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THE SHANGRI-LA DIALOGUE

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DIRECTOR-GENERAL AND CHIEF EXECUTIVE, IISS

GENERAL LI SHANGFU

**STATE COUNCILOR; MINISTER OF NATIONAL
DEFENSE, CHINA**

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

Thank you very much, General, for that very comprehensive statement of China's approach to the Indo-Pacific. I note that you said that the People's Republic of China (PRC) will seek to complement and refine existing rules consistent with the UN Charter. And the definition of complementarity and refinement of those rules will no doubt require a transparent dialogue and negotiation to ensure full legal inter-operability with the principles of the UN Charter to which the PRC is so publicly committed.

May I remind everybody that this is the first statement that the Defense Minister of China has made to an international audience. It will be also the first occasion in which he takes any questions in public. And our approach will be that I will take four or five crisp questions and comments from the audience, and then invite the General maybe to respond in two or three minutes, and then return for another round of perhaps up to six questions.

We have 44 people who have sought the floor. So I will have to be emotionally intelligent in my distribution of offers. And I offer the first to Meia Nouwens from the Netherlands and also from the IISS.

Meia Nouwens, Senior Fellow for Chinese Security and Defence Policy, IISS

Thank you, John. And thank you, General. It is wonderful to see you here and very important that you are here as well to present China's perspective on regional security.

A report emerged yesterday that a Chinese naval vessel carried out an aggressive manoeuvre resulting in a near collision when it changed direction and came within 150 yards of a US American destroyer transiting through the Taiwan Strait, where foreign, including military, vessels and aircraft have the right of passage under the UN Convention on the Law of the Sea (UNCLOS).

I would be grateful if you could please explain how this type of behaviour supports China's desire for peace and stability in the Taiwan Strait and the wider region? And if you could also please explain why the PRC continues to refuse the United States' requests to engage in military-to-military communication and establish crisis communications, which seem incredibly important at this point in time? Thank you.

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

Thank you, Meia. And from the United States, Bonnie Glaser.

Bonnie Glaser, Managing Director, Indo-Pacific Programme, German Marshall Fund

Thank you, John. Well, my question was similar. I wanted to point out also what took place in the Taiwan Strait yesterday. I also wanted to note that the dangerous manoeuvre was not only unprofessional, it was in contravention of the Convention on the International Regulations for Preventing Collisions at Sea, which is one of the more than 500 conventions that China has joined, which General Li has mentioned.

I think a collision clearly would put lives at risk. It would cause a major crisis that could escalate to a broader conflict. So I would also like to hear General Li explain how such an accident would advance Chinese interests were it to take place. And is not it necessary to resume the Military Maritime Consultative Agreement and other mechanisms of dialogue between the United States and China? You

called for enhancing dialogue and strategic communication. Does that include dialogue with the United States military and the defence officials? Thank you.

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

Thank you. And from the Philippines, Jay Tristan Tarriela.

Commodore Jay Tristan Tarriela, Deputy Chief of Coast Guard Staff, Human Resource Management, Department of Transportation, Philippine Coast Guard

Good morning. You mentioned China wants to promote dialogue over confrontation. So my question is about the apparent disconnect between China's words and actions related to its maritime interaction with the Philippines and perhaps with others in the region. For example, when President Marcos and President Xi met in Beijing, they agreed to manage differences through peaceful means and to promote freedom of navigation and overflight above the South China Sea and reached consensus on the probable resolution of disputes on the basis of the UNCLOS. But in the same one, Filipino fishermen who were simply fishing in Philippines' exclusive economic zone were harassed and driven away by China Coast Guard, in violation of international law.

The following month, your coastguard directed a military-grade laser into a Philippines Coast Guard vessel inside the Philippines' exclusive economic zone under UNCLOS. So while China is talking about dialogue, China's actions show confrontation. Thus, my question is, why is there a big difference between China's words and its actions? Thank you.

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

And finally, before we return to the General, one more question, and a reminder that we will come back for another four or five questions afterwards. The next from Vietnam, Hoang Thi Ha.

Hoang Thi Ha, Co-coordinator, Regional Strategic and Political Studies Programme, ISEAS

Thank you. General Li, you mentioned and highlighted the importance of equity and justice throughout your speech. I would like to know how you see justice and equity being applied in the South China Sea disputes, where China has competing maritime and territorial claims with Southeast Asian countries. And to borrow the questions that you eloquently raised in your speech, what are the rules and who makes the rules? And I would like to add, are these rules, are they or are they not anchored in UNCLOS?

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

Thank you very much. If you might take two to three minutes, General, to answer those five questions and then we will come back. A couple of them were similar.

General Li Shangfu, State Councilor; Minister of National Defense, China

Thank you. First, to response to the questions raised by the scholars from Netherlands and the United States and also the other scholars, I think there are similarities in those questions.

