

The Security Implications of Korea-China Relations after Li Zhan Shu's Visit to Korea

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1. News Highlights

Li Zhan Shu, Chairman of the Standing Committee of the National People's Congress of China, visited Korea from September 15 to 17 for bilateral talks with Kim Jin-pyo, Speaker of the National Assembly of Korea, and Yoon Suk-yeol, President of Korea. The main reason for Li's visit to South Korea is that the then Speaker of the Korean Parliament, Park Byeong-seug, invited Li to visit the country during the Beijing Winter Olympics in February 2022. In other words, this is a "return visit."¹ In the visit to South Korea, which coincides with the 30th anniversary of the establishment of diplomatic relations between Korea

and China, Li not only discussed with the South Korean officials the prospects for future economic cooperation and development, but also had in-depth talks with President Yoon Suk-yeol on a number of issues such as the future invitation to Xi Jinping to visit Korea, the "bold ideas" Yoon had raised, and the "stumbling blocks" in the relationship between the two countries.²

2. Security Implications

2-1. Korea tries to maintain a balanced position between the US and China

Due to the geographical location of

1. <「中 서열 3 위」 리잔수 15~17 일 방한 ... 김의장, 16 일 양자회담>, 《연합뉴스》, 2022 年 9 月 4 日, <https://reurl.cc/XVxDpR>.

2. <윤석열대통령, 리잔수 中 전인대 상무위원장 접견>, 《대한민국정책브리》, 2022 年 9 月 16 日, <https://reurl.cc/xQ4xX1>.

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the Korean peninsula, Korea's security strategy relies heavily on the military alliance with the US and dealing with the North Korean issue through diplomatic dialogue between major powers. In terms of the economic field, Korea and China have continued to cooperate in economic and trade matters for a strategic partnership since the establishment of their diplomatic relations in 1992. For a long time, Korea's principle of cooperation has been "the US for security, China for economy." Under the Moon Jae-in administration, South Korea has succeeded in alleviating the military confrontation between North and South Korea through the South Korea-US-China dialogue mechanism, and the number and scale of joint South Korea-US military exercises have been significantly reduced. However, since the talks with North Korea in Singapore and Hanoi were unsuccessful and the South transferred to a new regime, the military confrontation between the two is heating up again. According to previous experience, North Korea may launch the seventh nuclear weapon test or large-scale military exercises around its major political commemorative days before the end of the year. To deal with possible future

military provocations independently, Korea is actively strengthening its surveillance, reconnaissance, intelligence, and independent commanding capabilities against North Korea. In the Ulchi Freedom Shield Korea-US joint military exercise that took place on August 22, 2022, the commanding authority was assigned to the Korean deputy commander of ROK/US Combined Forces Command (CFC) for the first time, rather than to the US CFC commander who is also the head of the US forces in Korea in previous joint exercises.

Korea maintains a stable relationship with its neighboring powers and seeks opportunities for common multi-party dialogue and coordination on North Korean issues. The practice is one of the principles of Korea's "Four-Power (US, China, Japan, and Russia) Diplomacy." Since the establishment of diplomatic relations between Korea and China on August 24, 1992, the two countries have cooperated on several of occasions on the North Korean issue, including arrangement of North Korean-US dialogue and the Six-Party Talks. Korea is also coordinating the US-China conversation on the North Korean nuclear issue and the dialogue framework between

the two Koreas to maintain its balanced relationship between the US and China.

2-2. The levels of recent high-level visits between Korea and China are gradually elevating

It has been the common practice of Korean Presidents and Speakers of the National Assembly to visit China once or twice during their terms of office. China is also Korea's major trading partner, ranking first in terms of dependence on import and export trade over the years. To maintain the stability of the Korean peninsula, South Korea and China have been strengthening their economic, trade, and cultural cooperation and exchange while working together on the North Korean problems. In the three-sided relationship between South Korea, North Korea, and China, the "South Korea-China" and "North Korea-China" connections constitute a competitive situation as China plays a pivoting role that maintains good interactions with the two Koreas and a key dialogue channel between them.

