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Japan and China move quietly to stabilize relations

Key takeaways

- The leaders of Japan, China, and South Korea held their first trilateral summit since 2019, revealed a shared interest in improving their ties even as security competition has increased.
- Both the Japanese and Chinese governments appear to be interested in a rapprochement, particularly to safeguard their economic ties.
- Any rapprochement is likely to be fragile, vulnerable to security friction and domestic politics — but it could receive a boost from US protectionism.

Amidst the backdrop of a worsening strategic environment, the leaders of Japan, China, and South Korea held their first trilateral summit since 2019 in Seoul on Monday, 27 May. With the Japanese and Chinese government trading barbs days before the summit after more than thirty Japanese lawmakers attended the inauguration of Taiwanese President Lai Ching Te and the People's Liberation Army responded with exercises around Taiwan, it would have been reasonable to expect that the trilateral – and a bilateral meeting between Prime Minister Kishida Fumio and Chinese Premier Li Qiang before the trilateral – would be frustrated by deepening antagonism between China and the US and its allies.

However, the summit was surprisingly businesslike, as the three leaders [released](#) an eight-page joint statement that sought to identify areas in which their governments can achieve tangible progress in strengthening their ties, including restarting negotiations for a trilateral free trade agreement (FTA), expanding people-to-people ties, and deepening cooperation on addressing common challenges, including climate change and environmental degradation and aging and population decline. The statement also emphasized the importance of “institutionalizing” trilateral cooperation at both the leader

and ministerial levels. To be sure, these initiatives will not arrest or reverse the worsening security competition between China on the one side and an evolving US-led bloc on the other or the widening efforts by Japanese companies, supported by the Japanese government, to make their supply chains more resilient and less dependent on China for vital products. But it does suggest that despite these tensions, both Tokyo and Beijing are exploring avenues for stabilizing their bilateral relationship.

A growing rapprochement?

Between Kishida's bilateral summit with US President Joe Biden, his trilateral summit with Biden and Philippines President Ferdinand "Bongbong" Marcos, and his Golden Week trip to France, Brazil, and Paraguay – as well as overseas trips by Foreign Minister Kamikawa Yōko and Defense Minister Kihara Minoru – Kishida is working to strengthen Japan's partnerships in an effort to bolster what the prime minister has taken to calling the "free and open international order based on the rule of law." There is little question that Tokyo views China and Russia as the major challenges to this international order and is concerned over the "no limits" partnership between them, which is not only increasingly present in East Asia but is also a rival for influence in the "Global South."

And yet the Kishida government has signaled its interest in at least a limited strategic reset with Beijing, perhaps returning to the pre-pandemic context when Chinese President Xi Jinping and the late Abe Shinzō were exploring opportunities for economic cooperation and preparing for a state visit by Xi to Japan that was indefinitely postponed after the onset of the Covid-19 pandemic. In this sense, Kishida's thinking is not altogether different from Abe and other predecessors, the recognition that Japan cannot afford to decouple with China despite the growing security challenges. "The art of politics," Abe said in his posthumously published memoir, "is to turn China's market size into an opportunity for Japan on the economic front, while managing the security challenges."

While it has become significantly more difficult to insulate the economic relationship from the security challenges since 2020 – not least with the Biden administration's pursuit of economic security through export controls, tariffs, and other tools to limit China's access to advanced technology and its determination to secure the compliance of Japan and other allies – the underlying logic remains unchanged. Japanese companies too continue to view China as an essential market, even as they have diversified their regional investments in response to China's macroeconomic conditions and the US-China trade war. And the Chinese government, facing an economic slowdown and falling inbound investment and facing an increasingly robust coalition of "like-minded" countries in Asia, may view outreach to Japan and South Korea as an opportunity to support its economy and perhaps drive a wedge in the US-led bloc.

Kishida's diplomacy in Seoul is therefore a step towards reestablishing a stable status quo with China against a backdrop of strategic competition. Japan's Ministry of Foreign Affairs signaled Tokyo's interest earlier this spring when, in its annual Diplomatic Bluebook, it characterized its goal for the bilateral relationship using the phrase "mutually beneficial relationship based on common strategic interests" (which dates to Abe's first premiership) for the first time since 2019. There have been other signs of a thaw. In mid-May, a Chinese military delegation visited Tokyo for meetings with their Japanese counterparts for the first time in five years as part of a longstanding bilateral exchange. Meanwhile, on Wednesday, 29 May officials from the Chinese Communist Party's International Liaison Department are expected to meet with Liberal Democratic Party (LDP) Secretary-General Motegi Toshimitsu and Kōmeitō leader Yamaguchi Natsuo, resuming a ruling party exchange interrupted since 2018.

Obstacles and pitfalls

But any rapprochement will likely to be fragile. Not only will it be vulnerable to the regional security competition, but Tokyo and Beijing will also have to overcome more mundane but persistent irritants in their bilateral relationship. The Chinese government has been critical of the release of wastewater from the Fukushima Dai-ichi plant, including a condemnation in its joint statement with Russia this month and a ban on the importation of Japanese seafood imposed after the release of wastewater last year. Japan has protested the ban but has not yet succeeded in convincing Beijing to lift it. Japan has also protested China's arrests of Japanese citizens on spying charges.

Domestic politics, particularly in Japan, could also limit the possibilities for bilateral cooperation. In the nearly five years since Abe met with Xi at the G20 summit in Osaka, the balance of power within the ruling coalition and government has shifted in favor of China hawks, resulting in attacks on politicians perceived as dovish on China, such as on Kōno Tarō when he ran for the LDP's presidency in 2021 or on Hayashi Yoshimasa when he was named foreign minister that same year. The impending retirement of LDP lawmaker Nikai Toshihiro, a longtime advocate for closer relations with China; the waning influence of Kōmeitō, which has played a critical role since the establishment of diplomatic relations; and the decline in opportunities for younger lawmakers to build similar backchannel relationships with Chinese counterparts has made the bilateral relationship more brittle.

The Trump factor

However, despite these obstacles, there may be a final factor working in favor of closer cooperation between Japan and China: the possibility of a second Trump administration in the US. While it may be an exaggeration to say that Abe's post-2016 outreach to Beijing was an act of hedging against the US, it nevertheless revealed the extent to which Tokyo and Beijing shared a commitment to the maintenance of the international trading system.

With the Biden administration's introduction of new tariffs and Donald Trump's threats for his own tariffs on China, the two governments may be quietly working to preserve a rules-based trading system against a sustained protectionist turn by the United States. The most important section of the trilateral statement may have been the following:

We reaffirm our support for the open, transparent, inclusive, non-discriminatory and rules-based multilateral trading system, with the World Trade Organization (WTO) at its core. We commit to reforming and strengthening all WTO functions, including having a fully and well-functioning dispute settlement system by 2024.

Together with the commitment to resume trilateral FTA negotiations and work on procedures for expanding the Regional Comprehensive Economic Partnership (RCEP), the Kishida government has signaled it is not prepared to decouple from China, even if there are clear limits to how deep cooperation can go. It is premature to speak of a renaissance in the bilateral relationship, but both governments are clearly looking for sounder footing.

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