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GENERAL ANDRES CENTINO

CHIEF OF STAFF, ARMED FORCES OF THE PHILIPPINES

GENERAL ANGUS CAMPBELL

CHIEF OF THE DEFENCE FORCE, AUSTRALIA

GENERAL YOSHIDA YOSHIHIDE

**CHIEF OF STAFF, JOINT STAFF, JAPAN SELF-DEFENSE
FORCES**

ADMIRAL LINDA FAGAN

COMMANDANT, US COAST GUARD

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

So I now turn to the floor. For those of you who would like to ask a question, please make sure that you have inserted your cards and press the speaker button, which will then get my attention. I will take questions in pairs to start, and the first two off the block are Brent Sadler and Jay Tarriela. Brent first.

Brent Sadler, Senior Fellow for Naval Warfare and Advanced Technology, Center for National Defense, The Heritage Foundation

Thank you very much. The question is posed to all the members of the panel but I think most importantly probably for General Yoshida specifically if no one else. And that is, what specific technology or military capability has been the most disruptive to you meeting your missions sets? And I know the human element is critical. I understand the partnerships. We've heard that in all your opening comments, but that aside, I really would want to focus in on the technological capability and maybe associated concepts of operations.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Jay Tarriela.

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

Thank you very much. Good afternoon. I am Coastguard Commodore Jay Tarriela from the Philippine Coast Guard. I have a question for Admiral Fagan about the operational procedures of the United States Coast Guard. Given the US Coast Guard's interest in contributing to address illegal, unreported and unregulated fishing in the region, my question is about the US Coast Guard's policy on dealing with China's maritime militia often swarming and clustering around the South China Sea to support Beijing's expansive and illegal claims? Does the US Coast Guard view China's maritime militia as agents of the state and therefore sovereign, immune, or are they considered as ordinary fishing vessels subject to maritime law-enforcement measures? Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you. I'll come back to the panel first with those two questions, starting with General Yoshida, but just a note that General Yoshida will deliver his answer in Japanese, so please avail yourselves of the headsets and interpretation services. And then after General Yoshida has had the first answer I'll come back to the fellow panellists for those who want to add on Brent Sadler's question and then we'll come to the question for Admiral Fagan. General Yoshida.

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

Thank you very much for that question. Each panellist has mentioned these advanced technologies are game changers. How do we apply this to military capabilities? This is quite important. So we did that. What I am looking at is artificial intelligence (AI) and also energy. And this is not specific to the military but it's daily-use technologies. So how do we spin this on as a military capability? This is the biggest game changer. And also from the Japanese perspective, for us basically we have a purely defensive defence. So how do we have a stand-off at [Inaudible 43.47] also? How can we apply the cost to those

that have attacked us? And this is what I am aware of in terms of the military capability and technology space.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Which technologies are the most disruptive? Would any other of our panellists like to take that on? General Campbell.

General Angus Campbell, Chief of the Defence Staff, Australia

Thanks for the question. You could say there are many. I'll offer a few, some of which General Yoshida has mentioned, but this is in no way a complete view. Clearly cyber has created a ubiquitous, global, instantaneous attack platform. Space is now – the effects that we realise from space are now so deeply embedded across so much of our entire society and economy that it is both a wonderful advance and a vulnerability. As General Yoshida mentioned, artificial intelligence is perhaps only in its infancy but has extraordinary disruptive potential. And the one I'd finally add is missile technology, but not missiles, but rather the wide variety, diversity and lethality and precision of modern missiles. Are we talking cruise, ballistic, manoeuvring ballistic, hypersonic glide, hypersonic cruise? It just goes on and on, creating real challenges in targeting, even to the point of the news report of a few years ago of fractional orbital bombardment systems. That is very strategically destabilising. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you for that. General Centino, would you like to add anything?

