism and how much was produced by the CCP propaganda department’s “fifty cent army” is uncertain. Wu made an abject denial saying he was from “Taiwan, China,” was proud of being Chinese and supported the 1992 Consensus. In Taiwan, this was widely seen as a forced statement. President Tsai condemned Beijing for injecting its political conditions into cross-strait exchanges. Many other politicians from across the political spectrum also criticized Beijing. Nevertheless, Wu’s statements provoked both harsh criticism and support within Taiwan. KMT Kaohsiung Mayor-elect Han Kuo-yu publicly supported Wu, who shifted to saying he was just an ordinary baker who didn’t understand politics. This was another in a series of such incidents that illustrate how polarized and politicized identity issues have become.

Beijing has continued to promote Taiwan's economic and social integration with China. In September, Beijing convened the first cross-strait forum on youth employment and business formation. Vincent Siew, former vice president and KMT official, led the Taiwan delegation. The forum discussed ways to implement aspects of Beijing's 31 incentive measures. In December, the fifth annual cross-strait CEO summit was held in Xiamen. CCP Politburo Standing Committee member Wang Yang addressed the meeting, describing Beijing's efforts to facilitate cross-strait economic ties. When CCP General Secretary Xi Jinping met Siew at the Boao Forum in January, Xi said that giving Taiwan firms "national treatment" was Beijing's policy. However, no steps to implement national treatment have been announced and Wang Yang did not mention the issue at the CEO summit. January 1 will see the implementation of the PRC's new Personal Income Tax Law, that is designed to increase tax collections. In late December, the TAO announced that the regulations for implementing the Personal Income Tax Law would grant Taiwan residents as yet undefined special benefits.

International: Taipei shoring up diplomatic ties

Taipei has maneuvered to shore up relations with its 17 remaining diplomatic allies after the quick, successive losses of the Dominican Republic, Burkina Faso, and El Salvador between May and August. In October, President Tsai welcomed Saint Lucian Prime Minister Allen Chastanet and Paraguayan President Mario Abdo Benitez during their official visits to the island. To consolidate relations with eSwatini – the last Taiwan holdout in Africa – the Ministry of Foreign Affairs announced an increase in diplomatic spending for Africa for the next fiscal year. The ministry also transferred several aid and technical assistance programs from El Salvador to neighboring Nicaragua.

South Pacific island nations have become an important battleground as Beijing attempts to make greater inroads in the region and Taipei seeks to maintain hold of its six diplomatic allies. In a September visit to Taiwan ally Nauru for the intergovernmental Pacific Island Forum, Foreign Minister Joseph Wu announced a \$2 million initiative in which Taiwan will dispatch physician teams on an ongoing basis to provide specialized medical services for its allies. In November, President Tsai welcomed Palauan

President Tommy Remengesau on his five-day state visit to Taiwan. Later in the month, Foreign Minister Wu visited the Marshall Islands to celebrate two decades of ties and to sign cooperation agreements. All of Taiwan's South Pacific allies declined Beijing's invitation to attend a region-wide Belt and Road summit with Xi Jinping in Papua New Guinea just prior to the November APEC Economic Leaders' Meeting.

Beijing and the Vatican on Sept. 22 signed a provisional pastoral agreement that included jointly nominating Catholic bishops inside China. Both Taipei and the Vatican said the accord would not affect their diplomatic relations. However, Beijing and Pope Francis both have expressed interest in further improving ties. A month after the agreement's announcement, Taiwan Vice President Chen Chien-jen traveled to the Vatican for the canonization of Pope Paul VI, where he extended an invitation to Pope Francis to visit Taiwan. A few days later, the Vatican issued an unconventional statement saying the Pope is not planning to visit Taiwan.

Even as Beijing continues its campaign to poach Taiwan's remaining diplomatic allies, Taipei has quietly moved to gain support of "like minded" democracies in Asia and Europe with whom it does not have official relations. According to the *Financial Times*, Foreign Minister Wu has institutionalized informal discussions with Taiwan-based diplomats from the US, UK, Germany, France, Japan, Australia, and New Zealand concerning Taiwan's international participation. Taipei also continues to push for membership in the Japan-led Comprehensive and Progressive Agreement for Transpacific Partnership (CPTPP), the successor to the Trans-Pacific Partnership. Taiwan's bid was made more uncertain, however, following the Taiwan electorate's overwhelming approval of a referendum in the November election to uphold the ban on Japanese food imports from prefectures surrounding the Fukushima nuclear plant. Japanese Foreign Minister Kono Taro in December said this "matter has made it unlikely for Taiwan to join the partnership."

Following an unsuccessful 2016 attempt, Taipei again endeavored to secure participation as an observer in Interpol's autumn General Assembly. Both the US Department of State and Department of Justice voiced support for Taiwan's inclusion, since this would help the

island better combat transnational crime. But the international police body again rejected Taipei's application, leading Premier William Lai to blame Beijing's continued suppression of Taiwan's international space.

The New Southbound Policy (NSP) continues to rank high on the Tsai administration's foreign policy agenda. In October, Tsai gave the keynote address at the second Yushan Forum, an annual gathering of entrepreneurs, political figures, and NGO leaders from Southeast and South Asian countries in Taipei, and proclaimed that the strategy is bearing fruit. Later in October, Taiwan and India signed an updated bilateral investment agreement.

Strengthening US-Taiwan relations

US-Taiwan ties continued to strengthen as Washington asserted its vision for a free and open Indo-Pacific and responded to accumulated PRC pressure on Taiwan.

In a major [speech](#) on the administration's China policy in October, Vice President Mike Pence praised Taiwan's democracy, condemned Beijing's efforts to woo away Taiwan's diplomatic partners and criticized its pressure on US businesses to comply with PRC views about Taiwan. Taipei was pleased, and its leaders have repeatedly noted his remarks. At the November US-China Diplomatic and Security Dialogue, Secretary of State Mike Pompeo stated the administration is concerned about Beijing's efforts to constrain Taiwan's international space.

Perceiving Taiwan's loss of El Salvador as having crossed a line, the Trump administration and members of Congress signaled their determination to help Taiwan retain its remaining diplomatic allies. In September, Washington recalled its ambassadors from the Dominican Republic and El Salvador as well as its charge d'affaires from Panama for consultations over those nations' break with Taipei. AIT Chairman James Moriarty said the move showed that there were consequences to China's actions. Also in September, a bipartisan group of US senators introduced the [Taiwan Allies International Protection and Enhancement Initiative \(TAIPEI\) Act](#), which would require the State Department to routinely report on its efforts to help strengthen Taiwan's international alliances, as well as give the department authority to downgrade relations

with countries that switch sides. No action has been taken on this bill.

On Sept. 25, the Trump administration notified Congress of its intention to sell Taiwan a \$330 million arms package covering spare parts for Taiwan's US-made fighters and military transport aircraft. It was the second Taiwan arms sale approved by the Trump administration following the \$1.4 billion deal in 2017. Randall Shriver, assistant secretary of defense for Asian and Pacific Affairs, said the sale reflects the Trump administration's move toward a more normal arms sales process with Taiwan, as prior practice had been to bundle arms sales every couple of years. PRC government spokespersons issued *pro forma* denunciations of the sale.

Two U.S. destroyers sailed through the Taiwan Strait on Oct. 24, the second such passage this year. The following month, another US destroyer and a replenishment vessel transited the strait. In addition, two USN carrier groups conducted training exercises in the Philippine Sea in November. While Taipei welcomed these freedom of navigation operations as part of Washington's call for a free and open Indo-Pacific, Beijing expressed its opposition to US-Taiwan military contact.



Figure 3 Su Jia-chuan, left, in conversation with Paul Ryan. Photo: Taiwan News

In the spirit of the Taiwan Travel Act, US and Taiwan officials undertook mutual visits. In September, Legislative Yuan speaker Su Jia-chuan visited Washington for Sen. John McCain's memorial service. He subsequently held a private meeting with House Speaker Paul Ryan, the first such meeting between senior US and Taiwan legislative leaders since 1979. In October, Deputy Assistant Secretary of State

Scott Busby traveled to Taiwan to meet President Tsai and to deliver remarks at an international workshop, organized under US-Taiwan Global Cooperation and Training Framework, that focused on disinformation within democracies.

On Dec. 12, the House of Representatives passed the [Asia Reassurance Initiative Act of 2018](#), a Senate-sponsored and approved bill that provides a policy framework and new funding for US engagement with Indo-Pacific allies and partners. Section 209 of the bill states it is US policy to maintain close economic, political, and security ties with Taiwan. It also contains provisos that mandate the president to conduct regular arms sales with Taiwan and to encourage travel by high-level US government officials to the island, per the Taiwan Travel Act. President Trump signed the bill on Dec. 31.

Taipei also endeavored to secure a more favorable position within the Trump administration's trade policies. In the absence of stalled Trade and Investment Framework (TIFA) talks, Taiwan held *ad hoc* trade discussions with a visiting US Trade Representative (USTR) delegation in September, where it requested exemptions on the Trump administration's steel and aluminum tariffs. The following month, Taiwan announced it would purchase \$1.56 billion in US soybean contracts through 2019, a 33 percent increase over its original planned amount. With the Nov. 5 reinstatement of all US sanctions on Iran, Washington granted Taipei a secondary sanctions waiver to wind down its imports of Iranian oil.

Looking ahead

The coming months will show how ties between the CCP and the revived KMT will develop and how Beijing adjusts its pressures on the Tsai administration to the new situation in Taiwan. It is unlikely that Beijing will change its objection to Taipei's being an observer at the World Health Assembly in May. The scope of PLA military exercises around Taiwan bears watching as will be the continuation of US freedom of navigation operations near Taiwan. Six LY by-elections in early 2019 will provide indicators for party prospects in the 2020 elections.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 4, 2018: Foreign Minister Joseph Wu Jau-shieh attends Pacific Island Forum in Nauru.

Sept. 5, 2018: President Tsai Ing-wen meets Guatemalan Congress President Alvaro Arzu Escobar in Taiwan.

Sept. 7, 2018: Washington recalls its diplomats from Panama, the Dominican Republic, and El Salvador for consultations.

Sept. 13, 2018: Acting Assistant US Trade Representative Terry McCartin visits Taipei for informal discussions.

Sept. 17, 2018: Chinese netizen asserts China helped stranded Taiwan tourists in Osaka.

Sept. 22, 2018: The Vatican and Beijing announce a provisional accord on the appointment of bishops in China.

Sept. 24, 2018: US State Department approves \$330 million aircraft spare parts sale to Taiwan.

Sept. 25, 2018: State Department Deputy Assistant Secretary (DAS) Matt Mathews visits Taiwan.

Oct. 4, 2018: Vice President Mike Pence gives major speech on US-China relations.

Oct. 8, 2018: Paraguay's President Mario Abdo Benitez visits Taipei.

Oct. 10, 2018: President Tsai's National Day speech describes her strategy for resisting PRC pressures on Taiwan.

Oct. 11, 2018: US Environmental Protection Agency (EPA) Principal DAS Jan Nishida visits Taipei.

Oct. 15, 2018: Taiwan's Vice President Chen Chien-jen visits Vatican for canonization of pope Paul VI.

Oct. 17, 2018: INTERPOL informs Taipei that it cannot participate in the November General Assembly meeting.

Oct. 17, 2018: Taiwan Affairs Office (TAO) spokesman criticizes Olympic team name change referendum as a Taiwan independence plot.

Oct. 18, 2018: State Department DAS Scott Busby attends forum in Taipei.

Oct. 22, 2018: Two US Navy ships transit Taiwan Strait.

Oct. 29, 2018: US-Taiwan Defense Industry Conference convenes in Annapolis.

Oct. 30, 2018: TAO Director Liu Jieyi receives Vincent Chang Hsien-yao delegation.

Nov. 5, 2018: AIT Chairman James Moriarty visits Taiwan; meets President Tsai.

Nov. 10, 2018: Palau President Tommy Remengesau visits Taipei.

Nov. 17, 2018: Taiwan representative Morris Chang meets briefly with Vice President Pence at the APEC Economic Leaders' Meeting in Papua New Guinea.

Nov. 20, 2018: Foreign Minister Wu visits the Marshall Islands.

Nov. 24, 2018: DPP suffers serious defeat in local elections; Chairperson Tsai resigns.

Nov. 29, 2018: Two US navy ships transit Taiwan Strait.

Dec. 3, 2018: Department of Commerce Acting DAS Ian Steff visits Taipei.

Dec. 4, 2018: Cross-Strait CEO summit held in Xian.

Dec. 10, 2018: Kaohsiung master baker Wu Bao-chun pressured into making pro-China statements after netizens attack him as pro-Taiwan independence.

Dec. 18, 2018: Four PLA aircraft fly through Bashi Strait.

Dec. 18, 2018: Taiwan and India sign new Bilateral Investment Agreement.

Dec. 19, 2018: President Tsai calls for China to provide comprehensive real-time information on African Swine Fever (ASF).

Dec. 20, 2018: Former ARATS Chairman Chen Yunlin visits Taipei to pay respects to deceased former SEF Chairman Chiang Pin-kun.

Dec. 20, 2018: Shanghai-Taipei Twin City Forum convenes in Taipei.

Dec. 20, 2018: TAO says Taiwanese residents will receive special treatment under new Personal Income Tax Law.

Dec. 27, 2018: Taiwan-Japan maritime cooperation meeting concludes in Taipei.

Dec. 31, 2018: President Trump signs Asia Reassurance Initiative Act.

Jan. 1, 2019: President Tsai's New Year address broaches cross-strait issues.

Jan. 2, 2019: President Xi gives major address on the 40th anniversary of Deng Xiaoping's "address to Taiwan Compatriots."

COMPARATIVE

CONNECTIONS

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

NORTH KOREA-SOUTH KOREA RELATIONS

AN UNPRECEDENTED YEAR, BUT WILL PROGRESS CONTINUE?

AIDAN FOSTER-CARTER, LEEDS UNIVERSITY, UK

Inter-Korean relations continued to forge ahead in the final four months of 2018. September's Pyongyang summit – the third in a year – was full of symbolism, including a trip by the two First Couples to sacred Mt. Paekdu. President Moon Jae-in and supreme leader Kim Jong Un reiterated earlier commitments while adding new ones, notably a raft of CBMs in and near the DMZ to reduce border tensions. Progress elsewhere was slower, since UN and other sanctions continued to block most inter-Korean economic dealings. Despite hopes, Kim did not come South in 2018, but he promised to meet Moon “frequently” in 2019. The US finally allowed a South Korean inspection train to cross the DMZ for joint surveys of the North's major tracks, and in December the two Koreas held a groundbreaking ceremony for relinking their transport networks – although no actual joint renovation work is feasible unless sanctions on the DPRK are eased. Kim Jong Un's New Year Address lauded progress made, but upped the ante by warning Seoul that all joint military drills with the US are unacceptable. Continued cyber-attacks, including a recent hack of defectors' personal data, cast doubt on the North's sincerity.

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Not much that involves North Korea is uncontentious. Yet as 2019 begins, we can say without fear of contradiction that 2018 was the single most remarkable year in the entire history of inter-Korean relations. Let us begin by reviewing the year overall, and make good that claim.

First, three summits! For half a century after the peninsula's partition in 1945, the top leaders of the two Koreas never met. Till last year there had only ever been two inter-Korean summit meetings, in 2000 and 2007, both in Pyongyang. Eleven years had passed since the last one.

Against that backdrop, three summits in a single year – within five months in fact – if nothing else marks an extraordinary and welcome acceleration. With the DPRK's supreme leader Kim Jong Un [telling](#) ROK President Moon Jae-in that he hopes to meet “frequently” in 2019, what had hitherto been rare and exceptional may become the new normal. That can only be good.

Second, two meaty accords! Sometimes summits are held mainly for show. To be sure, both April 27's first Moon-Kim meeting at Panmunjom in the Demilitarized Zone (DMZ), and their third held in September in Pyongyang, were crafted with a canny eye to global media coverage. (Their second talks, at Panmunjom on May 26, were *ad hoc* and at short notice.)

Yet these meetings were far more than mere photo-opportunities. Each produced a substantial document, with detailed commitments and timelines. In that regard, both April's [Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula](#) and September's [Pyongyang Joint Declaration](#) stand in marked contrast to the frankly thin and vague [Joint Statement](#) signed in Singapore in June by Kim and the US President, Donald Trump.

Third, actions speak louder than words. In the past, the two Koreas had reached agreements which were never implemented, notably December 1991's detailed but stillborn [Agreement on Reconciliation, Non-aggression and Exchanges And Cooperation](#). Not this time. On the contrary, in spring and autumn alike both sides moved fast to begin doing what they had just committed to; most strikingly in the military domain, with new measures to reduce tensions in and near the DMZ, described below. Here again the contrast with Singapore and its

aftermath (or lack of one), examined elsewhere in this issue of *Comparative Connections*, is striking. Whereas the US-North Korea process appears stuck, ties between the two Koreas continue to forge ahead – even if the former inevitably impacts the latter, another issue discussed below.

For our purposes, one consequence of these now intense North-South contacts is a new need to be more selective in our coverage. For much of the pre-2018 decade, with often little going on between the two Koreas, it was possible and seemed desirable to try to record every single interaction (although no doubt some were missed). That is no longer feasible, so this time and henceforth we shall focus on high-level and other important dealings – as one would, and my fellow-authors in this journal already do, if covering a normal bilateral relationship between two states. Indeed, perhaps the changes now unfolding can be characterized as a kind of inter-Korean normalization, at long last – subject to caveats raised later in this article.

The Pyongyang summit

The last issue of *Comparative Connections* was published in mid-September, on the eve of President Moon's visit to Pyongyang for his third meeting with Kim Jong Un; this time on the latter's home ground. Until 2018, the North had hosted all (i.e. both) inter-Korean summits, so it was good to break that one-sided habit before reverting to past patterns. Full reciprocity will only be achieved, however, if and when Kim Jong Un comes to Seoul; more on which below.

On Sept. 18, Moon Jae-in became the third ROK president to visit the DPRK, after Kim Dae-jung in 2000 and Roh Moo-hyun (2007). This was not Moon's first trip to Pyongyang; he accompanied Roh in 2007 as his chief of staff, so he had some idea what to expect. Also, after two earlier summits his Northern counterpart was by now a known quantity. By contrast, both 'DJ' and Roh were meeting Kim's father Kim Jong Il for the first time – and on his home turf.

Spousal optics: images matter

If this latest summit yielded familiar images, there were also changes. One might be called – forgive the jargon – spousal optics. Both DJ and Roh had brought their wives with them, but they were little seen given the lack of any local counterpart (Kim Jong Il's marital history being,

shall we say, complicated). Not so this time. Right from the beginning, when Kim Jong Un greeted Moon and his party at Sunan airport with an honor guard, it was the two first couples in the spotlight rather than just the two leaders. That pattern continued throughout, climaxing in an unexpected finale on Sept. 20 when the two first couples flew (in separate aircraft) to Mt. Paekdu: the peninsula's highest peak, sacred to all Koreans, on the China-DPRK border, with its striking volcanic lake. Images – some doctored – from Paekdu-san had hitherto been confined strictly to the Leader Kims in person. So it was double progress not only to invite an ROK president to share this hallowed ground, but also for both Moon and Kim to be pictured alongside their [wives](#).



Figure 1 South Korean President Moon Jae-in and North Korean leader Kim Jong Un pose for photographs on the top of Mt. Paektu, North Korea, Sept. 20, 2018. Photo: VOA News

Widening the circle further, in [photographs](#) subsequently released by the Blue House on Sept. 23, ten other leading members of the ROK delegation were also pictured atop Paekdu-san. In one image which caused a stir in South Korea, Kim Jong Un posed with the visitors, making a heart-shaped finger gesture – or trying to – associated with K-pop (which Kim and his circle can access; ordinary North Koreans who do so risk severe [punishment](#)). It seems that ROK Foreign Minister Kang Kyung-hwa [put](#) him up to this. Unsurprisingly, that moment was cut from the 70-minute [documentary](#) of the summit aired by *Korean Central Television (KCTV)* on Sept. 22 and 23. It did however show the South Korean party making the hand gesture.

With image management a key priority for both leaders, who exactly was able to see and hear what, where, and when is an important question; helpfully answered by Martyn Williams, who runs the vital website [NorthKoreaTech](#), in a recent [article](#). Thus while

the outside world could watch Moon's arrival in Pyongyang live, thanks to an ROK TV pool – Williams thinks this is a first for an event in the DPRK involving Kim Jong Un – North Korean domestic audiences, as usual, were told and shown nothing until the next day. Such delay is likelier to be political than technical, allowing time for events to be framed with the desired message.

Similar considerations also apply to another 'first': Moon Jae-in's live [speech](#) to the 114,000-strong crowd at Pyongyang's May Day (Rungrado) stadium, where the two leaders watched a specially themed performance of the DPRK's famed mass games. Remarkably, Moon was not required to submit his text for prior approval, though he was hardly going to rock the boat on such an occasion. (Unlike Mongolia's then-President Tsakhiagiin Elbegdorj, who in 2013 – perhaps piqued after failing to meet Kim Jong Un – pointedly [told](#) a Kim Il Sung University audience, with DPRK dignitaries present, that “no tyranny lasts forever”.) By contrast Moon's remarks were short (seven minutes) and sweet; yet beyond the stadium, no North Koreans heard him. The aforesaid documentary showed him addressing the crowd, but – as is *KCTV*'s usual practice – with a stirring voiceover by the presenter, rather than him actually speaking.

Demilitarizing the DMZ

But we are running ahead, and must turn from symbols (vital though these are) to [substance](#). Like Moon and Kim's first meeting at Panmunjom in April, the Pyongyang summit produced a solid agreement. Indeed, in a sense it yielded two. The main Pyongyang [Joint Declaration](#), signed on Sept. 19, reasserts and recommits to activities already agreed in April's [Panmunjom Declaration](#) (e.g. family reunions, cultural and sporting events, and relinking cross-border roads and railways). Some of these it specified or deepened. Clause 4.1, for instance, declared categorically that the Pyongyang Art Troupe would perform in Seoul in October; but in fact it didn't. Or again, in clause 2.1 “The two sides agreed to hold a ground-breaking ceremony within this year for the east-coast and west-coast rail and road connections.” That did happen, as discussed further below. New areas of planned cooperation were added too, including on environmental issues – forestry in particular – and public health.



Figure 2 North and South Korean officials try to connect a railroad during a groundbreaking ceremony for a project to modernize access the heavily armed border. Photo: Fortune

The most striking outcome of the Pyongyang summit, however, came not in the main Joint Declaration but in a longer [annex](#) signed by the two sides' defense ministers, ROK Defense Minister Song Young-moo and DPRK Minister of the People's Armed Forces No Kwang Chol. Officially styled as the "Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain," this prescribes a range of confidence building measures (CBMs are always preferable to ICBMs) and practical steps to reduce tensions at the border. These include removal of guardposts within the DMZ, joint demining and search for MIA remains in two areas within the zone, and the establishment from Nov. 1 of specified no-fly limits on either side of the Military Demarcation Line (MDL). From that date all military exercises along the MDL aimed at the other side are also proscribed. Chung Eui-yong, who directs the National Security Office in the Blue House, [called](#) this a "de facto non-aggression agreement ... through [which] the South and the North can practically resume a preliminary level of operational arms control."

Now we know what all those prior inter-Korean military meetings, which (as noted in our last issue) failed to issue any press statements at the time, were all about. They had a big, detailed agreement to craft and get right. The result is a long and in parts technical document, which specialists should read carefully; there are also some good [exegeses](#) available. Here we must focus on the big picture. Once again the two sides set to work on implementation with a will, producing remarkable scenes and memorable images. With the DMZ having for decades (belying its name) been a place bristling with tension, it was astonishing and heart-warming to watch soldiers from North and South working together in peace in no man's land, as they

removed guardposts and mines and searched for the remains of former comrades or enemies. How can this not be progress?



