

Building a defense force that has the confidence and trust of the people, the country, and the friends and allies

US-Taiwan Defense Industry Conference 2021

Keynote Speech

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President Hammond-Chambers, Chairman Moriarty, and friends from the US and Taiwan, good morning.

As you know, we have been arranging for General Wang Hsin-Lung, vice minister of national defense of the Republic of China on Taiwan, to attend the conference and make an keynote speech here today. Unfortunately, as the world is still coping with COVID-19 and due to Taiwan's quarantine regulations that could create a scheduling conflict with the Legislative session, the vice minister is prevented from being here and therefore assigned me to deliver the speech on his behalf. Let me first thank you all for your understanding.

This year marks the 20th anniversary of the US-Taiwan Defense Industry Conference. Looking back on these 20 years, this conference has been the platform for us to discuss the defense needs of Taiwan. It allowed Taiwan's

voices to be heard, and urged the U.S. government to take actions to assist Taiwan in strengthening defense capabilities. It facilitated US and Taiwan defense industries to sign a memorandum of cooperation and establish an exchange mechanism, and promoted industrial cooperation and technology transfer. It also generated specific recommendations to Taiwan. The MND attaches great importance to this conference, and looks forward to many more of our gathering at this event. Let me extend my appreciation to Chairman Moriarty of the AIT, President Hammond-Chambers and the staff of the US-Taiwan Business Council, the Defense Department, the State Department, and friends from the US for your efforts to promote US-Taiwan relations.

As we have been seeing, the PRC's aggressive behaviors toward its neighboring countries have complicated the security situation in the Indo-Pacific region. In order to maintain peace across the Taiwan Strait, the Republic of China on Taiwan has been proactive in force buildup and combat readiness, building its defense strength, reforming the reserve mobilization system, and realizing self-reliant defense. The objective is building a defense strength that is strong and resilient. To our security partners, Taiwan will always be a country that uphold the value of democracy and devote ourselves to maintaining stability in the Indo-Pacific region. We will continue to broaden the security cooperation with friends and allies and highlight Taiwan's geo-strategic importance. Today, my topic is "Building a defense force that has

the confidence and trust of the people, the country, and the friends and allies." I will elaborate on the current stage of Taiwan's military strategic concepts, the focus of force buildup, and the ways to sustainably develop its defense power.

The Republic of China on Taiwan borders the Taiwan Strait to the west, the East China Sea to the north, and the South China Sea to the south. It has de facto jurisdiction over Taiwan proper, Penghu, Kinmen, Matsu, Pratas Island, and Taiping Island. Taiwan's strategic control over the central area of the first island chain and international transportation routes makes it the cornerstone of geostrategic security in the West Pacific.

Militarily, Taiwan has the capabilities to acquire active situational awareness and early warning information and secure international routes of navigation and overflight. We can share such experience with the US and regional countries and continue to deepen our security cooperation.

Politically, the democratic institution of the Republic of China on Taiwan not only protects the rights of its people and enables them to live and work in peace and contentment, but, more importantly, connects Taiwan with advanced democracies around the world, strengthens Taiwan's credibility in international politics, and makes Taiwan a trustworthy partner in the international community.

In terms of economy and trade, the US and Taiwan are close partners. According to a report released by Heritage Foundation this year, Taiwan's

economic freedom ranked 6th in the world and 2nd in Asia, which is another remarkable progress made by Taiwan. The US and Taiwan have also begun the "Economic Prosperity Partnership Dialogue" and held talks on the "Trade and Investment Framework Agreement" for closer and mutually beneficial cooperation on trade and economy.

Taiwan is a society that respects the universal values of human rights, democracy, freedom, and peace. When confronted by international political disputes and security threats, Taiwan's response is always based on the principles that brings about peaceful coexistence, shared interests, and win-win solutions, which are fundamentally supported by Taiwan's military and economic strength.

With Taiwan's strategic location and our military, political, economic, and societal strength, Taiwan has been a responsible member of the international community. We stated support to the US government's Indo-Pacific Strategy when it was first published. We never stand idly by when it comes to regional security. We aspire to be a force for good in the world.

The PRC's growing economic strength has supported a large defense budget for military modernization. Since 2016, China completed military reforms to simplify the command hierarchy, adjust force structure, and strengthen joint C2 system. China also improved long-range force projection and multi-domain operations capabilities.

