Remarks at CSIS
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Good morning!

Thank you for having me here. I would like to thank CSIS, the Taiwan-Asia Exchange Foundation, and the Global Taiwan Institute for inviting me to this important conference on Taiwan’s New Southbound Policy and for allowing me to deliver this speech.

So it’s been about two and a half years since the launch of the US Indo-Pacific Strategy. With Acting Defense Secretary Patrick Shanahan having just unveiled the latest update of it in Singapore and turbocharged potentially the most critical American strategy in the region ever, chances are lots of people in this room are going to soon be even busier, and so are my colleagues back in Taipei.
Today I stand before you to share more details of how Taiwan will be responding to the Indo-Pacific Strategy; and more specifically, how our New Southbound Policy can actively synergize with it. While there are three pillars (Governance, Economics, and Security) in the US strategy, there are four in ours.

**Pillar One—Democracy (or Good Governance)**

The first pillar of our involvement in the US Indo-Pacific Strategy is democracy or good governance, the most vital common denominator between Taiwan and America. I say this because at the end of the day, nothing matters more than protecting our way of life--one that features being the captain of your own life, being free to choose your own faith, being free to express yourself, and being free from coercion.

Unlike America, our democracy is fairly young. But perhaps precisely because our democratic transition took place in most people’s living memory, it serves as a great example for others, showing them it is perfectly achievable. As Vice President Mike Pence acknowledged
last October, “Taiwan’s embrace of democracy shows a better path for all the Chinese people.” The very existence of our young democracy continues to demonstrate to China and the other countries in the region and beyond that freedom and openness are within their reach too.

Looking around, however, we know we must double our efforts to safeguard what’s hard-won. Rising authoritarian regimes have now posed dire threats to democracies, with the attempt to reshape the world into their own illiberal images by exporting the Great Firewall, facial recognition systems and the like, and by fanning populism as well as destabilizing our institutions through the dissemination of disinformation and inflammatory remarks from within. To tackle these, the Taiwanese government is mooting legislation on countering disinformation in order to equip our law enforcement with the necessary legal tools.

In March this year we also joined hands with the US to cohost a regional religious freedom dialogue, which was
first held outside the US and aimed to be a voice for those oppressed because of their faith. The Director of AIT-Taipei, Mr. Brent Christensen, and my Minister also jointly held a press conference in March this year in the building of my Ministry in Taipei to launch the Indo-Pacific Democratic Governance Consultations that will highlight shared values such as good governance, transparency, and accountability.

More importantly, Taiwan and the US have been co-organizing the Global Cooperation and Training Framework (GCTF) workshop, a critical platform that serves as a multiplier of Taiwan-US cooperation, bringing countries from the Indo-Pacific and beyond to share knowledge, exchange ideas, and build networks. The topics of the GCTF range from anticorruption measures in public and private sectors, media literacy that fights disinformation, and women’s empowerment among other topics, all of which help to promote democratic practices and strengthen resilience across the region.
Pillar Two—Security

Actions speak louder than words, and that’s why in light of heightened Chinese belligerence, the second pillar of our strategy is security. As the saying “God helps those who help themselves” goes, we first and foremost aim to make Taiwan a capable force in the Indo-Pacific by boosting Taiwan’s indigenous defense industry. So far the development of a range of missile systems is among the most encouraging accomplishments. Security is also the pillar that sees growing cooperation between our two countries, illustrated by the State Department green-lighting marketing licenses last year that allow American companies to assist Taiwan with building next-generation submarines. We have also made a formal request to purchase 66 more F-16Vs, which would significantly boost our air defense.

As China’s growing ambition brings about far-reaching potential for instability in the Indo-Pacific, entrapping countries with unsustainable debts, regional countries such as Australia and New Zealand have been boosting their presence in the Pacific by putting in place ‘Step-up’
and ‘Pacific Reset’ policies, respectively. Taiwan too has been present in the Pacific region for a long time and is determined to respond accordingly by deepening our commitment to regional security. In March this year, when our President Tsai Ing-wen visited Palau and Nauru, agreements on maritime patrol cooperation were signed and Taiwan-made patrol boats were donated.

We appreciate, moreover, that the US has become more and more vocal in expressing its support for our allies to maintain their relationships with us. Also in March I myself met with Mr. Matt Pottinger in the Solomon Islands to discuss how to better safeguard regional stability, and in May Deputy Assistant Secretary Patrick Murphy publicly condemned China for the attempt to poach allies of Taiwan’s during his trip to Australia, both marking tremendous efforts of the US to recognize and support Taiwan’s positive role in the region’s stability.

And we don’t just look at traditional security issues. Just two weeks ago Taiwan and the US cohosted our first GCTF workshop on cyber security and new technology,
of which the topics included ‘Assessing the DPRK Cyber Threat’. All of the above showcased Taiwan’s contribution to play a more forceful and proactive role to fortify regional peace and stability.

**Pillar Three— New Southbound Policy I: Economics**

Democracy and security would be hard to secure if people struggle to make ends meet. This is why in 2016 Taiwan launched the New Southbound Policy, a people-centric and diverse regional strategy that seeks to strategically expand and deepen economic and various other areas of cooperation with countries in the Indo-Pacific and strengthen bonds of friendship.

