

Wang Zhao, Pool Photo via Associated Press

South Korea-China Relations Amid the Pandemic

A long overdue rapprochement has been further delayed thanks to COVID-19.

By **Kyle Ferrier**

This spring was supposed to be a crucial moment for Seoul to finally bring relations with Beijing out of a long winter. South Korea's 2017 deployment of the U.S. Terminal High Altitude Area Defense (THAAD) missile defense battery prompted a major political and economic backlash from China. That should have ended with an agreement later that year, but ties nevertheless remained chilly. Now COVID-19 has paused the long overdue

reconciliation, which was to include a summit between Chinese President Xi Jinping and South Korean President Moon Jae-in in the first half of 2020. Though Xi has recently reaffirmed his intention to visit Moon when conditions allow, by the time the two leaders can meet South Korea will be in a more difficult position in the face of intensifying great power competition.

The decision to deploy THAAD was made under the auspices of the U.S.-South Korea alliance in relation to the missile threat posed by North Korea; however, Beijing saw the system as a thinly veiled threat against its own interests. Beijing argued the system's X-band radar extended beyond North Korea into Chinese territory, and thus was targeting threats from China. Despite efforts from Washington and Seoul to refute these claims, Beijing took a series of retaliatory actions against South Korean companies starting in the summer of 2016, when the THAAD decision was announced. The Chinese government targeted an array of South Korean cultural content and consumer products, ranging from cosmetics to automobiles, but the damage was most profound in the tourism sector and for Lotte – the South Korean conglomerate that sold the land to the government to host THAAD. In March 2017, Beijing banned domestic travel agencies from selling group packages to South Korea, causing tourism to precipitously drop. Additionally, Beijing's targeting of Lotte's retail stores eventually forced the company to close all of its locations in China.

Bilateral relations were expected to improve in the fall of 2017 with the signing of the "three noes" agreement, but there was less of an immediate impact than Seoul may have been hoping for. The agreement had South Korea affirm that it would not pursue a formal trilateral alliance with the United States and Japan, not accept additional THAAD batteries, and not be integrated into any U.S.-led regional missile defense system. In exchange, China was supposed to reverse the informal economic sanctions and normalize political ties.

Yet switching on the pressure came more readily than switching it off. Following the deal, there was not as big a bounce back in many of the affected South Korean industries as one might have expected, particularly in tourism. One estimate puts the South

Korean tourism losses between 2017 and 2019 as high as \$24 billion. The enduring political tensions were less palpable, but nonetheless acted as a drag on the relationship as evidenced by the Chinese foreign minister's December visit to South Korea – his first in four years – where he stated the two countries would be looking to “completely normalize” relations.

The summit and additional cultural exchanges planned for this spring were supposed to provide that final push to get relations back to normal, but, of course, the pandemic has upended those long-awaited plans. This delay would not be as important for Seoul were it not for two key factors.

The first is Seoul's dependence on Beijing for economic growth and in advancing diplomacy with North Korea. South Korea's over \$136 billion in goods sent to China last year represented a quarter of its total exports. Considering the country's export dependence – with exports constituting around 45 percent of GDP – this trade with China represented over 8 percent of South Korean GDP last year. Additionally, despite its own limitations when it comes to influencing policy direction in Pyongyang, Beijing nevertheless remains a key player in advancing Seoul's inter-Korean objectives. This is perhaps most visible in North Korea's diplomacy with China in 2018-19 while also in talks with the United States and South Korea. Between March 2018 and June 2019, North Korean leader Kim Jong Un and Xi met a total of five times, more than Kim met with either Trump or Moon over the same period. Normalizing relations with Beijing would help Seoul to both limit further retaliation in a key economic partnership as well as improve ties with a country that could be either a major competitor or collaborator for influence in Pyongyang.

The second reason why the summit delay matters is that with each day relations between Beijing and Washington are becoming increasingly fraught, putting Seoul in an ever more uncomfortable position as it tries to strike a balance between the two. Signs of an escalating rivalry between the United States and China since the start of the pandemic seem nearly endless. The Trump administration blamed China for allowing the coronavirus to spread around the world and withdrew funding from the World

Health Organization over concerns that the institute enabled Beijing's initial efforts to cover up the disease. President Trump himself has said "we could cut off the whole relationship" with China. For its part, Beijing has adopted a new aggressive "wolf warrior" tactic of attacking its critics and promoting the Party line abroad.

As China represents South Korea's largest economic partner and the United States its most significant ally, Moon could very well find himself in a tougher geopolitical situation by the time he meets Xi than if the two had met as originally scheduled. In a worst-case scenario, it is certainly conceivable the increasingly zero-sum fight between the two powers could even cause Xi to call the summit off altogether if Moon appears too deferential to the alliance with the United States.

Just as it can be said about anything else affected by COVID-19, it is still too early to tell how exactly the pause in rapprochement will ultimately affect South Korea-China relations. What remains clear, however, is that much can change in the coming months in the shadow of the growing U.S.-China rivalry and that there is potentially much at stake for South Korea.

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