

INDSR Newsletter



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The Institute for National Defense and Security Research (財團法人國防安全研究院) is dedicated to fueling knowledge-based policy analyses and strategic assessments on Taiwan's security.

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Institute for National Defense and Security Research

No. 172, Bo'ai Rd.,

Zhongzheng Dist., Taipei City-100057

Taiwan (R.O.C.)

<https://indsr.org.tw/en>

The European Union Announced Indo-Pacific Strategy

Jyh-Shyang Sheu
Assistant Research Fellow

Division of Chinese Politics, Military and Warfighting Concepts

1. News Highlights

The momentous “EU Strategy for Cooperation in the Indo-Pacific” (hereinafter referred to as the “the Communication”) was officially unveiled on September 16, 2021, following the adoption of the “EU Council conclusions on EU Strategy for cooperation in the Indo-Pacific” (hereinafter referred to as the “the Resolution”) by the EU Council of Ministers and released by the European Commission and European External Action Service on April 19, 2021. In the Communication, the EU continues to follow the previous documents to emphasize the importance of Indo-Pacific at all levels, stressing that the EU will strengthen its relations with its partners

and deepen cooperation with organizations in the region; on security issues, the EU will strengthen the naval presence and stabilize traffic lines. At the same time, the EU will also work with China on related issues to find solutions to common challenges and to defend values that are fundamentally at odds with China’s (e.g., human rights)¹.

It is worth noting that just earlier, on September 15, 2021, the US, UK, and Australia announced the formation of AUKUS, a military security partnership, but their relations with France have deteriorated due to the consequent changes in the Australian submarine program. However, it’s believed that the two sides will not part ways. In addition, the EU

1. “Joint Communication on the Indo-Pacific,” *European External Action Service*, September 16, 2021, https://eeas.europa.eu/headquarters/headquarters-homepage_en/104126/Joint%20communication%20on%20the%20Indo-Pacific.

may further strengthen its relationship with India in order to maintain its role in the Indo-Pacific region.

2. Security Implications

2-1. Documents reflect EU's attempt to engage in Indo-Pacific governance

In the Communication, the EU continued the Resolution previously adopted in April 2021 to emphasize the critical importance of the Indo-Pacific region to the world and the EU in terms of trade, environment, geopolitical stability, democracy and human rights. In the document, the EU also stresses the importance of the rule-based international order to help Indo-Pacific countries to address the current challenges and total governance through cooperation in seven areas: climate change, infrastructure, maritime governance, health, economic and trade, security and information through the principles of democracy, rule of law, human rights and international law. At the same time, the EU is also

escalating its engagement in the Indo-Pacific region to maintain a free and open Indo-Pacific region and build a strong, lasting partnership.²

In terms of security issues, the EU is equally committed to promoting openness and building a “rule-based” regional security structure, despite its relative lack of military intervention capacity in the far-flung Indo-Pacific region. It plans to strengthen the naval presence of EU countries in the Indo-Pacific through the Coordinated Maritime Presences concept implemented in the Gulf of Guinea for its anti-pirate operations for further reviews on the opportunities to establish a “maritime area of interest” and to support Indo-Pacific partners in building their capacity to ensure maritime security and respond to cybercrime. In general, military security and defense are of a lower priority than the overall security issues in the Communication, instead, the EU will focus on force presence, building maritime capabilities and taking advantage of regional mechanisms such

2. “EU Strategy for Cooperation in the Indo-Pacific: Factsheets,” *European External Action Service*, September 16, 2021, https://eeas.europa.eu/headquarters/headquarters-homepage/96740/eu-strategy-cooperation-indo-pacific_en.

as the ASEAN, East Asia Summit and the Indian Ocean Naval Forum to expand partnerships and address issues such as cyber security, counterterrorism, weapons proliferation as well as information operations and intervention.

