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HAJI MOHAMAD SABU

MINISTER OF DEFENCE, MALAYSIA

PENNY MORDAUNT

SECRETARY OF STATE FOR DEFENCE, UK

FLORENCE PARLY

MINISTER OF THE ARMED FORCES, FRANCE

Jeffrey Ordaniel, Assistant Professor, International Security Studies, Tokyo International University, Adjunct Fellow, Pacific Forum

I would like to address my question to Defence Minister Mohamad Sabu. When Malaysia ratified the United Nations Convention on the Law of the Sea (UNCLOS) in 1996 it made several declarations, one of which is that Malaysia would not allow military exercises or manoeuvres in your exclusive economic zone. In essence, the Malaysian position seems to be closer to the Chinese interpretation of international law. Recently, your Prime Minister said that the presence of warships in the South China Sea is sending the wrong signal and is not healthy for peace and stability. We all know that the United States has been sending warships to the South China Sea to assert freedom of navigation through the so-called FONOPs, so my question is does Malaysia disagree with the US on freedom of navigation issues?

Shashank Joshi, Defence Editor, The Economist

The secretary of state mentioned challenges to norms – and that included norms in cyberspace – at the beginning. Both France and the United Kingdom have established a strong naval presence and are pushing back at challenges to freedom of navigation. What are your countries doing about challenges to norms in cyberspace and aggression in cyberspace? What would you point to in that domain?

Liselotte Odgaard, Senior Advisor, Ministry of Foreign Affairs, Denmark

I would like to address two questions to Minister of Defence Parly. First, Madame Parly, about the forces that France has in the Indo-Pacific, can you clarify what role they play in relation to the two big powers, the US and China? Secondly, you mentioned the European contributions to the French deployments, but how much of a European contribution is there once you reach Southeast Asia and the Far East? How do you see the prospects of greater European contributions to what seems to be very much a French-led effort at the moment?

Sophia Yan, China Correspondent, Daily Telegraph

My question is for Secretary Mordaunt. You mentioned in your speech that the Royal Navy remains committed to this region. Does that mean that the UK will continue its commitment in terms of conducting freedom of navigation operations in the South China Sea?

My second question is about the cybersecurity risks posed in terms of Huawei's potential involvement in the UK's 5G networks. There is certainly domestic political turmoil going on in the UK, but there was a decision that was slated to come in the next couple of weeks. Now, security risks do not wait for politicians to get their act together. I wonder what your views are on the threats that Huawei could pose and, if Huawei is allowed to be working with the UK when it comes to building 5G, what reassurances can you give? Any safeguards that you think could help assuage concerns?

Dewi Fortuna Anwar, Research Professor, Centre for Political Studies, Indonesian Institute of Sciences

My questions will be first to the two officials from Europe. Both of you mentioned about support for ASEAN's centrality and we know that one of the strategic objectives of ASEAN is to enhance its strategic autonomy. That also means building regional resilience or not having too many external powers being involved in the region, but at the same time now we seem to see greater involvement of

external powers in this region. How do we square this circle, in the sense that the realpolitik is that you need to have more and more extra-regional powers trying to enforce rules-based international order, but at the same time dealing with the idea of having strategic autonomy?

I will ask also Sabu from Malaysia the question about the South China Sea as well and the role of these external powers. We in ASEAN have always said we want to engage all sides. Is it really possible? Is it really possible for us to have this kind of soft, inclusive regional architecture when we have these real challenges on the ground?

Sadeed Anver Malik Kashir, Chief Executive Officer, Karachi Council on Foreign Relations

Talking of Asia's evolving security orders and its challenges, as yesterday Prime Minister Lee had pointed out that he warned against conflicts, a huge big threat of conflict is looming around Asia, around the Persian Gulf or the Arabian Gulf. If that conflict takes place, Iran has outlined its action and they say that the Strait of Hormuz shall be blocked. If it is blocked for days, weeks or months, the price of oil shall skyrocket and all the countries – except the US, who are self-sufficient in oil supply – shall be affected, including Japan, China and most of the countries in ASEAN, India, Pakistan and Sri Lanka. This shall bring a stoppage of all the development that we are talking about. I feel that this is the time when the UN should indulge itself into some sort of a resolution from the Security Council, and if there is any requirement, the instrument is sanctions from the UN.

