

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 March 6, 2017

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

Since May 20, 2016, I have twice presented reports to the Foreign Affairs and National Defense Committee to expound on the new administration's diplomatic approaches and outline the vision of and blueprint for our diplomatic work. When providing an analysis of the advantages, disadvantages, opportunities, and challenges of our diplomatic environment, I stressed that we would uphold the principles of steadfast diplomacy and strategic thinking to handle the myriad of changes and challenges facing us and better ensure that our diplomatic efforts meet our national interests and the expectations of the public to the greatest extent possible. I am honored to be here at the invitation of the esteemed committee to present this briefing on the current international landscape and our diplomatic undertakings.

1. Adroit reactions to the quickly evolving and complex new international landscape

Taking the current international landscape into account, I deeply feel that global affairs have been developing in speed and complexity. The word *speed* aptly depicts how science and technology, as well as politics, the economy, and society, both at home and abroad, have been evolving. As we are facing such swift changes in many areas, we must take charge and respond appropriately in order to catch up with the pace of change. However, caution is called for at a time like this. Thus, we must take a good look at the situation and think twice before making a move.

With regard to complexity, we can be affected indirectly or directly by any number of factors, including the decisions, executive orders, or decision-making models of leaders of countries with which our close foreign relations are closely tied up, as well as the changes in their interactions with other countries, whether bilateral or multilateral. Taiwan, as a shipping hub in the center of East Asia, occupies a strategic position. Our interests can easily be affected when other countries in the region cooperate or otherwise interact on such issues as security, economy and trade, and humanitarian aid. The situation may become even more convoluted when a country in the region takes action to respond to the changing landscape.

The world is expected to continue experiencing rapid change this coming year. The vying for geopolitical superiority by major countries, the many variables affecting the international economy, and threats from extremist organizations and climate change feed on each other. These factors have been disrupting the balance between competition and cooperation and leading to the restructuring of the global political and economic order. As such, the *Munich Security Conference Report 2017*, which was issued after the conference took place in February, noted that “the international security environment is arguably more volatile today than at any point since World War II.”

With the speed and complexity of current trends, future challenges will be more severe, requiring us to observe them more closely, evaluate them more carefully, and respond to them more rapidly.

2. Current major challenges

2.1. New government personnel, policies, and global strategy under US President Donald Trump

Since taking office this January, President Donald Trump of the United States has appointed decision-making officials responsible for national security, diplomacy, national defense, and the economy and trade. He has also been laying out his administration's policies with respect to such major issues as global strategy, security, economy and trade, and immigration. In addition, he has met with leaders of the United Kingdom, Japan, and Canada, and has announced America's withdrawal from the Trans-Pacific Partnership. Of course, we have taken note of his recent interaction with the leader of mainland China. The US is Taiwan's most important ally in the international arena, and Washington has always attached great importance to the peace, stability, and prosperity of East Asia. Trump administration's future approaches to strategic deployment, security, the economy, and trade in the Asia-Pacific, and interaction with our neighboring nations will have a significant impact on Taiwan's political and economic fronts, and on the development of cross-strait relations.

2.2. Mainland China's continued effect on our foreign relations and international participation

Cross-strait interaction exerts the greatest influence on the development of our foreign relations, with pressure from mainland China constantly affecting our diplomatic work and international participation. Such recent incidents as São Tomé and Príncipe's termination of diplomatic relations with us and Nigeria's agreement to mainland China's absurd demands bear testimony to my previous report to you, in that mainland China's actions to constrict our international participation are growing in strength, adroitness, and intensity. Their strategy to apply constant and added

pressure on us means that we will face even greater challenges this coming year when trying to maintain or expand bilateral and multilateral relations.

2.3. Threats to the security and stability of the Asia-Pacific

North Korea's continued nuclear weapon and ballistic missile tests have raised uneasiness for neighboring nations. The US has announced that it will deploy a Terminal High Altitude Area Defense system in the Republic of Korea, and further enhance its relations with the Republic of Korea and Japan, thereby raising the concern of mainland China. The situation in the Korean Peninsula makes it a potential global flash point. In addition, disputes among countries claiming sovereignty over reefs and islands and their derivative maritime rights in the South China Sea continue to arise. Such actions as the land reclamation and establishment of military facilities by mainland China and the dispatch of aircraft carriers to the area by the United States have had far-reaching effects on the power balance, peace, and stability of the Asia-Pacific region.

