

21ST ASIA SECURITY SUMMIT
THE SHANGRI-LA DIALOGUE

OPENING AND FIRST PLENARY SESSION

UNITED STATES' STRATEGIC PARTNERSHIPS
IN THE INDO-PACIFIC

SATURDAY 1 JUNE 2024

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DIRECTOR-GENERAL AND CHIEF EXECUTIVE, IISS

LLOYD J AUSTIN III,
SECRETARY OF DEFENSE, US

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

We will now have a few questions. We will take a few individual questions and we might start grouping a few of them together. The list is getting longer by the second. The first person I would like to –

Lloyd J Austin III, Secretary of Defense, US

So it is a good time to stop then.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

We have got a bit of time. So the first one I would like to ask is Trisha Ray from India and from the Young Leaders' Programme. Trisha, your microphone is live.

Trisha Ray, Associate Director; Resident Fellow, GeoTech Center, Atlantic Council

Thank you. Trisha Ray from the Atlantic Council. Secretary Austin, my question for you is, is there enough momentum in the United States' Indo-Pacific strategy and the network of complementary and overlapping institutions, as you mentioned, to ensure continuity irrespective of the results of the US election?

Lloyd J Austin III, Secretary of Defense, US

I think there is significant momentum. I think a good example is, the relationship that we enjoy with India right now is as good as or better than our relationship has ever been. It is really strong. Several years ago, we set out with a notion to gain approval for India to build jet engines for fighter aircraft in India. I served on the board of a company that makes jet engines for fighter aircraft and I know how difficult this was going to be. And we were hopeful, but very sceptical that we could get this across the finish line. We did it. That is happening. As I said in my speech, we are co-producing armoured vehicles with India.

So the anchors of our progress are sunk pretty deep throughout the region, and they are based on common vision and common values. And so I believe that the momentum that we see is going to not only continue, but that flywheel is going to pick up speed because this benefits us all. But to answer your question, yes, I do think that this will be lasting. You did not ask me about who I thought would win the election, but I will be willing to share that with you.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much, Secretary. The next question from South Korea, Chung Min Lee.

Dr Chung Min Lee, Chairman of the IISS Advisory Council and Trustee of the IISS; Professor, Institute of Convergence and Security Affairs, Korea Advanced Institute for Science and Technology; Senior Fellow, Asia Programme, Carnegie Endowment for International Peace

Mr Secretary, thank you for your wonderful speech. The US has always said that the ROK [Republic of Korea] is a lynchpin of Asian policy and security in the region. And yet, unlike AUKUS, the US has been quite lukewarm to South Korea's desire to have nuclear-powered submarines. So my question to you, sir, is, if the South Korean government officially asks Washington for its support in building nuclear-powered submarines for the ROK Navy, would you support such an initiative? Thank you.

Lloyd J Austin III, Secretary of Defense, US

Well, I would tell you that – and I see Deputy Prime Minister Marles sitting right in front of you there – but the initiative that we have taken on with Australia and the UK is one that will assist in providing stability and security for the region for decades to come. This is a generational investment. This is no small endeavour. It is very, very difficult to go through each piece of this.

And so we have just started down this path with Australia. Highly doubtful that we could take on another initiative of this type any time in the near future. But I would also point out – and you mentioned this earlier – what a strong ally the ROK is for us. And the fact that we have depended on each other and will continue to depend on each other for the foreseeable future. And we are seeing so many positive things in the region, the improving relationship between Japan, the ROK and the US. I mean, this trilateral relationship is where, in my view, it has never been in the recent past.

So taking on that kind of endeavour on top of what we are working through right now, I think, would be very, very difficult for us.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. I will turn to, from Vietnam, Bich Tran, please.

Dr Bich Tran, Postdoctoral Fellow, Lee Kuan Yew School of Public Policy; Adjunct Fellow, Center for Strategic and International Studies (CSIS)

Thank you, Chair. Secretary, you mentioned the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA). So, the programme has delivered radio-frequency data to regional maritime agencies. This sounds very similar to what the US is already doing with SeaVision, the online platform. So my question is that, how does IPMDA differentiate itself from existing initiatives and how it will evolve to remain responsive to maritime challenges? Thank you.

