

20TH ASIA SECURITY SUMMIT
THE SHANGRI-LA DIALOGUE

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**JOSEP BORRELL FONTELLES, HIGH REPRESENTATIVE;
VICE PRESIDENT, EUROPEAN COMMISSION,
EUROPEAN UNION**

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

With that, could I please invite the Vice President of the European Commission, High Representative Josep Borrell, to take the floor.

Josep Borrell Fontelles, High Representative; Vice President, European Commission, European Union

Ladies and gentlemen, excellencies, due protocol observed, how do we say in Brussels, and thank you to everybody. I am very glad to be here at Shangri-La Dialogue, and discuss regional tensions with my colleagues from Indonesia and with South Korea. I know how important this forum is, and I also know the crucial role played by Singapore as a source of moderation and equilibrium in a region which is at the heart of the global competition today. Yes, in Europe we have a war in our borders, but the epicentre – the core of the global competition is in the Indo-Pacific; it's here.

And I would like to start saying some words about how I look at the international systems in order to explore how Europeans and Asians can work together to prevent another military confrontation in the region. Yes, because the international system is here in Asia, in this part of the world where the challenges are bigger. For me, the international system is based on a dual dynamic which affects directly Asia and its security. This dynamic is not a bipolarity, neither a multipolarity. It's both. We have both. We have a bipolarity driven, of course, by the US-China competition, a competition which is deeper than the previous Soviet-American rivalry because it covers all fields, including technological competition which was limited during the Cold War. This competition is political, ideological, economic, technological and strategic, and Asia is the main area of that competition.

And then there is another part of the system which is purely multipolar, and it expresses that many other countries in the world become more assertive and refuse to remain passive have their own national agenda and multipolarity is the product of globalisation and the wider distribution of wealth all over the world. As Europeans, we accept that reality, and we have the ambition of being a pole on this new multipolarity. We accept the idea that the world is becoming multipolar, and we have no intention to oppose the rise of emerging nations which believe that their time has come in history.

On the other hand, I know that despite the regular presence of member states of the European Union, my colleagues in ministries of defence in this forum for many years, Europe is still largely seen as an extra-regional actor with limited impact on the regional security dynamics of Indo-Pacific or Asia, and the war in Ukraine has reinforced this feeling: the feeling that Europe now is turning inward and is limiting its global exposure despite our strong messages reassessing the opposite. I will use this moment, this speech, in order to try to express to you which are the fundamental reasons of our regional commitment based on the fact that the security today is a continuum in a globalised world.

The evolution of our approach with the adoption of the strategic compass, and our aim for a better effectiveness in order to be a smart enabler of security and defence. My starting point is to underline that Europe and Asia have a direct stake in each other's security, and that we have to work together in order to avoid a confrontation in the region. Nothing is far away in a globalised world. As I said, security is continuous across the space and any war or any major security crisis in one region affects everyone everywhere. You can neither divide the economics of the security, you cannot compartmentalise because security tensions will affect the economy, and the economy problem will create security tensions.

Allow me to present some figures in order to illustrate that. This year, Asia and the Pacific will contribute to more than 60% of global growth. 60% for the global growth. It's clear that Asia is the

beating heart of the global economy, and your maritime routes are the arteries of the global economy, because every day 2,000 ships transport goods across the Indian Ocean and the South China Sea to Europe and back. 2,000 ships every day. Our economic links are getting stronger. They have reached an incredibly high level, unimaginable 40 years ago, but the global security environment continues to get worse.

Our economic links increase, our security landscape is becoming more and more dangerous. There is less trust among the main players, less respect for international law and multilateral agreement, force and coercion are on the rise. It's not law but force which is increasingly shaping our world, and unsurprisingly, everybody is expanding their military spending. Why? Because people are afraid. And they are afraid because they face challenges. And since they face challenges, they buy arms; a lot of arms, and the figures illustrate this course to rearmament.

World military spending last year grew to an all-time high, reaching 2.2 trillion. You would say it's because of Russia war in Ukraine; yes, it has an effect. And certainly, the military expenditure in countries in Europe is today 30% higher than in 2013, before the Russian annexation of Crimea. We have increased 30% since Russia invaded Crimea, because it was a war. But here in Asia, you don't have a war, and in spite of that, the trend of your military expenditure is even greater. Last year, the military expenditure in Asia and Oceania was 45% higher than in 2013.

So on the last 20 years, we have increased our military expenditure by 30%, and you by 45%. It shows clearly that we live in a dangerous world where people feel insecure, and in order to look for security, and all reflects as all as humankind, they go and buy arms. It shows that we must do more to build trust and address regional tensions, and that it is our common responsibility to defend the security principles whenever and whatever they are threatened, be it in Ukraine or in the South China Sea, or anywhere else.