The EU's strategy for the Indo-Pacific region incorporates the objectives of the previous Indo-Pacific strategies of France, Germany and the Netherlands. But compared to the French strategy that focuses more on regional security issues, the EU document is more similar in content to Germany's "Leitlinien zum Indo-Pazifik" (Indo-Pacific Approach), which discusses fewer security topics but mentions a number of possible challenges and has a wider scope on governance. By emphasizing the key position of ASEAN, the EU still sees regional organizations as an important means for participation in the related affairs and considers the Indian Ocean as the key gateway to the EU's entry into the area as well as a strong network of regional partnerships. It means that the EU's involvement in the Indo-Pacific region does not attempt to establish a new order or to take the lead in solving global and regional issues and challenges, but rather plays the role of a

facilitator to help promote comprehensive regional governance. In other words, the EU is not taking a hardline stance on the Indo-Pacific strategy, but rather promoting its goals mainly through dialogue and cooperation.

2-2. From position of safeguarding common values, maintain interaction with China

In contrast to the Resolution, the Communication from the EU further criticizes China's actions, albeit not directly. For instance, China's actions are specifically mentioned in the discussion of geopolitical competition in the Indo-Pacific region in the context of the massive military build-up in the region; and it's also emphasized that the displays of force and tensions in the Indo-Pacific hot spots, such as the South China Sea, East China Sea and Taiwan Strait, could have an impact on Europe's security and prosperity. In addition, the increasing number of "hybrid threats", including cybersecurity, all allude to China. However, on issues such as democracy and human rights, only "threats from authoritarian regimes" are related without directly naming specific countries.

At the level of regional partnership, the EU will seek to engage with China on many fronts in order to find solutions to common challenges and to cooperate on areas of common interest. As described in the Communication, there should be room for further cooperation on global issues such as free trade, climate change, ocean governance and health. However, the EU also underscores that it will work with partners who share common values to counter principles where it fundamentally disagrees with China, such as democracy and human rights.

It is worth noting that the EU will also encourage China to play its own role in a “peaceful and prosperous” Indo-Pacific region. In consideration of the EU’s insistence on a rule-based international order, the importance of regional stability and free trade, and the idea of further strengthening its future naval presence in the Indo-Pacific region, and even establishing a zone of interests, this can be seen as a response to China’s actions in the Indo-Pacific region in recent years with an emphasis on stability of the regional situation and common prosperity.

2-3. Increasing unofficial interaction

with Taiwan

Earlier in the Resolution, Taiwan was not explicitly mentioned; however, the Communication not only mentioned Taiwan in the section discussing how Taiwan Strait tensions would affect Europe but also in the maritime governance section discussing cooperation on preventing illegal, unreported and unregulated fishing (IUU). More importantly, the EU will seek to build deeper relationships with partners that it does not have investment and trade agreements, such as Taiwan. The EU plans to work with Japan, South Korea and Taiwan on the semiconductor supply chain to address strategic dependencies; and Taiwan is also referenced on data protection issues.

It can be seen that Taiwan is still mainly a part of trade and semiconductor supply chain considerations to the EU; however, as the Taiwan Strait is one of the Indo-Pacific hotspots, it’s crucial for the EU to pay attention to the security and stability of the supply chain, trade and the rule-based international order. However, since the EU’s Indo-Pacific strategy is mainly driven by communication and cooperation for achieving goals and

solving problems in common, rather than overly challenging the status quo, the Taiwan-related issues mentioned here are mainly about the economic and trade field as well as supply chain. Therefore, the EU is expected to maintain an unofficial relationship with Taiwan and to explore further on this basis.

In fact, Josep Borrell, EU's High Representative of Foreign Affairs, expressed in a dialogue with Chinese Foreign Minister Wang Yi on September 28, 2021, that the EU is interested in developing a cooperative relationship, and also shares similar ideas, with Taiwan, but would not recognize Taiwan as a country.³

Finally, "shared values" is a core element repeatedly mentioned in the EU's Indo-Pacific strategy document, as well as in the formulation of the regional strategies of France, Germany and the Netherlands. With similar philosophies, shared values of democracy and human rights, Taiwan has an important advantage in promoting further cooperation with

European countries and even the EU in addition to substantial economic and industrial interests.