Lloyd J Austin III, Secretary of Defense, US

I think I missed the question here, so could you just repeat the question?

Dr Bich Tran, Postdoctoral Fellow, Lee Kuan Yew School of Public Policy; Adjunct Fellow, Center for Strategic and International Studies (CSIS)

Yes, so I would like to know your thought on how the IPMDA is different from existing initiatives? Because what it has been doing is very similar to the SeaVision platform. And how it will evolve? Thank you.

Lloyd J Austin III, Secretary of Defense, US

There are some similarities in current capabilities, but the idea here is that we work together to increase capabilities going forward, and we use that mechanism to do that. And this is not focused just on one particular element of technology. This is focused eventually on a full range of possibilities that we can bring together. And the more the merrier, quite frankly. The more that we can share this with other countries in the region, the better it is for all of us.

So we are off to a great start. And I think we have a lot of opportunities to continue to build on this going forward. And we are going to do just that.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. And we have from the US and CNN, Ivan Watson.

Ivan Watson, Senior International Correspondent, CNN

Thank you. Secretary Austin, last night the Philippines President was asked about the ongoing sparring going on in the South China Sea between the Philippines and China and about the potential scenario of a Filipino citizen or service member being killed. He said that would cross the Rubicon. It would be interpreted as an act of war. And he anticipated that treaty allies would hold that to the same standard. How would you interpret that type of scenario? Would the US government interpret a death at sea as an act of war? And would that invoke a Mutual Defense Treaty?

Lloyd J Austin III, Secretary of Defense, US

Let me begin by saying that our commitment to the Mutual Defense Treaty is ironclad. No questions, no exceptions. Ironclad. I would not speculate on any hypothetical situation. What I would say, though, is that what we are doing and what we continue to try to do is to make sure that does not happen. By increasing dialogue between major powers and making sure that countries are working together to promote freedom of the seas and freedom of the skies, that will narrow the possibility that this happens.

There are a number of things that can happen at sea or in the air. We recognise that. But our goal is to make sure that we do not allow things to spiral out of control unnecessarily. And again, I will not speculate on any one thing or another. I will continue to emphasise that our commitment to the Mutual Defense Treaty is ironclad.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. And we have a question from China, Senior Colonel Yanzhong Cao, please.

Senior Colonel Cao Yanzhong, Research Fellow, Research Department, Academy of Military Sciences, China

Thank you, Bastian. Mr Secretary of Defense, as we know, the United States has the largest alliance system in the world, including NATO, and is pushing for further integration of its allies in the Asia-Pacific region. My question is, is the United States planning to build a NATO-like alliance system in the Asia-Pacific region? The east border expansion of NATO has led to the Ukraine crisis. What implications do you think the strengthening of the US alliance system in the Asia-Pacific will have on this region's security and stability? Thank you.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. Secretary?

Lloyd J Austin III, Secretary of Defense, US

I respectfully disagree with your point that the expansion of NATO caused the Ukraine crisis. The Ukraine crisis obviously was caused because Mr Putin made a decision to unlawfully invade his neighbour, who had an inferior military at that point in time. He assumed that he could very quickly roll over his neighbour and annex the country. That was two-plus years ago. He has not achieved any of his strategic objectives to this point. But this was brought on because of a decision made by Mr Putin.

As to whether or not we are trying to create a NATO in the Indo-Pacific, I would tell you that what we are doing is what I said earlier in the speech. Like-minded countries with similar values and a common vision of a free and open Indo-Pacific are working together to achieve that vision. And we have strengthened relationships with our allies and partners, and we see other countries strengthening their relationships with each other in the region. This is goodness. But it is because they have a common vision and common values. And we will continue to do those kind of things going forward.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you. And from Malaysia and the Young Leaders group, Benedict Weerasena.