2.4. Impact of rising calls for trade protectionism on regional economic integration

Recently, anti-globalization and anti-free trade sentiments have spread all over the world, with trade protectionism surging. Long-time economic globalization and free trade trends have been facing challenges and reevaluation. Foreign trade has always been critical to the survival and development of Taiwan's open economy. Thus, the surging trade protectionism and worldwide slowdown in economic growth over many years, combined with the United States' withdrawal from the TPP and the United Kingdom's departure from the European Union, will have some impact or even hurt the momentum and extent of Taiwan's foreign trade.

3. Concrete approaches for coping with changes and challenges

In facing these fast moving and complex global trends, my colleagues at MOFA and I will continue to uphold the spirit of steadfast diplomacy with the aim to consolidate friendships with our allies, deepen bilateral cooperation, and expand multilateral participation, enabling Taiwan to keep pace with the international community. We will also apply the principle of mutual assistance for mutual benefit to strengthen interaction with allies and other important partner countries, creating a win-win situation. Concrete approaches include the following:

3.1. Consolidating cooperative relationships with allies

MOFA upholds the principle of mutual assistance for mutual benefit when striving to solidify friendships with allies and attain win-win objectives through joint consultations and mutually beneficial collaboration.

President Tsai Ing-wen embarked on state visits in June 2016 and January 2017, meeting with the heads of state of six Central and South American diplomatic allies in total to discuss various topics of mutual concern and potential areas of cooperation. The trips promoted understanding of how in each case the two sides can complement each other through cooperation and mapped out projects that meet the development needs of both sides, thereby realizing the principle of mutual assistance for mutual benefit.

In August 2016, Vice President Chen Chien-jen, representing President Tsai Ing-wen, went to the Dominican Republic to attend the inauguration of its reelected president, paving the way for increased bilateral cooperation marked by mutual assistance and helping realize the steadfast diplomacy policy. In September, Vice President Chen

flew to the Holy See as President Tsai's special envoy to attend the canonization ceremony of Blessed Mother Teresa of Calcutta, demonstrating that our diplomatic relations with the Vatican have remained firm over the years.

In addition, earlier this year I acted as President Tsai's special envoy to the inaugurations of the newly elected presidents of Haiti and Palau, where I conveyed our best wishes on behalf of the government and people of Taiwan. Thus far, bilateral cooperative programs with these two countries have been proceeding smoothly, highlighting our solid friendship with them.

The above developments demonstrate the realization and deepening of our cooperation with diplomatic allies, which has been welcomed by their heads of state. We will formulate more efficient plans in the future by taking industry and market trends into consideration, thereby helping Taiwan's industries compete in the global market.

3.2. Strengthening Taiwan-US relations and reaching new heights

Since taking office, President Tsai has enhanced our relations with the United States through prudent and pragmatic approaches. By maintaining mutual trust she has earned the affirmation of Washington. She has made transit stops this year and last year in four American cities, receiving high-level security privileges and forging closer contact with important US officials each time.

There have been many other important developments in Taiwan-US relations recently. For instance, last November James Soong represented President Tsai at the 2016 APEC Economic Leaders' Meeting, where he met with John Kerry, then US Secretary of State. They later jointly announced the establishment of the APEC

Women and the Economy Sub-Fund. Also that month, the second joint committee meeting of the Global Cooperation and Training Framework was held in Taipei. Last December, the US Senate passed its version of the National Defense Authorization Act for fiscal 2017, which included wording friendly to Taiwan, for example, instructing the US Department of Defense to foster military exchanges with related ROC senior officials, and reiterating the Taiwan Relations Act and Six Assurances. It also supported regular arms sales to Taiwan, assistance to our efforts to build up effective air defense and asymmetrical warfare capacities, and our participation in bilateral military drills. Before leaving office, President Obama signed the bill, bringing it into effect.