Figure 3 North Korean and South Korean soldiers work together removing guardposts and mines in the DMZ. Photo: ROK Ministry of Unification

Broader evaluation requires perspective and balance. South Korean right-wingers – on the ropes currently, with the last two conservative presidents both in jail; but they'll be back – [criticize](#) Moon for leaving the ROK vulnerable. Some on the left, by contrast, hail the arrival of permanent peace. Both these extremes exaggerate the impact of what are really no more or less than CBMs. Demolishing a few guardposts is largely symbolic. There is no suggestion, despite earlier kites flown, that either side is about to redeploy its front-line forces, such as the many thousands of KPA heavy artillery pieces positioned along the DMZ. That said, and as discussed elsewhere in this issue, Washington is [unhappy](#) about the no-fly zones – and the fact that Seoul failed to coordinate on this with its ally. It remains to be seen how this plays out; and also how soon other provisions of the accord, such as establishing a formal joint military committee and a 'peace zone' in the West (Yellow) Sea, will be addressed.

Needling the *chaebol* over noodles

Not everything in Pyongyang went smoothly. A storm in a teacup (or rather, a noodle bowl) erupted over a month later, with media reports suggesting that Ri Son Gwon, North Korea's point man on the South, was disrespectful to *chaebol* heads who accompanied Moon Jae-in. Exactly what he said, and what he meant, remain [contentious](#). At a lunch of cold noodles (*naengmyon*), a Northern specialty, Ri allegedly asked the tycoons if the noodles were sliding

down their throats easily. Critics saw that as a slur (or slurp), implying they were complacent. By some accounts he was more direct, berating them for not investing in the North.

But as Ri knows, sanctions make that impossible. Lest they forget, amid media reports that major *chaebol* were preparing for longer-term ventures in the North, several conglomerates – including four of the largest: Samsung, Hyundai Motor, LG and SK – were [telephoned](#) by the US embassy after the Pyongyang summit to ask about those plans. A leading conservative daily criticized the US action, in an editorial [headlined](#) “Lay off our companies.”

This was addressed equally to Ri, who in any case should know better. Even in the ‘sunshine’ era (1998–2007) when no sanctions stopped ROK firms investing in the DPRK, it was notable that almost no big *chaebol* went in. The sole exception was Hyundai, driven by its Northern-born founder Chung Ju-yung’s patriotism and ambition. Result? After Chung died, his son killed himself over illicit payments to Pyongyang, and Hyundai fell apart – having lost a fortune due to the North’s greed and duplicity. If North–South relations are really to start a new chapter, the Kim regime must do some serious self-criticism and break from that past.

Many meetings, few outcomes

In the months after the Pyongyang summit, the two Koreas continued to meet at lower levels to discuss implementing its provisions (for full details, see the Chronology.) However, other than the military CBMs just discussed, this was a rather frustrating time for both sides. It remains the case that almost all economic dealings with the DPRK risk breaching sanctions; whether multilateral ones (imposed by the UN Security Council), or bilateral (chiefly from the US, but also some imposed by past ROK governments). Even an area as innocuous as forestry cooperation fell foul of this. It took until Nov. 29 for the South to [send](#) 50 tons of pesticide to combat pine wilt. (That is self-interest as much as altruism; for pine trees and their diseases, the DMZ is a less impassable barrier than for humans.)

Sanctions and related restrictions especially stymied the Koreans’ hopes for cooperation in transportation. Readers will recall that in August the UN Command (UNC) – meaning the

US – had stopped South Korea from sending a train across the DMZ to conduct railway inspections in the North. Even after the Pyongyang summit, it took a while before Washington relented. Not till Nov. 30 did the South’s inspection train finally [cross](#) the DMZ; surveys of Northern roads followed in late December, notionally. The rail survey was comprehensive and fairly thorough, affording the Southern visitors an unprecedented glimpse of the whole length of the North’s two main trunk lines along the west and east coasts up to the Chinese and Russian borders, respectively. Speeds were painfully slow and in some places the track was damaged, so the inspectors had to resort to [buses](#) instead.

It is hard to take the [road](#) inspections seriously. Time was short, snow lay on the ground, and in one area (the southeast) there was doubt, or discord, as to exactly which roads were to be examined. Overall, then, these joint surveys were arguably more symbolic – this is a recurring theme this time – than substantial. But no matter, as there is no immediate prospect of actually starting any renovation works. Honor was satisfied so the two sides could fulfill their summit pledge and have a ‘groundbreaking’ ceremony this year, even if no more ground will get broken for a while. This was duly held on Dec. 26 at Panmun station, just north of the DMZ.

Kim a no-show, this year

Another pledge, however, went unfulfilled. The sixth and final clause in the Pyongyang Declaration reads: “Chairman Kim Jong Un agreed to visit Seoul at an early date at the invitation of President Moon Jae-in.” That was understood in the South to mean within the year. As time passed with no sign of such a visit, speculation mounted, becoming feverish in December, fomented by the Blue House even while the Unification Ministry (MOU) clarified that no actual talks on this were happening. Some observers [noted](#), plausibly, that the North’s insistence on tight advance secrecy regarding its leader’s movements meant that official denials should not necessarily be taken at face value. But this time they turned out to be true.

By way of consolation, on Dec. 30 Kim sent Moon a [letter](#). The full text was not disclosed, but according to the Blue House Kim regretted that he could not come South in 2018, and

promised they would meet “frequently” in 2019. He also expressed an “intent to resolve the denuclearization of the Korean Peninsula together.” For his part Moon, who must be feeling squeezed between Kim and Trump, in his own New Year press conference on Jan. 10 [called](#) on Pyongyang to take bolder steps toward denuclearization – and for the US to reward these.

Kim Jong Un’s New Year Address

Readers will recall that 2018’s turn towards peace [began](#) when Kim Jong Un, in his New Year address, offered an unexpected olive branch to South Korea by backing the then imminent Pyeongchang Winter Olympics. A year on, therefore, there was naturally keen [anticipation](#) – extending [beyond](#) the usual specialists – as to what he would say this time. In a striking change of format, Kim abandoned his usual stern posture – standing behind a microphone-festooned lectern – for a cozier image: seated in a burgundy leather armchair, backed by images of his father and grandfather, in a library in the Party (WPK) headquarters building. (Full text of the speech can be found [here](#).)

If the presentation was new, the content was less so. These speeches are primarily aimed at a domestic audience. As such and as always, most of Kim’s address was about the economy; albeit with little concrete detail and no hard numbers. Though beyond our remit here, it is odd for a leader who prioritizes economic development to say nothing about the changes ongoing in that sphere. Instead, he just churned out the same old hectoring boilerplate. The problems never change, either. “We should direct primary efforts to relieving the shortage of electricity The whole country should render active ideological and spiritual, material and technical assistance to coal mines.” How many times did his father say the same, and his grandfather? This sort of thing took up the first two-thirds of the address, some 3,600 words.

Kim then turned his gaze outward: first and foremost to North-South relations (900 words) and then more widely (600 words). On inter-Korean developments his tone was triumphant: “Last year was a stirring year which witnessed a dramatic change unprecedented in the history of national division spanning over 70 years ... we took proactive and bold measures to effect a great turn in north-south ... north-south

relations entered a completely new stage.” And much more in similar vein.

Nowhere were the ROK or its president acknowledged by name, which would have been a step forward. But there was a new demand: “[W]e maintain that the joint military exercises with foreign forces ... should no longer be permitted and the introduction of war equipment including strategic assets from outside should completely be suspended.” That ups the ante. In June 2018, President Trump, after meeting Kim in Singapore, unilaterally cancelled the annual US-ROK *Ulchi Freedom Guardian* joint military exercises due that August. Other maneuvers later in the year were scaled back. In November, Jim Mattis, the then US Defense Secretary, [said](#) that the next big annual joint exercise – *Foal Eagle*, due in March 2019 – will be “reorganized a bit to keep it at a level that will not be harmful to diplomacy [and] “reduced in scope.” It remains to be seen whether that satisfies Kim, or whether Moon will rebuff Kim’s blatant interference in ROK sovereignty and attempt to drive a wedge into the alliance.

More positively, Kim expressed willingness “to resume the Kaesong Industrial Park and Mt. Kumgang tourism without any precondition and in return for nothing.” But there is in fact a precondition. Neither of these former joint ventures can legally be resumed while the DPRK remains under UN and other sanctions. Kim knows that, of course. He continued: “When north and south join hands firmly ... no external sanctions and pressure will be able to hinder us We will never tolerate the interference and intervention of outside forces who stand in the way of national reconciliation, unity and reunification with the design to subordinate inter-Korean relations to their tastes and interests.”

Even if you regard a step-by-step process including some sanctions relief as the only feasible way forward, this formulation is tendentious. A dozen resolutions, all unanimous, of the UN Security Council cannot simply be dismissed as partisan foreign interference. Regarding military exercises, Kim is piling the pressure on his dialogue partner while seeking to foment division. This makes life harder for Moon, and does not inspire confidence in Kim’s sincerity.

Prospects for 2019

We conclude with a paradox. There is no gainsaying the remarkable achievements of 2018. But unfortunately these do not guarantee that inter-Korean momentum will continue in 2019. This disconnect has both extrinsic and intrinsic causes. The main factor is the uncertainty of US-DPRK relations. Despite concessions elsewhere, notably in suspending maneuvers, the Trump administration has so far held the line on refusing any major easing of sanctions. Indeed, in December it imposed new ones bilaterally. If Washington maintains that stand, inter-Korean economic cooperation will remain blocked. That will frustrate Moon, and may prompt Kim to press him harder. A Jan. 5 [commentary](#) in the Party daily *Rodong Sinmun*, headlined “Inter-Korean Relations Can’t Be Appendage of DPRK-U.S. Relations,” highlights what will surely be a major issue in 2019.

However, contrary to Pyongyang’s unobvious nationalist framing, the US is not the only one applying the brakes; nor is this the only factor. I posed some queries in a recent [article](#). There are things the two Koreas could do more of right now, despite sanctions. For example, in the Pyongyang Declaration Moon and Kim pledged to “strengthen humanitarian cooperation to fundamentally resolve the issue of separated families,” including establishing a permanent facility at Mt. Kumgang, and arranging video meetings and messages “as a matter of priority through inter-Korean Red Cross talks.” Yet in contrast to the inter-Korean energy on other fronts, there appears to be no sign of further reunions or talks; even though the sad elderly cohort involved continues to dwindle daily due to mortality. In practice, then, this seems not to be “a matter of priority”: why not? Let us hope for better as 2019 progresses.

Foot-dragging is one thing, cyber-attacks another. On Dec. 28, MOU [disclosed](#) that personal data on almost 1,000 North Korean defectors had been hacked from a computer at one of its resettlement centers. It did not point the finger at Pyongyang, diplomatically; but who else has any motive to do this? A week later on Jan. 4 MOU revealed [another](#) cyber-attack. This time the senders cheekily impersonated the ministry, using an infected file including MOU’s analysis of Kim Jong Un’s New Year Address. Again the ministry refused to blame the North, but others in Seoul are less reticent. EST Security, an ROK IT firm which monitors such

matters, linked these latest attacks to what it called a continuous and very active campaign of similar efforts by North Korea, including previous attempts to glean data on defectors.

We have highlighted this issue before, and make no apology for doing so again. It is crucial, yet gets oddly little attention. The Pyongyang Declaration’s military annex reiterated April’s commitment at the Panmunjom summit: “South and North Korea agreed to completely cease all hostile acts against each other in every domain.” In our last issue we flagged an article published on July 5 by the semi-official ROK news agency *Yonhap*, bearing a paradoxical headline: “N. Korean hackers suspected of continuing attacks amid friendly inter-Korean relations.” Six months on, the suspicions and the cyber-attacks continue. Even if the Moon government says nothing in public (but why not?), one hopes it is protesting vigorously in private – and threatening to go public unless Kim calls off this aggression once and for all.

‘Symbol or substance?’ has been a recurring theme this time. It remains a key question. The two Koreas made remarkable progress in 2018, yet experience counsels caution as to whether this is sustainable and what the Kim regime’s game really is. As so often, I long to be wrong. A definitive end to North Korean cyber-attacks on the South – and indeed worldwide – in 2019 would send a welcome signal that Kim Jong Un is not just playing a brilliant game, but genuinely means to build a different, non-threatening, non-criminal DPRK.

CHRONOLOGY OF NORTH KOREA-SOUTH KOREA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 5, 2018: President Moon Jae-in's special envoy, National Security Adviser Chung Eui-yong, [flies](#) to Pyongyang heading a five-person delegation (the same quintet as on [March 5-6](#)). They meet Kim Jong Un, who *inter alia* reaffirms his commitment to denuclearization amid warm words for Moon and for Donald Trump. The delegation flies [home](#) to Seoul the same evening and immediately reports back to Moon, at 9.44pm local time.

Sept. 6, 2018: Chung Eui-yong [announces](#) that Moon Jae-in will visit Pyongyang on Sept. 18-20 for his third summit with Kim Jong Un. (Earlier [speculation](#) had predicted Sept. 12-13.)

Sept. 6, 2018: In Kaesong, the two Koreas' cultural authorities [discuss](#) potential cooperation in several fields. They agree to resume a joint archaeological project; see Sept. 11, below.

Sept. 7, 2018: ROK Ministry of Unification (MOU) spokesman Baik Tae-hyun [says](#) the two Koreas have reached agreement on all aspects of the planned inter-Korean liaison office in Kaesong. A later report [confirms](#) that this will start work (24/7) on Sept. 14, with 15-20 staff drawn from each side.

Sept. 7, 2018: South Korea's Foreign Ministry (MOFA) [reports](#) that on Sept. 6 the two Korean states wrote jointly to UN Secretary General Antonio Guterres to request that the Panmunjom Declaration be circulated as an official UN document.

Sept. 7, 2018: Latest Gallup Korea [poll](#) finds President Moon's approval ratings, on the slide since mid-June, below 50 percent for the first time. Negative appraisals rise to 42 percent. While this is attributed mainly to economic dissatisfaction, media comment [notes](#) that North Korea is no longer a booster factor for Moon.

Sept. 7, 2018: Blue House (Cheongwadae, the ROK Presidential office and residence) [says](#) that on Sept. 11 Moon's government will submit a bill to the National Assembly to formally ratify April's Panmunjom Declaration.

Sept. 8, 2018: Ahead of a state visit by Indonesian President Joko Widodo, Moon Jae-in [tells](#) the Indonesian newspaper *Kompas* that his goal is to make "irreversible progress" by the end of the year toward denuclearization and a permanent peace on the peninsula. He adds that the "special envoy's visit [to Pyongyang] went well, and the results exceeded expectations."

Sept. 9, 2018: In Pyongyang, parades and mass displays mark the [70th anniversary](#) of the DPRK's foundation. No ICBMs appear in the military [parade](#), while the mass games stress economic development and conclude with a giant video of April's Kim-Moon summit.

Sept. 9, 2018: Korean Council for Reconciliation and Cooperation (KCRC), a quasi-official umbrella body representing some 200 South Korean NGOs, [says](#) it will meet its Northern counterpart in late October at Mount Kungang to call for sincere implementation of the Panmunjom Declaration. Further details will be worked out by fax and email.

Sept. 10, 2018: Center-right *JoongAng Ilbo*, Seoul's leading daily, [claims](#) that the Joint Chiefs of Staff (JCS) have completed a report comparing the two Koreas' military strengths, which Moon Jae-in ordered ahead of the Pyongyang summit.

Sept. 10, 2018: Blue House Chief of Staff Im Jong-seok [invites](#) nine parliamentarians to accompany President Moon to Pyongyang. At least three decline. National Assembly Speaker Moon Hee-sang pleads being too busy, while the leaders of two conservative opposition parties, the right-wing Liberty Korea Party (LKP) and the more centrist Bareunmirae, criticize the forthcoming summit as a "show-off without substance."

Sept. 10, 2018: Floor leaders of South Korea's three largest political parties reach an [accord](#) that the National Assembly will debate ratification of April's Panmunjom Declaration after the third Moon-Kim summit. The government submits a [motion](#) on Sept. 11.

Sept. 11, 2018: ROK Cultural Heritage Administration (CHA) [announces](#) that joint North-South excavations at Manwoldae, the royal palace of the Koryo dynasty (918-1392 CE) in Korea's then-capital Kaesong, will resume on Sept. 27 for three months. Seven rounds of joint archaeological work were conducted at the site between 2007 and 2015. In 2016 then-ROK President Park Geun-hye suspended the program amid rising inter-Korean tensions.

Sept. 11, 2018: In Vladivostok for the Eastern Economic Forum ROK Prime Minister Lee Nak-yeon [envisages](#) "a new avenue opening for three-way cooperation among South and North Korea and Russia."

Sept. 12, 2018: A 22-strong DPRK shooting squad [flies home](#) from Gimhae airport, via Beijing, after bagging two silver and two bronze medals in the International Shooting Sport Federation (ISSF) World Championship held at Changwon in the ROK's southeast.

Sept. 12, 2018: ROK government [rejects](#) opposition charges that it is playing down the expense of implementing the Panmunjom Declaration. Critics are contrasting MOU's figure of 298.6 billion won (\$264.8 million) with the ministry's estimate a decade ago that similar projects envisaged in the 2007 inter-Korean summit would cost 14.3 trillion won.

Sept. 13, 2018: Working-level military talks are held at Panmunjom, lasting [17 hours](#). As usual no press statement is released. *Yonhap* [reports](#) that the two sides wrapped up a military agreement, which Kim and Moon will announce at their summit in Pyongyang next week.

Sept. 14, 2018: Working-level talks at Panmunjom [finalize](#) details of the impending summit.

Sept. 14, 2018: North and South Korea [open](#) their new permanent liaison office at Kaesong.

Sept. 18, 2018: President Moon Jae-in, with a large entourage including business leaders, flies into Pyongyang's Sunan airport where they are greeted by Kim Jong Un.

Sept. 19, 2018: Moon and Kim sign a fresh agreement, the Pyongyang Joint Declaration. Their defense ministers also sign a major new accord, the "Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain."

Sept. 20, 2018: Moon and Kim and their entourages head north for a photo-opportunity on Mt. Paekdu, a sacred peak (Korea's highest) on the Chinese border. The ROK party flies directly back to Seoul from Samjiyon airport in the northeastern DPRK.

Sept. 20, 2018: The Blue House [announces](#) that, as in 2000 and 2007, North Korea has sent a gift of two tons of pine mushrooms, a Northern delicacy, to commemorate the recent summit. These will be distributed to members of separated families who could not meet North Korean family members in the latest reunions, in August. Only 100 out of 57,000 applicants, selected by lot, made the cut. Some in South Korea [claim](#) there is a risk that the mushrooms, harvested in the DPRK's northeast, could be radioactive.

Oct. 4-6, 2018: A 160-strong ROK delegation, mainly of NGOs and activists but including Unification Minister Cho Myoung-gyon, [flies](#) to Pyongyang to participate in ceremonies marking the 11th anniversary of the second inter-Korean summit in 2007; the first time this has ever been thus commemorated. They fly [back](#) on Oct. 6.

Oct. 15, 2018: High-level talks on implementing the Pyongyang Joint Declaration are held at Panmunjom. A seven-point [agreement](#) recommits to further talks and/or specific activities in seven areas: military, transport, forestry, health, sport, Red Cross, and art performances.

Oct. 22, 2018: Two Koreas meet in Kaesong to discuss cooperation in forestry. They issue a four-point [agreement](#), whose provisions include Southern aid to combat pine disease and for Northern tree nurseries, as well as ecosystem restoration.

Oct. 23, 2018: ROK Cabinet [ratifies](#) the Pyongyang Joint Declaration and military agreement. Opposition parties protest that this sidelines the National Assembly, where a bill to ratify the earlier Panmunjom Declaration remains bogged down in partisan wrangling.

Oct. 26, 2018: Two Koreas hold what are officially the 10th Inter-Korean General-level Military Talks at Panmunjom to discuss implementation of the military agreement signed in September. They issue a six-point [statement](#), reconfirming that accord's various provisions and updating on concrete progress and future plans.

Oct. 31, 2018: Kim Min-ki, a lawmaker of South Korea's ruling Democratic Party (DP), [tells](#) reporters that the ROK National Intelligence Service (NIS) has observed North Koreans "conducting preparation and intelligence activities that seem to be in preparation for foreign inspectors' visit" at Punggye-ri nuclear test site and the Sohae satellite launching ground.

Nov. 1, 2018: Major provisions of September's North-South military agreement take effect, including no-fly zones and restrictions on maneuvers within specified distances of the DMZ.

Nov. 2, 2018: Meeting in Kaesong, the two Koreas' vice-ministers for sport [agree](#) to officially inform the International Olympic Committee (IOC) of their intent to co-host the 2032 Summer Olympics. They will also send a combined team to the world handball championships in January.

Nov. 5, 2018: Two Koreas launch a month-long joint [survey](#) of the Han and Imjin River estuaries on their west coast border. Ten military and hydrographic experts from each side, in six ROK sonar-equipped vessels, will measure water depths to plot safe channels for navigation along a 70 km stretch of estuary and coast in both the ROK and DPRK.

Nov. 7, 2018: Two Koreas hold vice-ministerial [talks](#) in Kaesong on health cooperation.

Nov. 8, 2018: The Blue House [declares](#) the North's pine mushrooms safe to eat.

Nov. 12, 2018: MND [announces](#) that yesterday and today ROK military planes flew 200 tons of tangerines from Jeju island to Pyongyang, as a return gift for the pine mushrooms sent by the DPRK.

Nov. 26, 2018: The first ever joint submission by the two Koreas to UNESCO [succeeds](#). Meeting in Mauritius, the UN body's World Heritage Committee agrees to inscribe *ssirum* (Korean traditional wrestling) as an Intangible Cultural Heritage of Humanity.

Nov. 28, 2018: Two Koreas [agree](#) that joint inspection of the North's main west and east coast railway lines will begin on Nov. 30.

Nov. 29, 2018: South Korea [sends](#) 50 tons of pesticide to the North, to treat disease affecting pine trees. The truck convoy crosses via the western land route, unloading in Kaesong.

Nov. 30, 2018: A six-car South Korean train, with a 28-strong ROK inspection team aboard, [crosses](#) the DMZ to begin an 18-day joint inspection of DPRK railway lines.

Nov. 30, 2018: ROK MND [reports](#) that (having secured an exemption from UNSC sanctions) it delivered optical and copper cable transmission equipment and communication conduits to the DPRK for use in the west coast inter-Korean military communication line.

Nov. 30, 2018: ROK MND [announces](#) the completion of joint work to demolish 10 front-line guardposts on each side and de-mine a ridge in the DMZ, begun in October.

Dec. 1, 2018: ROK military says that a Korean People's Army (KPA) soldier [defected](#) earlier that day across the eastern sector of the DMZ.

Dec. 5, 2018: ROK railway inspection team [returns](#) home, having completed a six-day joint survey of the DPRK's western main line.

Dec. 7, 2018: Media reports [claim](#) the South has suggested Dec. 12-14 as dates for Kim Jong Un to visit Seoul, but has gotten no reply yet. Such speculation persists throughout the month.

Dec. 7, 2018: MOU says that a [meeting](#) today between the joint heads of the North-South liaison office at Kaesong – ROK Vice Unification Minister Chun Hae-sung and Jon Chong Su, vice chairman of the DPRK Committee for the Peaceful Reunification of the Country (CPRC) did not discuss Kim Jong Un visiting Seoul. (These meetings, set originally to be held weekly, are in fact taking place approximately monthly.)

Dec. 8, 2018: After a brief home break, South Korea's rail inspection team [heads](#) back to the North: this time by bus, using the eastern land route.