Benedict Weerasena, Research Director, Bait al-Amanah

Thank you, Secretary Austin, for engaging and enlightening remarks. My question is on the point of convergence, which you brought up towards the end of your speech. Convergence is a very subjective principle indeed. So what is your view on the principle of convergence in a multipolar world with the rise of middle powers, especially in the Indo-Pacific region, which seems in contestation with the idea of convergence under a unipolar world in the past three decades? Thank you.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

How strong is that force of convergence while we see middle powers rising and becoming more assertive?

Lloyd J Austin III, Secretary of Defense, US

Thanks. I think that this convergence is, indeed, very strong, and it is driven not by a singular treaty. It is driven by a desire for like-minded countries to work together to ensure that we maintain the vision of an open and free Indo-Pacific and maintain a rules-based international order. And I think, because of that, we will see the momentum increase in a very positive manner.

But yes, I do think this is a strong movement and I think, again, it will occur over time. But in the last three years alone – all of the things that I described earlier have occurred in three years. I would say that is momentum. And there will be other countries that want to do other things, and that is clearly understood. And as I said, there will be pundits and propagandists who have a different view. And that is fine. We welcome that.

But the fact of the matter is, countries in this region really want to protect their fishing rights, their exclusive economic zones, and they really want to prosper. And we want that for them as well. Their neighbours want that for them. So I think there is strength here. Things would not necessarily occur overnight in a lot of cases, but again, in the last three years, we have seen some remarkable things.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you. From France, Céline Pajon, please.

Céline Pajon, Research Fellow; Head of Japan Research; Coordinator of the Program on Pacific Islands, Center for Asian Studies, IFRI

Thank you, Chair. Secretary Austin, thank you very much for your opening remarks. You rightfully underlined the importance of the strategic partnership. You referred to new and future arrangements with Indo-Pacific partners and also European partners. So my question is, what are your expectations vis-à-vis European partners and allies in the Indo-Pacific theatre? Thank you.

Lloyd J Austin III, Secretary of Defense, US

Well, I do not want to embarrass them by having them raise their hand, but I would tell you that there are a number of defence ministers from Europe in the room with us today. And they are not in the room because I invited them; they are in the room because they have an interest in this region. And as I engage with my counterparts in Europe, I see an increasing interest in the region and to make sure that things continue to move in the right direction, even though there is a pretty significant challenge in Europe right now. But I just have to tell you that I see that interest as increasing going forward, not decreasing.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. We will take a question from New Zealand. Suzannah Jessep, please.

Suzannah Jessep, Chief Executive Officer, Asia New Zealand Foundation

Secretary Austin, thank you very much for your remarks. I wonder if you could detail efforts the US is undertaking to de-escalate tensions in your dialogue and engagement with China. Are there any areas giving you hope that regional tensions are not eventually going to spill over into kinetic conflict? Thank you.

Lloyd J Austin III, Secretary of Defense, US

You are asking if I would detail my conversation with Minister Dong? Is that what you ask?

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

If you do not mind.

Lloyd J Austin III, Secretary of Defense, US

The short answer is no, but the reason for that is, certainly, we both want to make sure that we maintain an open dialogue here. The key piece here, the key issue is that we are talking. And as long as we are talking, we are able to identify those issues that are troublesome. And that we want to make sure that we emplace guardrails to ensure that there are no misperceptions and no miscalculations, and incidents can spiral out of control in a region.

But you can only do that kind of thing if you are talking. And you will recall, you have heard me say every year at this Dialogue, you have heard me talk about the importance of making sure that those communications channels are open. And I told Minister Dong that if he calls me on an urgent matter, I will answer the phone. And I certainly hope that he will do the same. And it is that communication that I think that will help to keep things in the right place and help us move things towards greater stability and security in the region.