Regarding maritime issues, I said in my speech that we must observe the UNCLOS. That is, of course, a must. Freedom of navigation, innocent passage, we have not seen any problem with that. What is key now is that we must prevent attempts that want to use those freedom of navigation and innocent passage as a pretext to exercise hegemony of navigation. As Defense Minister, every day I see a lot of

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information about foreign vessels and fighter jets come into areas near our territory. They are not here for innocent passage. They are here for provocation. So in order to truly observe UNCLOS, we have to fully understand the essence of this convention and abide by the code stipulated in this convention.

I find a lot of interest in South China Sea. And on this issue, for China, we operate under the Declaration on the Conduct of Parties in the South China Sea and promote negotiations on and consultations on a Code of Conduct. You asked about the rules. What are the rules we all abide by? These are the rules we abide by. And the principle we uphold is consensus.

We discussed together to work out a code of conduct that applies to all the stakeholders. I wonder if that is an adequate response to your questions.

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

And if you are able to offer it on what happened yesterday?

General Li Shangfu, State Councilor; Minister of National Defense, China

Allow me to add a few more points about the interactions between China and the United States. China is open to communication between our two countries and also between our two militaries. So far, our two countries and two militaries have smooth communications about channels at different levels. But we have our principles to communication. We hope our exchanges, cooperation will be based on mutual respect. That is a very fundamental principle.

If we do not even have mutual respect, then our communication will not be productive. Mutual respect and equality should be the foundation for our communications.

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

Thank you, General. From the floor, François Heisbourg from France.

François Heisbourg, Special Adviser, Fondation pour la Recherche Stratégique; Senior Adviser for Europe, IISS; former Chairman of the Council, IISS

Thank you, John. During the revolution of 1848, during which Karl Marx wrote the Manifesto of the Communist Party, one of the participants in the revolutionary events at the time was quoted as saying, [...]. In English, that translates as, if you do not want to be my brother, I will knock in your skull. This was obviously not win-win language.

Beyond your reminder that China does not renounce the use of force in dealing with the Taiwan situation, what is the Chinese Communist Party (CCP) – the body to which the People's Liberation Army (PLA) answers – what is the CCP ready to do to convince the inhabitants of Taiwan that your intentions are brotherly in a way which is different from that of the revolutionaries of 1848?

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

Thank you very much. It is a lesson in applied history, I think some academics like to term that. Tim Huxley, the former executive director of IISS-Asia, who worked with us for a long time in the early years of establishing the Shangri-La Dialogue. Tim?

Dr Tim Huxley, Senior Advisor, IISS–Asia

Thank you very much, John. General Li, thank you for your speech. My question concerns the military implications of the war in Ukraine. General, I wonder if you could please say something about whether it is possible to draw any lessons in areas such as doctrine, leadership, operational and tactical conduct, logistics, military organisation, and also equipment and training from the war in Ukraine.

One possible lesson, of course, concerns the balance between the offence and the defence. Is it perhaps, in Zhou Enlai's words, too early to say? Or are some ramifications of the Ukraine war already becoming apparent? Thank you very much.

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

Thank you, Tim. And from France, Lebanon and also the IISS, Emile Hokayem.

Emile Hokayem, Director of Regional Security and Senior Fellow for Middle East Security, IISS

Thank you, John. And thank you for your remarks, General Li. You mentioned the key role of China in facilitating the agreement between the Kingdom of Saudi Arabia and the Islamic Republic of Iran. This was a remarkable diplomatic moment. Does the fact that China facilitated this agreement mean that China is also taking responsibility for its implementation? Linked to that, could you please tell us more about China's defence relations in the Gulf region, including potential arms sales and defence cooperation, particularly with Iran? Is China interested in playing a bigger role in Gulf security? Thank you.

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

Thank you very much, Emile. And I might say that the International Institute for Strategic Studies, since 2004, has run a sister dialogue, as it were, in the Kingdom of Bahrain that brings together all the relevant actors there and we look forward to China's participation in that. From Myanmar, Kyi Sin.

Kyi Sin, Graduate Student, Lee Kuan Yew School of Public Policy

Thank you, General, for your speech. Just four days before the Shangri-La Dialogue, Major-General Yang and the acting director-general of the Intelligence Bureau of Myanmar's – China's – Central Military Commission (CMC) visited the Myanmar military and junta chief. So they were concerned about China sharing military intelligence with the junta to assist their military campaign against the pro-democracy groups in Myanmar. What is the purpose of the meeting? And that is my first question.

And another question is, what is the extent of military cooperation between China and Myanmar's military junta? Thank you.

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

Thank you very much. I might take two more, because I think we have time. From Australia, Michael Fullilove.

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

Thank you, John. General, as a professional military officer, how do you account for the deeply unimpressive performance of the Russian military in Ukraine? Has this changed your perceptions of Russia's strength and reliability as a partner for China?