Aaron Connelly, Research Fellow, Southeast Asian Political Change and Foreign Policy, IISS Asia

Thank you, Dr Chipman. I would like to direct my question to Wahabi Mat Sabu. I am curious: In your speech, you seem to draw an equivalence between the US and China and the role that they have played in, as you say, escalating tensions in the South China Sea. But there has been a Chinese coastguard vessel off the coast of Sabah, off Luconia Shoal, for the past three years. I want to ask you: do you really believe that China and the US play equal roles in creating tensions in the South China Sea?

Secondly, when you were in opposition and when your deputy, Senator Liew Chin Tong, was in opposition in 2013, he called for a robust response to the presence of this Chinese coastguard ship. How have your views on the presence of that ship changed since you came into office?

Michael Fullilove, Executive Director, Lowy Institute, Member of the Council, IISS

I would like to first compliment Mme Parly for her excellent speech which I thought combined tough-mindedness with a sense of humour, which is always welcome in the third plenary, so thank you for that. Let me say I also heard your president's speech in Garden Island and I think most Australians welcome France's obstinate efforts to help uphold the rules-based order in Asia, of which we are all beneficiaries.

Let me ask you one question, Mme Parly, about values, which I think you mentioned. Last year one of the delegates in this room was the Canadian, Michael Kovrig of Crisis Group, and this year he is not with us. His detention has consequences for his family, of course, but also for China, because I think it dampens intellectual exchange and makes it harder for others to visit China to engage with Chinese policymakers. May I ask you to address the question of his detention from the perspective of China's interests?

Florence Parly, Minister of the Armed Forces, France

Thank you for giving me the floor. First, I would like to answer the question about the role that our forces play in the Pacific. As I said in my preliminary speech, we are an Indo-Pacific country. I know this is a bit surprising, but this is the reality, so we have to be there to protect our citizens, to protect our territories and to contribute also to the stability of the region, a region that we know is threatened in many manners. It is a region of opportunities, but it is also a region where tensions are there. Because we have territories, because we have citizens, we have permanent forces in the area and we are probably one of the only European countries having this very particular position – I am projecting myself into the future, where the UK will not be part of the European Union.

So we are there and we try to develop common exercises with our regional partners. That is exactly the meaning of the strike group that sailed from the Mediterranean Sea to the Indian Ocean and to Singapore. We want to have our own way and, on top of that, to demonstrate that we are able to coordinate with all the goodwill nations that are willing to contribute to the stability of the region. That is the meaning of our presence and that is the meaning of the presence of the *Charles de Gaulle* aircraft carrier.

The other question was about the European contribution, how can we develop a European contribution as Europe is very far from the Indo-Pacific area. I think that we have to convince – and we have convinced – our European partners that the Indo-Pacific is a very key area, not only from an economic perspective, but also from a strategic and military perspective due to the tensions I just mentioned before.

So we have stakes in terms of a maritime ONS, and this is something that we should develop together. We created together a maritime fusion centre in Madagascar as an example of what can be done at the European level to develop not only the presence but also the commitment of Europe in such a region.

How can we support ASEAN centrality and extra-regional powers in the region? I think there is no contradiction at all between those two aspects. It is clear that we are in a region where ASEAN is absolutely central – there is no doubt about that – but we see also that other big powers play a major role. So is it good to leave them by themselves? Or is it better to be there with local partners and with smaller states? I think that the second answer is the best one.

To the last question about cyber, yes, we have – with the UK – developed a strong naval presence and I think that we are developing together, but I am sure that Penny will elaborate more on this in cyber. On our side, we have analysed the potential threat of cyber and it is huge. It is huge for the economy and it is huge for the protection of our citizens. That is why, in our military programming law, we have decided to increase significantly the investment on cyber. In the next seven years, we will invest 1.6 billion euros (€) in cyber and we have also an elaborate doctrine which is a cyber defence doctrine. So yes, we fully consider cyber as a threat.