General Andres Centino, Chief of Staff, Armed Forces of the Philippines

Just to add, cyber is one of the new domains that may be, as I've said, quite new to some countries, and some countries in the region have already experienced cyber attacks, not just militarily but in several sectors, in transportation, in business. And this is one disruptive phenomenon that we have to address. That's where we see one potential problem if we're not able to address that properly.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you. Admiral Fagan, you had a direct coastguard-to-coastguard interaction from our Philippine friend, Jay Tarriela, on how the United States Coast Guard treats the so-called Chinese maritime militia. Over to you.

Admiral Linda Fagan, Commandant, US Coast Guard

Yes, thank you. Vessels operating at sea have an obligation to adhere to the rule of law and conduct operations safely, consistent with the UN Convention on the Law of the Sea. And our view on all vessels is that those operations should be consistent with the norms and patterns of maritime operations. As we operate in the Indo-Pacific with regard to working with partner nations to counter IUUF, we work collaboratively and in a number of instances utilising bilateral agreements that bring our coastguard ships in alignment with a nation's authorities and technical expertise to enforce their own fisheries laws within their exclusive economic zones, and the bilateral helps bring that partnership together. You know, IUU fishing is theft, and left unchecked it erodes the rule of law. And creating a network to

counter the illegal activity is critical. So regional fisheries-management organisations help bring some of that network into focus. Creating at-sea presence for enforcement capacity is critical as well. And as I mentioned in my opening remarks, ensuring that there are legal regimes in place to create consequences with regard to that illegal activity. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS-Asia

Next pair of questions, Justin Baquisal and Tharishini Krishnan. Justin first.

Justin Baquisal, Strategic Intelligence Analyst, Pinkerton

Thank you. Justin, from the Philippines. This question is for General Centino. Sir, a few weeks back the Chinese Foreign Ministry made a statement in response to the Enhanced Defence Cooperation Agreement (EDCA) saying that the Association of Southeast Asian Nations (ASEAN) should convince individual member states to try to restrain members from individually doing defence agreements that potentially destabilise the region. So my question is two-pronged. How does the Philippines reconcile balancing ASEAN centrality on the one hand and a foreign policy that fundamentally brings in non-ASEAN partners in the region such as Australia, the United Kingdom and Japan? And then secondly, perhaps if you could clear the issue up for everybody: how determined is Manila to continue with this approach? Even perhaps against the protests of some countries. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS-Asia

Just pause there and we'll take the second question from Tharishini Krishnan.

Tharishini Krishnan, Senior Lecturer, Department of Strategic Studies, Defence Studies and Management, National Defence University Malaysia

I have two questions here. My first one is to General Centino. As you know, the South China Sea issue is a major concern for ASEAN members, be it claimant or non-claimant states. At the ASEAN level we have many existing mechanisms in order to manage the issue. Do you think it's sufficient, or more needs to be done at the ASEAN level? That's my first question. My second question is to Madame Fagan. Based on your experience in the coastguard, how do you see states can actually overcome the cultural differences between uniform bodies and sort of implementing inter-agency cooperation? Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS-Asia

Alright, thank you. General Centino, you had two questions put to you if you want to take them together.

General Andres Centino, Chief of Staff, Armed Forces of the Philippines

Thank you for the questions. The first question raised is as regards to the agreement that we have with other countries, and one of the things that is hotly debated or being talked about is the Enhanced Defence Cooperation Agreement that we have with the United States. Let me just put this in a proper perspective. We have the Mutual Defence Treaty signed years ago, since several years already, and we're just ensuring that the provisions of this treaty are being implemented. And to make sure that this

defence treaty is indeed implemented we have also other accompanying agreements, like the Visiting Forces Agreement, the Integrated Logistic Support Agreement and now the EDCA. We are doing this because it's an obligation that any sovereign and well-meaning country would do to an ally or partner. And we are implementing this Enhanced Defence Cooperation Agreement; for one, it is needed for the defence, as the term has mentioned, defence cooperation. It is in there to strengthen our capability to defend. And we're doing exercises, joint exercises with allies to make sure that we are prepared to defend. You mentioned also about how intent is Manila despite the protest. Well, the protest has been brought out by perhaps the lack of proper information that needs to be done. I mean, there is a need really to educate the stakeholders to ensure that such agreements that we enter with our allies are indeed for the defence of the country. So that's my answer to your question.

