President Hammond-Chambers, Ambassador Moriarty, and all the friends from Taiwan and the US, ladies and gentlemen, good morning.

The first president and one of the founding fathers of the United States, George Washington, once said: to be prepared for war is one of the most effectual means of preserving peace.

Nowadays, the world has been addressing the threats of COVID and other novel viruses. The war between Ukraine and Russia is still ongoing. The threats and the war have not only affected the international order, they also make George Washington's words even more thought-provoking, particularly for the Republic of China on Taiwan. Given the growing military threats of the PRC, we constantly reflect on how we can draw lessons from the aforementioned issues in order to bolster Taiwan's defense and deterrence capabilities in a combined effort with our friends and partners.

This year is the 21st anniversary of the US-Taiwan Defense Industry Conference. For two decades, this conference has provided many concrete recommendations. By reviewing Taiwan's defensive needs, this conference highlights Taiwan's importance to the Indo-Pacific region, promotes US government assistance in enhancing Taiwan's defense, and facilitates engagements of defense industry between the US and Taiwan.

Now, I would like to extend my appreciation to Ambassador Moriarty, President Hammond-Chambers and your colleagues, Department of Defense, Department of State, and all the US friends here today for your unremitting efforts to strengthen the relations between the US and Taiwan.

I would also like to extend my appreciation to the US side for approving Taiwan Policy Act on Sep. 14th. The Act contains articles that will strengthen security cooperation between the two sides and expedite the process of Taiwan military modernization. This act will be conducive for maintaining peace and stability across the Taiwan Strait.

The PRC continues coercing countries in the Indo-Pacific region through military and economic means, and Taiwan is the PLA's primary target. Maintaining peace in the Taiwan Strait and the Indo-Pacific continues to be a severe challenge. By studying the war in Ukraine, the PRC is developing new strategies on force build-up and new ways of invading Taiwan. Of course, Taiwan also learned lessons on how to conduct defensive operations.

In order to safeguard our democratic institution and peace across the Strait, Taiwan will make the most of our strategic influence in the Indo-Pacific region,
actively enhancing our force readiness and our defense capabilities, and fostering our people's will to resist the enemy. Today, the topic of my speech is "National Defense is the Best Guarantee of Peace: Continually Enhancing Self-Defense Capabilities." I will elaborate on the Republic of China's self-defense resolution and the lessons learned from the war in Ukraine. Let me emphasize Taiwan's importance to the security of the US, the Indo-Pacific region, and the world. It is imperative that the US and its allies continue assisting Taiwan, for a peaceful Taiwan Strait is in the interests of both the US and Taiwan as well as the Indo-Pacific region.

In August, the PRC conducted joint exercises in the waters and airspace north, southwest, and east to Taiwan. These activities crossed the medium line of the Taiwan Strait, a tacit agreement between the two sides of the Strait since 1950. Taiwan's defense depth and early warning time were also compressed. Furthermore, the PLA's missile launches across busy transportation routes were extremely dangerous. They seriously affect the operation of international flights and shipment and obviously violated the UN Charter.

Such unprovoked and irresponsible military threats fully expose the PRC's ambitions of military expansion. The international community already expressed serious concerns and condemned Chinese actions to sabotage the status quo and regional peace. Taiwan will not back down due to pressure or intimidation from the PRC's provocative military exercises. We will maintain the status quo and peace in the Strait based on our principle of defending the medium line, defending our territorial sea, and defending Taiwan's sovereignty.

Thanks to its growing economy in recent years, the PRC has spent massively on military modernization, which leads to capabilities in seizing and controlling the Strait. The PLA is on the way to finish its military reform, such as simplifying the command hierarchy and strengthening its joint operation command structure. At a fast pace, the PLA commissioned and deployed J-20 stealth fighters, CV-17, destroyers, and what it needs to cross the Strait for landing operations, such as 071 LPD and 075 LHD.

The launch of CV-18 will improve the PLA's long-distance force projection and its capabilities to fight in multiple domains. Meanwhile, the PRC's reef and island reclamation in the South China Sea has improved its information gathering, combat readiness, and battlefield management, which not only poses threats to the security of Taiwan, but also undermines peace and stability in the Indo-Pacific region.