Of course, the new administration's Taiwan policy remains a major focus for us. At their confirmation hearings, Secretary of State Rex Tillerson and Secretary of Defense James Mattis reiterated, verbally or in writing, Washington's commitment to ensuring Taiwan's security in accordance with the Taiwan Relations Act. Unlike his predecessors, Tillerson even set a precedent by verbally reiterating the Six Assurances. These instances further show that Taiwan-US relations remain strong and cordial.

MOFA will continue to pay close attention to the appointment of officials and to Taiwan-related policy developments made by the new US administration, carefully evaluating the potential effects that such actions may have upon relations between Taiwan and the US, and upon cross-strait relations and relations among Taiwan, the US and mainland China. MOFA will also continue to maintain effective communication channels with the US, urging the new administration to follow its predecessors in upholding its security pledges toward our country on the basis of the Taiwan Relations Act and the Six Assurances.

3.3. Deepening exchange and cooperation with like-minded countries, such as Japan and European Union members

We have long enjoyed close relations with Japan, our most important friendly neighbor, based on substantial exchanges and mutual visits. Our countries recently held the first Taiwan-Japan Maritime Affairs Cooperation Dialogue and the 41st Taiwan-Japan Trade and Economic Meeting, as well as signed two memoranda of cooperation on product safety and language education.

Also worth noting is that the Interchange Association, Japan changed its name to the Japan-Taiwan Exchange Association on January 1, 2017—a move intended to reflect the substantial nature of the association’s work in Taiwan, and highlighting positive momentum in the development of bilateral relations.

Regarding fishing rights in waters surrounding Okinotori, a matter which has attracted widespread attention, our government has always asserted that the waters in dispute are contested international waters, and that the parties involved should negotiate in accordance with international law, seeking to settle the matter in a peaceful manner. As for the operation of Taiwanese fishing boats in these waters, MOFA believes that in order to ensure Taiwan’s fishing rights, proper arrangements should be made to resolve disputes peacefully through negotiation.

Taiwan and the European Union share common values such as democracy, rule of law and human rights, and the European Parliament has passed multiple resolutions in support of Taiwan’s international participation, helping us gain more opportunities to contribute to the international community. We will continue to develop cooperation with EU member states at multiple levels, in multiple areas and on multiple fronts, nurturing values partnerships that yield mutual benefits.

MOFA will also continue to monitor as closely as possible the effect of the United Kingdom's exit from the European Union and its impact on Taiwan, especially in terms of economic and trade relations. We will continue to promote talks on a bilateral investment agreement with the EU, promote and upgrade institutionalized bilateral consultation mechanisms with both the EU and its member states, and strengthen cooperation with EU member states vis-à-vis our 5+2 Innovative Industries initiative. We will also pursue the signing of bilateral agreements in such areas as digital certificates of origin, education-related cooperation, energy transition, and the combating of trade customs fraud.

3.4. Advancing more comprehensive relationships with major partner nations under the New Southbound Policy

The nations of Southeast Asia are among our major trading partners and represent key investment sites for Taiwanese businesses. They also serve as popular destinations for overseas compatriots. Taiwan has long maintained close contact with the region in terms of economics and trade cooperation, and people-to-people exchanges. To strengthen ties with the Asia-Pacific region and the wider world, and to actively promote the New Southbound Policy, MOFA and its overseas missions will continue to enhance Taiwan's relationships with ASEAN nations, South Asian countries, and New Zealand and Australia. Concrete approaches for reaching this goal will include: promoting mutual visits and think tank exchanges; strengthening institutionalized bilateral and multilateral cooperation; launching mechanisms for dialogue between Taiwan and ASEAN nations at all levels; expanding visa-issuing services; attracting more tourists from the region to Taiwan; promoting city diplomacy and international exchanges; holding training programs; and seeking business opportunities. By taking as wide an angle as possible in developing comprehensive relationships, we will

become progressively better positioned to advance links and enhance our overall relationship with ASEAN and South Asian nations.