Dec. 9, 2018: In a joint statement, the ROK Ministry of Oceans and Fisheries (MOF) and the Ministry of National Defense [declare](#) that the two Koreas have completed their 35-day joint inspection of estuarine and coastal waterways along their western border. A day later, the (South) Korea Hydrographic and Oceanographic Agency (KHOA) [reports](#) that much dredging work is needed, especially in the estuary near Kaesong.

Dec. 10, 2018: MOU says the [budget](#) allocated to its inter-Korean cooperation fund in 2019 will be 1.1 trillion won (\$983.4 million): up 15 percent from 2018, and the first time since 2016 that this has exceeded a trillion won.

Dec. 11, 2018: The ROK Cabinet [approves](#) an MOU proposal to revise the Inter-Korean Exchange and Cooperation Act, so that any future curtailment of co-operation with the North must be reviewed by the Cabinet.

Dec. 12, 2018: Senior officials from the two Koreas' health ministries [meet](#) in Kaesong to discuss potential co-operation, including to control influenza.

Dec. 14, 2018: After sports talks led by vice-ministers in Kaesong, the two Koreas [announce](#) that they will meet the International Olympic Committee (IOC) in Lausanne, Switzerland on Feb. 15 2019, to discuss their joint bid to co-host the 2032 Summer Olympic Games.

Dec. 17, 2018: ROK Joint Chiefs of Staff (JCS) [confirm](#) that the DPRK has demolished 10 guardposts in the DMZ. ROK has done the same. The two sides had planned to destroy 11 each, but decide to keep one apiece (albeit now disarmed) "in light of their historical value."

Dec. 17, 2018: South Korean officials and experts [return](#) home after completing a 10-day inspection of North Korea's eastern railway line. The 28-strong team crosses the MDL in the eastern sector, by bus.

Dec. 18, 2018: ROK train, which covered 2,600 km over 18 days surveying the DPRK's western and eastern main lines, is [returned](#) via Dorasan, north of Seoul.

Dec. 18, 2018: Seoul city government [estimates](#) that co-hosting the 2032 Olympic games with Pyongyang would require a budget of around 3.9 trillion won (\$3.44 billion).

Dec. 21, 2018: Ten-strong ROK team [enters](#) the DPRK by the east coast route, to conduct a three-day joint inspection of a 100-km section of highway from Goseong up to Wonsan.

Dec. 22, 2018: MOU [says](#) it repatriated three DPRK sailors, and the body of a fourth, after the ROK Coast Guard rescued them and their boat found drifting in the East Sea on Dec. 20. No further details are given.

Dec. 23, 2018: *Uriminzokkiri*, a North Korean external propaganda website, [calls](#) South Korea "two-faced" for supporting a UN resolution passed by the General Assembly (for the 14th successive year) on Dec. 17 condemning DPRK human rights abuses.

Dec. 24, 2018: Ten-strong Southern team [enters](#) the North to inspect a short 4 km stretch of the main western Gyeongui highway.

Dec. 25, 2018: ROK Foreign Ministry, [confirms](#) that yesterday (just in time) the UN Security Council granted a sanctions waiver for tomorrow's symbolic groundbreaking ceremony for relinking Northern and Southern roads and railways.

Dec. 26, 2018: Approximately 100-strong ROK delegation, including the unification and transport ministers, crosses the DMZ to attend the symbolic groundbreaking [ceremony](#) for rail and road reconnection and modernization, held at the DPRK's Panmun Station in Kaesong.

Dec. 30, 2018: Blue House discloses that Kim Jong Un has sent Moon Jae-in a [letter](#), regretting he did not make it to Seoul this year but hoping to meet "frequently" in 2019.

Jan. 1, 2019: Kim Jong Un delivers his annual New Year [address](#). Regarding North-South relations, he praises 2018's achievements but warns that "joint military exercises with foreign forces ...should no longer be permitted."

Jan. 5, 2019: Thae Yong Ho, a senior North Korean diplomat who defected in 2016, in an open letter [urges](#) the former DPRK *chargé d'affaires* in Rome, Jo Song-gil, who is reportedly seeking asylum in the US, to choose South Korea instead. Thae calls this "an obligation, not a choice" which will accelerate reunification.

Jan. 10, 2019: In his New Year press conference, Moon Jae-in [calls](#) on Pyongyang to take bolder steps toward denuclearization – and for the US to reward these.

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 - KOREA RELATIONS

CHINA REAFFIRMS TRADITION: DPRK FRIENDSHIP AND RECOVERY OF SOUTH KOREAN TIES

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2018 was a diplomatic breakthrough year for Kim Jong Un, including three summits each with Presidents Xi Jinping and Moon Jae-in and a historic meeting with President Trump. After years of frustration over North Korea's nuclear and missile development, the 70th anniversary of the founding of the DPRK in September was an occasion for consolidating the China-DPRK friendship. Prospects for regional coordination on North Korea, however, have been hindered due to challenges of implementation of international sanctions and deadlocked US-DPRK denuclearization negotiations. The focus on inter-Korean progress both overshadowed and enabled the gradual recovery of China-South Korea economic and political relations, but progress on North Korea's broader regional integration remains murky, and the regional dimension of the Korean puzzle remains unclear.

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Celebrating traditional and new China-DPRK friendship

Communist Party of China (CPC) Politburo Standing Committee (PBSC) member and National People's Congress Standing Committee Chairman Li Zhanshu led a delegation of state and party officials to Pyongyang on Sept. 8-10 for a [series](#) of events celebrating North Korea's 70th founding anniversary. As President Xi Jinping's special envoy, Li met DPRK counterpart Kim Yong Nam on Sept. 8 and delivered a letter from Xi to Kim Jong Un on Sept. 9. Kim Jong Un and wife Ri Sol Ju hosted a special art performance and banquet reception at the end of Li's visit on Sept. 10, attended by Kim's sister Kim Yo Jong, Workers' Party of Korea (WPK) Vice Chairman Choe Ryong Hae, and PRC Ambassador Li Jinjun. Joint messages during Li's visit highlighted three points: the advancement of bilateral ties through three Xi-Kim meetings this year, North Korea's strategic shift centered on economic development, and the importance of implementing the June 2018 Trump-Kim statement. Xi [affirmed](#) China's commitment to "safeguard, consolidate, and develop" the China-DPRK relationship, while Li indicated China's willingness to work with other regional partners on Korean Peninsula issues.



Figure 1 Li Zhanshu attends the DPRK National Day military parade, meets Kim Jong Un and delivers a congratulatory message from President Xi. Photo: Xinhua

China's own National Day commemorations and other anniversaries in October presented more opportunities to pledge commitments to the bilateral relationship. Such friendly exchanges contrasted sharply with the mood in 2016-2017, when state media on both sides refrained from celebrating a relationship soured by North Korea's military provocations and China's participation in UN sanctions. PRC Ambassador

to North Korea Li Jinjun reflected positively on Li's September visit as he hosted Pyongyang's number-two official Choe Ryong Hae and Culture Minister Pak Chun Nam at the Chinese Embassy's National Day reception on Sept. 27. Featured on WPK paper *Rodong Sinmun's* front page on Oct 1, Kim Jong Un's congratulatory message to President Xi [promised](#) to "develop the traditional DPRK-China relations of friendship on a new stage." Beijing returned similar pledges of cooperation to the WPK in commemoration of the party's founding anniversary on Oct. 10. During a visit by a Chinese youth delegation marking the Oct. 25 anniversary of China's entry into the Korean War, Vice Minister of Urban Management Choe Song Chol and PRC Ambassador Li Jinjun, alongside Chinese residents based in North Korea, attended a ceremony in Pyongyang for the renovation of a cemetery of Chinese People's Volunteers. A *Rodong Sinmun* [editorial](#) on Oct. 26 celebrated both the traditional alliance and "new" friendship under Xi and Kim.

China-DPRK diplomatic engagements advanced against the backdrop of Pyongyang's continued reconciliation with Seoul and the afterglow of the Trump-Kim summit in Singapore, including a third inter-Korean summit on Sept. 18-20. North Korea's highly publicized National Day commemorations, captured by *Rodong Sinmun* [photos](#) of foreign dignitaries arriving in Pyongyang, reflected Kim Jong Un's broader external outreach following his summit achievements with Presidents Moon and Trump. Although preparations for the 70th anniversary event were accompanied by unfounded speculation over a visit by President Xi, Li Zhanshu was the highest-ranking PRC official to visit North Korea under Kim Jong Un, and represented the newly-consolidated CPC [leadership](#) since October 2017. Li flanked Kim at the Sept. 9 military parade, which drew global media praise for featuring "[flowers, not missiles](#)" and an in-advance "Thank you To Chairman Kim" [tweet](#) from Trump for joint efforts on denuclearization. More cautious [reviews](#) in South Korea expressed concern that China's reengagement of North Korea was an effort to keep the North within its "sphere of influence" and designed to counter the threat to Chinese national interests posed by Pyongyang's closer ties with Seoul and Washington.

China and North Korea's trilateral front with Russia on denuclearization and peace

Breakthroughs in high-level diplomacy this year have quickly revealed both China's and North Korea's disagreements with Washington. China's Foreign Ministry extended firm support for inter-Korean peace talks when President Moon visited Pyongyang on Sept. 18-20 and met President Trump four days later at the UN General Assembly in New York. But US-DPRK dialogue since June has failed to gather momentum, while escalating US-China tensions on trade have spilled over to Korean Peninsula security issues. Pyongyang's demands for lifting sanctions and formally ending the Korean War conflict with what the State Department on Oct. 25 [stated](#) as "final, fully verified denuclearization of North Korea as committed to by Chairman Kim in Singapore" ahead of new US Special Representative for North Korea Stephen Biegun's visit to South Korea. After the US-China Diplomatic and Security Dialogue in Washington on Nov. 9, Secretary of State Mike Pompeo [elaborated](#) that "this means maintaining pressure through the continued strict enforcement of all UN Security Council resolutions," and urged China to cooperate. DPRK Foreign Minister Ri Yong Ho renewed Pyongyang's denuclearization commitment in meetings with PRC counterpart Wang Yi and Special Representative for Korean Peninsula Affairs Kong Xuanyou in China on Dec. 6-8, focused on the outcome of Xi-Trump talks at the G20 summit.



Figure 2 North Korean Foreign Minister Ri Yong shaking hands with his Chinese counterpart, Wang Yi, in Beijing on Dec. 7, 2018. Photo: Yonhap

A major highlight of China and North Korea's approaches to denuclearization and peace was their trilateral coordination with Russia in October on the eve of Pompeo and Biegun's visit

to Pyongyang as part of the US officials' Asia tour. PRC and DPRK nuclear envoys Kong Xuanyou and Choe Son Hui held their first three-way talks with Russian counterpart Igor Morgulov in Moscow on Oct. 9, after Choe's bilateral meetings in Beijing on Oct. 4-6 with Chinese officials. The three leaders jointly [identified](#) denuclearization and peace as two processes that should proceed "in a stage-by-stage and simultaneous way," prioritize "confidence-building," and be accompanied by "corresponding measures" by concerned parties. Noting the North's "significant, practical steps for denuclearization," they further called on the UN Security Council to move toward "adjusting sanctions." Attacks on Washington in the DPRK media have reinforced the divide in official positions. Citing the State Department's pledge to maintain sanctions based on "denuclearization first and conclusion of a peace treaty next," a *Rodong Sinmun* [editorial](#) on Sept. 7 angrily declared that "dialogue and pressure can never go together." A *Korean Central News Agency (KCNA)* commentator on Oct. 16 called on Washington to lift sanctions, attacked Trump's "bragging" over the "big progress" embodied in the Singapore Joint Statement, and pointed to China and Russia's backing on denuclearization and peace.

China-DPRK economic exchanges and cultural diplomacy

Boosted by back-to-back visits to Pyongyang by Li Zhanshu and President Moon Jae-in in September, North Korea's economic initiatives show greater willingness to promote development in cooperation with external partners. Official China-DPRK interactions since the Trump-Kim summit have centered on economic development and were accompanied by a revival of bilateral economic and cultural exchanges. These exchanges have reversed China's stricter implementation of sanctions since early 2018, when there was a notable decline in DPRK exports to China and North Korea's overall trade volume. The US-China Economic and Security Review Commission's annual [report](#) in November indicated that "China appears to have eased off sanctions enforcement," breaking promises of maintaining sanctions until the North's denuclearization. It also identified loopholes in the sanctions regime including ship-to-ship transfers of banned goods, and the continued

role of Chinese oil exports as “key lifelines” for the DPRK regime.

A Chinese economic and trade delegation visited North Korea ahead of National Day events, where Pyongyang showcased its shift in priorities from nuclear development to economic opening. Air Koryo resumed Pyongyang-Dalian flights in September, reestablishing the first DPRK route between the two cities since 2006. During Li’s visit, China’s *Global Times* became the first foreign media group to tour Pyongyang Cosmetics Factory, an industrial facility Kim Jong Un visited in 2015 and 2017. According to KCNA on Nov. 16, Kim recently traveled to Sinuiju, a central hub of China-DPRK economic cooperation where infrastructure development is reportedly underway for the border city’s industrial upgrading as part of Kim’s master development plan. A South Korean lawmaker in November even [claimed](#) that North Korea is planning to create a new government agency overseeing external opening, citing exchanges between the WPK and China’s Central Party School and upcoming training programs for DPRK officials to learn from China’s experience. While Beijing implemented UN sanctions by ordering a shutdown of all DPRK business entities in January, recent developments suggest the resumption of business in border regions. In Dandong, the biggest DPRK establishment Ryukyung Restaurant resumed operations one month after the first Xi-Kim summit in March, while the North Korean restaurant Morangwan reopened on Sept. 10 after eight months of closure. Both businesses, however, were newly-registered under Chinese ownership.

Improving bilateral ties have extended to sports and cultural exchanges, another facilitator of high-level political interactions. China’s Minister of the General Administration of Sports Gou Zhongwen led a sports delegation to Pyongyang in October, where he held talks with DPRK counterpart Kim Il Guk and watched a China-DPRK women’s basketball game together on Oct. 9. Top DPRK officials including Vice Chairman of the State Affairs Commission Choe Ryong Hae, Vice Chairmen of the WPK Central Committee Ri Su-yong, An Jong Su, and Choe Hwi, Foreign Minister Ri Yong Ho, and Vice Premier Ro Tu Chol attended a men’s basketball game in Pyongyang on Oct. 11. Before the game, Choe Ryong Hae, North Korea’s number-two leader who accompanied Kim Jong Un on his two China visits this year, met the Chinese

delegation, which included Minister Gou, PRC Ambassador Li Jinjun, and basketball superstar Yao Ming. The DPRK Ministry of Culture hosted a Chinese arts delegation to North Korea a month later, led by PRC culture and tourism minister Luo Shugang. Kim Jong Un and other DPRK officials watched a joint performance by Chinese and North Korean artists in Pyongyang on Nov. 3 displaying the “bright future of the traditional friendship.”

The gradual recovery of normalcy in China-South Korea relations

Moon’s single-minded focus on maintaining momentum in inter-Korean relations and achieving peaceful denuclearization has provided collateral benefits for China-South Korea relations by emphasizing areas of common interest in the relationship. China has welcomed South Korean-led efforts to ease military tensions on the Korean Peninsula, especially to the extent that they decrease the risk of military conflict and generate greater pressure to reduce the scope and frequency of US-ROK military exercises. Commentaries in the *Global Times* following the September inter-Korean Pyongyang summit [proposed](#) sanctions-easing on North Korea and [questioned](#) the sustainability of the US force presence in South Korea. At Moon’s fourth summit with Xi on the sidelines of the APEC Economic Leaders’ meeting in Papua New Guinea on Nov. 17, he emphasized the overlap in Chinese and South Korean strategic interests in peace and prosperity and [called for](#) closer China-South Korean coordination in support of the Korean peace process. Xi [emphasized](#) that China-ROK bilateral coordination had been “very effective in stabilizing the Northeast Asian region” and agreed with Moon that “the time is ripening for resolving issues on the Korean peninsula.”

The two sides took another step toward a return to normalcy in China-South Korea relations with the Oct. 30 visit of Tianjin Communist Party Secretary and Central Politburo member Li Hongzhong, who declared a “new stage” in South Korean-Chinese cooperation in a meeting with Prime Minister Lee Nak-yeon. Seoul Mayor Park Won-soon led a delegation of local mayors to Beijing to discuss climate change and air pollution and to promote tourism with China in late November that included a courtesy call with Premier Li Keqiang. The two governments agreed to launch a joint research group to

analyze air quality and reduce fine dust particle levels.

The restoration of high-level political exchanges between Seoul and Beijing was accompanied in early October by the restoration of sponsored Chinese group tours to South Korea, including a [900-person group](#) from Huangzhou-based Anya Cosmetics. China's Customs administration reported a year-on-year recovery in South Korean investment in China and an 11.5 percent rise in bilateral trade, recovering to pre-THAAD crisis levels, with over \$247 billion in two-way trade according to South Korea's Ministry of Trade, Industry, and Energy. In addition, the two countries launched negotiations on second-phase implementation of a China-South Korea free trade agreement.

However, hitches in the full recovery of China-South Korea relations persist. In November, a Korea University student festival elicited [official protests](#) from the PRC when an autonomous Tibetan display was combined with an India booth, and booths representing Hong Kong and Taiwan were allowed separate from the China booth. South Korean progressives remain wary of Chinese intentions toward and backing of North Korea, fearing that China's influence will inhibit prospects for inter-Korean integration. China has not dropped THAAD as an issue of dispute in China-South Korea relations. And China's continuing violations of South Korea's Air Defense Identification Zone (KADIZ), near the disputed Ie-do (Sacotra Rocks) and over South Korea's exclusive economic zone have required South Korean aircraft to scramble to defend South Korean territory. Recent failures by Chinese pilots to respond to South Korean communications increase the risk of unintended conflict, and the risk of conflict with Chinese fisherman in South Korean controlled-waters remains a latent source of tension.

China-South Korea relations, regional economic relations, and the China-US trade war

Despite the recovery of China-South Korea trade to pre-THAAD crisis levels, South Korean fears of overdependence on the Chinese economy have grown, and those fears have been exacerbated by South Korean vulnerability to the [impact of a China-US trade war](#). Because South Korea's exports to China are highly dependent on capital and intermediate goods, South Korean experts have expressed concern about the impact of the US-China trade war on their

country. The Korea International Trade Association estimated that a full-blown trade war between the United States and China would cause a 6.4 percent drop in South Korean exports and a loss of \$36.7 billion. Similarly, Hyundai Research Institute [estimated](#) that South Korean exports would fall by \$28.26 billion with a 10 percent decline in US imports from China. In addition, both South Korean equity markets and currency values have proven to be vulnerable to rising China-US trade tensions.

The THAAD dispute (China's retaliation for which was estimated to have cost South Korea as much as \$7.5 billion in 2017) and increasing difficulties inside China have fueled South Korean economic diversification to Southeast Asia that has taken shape in the form of Moon Jae-in's New Southern Policy. One economic consequence of South Korea's diversification efforts has been a dramatic uptick in trade between South Korea and Southeast Asia and especially with Vietnam, which is now South Korea's fourth largest trading partner and number three destination for exports behind China and the United States. Another step toward diversification could come in the form of a South Korean bid for membership in the newly-ratified Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

There have also been costs in the form of South Korean public support for China-South Korea relations. Over the past decade, South Koreans have grown more anxious about China in rough proportion to growth in support for the US-ROK alliance. When asked in a March 2018 Asan Institute poll to choose between the US and China in the context of continued China-US rivalry, two-thirds of Koreans chose the United States. South Koreans believe that their country's economic future depended on the United States rather than China for the first time since Asan began asking that question in 2014. China's favorability dipped to the threes on a scale of 1 to 10 in 2017 and has recovered to the fours in 2018 while US favorability in Asan polling continues to hover in the six range.

Conclusion: prospects for 2019

North Korea's National Day celebrations in September earned much [applause](#) for not featuring the missile capabilities it showed off in April 2017 and instead sent messages of peace and development. China's renewed economic

outreach has emphasized not just traditional friendship but also North Korea's reform and opening. In his Chinese National Day message to Xi Jinping in October, Kim Jong Un [commended](#) the "eye-opening changes" in China's development since its founding. Following reports in early October that Kim would soon meet Russian President Vladimir Putin and Xi Jinping, Moon speculated at a Cabinet meeting that a "new order" was being created on the Korean Peninsula. The South Korean Foreign Ministry appeared to follow suit with the announcement that it would soon establish a new, single-country China bureau alongside a bureau to handle affairs with Japan, India, and Australia. But prospects for fully supporting North Korea's regional integration appear limited in 2019, when China and the DPRK will mark the 70th anniversary of the establishment of formal diplomatic relations, without accompanying progress in both US-DPRK and US-China relations.

stalled US-DPRK dialogue, and are likely to draw continued scrutiny for potential violations of sanctions. PRC Ambassador to South Korea Qiu Guohong expressed high hopes for regional integration at the two Koreas' joint [ceremony](#) for launching an inter-Korean railway project in Kaesong on Dec. 26, which ROK Transport Minister Kim Hyun-mee called "another step forward" in "opening the door that had been firmly closed for nearly 70 years." The project fulfills Moon-Kim agreements in April and conforms with Moon's "New Northern Policy" of regional integration, outlined by Prime Minister Lee Nak-yeon for President Xi and other leaders at the Eastern Economic Forum in Russia in September. But according to the ROK Ministry of Unification, in the absence of sanctions-easing that will only come with tangible North Korean steps toward denuclearization, the recent launch remains symbolic rather than an actual step toward groundbreaking on the project.

On the security front, as an Asan Institute [report](#) indicated in December, there are no indications of "substantive change" in North Korean progress on denuclearization. Regional disagreements on the Korean Peninsula's future loomed over the eighth Xiangshan Forum on Oct. 24-26, an annual international forum on security cooperation sponsored by the China Association for Military Science and China Institute for International Strategic Studies, attended this year by North and South Korea's vice defense ministers.



Figure 3 South Korean Defense Minister Jeong Kyeong-doo shaking hands with his Chinese counterpart, Wei Fenghe. Photo: Yonhap

On the economic front, China and South Korea's cross-border initiatives with the North are unlikely to advance without an end to the deadlock in denuclearization talks that has

CHRONOLOGY OF CHINA-KOREA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 4, 2018: Air Koryo temporarily increases Beijing-Pyongyang flights to accommodate foreign travelers ahead of National Day commemorations.

Sept. 4-5, 2018: Seoul hosts the eighth Northeast Asia Forum on Air Quality Improvement attended by Chinese and other regional partners.

Sept. 6, 2016: Wang Yang, member of the CPC Politburo Standing Committee and chairman of the Chinese People's Political Consultative Conference, attends North Korea's National Day reception at the DPRK Embassy in Beijing.

Sept. 8, 2018: ROK President Moon Jae-in's top security advisor Chung Eui-yong briefs Yang Jiechi in Beijing on the outcome of Chung's visit to North Korea.

Sept. 8, 2018: North Korea allows China's *Global Times* to tour Pyongyang Cosmetics Factory.

Sept. 8-10, 2018: CPC Political Bureau Standing Committee member Li Zhanshu visits Pyongyang for North Korea's 70th founding anniversary events.

Sept. 9, 2018: Li Zhanshu attends the DPRK National Day military parade, meets Kim Jong Un and delivers a congratulatory message from President Xi.

Sept. 10, 2018: Kim Jong Un and wife Ri Sol Ju host an art performance and banquet for Li Zhanshu in Pyongyang.

Sept. 10, 2018: North Korean restaurant Morangwan reopens in Shenyang after eight months of closure under UN sanctions.

Sept. 12-14, 2018: ROK Prime Minister Lee Nak-yeon visits Vladivostok for the Eastern Economic Forum, attended by President Xi Jinping and other regional leaders.

Sept. 12-16, 2018: South Korea hosts "K-Food Fair" in Beijing to boost agricultural exports.

