

Report by H.E. David Tawei Lee, Minister of Foreign Affairs of the Republic of China (Taiwan), at the Foreign Affairs and National Defense Committee of the Legislative Yuan on October 2, 2017

Honorable chairperson, members of the Legislative Yuan, ladies and gentlemen:

Good morning!

I am honored to be here at the invitation of the esteemed committee to present this briefing on the ROC's diplomatic work within the current international landscape, including the situation and challenges we are facing, and our strategies and responses in turn.

1. Introduction: Although the current situation is more severe and our challenges all the more difficult, our will is firmer than ever

Since May 20 of last year, the government has faced three serious challenges while carrying out its diplomatic work: rapid and complicated changes to the global situation; an increase in activities launched by mainland China to suppress our international presence; and our government's relatively limited diplomatic resources. All these are making our task all the more difficult.

However, be it in the past, the present or the future, we never rush things. And we do not retreat, however limited our resources, nor do we

compromise when under threat. Because greater challenges and difficulties can only bring forth greater will and determination, and make us more proactive and innovative in our approach.

Over the past year and more, we have dealt with the international situation with an honest attitude, and responded to challenges in a practical manner. We have utilized our diplomatic resources with careful consideration, bolstered our diplomatic prowess, and strengthened the integration of local government and private sector forces.

With the joint efforts of the government and the people, Taiwan continues to engage with the world successfully, building global goodwill, fulfilling more international responsibilities and expanding overseas business opportunities, as well as displaying more soft power. With our steadfast approach, our diplomatic relationships are being advancing steadily, a step at a time.

2. Our national security and interests hinge on developments to the international situation

To protect our nation's security and interests, the government is on constant alert, and ready to respond to changes in the international situation, especially in terms of such traditional and nontraditional challenges as North Korea's nuclear threat, territorial disputes in the South China Sea, the rise of protectionist trading practices, global climate change, and widespread terrorism.

Among these challenges, North Korea's nuclear threat has been of most concern of late. North Korea's two consecutive missile tests, which both flew over Hokkaido, Japan, together with its sixth nuclear test, represent behavior that harms regional peace and stability.

Our government immediately convened national security meetings in response to these incidents. We are paying close attention to the developing situation, and have mapped out relevant countermeasures and issued strong condemnations. The government supports the denuclearization of the Korean Peninsula and the peaceful settlement of the issue of the Korean Peninsula through dialogue. We will continue to cooperate with the international community in pursuing joint actions that help maintain regional stability and order.

In addition to the tensions in the northeast of Asia, the situation in the South China Sea also remains precarious and volatile. Our government will safeguard the ROC's territorial sovereignty in the South China Sea, and uphold freedom of navigation and overflight in the South China Sea. Furthermore, we will continue to use Taiping Island as a base for conducting ecological and environmental research, and for carrying out humanitarian rescue missions. Through negotiations conducted on the basis of equality, we are willing to work with all states concerned to advance peace and stability, as well as promote the joint conservation and development of resources, in the South China Sea.

3. Strategies and practices for dealing with the current international situation and associated challenges

Faced with an increasingly severe and complicated international situation, as well as an increasingly difficult and diverse range of challenges, we will strategically continue to uphold the principle of steadfast diplomacy in conducting our diplomatic work. In terms of tactics, we will be more practical, more flexible and more creative, acting in accordance with the changing situation, and dealing with matters from a subjective and objective point of view. Key strategies and practices will include:

(1) Maintaining a stable foreign policy, dialogue with various partner countries

We will continue to act based on the principles of steadfast diplomacy and mutual assistance for mutual benefit, implementing foreign policy and maintaining dialogue with various other actors to create a win-win situation. In addition to consolidating our relationships with our diplomatic allies, we will continue to deepen substantial relations with likeminded nations such as the US, Japan and European Union member states. We will also continue to promote the New Southbound Policy, and strengthen our role in the Asia-Pacific region. This will bring Taiwan closer to the region and to the world, and the world closer to Taiwan.