Taiwan is located at a key position of the first island chain, and is a hub of sea lines of communication that connect the West Pacific, the South China Sea, and the India Ocean. The Bashi Channel in the south and the Miyako Strait in the north are essential in holding PRC's access to the first Island Chain. Thus, Taiwan plays an important role in the region, militarily, economically, and transportation-wise. Taiwan
is also a model of the free world and a force for good because we uphold the value of democracy and refuse to be coerced by authoritarians.

Given the level of threats of the PRC, Taiwan's defensive operations will be asymmetric in nature. We can take advantage of the natural obstacle that divides Taiwan and the PRC, and make the most of Taiwan's geography when we develop key capabilities to deter aggression. We will equip ourselves with weapons of high mobility, longer range, and precision strike capabilities. These weapons, including but not limited to anti-ship missiles, Xiong-Sheng and Wan-Chien and other long-range precision weapons, air-defense missiles, ASMs, and Chien Hsiang anti-radiation UAVs, will allow Taiwan's suppression operations and joint fire strikes to achieve the desired effects of multi-layer deterrence as well as degradation of the enemy's capabilities.

Taiwan will continue purchasing defensive weapons according to the military strategic guidance of resolute defense and multi-domain deterrence. Taiwan would like to request that the weapons the US sells to Taiwan be delivered as scheduled, such as F-16V(BLK70), M1A2T Tank, man-portable Stinger Missile, MQ-9B UAVs, MS-110 Multispectral Airborne Reconnaissance Pod, CDCM Harpoon Missile, HIMARS, and FICS. Their prompt delivery will facilitate the integration of these systems to enhance the effectiveness of joint operations.

Against the growing military threats, Taiwan needs quick funding for weapons and equipment that can form combat power as soon as possible. Last year, the Legislative Yuan passed the special budget of 8 billion US dollars for purchasing high performance vessels and other indigenous weapons and equipment from 2022 to 2026.

Next year, the defense budget will increase to 1.9 billion dollars. Taking special budgets and other investment into account, the overall defense budget will reach 19.5 billion dollars, which is 13.9% growth and a historic high. The budget, when passed by the LY, will be used to quickly enhance our combat power. It also shows Taiwan's determination to defend our sovereignty, democracy, and freedom.

Taiwan will continue building multi-layer and multi-domain capabilities, and, according to threat level and defense needs, we will assess choices between asymmetric or conventional systems in order to meet our actual needs and maximize the benefits.

To build credible capabilities to resist the PRC's military threats, we are integrating military and civilian resources for more efficient use of overall resources in an All-out Defense Mobilization mechanism.

Earlier this year, we established the All-out Defense Mobilization Agency, which is responsible for increasing reserve capabilities, connecting the military and the society, and coordinating between central and local governments. With the creation
of a solid system to integrate regular and reserve forces, synchronize peacetime and wartime resources, and facilitate all-out mobilization, we hope to achieve a synergy effect on Taiwan's defensive capabilities.

Besides, dual-use technologies will be critical to the enhancement of Taiwan's defense strength. Military technologies can be shared with the private sector, and vice versa. During time of emergency, the effect of integrating military and civilian technologies can be brought into play through emergency mobilization. When the country faces transition from peacetime to wartime, a nationwide mobilization of civilian resources will benefit Taiwan's defense resiliency.

The Russian invasion of Ukraine since February this year has displaced, injured, and killed innocent civilians. It has undermined the peaceful world order and not only affected Europe, but also brought the security of the Taiwan Strait under the spotlight. The world is coming to realize that once democratic Taiwan is invaded, there will be a huge security impact on the Indo-Pacific and even on the world.

The development of the operation in Ukraine is not meeting Russia's expectation. Russia wanted to rapidly overwhelm Ukraine with the advantage of its military strength. However, as the Ukrainians summon their will to resist, show the enemy how resilient they are, and adopt asymmetrical tactics, Russian troops take a hit. The war now is in a stalemate. European countries have been providing military aids to Ukraine, whereas Russia, suffering from attrition, economic sanctions, and international isolation, sees its national power continue waning.

