

NORTH KOREA: Kim threat set to grow, but no tipping-point in near term

- Despite recent media speculation that North Korea has embarked on a path to conflict, there are multiple reasons why this seems very unlikely in the near term, including practical, strategic, and diplomatic considerations.
- Past precedent suggests that Kim Jong-un will undertake repeated provocative actions in 2024; Pyongyang would welcome a Trump victory in November's US presidential election, hoping it would lead to sanctions being lifted.
- In the longer term, North Korea is expected to continue its efforts to acquire nuclear-tipped missiles and build up a large arsenal for the purpose of nuclear blackmail with South Korea and the US.

Conflict scenario debate

The question of whether North Korea is preparing for a kinetic conflict has been the focus of much media debate in recent days. Speculation began with the publication of an article by a retired North Korea specialist and a nuclear scientist, who stated their view that Kim Jong-un had made a 'strategic decision to go to war' at some future point, and exhorted policymakers to take the possibility more seriously. With North Korea this month unilaterally abandoning the goal of reunification by re-casting South Korea as a 'principal enemy' rather than 'fellow countrymen,' and launching hundreds of shells into waters near Seoul-controlled islands, there appeared to be evidence to support concern about a concerted escalation. The idea was soon picked up in mainstream international media outlets.

In our view, there are many reasons why near-term conflict on the peninsula seems very unlikely. In practical terms, Kim would currently be stockpiling arms if he had any such plans; instead, North Korea continues to export significant amounts of munitions to Russia for use in Ukraine. In terms of political strategy, Kim would have many options short of kinetic warfare with which he could escalate a crisis with Seoul and Washington if he so wished; conversely, before the Korean War began in 1950, Pyongyang engaged in deceptive 'peace' initiatives to lull Seoul into a false sense of security. Finally, in terms of Pyongyang's allies, Moscow is in no position to aid a conflict on the Korean Peninsula given its ongoing invasion of Ukraine, while Chinese leaders are preoccupied with their decelerating economy, corruption in the military, and managing relations with Taiwan's incoming Lai administration. Beijing would want no part of a conflict scenario that would destabilize the wider East Asia region.

Responding to saber-rattling

2024 is set to be a year of [belligerent activity](#) by Pyongyang. Historical data show that Kim Jong-un typically undertakes almost five times as many provocations (such as missile launches) in US election years (mid-term or presidential) compared to his father Kim Jong-il. Joint military exercises are a particular trigger for such provocations in the absence of any existing diplomacy with the US. Regular US-ROK joint exercises are likely to be held in Q1, and this year they could be accompanied by Japan-US-ROK trilateral exercises, the first such named exercises agreed in the August 2023 Camp David agreements. Biden administration officials have made at least 20 informal approaches to North Korea offering dialogue without preconditions but received no positive response from Pyongyang.

In these circumstances, policymakers and markets alike should brace for a ramping up of missile launches and other provocative actions throughout the coming year, and particularly ahead of the joint exercises. But excessive belligerence from Pyongyang could backfire if leaders in the three capitals use such acts as a platform for further strengthening trilateral security ties. The Biden administration could also respond to provocations by pressuring Beijing to reign in Pyongyang or seeking new sanctions on North Korea through the G7, NATO, and Pacific 4 countries (Japan, South Korea, Australia, New Zealand), assuming that Beijing and Moscow would veto any such actions at the UN Security Council.

Bleak outlook

In November, a Donald Trump victory in the US presidential election would be a boost for Pyongyang. Another Trump-Kim détente would be possible, Kim would surely revisit a roll-back of existing US sanctions, and Trump's permissive approach to North Korea possessing short-range missiles—as well as his past desires to withdraw US troops from South Korea—would once again weaken the credibility of US deterrence commitments in the region. While these same factors could reduce North Korean provocations (as they did in 2018 when Kim declared a testing moratorium), they could catalyze South Korean interest in acquiring an independent nuclear capability in a second Trump term.

Teneo's base scenario outlook is that North Korea will ramp up provocations in 2024 but that these will not rise to the level of war in the near term. Over a longer-term horizon, Pyongyang will continue its trajectory of attempting to acquire nuclear missiles and second-strike capabilities, perhaps with the goal of eventually becoming a medium-sized nuclear weapons state similar in scale to the UK or France. With such an arsenal, North Korea could then use nuclear blackmail against South Korea and the US, and presumably extract ever-increasing economic and diplomatic concessions as its 'price' for maintaining peace. Feasibly, North Korea could reach this position within a decade or less, depending on the degree of [military technology transfers](#) and other assistance from Moscow.

[Client Portal >>](#)

Victor Cha
Senior Advisor
+1 (202) 365 3843
victor.cha@teneo.com

James Brady
Vice President
+1 (646) 799-1950
james.brady@teneo.com

© 2024 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.