As it turned out, the economic part of the Policy, our third pillar, has proven to be an excellent match to the US Indo-Pacific Strategy. So far the Policy has seen remarkable successes, such as the signing of Authorized Economic Operator (AEO) agreements with Australia and India, and the renewal of Bilateral Investment Agreements (BIAs) with India and the Philippines. At the same time, the bilateral trade volume between Taiwan
and New Southbound Policy countries reached 117 billion USD in 2018, growing by 22% compared to that of 2016 (the year when the Policy began), while their investment in Taiwan surged by more than 60 percent in 2018, also compared to that of 2016.

Given that infrastructure development remains a priority in the region, the New Southbound Policy has budgeted 3.5 billion USD for official development assistance (ODA), for which we will use our expertise and experience in transportation, logistics, and construction to support infrastructure development in partner countries.

On top of that, we have expanded the scale of participation by our existing Overseas Investment and Development Corporation (OIDC), and we have engaged actively with the US Overseas Private Investment Corporation (OPIC) to establish effective models of collaboration with third countries to pursue development in infrastructure, energy, digital economy, and more. In May, for instance, OPIC and ICDF signed an agreement
to provide funds to the SMEs in Paraguay, marking the first case of collaboration between Taiwan and the US in the history of the OPIC.

Ladies and gentlemen, a critical aspect in the US Indo-Pacific Strategy is the need for countries to adapt rapidly to change, especially in this era of uncertainty. Due to intensified competition between the US and China, global supply chains are undergoing fundamental transformations as more and more companies are moving (or considering moving) at least some parts of their operations out of China for fear of being caught in between. Our government is more than happy to facilitate such developments, for instance, by easing relevant procedures for Taiwanese companies to relocate back to Taiwan, while at the same time assisting Taiwanese firms in making necessary adjustments for the shifting global supply chains by opening or expanding more production lines in the New Southbound Policy partner countries.

Pillar Four—New Southbound Policy II: Warm
**Power**

The New Southbound Policy is by no means about economics only. Many of you have probably visited Taiwan several times already, and I trust the hospitality and warmth has left a mark—I’m referring to both those of the Taiwanese people and the weather. Just as the greatest power of America, some contend, is the American culture that entices people all over the world so much so that many crave the opportunities to study and even live here, we find the only way to build lasting friendship with other countries is to forge robust connections between our peoples.

This is why the last pillar of our response to the Indo-Pacific Strategy is Warm Power, and we have zeroed in on five points in particular: capacity building (or education and training), culture and tourism, public health, agriculture, and the Yushan Forum. In the field of education and training, measures such as increasing scholarships and more opportunities for students and teachers of the New Southbound Policy partner countries and Taiwan to conduct exchanges have been put in place.
Take Vietnam as an example. We aim to facilitate academic-industrial collaboration by expediting visa applications through batch processing for prospective Vietnamese students, enabling our consular staff to review batches of applications submitted by Vietnamese provincial governments. And we have our eyes on the long term. After these students finish their studies in Taiwan and have acquired professional, cultural, and linguistic skills, they are better positioned to fit in quickly if they choose to work for one of the many Taiwanese companies in their own country. They can thereby serve as a bridge and bring our peoples closer together.

The second focal field of our Warm Power, therefore, is culture and tourism. Through strategies such as market segmentation, global marketing, and visa relaxation, and measures including organizing religious and cultural tours for predominantly Buddhist Thai and Vietnamese tourists, encouraging new immigrants and foreign students to work in the tourism sector as well as
promoting halal food certification for Muslim-friendly tours, our objective is, in short, to remove barriers to foreign visitors and attract them to experience how fun and friendly Taiwan is, and then for them to bring the message back home.

Because we value people more than anything else, we make Taiwan’s affordable and accessible healthcare system the third attraction of our Warm Power. In June 2018, we launched the “One Country, One Center” program, which serves as a framework for cooperation in training healthcare professionals, establishing disease prevention systems, and building linkages with the healthcare sectors in India, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.

The fourth field of our Warm Power is Smart Agriculture. Knowing that agriculture plays an important role in many of our New Southbound Policy partner countries and that agriculture owns a special place in many people’s hearts, we aspire to share our advanced tropical agricultural technologies with partner states, cultivate better
agricultural talents and help them establish food production zones to safeguard food security. An agricultural demonstration zone established in Karawang, Indonesia with Taiwan’s support in August 2018 is just one example of related undertakings.

The New Southbound Policy has rolled out, and will carry on rolling out, numerous projects that require years of execution and revision. The Yushan Forum, hosted by the Taiwan-Asia Exchange Foundation and the last point of our Warm Power pillar, is designed for the purpose of showcasing and reviewing the results of the Policy. More crucially, we want it to be a platform for the exchange of thoughts and ideas, making Taiwan a hub of novel and innovative solutions to new challenges in the region.

To conclude, as a frontline state Taiwan has been standing up to surging authoritarian sharp power and coercion. As long as the island remains free and democratic, it will stand as a stark denial to the authoritarian model of governance, showing the people in China as well as all the people in the Indo-Pacific that
there is a better way. Through the four pillars of democracy, security, economics, and Warm Power, Taiwan is determined to persist in shining as a beacon of hope to the region that we the Taiwanese have made the decision to be part of something free, fair, just, and open. We have chosen freedom, democracy, rule of law, diversity, and tolerance. We have chosen to be a force for good. We have chosen to fight for what we believe in, and we open our arms to whoever is willing to join the good cause. Let us work together for a brighter future for the Indo-Pacific and the world.

Thank you.