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Keynote Speaker Introduction
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Rupert, members of the Council, friends from Taiwan, and honored guests –

It is such an honor to be here again for this premier gathering of experts and practitioners who care deeply about Taiwan’s defense and security.

I’m one of the first speakers on the agenda, but I can tell you right now that in closing remarks on the last day you’ll see the date of next year’s conference. This is a testament to not only Lotta and Rupert’s impressive organizational skills, but also to the strength of the U.S.-Taiwan Business Council’s convening power.

It’s my honor to introduce Vice Minister of Defense General Hsu Heng-pu as our Keynote Speaker. General Hsu is a leading voice in the important conversation on Taiwan’s self-defense capabilities – General, it’s wonderful to see you again.

I also greatly appreciate the opportunity to discuss the United States’ approach to Taiwan after what has been an immensely productive and dynamic year for AIT and the U.S.-Taiwan partnership.

On May 20, Taiwan inaugurated its fifth democratically elected president, Dr. Lai Ching-te. As Taiwan’s elections did in January, the peaceful transfer of power set an example for the region and the world about the value of democracy and free and fair elections.

My colleague AIT Chair Laura Rosenberger accompanied a bipartisan delegation representing the American people to attend President Lai’s inauguration. On the trip, the delegation met with leadership from the new Lai administration, the Legislative Yuan, and parties from across the political

spectrum to emphasize that **U.S. policy toward—and support for--Taiwan remains unchanged following Taiwan's elections and inauguration.**

Indeed, the United States remains committed to our longstanding one China policy, which is guided by the Taiwan Relations Act, Three Joint Communiqués, and Six Assurances, and which has remained consistent for 45 years, across administrations.

A core tenet of our approach is our deep and abiding interest in maintaining peace and stability across the Taiwan Strait. Taiwan is a crucial partner in this ongoing effort.

Unfortunately, increasing pressure by the People's Republic of China (PRC) toward Taiwan stands at odds with this objective. Throughout the past year, we've seen Beijing continue to employ a whole-of-government approach using a range of diplomatic, informational, military, financial, intelligence, law enforcement, and economic measures to pressure and coerce Taiwan. These measures are often in response to Taiwan's exercise of its democracy. Following President Lai's inauguration, the PRC held two-day joint military drills – Joint Sword 2024A and continued military activities around Taiwan and outlying islands, eroding longstanding norms.

On the cultural front, the city of Edinburgh just ended a year-long effort to have a sister city relationship with Kaohsiung due to PRC pressure. Such actions are not conducive to promoting people-to-people ties, or the peaceful resolution of cross-Strait differences.

As you all know, these actions are not only a challenge to Taiwan, but to peace and stability across the Taiwan Strait, the region, and the world.

In contrast, the United States' clear and long-term expectation remains the same: We oppose any unilateral changes to the status quo from either side, and we expect cross-Strait differences to be resolved by peaceful means.

To advance this approach, the United States remains committed to enabling Taiwan to maintain a sufficient self-defense capability. But maintaining peace and stability goes beyond conventional defense. **It also means enhancing Taiwan's whole-of-society resilience to ensure Taiwan is resilient, secure, and interconnected** within both the global community and global economy. This means strengthening the U.S.-Taiwan unofficial relationship, raising global awareness of the importance of peace and stability in the Taiwan Strait, expanding Taiwan's international space, and bolstering Taiwan's economic diplomacy.

As we have said before and will say again, our support for Taiwan is rock solid. You will hear more about U.S. efforts from my colleagues from the Departments of State and Defense. But let me first highlight some updates on lines of effort since the last time we saw each other.

Consistent with the Taiwan Relations Act, the United States continues to work to ensure Taiwan has the capacity to defend itself. This includes more than \$38.4 billion in Foreign Military Sales notified to Congress since 2010. U.S. arms sales to Taiwan remain commensurate with the threat Taiwan faces.

The United States also strongly encourages and applauds the Lai administration's early efforts to continue to bolster Taiwan's self-defense through reforms and resource investments. This includes the recently announced proposal to increase Taiwan's 2025 defense budget by nearly 6 percent to approximately \$20 billion USD. We also welcome Minister of Defense Wellington Koo's support for significant defense reforms such as establishing a new entity within the Ministry of National Defense (MND) modeled after the United States Defense Innovation Unit (DIU).

Since we last met in Williamsburg, a major focus of the U.S. government has been to bolster Taiwan's whole-of-society resilience, an effort that spans issues including critical infrastructure protection, humanitarian assistance and disaster relief capabilities, cyber defense, food security, economic interdependence, energy resilience, and financial connectivity. The Lai

administration views whole-of-society resilience as a top priority and recently launched a presidential committee aimed at strengthening Taiwan's whole-of-society resilience. He named a minister without portfolio to coordinate between Taiwan authorities, industry, academia, and civil society. We support his approach.

Yet this effort cannot be achieved by governments alone. The involvement of the business community, across industries, is critical. The whole of society space presents natural synergies for government and international businesses, who can deliver innovative tools to help Taiwan, and seize unique opportunities in sectors such as energy infrastructure, communications, and information technology that need to be strengthened, hardened, and generally made more resilient to shocks.

A more resilient Taiwan is a Taiwan that is better able to resist Beijing's daily pressure and coercion, and more able to contribute its strengths to the world.

We are also emphasizing the importance of bolstering our economic ties with Taiwan as a means of building Taiwan's resilience. It is in the U.S. commercial interest to further deepen our economic ties with Taiwan, our 8th largest trading partner.

But as many of you know, there is also a strategic case for this engagement—deepening private sector ties help to maintain peace and stability across the Taiwan Strait. When U.S. businesses like you pursue opportunities with Taiwan, you are helping to realize a Taiwan that is more integrated and not isolated, more resilient and less vulnerable to coercion.

This growing investment flows in two directions. Thanks to initiatives such as the CHIPS Act, the United States is welcoming leading edge semiconductor manufacturers from Taiwan to the United States to build chip ecosystems.

And the Administration is working with Congress to reduce the tax burden on U.S. companies invested in Taiwan and Taiwan companies invested in the United States.

This focus on economic statecraft is shared: President Lai has signaled his own commitment to building U.S.-Taiwan economic ties in his selection of Foreign Minister Lin Chia-lung, who brings with him robust experience and a vision for economic diplomacy.

Throughout the past year, the United States has worked with Taiwan to bolster commercial ties through a range of initiatives. Momentum on building our trade relationship has grown. In June of 2023, we signed the first agreement under the U.S.-Taiwan Initiative on 21st Century Trade, a high-standard agreement which deals with issues important to U.S. business, including reducing red tape and streamlining customs to facilitate investment and economic opportunities in both markets. Active negotiations on the next chapters continue.

Alongside these efforts, our ongoing engagement with Taiwan to deepen our economic cooperation includes the Economic Prosperity Partnership Dialogue, which facilitates responses to economic coercion, supply chain resilience, and tax-related barriers, among other issues.

U.S. partners and allies are also recognizing and focusing on the role cross Strait peace and security are critical for global economic growth and prosperity, and working with our friends to acknowledge this truth has become a focus.

Of course, all these lines of effort are undergirded by our close collaboration with our friends from Taiwan—whose perspectives are crucial to our understanding of how we, alongside all of you, can best bolster Taiwan's security.

Our Keynote Speaker today, the Vice Minister of Defense General Hsu Heng-pu, is a key leader in this effort. Before serving in his current role, General

Hsu was Chief of Army, preceded by a long list of other leadership roles in MND. I am honored to turn the podium over for his remarks. Thank you for your kind attention.

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