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GENERAL NGO XUAN LICH

MINISTER OF NATIONAL DEFENCE, VIETNAM

MAJOR GENERAL (RETD) DELFIN LORENZANA

SECRETARY OF NATIONAL DEFENSE, PHILIPPINES

SENATOR LINDA REYNOLDS

MINISTER OF DEFENCE, AUSTRALIA

Masashi Nishihara, President, Research Institute for Peace and Security

Thank you very much for this opportunity. We have heard both from Vietnam and the Philippines today that they do favour the importance of peace and stability of the sea lanes in the South China Sea and also the freedom of navigation in the area. I suppose that Vietnam, the Philippines and other ASEAN countries support the United States' operations in the region and, along with the United Kingdom and France, Japan also participates in the endeavour in an indirect manner by supporting, improving also ties with Vietnam and the Philippines. May I ask whether this is sufficient for these ASEAN countries to promote free navigation? They do not really express that usually in public – I suppose that they support, but they do not express. This also weakens our position. If ASEAN can make a strong statement in supporting the freedom-of-navigation operations by the UK, France, the US, Australia and other countries, this will help the balance of force in the region.

Viraj Solanki, Research Analyst for South Asia, IISS

My question is for Minister Reynolds from Australia. The latest meeting of the Australia, India, US, Japan consultations at senior-official level, also known as the Quad, took place two days ago. I would be grateful if you could discuss how you see the future of the Quad as a mechanism to enhance regional security in the Indo-Pacific.

Rommel Banlaoi, Chairman, Philippine Institute for Peace, Violence and Terrorism Research

I would have wanted to ask this question to General Wei, but I think the three speakers are in the position to answer. General Wei said that there is progress now on the negotiation of the Conduct of Parties in the South China Sea, and I would like to know if you share that kind of sentiment. Can you identify what areas that we can see some progress in the negotiation? Related to that, China set a timeline for the conclusion of the Code of Conduct (CoC), which is in three years' time. Do you agree with that timeline? Are you optimistic that the CoC will be concluded in three years' time?

I have a specific question to General Lich, but I think Senator Reynolds can also weigh in. The Philippines and China made an agreement on the joint development of natural gas and oil in the South China Sea. What is Vietnam's reaction to that? Also Australia, what is your reaction to that?

Ashley Townshend, Director, Foreign Policy and Defence, US Studies Centre, University of Sydney

My question is for all of the panellists. The topic of this session is Preventing Conflict in Contested Domains. Over the last five years, one of the main ways that regional countries have tried to achieve this is through confidence-building measures, particularly in the maritime domain. They have worked to a certain degree to limit crises on the water and in the air, but they haven't done much to change the way that the strategic environment has deteriorated, particularly in the South China Sea. Could I ask the panel to comment on whether those sorts of rules to prevent strategic change are no longer effective, particularly as the US, Australia and others are now talking a lot more about deterrence as a better means to ensure stability and prevent conflict?

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

My questions would be mostly addressed to the two ministers from ASEAN. We have heard this morning about this very uncompromising position from the minister of defence from China which clearly states that the South China Sea is its territory and also that China reserves the right to use force if necessary.

Now, if we look at the ASEAN countries, I imagine that all the claimant states, including Vietnam and the Philippines, will also not budge an inch about your respective claims. But ASEAN has developed a culture of renouncing force in settling disputes and both of you have reiterated how ASEAN have resolved territorial disputes within member states.

Now, going back to the CoC, how confident are we in ASEAN? Is it possible that ASEAN members would be able to match this different strategic culture, the one that reserves the right to use force and the other renouncing the use of force? To what extent would ASEAN be able to ensure that the substance of the CoC will meet the kind of code of conduct that will match the Treaty of Amity and Cooperation in Southeast Asia (TAC)? How do we ensure that the CoC, when it does come into being, will not actually institutionalise a very, very asymmetrical relationship which, in the long run, will be to the detriment not just of ASEAN members, but also the wider stakeholders in the South China Sea? Including not really paying sufficient attention to all of the clauses in the United Nations Convention on the Law of the Sea (UNCLOS).

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

My question is especially for General Lich. I want to remind you of the incident between Vietnam and Indonesia in April 2019 where one of your fishery ships rammed our warship that was having one of Vietnam's fishing vessels. Some believe that the incident is a copy of what the Chinese also have done in Indonesia in 2016. I just want to know your views on that, how we should manage this incident and, of course, managing it in the future.