The second question, about what needs to be done in the situation in the South China Sea among ASEAN countries. Well, for one, as I have stated earlier, there's a need really for cooperation among like-minded countries. We have yet to establish a code of conduct among ASEAN countries and that has yet to be solidified over the past years. We tried to make it a common ground among ASEAN countries so that we can be stronger in our actions and our posture as regards to what's happening in the South China Sea. So I think one thing that ASEAN countries should really push for is the signing of the code of conduct. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS-Asia

Admiral Fagan, on the question of the different learning experiences of the US Coast Guard.

Admiral Linda Fagan, Commandant, US Coast Guard

Yes, so as you consider, in the contexts we're talking here, there's many maritime and governance challenges in the region and we each represent different organisations and different countries. And the system with which we actively counter those challenges looks very different nation to nation. And so as we work to create shared perspectives, aligned views on the way ahead within the inter-agency, it requires alignment around shared values and goals. And absolutely creating clarity and, as I said, alignment on outcomes become critical to creating a shared sense of purpose between agencies, within governments and also between governments. But probably the key to all of it is communication. Seeking avenues for communication and often communication within respective governments can be more challenging than communications between governments. And so creating – we've talked about trust – creating that trust environment for information to be shared and collaborated and acted on becomes critical to that culture of creating a shared sense of urgency around a shared goal. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS-Asia

Thank you. I've got a couple of more questions on my list but I'm just going to break in with a question of my own to General Campbell and General Yoshida. General Campbell, just sparking on something that you said in your comments about the potential of autonomous systems to inject mass, that is obviously a particular issue for militaries that are more modest in size and Australia being, I think, a case in point. High technology level, high capability level but capacity challenges, and autonomous systems open up a potential to fill that gap. But it strikes me there may be a common challenge between Australia and Japan in terms of personnel and recruiting the human element of capability, that autonomous systems still require people to operate them. So in your experiences, is there a genuine economy that's been delivered yet through new technology in this system or is it in some senses a false

economy if you still require more people in the loop to deliver that extra mass? If I could come to you, General Campbell, first and General Yoshida afterwards.

General Angus Campbell, Chief of the Defence Staff, Australia

Thanks, Euan. A really good point. That's one of the reasons why in my remarks I noted that increased autonomous-systems presence may possibly reduce risk to people. Like that question of the risk to force, the potential of autonomous systems in terms of creating additional mass, being something that adds rather than becomes a net negative when you look at the whole-of-life cost in personnel support and so forth. At the moment we're in the early stages of serious autonomous systems. We all now see them in terms of drones – drones in the air, drones at sea. We are starting to see land-drone effects but these are really first-generation autonomy and they require more people in terms of the support and the management of the autonomous system. But I think the direction has enormous potential. And it's really about the potential when we're talking third and fourth generation that is quite exciting, but we're not there yet.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you, and General Yoshida.

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

In terms of the main system, I would like to give a comment. We have seen the conflict up until now and there are some game-changing tactics that are happening in this unmanned system now. So how do we apply that? That is not just uncrewed aerial vehicles (UAVs) but uncrewed surface vehicles (USVs). There are many unmanned systems and we have a proactive approach to that. And in terms of Japan we have a population problem, so we would like to lower the cost. And how do we have the same effectiveness with this unmanned system? This is necessary for us, and there is such a thing as rules to make it entirely unmanned, but we are not heading in that direction. For us, our direction is, in any AI or unmanned system there has to be a place where a human will be able to make a decision, like a decision-making capability. So how do we mix these two together and then to have more military capability? That will be crucial for us. And I would like to make another comment. Any sort of military organisation, if it's manned, if there's humans involved, there is some sort of pride that we have for our technology. If you have that unmanned, then we have to have a mindset shift. So I think there will be some sort of resistance. So we have to incorporate that in the structure and that is something that we have to be careful of. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you both for those thoughtful comments. In the Japanese context, I think, it is really interesting that the Self-Defence Forces have taken the decision to retire their manned attack helicopter fleet, which is significantly ahead, I think, in terms of other armed forces in the region and shows just how deep these changes are beginning to be felt. Thank you. I'll turn to the next pair of questions. Can I also ask that those asking a question restrict themselves to one question please, just so that everyone has a chance to participate? Chris Barrett and Greg Poling. Chris first.