Penny Mordaunt, Secretary of State for Defence, UK

To start with the question – I think it was from *The Economist* – on cyber, as well as developing our defensive and offensive capabilities, there are two further areas where I think we are going to need to do much more in the future. The first is on developing a policy that can really help us make good

decisions; to understand the types of activity that are going on, to classify those types of activity and understand what is a proportionate and appropriate response. We need to work with others to develop that common understanding and I think that is one area that you can see us do more on in the future. Secondly, really linking in these new capabilities with more traditional and more conventional capabilities that we have, and I made an announcement a few days ago about some additional investment we are putting in to do that, particularly for the British Army.

Secondly, turning to the question which I think was from *The Telegraph*, just on enforcing freedom of navigation. I am not going to, as you would expect, make any announcements about future ship operations; sorry to disappoint you in that. But we absolutely reserve our right to do that and, as I said in my speech, these are important rules and important principles and they need to be upheld and they need to be enforced. But, of course, there are many ways of doing that and I will be discussing those this afternoon.

I would just take issue with the description of the UK being in political turmoil. It is true that life is not dull, but I do not think we are in turmoil. I am here, doing my job; other ministers are doing their jobs. We are testing our political institutions to the hilt, but they are strong institutions and we will find a way through. I think this is a sign not of a nation's weakness but a sign of its strength that it can have these debates and conversations and trust the people to make decisions.

With regard to the issue of 5G, I think Prime Minister Lee set this out very well yesterday. These are judgments to be made. There are vulnerabilities, for example, of just having one supplier. So all nations facing these decisions have to look at the detail, they have to weigh that up, and we will come to a decision and make an announcement from that shortly. But what I would say is that we will not compromise on our security and we will not compromise our security relationships with our key partners. I think, rather than pose the question at nations who are facing these decisions on what suppliers to use, we should also be posing questions to nations and companies who do not want to adhere to the principles that we would like to see in our suppliers. I think that that is what we should focus on.

Haji Mohamad Sabu, Minister of Defence, Malaysia

We have to respect the COC and UNCLOS. The South China Sea now is a very important area. We know that more than 100,000 ships pass through the Strait of Malacca, so this trading area is very important. We do not want this area to become an issue of power between the two big powers, the US and China.

We defend diplomacy because we in ASEAN, and especially Malaysia, cannot have a war with China or Russia. We are too small. We are not strong, but we have sovereignty. It is very important for these two countries to respect this area. We do not want to import what happened in the Persian Gulf to the South China Sea to show the power and then after that, as one gentleman from India mentioned just now, if anything happens in the Strait of Hormuz, the world will suffer. At the same time, if anything happens in the South China Sea, the world also will suffer. We have to increase our diplomacy.

We love America. We also love China. Both of them must now take care and deliver.

Rufino Lopez, Deputy Director-General, National Security Council

Thank you for the panellists and their views, both from Asia and Europe. This century is arguably the Asian century – perhaps this is true, being a country situated in the middle of the Asia-Pacific region. The Philippines, a small state, cannot be more proud if this century is to be the Asian century. However, there is also cause to be concerned and perhaps to be worried about the aggressive push to change the existing regional security framework. While the Philippines welcomes change, especially if that change is for the betterment of the region, what is wrong actually[?].

My question is does the Asia Pacific region really need a new regional security architecture? If so, what for and in whose interests should it be considered?

Euan Graham, Executive Director, La Trobe University

My question goes to Secretary Mordaunt. Secretary, you talked about the UK in terms of win-win principles and projecting values. An aircraft carrier, however – and as a naval reservist I think I do not need to tell you this – is fundamentally about power projection, as your French counterpart has herself underlined today. I believe if the UK is to send aircraft carriers to this region in the future, that regional stakes, including China, are very unlikely to view that in terms of a win-win outcome. That may be a risk that the UK is willing to shoulder, but I think we need to be upfront in terms of that risk, and further that it sets up an expectation amongst allies and partners that there will be an expectation that the UK delivers on that into the future. In my mind – and I put it to you – if there is a question around UK ships visiting Asia, it is less about the size of the ships rather than the frequency and consistency with which they visit.