3.5. Continuing to promote professional, meaningful participation in international organizations, making our contribution to the international community

Participation in international organizations is vital for Taiwan in making its contribution to the international community, in bringing soft power into play, and in expanding key channels so as to generate greater international presence. As a responsible member of the international community, it is both our right and obligation to participate in discussions concerning the wellbeing of the human race, and while we at MOFA understand the sense of frustration and injustice that people feel whenever our bids for international participation have been rebuffed, we also feel it is our unshakable responsibility to turn things around. Demonstrating Taiwan's professional strength is what lies at the heart of our desire for international participation—to show that Taiwan and the international community can interact on the basis of reciprocity and mutual benefit—and MOFA will continue to follow the principles of pragmatism, professionalism and seeking practical impact as we strive to promote related work in concert with other ministries and agencies.

Elsewhere, there has been great concern as to whether Taiwan will be invited to attend the World Health Assembly (WHA) as an observer this year. This would mark the ninth consecutive year that we have taken part in the event, which enables Taiwan to make a professional contribution to international medicine and disease prevention. We continue to express to the WHO our hope of being invited to attend the WHA, and have asked our diplomatic allies and other like-minded countries to support our cause so that we can continue to maintain this pragmatic and meaningful approach to participation.

3.6. Continuing to safeguard sovereignty over the South China Sea Islands and maintaining regional peace and stability

The ROC enjoys indisputable sovereignty over the South China Sea Islands and their relevant waters in accordance with international law and the law of the sea. Issues in the South China Sea are complex, however, involving quite a number of nations and overlapping areas among claimants. Working in accordance with international law and the law of the sea, MOFA will safeguard our nation's sovereignty, fishing rights and related maritime rights in the South China Sea, allowing Taiwan to uphold freedom of navigation and overflight within the context of peace, humanitarian assistance, ecology and sustainability. We will also work with all parties concerned to advance peace and stability in the South China Sea, and jointly preserve and develop resources in this region through negotiations conducted on an equal standing.

3.7. Expanding economic and trade cooperation through bilateral and multilateral economic and trade frameworks

To respond to the latest developments in global economics and trade, assist domestic enterprises in expanding overseas business opportunities, strengthen both global and regional economic and trade links, and raise the competitiveness of Taiwanese industries in the global market, the government continues to take proactive measures to promote the signing of related economic and trade agreements with major trading partners and the nations targeted by the New Southbound Policy. This will expand cooperation in economics and trade and achieve a mutually beneficial, win-win situation.

3.8. Allowing civic strength and soft power to flourish through the integration of local governments, NGOs and business resources

To earn greater international visibility and recognition for Taiwan, and to strengthen the depth and breadth of international cooperation and exchange, MOFA has been actively assisting local governments to promote city diplomacy and to engage in experience-sharing and exchange in such areas as smart machinery, aerospace technology, green energy, youth startups, tourism, and disaster prevention. Looking ahead, MOFA will continue to strengthen the capacity of and participation among local governments, NGOs and other civilian groups, and the younger generation and businesses, uniting such forces so as to promote comprehensive diplomacy, and fostering convergence and exchange between Taiwan and the rest of the world.

In addition, to fulfill Taiwan's responsibilities as a member of the international community and to actively give back to that community, over the past five months the government has provided humanitarian assistance to a number of diplomatic allies, including Haiti, in the wake of natural disasters. We have also been involved in humanitarian activities with and at the invitation of the United States, including the donation of mobile hospital units to Iraq last October, earning plaudits from the US and the international community. Going forward, MOFA will continue to strengthen its cooperation with NGOs, local governments and similar actors across Taiwan, pooling resources and combining strengths so as to promote and highlight the soft power found within Taiwan's civil society.

4. Conclusion

Lack of gunsmoke notwithstanding, Taiwan can most certainly be said to be engaged in a constant and continuing battle on the diplomatic front. Faced with this fast-

changing, complex situation, we must work harder, apply our wisdom and handle various challenges with composure.

2017 is the Year of the Rooster—and in Mandarin the word *rooster*, as we all know, is a homonym of the word *opportunity*. Regardless of whether such opportunity leads to positive developments or results in a crisis, MOFA will remain spirited and flexible in forging ahead—striving to turn any adverse developments to our advantage, safeguarding our national interests and expanding Taiwan’s international presence. And in this, we very much look forward to the Legislative Yuan’s continued support and assistance. Thank you!