Ben Bland, Director, Southeast Asia Project, Lowy Institute

My question is for Secretary Lorenzana about the Mutual Defense Treaty (MDT). Earlier this year, US Secretary of State Pompeo tried to reassure the Philippines that the US would come to your aid in the event of an attack. You have said that his reassurances were not enough. What further measures do you want to see the US take and what statements would you like to see them make to reassure you that they will, in fact, come to your aid if there is a conflict with China or anyone else?

Dr Kori Schake, Deputy Director-General, IISS

All three of the panellists talked about the rules-based order and the importance of norms. I would be interested to hear whether there are any of the current rules or norms that you would like to see changed. The Chinese talk a lot about the need to accommodate China's differences and new rules. Do any of the three panellists have rules or norms they would like to see changed in the current order?

Dr Amy King, Senior Lecturer, Strategic and Defence Studies Centre, Australian National University

Happily, my question was exactly the same as Kori Schake, so I will just reiterate – and particularly for Minister Reynolds – are there any changed norms or new norms that you would see as being particularly important to achieve the collective blueprint that you talk about?

Dr Lynn Kuok, Senior Research Fellow, University of Cambridge; Visiting Scholar, Paul Tsai China Center, Yale Law School; Associate Fellow, IISS

General Lich, in July 2017 – a little after a year after the South China Sea Tribunal award – China reportedly threatened Vietnam with military action if it continued to drill for oil and gas in its own exclusive economic zone. Vietnam is said to have ceased operations. Similar threats were apparently issued in March and May 2018. Can you please tell us, firstly, whether there is any truth to these reports? Secondly, if the reports are true about these threats, why did Vietnam not say anything? Can we infer from that that Vietnam has caved to China?

To Major General Lorenzana, you mentioned joint exploration or development. Will joint exploration concede that China has legitimate claims in the areas that will be jointly developed?

Marvin Salazar, National Security Specialist III, Policy and Strategic Studies Branch, National Security Council; 2018 SEAYLP Associate Fellow, IISS-Asia

My question is directed to the good senator from Australia. I want to get your reaction on China's own security concerns in the South China Sea. General Wei had said himself that the islands in the area are part of their territories, thus providing a reason for China to deploy its military facilities. He even said that this is just mere self-defence and that it is simply addressing a pressing security threat, particularly from actors that blatantly show muscle in the area. My question is, given this reality, how do you intend to advance and reconcile your own version of freedom of navigation and rules-based order, and uphold the internationally established norms and rules in this highly contested area?

Zhongying Pang, Distinguished Professor of International Relations, Ocean University of China and Macau University of Science and Technology

To the Australian Defence Minister, you and the US Acting Defense Secretary mentioned the key words of 'inclusive Indo-Pacific strategy'. Is it possible to have a so-called defence and diplomatic [inaudible]?

My second question is about how to include China. Is there a road map to include China in the Indo-Pacific strategy?

Yoichi Kato, Senior Research Fellow, Asia Pacific Initiative

Lee Hsien Loong talked about the possibility and danger of a US-China strategic face-off – and having listened to the presentations and discussions over the last two days, I cannot believe that such a development is not something that we can just regard as unreality. My question to the three ministers is, how do you assess the impact of such a strategic face-off between China and the US on your strategic interest, and what would be the alternative strategic choice and adjustment your country would and should have to make to deal with such a development?

General Ngo Xuan Lich, Minister of National Defence, Vietnam

I welcome colleagues that raised questions to all three of us. First of all, on freedom of navigation and overflight, I tend to think that all countries are legitimate to exercise their right to freedom of navigation and navigation of overflight, but the important thing is we must uphold international law, with specific laws on the seas – for example, UNCLOS – with the principles of respect for national sovereignty, independence of littoral nations and responsible activities, and contribution to the development of the regions.

For Vietnam, we strictly uphold international law. It is not only in our words but in our activities, and we exercise the full right over the freedom of navigation and overflight. We are ready to work with countries to settle disputes on an equal basis in accordance with international law and [inaudible] conditions.

With regard to the questions on the CoC, ladies and gentlemen, the full implementation of the CoC, especially with regard to preserving the status quo and the negotiation toward a meaningful CoC, is something on which both China and ASEAN are exerting our maximum effort. We would like to maximise our effort to reach an early conclusion of the CoC within the timeline of three years, and even less than three years. You have heard this, and in our conversations General Wei also raised these issues with me. With our responsibility for the peace and stability in the region, I would say that ASEAN is now making efforts and China needs to make a bigger role and effort. With the willingness and effort from the two sides, we can reach a meaningful conclusion of the CoC as we all expect.