In the aftermath of the most significant "stumbling block" in Korea-China relations, namely the "THAAD missile incident," the high-level visits between South Korea and China have decreased significantly. The last such visit was in June 2015, when the then-chairman of the Standing Committee of China's National People's Congress, Zhang Dejiang, visited South Korea. In 2022, the 30th anniversary of the establishment of Korea-China diplomatic relations, the high-level interactions between the two countries have become intensive since the Winter Olympics in Beijing at the beginning of the year. On August 24, 2022, both countries held a grand commemorative event in Seoul and Beijing at the same time. Moon Jae-in had planned to facilitate Xi's visit to Korea,³ which might have been possible if it was not affected by the COVID-19 epidemic. Li Zhan-Shu's visit to South Korea is likely to be a precursor to Xi Jinping's future visit. Xi's last official visit to South Korea was in July 2014, when he described the relationship between the

3. <한중정상통화... 「시 주석 연내 방한 추진」 >, 《KTV 국민방송》, 2022年5月16日, <https://reurl.cc/kE9E5x>.

two countries as a “hearty brotherhood” during a speech at Seoul University.⁴

3. Trend Observation

3-1. Korea's “the US for security, the world for economy” course will be put to the test

In his video speech at the inauguration ceremony of the Indo-Pacific Economic Framework (IPEF) on May 23, 2022, Yoon Suk-yeol first introduced the “the US for security, the world for economy” concept, which means “relying on the US for security and the world for the economy” in hope to reduce the dependence of the industrial chain and import/export trade on China. The concept is obviously deviating from the “the US for security, China for the economy” course in the past. But it is still unclear

whether the concept can actually reduce Korea's dependence on China for imports and exports. According to the information released by the Korean Customs Service, Korea's trade with China (excluding Hong Kong) has long been in surplus between August 1994 and April 2022. However, starting in May 2022, Korea's trade deficit with China started to appear, and it may not be easy to recover in the short term.⁵

Korea's major exports to China, such as semiconductors, LCDs, auto parts, cosmetics, and petroleum products, are all showing a sharp decline, while Korea's import demand to China is increasing rapidly, mainly for lithium hydroxide, a raw material for electric vehicle batteries, with a dependence rate of 83% and a growth rate of 404% from Q1 to Q2 2022, which is one of the main reasons for the trade deficit.⁶

The recent “China trend”⁷ and the

4. <[시진핑 주석] 아시아 꿈을 위한 동행 (同行)>, 《서울대 소식》, 2014年7月5日, https://www.snu.ac.kr/snunow/snu_story?md=v=120501.

5. <[단독] 믿었던 중국마저 ...28년 이어온 對中 무역흑자>, 《매일경제》, 2022年7月1日, <https://pse.is/4gec62>.

6. 홍지상, <최근 對중국 무역수지 적자 진단>, 《한국무역협회 국제무역통상연구원》, 2022年8月19日, <https://reurl.cc/XVxDqE>.

7. The “China Trend” is a policy actively promoted in China in recent years. The goal is to elevate from “Made in China” to “Created in China,” from “Chinese Speed” to “Chinese Quality,” and from “Chinese Products” to “Chinese Brands” by 2035 for higher national self-confidence. For more related content, please refer to “The China Trend fever is growing fast! Chinese officials: promoting from ‘Chinese Products’ to ‘Chinese Brands,’” *UDN Online*, August 26, 2022, <https://reurl.cc/7pq31b>.

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localized production of semiconductors in China have seriously affected Korea's dominant position in the technology sector in China. In addition, China's "barring Korean products"⁸ order has yet to be lifted, causing many Korean companies to withdraw from the country.⁹ To address this, Korea should keep its technological advantage through further development, seek alternatives to the raw material imports in its industrial supply chain, and formulate new policies and measures to improve the trade structure between the two countries.

Since Xi Jinping came to power, unlike the past practice of China's top leaders visiting North Korea before visiting the South, Xi exchanged phone calls with Yoon Suk-yeol after Yoon was confirmed to be elected, and China even extended an invitation to Yoon to visit after he took office. Observing the current situation, Korea and China are interacting well, and the August 2022 Foreign

Ministers' meeting was successfully concluded. However, South Korea and China have different views on the "Three-Not Principles" agreement reached on October 31, 2017, which means South Korea "will not deeply more THAAD anti-missile system," "will not join the US missile defense system," and "will not join the military alliance between South Korea, the US, and Japan." Moreover, China believes that in addition to the "Three-Not," there is a "One-Limit," which means "restricting the use of the existing THAAD system." Still, there is a clear difference in understanding between the two sides on this issue.¹⁰ Although Yoon Suk-yeol Li Zhan-Shu mentioned this topic during their meeting on September 16, they seem to have not reached a consensus.

