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Executive Summary

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China-Japan Conflict over the Taiwan Issue and Its Implications for South Korea

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Current Status of the China-Japan Conflict over the Taiwan Issue

On November 7, 2025, during a session of the Japanese House of Representatives Budget Committee, Japanese Prime Minister Takaichi Sanae mentioned that if China uses force against Taiwan, such a scenario could be considered a “survival-threatening situation” (*sonritsu kiki jitai*) for Japan. Previous Japanese cabinets had avoided explicitly linking a Taiwan contingency to a survival-threatening situation, which is a prerequisite for the exercise of the right to collective self-defense. Takaichi thus became the first sitting Japanese prime minister to publicly suggest the possibility of exercising collective self-defense in the event of a Taiwan contingency.

China’s reaction was immediate and intense. Xue Jian, the Chinese Consul General in Osaka, further escalated diplomatic tensions by posting extreme remarks on his personal social media account, including phrases such as “a road to death” and “the intruding dirty neck must be cut off without a moment’s hesitation.” Diplomatic friction between China and Japan has since expanded beyond the political realm into economic and cultural spheres. China has pressured Japan through measures including travel advisories discouraging travel to Japan, bans on Japanese seafood imports, and export controls on dual-use goods.

The China-Japanese conflict has also escalated into actual military operations, including radar lock-on incidents. This series of events demonstrates that diplomatic tensions between China and Japan can extend beyond cultural and people-to-people exchanges into military, security, and economic spheres.

Future Outlook and Implications for South Korea

China is expected to maintain a hardline stance unless Japan retracts its related remarks, as Beijing seeks to counter the expansion of the U.S. alliances' role in the region, secure an advantage in the cross-strait relations, and uphold President Xi Jinping's political authority. Japan, for its part, is also unlikely to retreat easily on the Taiwan issue, given strong domestic support for Takaichi's remarks and the significant economic, security, and geographic stakes Japan holds in Taiwan. Japan is likewise seeking to enhance its presence in safeguarding the regional security order. Thus, the China-Japan conflict over the Taiwan issue is deeply intertwined with domestic political factors in both countries, their respective relations with the United States, and broader strategies to secure regional leadership beyond the bilateral relations between China, Japan, and Taiwan. For these reasons, a short-term resolution appears unlikely.

If the China-Japan conflict over the Taiwan issue persists, it will have direct and indirect impacts on regional dynamics and South Korea's national interests, extending beyond bilateral relations between China and Japan. Although some have expressed optimism that restrictions on Chinese tourism to Japan could benefit South Korea's domestic tourism industry, the broader costs associated with regional instability are likely to far outweigh such limited gains. Diplomatic exchanges among regional countries are already being affected, as evidenced by the cancellation of the South Korea-China-Japan Cultural Ministers' Meeting. China's "dual-use goods export ban" imposed on Japan on January 6 is highly likely to have direct repercussions for South Korean industries, given tightly interconnected supply chains linking South Korea, China, and Japan.

In the current situation, an accidental military clash in the Taiwan Strait or an escalation of military conflict between China and Japan would directly impact South Korea's economy and security. Disruptions to shipping routes through the Taiwan Strait, through which 33.27% of South Korea's maritime cargo volume passes, could result in daily economic losses amounting to hundreds of billions of won.¹ Concerns include supply chain paralysis, contraction of the automotive and electronics industries, and steep inflation driven by surging energy prices. From a security perspective, concerns regarding a potential defense vacuum on the Korean Peninsula due to the redeployment of U.S. Forces Korea (USFK) assets, as well as the heightened risk of North Korean provocations, cannot be overlooked.

Policy Recommendations

Recognizing the need for cooperation with China and Japan to ensure Korean Peninsula security and economic recovery, the Lee Jae Myung administration visited China and Japan consecutively in January of this year, holding summit meetings with both countries. At the South Korea-China summit, Xi Jinping emphasized the historical bond between Korea and

China forged through their joint opposition to Japanese militarism. At the Korea-Japan summit, Prime Minister Takaichi underscored the importance of economic security and supply chain cooperation. These developments can be seen as an attempt by China and Japan to draw South Korea to their respective sides amid the current China-Japan conflict. As the conflict deepens, pressure on South Korea to choose sides will intensify. Under these circumstances, the South Korean administration should focus on the following points to maximize national interests.

