

Keeping Pace with Threats: Urgency for Deterrence Capability

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Fu Mei, my good old friend, thank you for the kind introduction.

AIT Managing Director Larson, Deputy Minister of Defense for Armament General Hsu, Madam Legislator Chiao-hsin Hsu, Madam Legislator Shan-shan Huang, my dear old friends from governments and industries of both the United States and Taiwan. Good afternoon!

Here I am again. This is my 12th participation and 5th keynote speech at this conference. In my speech in Williamsburg last year, I expressed my sincere hope that you will be able to invite my friend from DPP to deliver this luncheon speech. I am afraid that you'll have to bear with me for another three years and I apologize for that.

44 days before the general elections in the United States, as a political scientist, I am most interested in observing the presidential campaign. But as the representative of my party at this conference, I will focus on the national security and defense issues of my country.

When I spoke to you on this podium last year, the KMT held 37 out of 113 seats in the Legislative Yuan. Today including the 2 independents, the 53-member KMT Caucus is the majority and has the Speakership in the LY.

The KMT headquarters and our members of the Legislative Yuan welcome you to visit us and are committed to working with you to enhance Taiwan's defense and our mutual benefits and interests.

Hundreds of issues can be discussed and debated regarding the security cooperation between Taiwan and the United States.

Today, I would like to highlight 3 areas of concern that we think are most important.

1. Chinese military coercion turns more severe

For 3 consecutive years, the Chinese People's Liberation Army (PLA) has conducted large-scale military exercises against Taiwan annually. However, this year's exercise deserves even greater attention.

The military drills in 2022 and 2023 were reactions to President Tsai Ing-wen's meetings with the U.S. House Speakers Pelosi and McCarthy, and therefore, the 2 PLA exercises were somewhat related to the United States. But this year's "Joint Sword 2024A" military exercise was different. It was a response to President Lai Ching-te's inauguration speech.

These 3 large military exercises varied in form and force, but the threat to Taiwan has increased year by year. Especially after last year's military exercises, the PLA has normalized its co-called "combat readiness patrols" (or 常態化戰備警巡) against Taiwan.

This year's exercise the PLA even employed the military term "cold start" (or 冷啟動), an operational concept developed in India, which means all troops are in position within half an hour of the official announcement of the military exercise. This has made the gray zone threat facing Taiwan even more serious.

2. Highest defense budget and lowest retention ratio

According to the Executive Yuan's budget proposal for FY 2025, the overall scale of the national defense budget will reach NT\$ 647 billion, including special budgets for new fighter jet procurement, sea and air combat capability enhancement programs, and non-operating special funds. This

represents an increase of NT\$ 46 billion or 7.7% compared to this year, accounting for 2.45% of GDP.

While we continue to increase our defense budget, the military manpower continues to drop. According to the Legislative Yuan Budget Center, the number of volunteer soldiers has reached a new low in recent years as of the end of June this year, with the majority of first-line combat troops, including infantry units on offshore islands, having a staffing-to-authorized strength ratio (or 編現比) of less than 80%.

The number of volunteer soldiers has dropped from 164,884 at the end of 2021 to 152,885 at the end of June this year. In other words, in the two and a half years since the Russian invasion of Ukraine, we have lost more than 10 infantry battalions without fighting anyone.

3. Backlogged weapons delivery and the damaged PDA equipment

For 3 years, we have still waiting for the much-delayed delivery of weapons systems that we have procured and paid for. According to the Stockholm International Peace Research Institute (SIPRI) and our Ministry of National Defense, by February this year (2024) the worth of backlogged delivery items have accumulated to USD 19.1 billion and now still counting.

A recent press release by the Pentagon's Office of Inspector General on the mishandling of presidential drawdown equipment provided to Taiwan has added to our frustration. We value greatly the goodwill and sincerity of the American military assistance, however, watching pictures of those water-damaged moldy bullet-proof vests and obsolete munitions, to be honest, the feelings of appreciation have dropped to the ground.

In addition to these above-mentioned issues, we have also observed long-term challenges to our national defense. The huge perception gap in real military threats between Taiwanese people and our foreign friends, the deteriorating capacity to understand and analyze the mentality of decision-makers in Beijing, and the lack of scientific research on demographic change and future technology for smart defense procurement. All of these need to be addressed to guide Taiwan in a wise defense strategy.

As a capable and responsible party and majority in the Legislative Yuan, KMT Chairman Eric Chu and the KMT caucus in the Legislative Yuan attach great importance to Taiwan's defense buildup in dealing with the mounting military threats.

In particular, Speaker Han Kuo-yu, Deputy Speaker Johnny Chiang, and our old friend Admiral Richard Chen have all chosen to serve on the Foreign Affairs and National Defense Committee. Legislator Hsu Chiao-hsin, present at this conference, promised to join the Foreign Affairs and National Defense Committee during her campaign for the Legislative Yuan. Her insistence on attending our conference in person, despite her busy schedule after the beginning of the LY session, is the best proof of the KMT's collective commitment.

I would like to express my sincere appreciation and gratitude to the U.S. administration and members of Congress for their continued attention and support to Taiwan's defense.

I also want to thank AIT Director Raymond Greene for his proactive efforts in strengthening communication with the leaders of our Legislative Yuan and members of the Foreign Affairs and National Defense Committee.

With even the United States demonstrating such goodwill, we are also willing to call on President Lai Ching-te, 254 days after his election and 126 days after his inauguration, to be willing to have a phone conversation with the opposition leaders and agree to sit down with the leaders of the Legislative Yuan and the KMT Caucus to discuss important issues related to military threat and national defense during the upcoming budget sessions in LY.

In the past 84 years of security cooperation since 1940, my party - the KMT has been working closely with the U.S. government and industry to defend our shared security interests.

We do not want to bring domestic politics to Washington nor compromise our national security for political purposes.

We support the increase of our defense budget and investment.
We will introduce a bill to mandate our “National Security Strategy.”
We are committed to providing better incentives and benefits to promote recruitment and retention.
We are ready to sit down with industries to discuss any idea and program that enhances our national defense.

My friends, come to us and we will make the Taiwan Strait a safer place together.

Thank you, Rupert, and thank you all.

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