Sept. 12, 2018: South Korea's Lawyers for a Democratic Society announces that all former DPRK restaurant workers who defected from China in April 2016 have been granted passports.

Sept. 13, 2018: North Korea resumes flights between Pyongyang and Dalian.

Sept. 14, 2018: South Korea's Defense Ministry announces the military will continue monitoring China's installation of buoys in overlapping exclusive economic zones in the Yellow Sea.

Sept. 19, 2018: China's Foreign Ministry expresses support for inter-Korean talks; President Moon's third summit with Kim Jong-un.

Sept. 20, 2018: ROK Prime Minister Lee Nak-yeon and Ding Zhongli, vice chairman of China's National People's Congress Standing Committee, meet in Seoul on the sidelines of an annual China-ROK parliamentary meeting.

Sept. 25, 2018: China's Foreign Ministry expresses support for Korean Peninsula peace talks after the Trump-Moon summit on Sept. 24 on the sidelines of the UN General Assembly in New York.

Sept. 26, 2018: ROK Foreign Minister Kang Kyung-wha holds separate bilateral talks with PRC and Japanese counterparts Wang Yi and Kono Taro on the sidelines of the UN General Assembly in New York.

Sept. 27, 2018: ROK National Assembly Speaker Moon Hee-sang and PRC Ambassador to South Korea Qui Guohong meet in Seoul.

Sept. 27, 2018: PRC Ambassador to North Korea Li Jinjun hosts DPRK officials including Workers' Party of Korea Vice Chairman Choe Ryong Hae and Culture Minister Pak Chun Nam at the PRC Embassy's National Day reception.

Sept. 28, 2018: Chairman of South Korea's ruling Democratic Party Lee Hae-chan and PRC Ambassador to South Korea Qui Guohong meet in Seoul.

Oct. 1, 2018: Kim Jong Un releases a congratulatory message through *Korean Central News Agency* to President Xi on the occasion of the 69th anniversary of China's founding.

Oct. 2-4, 2018: DPRK Foreign Minister Ri Yong Ho visits Beijing on his return to Pyongyang after attending the UN General Assembly.

Oct. 4-6, 2018: DPRK Vice Foreign Minister Choe Son Hui visits Beijing for talks with Chinese officials, ahead of visit by US Secretary of State Mike Pompeo and US Special Representative for North Korea Stephen Biegun to Pyongyang.

Oct. 8, 2018: Yang Jiechi and Foreign Minister Wang Yi in separate meetings with Secretary Pompeo in Beijing reaffirm their joint goal of DPRK denuclearization.

Oct. 9, 2018: PRC and DPRK Vice Foreign Ministers Kong Xuanyou and Choe Son Hui hold their first trilateral talks with Russian counterpart Igor Morgulov in Moscow.

Oct. 9, 2018: North Korea's Culture and Sports Minister Kim Il Guk and visiting PRC counterpart Gou Zhongwen hold bilateral sports cooperation talks in Pyongyang.

Oct. 10, 2018: CPC Central Committee and Chinese Embassy in Pyongyang send messages to the Worker's Party of Korea celebrating the WPK's 73rd founding anniversary.

Oct. 10, 2018: Chinese travel agency Ctrip.com announces plans to expand its services in South Korea including a 24-hour customer center in Seoul in October.

Oct. 11, 2018: Fishing industry association in Taizhou sends a message of gratitude to the ROK Coast Guard for the rescue of eight Chinese sailors in a fishing boat fire on Sept. 19.

Oct. 11, 2018: China and North Korea hold a friendly basketball game in Pyongyang attended by top DPRK officials including Vice Chairman of the State Affairs Commission Choe Ryong Hae, Vice Chairmen of the WPK Central Committee Ri Su Yong, An Jong Su, and Choe Hwi, Foreign Ministry Ri Yong Ho, and Vice Premier Ro Tu Chol.

Oct. 19, 2018: PRC and ROK nuclear envoys Kong Xuanyou and Lee Do-hoon meet in Beijing.

Oct. 19, 2018: ROK Defense Minister Jeong Kyeong-doo and PRC counterpart Wei Fenghe meet in Singapore on the sidelines of fifth ASEAN Defense Ministers' Meeting Plus meeting.

Oct. 22, 2018: DPRK delegation led by Kim Hyong Ryong, vice minister of the People's Armed Forces, and Song Il Hyok, deputy director general of the DPRK Foreign Ministry's Institute for Disarmament and Peace, arrive in Beijing to attend the eighth Xiangshan Forum on Oct. 24-26.

Oct. 24-25, 2018: ROK Vice Defense Minister Suh Choo-suk visits Beijing for the Xiangshan military forum.

Oct. 24-27, 2018: Li Hongzhong, Tianjin's CPC secretary and Politburo member, visits South Korea and meets ROK officials including Foreign Minister Kang Kyung-wha, Prime Minister Lee Nak-yeon, National Assembly Vice Speaker Rep. Lee Ju-young, and ruling Democratic Party leader Lee Hae-chan. He attends ceremony celebrating the 25th anniversary of Tianjin-Incheon friendship.

Oct. 25, 2018: DPRK Vice Minister of Urban Management Choe Song Chol and PRC Ambassador Li Jinjun attend a ceremony marking the renovation of a cemetery of Chinese People's Volunteers killed in the Korean War.

Oct. 29, 2018: PRC military aircraft enters ROK airspace without warning.

Oct. 29, 2018: Bank of Korea's Business Survey Index shows worsening expectations among South Korean manufacturing companies amid escalating US-China trade tensions.

Nov. 2, 2018: Chinese arts delegation led by Culture and Tourism Minister Luo Shugang arrives in North Korea at the invitation of the DPRK Ministry of Culture.

Nov. 3, 2018: Kim Jong Un and other DPRK officials attend a joint performance by Chinese and DPRK artists in Pyongyang.

Nov. 6-9, 2018: 18th round of China-ROK fisheries talks produces an agreement on annual quotas in each other's exclusive economic zones in 2019.

Nov. 7, 2018: South Korea's Foreign Ministry releases its first white paper under the Moon administration reviewing ties with China and other regional players.

Nov. 10, 2018: Chinese, South Korean, and Japanese agriculture ministers meet in Beijing.

Nov. 16, 2018: *Korean Central News Agency* reports on Kim Jong Un's visit to Sinuiju to guide his master plan for developing the China-DPRK border city.

Nov. 19, 2018: ROK Finance Minister Kim Dong-yeon meets PRC State Councilor Wang Yong on the sidelines of the Boao Forum for Asia Seoul Conference on economic cooperation.

Nov. 20, 2018: PRC and ROK trade officials hold 18th bilateral trade remedy meeting in Beijing.

Nov. 20, 2018: South Korea's Ministry of Oceans and Fisheries announces the resumption of joint fishing patrols with China in the Yellow Sea through Nov. 26.

Nov. 24-25, 2018: PRC, ROK, and Japanese health ministers hold trilateral talks in Japan.

Nov. 25-28, 2018: Seoul Mayor Park Won-soon visits Beijing for events marking the 25th anniversary of sister-city ties.

Nov. 26, 2018: PRC military aircraft enters ROK airspace without warning.

Nov. 28, 2018: South Korean government data indicates a 252 percent on-year increase in new FDI pledges from China to \$2.56 billion, driven by the service industry.

Dec. 3, 2018: China's Commerce Ministry and South Korea's Ministry of Trade, Industry and Energy hold working-level talks in Beijing on trade and investment promotion.

Dec. 6-7, 2018: China, South Korea, and Japan hold the 14th round of trilateral FTA talks in Beijing.

Dec. 6-8, 2018: DPRK Foreign Ministry Ri Yong Ho visits China for talks with Foreign Minister Wang Yi and other leaders.

Dec. 12-16, 2018: PRC Foreign Ministry delegation visits South Korea to resume a working-level exchange program suspended over the THAAD dispute.

Dec. 15-19, 2018: ROK and DPRK delegations attend a regional conference in Xian on forestry cooperation hosted by a South Korean civic group and Chinese scientists association.

Dec. 19, 2018: ROK Defense Ministry's Director General for International Policy Lee Won-ik and PRC counterpart Song Yanchao hold 17th round of defense policy consultations in Beijing.

Dec. 21, 2018: ROK Ministry of Justice immigration office in Jeju grants refugee status to a Chinese broker who helped hundreds of North Korean defectors to South Korea.

Dec. 27, 2018: Chinese military plane enters South Korea's air defense identification zone three times without warning.

Chronology compilation provided by Michael Strickland, San Francisco State University

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

WARMER POLITICAL AND ECONOMIC RELATIONS, CONTINUING MILITARY CONCERNS

JUNE TEUFEL DREYER, UNIVERSITY OF MIAMI

Prime Minister Abe's long coveted visit to Beijing gave the appearance of better China-Japan relations, although Chinese President Xi Jinping has yet to confirm a date for the expected reciprocal visit. Trade ties were strong, with Japanese firms taking tentative steps toward participating in China's Belt and Road Initiative (BRI). As China's GDP growth slowed, Japan's showed modest gains. Instances of economic rivalry in Southeast Asia and Africa continued even as both affirmed the need for cooperation. Each side expressed alarm at the other's robust defense preparations, amid numerous, though somewhat diminished in numbers, complaints from Japan about incursions into its territorial waters and airspace. Tokyo continued to court countries that share its concerns about Chinese expansion.

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Politics

With the prospect of an Abe visit to Beijing, there was anticipation of improved relations in the early Fall. Prime Minister Abe and President Xi spoke briefly when both visited Vladivostok for the Eastern Economic Forum, [pledging](#) further cooperation on denuclearizing North Korea, Abe's possible visit to Beijing, and the circumstances for Japan's participation in the BRI. At the fifth high-level political dialogue held in Suzhou, Director of the Chinese Communist Party (CCP)'s Office of Foreign Affairs Yang Jiechi and Japanese National Security Adviser Yachi Shōtarō [exchanged](#) pleasantries and, according to *Xinhua*, agreed to mutual cooperation on the basis of four previously agreed-upon political documents.

Not all exchanges were cordial. The Chinese press [reported](#) matter-of-factly on Abe's re-election to a third term as head of the Liberal Democratic Party (LDP), adding that he would use it to advance his long-cherished dream of revising Japan's pacifist constitution. On the same day, *Renmin Ribao* reported on a 3,000-person demonstration against revision in Hibiya Park. An editorial in *Yomiuri* [urged](#) vigilance against Chinese interference in domestic affairs, pointing to the many Chinese media outlets and Confucius Institutes in Japan. On the eve of Abe's visit to Beijing, China [warned](#) yet again that Japan must learn from history, and that the onus was on Abe to bridge the divide.

The Abe-Xi summit received relative low-key coverage on both sides; when Abe [extended](#) an invitation for a reciprocal visit from Xi, a Japanese government spokesman told reporters that Xi replied that he would "seriously consider it." Without conceding any of the issues between the PRC and Japan, Beijing's *Global Times* [editorialized](#) that the ups and downs between them should be seen more as "improper interactions" rather than either side being to blame. The real problem, the paper continued, was the United States, which has sought to keep the two apart to further its own interests. The islands disputed by China and Japan are territorially smaller than those Japan disputes with Russia. And the US military presence in Japan "has to a large extent suppressed Japan's national sovereignty." The biggest obstacle for Japan becoming a "normal country" [code for a re-armed Japan] "undoubtedly comes from the U.S." Chinese views, as [summarized](#) by a Sichuan University

professor, were that the summit had not fully addressed the barriers in China-Japan relations. Relations between the two were strained not because of irreconcilable structural issues between Beijing and Tokyo, but because the Japanese government had blindly pandered to the US pivot toward Asia. There had been little emphasis on the BRI and, while Chinese media spoke of a shift from competition to "coordination," Japanese media referred to "cooperation."

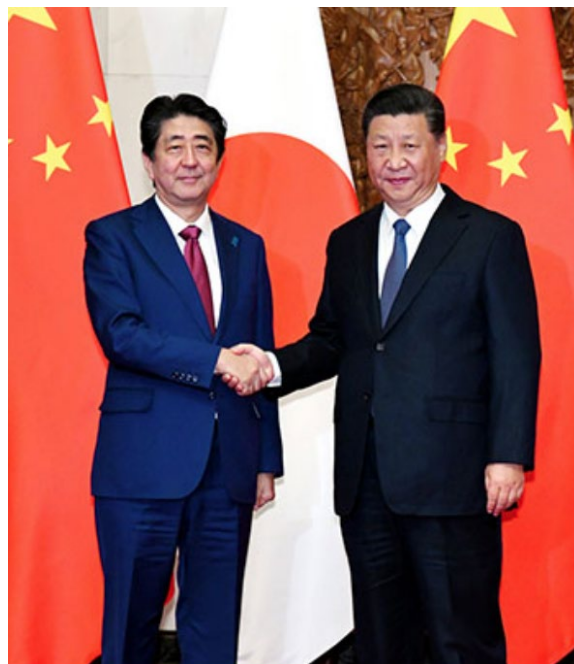


Figure 1 Prime Minister Abe meets President Xi in Beijing, October 26, 2018. Photo: Asahi

Abe's visit to Beijing was sandwiched between a visit with French President Macron in Paris and a visit from Indian Prime Minister Modi in Japan, with all three expressing the need for cooperation in view of challenges to regional security. Speaking at the East Asia Summit in Singapore, Abe [expressed](#) strong hopes for the successful conclusion of a code of conduct (CoC) between China and the ASEAN countries of Southeast Asia while also voicing "deep concern" about the continuing militarization of the South China Sea, though without explicitly mentioning China as its cause.

On his visit to Tokyo, US Vice President Mike Pence and Abe [announced](#) a fund that will allocate up to \$70 billion for infrastructure development. Primarily for the Indo-Pacific region, the aim is to counter Chinese moves to

expand its influence through the BRI economic zone.

In mid-November, China resumed drilling activities in the gas fields disputed by the two countries, [eliciting](#) a protest from Japan. The [release](#) of the Defense Ministry's annual white paper, *Defense of Japan 2018*, detailed numerous instances of Chinese intrusions into Japan's territorial waters and airspace. A Chinese court [sentenced](#) a Japanese woman to six years in prison for spying and seized over \$7,000 in assets; the woman is to be deported after serving her sentence.



Figure 2 Photo: NHK

China also found reasons to highlight the negative. It [held](#) ceremonies to commemorate the 81st anniversary of the Nanjing Massacre although, unlike last year, Xi Jinping did not [attend](#). When a Hong Kong tourist [set](#) a protest fire inside Tokyo's Yasukuni Shrine as another videotaped the act and posted it to Facebook, the Chinese Foreign Ministry responded mildly, saying only that the legal rights of the pair should be [ensured](#). Later, a Chinese Foreign Ministry spokeswoman [denied](#) that a Chinese fishing boat had crossed the boundary in Japan's EEZ; Japanese Coast Guard reported that, after Japanese inspectors had boarded the boat, it fled the area with the inspectors still on board. When a periodic United Nations review of members' budgetary contributions [raised](#) China's contribution from 7.92 to 12.01 percent while lowering Japan's share from 9.68 percent to 8.56 percent, Chinese media expressed pride at overtaking Japan while Japanese media lamented the country's diminution of status and the blow to its long-cherished desire to become a permanent member of the UN Security Council.

Economics

Though declaring that they would seek cooperation rather than rivalry, elements of both were clearly present in the China-Japan economic relationship. Leading shipping firm Nippon Express [announced](#) that it would begin operating freight trains linking such inland Chinese cities as Chongqing and Xi'an with European cities by early 2019 at the latest and [conducted](#) a trial run to move its freight on the Chinese railway that links the northwest city of Xi'an with Duisberg in Germany.

Economic growth in China continued to decline amid concerns about the effect of a trade war with the United States. Suspicions were [aroused](#) by the Chinese government's withholding of some economic statistics. Japanese economic growth continued at over 2 percent, with the Tokyo stock market [reaching](#) highs not seen since the collapse of the bubble economy a quarter century ago.

Chen Youjun of the Shanghai Institutes for International Studies [advocated](#) that Japan show a positive attitude toward economic cooperation with China. He argued that Japan's aging population meant insufficient domestic consumption and, while the US market was limited and nearly saturated, the Chinese market had not yet been fully developed. Moreover, the US intended to control the development of global value chains by helping its companies dominate in such fields as electronics and artificial intelligence, putting Japan at a disadvantage. Chen concluded that the needs of China and Japan were complementary. According to center-left daily *Mainichi*, Japanese firms were "[hopping onto](#)" the silk road of China's One Belt One Road (OBOR) policy.

Emblematic of warming ties, *Global Times*, normally highly critical of Japan in general and Prime Minister Abe specifically, [ran](#) an article crediting Abenomics with lifting Japan out of its long economic downturn. It also noted that from 2000-2016, there were 17 Japanese winners of Nobel prizes in the sciences, and that Japan recorded a \$20 billion surplus in intellectual property royalties while China registered a \$22.8 deficit in the same area. The time period involved was not specified. Just ahead of Abe's visit to Beijing, a pair of crested ibis [arrived](#) in Japan, the first such donation of the internationally protected species since 2007.

This did not deter Abe from making a ritual [donation](#) of a sacred *masasaki* offering to the Yasukuni Shrine's autumn festival or the ritual reminder from the Chinese Foreign Ministry that Japan must not forget history. Although Abe, who was on an official visit to Europe, and his Cabinet members did not attend, 70 Diet members did.

Foreign Minister Kōno Taro and New Zealand counterpart Winston Peters [discussed](#) their alarm that the debts of small South Pacific states that contracted with China may make them beholden to the PRC. Although agreeing that the region was strategically important to both their countries, neither offered to repay the loans directly.

The PRC's state-run China Investment Corp. and several of Japan's largest banks [agreed](#) to set up a \$1.8 billion fund to help Japanese companies seeking to expand their businesses in China. According to Chinese media, Japanese firms face diminishing growth opportunities at home and faltering results in Europe.

Japan [announced](#) that it would end its official development assistance (ODA) to China after the end of new projects in the current fiscal year: large-scale loans ended in fiscal 2007, with current programs being for technical assistance only. More than 50 economic agreements were [signed](#) in connection with Abe's October visit to Beijing on such matters as the listing of exchange-traded funds and measures to facilitate smoother currency clearance. Other agreements included a currency swap agreement of up to \$30.29 billion, effective until 2021, and the establishment of a yuan clearing bank.

Japan and China [held](#) food safety talks, with China declining to provide assurances that it will lift its ban on importing food from the area surrounding the 2011 Fukushima meltdown. *Xinhua* [announced](#) that Abe and Xi had chatted briefly on the sidelines of the G20 conference in Buenos Aires, agreeing that they would step up negotiations on the Regional Comprehensive Economic Partnership and the trilateral trade agreement among China, Japan, and South Korea. The head of Chinese State Security [reportedly](#) secretly visited Japan at the end of October, with both sides reportedly eager to create a back channel should relations again deteriorate.

Defense

Fewer reports of incursions into what Japan regards as its maritime and air space around the Diaoyu/Senkaku Islands from July through September and many pronouncements about warm friendship did not appreciably lessen either side's suspicion about the military intentions of the other. *Gunji Kenkyu* (Military Research) [carried](#) a long article on China's growing ability to project its military power into the South and East China seas. The article, concentrating on the Navy's amphibious landing operations, [followed](#) a previous issue's focus on aircraft carriers and destroyers.

In what was seen as a warning to China, Japan and the US [held](#) a joint air drill over the East China Sea. This was the first time that such a drill, in which US *B-52* bombers capable of carrying nuclear weapons participated along with Japanese *F-15s*, had been publicly reported. The announcement followed a week after Japan's Maritime Self-Defense Force (MSDF) had taken the unusual step of announcing that one of its submarines had conducted an exercise in the South China Sea. Signaling Japan's [intent](#) to maintain a presence in the area, the helicopter destroyer *Kaga*, which is the MSDF's largest vessel, and two guided-missile destroyers conducted bilateral exercises with a US aircraft carrier's strike group. Several months later, it was [reported](#) that the *Kaga* had been followed by a Chinese guided-missile destroyer, and that it had detected a Chinese submarine carrying out covert maneuvers at the entrance to the Strait of Malacca. The *Kaga* and two destroyers also made port calls in India, Sri Lanka, Singapore, Indonesia, and the Philippines.

Japan's Defense Ministry [disclosed](#) that it is developing supersonic glide bombs to strengthen the defense of the country's remote islands, including the Senkakus, as well as promoting the deployment of GSDF surface-to-ship guided missile units on Miyako and Ishigaki. China has been testing glide bombs for several years; Japan's version is not expected to be operational before 2025. Separately, the ministry [announced](#) plans to develop a large underwater drone to guard the islands against Chinese incursion, and that it is [considering](#) equipping the MSDF with *Avenger* drones for the same purpose. In the expectation that the Chinese Navy will lay mines around islands in the East China Sea, the Japanese government

[revealed](#) plans to introduce a new type of destroyer with minesweeping capabilities that is expected to be the core of warning and surveillance activities in the area. To help [counter](#) China's maritime advances in the Pacific, Japanese Air Self-Defense Force (ASDF) planes will be dispatched to the Marshall Islands, the Federated States of Micronesia, and Palau to promote exchanges. To soften the military message, the planes will carry wheelchairs and sports equipment in conjunction with the 30th anniversary of the establishment of diplomatic ties with Japan, then continue on to the US for a military drill.

The PRC's State Oceanic Administration [installed](#) a large buoy within Japan's claimed EEZ in the vicinity of the contested Senkaku/Diaoyu Islands, presumably to collect weather and other data for military purposes. And the Japanese Coast Guard [reported](#) that the Chinese oceanographic ship *Xiangyanghong10* had conducted unauthorized activities inside Japan's claimed EEZ. Again in 2018, China did not issue a defense white paper, apparently abandoning a practice of approximately biannual releases begun in 1998: the last white paper appeared in 2015. China explained that it would be inappropriate to issue a paper while a reorganization of the military was still incomplete, while Japanese sources, lamenting this further loss of transparency, [speculated](#) that dissension within the PLA on changes in the chain of command might be responsible.

The Japanese government's National Defense Program Guidelines and Medium Term Defense Program for fiscal 2019-23 were [adopted](#) in December, aimed at strengthening the nation's capabilities against China. Acquisitions include F-35B short take-off and landing fighters; the renovation of *Izumo*-class helicopter destroyers into aircraft carriers capable of accommodating them, and the establishment of a maritime transport unit comprising the GSDF and MSDF. Also to be established are a ballistic missile unit to operate Aegis Ashore, and a high-speed glide missile unit for the defense of remote islands. Improvements will be made against cyber-attacks and to block enemies' telecommunications in outer space. Additional F-35A planes will also be acquired. The Chinese Foreign Ministry [expressed](#) strong dissatisfaction and opposition to Japan's "false claims and irresponsible remarks," warning that they were not conducive to the improvement of China-Japan relations nor to

the peace and stability of the region. Chinese sources said negotiations on setting up a long-delayed hotline between the two sides could not progress until Beijing had "further [determined](#) Japan's stance" toward China.

In a clear reference to China, Abe, meeting with French President Macron, [stated](#) that the two countries' cooperation was more important than ever since the international order is being challenged. Japan and the United States are [formulating](#) a combined response to an attack on the Diaoyu/Senkaku Islands, which is expected to be finalized in March 2019. The largest ever *Keen Sword* military exercises began, with Canadian ships [taking part](#) alongside US and Japanese forces for the first time in line with Ottawa's desire to have a military presence in Asia. British and French navies also participated. And, [citing](#) security concerns, the Japanese government announced that it will effectively ban products from Chinese companies Huawei and ZTE from telecom devices in ministries, agencies, and the SDF. The government hopes to establish a new supply chain in cooperation with the US and Australia to procure parts for semiconductors and communications equipment. Chinese media [warned](#) of retaliatory measures if there was discrimination against Huawei and ZTE, accusing the US of trying to create a wedge in China-Japan ties and making Japan a vassal state. These frictions notwithstanding, China and Japan plan to [resume](#) fleet visits for the first time since 2011.