Now for the questions on the incident between Vietnam and Indonesia. Firstly, I would like to say that both Vietnam and Indonesia are investigating and also working together in demarcating the marine waters between our two countries. With fishing vessels working in this area, we would say there could be some infringement because demarcation has not finished – which area belongs to Vietnam, which area belongs to Indonesia is not clear. That is why there could be some confusion.

For Vietnam, we are exerting our effort in first of all educating our people to uphold the law and especially regulations on fishing lines. I work with and I talk with my counterpart in Indonesia and also my counterparts in Vietnam and I stress that, yes, if fishermen violate some rules or some rights, we need to above all exercise the humanitarian approach to them because fishermen are basically poor. Humanitarian is above all, for both Indonesia and Vietnam.

I think that is enough for me. Thank you.

Major General (Retd) Delfin Lorenzana, Secretary of National Defense, Philippines

On the question about the freedom-of-navigation operations (FONOPs), I think the question is, does ASEAN support the FONOPs and is it a sufficient action to keep the South China Sea free and open? I think, yes, we support the FONOPs to keep the South China Sea free and open. Is it sufficient in the long run? I think it is not sufficient, because we have to get the cooperation of China to keep the South China Sea free and open in the long run.

On the CoC timeline, I think China, as recently as last year, said that now they want the CoC to be finished in three years' time. I think almost one year has elapsed and I think we have two more years

to finish that. The Philippines believes that it is to the advantage of everybody if the CoC is finally finished. That would address all the concerns of all people, claimants or players.

There was a question about the confidence-building measures that we had in place in the past and whether they are still effective. We believe that they are still effective, but we should explore more avenues or measures to further strengthen these confidence-building measures.

On China's uncompromising stand in the South China Sea, we get a conflicting message there. They have this uncompromising stand that it is their territory, but they also renounce force. I keep telling the Chinese ambassador in Manila that the Philippines has two documents to prove that we have sovereignty over the area: the UNCLOS of 1981, of which China is a signatory, plus the arbitral ruling in 2016. They claim that it is their territory because of historical records which do not exist.

On the MDT, I was the one who raised this issue, I think sometime last year or the other year, because we would like to remove some of the ambiguities in the treaty, which was signed in 1951 at the height of the Cold War. We believe that we have to revisit it just to be sure that it is still relevant in these modern times.

There was a question about the accommodation of China's role. Yes, China's role in the South China Sea is very much welcome, but it should also display some sort of responsibility as a major power and not using might to force its way in the South China Sea.

There was a question about joint exploration in the South China Sea. If our agreement to a joint exploration will give the Chinese jurisdiction over the area, no, we do not. In fact, the prevailing sentiment of our negotiators is that we could go into joint exploration, but let us not talk about sovereignty or jurisdiction.

On the impact of the face-off between China and the US, it concerns us in the Philippines because we are right there in the centre of the South China Sea. Anything that they do, if there is a conflict, if there is a shooting war, we are involved. If the trade war continues, then we are affected. So, it impacts us.

Thank you.

Senator Linda Reynolds, Minister of Defence, Australia

Thank you very much, and thank you to all of the delegates for your questions. I have now spent 75% of my time as the Australian Defence Minister here, involved in the very rich discussions that we have had on bilateral and multilateral bases. What it has reaffirmed to me is that the principles and the values that underpin Australia's vision for the Indo-Pacific, I think, are the right ones for us to continue on with. I would like to share with you those principles and values because I think they, in large part, answer the questions that have been asked directly of me.

Australia's vision is for an open, inclusive, prosperous and stable Indo-Pacific. It is one where disputes are resolved peacefully, in accordance with international law and without the threat or use of force or of coercion. Our vision is also about open markets that facilitate greater economic integration; the right of freedom of navigation and overflight are upheld; the rights of small states are protected; the US remains strongly engaged in the economic and security affairs of the region and

continues to help shape institutions and norms; and that China plays a leading role in the way that we strengthen those principles.

I would also say in relation to the code that we believe it needs to be done in accordance with international law, including UNCLOS, and not to prejudice the rights of other ASEAN members. You could say that would be a very important measure which would help set appropriate norms and minimise the risk of conflict in direct response to those two questions.

I think that as I move forward and return home to Australia now, these discussions and the important questions today provide very good guidance for me in terms of how this government proceeds to further implement our vision for the Indo-Pacific. Thank you.

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

Thank you very much indeed. I hope everyone in the hall will thank our three ministers for a tremendous presentation and excellent conversation.