Given Russia's threats to the region, the United Kingdom, Germany, and other nations announced that they will raise their defense budgets to build up NATO's strength. Also, Finland and Sweden applied for NATO membership. It is expected that NATO's defense capabilities will be significantly enhanced. The situation, however, could also sow the seeds of potential unrest in Europe.

The US plays an essential role in Ukraine's resistance to Russia by calling upon democratic nations to provide Ukrainian forces with military materials, weapons, and battlefield intelligence. With the help from the US and other nations, Ukraine rose firmly to the enemy's invasion. It is believed that the US' global influence will increase. The US will have more power to dominate the strategic environment and maintain peace and stability in the Indo-Pacific region.

It is foreseeable that in the wake of the Ukraine invasion, Russia's threat to European security will greatly decrease. However, the PRC's power expansion will exacerbate the deterioration of security environment in the Indo-Pacific and even the world. Democratic partners across the globe should be vigilant about the rise of China and cooperate in a strategic containment against the PRC.

The PRC is learning from the war in Ukraine and comes to realize the efficiency
of asymmetric warfare in depleting the offensive side and protracting a war for the
defensive side. It also witnessed the role of reserve forces. One special lesson for the
PRC is that the militarily superior Russia can suffer from serious operational losses
and struggles. The level of difficulty of China crossing the Taiwan Strait to invade
Taiwan will be even greater. Therefore, the PRC will try to adopt more versatile and
aggressive means.

Possible means include cognitive warfare, gray zone tactics, joint military
deterrence, joint maritime-air blockade, seizing offshore and outlying islands of
Taiwan, decapitation, joint fire strike, and all-out invasion to break Taiwan's
capabilities and willpower to resist the invader. It will degrade Taiwan's capabilities to
fight by destroying military targets and civil infrastructure, so as to force Taiwan to
surrender. With all of these in mind, we believe that Taiwan needs to enhance the
defense preparation in the following aspects, and many of them need the US
assistance.

First, Taiwan’s strategic location allows us to hold the PRC's eastward military
expansion. Taiwan needs to bolster the sharing mechanisms with the US for real-time
and accurate intelligence via satellites, UAVs, and others to monitor battlefield
situation and gain greater early warning time. Taiwan also hopes to work with
friendly countries and build closer partnerships to integrate UAV signal intelligence
and develop collective means against PLA’s UAVs.

Given the criticality of battlefield communications and targeting, Taiwan will try
to enhance joint ISR and battlefield transparency. We hope to share essential ISR
information and normalize high-level dialogues with the US, and carry out practical
military cooperation and engagements with friendly countries in the region. The
purpose is to build robust common operational pictures, extend defense in depth,
and be prepared for potential military conflicts.

Second, the Strait is a natural obstacle favoring Taiwan's defense, but it can also
be used by the PRC to execute anti-access operations or maritime blockade against
Taiwan. Therefore, Taiwan's defense has to be sustained by stocking up greater war
reserves and logistic supplies to make sure that we have sufficient food, fuel, and
ammunition.

With that in mind, Taiwan will proactively pre-stock strategic materials. Specific
wartime measures include but not limited to mobilizing civilian resources to support
military operations, increasing efficiency of fuel and ammunition replenishment,
using private logistics businesses to accelerate military materiel supply, and
prioritizing C2 and logistic facilities in electric power supply. With these measures,
Taiwan aims to build greater war reserves in advance and counter blockade
capabilities, keep the supply lines open, and sustain ourselves in defensive
operations against a Chinese blockade.

Third, before the start of the war, Ukraine and Russia conducted massive cyber offense and defense operations. The functions of Ukrainian public and financial institutions, and popular sentiment were affected. Fortunately, with international assistance, Ukraine managed to maintain civilian communications to the outside world. Ukrainian information warfare and cognitive warfare also successfully bolstered the willpower of its soldiers and people, won international recognition and support, created favorable conditions for battlefield intelligence, and effectively curb Russia's offensives. These are all lessons learned for Taiwan.