According to a recent survey conducted by a private polling company

commissioned by the Ministry of Foreign Affairs, over 70 percent of Taiwanese people supported the government's promotion of steadfast diplomacy and the New Southbound Policy. Some 75.6 percent endorsed the continuation of overseas visits by high-ranking officials; 84.8 percent supported new thinking that would see the provision of one-way aid replaced by a two-way approach based on mutual assistance for mutual benefit. MOFA will continue, as much as possible, to put things into practice according to our foreign policy. And we will work to ensure that our people really feel the results of our efforts, and thereby identify all the more with our policies.

(2) Fulfilling our international responsibilities, building goodwill around the world

As a member of the international community, Taiwan has never relinquished the rights it is entitled to, nor forgotten its obligations and responsibilities to the international community. Going forward, we will continue to make further meaningful contributions to the world.

In terms of assisting our diplomatic allies, we are shifting away from the traditional thinking of offering one-way assistance to each ally. We are establishing an institutionalized system which is integrating limited government resources, and tying them up with business mechanisms from the private sector, maximizing the political and economic benefits of our aid. Having said that, we remain resolutely

opposed to entering into a meaningless tug-of-war with mainland China through checkbook diplomacy.

Furthermore, we are thinking especially in terms of regional political and economic strategy. Subsuming this institutionalized foreign aid program into our overseas economic and trading deployment will open up more space for Taiwan's economic development, help businesses enter overseas markets, particularly with a focus on attracting investment into allied countries, and create job opportunities, thereby enhancing Taiwan's regional and international influence.

Hence, the government recently adopted a plan to strengthen our entire foreign aid program, initially earmarking US\$3.5 billion in financing to help Taiwanese companies cooperate with New Southbound Policy partner countries on infrastructure and major development projects. Designated domestic financial institutions will offer preferential commercial loans; the government will subsidize the lower rates of interest.

As for international humanitarian assistance, Taiwan has abundant experience and capacity, and we have received widespread international affirmation for our involvement and contributions to this field for many years now. The government will maintain its active involvement in international humanitarian assistance activities and related international cooperation, continuing to incorporate the

capacity of the private sector into such efforts. We will build global goodwill, make concrete contributions, and put Taiwan's prowess and values on display.

In terms of global cooperation, with or without political interference, we will always show our wholehearted determination to participate in the international community so that we can make further contributions to contemporary issues of global concern. Be it regional security, public health and medicine, climate change, humanitarian aid, counterterrorism or cybersafety, Taiwan can be a reliable partner to the international community.

(3) Seeking international participation and creating links to the international community

Our country has a right and duty to participate in and contribute to the international community, and this is also the hope of the 23 million people of Taiwan. The government is duty-bound to seek more participation in international organizations through pragmatic, professional, and contributive ways and join global efforts promoting sustainable development.

In this year's bid to gain participation in the United Nations, the government has adopted a multifaceted approach, strongly echoing the demands and aspirations of the people of Taiwan. Our heartfelt gratitude goes to the 17 allies who submitted a letter to the UN Secretary-General at the 72nd UN General Assembly or voiced

support at the UNGA General Debate for our participation in the UN system and the 2030 Agenda for Sustainable Development. They also called on the United Nations to end discriminatory measures aimed at denying ROC passport-holders entry into UN premises. Ten representatives of these countries met with the UN Deputy Secretary-General to discuss the issue. I have personally drafted an op-ed calling on the UN to stop shutting out the people of Taiwan. The article was republished or reported on by more than 160 international media outlets. This broke a record, demonstrating that the international community's concern and support of Taiwan's position. In addition, the Ministry of Foreign Affairs has produced the related short film *Taiwan: A Partner for a Better World*, which has been posted on the Facebook pages of MOFA and Trending Taiwan, as well as the MOFA YouTube page. Since the short film was released on September 1, it has been viewed over 8.3 million times on the three platforms. About 83 percent of the viewers were outside of Taiwan, showing its promotional value. In the meantime, the government for the first time ever had a ministerial-level official, Minister of the Environmental Protection Administration Lee Ying-Yuan, release Taiwan's Voluntary National Review on the United Nations Sustainable Development Goals (SDGs) in New York. At the same time, the government brought the private sector together to help move forward related efforts, thereby showcasing Taiwan's worth as a global partner. One could say that our UN efforts this year have received the most international attention and affirmation.