3. Trend Observation

3-1. Germany, France and the Netherlands should lead European countries to participate in Indo-Pacific affairs

Looking back at the recent involvement of European countries in the Indo-Pacific region, in addition to the two important Indo-Pacific strategy reports released by the EU this year, France, Germany and the Netherlands have each released their own documents as well, so it can be said that European countries are indeed increasingly concerned about the region. However, compared to the aforementioned three countries, the other European nations are still less interested in participating in the Indo-Pacific affairs due to lack of economic interests or direct security incentives. Therefore, if the EU wishes to further promote or strengthen

3. "China: High Representative/Vice-President Josep Borrell holds the 11th EU-China Strategic Dialogue with State Councillor/Foreign Minister Wang Yi," *European External Action Service*, September 28, 2021, https://eeas.europa.eu/delegations/togo/104789/china-high-representativevice-president-josep-borrell-holds-11th-eu-china-strategic-dialogue_en.

its Indo-Pacific role under the foreign and security policy framework, Germany, France and the Netherlands need to step forward to coordinate and encourage other European countries to take similar positions.

In terms of military and security, the EU policies are relatively less integrated compared to the other areas such as economics, so it's crucial for these active countries to take the lead and coordinate the others to adopt common positions and actions.

In fact, looking at the actions of European countries in sending naval vessels to the Indo-Pacific in 2021, we can see that France, the Netherlands and Germany have each sent their own Indo-Pacific expeditions instead of the “joint actions” often emphasized by the EU and its member states: France launched its annual expeditionary training “Mission Jeanne d'Arc 2021”, led by the Classe Mistral amphibious assault ship FS Tonnerre (L9014) to the region on February 18, 2021, and the Netherlands

sent the De Zeven Provinciën klasse cruiser HNLMS Evertsen (F805) to join the 2021 British Navy battle group led by HMS Queen Elizabeth (R08) in the same region, while Germany dispatched FGS Bayern (F217) to the Indo-Pacific on August 2, 2021. In terms of security engagement (e.g., maintaining a naval presence in the Indo-Pacific region), the EU countries with less military power may need further integration for better effectiveness of their operations.

3-2. India and ASEAN to become EU's key strategic partners in Indo-Pacific

As mentioned earlier, the EU has attached importance to the role played by regional organizations in its Indo-Pacific strategy. In recent years, the EU has emphasized strategic autonomy and adopted a different approach than the US; based on its success in regional integration, the EU has focused on regional organizations and attempted to replicate its own experience and promote integration to help shape the institutional framework governing the regional states.⁴

4. Li Junyi, “The Implications of the EU Indo-Pacific Cooperation Strategy Resolution for China,” *Instant Review on Defense Security*, April 26, 2021. https://indsr.org.tw/tw/News_detail/3363/

In this context, ASEAN, which is located around the disputed waters of the South China Sea, is of high regard.

In addition, India's importance may further increase under the current situation. The establishment of the AUKUS military security partnership among the US, the UK and Australia on September 15, 2021, just prior to the formal announcement of the EU's Indo-Pacific strategy document, shows that the UK and the US have chosen Australia as their core ally in the Indo-Pacific region to strengthen their military security intentions; it's also a response to China's rapid military expansion in recent years. However, the founding of AUKUS may inevitably conflict with the interests of European countries at some levels: the US and UK agreed to transfer key technologies to assist Australia in building nuclear-powered attack submarines, causing Australia to suddenly cancel the agreement with France on replacing the existing Collins-class submarine with

French-built Shortfin Barracuda, a next-generation diesel-electric submarine. The incident has strained France's relationship with Australia — and even with the US.

Although the emergence of AUKUS does not mean that UK, the US and the EU will go their separate, or even opposite, ways on security issues in the Indo-Pacific, the dispute over the development of Australia's next-generation submarines has not only brought a serious blow to France, which has always regarded arms sales as an important means of participation to strengthen its relations with regional allies,⁵ but also made France's "France-India-Australia" strategic alliance roadmap advocated in its Indo-Pacific strategy document inevitably affected.⁶ As the EU focuses on strategic autonomy, it is expected that the organization will further enhance its relationship with India in order to maintain its status as a major regional player in Indo-Pacific affairs and to avoid being marginalized. In fact, France

5. Hong Rui-Min, "France's Indo-Pacific Strategy with Long-Range Training and Military Sales as the Backbone," *Instant Review on Defense Security*, February 20, 2021.