Aiko Doden, Senior Director, NHK Japan Broadcasting Corporation

My question goes to the Defence Minister of Malaysia. Minister, you have referred to non-traditional security threats and the rise of extremism in the region. What would you say would be the implication of the Sri Lankan attack which happened recently? In Southeast Asia, where there are said to be pockets of resentment that can be ignited or taken advantage of by those extremist groups, what is the extent of the need for the transnational measures like information-sharing in order to address these activities that are both transnational and ubiquitous?

Janet Dyah Ekawati Gibson, Co-founder; Defense Consultant, Srikandi Adjirajasa Nanyotama

My question is for Secretary Mordaunt and Minister Parly. You have talked a bit about cyber security, but I was wondering if you could elaborate on your views on the implications of cyber security and the development of an artificial intelligence on Asia's security stability. You mentioned cyber security in terms of your own policies, but how will it influence us? Perhaps you could also share your experience to the region.

Dr John Chipman, Director-General and Chief Executive, IISS

Thank you. At this point I should make an editorial comment, which is that it seems good news that we ensured there was a special session this afternoon at the Shangri-La Dialogue on cyber capability development defence implications, because this has been a persistent theme, to use a technical phrase, of this plenary. There will be more this afternoon, for those interested.

Prashanth Parameswaran, Senior Editor, The Diplomat

My question is for the Malaysian Defence Minister, Mohamad Sabu. Minister, since you have taken up your post you have spoken frequently and also very honestly and candidly about the severe limitations that Malaysia faces in terms of its capabilities and the challenges for its military modernisation. Since then, we have seen Malaysia take a number of steps that are very promising and also some of them being long-term, including articulating a defence white paper and the conception of Malaysia as a maritime nation, as was announced by the Malaysian prime minister. Based on what you have seen so far, do you sense that what has been done to date is sufficient to address the capabilities gaps that you have mentioned? If not, what are some of the other steps that Malaysia can take to help narrow those gaps?

Yingli Zhang, Professor, National Defence University, People's Liberation Army

Thank you to Dr Chipman and I would also like to thank the three ministers on the stage. I am from the Defence University of China. My question is to [Minister] Parly. I can say that this freedom of navigation is the common issue of the Asian countries and also our common benefit. Of course, any freedom of navigation will have preconditions. That means it cannot endanger the sovereignty of the relevant countries, as well as the security and interests of the relevant countries. Otherwise, it will trigger the resistance of the countries, including China. So this will further reduce freedom.

I have two questions. My first question is, in the twenty-first century, we would like to maintain the security of the Asia-Pacific. Other than sending our military to maintain this security, are there any other better measures, for example through dialogue, conversation or cooperation? This is what our military is doing in other areas.

The second question is that we think that rules in maintaining the security of the Asia-Pacific have a very important role to play. Do you think the code of conduct that is now being negotiated between China and ASEAN is also part of these rules? Once this code of conduct has been rolled out, will that play a longstanding role in maintaining the stability of the South China Sea and the Asia-Pacific?

Dzirhan Bin Mahadzir, Malaysia Correspondent, Shephard Media

A question for the Malaysian Defence Minister. The first thing is that I have been hearing there is a certain change in posture, including the cancellation of a multinational amphibious exercise scheduled in Malaysia because it was deemed too aggressive. So is the new Pakatan Harapan government having a change in policy? Because there is also no more the publicisation of the US Navy destroyers docking in at Kota Kinabalu, normally on their way to or coming back from foreign ops, whereas in the past the Royal Malaysian Navy always tweeted it out.

My second question is on the situation in Eastern Asia on the Eastern coast of Sabah. The Malaysian government seems to be engaging in an infinite war of constant patrolling the border with no endgame in sight. Perhaps you can tell us how this ends, really, to quote David Petraeus's famous line. What is the endgame for Malaysia in regards to the threat posed by armed groups in the Philippines? Does it end with us hanging the last Abu Sayyaf guys in Kuala Lumpur, or a peaceful negotiation, or something or another?

I think a couple of people have already asked about the Chinese coast guard vessel parked at Luconia Shoals and I think you have not yet answered that question, so perhaps you could answer that, too.

Pierre Noël, Senior Fellow for Economic and Energy Security, IISS

A question for Minister Parly. You very strongly emphasised that France would face off any threats to its sovereignty in the region. I just wanted to know if this was a statement of principle or if you had specific threats in mind.