Chris Barrett, Southeast Asia Correspondent, *Sydney Morning Herald*

Chris Barrett with the *Sydney Morning Herald*. My question's for General Campbell. General, can I ask you about the decision in the Ben Roberts defamation case in Australia yesterday? What's your reaction to the court ruling that on the balance of probabilities Roberts-Smith committed war crimes in

Afghanistan and bullied fellow Australian soldiers? Do you think he should face prosecution and should he be stripped of his Victoria Cross?

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

I'm going to break in there because that's really not a question that addresses the subject of this session. So I will go straight to the second question unless, General Campbell, you desire to express an answer.

General Angus Campbell, Chief of the Defence Staff, Australia

That's actually what I was about to say but Chris, thanks for the question and very legitimate. Back in Australia I think that's exactly the conversation that I see our Fourth Estate engaging with. And quite rightly, but not for here. Thank you.

Gregory Poling, Senior Fellow and Director, Southeast Asia Program and Asia Maritime Transparency Initiative, Center for Strategic and International Studies

Thank you very much. My question's for General Centino. So General, the Philippines has entered the third and final five-year period for the current Armed Forces of the Philippines (AFP) modernisation programme. As you look ahead beyond 2027, what comes next for AFP modernisation? What are the priorities? What are the main challenges, and how will that differ from the effort that's been made over the last ten-plus years?

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Please, General Centino.

General Andres Centino, Chief of Staff, Armed Forces of the Philippines

Thank you, sir, for the question. The question, if I've got it right, is we are in the third horizon of our modernisation and what will be the challenges. What comes next, okay. We had our modernisation programme covered by two laws. Laws, republic acts that we have. And it stipulated our path towards modernisation by horizon, Horizon 1, 2 and 3. In every horizon we have this list of capabilities to be acquired and procured. Then Horizon 2, we also have this list. And then Horizon 3. Incidentally, much of these projects have not been implemented for reasons that there were challenges in the resource that would support the programme. So much so that since these capabilities had been planned years ago, the capabilities that we planned have been outmoded already. And the resources were not available and that's why, coming into the third horizon, which is from 2023 until 2027, we had to come up with a revised list incorporating what has not been acquired for the past horizons. And that is why we came up with this new list, making sure that we can attain a credible defence posture. We have to have the capability to detect, to identify, to intercept and defend. These are the things that we have to acquire. The past two horizons in the modernisation programme did not fully achieve this goal. Hence, we came up with the new list with a purpose. We have to attain that level of capability. Incidentally, the most challenging part of this modernisation and attaining a credible defence posture is our ability to detect and intercept. Incidentally, there is still a need to develop the capability, acquiring radars and other equipment, and be able to provide also accompanying air-defence systems for these radars. And that's what we are intending to acquire in the next horizon. For the third horizon, it's actually reaching so

many years later, but for now we are intent on coming up with a list of acquisitions within the term of our president, which ends by 2028.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you for that very comprehensive answer, General Centino. I'd now like to turn to the next question from Sean Roche.

Sean Roche, Director, National Security, World Wide Public Sector, Amazon Web Services

My question is for General Yoshida. Sir, it's come up several times, and you mentioned about the importance of walking away from legacy systems as we move forward to meet the threat. Other panellists have talked about the digital domain and the increased role it plays in warfare as well as the danger in cyber. General, what can we do to accelerate the ability to have a secure, digital, collaborative environment that goes beyond simply sharing files at a pace and at levels that is inappropriate for the kinds of warfare we're thinking about and the adversaries we're facing? Thank you.