Cultural Exchanges

Popular Japanese singer-songwriter Tanimura Shinji [sang](#) in Beijing for the first time in 10 years at a concert to celebrate the 40th anniversary of the signing of the China-Japan Treaty of Peace and Friendship, expressing his hope that bilateral ties will improve still further.

Taiwan

A US naval officer and his SDF counterpart [argued](#) in a *National Interest* article that the Japanese and Taiwanese militaries should establish regular communication for mutual defense against China; *Sankei Shimbun* incurred Beijing's anger when it ran an [interview](#) with former Taiwan President Chen Shui-bian. Chen praised those Japanese whose efforts had resulted in upgrading the level of Taiwan-Japan diplomatic relations and expressed his hope that Japan would pass its own versions of the US

Taiwan Relations Act and Taiwan Travel Act. The newspaper had earlier angered Beijing when it published an interview with current Taiwan Foreign Minister Joseph Jauhieh Wu.

In a blow to Japanese government efforts, Taiwanese voters decisively defeated a referendum item that would have lifted a ban on imports from areas near Fukushima that were affected by the 2011 nuclear meltdown. Japan will reportedly withdraw its support for Taiwan's participation in the Comprehensive and Progressive Trans-Pacific Partnership in retaliation. A *Japan Times* [editorial](#) interpreted this as well as the defeat of another referendum item requesting that Taiwan be allowed to participate in the Tokyo Olympics under the name Taiwan instead of Chinese Taipei as evidence that Taiwan lacked the will to oppose China and suggested that Japan re-think its strategic calculations. Others on both sides countered that few people in Japan take editorials seriously, and predicted that Tokyo and Taipei would continue their discussions on mutual security issues.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 1, 2018: *Gunji Kenkyu* (Military Research) [carried](#) a long article on China's growing ability to project military power into the South and East China seas. The article, concentrating on the Navy's amphibious landing operations, [followed](#) a previous issue's focus on aircraft carriers and destroyers.

Sept. 2, 2018: Signaling Japan's [intent](#) to maintain a presence in the South China Sea, the helicopter destroyer *Kaga* and two guided-missile destroyers conducted bilateral exercises with a US aircraft carrier strike group.

Sept. 6, 2018: Writing in *The National Interest*, a Japanese Maritime Self-Defense Force captain and a US Navy captain [argued](#) for closer cooperation between the Japanese and Taiwanese militaries.

Sept. 9, 2018: Following Chinese President Xi Jinping's pledge to extend \$60 billion in finance and investment to Africa, center-right *Yomiuri* [expressed](#) doubts about the real benefits and possible disadvantages for the countries that accepted China's largesse. The paper praised Japan's policy of avoiding excess rivalry with China while also exploring ways to cooperate with the PRC including participation in Japan-led projects such as building major roads linking West African countries.

Sept. 13, 2018: Prime Minister Abe Shinzo and President Xi Jinping meet briefly on the sidelines of the Eastern Economic Forum in Vladivostok, [pledging](#) further cooperation on denuclearizing North Korea.

Sept. 15, 2018: *Sankei Shimbun* publishes an [interview](#) with former Taiwan president Chen Shui-bian.

Sept. 19, 2018: Xinhua [reports](#) that thousands of people across Japan, including more than 5,000 at Tokyo's Hibiya Park, rallied to protest the controversial security laws that the Diet had passed three years ago.

Sept. 20, 2018: Chinese press [report](#) Abe's re-election to a third term as head of the LDP, adding that he would use it to advance his long-cherished dream of revising Japan's pacifist constitution.

Sept. 23, 2018: Internal PLA magazine obtained by Japanese news agency *Kyodo* states that a China-Japan maritime crisis would seriously [undermine](#) Beijing's Belt and Road initiative.

Sept. 24, 2018: According to *Jiji*, Japan's Defense Ministry is [developing](#) supersonic glide bombs to strengthen the defense of remote islands, including the Senkakus, as well as promoting the deployment of GSDF surface-to-ship guided missile units on Miyako and Ishigaki islands.

Sept. 26, 2018: Fifth high-level political dialogue is held in Suzhou, co-chaired by Director of the Chinese Communist Party (CCP)'s Office of Foreign Affairs Yang Jiechi and Japanese National Security Adviser Yachi Shōtarō.

Sept. 28, 2018: Popular Japanese singer-songwriter Tanimura Shinji [sings](#) in Beijing at a concert to celebrate the 40th anniversary of the signing of the Sino-Japanese Treaty of Peace and Friendship.

Sept. 28, 2018 Japan and the US [hold](#) a joint air drill over the East China Sea.

Sept. 28, 2018: Tokyo stock exchange [reaches](#) its highest level since the collapse of the bubble economy a quarter century ago.

Oct. 1, 2018: The tankan index, a key economic survey of economic confidence among major manufacturers conducted by the Bank of Japan, [declines](#) for the third straight quarter, with concerns about the US trade war with China listed as a major factor.

Oct. 2, 2018: Editorial in *Yomiuri* [urges](#) vigilance against Chinese interference in domestic affairs, pointing to the many Chinese media outlets and Confucius Institutes in Japan.

Oct. 3, 2018: *Sankei Shimbun* [reports](#) that a large buoy marked “PRC State Oceanic Administration” had been installed in the vicinity of the Senkaku Islands, and that the government had launched a protest.

Oct. 8, 2018: *Global Times*, normally highly critical of Japan in general and Prime Minister Abe specifically, [publishes](#) an article crediting Abenomics with lifting Japan out of its long economic downturn.

Oct. 7, 2018: Japanese Coast Guard [reports](#) that the Chinese oceanographic ship *Xiangyanghong10* had conducted unauthorized activities inside Japan’s claimed exclusive economic zone.

Oct. 13, 2018: Japanese government publishes its Medium-Term Defense Program for fiscal 2019–23.

Oct. 15, 2018: At their meeting in Wellington, Foreign Minister Kōno Taro and New Zealand counterpart Winston Peters [discuss](#) their alarm that the debts of small South Pacific states that contracted with China may make them beholden to the PRC.

Oct. 15, 2018: Center-left daily *Mainichi* reports that Japanese firms were “[hopping onto](#)” the silk road of China’s One Belt One Road policy.

Oct. 15, 2018: Chen Youjun of the Shanghai Institutes for International Studies [advocates](#) that Japan show a positive attitude toward economic cooperation with China, since the needs of the two are complementary.

Oct. 18, 2018: Meeting with French President Macron and clearly referring to China, Prime Minister Abe [states](#) that the two countries’ cooperation is important since the international order is being challenged.

Oct. 19, 2018: China [warns](#) again that Japan must learn from history, and that the onus was on Abe to bridge the divide.

Oct. 22, 2018: China and Japan disclose plans to [resume](#) fleet visits for the first time since 2011.

Oct. 23, 2018: Japan [announces](#) that it will end its official development assistance (ODA) to China after the end of new projects in the current fiscal year.

Oct. 25–27, 2018: Prime Minister Abe visits China and meet President Xi and other senior officials in Beijing.

Oct. 28, 2018: State-run China Investment Corp. and several of Japan’s largest banks [agree](#) to set up a \$1.8 billion fund to help Japanese companies seeking to expand their businesses in China.

Nov. 4, 2018: *Reuters* report that Japan and the United States are [formulating](#) a combined response to an attack on the Diaoyu/Senkaku Islands, which is expected to be finalized in March 2019.

Nov. 5–8, 2018: The largest ever *Keen Sword* military exercises are held in Japan, with participation by US, Japan, Canada, United Kingdom, France, Australia, and South Korea.

Nov. 6, 2018: Japan’s Defense Ministry [announces](#) plans to develop a large underwater drone to guard its remote islands against Chinese incursion.

Nov. 9, 2018: *Yomiuri* reported that the Japanese government is [considering](#) supplying the MSDF with *Avenger* drones to strengthen surveillance of Chinese naval vessels.

Nov. 10, 2018: Japan and China [held](#) food safety talks, with China declining to provide assurances that it will lift its ban on importing food from the area surrounding the 2011 Fukushima meltdown.

Nov. 13, 2018: US Vice President Pence and Prime Minister Abe [announce](#) a fund that will allocate up to \$70 billion for infrastructure development.

Nov. 15, 2018: *Yomiuri* correspondent embedded on the helicopter destroyer *Kaga* [reports](#) that the ship had been followed by the Chinese guided missile destroyer *Lanzhou*, and that it had detected a Chinese submarine carrying out covert maneuvers at the entrance to the Strait of Malacca.

Nov. 24, 2018: Citing intensifying activities of the Chinese navy in the East China Sea, the Japanese government [announces](#) plans to introduce a new type of destroyer with minesweeping capabilities that will be the core of warning and surveillance activities in the area.

Nov. 28, 2018: Japanese Ministry of Defense [reports](#) few air scrambles and ships entering the territorial waters of the Diaoyu/Senkaku Islands from July through September than in the preceding April–June period.

Nov. 30, 2018: Japanese Ministry of Defense [releases](#) *Defense of Japan 2018* white paper detailing numerous instances of Chinese intrusions into Japan’s territorial waters and airspace.

Nov. 30, 2018: *Xinhua* [announces](#) that Abe and Xi chatted briefly on the sidelines of the G20 conference in Buenos Aires agreeing that they would step up negotiations on the Regional Comprehensive Economic Partnership and the trilateral trade agreement among China, Japan, and South Korea.

Dec. 3, 2018: Japanese government [protests](#) renewed Chinese drilling in oil fields disputed by the two countries.

Dec. 7, 2018: [Citing](#) security concerns, the Japanese government announced its intention to ban products from Chinese companies Huawei and ZTE from telecom devices in ministries, agencies, and the SDF.

Dec. 9, 2018: Chinese court [sentences](#) a Japanese woman to six years in prison for spying and seized over \$7,000 in assets; the woman is to be deported after serving her sentence.

Dec. 11, 2018: Chinese media [warns](#) of retaliatory measures if there is discrimination against Huawei and ZTE, accusing the US of trying to create a wedge in China–Japan ties and of making Japan into a vassal state.

Dec. 13, 2018: Ceremonies [held](#) to commemorate the 81st anniversary of the Nanjing Massacre, although unlike last year, Xi Jinping does not [attend](#).

Dec. 15, 2018: China [urges](#) Japan to ensure the legal rights of two Hong Kong residents who were arrested after one set a fire at the Yasukuni Shrine while the other videotaped the act and placed it on Facebook.

Dec 18, 2018: Japanese government [adopts](#) National Defense Program Guidelines and Medium–Term Defense Program for fiscal 2019–23, described as intended to strengthen the nation’s capabilities against China.

Dec. 20, 2018: Chinese Foreign Ministry [expresses](#) strong dissatisfaction and opposition to the programs’ “false claims and irresponsible remarks,” warning that they are not conducive to the improvement of China–Japan relations nor to the peace and stability of the region.

Dec. 20, 2018: Leading Japanese shipping firm Nippon Express [conducts](#) trial run to move freight on the Chinese railway that links the PRC’s Xi’an with Duisberg in Germany.

Dec. 23, 2018: *Yomiuri* [reveals](#) that the head of Chinese State Security secretly visited Japan at the end of October, with both sides reportedly eager to create a back channel should relations again deteriorate.

Dec. 31, 2018: *BBC* [reports](#) that, when a periodic United Nations review of members’ budgetary contributions raised China’s contribution from 7.92 to 12.01 percent while lowering Japan’s share from 9.68 percent to 8.56 percent, Chinese media expressed pride at overtaking Japan while Japanese media interpreted it as symbolic of the country’s diminution of status and a blow to its long–cherished desire to become a permanent member of the UN Security Council.

Dec. 31, 2018: China announces that it would not release a military white paper this year.

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-KOREA RELATIONS

UNFORTUNATE CIRCUMSTANCES AND ESCALATING TENSIONS

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MINTARO OBA, WEST WING WRITERS

Fall 2018 represented a turning point in Japan-South Korea ties as an uneasy truce between the two countries gave way to escalating tensions. South Korea's Supreme Court ruled that two Japanese companies must compensate 10 South Koreans forced into labor during Japan's occupation of the Korean Peninsula from 1910 to 1945. South Korea's decision to dissolve the foundation built to implement the 2015 "comfort women" agreement between Seoul and Tokyo, though not unexpected, also added to the general atmosphere of growing tension. As 2018 came to a close, tensions flared as Japan alleged a South Korean Navy destroyer locked onto a Japanese Maritime Self-Defense Force plane with a radar used for targeting weapons – a claim Seoul vigorously denies. On the Japan-North Korea front, Prime Minister Abe's willingness to meet Kim Jong Un characterized Tokyo's response to the Trump-Kim summit amid increasing uncertainty concerning Japan's role in talks on denuclearization of North Korea, but with no real change of Japan's North Korea policy.

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Japan responds to the Trump-Kim summit

Notwithstanding President Trump's declaration that "there is no nuclear threat from North Korea," the Trump-Kim summit meeting in June had little impact on Japan's perception of North Korea. In its [2018 Defense White Paper](#) published on Aug. 28, 2018, Japan assessed that North Korea's nuclear and missile development programs posed an "unprecedentedly serious and imminent threat." The same document advocated Japan's need to "drastically improve Japan's ballistic missile defense capabilities." Allocated in the FY 2018 budget, in December 2017 the Abe administration approved the plan to introduce the Aegis Ashore weapons system to be operated by the Ground Self-Defense Force, while seeking to strengthen missile defense cooperation with the United States. In sharp contrast to South Korean measures taken to defuse military tensions with the North, dialogues and engagement with Pyongyang this year did not change any of Japan's defense policy features or practices.

After the Trump-Kim summit, however, the Abe administration found itself facing the shifting geopolitics and patterns of diplomatic activities surrounding the Korean Peninsula with little room for Japan to play any major part. In September and November, South Korean President Moon Jae-in and US Secretary of State Mike Pompeo each visited Pyongyang to follow up on their countries' summit meetings with Kim Jong Un held in 2018. The US-North Korea and South-North Korean dialogues changed the regional political dynamics of Japan's overall foreign policy, in which Tokyo's hardline approach to Pyongyang was suddenly at odds with those of the United States and South Korea, not to mention those of China and Russia.

In the final months of 2018, Japan shifted its position of relying primarily on pressuring Pyongyang. Seoul and Washington supported that shift. On Sept. 10, South Korea's National Intelligence Director Suh Hoon, immediately after his trip to Pyongyang as a member of the South Korean special delegation to meet Kim Jong Un, visited Tokyo and explained the results of inter-Korean interactions to Prime Minister Abe Shinzo. During the meeting, Suh shared President Moon's belief that Abe's role was "more important than ever regarding the issue of denuclearization and peace on the Korean peninsula," while Abe expressed his desire to meet Kim Jong Un in person. On Sept. 25 in a

speech at the United Nations General Assembly, Abe stated, "Breaking the mold of mutual distrust with North Korea, I am prepared to make a fresh start and come face-to-face with Chairman Kim Jong Un." In October, Secretary of State Pompeo brought up the issue of Japanese nationals abducted by North Korea during his meeting with Kim. [At the request of Abe](#), Pompeo also [delivered the message](#) to Kim that the Japanese prime minister would be interested in meeting with him.

Prime Minister Abe's willingness to meet Chairman Kim signaled Japan's openness to employ dialogue along with pressure in its dealings with Pyongyang. Tokyo's overture to Pyongyang toward the goal of normalizing diplomatic relations, however, does not signal a fundamental shift in Japan's policy on North Korea. While showing its willingness to have a summit with Kim Jong Un, Japan maintained a policy of seeking to resolve comprehensively the North's nuclear and missile development programs and the abductee issue. In November, Abe and US Vice President Mike Pence reconfirmed the need to maintain sanctions placed on Pyongyang, even while Prime Minister Abe sought support from other Asian countries on the sidelines of ASEAN Plus Three meeting held in Singapore for his willingness to realize a Japan-North Korea summit.

North Korea, for its part, did not show much eagerness toward a summit with Japan either. Reportedly, Kim Jong Un did not give any clear positive reply when Secretary Pompeo urged Kim to meet Abe. According to Japan's major daily [Asahi Shimbun](#), in late October, Ishikawa Shoichiro, Japan's head of the Secretariat of the Headquarters for the Abduction Issue met Song Il Ho, North Korea's ambassador for normalizing relations with Japan in Mongolia, but failed to narrow down their differences. Tokyo continued to emphasize the need for resolving the abductee issue first before any assistance, while Pyongyang pushed for compensation for Japan's colonial rule of Korea, 1910-1945.

Japan's responses to the Trump-Kim summit in Singapore showed that Pyongyang-Tokyo bilateral dynamics remained more or less the same as during the Six-Party Talks negotiations years ago. That is, signs of progress in Japan-North Korea dialogue in 2018 were byproducts of the political momentum created by Presidents Trump and Moon, rather than the Japanese and

North Korean pursuit of independent strategies and initiatives toward the other. It would not be surprising if the Abe administration stops calling for a summit with Pyongyang if Washington drops its efforts for negotiations with Kim Jong Un.

Seoul-Tokyo interactions amid bubbling tensions

October 2018 marked the 20th anniversary of the landmark partnership declaration between then-Japanese Prime Minister Obuchi Keizo and then-South Korean President Kim Dae-jung in 1998. The joint anniversary passed without a significant commemoration, however. On the one hand, there are reasons to be optimistic about the promise of “future-oriented” Seoul-Tokyo bilateral relations. Compared to the years between 2012 and 2015 – when leaders of the two countries did not hold a summit under the leadership of then-President Park Geun-hye and Prime Minister Abe – the two countries did have a range of bilateral engagements between September and December. President Moon’s decision to send National Intelligence Service Director Suh Hoon to visit Prime Minister Abe prior to his summit with Kim Jong Un was a clear sign of bilateral coordination. Around the same time, Abe met South Korea’s Prime Minister Lee Nak-yeon on the sidelines of the Eastern Economic Forum in Vladivostok on Sept. 11. On Sept. 25, Abe and Moon met in New York on the sidelines of the UN General Assembly, while Foreign Ministers Kono Taro and Kang Kyung-hwa also met. During these meetings, Seoul and Tokyo reportedly discussed a range of bilateral issues, including North Korea and other history issues, including the “comfort women” issue.

By December, bilateral relations were headed downhill over bubbling tensions. Japanese and Korean parliamentarians met in Seoul and had a 40-minute meeting with President Moon, which came after a South Korean court ruling on forced laborers during Japan’s colonial rule. Japanese parliamentarians expressed concerns to their South Korean counterparts. Notably, Prime Minister Abe declined to follow the longstanding tradition of sending a congratulatory message to the joint parliamentary meeting.

Until this fall, Japan-South Korea tensions had bubbled beneath the surface, but more pressing issues like uncertainty in the US-Japan and US-South Korea alliances following the election of

US President Donald Trump and last year’s high-level diplomatic engagement with North Korea – coupled with various domestic pressures on both Prime Minister Abe and President Moon – largely overshadowed the South Korea-Japan relationship. Perhaps because these factors completely consumed the energies of the two governments, or because they encouraged the governments to maintain stability in Japan-South Korea relations to avoid heightening risks in an uncertain time, bilateral tensions remained relatively low profile throughout the first year and a half of the Trump administration.

Many of these key stabilizing incentives changed this fall. Prime Minister Abe and President Trump agreed on Sept. 26 to launch negotiations on a bilateral US-Japan trade agreement, shielding Japan from potential US tariffs. Together with Abe’s re-election as the leader of Japan’s ruling party six days prior, this development relieved tremendous political pressure on Abe. In October, Abe and Chinese President Xi Jinping held a successful summit that marked warming Japan-China ties. Thus in the space of two months, Abe gained greater political capital, certainty, and options both at home and abroad.

On the South Korean side, inter-Korean engagement became more firmly established as President Moon visited Pyongyang for his third inter-Korean summit of the year. Japan’s largely unenthusiastic response to the inter-Korean process as well as lack of major movement in Japan-North Korea ties also limited the utility Japan and South Korea could find in cooperating with each other on North Korea issues. Moon faced pressures at home, too, as public discontent in South Korea with the economy and other domestic challenges mounted. The net result of these developments in Japan and South Korea was to reduce the incentives for both countries to maintain stability in South Korea-Japan ties to focus effectively on alliance and North Korea challenges.

Rising sun flag, court ruling on forced laborers, and radar lock-on incident

These shifts in the underlying incentives for Korean and Japanese leaders coupled with three major disputes this fall led to heightened tensions. It started with South Korea’s hosting of an international naval fleet review at Jeju Island

from Oct. 10–14. Domestic concern rose over the expectation that Japan’s warships would fly its classic military flag – “rising sun” flag—closely associated in South Korea with the Japanese empire that occupied Korea and even compared by some Korean commentators to the Nazi swastika flag. This prompted South Korean diplomats to request that Japan not fly the flag. Japanese officials quickly objected, saying that flying the flag was required by Japanese domestic law and that Japan had been able to fly it during South Korea’s two previous fleet reviews in 1998 and 2008. The increasingly high-profile dispute inflamed public opinion across the Korean political spectrum, with the left-leaning *Hankyoreh* newspaper calling Japan’s position “false victimization” and the conservative *Chosun Ilbo* warning that “Korean public opinion is turning hostile . . . scores of people have complained on the [Korean presidential office’s] website.”



Within the respective governments, Korean and Japanese officials sought to balance the domestic pressures and the desire to resolve the issue before it escalated further. “Japan must delicately consider the effect that Rising Sun Flag has on the Korean people,” said South Korean Prime Minister Lee Nak-yeon on Oct. 1. But by Oct. 5, both sides had concluded the only viable solution was for Japan to withdraw from the fleet review and participate in other related events where the flag would not be an issue. “Japan was in a position where it could neither ignore our request for it to refrain from flying the rising sun flag at the International Fleet Review at Jeju nor agree to not fly the flag,” a South Korean official explained to *Hankyoreh*, “So we reviewed the option of Japan participating in the Western Pacific Naval Symposium and other events without sending naval vessels to the fleet review.”

The bitterness of the fleet review dispute presaged an even more significant – and lasting – Japan-Korea dispute shortly thereafter. In a pair of rulings – one in late October and the other in late November – the South Korean Supreme Court held Mitsubishi Heavy Industries and Nippon Steel & Sumitomo Metal liable for employing Korean forced laborers during Japan’s occupation of Korea, ordering the companies to compensate the laborers. The rulings exposed the Japanese companies to potential seizures of their Korean assets; lawyers representing former Korean laborers filed a petition in court Jan. 2 for seizure of Nippon Steel’s 2.34 million shares in a joint venture with Korean steelmaker Posco.

The Japanese government has responded to the forced labor decisions strongly and at a high level. Japanese Foreign Minister Kono Taro said the decision was “extremely regrettable and totally unacceptable” and warned that it “completely overthrows the legal foundation of the friendly and cooperative relationship that Japan and the Republic of Korea have developed since the normalization of diplomatic relations in 1965.” Japan’s longstanding position has been that all South Korean legal claims for compensation were settled by the 1965 normalization treaty; accepting the South Korean court’s decision could set a precedent that opens up Japanese companies to further claims.

The South Korean Foreign Ministry responded with a statement that the Korean government was “very disappointed by Japanese Foreign Minister Taro Kono’s remarks” and “made it clear that respecting the decision of the judicial branch is the foundation of democracy.” Korean statements have also sought to demonstrate that the Korean government is trying to “deal with the issue wisely so that the ruling does not cause an obstacle to the future-oriented development” of Korea-Japan relations. South Korean Foreign Minister Kang Kyung-hwa and Foreign Minister Kono spoke on the phone on Dec. 12, according to a South Korean Foreign Ministry statement, and “agreed to continue close communications” while Kang “urged the Japanese side to respond prudently.” On Dec. 14, President Moon told a delegation of Korean and Japanese parliamentarians that “[the Supreme Court] concluded that while the Treaty on Basic Relations between the Republic of Korea and Japan is valid, the right of individual workers to claim damages from Japanese businesses was

not also extinguished.” Legal proceedings over implementing the two forced labor decisions are likely to continue and escalate, with the Japanese government even threatening to take the case to international arbitration. This case has great potential to inflame bilateral tensions throughout 2019.

