



“North Korea Factor” in the U.S.-China Trade Negotiation

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In the wake of Kim Jong-un’s fourth visit to China, a debate has been underway among experts whether China used the “North Korea card” against Washington in their trade negotiation, capitalizing on Kim Jong-un’s visit. The two international headline-grabbing events happened the same week in Beijing.

Both Beijing and Washington flatly deny the linkage. Yet analysts are divided. It warrants a discussion, as it would offer an insight into how the two superpowers strategize the North Korean issue in their dealings with each other.

Trump has already openly complained, at least three times, that “China was behind” North Korea’s defiant attitude that led to the negotiations being stalled last year. For instance, Trump on August 29, 2018, tweeted that he “feels strongly that North Korea is under tremendous pressure from China because of our major trade disputes with the Chinese Government.”¹⁾

A second summit meeting between Trump and Kim is expected to be held soon. As such, Chinese leader Xi Jinping’s meeting with Kim is bound to make Washington anxious.

In theory, the North Korean nuclear issue and the

U.S.-China trade war should be separate issues. But the idea that China may use “North Korea” as leverage in the trade war keeps popping up.

When the question was raised to U.S. Secretary of State Mike Pompeo on Jan. 6, Pompeo said²⁾: “The Chinese have been very clear to us that these are separate issues,” labeling China “a good partner” in Washington’s effort to disarm Pyongyang’s nuclear arsenal.

China also denies it is playing the “North Korea card” in its trade war with Washington. Chinese foreign ministry spokesmen Lu Kang on Jan. 8 brushed aside the view. He said, “China doesn’t need any ‘ji qiao (maneuvers)’ to send a signal to the United States.”³⁾

Some analysts in Washington also agree. They also think that the trade war in itself is so complex and intricate that there is no room for the North Korean nuclear issue to get involved. They also contend that the U.S. government also treats them as separate matters.

But others think that it makes sense for China to use “Kim’s visit” to leverage against Washington. China is seen as the country that wields the largest influence over Pyongyang. Over 90% of North Korea’s economy depends on China. With Kim’s four visits in less than one year, China seems confident in its thinking that Washington alone cannot solve the North Korean issue; it needs

1) Earlier in May 2018, Trump also expressed disappointment with Chinese leader Xi Jinping for his alleged interference with Trump’s negotiation with Kim. He said, “I will say I’m a little disappointed, because when Kim Jong-un had the meeting with President Xi, in China, the second meeting — the first meeting we knew about — the second meeting — I think there was a little change in attitude from Kim Jong-un. So I don’t like that.” The White House. “Remarks by President Trump and President Moon of the Republic of Korea Before Bilateral Meeting.” May 22, 2018. <https://www.whitehouse.gov/briefings-statements/remarks-pr-ident-trump-president-moon-republic-korea-bilateral-meeting-2/>

2) <https://www.cnn.com/2019/01/08/cnbc-exclusive-cnbc-transcript-secretary-of-state-mike-pompeo-speaks-with-cnbc-wilfred-frost-today.html>

3) 外交部. “2019年1月8日外交部发言人陆慷主持例行记者会.” January 8, 2018. https://www.fmprc.gov.cn/web/fyrbt_673021/t1627853.shtml

China's help.

Aware of the debate, China's Global Times also chipped in to knock down the allegation that China might be using the North Korea card. In an editorial, it said⁴⁾: "Hardly any serious Chinese strategist would consider this method," as if it would be beneath the dignity of a rising superpower to mix the two; one is a trade issue, the other is a security issue. One is an apple, the other an orange. In a gentlemen's world, one is not supposed to mix the two.

However, when the THAAD dispute erupted between China and South Korea, there was also a strong expectation in South Korea that China would not launch an economic retaliation because they are "separate" issues. Even then a South Korean cabinet minister, who was in charge of nation's economy, famously advocated this view, rationalizing that China's economic retaliation would also hurt the Chinese economy, given the interdependence of the two nations' economies.

Yet, against such a wishful thinking, China took economic revenge against South Korea to send a political signal - not just to Seoul but also to other neighboring countries: when you side with Washington in U.S.-China disputes, you will pay the price.

Trump is also well-known for mixing apples and oranges. He publicly said China's stance on North Korea influences his trade policy.⁵⁾ Specially, he suggested he'd go softer on trade if China was being helpful on North Korea. It is safe to assume that Beijing knows how to play that game too.

When the Chinese foreign ministry spokesman Lu Kang was inundated with repeated questions from journalists regarding Kim's meetings and itineraries in Beijing, he assured them four times: "I will let you know immediately."⁶⁾

He didn't.

4) 环球时报. "社评：金正恩访华是半岛局势新年好开头". January 8, 2019. <http://opinion.huanqiu.com/editorial/2019-01/14010950.html>

5) David Brunstrom and Susan Heavey. "Trump says China's stance on North Korea influences his trade policy." Reuters. December 29, 2017. <https://www.reuters.com/article/us-northkorea-missiles-china-trump/trump-says-chinas-stance-on-north-korea-influences-his-trade-policy-idUSKBN1EM1IY>

6) Ibid. 外交部.

After Kim arrived in Beijing, China's media outlets suddenly switched gears from a celebratory mode to a low-key mode. There was no immediate TV footage about Xi's meeting with Kim, including the much-anticipated Kim's "birthday cake" scene. Kim had his 35th birthday during his visit to Beijing. This came as a great contrast to Kim's previous visits when the Chinese media made big headlines about Kim's activities in China, accentuating the "friendship" between the two nations.

The media blackout heightened curiosity, if not anxiety, in Washington, regarding what Xi and Kim talked about. Interestingly, it occasioned with the time when the U.S. and China announced that they would extend their trade negotiation one more day.

China continued to keep mum about Kim's activities in Beijing. Only when the U.S. trade negotiators left, China aired TV footages of Xi's meeting with Kim.

Why would China initially trumpet Kim's visit, but then once he was in Beijing, it kept mum, holding Washington in an anxious guessing game?

Even if "North Korea" may have not been part of the calculus among those U.S. trade negotiators in Beijing, the presence of North Korean leader in the same city must have been keenly watched by those decision-makers in Washington. It's reasonable to think that it served as an "unspoken" psychological factor in the trade negotiation.

It's similar to the arrest of Huawei CFO Meng Wanzhou, who is the daughter of the founder of Chinese telecoms giant. The U.S. maintained that her arrest and the U.S.-China trade war were unrelated. But it made China quite jumpy.

Taken together, it can be argued that China's withholding information about Kim's visit by selective media blackout, while its trade negotiation with the U.S. was unfolding at a critical time, was a premediated act. It was a "measured" display of China's influence over North Korea.

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