https://indsr.org.tw/tw/News_detail/3328/

6. "France's Indo-Pacific Strategy," *France Ministry for Europe and Foreign Affairs*, July 2021, p.40, https://www.diplomatie.gouv.fr/IMG/pdf/en_a4_indopacifique_v2_rvb_cle432726.pdf.

and India announced that they would deepen their partnership soon after the establishment of AUKUS was announced, and the EU and Germany expressed their support for France immediately.⁷ Although India is a key member of the Quadripartite Security Dialogue (QUAD) and a major power in the Indo-Pacific region as well as a long-standing partner of France in arms sales, and AUKUS excluded both India and Japan (both QUAD members) in its establishment; however, as an alliance countering the Chinese military expansion threats, AUKUS's objective is actually in line with the strategic interests of the two uninvited countries. In this case, India can be expected to play a certain role between AUKUS and the EU.

However, as mentioned before, AUKUS and the EU are not going their separate ways in the Indo-Pacific since they are still traditional allies with common ideas and values, and they keep making similar efforts on common goals. As members of the EU, France, Germany and the Netherlands already have their

own Indo-Pacific strategy and will take respective actions, so the cooperation with AUKUS will still be implemented in line with the attitudes of their own. The German ship "Bayern" maintains its original Indo-Pacific voyage plan and will call at Perth, Australia on September 28, 2021, for a visit. On the other side, the US emphasis under the Biden administration on "restoring the transatlantic partnership" may require more effort to make further progress.

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7. "Macron and Modi Vow to 'Act Jointly' in Indo-Pacific as Submarine Row Intensifies," *France 24*, September 21, 2021, <https://www.france24.com/en/asia-pacific/20210921-macron-and-modi-vow-to-act-jointly-in-indo-pacific-as-submarine-row-intensifies>.

China-India Conflicts in Cyberspace

Chen-Yi Tu
Assistant Research Fellow

Division of Cyber Security and Decision-Making Simulation

1. News Highlights

While it's been more than a year after the June 2020 clashes between China and India in the Galwan Valley, the gradual shift from armed conflicts at the border to disengagement has received much attention. However, little discussion has been focused on the sustained cyber campaign from CCP-related hacker groups. According to the research report released on Sept. 21 by Recorded Future, a US cybersecurity firm, the CCP-affiliated hacker group TAG-28 has attacked Bennett Coleman & Co Ltd., known as "The Times Group of India", the Unique Identification Authority of India (UIDAI) and the Madhya Pradesh Police Department in February.¹ This series of

attacks is likely a follow-up action to the October 2020 attack on India's energy sector by RedEcho, another CCP-affiliated group. These series of incidents show sustained CCP cyber operations even as armed conflicts gradually "disengage" with troop withdrawal; the acquisition of valuable personal identifiable data through cyber espionage also implies a prolonged China-India conflict in cyberspace.

2. Security Implications

2-1. Cyber-attacks unceasing

As the timeline of events have shown, the cyber intrusion efforts from CCP-affiliated groups against the Indian government and other organizations

1. Dina Temple-Raston, "Report: China-linked Hackers Take Aim at Times of India and a Biometric Bonanza," *The Records*, September 21, 2021, <https://therecord.media/report-china-linked-hackers-take-aim-at-times-of-india-and-a-biometric-bonanza/>.

did not abate even though the two sides were negotiating and initiating actual troop withdrawal. The first attempt to “disengage” was in May 2020. On July 5, 2020, after three rounds of high-level military and diplomatic negotiation between China and India, both reached a consensus to de-escalate with both forces “disengaging” in areas such as the Galwan Valley. However, the analysis by Recorded Future indicates that the CCP-affiliated group RedEcho was still registering domains on July 11, which indicated attempts for further cyber action.² The actual attack on India’s regional power grid centers occurred around October. According to a follow-up investigation by Indian local government authorities, at least the outage in Mumbai on the morning of October 13 may have been related to the RedEcho.³

On February 10, 2021, China’s Ministry of National Defense announced that it would follow the consensus of

the ninth round of bilateral negotiation and would go further to immediately “disengage” with the Indian side on the southern and northern shores of Pangong Lake. At the same time, however, TAG-28 also launched intrusions against Bennett Coleman, UIDAI and the Madhya Pradesh Police Department. All these incidents prove once again that cyber attacks are not only a precursor to conflict but also a crucial component across the full spectrum of conflict.

