

## Chinese president's visit to South Korea: an extraordinary milestone in bilateral ties

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North-East Asia's geopolitical place on the world stage is undergoing some significant shifts. With a rising China, a resurgent Japan, an assertive Russia and an anachronistic North Korea that is simultaneously pursuing nuclear weapons and economic development. Disputes over history, territory and maritime security, among others, are raising concerns that even a small military clash, quite possibly through political miscalculation, might evolve into a full-blown conflict. At the heart of these tensions is a deficit of trust. However, it is worth paying some attention to Chinese President Xi Jinping's state visit to the Republic of Korea (ROK) from 3 to 4 July of 2014, as it shows a sincere willingness to improve the bilateral relationship between the ROK and China.

In a break with tradition, President Xi's arrival in South Korea made him the first Chinese leader to go to Seoul before visiting Pyongyang since South Korea and China established diplomatic relations in 1992. In the past, Chinese leaders had visited their ally North Korea before visiting South Korea. President Xi's decision to meet first with the South Korean President, Park Geun-hye, before North Korea's leader, Kim Jong Un, has considerable strategic implications: in a sense, it highlights China's interest in nurturing its booming ties with South Korea, while sending North Korea an unambiguous message about its destabilising pursuit of nuclear weapons.

This is a particularly remarkable development considering the close ideological and historic ties between China and North Korea. China backed North Korea during the 1950-53 Korean War. Since then, China has been North Korea's sole major ally. Mao Zedong, the Chinese leader, once described their bilateral ties as being as close as 'lips and teeth'.

### *Deepening economic ties*

Over the past 22 years the bilateral economic relations between South Korea and China have developed by leaps and bounds. China has become the ROK's largest trading partner, largest export destination and largest source of imports, while the ROK is now China's third-largest trading partner and fifth-largest source of foreign direct investment. The volume of two-way trade between China and South Korea exceeded US\$229 billion in 2013, a 7% year-on-year increase, which is larger than the combined value of South Korea's trade with the US and Japan. Moreover, South Korea and China are their respective largest overseas tourist destinations and sources of foreign students.

In the joint statement released after the summit, the two leaders agreed to strengthen their efforts to sign a free-trade agreement (FTA) by the end of 2014. China-ROK FTA negotiations were launched in 2012 and more than 12 rounds of talks have been held since then, with the aim being to achieve a comprehensive and high-level accord. The

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<sup>1</sup> The views expressed herein are the author's own and do not reflect the official policy or position of the South Korean government.

FTA, if concluded, will certainly provide a valuable framework to bolster their already booming economic ties. It will also promote the process of economic integration between Asian countries. As a sign of the further enhancement of the countries' economic relations, the two leaders also agreed to set up a direct trading exchange market between the won and RMB in Korea.

### *North Korea's nuclear issue*

North Korea's nuclear weapons programme is considered the number-one threat to peace and stability in North-East Asia and beyond. North Korea's nuclear weapons capability will have devastating implications for the entire North-East Asian security environment.

The six-party talks involving the two Koreas, the US, China, Japan and Russia began in 2003, with the aim of ending North Korea's nuclear programme. In 2005, North Korea agreed to scrap its nuclear programme in exchange for diplomatic concessions and economic aid under a landmark deal. The talks, however, stopped in 2008. As a result, North Korea is further away than ever from the goal of denuclearisation.

At the summit, the leaders of South Korea and China sent a strong message to North Korea to the effect that they shared a common position against North Korea's development of nuclear weapons. The joint statement said that 'the two countries reaffirm their firm opposition to the development of nuclear weapons on the Korean peninsula', a phraseology much stronger than a year ago. In addition, both leaders agreed to make efforts to resume the long-stalled six-party talks by preparing preconditions.

Thus far, the negotiating pattern on North Korea's nuclear ambitions is all too familiar: North Korea provokes a crisis; the international community imposes a certain number of sanctions; then the international community tries to patch things up by offering North Korea concessions and rewards; meanwhile, North Korea uses the intervening time to advance its nuclear and missile capabilities. In order to break this vicious circle, the South Korean and US governments demanded that North Korea demonstrate some tangible commitment to denuclearisation before any substantive dialogue could be held. In contrast, North Korea called for an unconditional resumption of the talks.

Given the circumstances, the summit has laid a solid foundation for strengthened strategic cooperation between the two nations by reaffirming their common goals on North Korean denuclearisation.