**(4) Enhancing economic and trade exchanges is a win-win for
Taiwan and its partners**

External economic relations and trade form Taiwan's lifeline, yet in recent years protectionism has gathered momentum throughout the world, impacting Taiwan's external trade and economic development. Thus, we continue to seek to enter bilateral and multilateral agreements with our major trade partners or establish long-term mechanisms for engaging in talks on economic cooperation. We also promote the signing or updating of investment protection agreements and economic cooperation agreements. Another objective of ours is to join the Trans-Pacific Partnership and participate in other regional economic integration mechanisms.

In the meantime, the government will strengthen efforts to promote the New Southbound Policy through five flagship projects and three potential areas. The former focuses on personnel development for industry, public health cooperation, and industrial chain development, innovative industrial cooperation, and regional agricultural development, as well as a New Southbound Forum and Youth Exchange platform. The latter concentrates on the areas of public infrastructure, tourism, and cross-border e-commerce. Meanwhile, the 5+2 Innovative Industries initiative aims to promote biomedicine and other sectors, help local enterprises expand overseas, and strengthen links to regional and global markets, creating a win-win for everyone.

(5) Aptly utilizing limited resources and interacting with friendly countries

The government has relatively limited resources for its foreign affairs. In particular, these last ten years has seen a sizeable reduction in

funding for this purpose. Our budget has fallen from NT\$31.5 billion in the 2008 fiscal year to NT\$24.3 billion this fiscal year. However, to respond to today's harsh landscape and challenges and continue expanding Taiwan's international presence, MOFA will not only watch its expenses closely and do its best, but also vie for its necessary funding. Our funding for the upcoming fiscal year will be NT\$26.282 billion (about 1.32 percent of the total central government budget), up NT\$1.955 billion over this year's fiscal budget. The additional funding is mainly to cover the funding shortfall for bilateral cooperation projects. It is not for new objectives and definitely not for engaging in dollar diplomacy or a tug-of-war with mainland China. We will keep a close eye on our resources and reorganize our operations to maximize effectiveness, with all funding belonging to particular budgeted plans. We hope that the Legislative Yuan and this Committee will continue to support the budget for foreign affairs.

In the meantime, MOFA will continue to step up its consolidation of public and private sector resources and efforts so as to enhance relations with our allies and other likeminded countries.

(6) Leveraging Taiwan's strengths and combining efforts with our people

Besides its commitment to democracy, freedom, and human rights, Taiwan possesses a high caliber citizenry, strong private industries, and soft power with respect to healthcare, education, human resources development, technological innovations, agriculture, and disaster prevention. These are all our relative strengths, including the

achievements with our first rate medical care, universal health insurance coverage, and advanced smart cities, as well as high-quality agricultural technology and technological digitization. All of these have been highly lauded by the international community.

The government will continue to leverage Taiwan's strengths and further consolidate the vitality of the private sector so that together we can help Taiwan embrace the world.

(7) Adopting new media channels to improve communication

The people form the cornerstone and pillar of the government's external affairs. For this reason, the understanding and support of the people are extremely important to our diplomatic endeavors. MOFA will continue employing all forms of new media to communicate with the people and all facets of society. In particular, we will focus more on such new media outlets as Facebook. For instance, I just mentioned this year's promotional video for gaining participation in the United Nations. Besides using traditional methods of dissemination, we put the video on MOFA's official Facebook page and other new media platforms. Most of these innovative products were created by MOFA employees under 40 years of age and gave the public a better understanding of the government's diplomatic endeavors.

4. Diplomatic achievements over the last year

(1) Proactively engaging with the world and letting Taiwan be seen

Letting Taiwan embrace the world and be seen is the hope of the people of Taiwan as a whole. Over the last year or so, thanks to the combined efforts of the people and the government, President Tsai Ing-wen and Vice President Chen Chien-jen have led two delegations abroad, visiting seven allies in Latin America and the Vatican in Europe, while making six transit stops in the United States. The trips were very fruitful. As the envoy of President Tsai, I have led delegations to other allies, including Haiti, Swaziland, and Palau. Our efforts have let the world see and hear Taiwan to a greater extent.