2-2. CCP attacks on India extended to media and personal IDs

Although this is not the first incidence that a CCP-affiliated group targets media, the fact that the Times of India has been critical of CCP’s actions and they have covered CCP-affiliated groups targeting the Uyghur, clearly shows that the CCP is very concerned about media coverage and its international image. Therefore, TAG-28 was trying to obtain reports, the contact information of relevant journalists

2. Insikt Group, “China-Linked Group RedEcho Targets the Indian Power Sector Amid Heightened Border Tension,” *Recorded Future*, February 2021, <https://www.recordedfuture.com/redecho-targeting-indian-power-sector/>.

3. “Mega Mumbai Power Outage May be Result of Cyber Attack, Final Report Awaited,” *India Today*, November 20, 2020, <https://www.indiatoday.in/india/story/mumbai-power-outage-malware-attack-1742538-2020-11-20>.

and even their information sources. Although the Recorded Future report doesn't provide any clue on exactly what information was obtained by TAG-28, it's known that about 500 MB of data has been transmitted to hacker-controlled infrastructure outside the corporate network. The attacks against media may have become a standard procedure in CCP-affiliated cyber operations.⁴

However, the intrusion of UIDAI may serve purposes well beyond gaining intelligence. UIDAI is the managing authority of Aadhaar, which is India's digital identification system. UIDAI issues every Indian citizen a 12-digit identifier along with a Aadhaar card after recording their fingerprints, iris scans and mugshots. Aadhaar covers 89% of India's population, so this Personal Identification Information (PII) is extremely valuable and will help hackers identify high-value targets such as government heads. The PII can also be used for social engineering

such as fraud and threats; and it can be used to generate new insights when combined with other intelligence.⁵ In particular, all Indian government services currently require biometric information such as fingerprints and iris scans, and the data can be accessed from Aadhaar's single database. Unlocking the database will grant hackers access to confidential data from other government agencies to further extend their reach.

3. Trend Observation

3-1. China-India conflict in cyberspace is for long term

According to Recorded Future, the intrusions from CCP-affiliated groups to Indian organizations and companies rose steadily from 2019 to 2021. Particularly, there is an increase of 120% from 2019 to 2020, and 2021 saw an even greater surge of 261% from 2020.⁶ This indicates that the conflict between China

4. Insikt Group, "China-Linked Group RedEcho Targets the Indian Power Sector Amid Heightened Border Tension," *Recorded Future*, September 21, 2021, <https://go.recordedfuture.com/hubfs/reports/cta-2021-0921.pdf>.

5. "Aadhaar Covers Over 89% Population," *India Today*, March 7, 2018, <http://timesofindia.indiatimes.com/articleshow/63202223.cms>.

6. See Note 4.

and India in cyberspace is a long term one. Furthermore, the biometric data may be used not only to conduct more sophisticated attacks, but also to train its artificial intelligence algorithms for better image recognition capabilities to strengthen its surveillance on India.

In addition to evidence discovered from analyzing hacker behavior through network traffic and monitoring data, there are specific instances of continued CCP infiltration into India. In June 2021, the Indian Border Security Force arrested Han Junwei, a Chinese national, in West Bengal for illegal entry and recovered nearly 1,300 cell phone SIM cards from his possession. Han testified that several CCP units have “targeted a company in Bangalore that is associated with the Indian Defense Ministry and telecommunications companies, as well as several aerospace companies,” and have “repeatedly tried to hack the official

Indian Defense Ministry website in order to spy on the Indian defense system.” Although the Indian Special Task Force was unable to confirm the relationship between Han and any CCP agency, the SIM cards were allegedly used to hack accounts or commit fraud.⁷ *The Global Times*, an official CCP media, reported on the incident, emphasizing only Han’s role as a businessman and his affection for India, but completely avoiding the details of the arrest and the smuggling of SIM cards.⁸ This low-profile approach, which avoids drawing attention to the incident, may indicate that the CCP has tacitly acknowledged its intelligence activities in India.