First, South Korea should clearly establish and publicly announce its position on the Taiwan issue. In an interview with China Central Television (CCTV) on January 2, President Lee Jae Myung stated, “I myself respect one China, and that peace and stability are very important in Northeast Asia and surrounding issues, including cross-strait matters.”² In an interview with Japan Broadcasting Corporation (NHK) on January 12, he distanced South Korea from the issue, stating, “I believe this is a matter between China and Japan, not one in which we should deeply engage or intervene.”³ Considering bilateral relations with both China and Japan, this can be understood as a cautious stance to avoid involvement in the current China-Japan conflict.

If the China-Japan conflict persists, such an ambiguous stance risks provoking distrust and diplomatic pressure from both China and Japan toward South Korea. To prevent this outcome, South Korea must establish and publicly declare a clear position on the Taiwan issue. Specifically, South Korea should proactively affirm the following principles: (1) Respect for the “One China”; (2) Maintenance of peace and stability in the Taiwan Strait and opposition to unilateral changes to the status quo; (3) Adherence to international law and peaceful resolution of disputes.

Second, South Korea should actively utilize this principled stance as diplomatic leverage vis-à-vis China and Japan. Toward China, South Korea should emphasize that its position on the Taiwan issue is grounded in principle rather than alignment with the United States or Japan, thereby denying China any justification to pressure South Korea over the matter. South Korea should underscore its consistent adherence to these principles and demand that China clearly articulate its own position and fulfill its responsibilities for peace and stability on the Korean Peninsula, including North Korea’s denuclearization.

Toward Japan, South Korea can leverage this principled stance to position itself as a value-based partner grounded in international law and norms, thereby strengthening cooperation in security areas such as countering North Korea’s nuclear threat and supply chain restructuring. South Korea could also point out that Japan’s unilateral territorial claims over Dokdo contradict its stated principles regarding opposition to unilateral changes to the status quo in the Taiwan Strait. Furthermore, South Korea could demand responsible behavior from Japan on sensitive bilateral issues by arguing that historical issues should be addressed from the perspective of international human rights law.

Third, South Korea needs to meticulously analyze China's pressure tactics against Japan and Japan's countermeasures, and prepare responses to China's economic coercion. China has exerted pressure on Japan through measures such as travel advisories against Japan, bans on screening Japanese films, import restrictions on Japanese seafood, and export controls on dual-use goods. After having succumbed to China's suspension of rare earth exports in 2010, Japan subsequently reduced its dependence on Chinese rare earths from 90% to 60% and diversified its supply chains for critical minerals.⁴ Accordingly, Japan is expected to pursue supply chain diversification, alternative technology and product development, and strengthened international cooperation against economic coercion based on its own economic resilience, rather than yielding to China's dual-use goods export controls.

Although South Korea-China relations have shown signs of recovery following Xi Jinping's state visit and the bilateral summit held in November 2025, this incident has once again demonstrated that China can employ economic coercion measures at any time to achieve political objectives. In this regard, Japan's response to China's economic coercion can serve as a valuable lesson for South Korea. South Korea should closely analyze Japan's response from multiple angles to formulate its own strategies against China's economic coercion.

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¹ Jaichul Heo, “The Taiwan Issue and Korea’s Economic Security in the Era of U.S.-China Strategic Competition”, KIEP Opinions No. 258, Korea Institute for International Economic Policy (KIEP), 2023.02.22.

² “Lee says no change in S. Korea's position to respect 'one-China' policy”, The Korea Times, 2026.01.03., <https://www.koreatimes.co.kr/foreignaffairs/20260103/lee-says-no-change-in-s-koreas-position-to-respect-one-china-policy>.

³ “President Lee Jae-myung Stresses Taiwan as Bilateral Issue”, The Chosun Daily, 2026.01.13., <https://www.chosun.com/english/national-en/2026/01/12/ILFGEWNRCRHYVCC233VD4FPUII/>.

⁴ “China blinks again following dual-use export threat earlier in the week”, The Japan Times, 2026.01.09, <https://www.japantimes.co.jp/business/2026/01/09/economy/china-dual-blink/>.