In addition, mainland China has continued to hamper our participation in such international platforms as the World Health Organization (WHO), International Civil Aviation Organization (ICAO), and INTERPOL. Nevertheless, our government has kept vying to participate in even more international organizations, earning greater recognition and support from other countries. Meanwhile, we have deepened and expanded our participation as formal members in other key international venues, such as the Asia-Pacific Economic Cooperation and the World Trade Organization.

(2) Building global goodwill, advancing bilateral relations

In addition to our diplomatic allies, we are paying particular attention to deepening partnerships with such important likeminded nations as the United States, Japan and EU member states, as well as New Southbound Policy partner countries. These various bilateral relationships have already seen further enhancement.

In terms of Taiwan-US relations, we have been pleased to see that the Taiwan Relations Act continues to receive strong support at a high-level within the Trump administration's homeland security, state and defense departments. Indeed, in his early days of office, President Trump announced initial arms sales to Taiwan of up to US\$1.42 billion. The United States also continues to take concrete actions to support Taiwan's international participation, allowing us to expand our international presence. During the World Health Assembly's general debate on May 22, for example, Health Secretary Tom Price stressed that the US will continue to support Taiwan's inclusion in the WHO. And in July, the House Foreign Affairs Committee unanimously passed a resolution requesting that the secretary of state develop a strategy to regain observer status for Taiwan in the WHO. We are also grateful to the Subcommittee on Asia and the Pacific of the House Foreign Affairs Committee for passing the Taiwan Travel Act in June. Furthermore, we continue to respond to US invitations to participate in humanitarian assistance work associated with the Global Coalition to Defeat ISIS, and are deepening bilateral cooperation on counterterrorism. All these things show that Taiwan-US relations continue to improve significantly. As AIT Chairman James Moriarty publicly stated during a visit to Taiwan a few months ago, the present state of relations between Taiwan and the US has never been better.

Turning to relations with Japan, last year travelers between Taiwan

and Japan made more than 6 million visits, setting historic new highs once again. We are also grateful that Japan has spoken up for Taiwan on the international stage on numerous occasions of late. For instance, Chief Cabinet Secretary Yoshihide Suga has expressed on behalf of the government Japan's support for Taiwan's participation in such international organizations as ICAO and the WHO. Moreover, the Interchange Association, Japan changed its name to the Japan-Taiwan Exchange Association on January 1, while Taiwan's Association of East Asian Relations changed its name and plaque to the Taiwan-Japan Relations Association on May 17. And in March, Japan sent its highest-level delegation to have visited Taiwan since 1972, headed by Senior Vice Minister of Internal Affairs and Communications Jiro Akama. This new development shows that Taiwan-Japan relations have already entered a new phase.

As for the New Southbound Policy, this initiative is gradually beginning to see results. Exchanges, in various forms, have continued to increase significantly, and Taiwan's role in the Asia-Pacific region has become all the more evident thanks to deeper, broader contact at all levels. At this preliminary stage, a number of important results have been reflected in our data, including:

- i. Substantial growth in visitor numbers from New Southbound Policy partner countries: From January through July we received more than 1.25 million visitors from the 18 New Southbound Policy partner countries, representing a 36.7

percent increase over the same period last year.

- ii. Bilateral trade volumes continues to grow: From January through July, trade volumes with New Southbound Policy target countries grew by nearly one-fifth, or 19.39 percent, as compared with the same period last year. By comparison, our average growth in trade volumes in other regions was 12.28 percent.
- iii. Number of students from New Southbound Policy partner countries visiting Taiwan has grown significantly: 31,531 students from ASEAN countries, South Asia, Australia and New Zealand were studying in Taiwan during the 2016 academic year, as compared to 28,741 students during the 2015 academic year, representing an increase of 2,790 students.
- iv. Healthy investment outlook for state-owned and public enterprises: The CPC Corporation and other enterprises operating in ASEAN countries have secured a total of 31 cases of investment.