But I know that you did not expect for me to detail my conversation with him anyway, but we did talk about a number of substantive issues that are important to both of us. And again, we will continue to work. We both want to make sure that the channels stay open, and hopefully they will. We will continue to work on these issues between me and him, but also with our staffs and subordinates as well.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Thank you very much. We have a question from the UK and the IISS. Viraj Solanki, please.

Viraj Solanki, Research Fellow, South and Central Asian Defence, Strategy and Diplomacy, IISS

Thank you, Bastian, and thank you, Secretary Austin. Mr Secretary, how do you see prospects for the Quad grouping of the US, Australia, Japan and India? There has not been a leadership-level summit this year due to scheduling issues. And do you think the group needs to develop a more overt, security-focused agenda to stay relevant? And how does it compare and contrast to the new quadrilateral grouping established, the so-called Squad of US, Japan, Australia and the Philippines? Thank you.

Lloyd J Austin III, Secretary of Defense, US

So the question is, as far as the Quad is concerned, should we have more of a security focus? I think there is a security focus, and of course I engage with my counterparts in each of those countries routinely. But there is an important point here. The United States military is a big hammer, and each of these countries have big hammers in their militaries. But that hammer is not the only solution to every problem, or it is not the only solution to most problems. We want to make sure that everything that we are doing, we are taking a whole-of-government approach, that we are using all the instruments of national power in every case to address issues, but also grow together in terms of the ability to share capabilities and develop capabilities together.

So I think this whole-of-government issue is very, very important. And quite frankly, we are hopeful that we see that in more places around the region as well.

So, that is like 100 questions now.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

We will take one last one, if you do not mind. We are still in the double digits, so we are okay. We will take one more from Indonesia, Dewi Fortuna Anwar, please.

Professor Dewi Fortuna Anwar, Research Professor, Research Centre for Politics, National Research and Innovation Agency (BRIN); Co-Founder, Foreign Policy Committee of Indonesia

Thank you, Bastian. Secretary, I really enjoyed your speech, but I noticed that you very carefully avoided mentioning China when you talked about the Strait of Taiwan or about the South China Sea issues. And there is no mention about the US–China strategic competition. So it is really a sign, following from the earlier question from New Zealand, of de-escalating of tension between Washington and China, which, of course, would be very welcome to this part of the world, which is always very worried about the intensification of tension. But on the other hand, if Washington and Beijing are talking closely to each other again, while at the same time coercive policies in the South China Sea continues, how will you manage this? Because we are also worried if you guys get too cosy, we also get trampled.

Lloyd J Austin III, Secretary of Defense, US

Well, it is clear – and I have said this a number of times – that what we are looking for and what we have, quite frankly, in our relationship with China is a relationship based upon competition. And we are not looking for a contentious relationship. But to the point that you are making, we really have to be clear about our expectations and the issues that we see that are very, very troubling.

And if we have an open dialogue, we can address those issues in those channels. And as you would imagine, Minister Dong and I had the ability to address some of those issues yesterday. I look forward to doing that going forward.

We continue to work with countries in the region – like the Philippines and others, so many others – to address their concerns and to ensure that their rights are protected, and they have access to their economic zones and that sort of thing. So this is a piece of work that is going to continue on, but we want a relationship that is based upon competition and not a contentious relationship.

You have also heard me say a number of times that war or a fight with China is neither eminent, in my view, nor unavoidable. So leaders of great-power nations need to continue to work together to ensure that we are doing things to reduce the opportunities for miscalculation and misunderstandings. And every conversation is not going to be a happy conversation. But it is important that we continue to talk to each other, and it is important that we continue to support our allies and partners on their interests as well.

And with that, I will stop.

Dr Bastian Giegerich, Director-General and Chief Executive, IISS

Secretary Austin, thank you so much. What a marvellous way to kick off today's deliberations. Just to reassure you, there were 20 more who were seeking the floor. So, apologies to those who we were not able to get to, but there are obviously more opportunities.

So I would like to invite you to join me in thanking Secretary Austin for the wonderful way in which he engaged with all the questions and helped us kick off the 21st IISS Shangri-La Dialogue. Thank you very much.