In November, the South Korean government unilaterally decided to close the Reconciliation and Healing Foundation, the organization funded by Japan to compensate “comfort women” survivors under the terms of a 2015 Korea-Japan agreement on the issue. The move was not unexpected given the unpopularity of the agreement in South Korea and the resignation of all of its civilian board members. It therefore did not rise to the level of a major dispute and did not lead to the escalation of tensions seen in the fleet review and forced labor cases.

A final bilateral dispute that emerged in December compounded the steady escalation of Japan-Korea tensions. In the week before Christmas, Japan accused a South Korean Navy warship of locking onto a Japanese patrol aircraft with its fire control radar. This radar is used for targeting weapons and can be considered a prelude to firing. The Japanese government characterized it as “an extremely dangerous act that could cause an unexpected situation.” The Korean Ministry of National Defense responded that “our military carried out a normal operation for the humanitarian rescue operation, and it has never taken any step that would make the Japanese side feel threatened.”

The two sides continued to vigorously debate the facts of the incident. South Korea’s military said its warship was only using an optical camera, not a fire control radar, in the course of a routine operation in international waters to track a North Korean vessel. On Dec. 28, the Japanese government released a [13-minute video of the incident](#) filmed from its patrol aircraft to buttress its claims that the South Korean warship targeted its fire control radar at the aircraft and that the Japanese aircraft acted in accordance with international law. A Korean Defense Ministry spokesperson responded that “[The video material made public by Japan](#) contains only footage of the Japanese patrol plane circling above the surface of the sea and the (audio) conversation between the pilots and it cannot by common sense be regarded as

objective evidence supporting the Japanese claims,” and that “there’s no change to the fact that our military did not operate tracking radar on a Japanese patrol plane.” Prime Minister Abe reiterated Tokyo’s position in a television interview and urged South Korea to come up with measures to prevent something similar from happening in the future.

There was no clear end in sight to the radar dispute by early January, with the Korean Defense Ministry issuing a statement calling on Japan to “apologize for carrying out a threatening action by flying at low-altitude against our vessel which was carrying out a humanitarian rescue.” Korean officials indicated that South Korea was preparing to release a video identifying problems with the Japanese video and seeking answers from Tokyo.

Pragmatic Japan-South Korea economic ties

The South Korea-Japan economic and trade relationship remained largely pragmatic and shielded from bilateral political developments, as has historically been the case. South Korean exports to Japan rose 9.1 percent year-on-year according to Korean Customs data from November, reflecting a broad surge in Korean exports globally. Japanese exports to South Korea declined 8.9 percent this year, according to the *Financial Times*, part of a pattern of falling Japanese exports across the region. Japanese foreign direct investment pledges for South Korea fell nearly 30 percent, a reduction Korea’s *Yonhap News Agency* credited to “Japanese companies increasingly shift[ing] their focus to China and Southeast Asian nations.” The two countries remained significant trade and investment partners, with shifts largely attributable to economic dynamics.

One sore spot in the Japan-South Korea trade relationship, the status of Japanese exports to Korea from the Fukushima region, continued to fester. Citing concerns about radiation due to the 2011 earthquake and nuclear disaster in Fukushima, Korean authorities had imposed import bans and testing requirements on Japanese seafood. South Korea lost the case in the World Trade Organization in February but promised to appeal. In early December, two Korean retailers decided to stop selling a brand of ramen noodles from Fukushima after Korean consumers raised concerns.

Internationally, both countries continued negotiations for the Regional Comprehensive Economic Partnership (RCEP) agreement. China was also the key driver of a push in recent months to accelerate negotiations on a trilateral China-Japan-Korea free trade agreement in a bid to offset disruptions caused by trade frictions with the United States. Korean and Japanese trade negotiators joined Chinese counterparts in Beijing on Dec. 6-7 for the fourteenth round of trilateral trade talks.

However, diverging economic interests continued to present challenges in both the RCEP talks and the trilateral negotiations with China. “The three countries each have different sensitivities due to their different industrial structures,” a Korean trade official explained to *Business Korea*, “China is sensitive to Japanese manufacturing and Japan is sensitive to China’s agricultural products and Korea is sensitive to Chinese agricultural products and Japanese manufacturing. So it’s not easy to find a breakthrough.”

In the United States, South Korea hoped to gain competitive advantages over Japan from its bilateral free trade agreement, having resolved trade disputes with the Trump administration before Tokyo. But these efforts proved complicated. Although the US-Korea trade deal allowed Korean steelmakers continued US market access without tariffs while Japanese producers faced high tariffs, a significantly lower US import quota compared to previous years limited the benefits for South Korea while Japanese steelmakers were able to sell high-tech pipes that are critical for the US oil industry and hard to replicate in the United States. In Europe, Korean trade negotiators were reportedly keen to secure a post-Brexit trade deal with the United Kingdom before China and Japan, hoping this would result in better terms and a Korean competitive advantage.

One area that has remained insulated from geopolitics thus far but may be vulnerable to bilateral Japan-South Korea tensions and developments with North Korea is tourism. Korea Tourism Organization statistics show Japanese visits to South Korea increased significantly year-on-year this fall, with a 12.7 percent increase in September, 61.7 percent for October, and 40.5 percent for November. It was not clear whether geopolitical factors, such as a reduction of Korean Peninsula tensions since 2017, contributed to the growth in Japanese

tourism. South Korean visits to Japan, on the other hand, declined by 13.9 percent in September and 8 percent in October according to JTB Tourism Research and Consulting Co. This continues a pattern of declining Korean tourism to Japan since July, though visits increased in May and June. There is little evident correlation between the state of the South Korea-Japan political relationship and the recent tourism numbers, though this is a sector worth observing closely if bilateral tensions continue to escalate over the coming months.

Cultural ties that bind

Member of Japan’s Upper House and former wrestler Antonio Inoki visited North Korea for the 70th anniversary of the founding of North Korea in September. During his visit, Inoki met Vice Chairman of the Korean Worker’s Party Ri Su Yong who told him that North Korea plans to attend the 2020 Tokyo Olympics, reported [Asahi Shimbun](#). Inoki’s connections with North Korea began with Rikidozan, one of the most famous wrestling heroes in Japan and an ethnic Korean born in North Korea who scouted him in 1960 in Brazil. Inoki’s visits to Pyongyang and his attempts at “sports diplomacy” have not been without controversy within Japan’s political circles.

As part of its sanction measures against North Korea, in principle Japan bans North Korean nationals’ entry into the country. In November, however, the Japanese government approved North Korea’s Minister of Physical Culture and Sports Kim Il Guk’s entry into Japan. Kim visited Japan to represent North Korea at a general assembly of the Association of National Olympic Committees. According to Chief Cabinet Secretary Suga Yoshihide, Tokyo made an exception this time on the ground that “discrimination according to nationality is prohibited in the international sports community.”

A K-pop boy band called [Bangtan Boys](#) (known as BTS) was embroiled in a Japan-South Korea history controversy over a T-shirt that a member had worn, prompting Tokyo-based TV *Asahi* to cancel the group’s performance on its show “Music Station.” The T-shirt has two photos – the celebration of Korean independence from Japan’s colonial rule and the atomic bomb exploding over Japan – along with the [words](#), “patriotism,” “liberation,” “our history,” and “Korea.” Many Japanese and some

South Koreans criticized the insensitivity of the T-shirt's images, while others were unhappy with *TV Asahi*'s decision to cancel the group's appearance over a T-shirt. South Korean media outlets expressed their suspicions that the cancellation had to do with South Korea's recent ruling on forced laborers during Japan's colonial rule. Despite the controversy, the group's Japanese fans filled the Tokyo Dome concert singing along in Korean, while tickets for BTS' remaining concerts in Japan are sold out as well. Due to the global popularity of the BTS, the scandal received international media attention, in conjunction with the worsening of Seoul-Tokyo relations in the recent months.

Looking ahead to 2019

Japan and South Korea enter the year 2019 with two major, escalating disputes: the South Korean court ruling on forced labor and the alleged radar lock-on incident. The high-profile nature of the disputes constrains both governments, limiting avenues for de-escalation and saving face. As Korean lawyers seek to implement the forced labor cases and South Korea and Japan continue their public battle over the radar claim, these two disputes pose great risks of spiraling Japan-South Korea tensions out of control in the coming months.

With relatively small exceptions, neither President Moon nor Prime Minister Abe got publicly involved in these disputes. Statements came from high levels of both governments, but the two countries avoided turning the disputes into a war of words between the leaders. Should this occur, it could significantly escalate the disputes and further limit the options for resolution.

The gradual reduction of incentives that may have encouraged both governments to keep the bilateral relationship stable – particularly major uncertainties in US alliance relationships, North Korea policy, and domestic politics – bears close observation. The relative significance of these stabilizing incentives to Tokyo and Seoul may determine whether this fall's series of unfortunate events leads to further escalation in the months ahead – or provides the impetus for a diplomatic resolution.

CHRONOLOGY OF JAPAN-KOREA RELATIONS

SEPTEMBER – DECEMBER 2018

Aug. 28, 2018: Japan [publishes](#) its 2018 *Defense White Paper*. The document assesses North Korea's nuclear and missile development programs as an "unprecedentedly serious and imminent threat."

Aug. 28, 2018: *Washington Post* reports that Japanese Cabinet Intelligence and Research Office chief Kitamura Shigeru met secretly in Vietnam in July with Kim Song Hye, head of the united front tactical office in the North Korean United Front Department.

Sept. 10, 2018: South Korean National Intelligence Director Suh Hoon visits Prime Minister Abe Shinzo to explain the results of his visit to Pyongyang and meeting with North Korean leader Kim Jong Un on Sept. 5.

Sept. 11, 2018: South Korean Prime Minister Lee Nak-yeon [meets](#) Prime Minister Abe at the Eastern Economic Forum in Vladivostok. The conversation centered on the North Korean issue. On the same day, Japanese Foreign Minister Kono Taro and South Korean Foreign Minister Kang Kyung-hwa meet in Hanoi.

Sept. 13, 2018: Japan [responds](#) to inter-Korean summit by reiterating that sanctions must be kept in place until the issue of Japanese nationals abducted by North Korea is resolved and North Korea is denuclearized.

Sept. 25, 2018: South Korean President Moon Jae-in and Prime Minister Abe meet in New York on the sidelines of the UN General Assembly.

Sept. 25, 2018: In his [address](#) at the UN General Assembly, Prime Minister Abe expresses his willingness to meet with North Korean leader Kim Jong Un in person.

Sept. 26, 2018: Foreign Ministers Kang and Kono meet in New York on the sidelines of the UN General Assembly.

Sept. 26, 2018: Foreign Minister Kono and North Korean Foreign Minister Ri Yong Ho meet. Kono tells Ri that Japan wants to resolve the abductee issue and North Korea's nuclear and missile development programs comprehensively.

Sept. 28, 2018: Japanese Defense Minister Onodera Itsunori rebuffs South Korean requests for Japanese Navy ships not to fly the Japanese military flag at an international fleet review hosted by South Korea, citing Japanese domestic law.

Oct. 5, 2018: Unable to reconcile positions on the flying of the Japanese military flag, South Korea and Japan agree that Japan will not participate in the fleet review.

Oct. 5, 2018: US Secretary of State Mike Pompeo visits Japan and meets Prime Minister Abe.

Oct. 8, 2018: 20th anniversary of a landmark Japan-South Korea joint declaration between then-South Korean President Kim Dae-jung and then-Japanese Prime Minister Keizo Obuchi.

Oct. 25, 2018: South Korean Vice Foreign Minister Cho Hyun visits Japan and meets Vice Foreign Minister Takeo Akiba.

Oct. 30, 2018: South Korea's Supreme Court [rules](#) against Nippon Steel & Sumitomo Metal Corp. in concluding that Korean victims of forced labor during the colonial occupation of Korea by Japan were entitled to compensation.

Oct. 31, 2018: Foreign Ministers Kono and Kang exchange views on the forced labor ruling in a phone conversation. Separately, a meeting of the South Korean and Japanese Foreign Ministry director generals for consular affairs takes place in Tokyo.

Nov. 13, 2018: US Vice President Mike Pence meets Prime Minister Abe in Tokyo. They agree that sanctions against North Korea are needed to achieve denuclearization of North Korea.

Nov. 15, 2018: Prime Minister Abe expresses his desire to meet Kim Jong Un and seeks support from other countries at the ASEAN Plus Three meeting.

Nov. 21, 2018: Korean government decides to dissolve the Reconciliation and Healing Foundation, an organization created through a 2015 agreement between Japan and South Korea on the issue of “comfort women.”

Nov. 23, 2018: South Korean and Japanese maritime police are [involved](#) in a 2-hour standoff in the Sea of Japan (East Sea), after a South Korean maritime police vessel stops a Japanese trawler for allegedly fishing outside Japan’s exclusive economic zone. The standoff ends after the Korean ship turned away.

Nov. 29, 2018: Second South Korean Supreme Court ruling ordered Mitsubishi Heavy Industries Ltd. to pay compensation to Korean victims of forced labor during WWII, escalating the South Korea-Japan tension over the issue.

Dec. 1, 2018: Japan’s [Asahi Shimbun](#) reports that Japan has been secretly negotiating with Pyongyang on the issue of North Korea’s abduction of Japanese citizens.

Dec. 12, 2018: Foreign Ministers Kang and Kono discuss forced labor dispute in a phone conversation.

Dec. 14, 2018: Japanese and Korean parliamentarians meet in Seoul. They also meet South Korean President Moon and discuss the forced labor dispute. Amid tensions, Prime Minister Abe declines to follow the tradition of sending a congratulatory letter to the delegation.

Dec. 20, 2018: South Korean destroyer allegedly locks its targeting radar on a Japanese patrol aircraft, according to the Japanese government.

Dec. 24, 2018: South Korea’s Special Representative for Korean Peninsula Peace and Security Affairs Lee Do-hoon meets Japan Foreign Ministry’s Director General of the Asian and Oceanian Affairs Bureau Kanasugi Kenji in Seoul to discuss North Korea

Dec. 27, 2018: Japanese and South Korean officials discuss the Dec. 20 naval incident and radar lock allegation in a working-level video conference.

Dec. 28, 2018: Japanese government releases a video filmed from the Japanese patrol aircraft involved in the Dec. 20 naval incident, seeking to prove its claim that the South Korean destroyer locked onto the aircraft with fire-control radar.

Jan. 1, 2019: Prime Minister Abe calls the alleged radar lock a “dangerous act” in a TV interview and urges South Korea to take steps to prevent a recurrence of the incident.

Jan. 2, 2019: South Korea calls on Japan to apologize for Japanese patrol plane’s “menacing” flight near the South Korean warship.

Jan. 3, 2019: South Korea indicates it will release its own video regarding the naval incident.

Jan. 4, 2019: Foreign Ministers Kono and Kang discuss the forced labor issue and the radar lock dispute in a phone conversation.

COMPARATIVE

CONNECTIONS

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

CHINA- RUSSIA RELATIONS

CROUCHING ARMY, HIDDEN ALLIANCE

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On Sept. 11, 2018, two separate but related events in Russia's Far East underscored both the symbolic and substantive significance of the emerging entente between Russia and China. In Vladivostok, President Putin met Chinese counterpart Xi Jinping on the sidelines of Russia's Eastern Economic Forum (EEF). On the same day, the Russian military kicked off its massive *Vostok-2018* military exercise and was joined by People's Liberation Army (PLA) troops. The EEF and *Vostok* took place at a time of heightened tension between the West and the two large powers in multiple areas, ranging from the US-China trade war, termination of the Intermediate-Range Nuclear Forces (INF) Treaty, Russia's conflict with Ukraine (Kerch Strait on Nov. 25), the South China Sea (SCS), and Taiwan. Moscow and Beijing are increasingly moving toward a *de facto* alliance, albeit reluctantly. Welcome to the 21st century strategic triangle of reluctant players.

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Between past and future

Sept. 11 was a big day for China–Russia relations: President Xi Jinping was the first Chinese president to attend the annual EEF since its debut in 2015 and Russia’s massive (300,000 troops) *Vostok-2018* (*East-2018*, or *Восток-2018*) military exercise, for the first time, was joined by 3,200 People’s Liberation Army (PLA) troops. It is perhaps only a coincidence that 17 years earlier, the 9/11 attacks decisively reprioritized Bush 43’s foreign policy, shifting the focus from geopolitical competitors (China and Russia) to nonstate actors (terrorism).

The death of George H. W. Bush in December also marked a historical turning point. By the end of the Cold War, the 41st US president presided over a world in which both China and Russia were friendly to the US, even though they were still communist states. A quarter of a century later, the two large powers are officially defined as “strategic rivals” of the US for its “[primacy](#).” Meanwhile, Moscow and Beijing are increasingly moving toward a *de facto* alliance, albeit reluctantly (see [Yu Bin](#), “Between Past and Future,” *Asia Policy*, January 2018, p. 16), given the fact that they are so much apart politically, economically, and culturally.

EEF and Vladivostok summit

The Putin–Xi meeting in Vladivostok on Sept. 11 was the third meeting for the two leaders within four months. The summit, which took place the day prior to plenary sessions of the EEF, covered almost all areas of the bilateral relationship according to [Putin](#): economic, social and humanitarian ties, and military and technical cooperation. Xi described the talks as “sincere, deep and fruitful.” Several documents were [signed](#) on regional economic cooperation, investment, banking, media, sports and academics, including a six-year program (2018–2024) for development of bilateral trade and economic and investment cooperation in Russia’s Far East. After the talks, the two heads of state joined a roundtable discussion with the heads of Russian and Chinese regions. More than 1,000 Chinese business people joined the EEF. Putin and Xi also visited the Ocean Russian Children’s Centre in Vladivostok, which took in 900 Chinese children who had suffered in a massive earthquake in the Sichuan Province 10 years earlier.



Figure 1 Photo: Chinese Foreign Ministry

Xi’s visit to Russia’s Far East was in the midst of “years of China–Russia local cooperation and exchange” (2018–2019). The goal is to inspire enthusiasm ([Xi Jinping’s words](#)) for local bilateral cooperation and exchanges primarily in the areas of economics and socio-cultural exchanges. For this, an “Intergovernmental Commission for Cooperation and Development of the Far East and Baikal Region of Russia and Northeast China” was created in February 2018 at the vice prime minister-level. The commission met twice in 2018 (February and August). China also set up a regional developmental fund of [100 billion yuan](#) to help various Russian and Chinese regions in their economic cooperation. More than [100 activities](#) are planned, including an investment conferences, trade fares, industry and agriculture exhibitions, seminars, art festivals, etc.

It remains to be seen how these actions and activities will provide any substantial stimuli to Russia’s economically under-performing Far Eastern region. Since the Soviet collapse, the region has lost more than [2 million people](#) to the more prosperous Western (European) part of the country, despite subsidies and high profile investments from Moscow. Worse, many Moscow-sponsored large projects – Vladivostok airport, Vostochny Spaceport, Zvezda Shipyard – remain underutilized.

To reverse this trend, Russia officially initiated its “pivot” to Asia. The [2012 annual APEC](#) meeting in Vladivostok is widely seen as the beginning of this eastward policy. [Some](#) went as far as to claim that “If Peter the Great were alive today, he would not have to re-find a new capital on the Pacific. He would simply pack up and move his court and his administration to an already-built city, Vladivostok.” Others point to

the [Vostok-2010](#) military exercise, which dispatched two divisions by train across Siberia and simulated tactical nuclear strikes to repel unnamed foreign aggression, as the starting point. Both were actually ahead of the US version of the Asia/Pacific “pivot” officially pronounced by then Secretary of State [Hillary Clinton](#) in October 2011 in *Foreign Policy*.

It was the Ukraine and Crimean crises in early 2014 that pushed Moscow to look eastward, leading to the conclusion of a huge natural gas contract with China in May 2014, years after the two sides started to negotiate it. Moscow, however, appeared for quite some time unsure about what to do in the east: pivot to China, or broader Asia, including Japan, Korea, etc.; focus on geoeconomics or geopolitics or both? It looks as though Russia’s “Asia-pivot” origin myth (or confusion) continued in 2018 given the timing of the EEF and *Vostok-2018* on the same day. The two high-profile efforts may, or may not, work together.

One of the key issues for Moscow is how to interface with China’s Belt and Road Initiative (BRI), which seemed, at least for a while, not only to bypass Russia’s Far East, but also all of Russia as its original thrusts were through the old Silk Road in Central Asia (Xi kicked off the BRI in Kazakhstan in 2013). It was under these circumstances that the EEF was launched in 2015. Its success may help Russia avoid the fate of “a hundred years (or possibly two hundred or three hundred) of geopolitical loneliness” [сто (двести? триста?) лет геополитического одиночества]. Xi’s appearance at the 2018 EEF in Vladivostok signaled more coordinated efforts by both sides for regional economic cooperation and security coordination.

***Vostok-2018*: size matters?**

Vostok-2018 was said to have been the biggest exercise since the Soviet military exercise *Zapad-81* (*West-81*) in 1981 involving 150,000 Soviet forces. This time, some [297,000](#) service members, 1,000 aircraft, helicopters and unmanned aerial vehicles, up to 36,000 pieces of equipment, 80 ships and support vessels were involved in the week-long drills (Sept. 11-17) across nine testing grounds, including four Aerospace Force and Air Defense grounds, and three seas – Sea of Japan, Bering Sea, and Okhotsk Sea – and [Tsugol \(Цуrol\) training ground](#), Zabaikalskiy Krai (Забайкальский край), bordering China and Mongolia.

These figures were disputed as “[creative accounting](#),” “[inflated](#),” or “[utterly impossible](#)” by Western analysts, citing past occurrences and logistic impossibilities of such a large-scale military operation. The real issue is the different degrees of readiness, mobilization, and movement for various forces and units. Active combat simulation may be practiced by a small number of troops. For [Chinese observers](#), this is perfectly normal, and they would point out that at the peak of the Soviet power, only one Soviet motorized infantry division equipped with T-72 MBT was involved in the active combat simulation in Soviet *Zapad-81*.

At the technical level, the [main objectives](#) of the *Vostok-2018* maneuvers were very similar to its predecessors: to check the military’s readiness to move troop over long distances, to coordinate among the individual services, and to perfect command and control procedures, according to the Russian Defense Ministry. Rapid mobilization of air and ground forces in Western Russia to the Far East were the main features of earlier *Vostok* exercises. This time, some Russian units (2nd Army of the Western Military District) covered up to 7,000 km and Northern Fleet ships sailed up to 4,000 miles, reported Russian Defense Minister Sergey [Shoigu](#).



Figure 2 Photo: [Graphicnews.com](#)

For the first time, 3,200 Chinese troops (two integrated armored battalions) joined the exercises. Mongolia sent about 300 men. Despite its vast scale, most simulated ground combat actions for *Vostok 2018* were conducted at Tsugol training ground in Zabaikalskiy Krai, located at the Chinese and Mongolian borders. “It is the first time as we hold such large-scale combat exercises jointly with foreign armed forces. We shall develop this military cooperation to enhance stability and security in the Eurasian area,” Defense Minister [Shoigu](#) commented after the drills.

The size of the Chinese forces for *Vostok 2018* was just a fraction of the participating Russian troops. It was nonetheless the largest Chinese [deployment](#) ever sent to an overseas exercise. In Tsugol, however, the [ratios](#) of the Chinese and Russian personnel was greatly reduced to 1:8 (3,200:25,000). In terms of the number of ground equipment and aircraft, the ratios in Tsugol were, 1:12 (600:7,000) and 1:8.3 (30:250), respectively.