### *Shifting dynamics*

An intense security competition is now underway in North-East Asia. It is more severe in intensity and more multi-faceted in extent than ever before. The main sources of conflict are territorial claims and unresolved historical issues left over from the post-World War II order. The dangerous territorial disputes are being played out by China and Japan over the Senkaku Islands (called the Diaoyu Islands by China), while the Spratly Islands could also become Asia's most volatile flashpoint for those claiming them, namely China, Taiwan, Vietnam, Malaysia, Brunei and the Philippines.

Despite being natural partners who badly need each other, the relations between South Korea and Japan have become more difficult in recent years, mainly on account of historical grievances that date back to the first half of the 20th century. At the heart of South Korea's resentment lies the issue of the so-called 'comfort women', who were

forced into sexual slavery before and during World War II by the Japanese military. Japan announced in late June 2014 that the so-called Kono Statement, which had been drawn up in cooperation with South Korea, would be re-examined and reviewed. The statement, Japan's landmark sexual slavery apology, had acknowledged the army's role in forcing women into sexual slavery but the Japanese government's backtracking has only served to make the bilateral relationship harder.

In another important development that could possibly affect a rapidly shifting balance of power in North-East Asia, the Japanese Prime Minister Shinzo Abe took Japan further to the right by pushing for a bigger role for the Self-Defence Forces and for a less apologetic view of Japan's World War II wartime record. The Japanese Cabinet announced its reinterpretation of Article 9 of Japan's pacifist Constitution on 1 July 2014 –in place for almost 70 years– in order to allow the country's military to play a more robust role in the increasingly fragile region. Japan's changed stance has certainly given cause for concern to the Chinese and Koreans, who suffered the most from Japan's brutal colonial expansion in the first half of the 20th century. During the state visit, Presidents Park and Xi voiced concerns over Japan's recent moves.

Just in time for Chinese President Xi's arrival in Seoul, Japanese Prime Minister Abe announced that he would lift some sanctions imposed against North Korea in return for North Korea's pledge to investigate the fate of Japanese nationals abducted in the 1970s and 1980s. The recent progress in talks between Japan and North Korea, however, has drawn concerns from South Korea and their other neighbours since it is feared that any compensation deal might compromise the trilateral cooperation between the US, South Korea and Japan aimed at denuclearising North Korea.

At the root of the shifting dynamics in North-East Asia is a growing nationalism that is adding further complexities and uncertainties to the region.

### *Challenges and opportunities*

The Chinese President Xi's state visit to South Korea has greatly contributed and should continue to contribute to further consolidating the relationship between the ROK and China in many fields and injecting new vigour into future cooperation. On the other hand, the US-ROK alliance has served as the cornerstone of peace and stability on the Korean peninsula and beyond. The US still maintains 28,500 troops in South Korea. South Korea needs the friendship of both the US and China and it is increasingly important to harmoniously develop the bilateral relationship between the ROK and the US as well with China.

It is speculated that a rising China is fated to clash violently with the US, but this is not necessarily so. Upsetting the present order may be in no regional actor's interest. The economic and security architecture designed after World War II and maintained by the US has served as the guarantor of regional peace and stability that has enabled Asia's sustained economic growth. China, on its part, has contributed to the global economy as the single most important engine of growth. Herein lies the need for all regional actors to be guided by a sense of wisdom and a perception of shared interests in preventing a war and in shaping a stable and prosperous future.

It is in this challenging environment that South Korea's President Park seeks a North-East Asia Peace and Cooperation Initiative (NAPCI) through the pursuit of **Trustpolitik** in the

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region. President Park's NAPCI is a plan to build trust between regional players by starting with less sensitive issues, such as the environment, counter-terrorism, disaster relief and nuclear safety.

The ROK-China summit has provided South Korean policy-makers with opportunities and challenges alike: through the summit the ROK has proved its enhanced strategic value in the region's shifting dynamics. How to transform its increased strategic position into substantial gains, such as the abandonment of North Korea's nuclear weapons programme and the shaping of the parameters for Korea's unification, will remain one of the trickiest challenges for South Korea's diplomats.

The task is daunting. More than anything else, they must overcome the inherent contradictions in an increasingly economy-focused policy towards China and a strategy-focused policy towards the US and play a constructive role in maintaining a stable and prosperous regional order. To that end, it is imperative that South Korea's diplomats pool their wisdom and resources and devise an appropriate strategy.