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

And finally, from the IISS, but also Indonesia, Evan Laksmana.

Dr Evan Laksmana, Senior Fellow for Southeast Asia Military Modernisation, IISS-Asia

Thank you, John. And thank you, General. As part of the Global Security Initiative (GSI) that you led the speech with, are there plans to improve the quality and the frequency of China's military diplomacy in Southeast Asia? In particular, are we expecting to see more PLA officers studying at Southeast Asian staff and command colleges, more complex joint exercises, and perhaps even defence-industrial collaboration in the future? Thank you.

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

Thank you very much. So, General, you have another three minutes to address those six or seven questions. I hope you see that we have a very diverse and international gathering here and lots of perspectives from different parts of the world in which China is engaged. So please, sir.

General Li Shangfu, State Councilor; Minister of National Defense, China

Thank you very much for those questions. First of all, I want to respond to the second and the fifth questions regarding Ukraine. Well, now my focus is on military diplomacy about the combat; the practices, I have not spent a lot of my time on those areas. So I am not able to give a highly professional answer to those questions.

What I want to say, that the priority of our focus now is promoting talks for peace. And based on that principle, we do our best to mediate, to encourage all parties to contribute to the efforts for peace talks, so that the crisis will be resolved as soon as possible through political and diplomatic manner.

About the reconciliation between Saudi Arabia and Iran, you asked about whether China will do more work in this regard. Of course, China will make great efforts to promote peace, cooperation and development. I also want to say that I can feel a lot of expectations for China. You expect China to do more in the Middle East. But I want to say, Saudi Arabia, Iran and other countries in the region are the main players for promoting peace, stability and development in the region.

And in response to the question from the scholar from Indonesia about the GSI, where did Chinese military have more exchanges in Southeast Asia? I can be frank with you that in the past two days, here in the Shangri-La Dialogue, I have had meetings with defence officials of 11 countries. We have a very important common understanding. And that is, our militaries should have more and deeper and more extensive communication exchanges.

And based on that consensus, we will work with militaries of Southeast Asian countries for exchange programmes and cooperation. And our purpose is to promote peace, stability and security of our region.

And before I conclude, I also want to respond to questions regarding Taiwan. Our position on this question is clear. No matter which perspective you take when analysing this question, one fact is clear: Taiwan is an inalienable part of China. The Chinese government and the Chinese military will never tolerate any resistance that could lead to a divided China. And at present, in particular, we will not

tolerate attempts by Taiwan independence separatist forces and external forces to separate Taiwan from China.

Well, you mentioned the words that if you are not my brother, then I will knock your skull. Well, I need to maybe read more about that in history books. I did not see that.

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

Just before we close, we have perhaps 30 seconds more. There were one or two questions on the floor about manoeuvres that took place recently at sea and in the air, where perhaps Chinese vessels and Chinese aircraft are thought to have come too close to others operating in international waters or in international airspace. Do you have a point on that, please?

General Li Shangfu, State Councilor; Minister of National Defense, China

We have codes for encounters at sea and in air reached with many other countries to prevent unnecessary dangers. But I want to also raise a question: the incidents you mentioned, why did all those incidents happen in areas near China, not in areas near other countries? I think that is because China's naval vessels or Chinese fighter jets would not do those hegemony-of-navigation actions in areas near other countries.

To truly prevent such incidents in the future, we not only need the codes. We have, already have. The best way is for other countries, especially the naval vessels and fighter jets of all countries, not to do close-in actions around other countries' territories. What is the point going there? For China, we always say, mind your own business, take good care of your own vessels, your fighter jets, take good care of your own territorial airspace and waters. If that is the case, then I do not think there will be future problems. Thank you.

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

Delegates, this is the first time in 24 hours that I have entered a session one minute late. But I think we added certainly one minute of value, if not more. Thank you, General, for choosing the Shangri-La Dialogue to make your first international public statement and for making your first –

General Li Shangfu, State Councilor; Minister of National Defense, China

Well, allow me to this opportunity to send one message. I look forward to more in-depth exchanges with all the scholars, because we have very short time here, in the limit of time, we are not able to have very in-depth discussions, and open to more discussion with you on security and development so that we can better understand the opinions and positions of us and different countries so that you will be also able to better understand China's position, views. Thank you very much.

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

Thank you very much, General. You have, again, publicly endorsed the value of a dialogue of this kind. I will ask the audience to do two things, please. First, stay in your seats because we will move briskly to the next plenary session. I would like to recognise in the hall the Prime Minister of Estonia and also the President of Timor-Leste, both of whom, with the Defence Minister of Germany, will shortly be miked up and take the stage. So do stay in the room because our second plenary will be as dazzling as

the first. And I would like you now, secondarily, but importantly, to thank the General for his presence here at the Shangri-La Dialogue and his conversation with us. Thank you.