The two PLA armored battalions – one integrated heavy armored battalion (重型合成营) and an integrated medium-heavy battalion (中型合成营) with wheeled fighting vehicles – formed the bulk of the Chinese forces. Augmented by elements of helicopter, long-range artillery, Special Forces, and engineering units, the two PLA battalions were simulated as two brigades, which constituted the framework for an integrated army (军级架构). Both battalions belonged to the 78th Army of the PLA headquartered in Harbin, according to Chinese military [experts](#).

In Tsugol, the PLA “army” was one of the six “armies” deployed in the field, all being represented by brigade-level forces (each of the five Russian “armies” was represented by a brigade of about 5,000 men). The PLA units were positioned as [reserves](#) at the heart of the “red” triangle of the 29th and 35th Armies at the front and the 36th Army in the rear (see map below). This enabled the PLA “army” to engage in initial defensive maneuvers in coordination with the “red” armies (29th and 35th) against two “invading” “blue” armies (2nd and 41st), as well as for the final counterattacks together with the “red” 36th Army and “red” paratroopers.

Despite the asymmetry in the forces involved in Tsugol (five Russian corps and one PLA corps), the Tsugol exercises were directed by a [joint](#)

[command](#) consisting of staff members of Russia’s East Military District and PLA’s Northern Theater. PLA’s Joint Staff Department (联合参谋部), too, sent its staff to Tsugol. “The PLA is not a junior player (解放军不是配角),” claimed a Shanghai-based Chinese [media](#) outlet as it referred to the joint command and the centrality of the PLA deployment in the “red” formation.

Joint Command at Tsugol



Figure 3 PLA’s multi-colored fatigues vs. Russia’s green. Photo: Xinhua

Vostok-2018 operated in two phases: Phase 1 (Sept. 11-12) was for pre-drill planning and organization of forces, command and control, and logistics. Phase 2 (Sept. 13-17) were actual exercises, including conducting large-scale air strikes, [Iskander-M](#) strikes, cruise missile defense, defense, offense, flanking and raiding maneuvers. Outside Tsugol, Russian forces practiced defending against aerospace attacks, destroying surface action groups, and naval operations in the Sea of Okhotsk, Sea of Japan, and the [Bering Sea](#) (see map below).

On Sept. 13, President Putin observed a parade of participating units and almost all the combat equipment. Defense Minister Wei Fenghe led a group of Chinese observers to Tsugol. Putin praised the troops in his [speech](#) after the parade and presented awards to 10 Russian, Chinese, and Mongolian military personnel who distinguished themselves during the maneuvers. “Very successful, very stimulating and very impressive” (非常成功, 令人振奋、使人震撼), commented Gen. [Shao Yuanming](#) (邵元明) after the Tsugol exercises. Shao was PLA’s deputy chief of staff and co-director of the exercises. For him and many others, the size of *Vostok-2018* was never a problem. It was the process that mattered.



Figure 4 Russian President Putin and Chinese Defense Minister Wei Fenghe in Tsugol. Photo: Guanchazhe wang

In search of oneself, and each other

For both sides, an important goal of *Vostok-2018* was to assess the strength and weakness of their own units. PLA's two integrated "brigades" in Tsugol are typical components of China's 13 integrated armies (集团军) – an outcome of the three-year [restructuring](#) launched in November 2015 and modeled after the US military, particularly the more mobile and digitalized US "Stryker brigades." *Vostok* exercises provide the PLA a timely opportunity to test the Chinese-version of the "Stryker brigade," particularly in comparison with the more traditionally structured Russian motorized infantry, tank, artillery, engineer, and air-defense brigades.

Russia, too, had a keen interest in learning from the PLA's conversion to more mobile, integrated, and flexible brigades. Although it started much later than Russia's own military reforms which followed the 2008 five-day war with Georgia, the PLA apparently has had far broader and deeper reforms than has the Russian military. To be sure, the PLA's equivalent "Stryker" units are not as advanced as US brigades, but this was what the Russians would be able to work with at a time of rising tension with the US. The Russians reportedly were particularly impressed by the PLA's wheeled integrated battalion.

The PLA did not send its best hardware, such as the *Type-99A* MBTs, *Type-04A* Infantry fighting vehicles (IFVs), and *Type-10* 120 mm wheeled howitzer/mortar. Its MBT [ZTZ99s](#) in Tsugol were inferior to Russia's *T-72B3*; the PLA's *Type-86* APCs were also inferior to Russia's *BMP-2s*. PLA's more [digitalized](#) field networks for communication, command and coordination, however, reportedly more than offset its

hardware inferiority. Some Chinese military observers went as far as to note that the PLA's digitized and integrated units had "[overwhelming superiority](#)" (拥有压倒性优势) over Russia's motorized rifle and tank brigades.

What the PLA lacks is real combat experience; its last combat was 40 years ago with Vietnam. The Russians seem to have never stopped fighting: two lengthy Chechen wars (1994-96 and 1999-2000), a five-day war with Georgia (2008), the ongoing "phantom" war with Ukraine (since 2014), and an open intervention in Syria. For that, the post-Soviet Russian state has earned a reputation in China as the "fighting nation" (战斗民族). The PLA, therefore, had a lot more things to observe and to learn from the Russian counterparts in Tsugol.

Not everything was impressive in Tsugol. The Chinese side noticed that the Russian and Chinese airmen used only conventional aerial munitions. [No guided bombs](#) were dropped. To the surprise of some Chinese observers, the Russian military continued to use *T-72B3*, *T-72BM*, *T-82BV*, and even *T-62* MBTs, which were the most advanced and most powerful MBT in the 1960s and 1970s. They continue to be used more in Russia's eastern units than in the West, a clear indication of strategic priority for the Russian military. One military [expert](#) said that the overall quality of *Vostok-2018* was actually not much different from *Zapad-81* (*West-81*) despite some new elements such as *T-72B3*, *Su-30SM*, *Su-34*, etc. Its multiple rehearsals prior to the Sept. 13 live-ammunition drills were less realistic compared with China's simulation in the Zhurihe training range.

Vostok: back to the past, and future

Vostok-2018 was a mirror of historical changes with multiple political, strategic, and technical implications for both Russia and China, as well as their external relations. In addition to being Russia's largest exercise since the Soviet times and first-ever exercise to include Chinese participation, the *Vostok* series clearly means to transition from targeting China to partnership with the world's second largest economy.

The Chinese side is [well aware](#) of the original mission of the *Vostok* series. The China factor was considerably watered down in the *Vostok-2010* and 2014 drills. While the former targeted terrorism, the latter was a demonstration to the West—in the wake of the Ukraine and Crimea

crises—that Russia continued to be able to control its eastern part.

In terms of joint exercises with China, *Vostok-2018* represented a major departure from previous joint anti-terror exercises (mostly under the auspices of the Shanghai Cooperation Organization) to the conventional defense-offense operations against “illegal forces” (非法武装) of a hostile state or group of states. It therefore paralleled, if not matched, the December 2017 [US National Security Strategy](#) that identified Russia and China as “strategic rivals” and the main threat to the US, ahead of terrorism and “rogue states” (Iran, North Korea, etc.).

Both Russia and China denied that *Vostok-2018* targeted any [third party](#). Messages from Russia, however, were inconsistent at best. When asked whether China's involvement meant Moscow and Beijing were moving toward an alliance, Kremlin spokesman Dmitry [Peskov](#) simply said that the exercise showed that the two countries were cooperating in all areas. In remarks during the review of troops in Tsugol, however, President [Putin](#) stated that it was the duty of Russian military to “support our allies, if required” ([если потребуется](#) – ... поддержать союзников).

At the extreme end of the alliance rhetoric, Russian analyst Vasily [Kashin](#) (Василий Кашин, senior research fellow at the Russian Academy of Sciences' Institute of Far Eastern Studies) argued that *Vostok-2018* pointed to an open declaration of a Russo-Chinese military alliance, a view that was not shared by other Russian pundits. Dmitri [Trenin](#), director of the Carnegie Moscow Center and a former Soviet Army colonel, believed that the message Russia sent to the West regarding *Vostok-2018* was that China was “a potential ally.” “China, by sending a PLA element to train with the Russians, is signaling that U.S. pressure is pushing it towards much closer military cooperation with Moscow.” *Vostok-2018*, therefore, was seen as an open-ended process of strategic communication with the US and its allies. In other words, nothing is final and nothing is impossible, and all depends on the specific circumstances in which Russia and China reciprocate with the West/US.

China's decision to participate in the *Vostok* series was apparently made in late May 2018 in Beijing at the [20th strategic dialogue](#) by the

Russian and Chinese General Staff, which was co-chaired by Russian Armed Forces Col. General Sergei Rudskoy and Maj. Gen. Shao Yuanming, deputy chief of staff of the Joint Staff Department of China's Central Military Commission. An agreement was reached to boost military cooperation in light of “thorny international and regional issues,” read a [statement](#) released by the Chinese Ministry of Defense immediately after the dialogue.

The “broad consensus” reached by the two militaries was against a backdrop of growing tension with the US and its allies around the world. Prior to this, Russia-US relations [deteriorated](#) as Washington expelled 60 Russian diplomats and closed the Russian Consulate in Seattle in the wake of alleged Russian use of a military-grade chemical substance in the UK. Moscow reciprocated by expelling 60 US diplomats from Russia and closed the US Consulate in St. Petersburg. For China, US initiated a trade war, which officially began March 22, 2018 and quickly spilled over to other, and certainly more sensitive, areas such as the South China Sea and Taiwan. Just six days before the Sino-Russian Strategic Dialogue in Beijing, the US [withdrew](#) China's invitation to the [26th Rim of the Pacific Exercise](#). China's SCS activities were cited as reasons for China's dis-invitation. Meanwhile, the US steadily and significantly elevated relations with [Taiwan](#). For many in China, the “pillars” of bilateral relations (economics, mil-mil, Taiwan, etc.) have been seriously weakened if not broken just a year and half into the Trump administration.

Given these developments, Chinese and Russian defense officials “confirmed their intent to increase the level of cooperation and undertake constructive steps for further renewal of strategic cooperation between the armed forces,” reported [TASS](#) shortly after the May Sino-Russian Strategic Dialogue in Beijing.

After the Tsugol parade, both Defense Minister Shoigu and Chinese counterpart Gen. Wei Fenghe confirmed that such exercises would become [regular](#). It is unclear how regular and where such exercises will take place, nor is it clear if China will reciprocate by hosting a similar drill. Under normal circumstances, the next *Vostok* exercise would take place in 2022 according to the Russian military's annual training cycle of rotating through the four main military districts (Eastern, Central, Southern and Western). It remains to be seen if the PLA

will be invited to annual drills in other Russian military districts. Already, the PLA Navy has exercised with its Russian counterparts in the Mediterranean (May 2015) and the Baltic Sea (July 2017). The Russian Navy, too, has reciprocated with drills in waters adjacent to China:

Year/Month	Exercise Area
2012-4	Yellow Sea
2013-7	Sea of Japan
2014-5	East China Sea
2015-5	Black Sea/Mediterranean
2015-8	Sea of Japan
2016-9	South China Sea
2017-7	Baltic Sea
2017-9	Sea of Japan/Sea of Okhotsk

Conclusion: alignment, not alliance

In the December 2017 [US National Security Strategy](#), China and Russia were listed – 30 times together – as “strategic rivals.” Even before this point, the two were cast in highly ideological, if not evil, shades in works such as Bobo Lo’s *Axis of Convenience* (2009) and Robert Sutter’s more recent *Axis of Authoritarians* (2018).

In the policy world, however, China and Russia were treated quite differently. While Russia remains an irritant, many believe the Russia-China partnership could [be weakened](#) by reaching out to Russia for the purpose of [confronting](#) a much stronger China. Vice President Mike [Pence](#)’s China speech on Oct. 4, at the Hudson Institute was seen by many as a de facto declaration of Cold War 2.0, this time with China. However, the US’ highly politicized and internalized “[Russia problem](#)” made it impossible for any realistic rapprochement with Russia. Given these policy trajectories and contradictions, *Vostok-2018* provided more traction for the closer Russia-China strategic partnership in an increasingly unfriendly, complicated, and unpredictable world.

Although *Vostok-2018* was a step toward more military cooperation, it was experimental in that both sides tried to adjust to the other’s capability and interests. Beyond *Vostok*, China and Russia remain largely independent players with similar interests. Many in Russia and China

are still haunted by the highly ideological and binding alliance of the 1950s that turned into three decades of hostile “divorce” (1960-1989). The current partnership may be just right. The ultimate goal of Russian and Chinese foreign policy is to operate within the existing world order (WTO for China; and ABM and INF for Russia, to mention just a few vital international regimes) even if it continues to be dominated by the West. For this purpose, the China-Russia strategic partnership remains an adaptable, dynamic, and open-ended process through which both sides manage important bilateral, regional, and global affairs without the binding effect of a typical alliance.

Given these considerations, the messages coming out of *Vostok-2018* were carefully calibrated, particularly by the Russian military. Considerable efforts were made to make preparations for and execution of the exercises [transparent](#). NATO and other countries were briefed about the purpose, size, location, and participants of *Vostok-2018*, including that of the PLA. In Tsugol, 329 Russian and foreign media outlets were present, together with 87 observers from 59 countries.

The Chinese side, too, seemed not to overstretch *Vostok*’s implications. Of the two major events on Sept. 11, President Xi chose to attend the Eastern Economic Forum in Vladivostok, while letting his defense minister interact with *Vostok* drills. Although Chinese media were saturated with stories of the exercises in Tsugol, most of the coverage focused on [tactical aspects](#): to [learn directly](#) from Russia’s real combat experiences acquired from operations in Syria and Ukraine, and to [test the effectiveness](#) of the PLA’s reform and restructuring since 2016 for a more lethal, mobile, digitalized and integrated ground force. For both militaries, the practical side of *Vostok* seemed to be the priority.

That said, the partnership seems also to be about preparing, through the *Vostok* series, for a more volatile environment given the unpredictable Trump administration. If the US can de-link itself from the rest of the world, Beijing and Moscow cannot. This is not only because of their more complex neighborhoods and 21st century global economic interdependence, but also because of the burden of their historical interactions. In this regard, *Vostok-2018* serves as a mirror to search for themselves, and each other, in the timeless and tireless fashion of great-power games.

CHRONOLOGY OF CHINA-RUSSIA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 3, 2018: Russian Deputy Foreign Minister Igor Morgulov meets Chinese Ambassador Li Hui in Moscow.

Sept. 11-13, 2018: Russia hosts fourth Eastern Economic Forum (EEF) in Vladivostok. President Xi Jinping joins the forum and meets President Vladimir Putin separately. Both join a Russian-Chinese regional leaders' dialogue on Sept. 12.

Sept. 11-17, 2018: Russia conducts *Vostok-2018* military exercises, involving nearly 300,000 soldiers, 1,000 aircraft and 900 tanks and 3,200 troops from the PLA.

Sept. 18, 2018: President Putin meets Chinese Vice Premier Han Zheng in Moscow. Han co-chairs with Russian Deputy Prime Minister Dmitry Kozak (Дмитрий Козак) the 15th Joint Energy Committee meeting.

Sept. 19, 2018: First meeting of Shanghai Cooperation Organization (SCO) railway administration heads is held in Tashkent. The new mechanism was created at the SCO Qingdao Summit in June 2018.

Sept. 19, 2018: The 17th SCO Meeting of Senior Officials in Charge of Trade and Economic Cooperation is held in Dushanbe.

Sept. 20, 2018: The 16th Meeting of the SCO Prosecutors General is held in Dushanbe. Participants sign protocol of intent to consolidate efforts against extremism and terrorism as well as transnational crimes that serve as a source of funding for terrorism, including illegal drug trafficking and human trafficking.

Sept. 24, 2018: China and Russia join a foreign ministerial meeting in New York with their French, British, German, Iranian, and EU counterparts.

Sept. 25, 2018: Foreign Minister Sergey Lavrov meets Foreign Minister Wang Yi on the sidelines of the 73rd UN General Assembly session in New York.

Oct. 8, 2018: Russian Deputy Foreign Minister Igor Morgulov meets Chinese Deputy Foreign Minister Kong Xuanyou in Moscow to discuss the Korean Peninsula.

Oct. 11-12, 2018: The 17th SCO Prime Ministers Meeting in Dushanbe. Premier Li Keqiang and Prime Minister Dmitry Medvedev meet on the sidelines.

Oct. 17, 2018: President Xi meets Chief of Staff of the Kremlin Presidential Executive Office Anton Vaino (Анто́н Ваи́но) in Beijing. Vaino also meets Director of the General Office of the Communist Party of China Ding Xuexiang.

Oct. 17, 2018: Seventh SCO Education Ministers Meeting is held in Astana. Participants discuss how to expand education exchanges of students and faculties, joint research projects, language studies, professional education and youth exchanges.

Oct. 17, 2018: President Putin meets Chinese Politburo Member Yang Jiechi in Sochi where Yang attends the 15th annual Valdai Discussion Club meeting.

Oct. 31, 2018: SCO Regional Anti-Terrorist Structure (RATS) holds its sixth conference titled "Combating terrorism: Cooperation without borders" in Tashkent.

Nov. 5-9, 2018: China hosts 39th session of military confidence building (MCB) and arms reduction (AR) in the border areas. Representatives from Russia, Kazakhstan, Kyrgyzstan, and Tajikistan join the conference. They approve the joint monitoring plan for 2019.

Nov. 7, 2018: Beijing hosts the 23rd China-Russia Prime Ministers Meeting. Twelve documents are signed covering regional cooperation, agriculture, health, aerospace and trade facilitation.

Nov. 15, 2018: President Putin and Premier Li Keqiang meet in Singapore on sidelines of annual (13th) East Asian Summit. Putin describes ties between the two countries as “[privileged strategic partnership](#).”

Nov. 30, 2018: Presidents Putin and Xi meet in Buenos Aires on the sidelines of the G20 Summit. They also join an informal trilateral meeting with Indian Prime Minister Narendra Modi and an informal meeting with other BRICS leaders and issue a communique.

Dec. 5, 2018: First Forum of the SCO Heads of Regions is held in *Chelyabinsk, Russia*.

Dec. 31, 2018: Chinese and Russian presidents and prime ministers exchange the New Year congratulating messages.

PACIFIC FORUM

COMPARATIVE

CONNECTIONS

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

INDIA-EAST ASIA RELATIONS

INDIA CONTINUES INVOLVEMENT & INTEGRATION WITH THE INDO- PACIFIC/EAST ASIA IN 2018

SATU LIMAYE, EAST-WEST CENTER

Beginning in 2000, and in almost every year since, [Comparative Connections](#) has carried an annual assessment of India-East Asia relations; on occasion this assessment has been combined with one on India-United States relations. The approach to this series of articles has been to review India's relations with East Asia's individual countries and subregions such as Southeast Asia and the Pacific Islands. This year our annual assessment of India-East Asia relations takes a new approach: assessing India's involvement and integration with East Asia thematically (diplomacy, defense, trade/investment and multilateralism) incorporating updates on select/relevant countries during 2018. The impetus to the change is to arrive at a better appreciation of the most important elements of India's involvement and integration into East Asia's diplomatic, defense-security, and economic environment.

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East Asia in India's foreign, defense and commercial policies

India is engaged globally via a number of overlapping conceptions, initiatives, interests, and policies as might be expected of a country of its size, population, economy, military and foreign policy traditions.

As I have [argued](#) in *Weighted West, Focused on the Indian Ocean and Cooperating on the Indo-Pacific: The Indian Navy's New Maritime Strategy, Capabilities and Diplomacy*, India's key major foreign policy, economic, and security interests are "weighted west" and concentrated in the Indian Ocean even as the country's diplomatic, security, and commercial engagements have expanded across the Indo-Pacific region, especially in East Asia. Importantly, India's foreign policy and naval functional and regional interests have converged significantly, and the Navy has become an important defense and diplomacy tool in India's "Act East" policy. This trend, a few years running, was especially pronounced in 2018.



Figure 1 Prime Minister Narendra Modi giving the keynote address at the June 2018 Shangri-La Dialogue. Photo: One India

India recently also has sought to link specific foreign policy initiatives to its expanding East Asia engagements. For example, during Indian President Ram Nath Kovind's [visit](#) to Myanmar in December 2018, he highlighted "synergies between Myanmar's independent, active and non-aligned foreign policy and India's pragmatic Act East and Neighbourhood First policies." And Prime Minister Narendra Modi, giving the keynote address at the June 2018 Shangri-La Dialogue [articulated](#) his SAGAR (Security and Growth for All in the Region) initiative as "the creed we follow to our East

now even more vigorously through our Act East Policy by seeking to join India, especially her East and North-East, with our land and maritime partners to the East."

The conceptual application by India of its other foreign policy initiatives such as "Neighborhood First" and SAGAR to "Act East" which is focused on East Asia signifies a continued effort to deepen and expand its engagement with the region. Tenuous as the specific synergies might be for driving India-Myanmar relations, and the paucity of evidence that SAGAR as an initiative has practical application to India's East Asia relationships, the fact that the president and prime minister sought to highlight these linkages speaks to an effort to place India's East Asia efforts in the context of its primary conceptions and initiatives of foreign policy – something akin to internalizing the externality of East Asia in India's international relations.

India's diplomatic engagement with East Asia

As the [India-East Asia relations articles in this series](#) have shown, since the initial "Look East" policy was launched in 1992 India has increased and enhanced its diplomatic ties with East Asia beginning with "first-ever visits," proceeding to institutionalizing regular interactions, establishing and then upgrading frameworks for cooperation, and more recently building a set of mechanisms for moving forward with specific elements of cooperation across diplomatic, security, and commercial domains. Inevitably, some diplomatic ties have progressed further and faster than others. This pattern largely continued in 2018 and reflected India's aspirations and activities for a greater diplomatic role in East Asia.

However, India's diplomatic engagements in East Asia must still compete with other regions and even in East Asia itself they are fitful and episodic. For example, India's Ministry of External Affairs (MEA) officials, in a briefing about President Kovind's November visits to Vietnam and Australia [noted](#) that this is first time "he is travelling to an ASEAN country, it is also the first time he is travelling to the East of India in capacity as the President of India. His visits so far have been to the West, they have spanned the Western Indian Ocean right up to the Atlantic. This visit will take him right up to the heart of the Indo-Pacific region." And External Affairs Minister (EAM) Sushma Swaraj noted during her August visit to Hanoi that this

was her first visit to the country after a gap of four years.

Despite these limitations, the seniority and scope of India's East Asia diplomacy during the year was quite robust. Prime Minister Modi's decision to accept an invitation to give a [keynote speech at the Shangri-La Dialogue](#), the first Indian prime minister to do so, indicated at a minimum a desire to project India as a player in the Indo-Pacific. The fact that India's MEA meticulousness about protocol was relaxed to have the prime minister speak at a gathering meant for defense ministers also gave the decision significance.

The most significant diplomatic event of India-East Asia relations in 2018 was the India-ASEAN Commemorative Summit and the 25th Anniversary of ASEAN-India Dialogue Relations under the theme of "Shared Values, Common Destiny" held in New Delhi on Jan. 25, 2018. All heads of ASEAN member countries traveled to India to participate and as a group were "Chief Guests" of [India's Republic Day parade](#). During the event, a ["Delhi Declaration"](#) was issued, providing both a review and framework for future cooperation. This event was the culmination of an effort by India to engage all 10 ASEAN member countries since Prime Minister Modi took office in 2014. As an MEA official [explained](#), "in the last four years we have had visits to all the 10 ASEAN countries at the highest level, i.e., at the level of our President, Vice President and our Prime Minister who have covered all the ten ASEAN countries." As of 2018, "India and ASEAN have 30 [dialogue mechanisms](#) cutting across various sectors and operating at various levels that meet regularly. This includes a Summit and 7 Ministerial meetings in Foreign Affairs, Defence, Commerce, Agriculture, Environment, Renewable Energy and Telecommunications."