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

Thank you. It's very difficult, and it is a challenge for us as well in the security and the cyber area. How can we improve it? That's the question. First of all, what we are thinking in Japan is about the military system of the JSDF. How can we enhance the cyber-security capability in the JSDF? Cyber attacks are becoming more and more advanced and complicated, so our defensive capability needs to be enhanced every day. That's one thing. And the second point is that a zero-trust concept needs to be introduced, and strengthen the cyber security in earnest. And at the same time, in the cyber area, the issue there is that the military system itself is not alone but something surrounding it, like a weaker system, can be attacked by cyber attack. So we have to take note of that. In our National Security Strategy, the defence industry's cyber security needs to be enhanced, so that's what we said in the new security strategy. Not just our defence system but also the cyber-security system in the defence industry needs to be enhanced. And the third point is that there's a critical infrastructure like power and finance. So, for such critical infrastructure, how can we improve our security? That's our challenge as well. As a government as a whole we want to enhance the security of critical infrastructure, and the JSDF needs to contribute to that initiative. So, how we do that is an important issue going forward.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you, General Yoshida. A quick question for Admiral Fagan, just exploring a little bit more about the forward role of the US Coast Guard in this region. The US Coast Guard (USCG) has a ship, I believe, I don't know if it's still operating, but within the 7th Fleet area. And you also have a number of capacity-building operations where former cutters have been transferred out of USCG service into local law-enforcement agencies. On the cutter transfers, what's your feedback from the recipients in terms of the suitability as a capability fit given that the US has its own different geography and different law-enforcement priorities? Obviously, some capacity is better than none, but are there any plans to tailor the capacity closer to the fit of littoral countries in the region? And on the first point, do you find that

you're actually getting a kind of learning stream for deployment that changes the outlook of the US Coast Guard on its own operations?

Admiral Linda Fagan, Commandant, US Coast Guard

Thank you. And so the ship, the cutter you referenced, is the Coast Guard cutter *Stratton*, and she has been operating here in the region, had a port call here in Singapore. The crew very much enjoyed and conducted multilateral joint operations– Philippines, Japan – and just highlights the capability of a US Coast Guard cutter to engage either bilaterally or multilaterally in ways that help us learn and gain insight into those joint operations, and also with our allies and partners. So we have a number of former Coast Guard cutters operating in the region. I was quite recently in Vietnam, and we have two of our previous high-endurance cutters operating there. And feedback around those ships is that they are providing needed capacity and capabilities to the countries who have received them. And we continue to have those negotiations, both cutters that are being decommissioned and also a potential for new cutter aligns. And certainly that's a conversation we've had around some of the small-boat capacity that's also critical in the littorals.

I did want to just touch briefly on our mobile training teams. And these are small teams of coastguard professionals who engage in the kinds of training that a country needs and has asked for, so, for example, outboard-engine repair. It's one thing to have small ships and small boats, but acquiring the expertise to maintain them for continuous operations. Or another example would be at-sea law-enforcement boardings, and how to professionally conduct those kinds of stops and queries are examples of work that our small teams of people are doing in the region within Australia's Pacific Island Partnership. We've got 15 teams planned in the area, and so while it may not be a big ship, the portfolio of activity that's really tailored and focused continues to provide just great return on investment. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thanks very much. Heidi Grant.

Heidi Grant, President, Business Development, Defense, Space and Government Services, Boeing

The panel spoke about whole of government and alignment and integration with whole of government. My question to you is to broaden that out to whole of nation. Each of your nations have a very strong defence industry, so I'd like to hear your ideas on how to strengthen the partnership with the defence industry to maximise your capabilities.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you. That's a question to the whole of the panel. Would anyone like to have a first attempt at it? Maybe General Campbell, if I could come to you, because I think you did reference quite a bit of this in your remarks about the ecosystem that defence operates within, with industry.

General Angus Campbell, Chief of the Defence Staff, Australia

Sure. An example I'll use, which is simply that one pathway, one example, Australia has recently announced it will establish what it describes as an advanced strategic capabilities accelerator. A function of government to support novel industry but in a way that first engages between government

and industry about what government, military needs and what would be useful if it could be realised, with an understanding that in creating that realised technology it is something that we wish to bring into our capability. So there's a degree of very early engagement. There's a sense of a utilisation of effect if realised, and there's a fast to fail or succeed approach in the idea of this accelerator. It's modelled in part from DARPA and in part from a number of other kinds of efforts. But I think that's a good indicator of – you need a few things. You need early engagement. You need confidence of acquisition or at least of a willingness to bring it into service in some way. And you need to move the winners forward very quickly and walk away from the ones that fail equally quickly.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

General Centino, would you like to add anything on that?

