

Implications of AUKUS for Indo-Pacific Geopolitical Strategy

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1. News Highlights

On September 16, 2021, Australian Prime Minister Scott Morrison announced on his Twitter: “Today, Australia begins an enhanced trilateral security partnership with the UK and the US to enable deeper cooperation on security and defense capabilities. This is a historic opportunity for our countries to strengthen our nations’ security in uncertain times... The first initiative under AUKUS is the delivery of nuclear-powered submarines for the Australian Navy. This will allow [the Department of Defense] to meet its mission to protect Australia and its national interests, and that of our regional

friends, into the future.”¹ He also said that he did not regret the decision to cancel the French submarine deal,² since nothing can be more important than protecting the national interest.

2. Security Implications

2-1. AUKUS has common objective of security cooperation

According to the joint statement released by the leaders of the three countries, the establishment of AUKUS is based on a shared vision and commitment to the international order, and aims to deepen diplomatic, security and

1. Scott Morrison's Twitter, September 16, 2021, <https://is.gd/xKdLDV>.

2. Euronews, “Australian PM has no Regrets Over Terminating Submarine Contract With France,” *Euronews*, updated on September 19, 2021. <https://www.euronews.com/2021/09/17/france-recalls-ambassadors-to-united-states-and-australia-amid-submarine-deal-outrage>.

defense cooperation among the three countries. They will collaborate on the interoperability of networks, artificial intelligence, quantum technologies and deep-sea research, as well as promote further integration of defense technologies, industrial bases and supply chains to address the challenges of the 21st century together.³ Although the challenges are not explicitly identified as coming from China, it can be easily found between the lines in the joint statement. US President Joe Biden has adopted a very different diplomatic strategy from that of Donald Trump to actively draw allies together to address the Chinese threat; on the other hand, the UK has extended its strategic focus to the Indo-Pacific region through AUKUS to facilitate its military presence. As for Australia, the country has received political and military support from the UK and the US to ensure its security. While the three allies have slightly different motivations, their security objectives of cooperating to meet the Chinese challenge are fully aligned.

2-2. Australian nuclear submarines from UK and US set off a diplomatic storm

Per AUKUS's agreement, the UK and US will build eight nuclear submarines for Australia with the latter scrapping the 56 billion euro contract for 12 diesel-electric submarines signed with the French Naval Group in 2016. However, while France was designing the submarines for Australia, it was kept in the dark about AUKUS for the past six months and the contract was ended abruptly — France's anger was palpable. On September 17, French President Emmanuel Macron recalled his ambassadors to the US and Australia and refused to receive Morrison's phone calls, while the French defense minister and foreign trade minister cancelled their meetings with their British and Australian counterparts. The relation between France and AUKUS was therefore shaken and deteriorated, and it can be said that the US once again stirred up turbulence and triggered a crisis of trust after its withdrawal from

3. "Joint Leaders Statement on AUKUS," White House, September 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

Afghanistan; and that's why Biden made a call to Macron for a conversation. In the long run, the rift between France and AUKUS might finally be repaired, but it has already undermined the trust of France and other EU members in the US.

2-3. Australian nuclear submarines will change the geostrategic situation

India always sees the Indian Ocean as "India's Ocean". The possession of nuclear submarines by Australia is bound to change the geostrategic situation in the Indian Ocean and its surrounding areas. The first impact is that India will no longer be the only country with nuclear submarines in the region, which means that its dominant position in the region is being challenged. However, since the QUAD leaders' summit just ended, it's not the right time for India to openly contradict the AUKUS pact. Secondly, there are also appeals for Japan to possess nuclear submarines, and this is bound to provoke South Korea to develop its own nuclear armament, leading to an arms race to build up in the Indo-Pacific region. Thirdly, the Australian nuclear submarines will become significant underwater threats capable of curbing the Chinese PLA Navy.

Ties between China and AUKUS members are already at a nadir, but will inevitably plumb greater depths. It is likely deep-sea confrontations in the Indo-Pacific region will become exceptionally frequent and intense in the future.

3. Trend Observation

3-1. AUKUS will become core of a "mini NATO"

Since there are already existing mutual defense agreements or security treaties between the US and UK as well as among the US, Australia and New Zealand, the AUKUS is an alliance based on military cooperation. It's beneficial to the US posture in the Indo-Pacific region and a good move in response to the Chinese challenge. As all these countries are members of the Five Eyes (FVEY) alliance with an established mechanism for intelligence cooperation and sharing, it's conducive to the development of a collective defense structure akin to NATO (North Atlantic Treaty Organization). If the Chinese threat to the West continues to rise in the future, AUKUS plus FVEY and QUAD may likely lead to the establishment of a security

mechanism of a “mini NATO” level (AUKUS+QUAD+FVEY=mini NATO). The inclusion of other countries in the Indo-Pacific region that share the same system and ideology to establish the Indo-Pacific Collective Defense Organization (IPCDO) to deal with the Chinese threat will be a natural next step.

3-2. Australia-built nuclear submarines will be long road

With the establishment of AUKUS, the US, UK and Australia are about to launch a trilateral technical cooperation platform to develop an implementation plan for Australia’s nuclear submarines over 18 months. According to Michael M. Gilday, the US Navy Chief of Naval Operations, at the Defense One Conference on September 23, 2021, it’s a long road that will take at least decades to build a defense industry base in Australia to provide crew training, maintenance and repair for nuclear submarines to maintain the fleet as well as to establish a safety assurance mechanism for the nuclear fuel, which can’t be done in the short term.⁴ To

meet Australia’s urgent need for nuclear submarines, leasing the decommissioned UK and US vessels to the Australian Navy is a possible option to fill the gap until Australia has its home-built fleet. This is also in line with the AUKUS’s tripartite objective of “interoperability, commonality and mutual benefit” for Australia’s nuclear submarines.

3-3. Relationship between France and AUKUS will eventually be repaired

The French government is still exasperated with AUKUS for its “betrayal of trust,” the French are still having a hard time letting go of the matter despite Biden’s phone call to Macron explaining the importance of France and Europe’s participation in Indo-Pacific affairs; Jean-Yves Le Drian, the French Foreign Minister, even accused AUKUS of “stabbing France in the back”. Since AUKUS was behind the termination of the Franco-Australian submarine contract, the issue will undoubtedly have a negative impact on Macron’s re-election next year

4. Sam LaGrone, “CNO Gilday: Developing, Building Australian Nuclear Submarine Could Take Decades,” *USNI News*, September 23, 2021, <https://news.usni.org/2021/09/23/cno-gilday-developing-building-australian-nuclear-submarine-could-take-decades>.



if the French government does not take a strong stance in response. Under such circumstance, Biden's initiative to call is tantamount to offering a bridge for the two countries to rebuild their relations. As European security is inseparable from NATO, and the security of French dependencies in the Indo-Pacific region also requires cooperation with AUKUS, the French ambassador to the US will soon return to Washington, DC, in consideration of international realities and security interests. That means France will eventually resume its relationship with AUKUS, and the interaction between France and these countries may be observed at the G20 Rome summit in late October.

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