In terms of Taiwan-EU relations, high-level visits between the two sides have doubled, while other forms of exchange have also increased significantly. Last year, the EU parliament and the national parliaments of Belgium, Germany, France and other countries expressed support for Taiwan's participation in ICAO and

INTERPOL. In Germany, in particular, a total of 97 members of parliament from across party lines supported Taiwan's participation in ICAO. We have also signed a joint declaration on energy transition cooperation with Germany, a joint declaration on youth working holidays with France, a taxation agreement with Poland, and a cooperation agreement on customs fraud with Finland, as well as developed various forms of cooperation and exchange with other EU member states. All these developments show our relationships with EU members to be mutually beneficial partnerships.

(3) Fulfilling more international responsibilities, contributing to the international community

Taiwan is a model global citizen. Since the lifting of martial law, we have always adhered to the core values of peace, freedom, democracy and human rights. We actively assist the poor and the disadvantaged, we are against injustice, and strive to engage in international humanitarian assistance operations, showing that Taiwan is willing and able to fulfill its international responsibilities. For more than a year now, the government has been combining its forces with the private sector, and has been even more active in demonstrating Taiwan's worth.

We are abiding by our commitments, and doing our utmost to help our allies improve people's wellbeing, creating win-win dividends. And in terms of global cooperation, Taiwan has never been absent

from engaging in the important issues affecting the world. Despite the pressure and the interference, we maintain our concern for such global issues as regional security, public health and medicine, climate change, humanitarian assistance and relief, counterterrorism cooperation and cybersecurity, cooperating with other democratic nations in hopes of making a meaningful contribution to humankind.

In terms of humanitarian assistance, we are providing aid to the survivors of natural disasters in Haiti and other countries, and, to echo Pope Francis's compassionate appeals, have been working with the Holy See on a number of humanitarian assistance projects. MOFA has also donated US\$100,000 to the emergency response fund at CARE International, one of the world's top ten INGOs engaging in humanitarian relief and development work. The organization is planning to use these funds in responding to major humanitarian crises in Iraq and the Democratic Republic of Congo, to safeguard the welfare of tens of thousands of women and children who have fallen victim to the conflicts in each of those countries.

At the invitation of the US government, we also continue to take part in cooperative humanitarian efforts focusing on Iraqi refugees. And our government also donated US\$800,000 following the destruction caused by Hurricane Harvey in Texas and Louisiana last month, as well as US\$100,000 following the recent earthquake in Mexico, taking concrete action to help survivors in each locality.

(4) Expanding overseas business opportunities, raising Taiwan's competitiveness

To respond to the rising wave of protectionism and other such developments affecting global economics and trade, assist enterprises in opening up overseas business opportunities, strengthen global and regional economic and trade links, and raise the global competitiveness of Taiwanese industry, in the past year or so we have significantly increased bilateral trade with New Southbound Policy partner countries. MOFA and its overseas missions have also continued to cooperate fully with our economic and industrial policy, and have promoted trade-related work. Going forward, the government will continue to increase economic and trade-related cooperation with its primary trading partners and New Southbound Policy partner countries, and expand business opportunities in emerging markets, thus enhancing the development of our nation's industry.

(5) Displaying more soft power, increasing interaction with the international community

To increase visibility and acknowledgement for Taiwan from the international community, MOFA continues to promote Taiwan's soft power on the international stage via a variety of channels and approaches, mainly involving health care, agriculture, cultural and youth exchanges, tourism and ICT. We are also actively assisting

Taiwanese NGOs and other civil groups to link up or cooperate with international counterparts. Other efforts, such as integrating local government and private sector forces, and promoting city diplomacy, are also having a definite impact.

5. Conclusion

The purpose of diplomacy is to promote the national interest, and ensure that one's country can survive and have the space to develop. The international circumstances and practical challenges that confront a nation won't change in any significant way due to its internal, domestic political situation.

For Taiwan, it is essential for the ruling and opposition parties to agree on a consistent foreign policy. Diplomatic decisions should come about through calm, rational and precise calculation and judgement. And as part of this reckoning, what's practical and feasible must be necessary prerequisites for a successful foreign policy.

Faced with increasingly severe international circumstances and challenges, I and my colleagues at MOFA will continue to maintain our professionalism. We will live up to people's expectations, preserving a cool, calm attitude, and remaining well prepared to do our very best at any time of asking.

In closing, I thank the committee once again for your support and

assistance. Thank you!

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