In addition, Yoon planned to meet with US Vice President Kamala Devi Harris on September 25 to exchange views on "Korea-US economic and security

8. In retaliation for the South Korean government's decision to deploy the THAAD system and the Lotte Group that provided the space, China has been restricting the development of Korean idol groups, cultural industries, and tourism products in China through executive orders since 2016. The orders gradually expanded the scope and forced the Lotte Group to withdraw altogether from the Chinese market.

9. <미중갈등에 ... 회계법인·로펌, 사업철수 자문 활황>, 《매일경제》, 2022年8月24日, <https://pse.is/4gmmjh>.

10. <사드 3 불과 3 불 1 환>, 《중앙일보》, 2022年8月15日, <https://reurl.cc/O4Q7m7>.

relations” and North Korea issues.¹¹ The relations between the two countries have been upgraded from “military alliance” to “military alliance and economic and security relations,” which may also become one of the uncertainties affecting Korea-China relations in the future.

3-2. US-China competition will lessen the ambiguity of Korea's future

Since the establishment of Korea-China diplomatic relations, Korea has always taken a clear, cautious approach to the Taiwan issue. For example, in the joint statement released by then-President Moon Jae-in of South Korea and US President Joe Biden on May 21, 2021, peace and stability in the Taiwan Strait were mentioned — the first since the establishment of Korea-China diplomatic relations. However, the substantiality of the brief mention is still quite limited.

At present, the Korean government still adopts a rather clear response to the Taiwan issue. Judging from the recent

move of Yoon Suk-yeol avoided meeting Nancy Patricia Pelosi, it is likely that Korea will still try to sidestep Taiwan-related issues publicly in the future while maintaining the existing economic and cultural exchanges with Taiwan. Therefore, judging from the current situation, Korea-China relations should break the ice soon, and Korea will engage in dialogue with China on issues such as the “Three-Not Principles,” North Korea, and the economy.

But with the increasing competition between the US and China and the rather low 32.3% domestic approval of the Yoon Suk-yeol administration, which has been in office for less than a year, the situation has not yet improved.¹² At the same time, internal confrontation and conflicts are rampant in Korea, and negative public perceptions of China are at an all-time high. According to a Pew Research Center poll released in June, nearly 80% of the Korean public had a negative view of China.¹³

To resolve the domestic political

11. <尹대통령 ,29 일 「방한」 해리스美부통령 접견 ... 「한미동맹 강화」 > , 《연합뉴스》 , 2022 年 9 月 8 日 , <https://reurl.cc/xQexvz>.

12. <尹대통령지지율 ,33.6% → 32.3%...4 주만에 하락세 [리얼미터] > , 《연합뉴스》 , 2022 年 9 月 5 日 , <https://reurl.cc/lenkpA>.

13. “Negative Views of China Tied to Critical Views of Its Policies on Human Rights,” Pew Research Center, June 29, 2022, <https://reurl.cc/RXoRM9>.

dilemma, the Yoon administration is struggling to change the “weak government, strong opposition” situation; he might also take measures to respond to the current public opinion as the US-Korea economic and security relations and the Indo-Pacific security strategy are gradually taking shape. Although the “Korea-US-Japan military alliance” is unlikely to emerge in the near future, the recent regularization of their joint military exercises and the reconvening of the “Korea-US Extended Deterrence Strategy and Consultation Group”¹⁴ have diminished Korea’s ambiguity between the US and China and may force it to choose sides. In this situation, Korea will have to find a new solution and position for itself.

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14. <제 3 차 한미 고위급 확장억제 전략 협의체 (EDSCG) 개최>, 《대한민국 정책브리핑》, 2022 年 9 月 8 日, <https://reurl.cc/KQEKOy>.