It is foreseeable that when the PRC attacks Taiwan, it will first hack into Taiwan’s critical infrastructures, such as communications systems, cyber networks, submarine cables, and the military’s C3I systems. Its aim is to throw the public into panic, block Taiwan’s communications to the world, stop Taiwan from garnering foreign support, and render Taiwan’s joint operations ineffective. Therefore, enhancing capabilities of cyber, information, and electronic warfare are helpful for Taiwan to sustain our operational strength and gain foreign support in wartime. Specifically, Taiwan will fortify critical infrastructure protection to sustain functions of electricity grid, cyber networks, satellites, and submarine cables, and maintain communications to the outside world.

Taiwan will also increase the effectiveness of joint C2 by enhancing all of our CPs' redundant mechanisms and building more joint data link platforms to integrate our C2 systems, weapon platforms, and equipment of surveillance and reconnaissance in a COP that contains information from across the domains. We aim to gain battlefield advantages under a future scenario of short early warning time and fast operations tempo.

Meanwhile, Taiwan hopes to establish information sharing channels with the US so as to boost our military interoperability and the link among C4ISR. For instance, target information acquired by the US can be sent through data links to Taiwan’s intelligence transmission systems to enhance real-time target acquisition, so that electronic and cyber operations can effectively support joint operations and create advantages against the PRC’s military actions. Beside cooperation on specific equipment and systems, there are other engagements with the US that are equally important to Taiwan. We can arrange information, communications, and electronic cooperation and exercises. The US can help build strategic communication platforms and reserve mobilization affairs cooperation between Taiwan and other democratic countries. We can expedite the building of US-Taiwan military interoperability. Taiwan can be offered with opportunities to participate in air-naval exercises with allies. Our science communities can work together in joint productions or
technological support. We can share intelligence and conduct armaments cooperation. These will add to Taiwan's momentum to promote defense transformation and military modernization, and they are critical to the enhancement of Taiwan's warfighting capabilities.

The US is a role model to other democratic countries and a trustworthy partner in the international community. The US and the ROC share the values of freedom and democracy. In the Indo-Pacific Strategy of the US released in February this year, the Biden Administration pointed out that Taiwan is an important partner. In fact, Taiwan, a country that holds the frontline of democracy, is not just a partner, but a force for good that is worth the international community's trust. Looking forward, Taiwan will continue working with the US in seeking an alliance of values.

We believe that in the face of severe threats across the Taiwan Strait and in the region, it takes every democratic country to stand together to confront the PRC. Taiwan looks forward to working with the US and friendly countries in the region to collectively maintain regional peace and stability.

The ROC appreciates the Five Eyes, comprising the US, the UK, Australia, New Zealand, and Canada, reiterating the importance of Taiwan, and Taiwan will remain steadfast in bolstering self-defense capabilities, and will strengthen cooperation with democratic allies and friends to collectively maintain regional security.

During the early stage of the Second World War, President Franklin Roosevelt, in his famous fireside chats, gave a reminder to the American public by saying: "when peace has been broken anywhere, the peace of all countries everywhere is in danger."

History taught us that when we disregard aggressive actions, we are creating greater danger to ourselves. Confronted by the PRC, which has never abandoned the ambitions to take Taiwan, we know well that it is the Armed Forces' duty to serve as the guardian of the country, protect the people and the homeland, stay loyal to the Republic of China, and defend our freedom and democracy, so that our people can live and prosper in peace, freedom, and democracy.

Taiwan also hopes that all friends and allies of freedom and democracy will collaborate to overcome stiff challenges. Just as President Franklin Roosevelt's insight 92 years ago, no country can insulate itself from political and economic turmoil in other parts of the world.

To maintain peace, we need a solid foundation of strength. We cannot rely on the goodwill of the adversary. In the face of intentionally escalated military threats by the PRC, Taiwan will never back down. We will hold the line of democracy. We will ready ourselves, build up our defensive forces, and keep our resolution strong. Taiwan looks forward to working with friends and allies to build a great wall of
democracy, maintain international order, deter enemies from taking arbitrary actions, and preserve regional peace. Ladies and gentlemen, let me close by thanking the US-Taiwan Business Council for inviting me to address this forum. I wish the conference a great success. Thank you all very much.