Since 2013, the PRC's Aircraft Carrier Liaoning and its military aircraft have been conducting cross-theater, long-distance training. In 2016, the PLA Air Force and Navy started the first circumnavigation around Taiwan; in 2018, the PLAN conducted the first Taiwan Strait reconnaissance patrol; in 2019, the PLA made it a routine to harass Taiwan with its naval and air assets. In mid-2020, the PRC continued with the routine of gray zone intrusions into Taiwan's southwest ADIZ. (And just a week ago, PLA sent a record of 56 sorties into Taiwan's SW ADIZ.) The PRC intends to deplete Taiwan's defense resources, encroach on Taiwan's ADIZ, and compress Taiwan's defense depth. Recently, we also observed the PLA's targeted, planned, and actual combat drill exercises as a part of their effort to intensify military coercion against Taiwan.

In addition, the PRC has long been militarizing islands and reefs in the South China Sea and has unilaterally set up Xisha and Nansha administrative districts. China plans to make the South China Sea its internal water through multiple political and military measures. As the southwest waters of Taiwan control the passage to the Taiwan Strait and the Bashi channel, the PRC frequently dispatches aircraft and ships to the north of the South China Sea and near the Pratas Island to strengthen its information gathering, combat preparations, and battlefield management. These actions not only threaten the security of Taiwan, but also undermine the peace and stability of the Indo-Pacific region.

While the PRC is reforming and modernizing its military, it has also increased military threat to Taiwan and built up the capabilities to operate beyond the first and the second island chains, and it is moving closer to the third island chain. The PRC's military buildup and expansion have affected the security and stability of the countries in the Indo-Pacific region. It requires cooperation of the international community to monitor and respond to the development of this pacing threat.

Given the big gap in defense resources between the two sides of the Taiwan Strait, Taiwan's defense operation is essentially asymmetric. It is necessary for Taiwan to use the Taiwan Strait as a barrier and take advantage of our geographical features in an asymmetric operational concept to circumvent the PLA's strengths and exploit its weaknesses, thereby defeating the invasion against Taiwan.

In response to the PRC's multi-domain combat capabilities and the threat of three-dimensional landings, Taiwan's defense is conceived as "resisting the enemy on the opposite shore, attacking the enemy on the sea, destroying the enemy in the littoral area, and annihilating the enemy on the beachhead." Future military confrontations will be multi-dimensional. It is therefore critical for Taiwan to develop long-range, precision, mobile, and information-communications-electronic capabilities to execute multi-domain operations and long-distance precision attacks against the enemy's most

threatening military assets and degrade the enemy's sustainability.

Taiwan's military power has its limits, so the civilian resources have to be taken into account. To make the most out of the overall resources, Taiwan establishes the All-out Defense Mobilization Mechanism. Taiwan is currently undergoing a reform of its Reserve forces. By 2022, the National Defense Mobilization Agency will be established to take the charge of improving the Reserve capabilities and coordinating the implementation of the interagency mobilization. Taiwan expects to build an "all-out defense" to support military operations and disaster prevention and relief to effectively cope with crises and challenges.

The National Defense Mobilization Agency is expected to connect the civil society with the Armed Forces, strengthen the coordination and integration between central and local governments, and consolidate the all-out defense. The agency will manage available resources of the civil society and improve the resiliency of critical infrastructure protection. Taiwan aims to create a solid defense mobilization system that integrates active and reserve capabilities, that synchronizes peacetime and wartime organizations, and that mobilizes all-out resources, thereby multiplying Taiwan's defense capabilities.

Taiwan will continue to restructure the Reserve force to better equip and organize the reserves as a paramilitary force capable of operating independently. The Reserve force will be blended in with civilian capabilities to

disrupt and sabotage the enemy's actions in support of the regular forces to counter the PRC's military operations. All-out defense is an internal part of the multi-domain deterrence and a representation of the people's willpower to resist the enemy .

The aforementioned asymmetric operational concept has been well communicated and some consensus has been reached. The communication is still taking place as we speak and we are making continuing progress.

The MND is responsible of building the most ideal defense force to deal with China's persistent military threats. Taiwan prioritizes the acquisition of indigenous weapons and equipment to sustain the development of defense power, but we will continue to resort to the FMS channel for weapons and equipment that we still cannot develop quickly or those that can instantly enhance our capabilities.

Self-reliant defense is an important policy of our government at the current stage. In recent years, the programs of indigenous warplanes and warships have not only strengthened Taiwan's combat power, but also enhanced the R&D capabilities of Taiwan's defense industry. They have also created cluster effect for the defense industry and opened up employment opportunities.

Through the indigenous program of advanced trainer jet, Taiwan intends

to develop domestic capabilities of building military aircraft and self-reliant weapons development. Meanwhile, domestic manufacturers will be guided to take part in the aerospace industry supply chain and upgrade their technology base. The Aerospace Industry Development Corporation established an F-16 fighter maintenance center in Taiwan in August 2020. For parts and components that require frequent maintenance and long delivery time, such as engines and avionics. **The** maintenance center will request the primary contractors to use the credit points of industrial cooperation program for technology transfer and certification & licensing, so that Taiwan can build in-country maintenance and production capacities.