India-Southeast Asia ties did not end with the January extravaganza. Other leader-level exchanges included Cambodia Prime Minister Hun Sen's state visit in January and Vietnam's President Tran Dai Quang's state visit in March. Prime Minister Modi visited Indonesia in May, his first visit to the country since taking office in May 2014. Also in May, PM Modi briefly stopped in Kuala Lumpur, Malaysia to meet newly-elected Prime Minister Mahathir Mohammad. Modi continued his focus on Southeast Asia with his second visit to [Singapore](#) at the end of May and early June including the

keynote speech at the 17th Shangri-La Dialogue. The prime minister ventured to Singapore yet again in mid-November for the second RCEP Summit, 16th ASEAN-India Breakfast Summit, and the 13th ASEAN Summit. President Kovind also kept up the diplomatic pace with Southeast Asia, closing out the year with a November visit to Vietnam and a December state visit to Myanmar. Other officials from India and Southeast Asia supplemented these leader-level visits that are summarized in the chronology accompanying this article. Looking ahead, 2019 is labelled the [year of tourism](#) between India and ASEAN.

Elsewhere in East Asia, Prime Minister Modi made a visit to China in April for a new diplomatic innovation labelled an ["Informal Summit"](#) – though it is questionable just how informal a summit could be between the leaders of the world's two largest, nuclear-armed countries whose militaries had just faced off on the Doklam Plateau, including a [bout of unarmed jostling and rock throwing](#). The trip achieved little beyond platitudes in the way of resolving the specific dispute or improving India-China relations. But relations did not get worse or break into open conflict. In fact, there is evidence to support the view that China has not altered its longer-term strategic objectives in the region and [India, for a mix of motives, has chosen to respond in a measured way](#).

In June, Prime Minister Modi again traveled to China, this time Qingdao, to attend the Shanghai Cooperation Organization (SCO) Summit, the first occasion on which India attended as a full member rather than observer. During this visit, Modi also had an hour-long bilateral meeting with Chinese President Xi Jinping. Importantly, an [MoU](#) was signed on "provision of hydrological information of the Brahmaputra river in flood season by China to India" that "enables the Chinese side to provide hydrological data in flood season from 15th May to 15th October every year. The Article also enables the Chinese side to provide hydrological data if water level exceeds mutually agreed level during non-flood season." Earlier, during an April 22 visit to Beijing by EAM Sushma Swaraj for talks with State Councilor and Foreign Minister Wang Yi and to attend the Shanghai Cooperation Organization's Council of Foreign Ministers, India [expressed](#) "appreciation to the Chinese side for their confirmation on resumption of data sharing on Brahmaputra and Sutlej rivers in 2018, as this issue has direct

relevance for people living in those areas.” This data sharing had been suspended by the Chinese side in the wake of the Doklam faceoff in December 2017.

Prime Minister Modi travelled to Tokyo in late October to meet Prime Minister Abe as part of annual leader-level meetings between the two countries. The main features of this meeting were a 25-point [Joint Vision Statement](#) and a set of [12 Facts Sheets](#) on the relationship. A number of announcements and agreements were [announced](#) ranging from Japan becoming the 71st country to join India’s International Solar Alliance (ISA) and an “implementing arrangement for deeper cooperation between Japan Maritime Self-Defence Force and Indian Navy.”



Figure 2 Prime Minister Shinzo Abe and his Indian counterpart, Narendra Modi, shake hands in a photo session at a luncheon at a resort hotel near Mount Fuji. Photo: Japan Times

There were also important visitors from East Asia to India. In July the Republic of Korea’s [President Moon Jae-in](#) made a state visit to India and in November Korea’s [First Lady Kim Jung-sook](#) made her own visit.

In a year in which there was significant discussion of the so-called “Quad” or quadrilateral meeting among the US, Japan, India, and Australia, President Kovind [visited](#) Australia in November, the first-ever visit by an Indian president and following on the first visit of an Indian prime minister to Australia in 30 years in 2014 when Modi [visited](#). Such visits were a reminder that for all the excitement about the quad, at least one side of the square is

still quite fresh and developing in a steady but thin manner – the India-Australia side.

As the mutual exchange of leader-level and senior officials visits suggest, by most measures India-East Asia diplomatic engagements in 2018 were considerable if not precedent-setting.

India’s defense & security relations with East Asia

India continued in 2018 to build on its defense and security ties with select East Asian countries and speak to broader security issues and developments in the Indo-Pacific region, including the US’ own articulation of free and open Indo-Pacific (FOIP) policies.

Prime Minister Modi’s June 2018 Shangri-La speech was an important indicator of India’s positions. First, he repeatedly used the word “inclusive” to indicate that India’s regional approach was not intended to exclude China. Indeed, if the Trump administration’s FOIP mean “free and open Indo-Pacific” then India’s counter acronym could be labeled as “free and inclusive Indo-Pacific.” India’s efforts throughout the year to manage and tone down frictions with China reinforced this inclusive message. On breathless discussions about the Quad, India poured lukewarm water; with PM Modi saying “[w]e will work with them, individually or in formats of three or more, for a stable and peaceful region. But, our friendships are not alliances of containment.” India’s MEA officials were even more unenthusiastic, [saying](#) when it comes to “...quad, let me say that India engages with countries in different formats and with many countries at the same time as well. We meet at bilateral levels, we meet at trilateral levels, we meet in quadrilaterals, we meet in pluri-lateral and we meet in multilateral formats. So this quad meeting is something which is going to take place but it has got nothing to do with the East Asia Summit. It is a meeting which takes place at the official functional level between the four countries and the agenda there normally is to look at how we can look at peace and prosperity issues in the region.”

Prime Minister Modi himself gave primacy to maritime and naval engagement in India’s East Asia security, military, and defense relations. Speaking at Shangri-La, he said “India Armed Forces, *especially our Navy* [emphasis added], are building partnerships in the Indo-Pacific region

for peace and security, as well as humanitarian assistance and disaster relief.” And the defense diplomacy component was visible in ship visits [coordinated](#) with the prime minister’s travels.

Throughout the year, defense cooperation focusing on the maritime domain were featured in bilateral relationships between India and East Asia. For example, in the January India-Cambodia [joint statement](#) “The Prime Minister of India highly appreciated Cambodia for hosting the goodwill visits of Indian ships for three consecutive years starting from 2015 to 2017.” Notably the joint statement [referred](#) to both India and Cambodia’s “support [for] complete freedom of navigation and overflight and pacific resolution of maritime issues based on international law, notably the 1982 UNCLOS.” Given Cambodia’s role in seeking to derail ASEAN pushback against China’s assertiveness on the South China Sea issue, the inclusion of the language was notable.

India-Indonesia defense and security relations also advanced during the year with PM Modi himself highlighting them in his prepared remarks at Shangri-La. He [noted](#) that since 2005 Jakarta and New Delhi have had a strategic partnership and in 2018 held the first security dialogue via visits by India’s external affairs minister and national security advisor. Modi did not explain why a strategic partnership launched in 2005 took until 2018 to begin a security dialogue or why four years elapsed before his first visit to Indonesia. Nevertheless, during his May visit the two sides agreed to move from a “strategic partnership” to a “comprehensive strategic partnership” and [issued](#) a “Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific,” which [called](#) for the two sides “to take necessary steps to enhance connectivity (institutional, physical, digital and people-to-people) between Andaman and Nicobar Islands of India and provinces in Sumatera Islands of Indonesia to promote trade, tourism and people-to-people contacts; facilitate B to B linkages between the Chamber of Commerce of Andaman and the ones of the Provinces in Sumatera, including Aceh.” And the Joint Statement issued during the visit stated that the two sides “appreciate the decision to set up a Joint Task Force to undertake projects for port related infrastructure in and around Sabang” and “welcome the plan to build connectivity between Andaman Nicobar – Aceh to unleash the economic potentials of both areas.”

With Vietnam, too, India’s defense cooperation progressed and still seems a priority, indicated by the fact that it is the first subject heading in the November 2018 joint statement. The two countries [agreed](#), during a March 2018 state visit to India by President Quang, “to operationalise the Memorandum of Understanding signed between the National Security Council Secretariat of India and the Ministry of Public Security of Viet Nam and initiate the Deputy Ministerial level dialogue to enhance cooperation in traditional and non-traditional security matters and undertake training and capacity building programmes.” Specifically regarding [maritime issues](#), the “two sides agreed to further promote Viet Nam-India bilateral consultation” and “strengthen cooperation in the maritime domain including anti-piracy, security of sea lanes, exchange of white shipping etc... and further encouraged port calls of each other’s naval and coast guard ships.” During an August visit by India’s EAM to Hanoi it was [agreed](#) that “it is essential to strengthen our cooperation in maritime domain and [they] decided to hold the first Bilateral Maritime Security Dialogue later in 2018.” This was later pushed back to early 2019 as President Kovind [told](#) Vietnam’s National Assembly.

However, on the two credit-lines provided by India for use by Vietnam, no major progress appears to have been made. In the [joint statement](#) during President Qang’s March 2018 visit “The Indian side affirmed its continued willingness to partner with Viet Nam in defence cooperation and in building capabilities and capacities for Viet Nam. Both sides agreed to expedite the implementation of the US\$100 million Line of Credit for building of high-speed patrol boats for the Viet Nam Border Guards and urged for early signing of a framework agreement on the US\$ 500 million Line of Credit for defence industry.” The language indicates that neither line of credit is being utilized – or at least not fully. There has been speculation that the \$500 million LoC was for the purchase of Indian missiles but when asked at press brief about the *Aakash* and *Brahmos* missiles, the Indian spokesperson [said](#) “I would not get into the details but what you have mentioned is something that these aspects are not in the agenda now with Vietnam.” The [joint statement](#) issued at the end of Modi’s visit in November seemed to imply that it was Hanoi that needed to move on utilization of the \$500 million line of credit: “The Vietnamese side appreciated India’s offer of the US\$500 million Line of Credit

to defence industry and agreed to accelerate procedures for its approval.”

India-Japan defense and maritime cooperation in particular was highlighted during the year though no new major developments were reported and earlier reports about possible sales of Japan’s US-2 reconnaissance planes went mostly unmentioned – suggesting that no progress has been made. According to an India-Japan Defense and Security [Fact Sheet](#) and a [Joint Vision Statement](#) issued on Oct. 29 at the conclusion of PM Modi’s visit, the two sides expressed “great satisfaction with the enormous progress made in the last decade in fostering joint efforts towards shared security since the signing of the India-Japan Joint Declaration on Security Cooperation in 2008.” Highlighted was the institutionalization of various dialogue mechanisms including “Foreign and Defense Ministerial Dialogue (2+2), in addition to existing mechanisms, including the Annual Defense Ministerial Dialogue, Defense Policy Dialogue, the National Security Advisers’ Dialogue, and Staff-level Dialogues of each service.” They also welcomed “commencement of negotiations on the Acquisition and Cross-Servicing Agreement (ACSA), which will enhance the strategic depth of bilateral security and defence cooperation.”

Maritime cooperation received special mention with both the Indian and Japanese leaders acknowledging “the significant progress in maritime security cooperation, as seen in the high frequency of bilateral naval exercises and deepening level of the Malabar exercises, as well as long standing dialogues and training between the Coast Guards. Recognizing that enhanced exchanges in expanding maritime domain awareness (MDA) in the Indo-Pacific region contributes to regional peace and stability, they welcomed the signing of the Implementing Arrangement for deeper cooperation between the Indian Navy and the Japan Maritime Self-Defense Force (JMSDF).”

Given PM Modi’s two visits to Singapore during the year, defense cooperation in the relationship received some attention. During one of the visits, an “Implementation Agreement between Indian Navy and Republic of Singapore Navy concerning Mutual Coordination, Logistics and Services Support for Naval Ships’, Submarines and Naval Aircraft (including Ship borne Aviation Assets) Visits” was [signed](#). The two countries also agreed to establish maritime

exercises with like-minded regional/ASEAN partners. Both initiatives represent an important uptick and enhancement of India-Singapore defense cooperation, concentrated in the maritime space.

Even in India’s relations with Myanmar, “bilateral cooperation...with an emphasis on maritime security...including coordinated patrolling initiatives along their land and maritime boundaries” was [highlighted](#) in the joint statement.

India’s trade and investment relations with East Asia

During 2018, Indian officials took considerable effort to provide upbeat assessments of India’s trade and investment relations with East Asia. For example, PM Modi, in his Shangri-La speech, [stated](#) that “We have more trade agreements in this part of the world than in any other. We have Comprehensive Economic Partnership Agreements with Singapore, Japan and South Korea. We have Free Trade Agreements with ASEAN and Thailand. And, we are now actively participating in concluding the Regional Comprehensive Economic Partnership Agreement.” Specifically regarding India’s position on RCEP, Modi [stated](#) “We will also support rule-based, open, balanced and stable trade environment in the Indo-Pacific Region, which lifts up all nations on the tide of trade and investment. That is what we expect from Regional Comprehensive Economic Partnership. RCEP must be comprehensive, as the name suggests, and the principles declared. It must have a balance among trade, investment and services.” India’s officials provided more details on India’s thinking and negotiating posture on RCEP in background briefings. These principles do not align completely with the Trump administration’s focus on “free, fair and reciprocal trade.”

In specific bilateral relationships, too, India sought to project a positive assessment of commercial relations. During her January 2018 speech in Jakarta at the fifth Roundtable of the ASEAN-India Network of Think Tanks, EAM Swaraj [gave](#) this summary of India-ASEAN economic relations. “A deeper economic integration with the dynamic ASEAN region, is an important aspect of our Act East Policy. ASEAN is India’s 4th largest trading partner, accounting for 10.2% of India’s total trade. India is ASEAN’s 7th largest trading partner. Trade is

back on track and registered an 8% increase in 2016-17, as compared to the previous year. Investment flows have also remained robust. It is our continuous attempt to promote dialogue among ASEAN and Indian business and trade associations, to further enhance bilateral trade and investment. The establishment of a Project Development Fund will encourage Indian companies to develop manufacturing hubs in CLMV countries. Our offer of a US\$1 billion Line of Credit is another important initiative to enhance physical and digital connectivity.” Later in the year, PM Modi provided even better numbers [saying](#), “...India and ASEAN enjoy close trade and economic relations. Trade between India and ASEAN stood at USD 81.33 billion in 2017-18 and constitutes 10.58% of India’s total trade. Exports to ASEAN countries constitute 11.28% of our total exports.”

India-China economic relations saw no major developments during 2018. During PM Modi and President Xi’s bilateral meeting in June in Qingdao, Xi reportedly suggested to Modi that they set a goal of \$100 billion for bilateral trade by 2020. And [reportedly](#) “China is *looking at* [emphasis added] enhancing agriculture exports from India including non-basmati rice and sugar.” There was also some hope for more Indian pharmaceutical products being sold in China, but without any specific commitments. India continues to run a huge trade deficit with China.

Small steps regarding trade, investment, and commercial relations were taken in India’s other bilateral relationships in East Asia. India and Singapore [announced](#) the conclusion of a second review of CECA. India and Korea agreed to try reach \$50 billion in trade by 2030, but noted that to facilitate achievement of such a goal early conclusion of ongoing negotiations to upgrade their bilateral Comprehensive Economic Partnership Agreement (CEPA) and implementation of trade facilitation measures would be needed. India also [expressed](#) interest in Korean investment in infrastructure modernization. During the state visit of ROK’s president to India in July, a Joint Statement on Early Harvest Package of the Upgraded Comprehensive Economic Partnership Agreement (CEPA) was [issued](#) to “facilitate ongoing negotiations on upgrading the India-ROK CEPA by identifying key areas for trade liberalization (including Shrimp, Molluscs and Processed Fish).” India and Vietnam [established](#) a trade target of \$15 billion by 2020. In [India-](#)

[Indonesia relations](#) the main issue was the “...high trade deficit that India has with Indonesia...” and New Delhi’s view that “...the best way to address this issue is not to restrict trade but to increase it. We agreed to work together for a balanced and sustainable trade by providing greater market access, both in goods and services.”

India and East Asia multilateralism

Beyond India’s expanded and enhanced bilateral relationships with East Asia, in his speech at the Shangri-La Dialogue PM Modi paid considerable attention to India’s multilateral efforts in the region. Modi emphasized his country’s adherence to ASEAN centrality and ASEAN-led regional organizations, saying he saw “...ASEAN as an example and inspiration” and ASEAN unity [as] essential for a stable future for this region. The East Asia Summit and the Regional Comprehensive Economic Partnership – two important initiatives of ASEAN – embrace this geography.” Modi went on to [report](#) that India is an active participant “in ASEAN-led institutions like East Asia Summit, A.D.M.M. Plus and A.R.F.” but also of non-ASEAN-led groupings such as “BIMSTEC and Mekong-Ganga Economic Corridor – a bridge between South and Southeast Asia.” Finally, he [noted](#) that India had its own efforts at multilateralism through which it sought to “promote collective security [such as] forums like Indian Ocean Naval Symposium...[and] We are advancing a comprehensive agenda of regional co-operation through Indian Ocean Rim Association.” He also noted that he had initiated the Forum for India-Pacific Islands Cooperation to “bridge the distance of geography through shared interests and action.”

It is worth noting the multilateral efforts and groupings that PM Modi did not refer to in his Shangri-La Dialogue address. He did not refer to the Shanghai Cooperation Organization (SCO), which India in 2018 attended for the first time as a full member rather than as an observer. Indeed, Modi made a visit to Qingdao, China in June just for the SCO meeting. EAM Swaraj, earlier in April, attended the SCO Council of Foreign Ministers meeting in Beijing. Nor did Modi specifically mention the Belt and Road Initiative (BRI) in his Shangri-La dialogue address. But he unmistakably [alluded](#) to it saying “There are many connectivity initiatives in the region. If these have to succeed, we must not only build infrastructure, we must also build

bridges of trust. And for that, these initiatives must be based on respect for sovereignty and territorial integrity, consultation, good governance, transparency, viability and sustainability. They must empower nations, not place them under impossible debt burden. They must promote trade, not strategic competition. On these principles, we are prepared to work with everyone.” India has taken a consistent position, at odds with nearly every country in East Asia, against BRI because BRI does not meet these criteria and because BRI makes commitments to projects in territory disputed between India-Pakistan and India-China. However, India continues to pursue a range of engagements with overlapping multilateral institutions including the Asian Infrastructure Investment Bank (AIIB), the New Development Bank and the so-called BRICS grouping of Brazil, Russia, India, China, and South Africa. This hodge-podge of multilateralism reflects India’s complex global and functional interests and its utilization (and rejection) of multilateralism consistent with its perceived national interests.

Conclusion

Last year, this series asked “How receptive will India be to this convergence [between the Trump Administration’s FOIP and the Obama administration’s US-India Joint Vision for the Asia-Pacific and Indian Ocean Region].” India’s East Asia diplomatic, defense, trade and investment, and multilateral relations provide a reasonably comprehensive answer. First, India continues to pursue its relations with the region on its own terms, pace, and priorities. Second, India has clearly identified its own FOIP with overlapping characteristics with those of the US but not in complete alignment with it. Third, India seeks to frame its relations with East Asia (and the US) not in a “great power competition” framework, but in a more multipolar and autonomous vision. And finally, India seeks to engage a range of instruments and tools to fashion an East Asia engagement that serves first and foremost India’s national interests. Hence, its relations with the US will seek to benefit from overlapping interests with Washington, but not to be compliant or subservient to Washington in the East Asia region.

CHRONOLOGY OF INDIA-EAST ASIA RELATIONS

JANUARY – DECEMBER 2018

Jan. 4-8, 2018: India's External Affairs Minister (EAM) Sushma Swaraj visits Thailand, Indonesia, and Singapore. In Indonesia, Swaraj co-chairs the fifth India-Indonesia Joint Commission meeting and greets new ASEAN Secretary General Lim Jock Hoi.

Jan. 25-26, 2018: Leaders of the 10 ASEAN countries visit New Delhi for the ASEAN-India Commemorative Summit on the occasion of India's 69th Republic Day of India.

Jan. 24-27, 2018: Cambodian Prime Minister Hun Sen makes a [state visit](#) to India during which four agreements of cooperation ranging from culture to water resource development and criminal matters and human trafficking were signed.

March 2-4, 2018: Vietnam's President Tran Dai Quang makes a [state visit](#) to India during which MoUs are signed to enhance trade and economic relations, technical agriculture cooperation, and cooperation on peaceful uses of atomic energy.

March 28-30, 2018: EAM Swaraj visits Tokyo to co-chair the [ninth India-Japan Strategic Dialogue](#). In her remarks to the press, Swaraj refers to many aspects of India-Japan relations but does not mention defense or military ties.

April 22, 2018: EAM Swaraj [visits Beijing](#) to meet State Councilor and Foreign Minister Wang Yi and to attend the Shanghai Cooperation Organization's (SCO) Council of Foreign Ministers.

April 25-26, 2018: EAM Swaraj [visits Mongolia](#), the first by an Indian EAM in 42 years, to co-chair the sixth round of India-Mongolia Joint Consultative Committee (IMJCC) meeting.

April 26-28, 2018: Prime Minister Narendra Modi travels to China for the so-called "Wuhan Informal Summit."

May 10-11, 2018: EAM Swaraj [travels to Myanmar](#) to discuss "boundary and border related issues, peace & security matters, developments in the Rakhine State, including return of displaced persons, India's development assistance to Myanmar, ongoing projects, and other issues of mutual interest."

May 29-31, 2018: PM Modi visits Indonesia, his first since becoming prime minister in 2014.

May 31, 2018: Pm Modi makes a brief visit to Kuala Lumpur to meet Malaysia's newly-elected PM Mahathir Mohammad.

May 31-June 2, 2018: PM Modi makes his second official [visit to Singapore](#) including delivering the keynote speech at the 17th Shangri-La Dialogue.

June 9-10, 2018: PM Modi visits Qingdao, China to attend the SCO Summit. He also meets separately with President Xi.

June 12-15, 2018: India's Defense Minister Nirmala Sitharaman visits Vietnam.

July 8-11, 2018: South Korean President Moon Jae-in makes a [state visit](#) to India.

Aug. 27-28, 2018: EAM Swaraj [visits Vietnam](#) to co-chair the 16th Joint Commission meeting and inaugurate the third Indian Ocean Conference.

Aug. 29-30, 2018: EAM Swaraj makes her first official [visit to Cambodia](#).

Sept. 6, 2018: US Secretary of State Mike Pompeo and Secretary of Defense James Mattis and Minister of External Affairs Swaraj and Minister of Defense Nirmala Sitharaman meet in New Delhi to [conduct](#) the first US-India 2+2 Dialogue.

Oct. 5, 2018: President Putin and Prime Minister Narendra Modi [meet](#) in New Delhi for annual India-Russia summit.

Oct. 27-29, 2018: PM Modi [travels to Japan](#) and meets PM Abe Shinzo.

Nov. 14-15, 2018: PM Modi travels to Singapore for the second RCEP Summit, 16th ASEAN-India Breakfast Summit and the 13th ASEAN Summit.

Nov. 19-21, 2018: India's President Ram Nath Kovind [visits Vietnam](#).

Nov. 21-24, 2018: President Kovind [visits Australia](#), the first-ever visit by an Indian president.

Nov. 22-23, 2018: EAM Swaraj [co-chairs](#) the ninth India-Laos Joint Commission Meeting on Bilateral Cooperation in Vientiane.

Dec. 10-14, 2018: President Kovind makes a [state visit to Myanmar](#) during which the two countries issue a joint statement.

Dec. 18-19, 2018: South Korea's Foreign Minister Kang Kyung-wha visits New Delhi for the ninth meeting of the India-ROK Joint Commission.

Dec. 21-24, 2018: China's Minister of Foreign Affairs Wang Yi [travels to India](#) for the third High-Level Media Forum.

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