General Andres Centino, Chief of Staff, Armed Forces of the Philippines

The strength of an armed force is usually manifested in how robust or vibrant the defence industry of the country is. And in the Philippines we have what we call the Self-Reliance Defence Programme that we are promoting. As of today our acquisitions are mostly bought from our allies. We have yet to develop that capability wherein we can also manufacture and build our own capabilities. That can also be our way of engaging with our allies. But we have yet to reach that point. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you. General Yoshida and then Admiral Fagan.

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

Thank you. With regard to the defence industry, it's a very important topic and for me there are three answers for that. Japan's context is that until now the defence budget was relatively low. We kept it low. But actually the defence industry's withdrawal happened a lot. That means that the defence industry became weaker, so that was the reality. But this time round, at the end of last year we created the National Security Strategy and by 2027 we are going to raise the defence budget to 2% of GDP, so that means we increase the defence budget. So what's written there is that the defence industry is our defence itself. This is our strong understanding. So, the defence industry is supporting the defence itself, so supporting the industry is the foundation of our defence capability. That's the first point. And the second point is that – another person answered the other day, but there's an answer – but new cutting-edge technology is required. With regard to AI technology, the existing defence industry is not strong at it but emerging companies, start-ups, new companies are more advanced in terms of such kinds of advanced technology. The civilian industry is more advanced, so we have to make use of their technology. That's the second point. And the third point, within the government what we are discussing under the National Security Strategy is that we are going to transfer equipment in a positive manner. So now we are discussing that policy. To improve the equipment transfer means not just strengthening the defence but I think it's just a secondary outcome. But which country's equipment is being used? That means that it defines the country's defence, so they are countries that want to change the status quo by force; if we use such countries' equipment, it's difficult to advance. The equipment

determines the defence strategy, so how we make use of such equipment, that will lead to the strengthening of the defence capability, I think.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

And Admiral Fagan, how do you answer this from a coastguard perspective?

Admiral Linda Fagan, Commandant, US Coast Guard

Thank you. We are in the process of the largest modernisation that we have undergone as a service since the 1950s and major new shipbuilding contracts are in the works. I mentioned the Coast Guard cutter *Stratton*, which is a national-security cutter, and we've got a number of those operating around the US and the world. The Polar Security Cutter which will be the nation's heavy icebreaker is under contract and, you know, working with a yard on the Gulf Coast. As I consider how we leverage the defence industrial base and particularly in the context of shipbuilding just as the US Navy continues to engage in significant shipbuilding, you know, ensuring that the shipbuilding capacity has a predictable and reliability to the need from both of the major maritime services. And so it really comes down to acquisitions and in many regards an efficient requirements development process, certainly within the service, gaining acquisition confidence with regard to the industrial base and timeliness of appropriations to ensure that the contracts can be provided and it becomes predictable. So that's in the context of new shipbuilding. There is a maintenance context as well to ships and then ensuring that the access and reliability and capacity on the maintenance side is there as well. We are really excited about the new assets that we're bringing online. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Excellent, thank you. Next on my list is Ishaan Tharoor.

Ishaan Tharoor, Foreign Affairs Writer, *Washington Post*

Thank you. My question is for General Yoshida. As part of Japan's evolving posture in recent months Japan has been reinforcing its positions in Okinawa. I was wondering if you could elaborate for us, in your view, the strategic centrality of these islands in the region at a time of mounting tensions, and whether new vulnerabilities have emerged in your perspective that Japan is hoping to redress.