The indigenous defensive submarines, fast minelayers, and other shipbuilding programs have been implemented as scheduled. The commissioning of Yushan-class LPD and the **Tuo-Chiang class corvette** not only **symbolize** the transformation of the ROC Navy's combat power into a new generation, but also **show** the world Taiwan's achievements of self-reliant defense and our determination to defend territorial waters.

The ever-increasing and complicated security threats are compelling Taiwan to quickly develop critical capabilities that can deter enemy aggression. Under such urgency, the Executive Yuan has approved a special budget of 8 billion US dollars for high performance ships, precision missiles, and other eight indigenous systems to be acquired from 2022 to 2026. The special

budget will be reviewed in the legislative session which has started in September.

In addition, Taiwan has always valued foreign military sales which helped us quickly elevate our warfighting capabilities. Let me extend my appreciation to the US government for the recent military sale of the M109A6 self-propelled artillery based on the Taiwan Relations Act and the Six Assurances. It demonstrates US commitment to Taiwan's defense and is also a continuation of normalizing military sales to Taiwan. Taiwan will continue to budget for necessary FMS programs, but would also like to request that FMS systems, including M1A2T tanks, F-16V (Block 70) fighters, MQ-9 drones, and HIMARS, can be delivered on time with required quality to facilitate our effort of building credible defense power.

Over the last few years, the focus of the self-reliant defense policy has been the development of main systems. As for sub-systems, Taiwan has tapped into market mechanism to work with foreign manufacturers. Our demand of foreign supply has therefore not decreased, but diversified. It is a win-win situation for the defense industries of Taiwan and the US when the US manufacturers take part in the cooperation.

In addition, we think that arms acquisition is not only about main systems. The logistics and maintenance is also important for the weapons and equipment to serve a long life. For instance, the US OEMs and Taiwan's

manufacturers are working together to establish depot-level maintenance facilities for M1A2T tanks and F-16V (Block 70) fighters in Taiwan. Those facilities will help Taiwan reduce costs, improve efficiency, and enhance operational sustainability. They can also be a part of the supply chain of maintenance capabilities to help improve the availability of US military equipment in the Asia-Pacific region.

Another practical issue is that technological advancement happens at a much faster pace than the retiring of weapon systems, which are usually in service for decades. This creates the persistent problem of diminishing supply source for parts, components, and equipment for **testing** and evaluation **purpose**. We hope that US OEMs **can** work with Taiwan suppliers to make good use of local facilities when we need to retrofit or extend the **service** life of weapon systems. This will also present good market opportunities.

As the world is paying close attention to the changes in the Indo-Pacific and across the Taiwan Strait, Taiwan is fully aware of our responsibility to **safeguard peace and stability** in the Indo-Pacific region. We will continue to promote indigenous R&D, request arms sales from the US, carry out reserve reform, and strengthen strategic cooperation and dialogue with the US.

In addition to the cooperation on specific weapons and equipment, Taiwan and the US can work together in other areas that are equally important to the improvement of Taiwan's defensive power. **Such as** the interactions between

US National Guard and Taiwan's National Defense Mobilization Agency to build a routine cooperation mechanism; the technician cooperation on joint production and development and technical assistance; cybersecurity exercises with the US military; the refinement of asymmetric concepts; the warfighting capability assessment; as well as intelligence sharing. These exchanges will assist Taiwan in the defense transformation and military modernization, and also facilitate a shared vision of US-Taiwan security cooperation.

Taiwan has always played an important role in the free and open Indo-Pacific region. Taiwan, Japan, South Korea, Australia and other countries in the region share common security interests. In the Quadrilateral Security Dialogue, the importance of Taiwan's security was also reiterated. Taiwan will continue to improve its defense capabilities and establish closer partnerships and cooperation mechanisms with democratic friends and allies so as to maintain the security of the Taiwan Strait and contribute to the stability and prosperity of the Indo-Pacific region.

The Republic of China on Taiwan is a peace-loving country. The Armed Forces is the guardian of the nation, responsible for protecting the people and the homeland. Taiwan never succumbs to pressure, and will exercise **due** caution even when we have strong support. The MND is confident **about its capability** to face **the** challenges and build a defense force that has the confidence and trust of the people, the country, and the friends and allies.

Taiwan will be a strong defense partner in the Indo-Pacific region.

Lastly, allow me to once again convey Vice Minister Wang's apology for his absence. It is our hope that the pandemic will be contained and all of us can return to normal life next year. By then, the MND delegation will definitely be here again for the conference, and continue to deepen our defense and security relations. I wish everyone here today a successful conference. Thank you.