Haji Mohamad Sabu, Minister of Defence, Malaysia

So many questions for me, but it is good. For the terrorists there is no religious order, but the Muslims or non-Muslims in New Zealand, Sri Lanka and all worship places [inaudible] church in Al-Iskandariya in Egypt. So we understand that terrorists have no order and no certain ideology and no religion. We have to fight with them in soft ways and hard ways. But I really appreciate the role of the prime minister of New Zealand and how she faced the incident in New Zealand. I appreciate her; that is the way world leaders should behave when a bad thing happens in their country. I salute the prime minister of New Zealand.

We also have to study deep inside these terrorists, who is their father and mother? Because they have a lot of money. They have very sophisticated weapons. If they are an NGO I think they could not afford to have these modern weapons. Now in [inaudible] they even have a rocket launcher. Who is their father and mother? We must share our intelligence and expose who is their mother and father, then we can reduce their activity throughout the world.

We can also discuss how they have no borders. They are borderless. They can react any way that they want. This is the threat that we are facing now. In Southeast Asia, we share our intelligence. We have very strong collaboration. Same thing between the border of Sabah and the Philippines; we have joint patrols together with three countries, the Philippines, Indonesia and Malaysia. These patrols reduce a lot the kidnapping for ransom and the kidnapping for money. Of course, there are so many things that happen there, but we reduce it a lot because our cooperation is very strong in that area – Malaysia, Indonesia and Thailand, TCA.

Then we know China shares a border with us, China is near to us. Any changing of their policy will affect us. That is why we know that sometimes they send their coast guard. The Chinese coast guard is bigger than Malaysia's warships. How are we going to chase them? We cannot fight with them. We will always talk to them, defend with diplomacy and respect their sovereignty. If they send a warship, then America also will challenge them. When the elephants fight, the grass will suffer; when elephants make love, the grass will suffer, as mentioned by Prime Minister Lee last night.

So we must actively defend diplomacy. We must submit together many times – this is not the first time, second time or third time – to dialogue, because we want to keep the peace and neutral zone in this area, especially in the South China Sea. We want to upgrade and have dialogue, defend diplomacy and respect the law – UNCLOS and everything must be upheld. Everybody, when in big power, they come in and give a speech saying they respect sovereignty, they respect the UNCLOS, they respect COC. But their behaviour is different. As small countries, especially those of us in ASEAN, we must unite together to face this problem. Thank you very much.

Penny Mordaunt, Secretary of State for Defence, UK

I think my time is best spent answering Euan's question, I think it was. By power projection, what we mean is that is shorthand for being able to do what you know needs to be done. When the two carriers are in service they will be used for many things. They will be backdrops to trade deals and negotiations. Their big decks will be used to distribute aid. They will be used for cementing partnerships, for joint training, for building capacity. And yes, there will be times when they will be used as a deterrent and they will be used for offensive situations. But what matters is the context in which you are deploying them and the clear purpose that they are there to serve. I think it would be very unusual if Big Liz, as we affectionately call her, did not visit at some point this region. But I would just remind you that when she recently visited New York City, that was not a hostile act.

Florence Parly, Minister of the Armed Forces, France

The first question is about the threats; do we consider threats in principle or in particular? Again, we are in a region of tensions, so there are many kinds of threats and we have to be ready to face them. So I have no particular idea; I just mentioned terrorism, trafficking, drugs and so on, and I think we should be prepared to face them.

I would like to answer the question raised by the Chinese representative. I would like to tell you that we strongly believe in rules-based order and we strongly believe in international law, among which is freedom of navigation. We consider that the *fait accompli* is clearly not in accordance with UNCLOS. On top of this, I would like to add that France does not take position on territorial disputes. As I said, we feel very concerned by what is going on in the area, but it is not our position to take a position on these questions.

The last question was about the code of conduct. Yes, we strongly support this initiative, because it is in the spirit of the multilateralism we would like to develop. Still, we consider that the code itself will have to comply with the international law, and again, we strongly believe in this.

Dr John Chipman, Director-General and Chief Executive, IISS

Thank you very much. I hope all of you will join me in thanking the three defence ministers who have spoken and who have given us such an extraordinary opportunity to understand Asia's regional security order.