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

Thank you. Our country's southern end is the biggest spotlight for our defence right now. Until 2017, our country's southern islands, there's 1,200 kilometres, and Okinawa, the main island, which is in the centre, that was the only base for the JSDF and the footprint was just there. So we are enlarging that. Yonaguni, Ishigaki, Miyako, Amami Ōshima – so there are many more footprints. Together with that, what we have been doing is that for those southern islands we are building the capacity to be agile and also to have a dual capability for air and land. And so we must ensure to have no gaps, and our intention has to be clear that we are going to defend these southern islands. For us as well this is the utmost important region. And so we will continuously maintain this position. And together this is not just for strengthening our capability but for the US–Japan response power as well as deterrence. And so there

are many more alliances, so it's not just about strengthening our military capabilities but to have deterrence as well. And that is how we are building strength. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you. I don't see anyone currently in my list so I just want to give a brief pause for anyone who has a question but has not indicated their desire to ask. If not I will exercise the Chairman's privilege once again and ask General Campbell and General Yoshida. It is a bit of a pet research interest, I will admit, but one that the IISS has been thinking about as an institution, which is the development of counter-strike capabilities within your respective armed forces, which is a step change for both Australia and Japan. The strike capabilities themselves are one thing, but another associated enabling function for that, of course, is the intelligence, surveillance and reconnaissance required to support that independently. You are both allies of the United States and clearly able to leverage the capabilities of the United States in that extremely expensive area of capability. But to what extent does Australia and Japan strike the respective balance of being able to operate autonomously with a full suite of intelligence, surveillance and reconnaissance capabilities, mindful of the very resource-consuming price tag attached to them? General Yoshida, if you would like to go first?

General Yoshida Yoshihide, Chief of Staff, Joint Staff, Japan Self-Defense Forces

Thank you. It's a very innovative question, and as for the defence capability strengthening, one of the core is for us to have the counter-strike capability. Let me explain about the background. Around our country there are many threats, like North Korea also launched ballistic missiles recently. There are many missiles coming towards us, so we're under threat. So to counter that, in the past missile-defence systems have been strengthened, like by doing the interception, but missile technology is becoming more advanced. Intercepting it alone cannot protect our people and our assets. So within the scope of purely defensive defence, if there's any missiles coming to Japan we should have the ability to fight back. And so by doing so we also wanted to have the deterrence capability as well. So that's what we decided in the new National Security Strategy. By having this counter-strike capability, as we mentioned, it's not just having a missile itself is enough. But as we mentioned, we have to get the data information about the target and then we need to have a kill chain so that our missile will reach there. So we have to have the kind of proper kill chain, whether we use our own kill chain or we work together with the US and work together to have the kill chain. So that is something that we need to discuss with the US, whether we will have our own kill chain or we develop the kill chain together with the US. It's quite a big difference. However, there's one important thing: how we ensure the effectiveness of the kill chain. That's an important thing.

General Angus Campbell, Chief of the Defence Staff, Australia

Thank you. I'm going to build on what General Yoshida has just said. Additionally, it's important to have the right doctrinal constructs and policy settings around the capacity to strike at range and with accuracy. Are you projecting a tactical, an operational or a strategic effect? Are you sure you understand the way it will be received by your adversary? Are you in a position to deal with the counter-strike to the counter-strike? And in almost every military capability effect that I can think of across what I describe as a broad range of middle-sized powers, if you look back through the supply chains, at some point they're not sovereign. But critically, in this and many other important capabilities, decision must be sovereign. And the assurance that General Yoshida spoke of, that you have constructed whether singularly or with partners a system that is assured, that also is a critical part of building a confident capability that can contribute to a deterrent effect. And I say contribute because, as you will all realise, there is no form of capability that is the singular solution to a nation's security challenges. And these are very significant systems. They are for Australia an additional or an advancing step forward in

capability, and they will be done in a policy doctrinally and partner-informed way that builds and enables Australian sovereignty and our capacity to contribute to a community of nations seeking security together. Thank you.

Dr Euan Graham, Shangri-La Dialogue Senior Fellow for Indo-Pacific Defence and Strategy, IISS–Asia

Thank you both for your thoughtful [BREAK IN AUDIO 1.34.52 – 1.35.19] extremely distinguished panellists.