Yes, dear colleagues, we must bring peace to Ukraine, but peace that could be considered a just peace. You know, I know how to finish the war in Ukraine, I know. It's quite easy. We stop supporting Ukraine's military and the war will finish in a couple of weeks. But how will it finish? Does it matter? Or it doesn't matter? If it matters, then we cannot stop supporting Ukraine's military, because we don't want peace which is the peace of the cemeteries, the peace of the surrender, the peace of the stronger, the peace that makes Ukraine a second Belarus. But yes, the war will finish. So the question is not to finish the war, but how do we finish the war? And that's why we'll continue supporting Ukraine, although we want peace as much as anyone else in this room.

And at the same time, we must be sure that the Indo-Pacific stays Pacific, as the Indonesia Foreign Minister Retno Marsudi rightly said last month when we met in Stockholm for the European Union Indo-Pacific Forum. And as the Spaniard sailors, the first time they sailed these waters and called it Pacific, because it was surprisingly – very surprised because the water was so calm compared with Atlantic.

My first point is that we have to be committed to do just that: to look for peace wherever in these waters and in the lands of Central Europe. My second point is to try to explain to you how the war against Ukraine is changing Europe's role in security and defence. This is important, per se, but it is also important for you because a more capable Europe is a better partner, including with Asia.

Maybe not many people in this region know that in the last 15 months in Europe we have been breaking political taboos. For the first time ever, we have been funding military support to a country under attack, providing about 40 billion of military support to Ukraine, coming from the institutions, coming from the resources I manage in Brussels, and coming from the member states. Yes, much less

than the US support, but if you add up all the support, military, civilian, economic, financial and humanitarian. The bill of the support to Ukraine is about 60 billion euros (€) (\$64) for Europe. But let me show another figure which is really impressive.

The bill of the support that the European governments have had to pay in order to help their families and firms to face the high prices of electricity and food, the subsidies to our people in order to face the consequences of the war is €700 billion ten times more than the support to Ukraine, which shows that the consequences of this war are not reduced to the what's happening in Ukraine but to the shockwave that this war has been sending all around the world. We have been developing methods to increase our industrial capacity to support Ukraine, we have trained 30,000 Ukrainian soldiers during this year, and we will increase our estimated defence capacity by around about €100 billion more to modernise our armies and invest in new technologies.

This is a game changer. This world is changing the role of Europe. Europe was and is a project for peace and about peace. Peace among us, and a force of peace for the rest of the world, but now we face a world where the war is something that is in every corner, and these corners are close to our houses. We have to defend our interests, our strategic domains, be it on land, on the space, on the maritime, or on the cyberspace. We don't have choices. The worst choice will be to look to the other side and let history go by the bad way, because this war cannot finish by the victory of the aggressor.

But our transformation also makes us a more capable partner for Asia, and this brings me to my third and final point: what can we do with our Asian partners to promote security together, to face the tensions rising from the South China Sea, to the Taiwan Strait, to the Republic of Korea. We see more military build-ups a more unilateral moves. Yes, its case is specific, but I want to stress that the European Union will always defend international law, including the United Nations Convention on the Law of the Sea and the non-proliferation regime.

And because in our DNA we have always favoured multilateral solutions and regional approaches, we are very glad that under our strategic partnership with ASEAN, our security cooperation is a growing component. We are pleased to participate with members of ASEAN in the regional navy exercises. We are happy to see that the navies of ASEAN partners work with us in Operation ATALANTA, which are good examples of what we can do concretely. At the bilateral level, we have security and defence dialogues with China, Japan, India, South Korea, and others. I think this type of cooperation can be more than just dialogues but to make them as concrete and operational as possible.

Ladies and gentlemen, let me wrap up. My core message is that the European Union is a reliable security partner. We are not a classic military alliance. We are not a traditional great power throwing its weight around. We don't have Sixth or Seventh Fleet to be deployed in the Pacific. We are not even a state but a constellation of states, but these states have a certain technological and military capacity that we want to develop in order to become a smart enabler, investing in shared security in Europe and in Indo-Pacific. And that is my message: you can count on us as much as you could also be part of a great coalition to ensure peace into the great oceans. We need each other. We need to stabilise this world. The challenges we are facing don't let other solution than a strong cooperation, avoiding conflict, and increasing cooperation among people around the world. In Europe, in Indo-Pacific, stop this war in a fair manner and avoid that the new conflict could appear in our horizons. This would be an excellent endeavour for this forum. Thank you.