3-2. India's cyber security units need restructuring and integration urgently

In response to the deteriorating cybersecurity situation and growing threats, the Indian military established

7. “Arrested Intruder Says China Trying to Hack Defence Ministry Websites: Official,” *Hindustan Times*, June 23, 2021, <https://www.hindustantimes.com/india-news/arrested-intruder-says-china-trying-to-hack-defence-ministry-websites-official-101624405729228.html>.

8. “A Chinese Businessman Who Considered Indian Healthcare Better Suspected as a Spy, Arrested by the Indian Army,” *Global Times*, June 12, 2021.

<https://www.hindustantimes.com/india-news/arrested-intruder-says-china-trying-to-hack-defence-ministry-websites-official-101624405729228.html>.

the Defense Cyber Agency (DCA), a dedicated cybersecurity task force, on September 28, 2018. DCA is a tri-services command of the Indian Armed Forces, with its head of two-star rank and who reports to the Chief of Defence Staff through the Integrated Defense Staff. The original plan for the DCA aimed at obtaining Full Operational Capability (FOC) by August 2021. Indian Defense Minister Ajay Bhatt also confirmed this at a press conference in August and mentioned that the Indian Army, Navy and Air Force had each established their Cyber Emergency Response Teams. However, Gen. Bipin Rawat, India's Chief of Staff, said earlier on April 7 that China already has the capability to attack most Indian systems over the network, and that the best India can do to protect itself is to minimize the downtime when hacked — somewhat in contradiction to Ajay Bhatt's claim. In the face of the increasing number of cyber incidents and the prolonged conflict between China

and India, it's clear that capacity building and integration of India's cyber security capabilities have become an pressing issue that the Indian military must address.⁹

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9. “ ‘GOI in Final Stage of Formulating National Cyber Security Strategy’ ,” *The Statesman*, October 12, 2021, <https://www.thestatesman.com/india/goi-national-cyber-security-strategy-1502990178.html>; “The Chinese Cyber Threat is Real — and India's Best Defence Right Now is to Keep its Outage Time Limited,” *Business Insider India*, April 9, 2021, <https://www.businessinsider.in/defense/news/the-chinese-cyber-threat-is-real-and-indias-best-defence-right-now-is-to-keep-its-outage-time-limited/articleshow/81981886.cms>.



Implications of AUKUS for Indo-Pacific Geopolitical Strategy

Hsinbiao Jiang
Assistant Research Fellow

Division of Defense Strategy and Resources

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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France Starts Power Demonstration in its Indo-Pacific Strategy

Jui-Min Hung
Assistant Research Fellow

Division of Defense Strategy and Resources

On October 12, 2021, Florence Parly, the Defense Minister of France, went to the French Senate (Sénat) and the National Assembly (Assemblée nationale) for a hearing on the discontinuation announced in September of the Franco-Australian agreement to build 12 Shortfin Barracuda-class long-range diesel-electric submarines. In response to a question from Senator Olivier Cadic of the Senate Defense and Foreign Affairs Committee on “whether France would send a message to Taiwan stating that the country will contribute to the defense of the Taiwan Strait as an ‘espace de droit’”, Parly responded: “To address the tensions in the Taiwan Strait, France’s actions will

include sending the Navy to demonstrate our commitment to international law and freedom of navigation, for example, through the presence of naval vessels such as the “Dupuy-de-Lôme” recon ship in the Taiwan Strait.”¹

If the February 8, 2021, cruise of the nuclear-powered attack submarine (Sous-Marin nucléaire d'Attaque, SNA) “Émeraude” and the support ship (Bâtiments de Soutien et d'Assistance, BSAM) “Seine” is taken into account,² it’s the second time this year that French officials released its Navy’s activities in the Western Pacific, and the first time to publicly confirm their activities in the

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1. For more information about Senator Cadic's hearings, please see his official YouTube channel at <https://ppt.cc/fvMYdx>.
 2. “Two French Warships Patrol Far into the South China Sea to Demonstrate a Common Position with The US, Australia and Japan” , *Central News Agency*, February 8, 2021, <https://www.cna.com.tw/news/aopl/202102090090.aspx>.

Taiwan Strait. In addition to stressing the importance of intelligence gathering in the Western Pacific to France and to further challenging China's assertions in the region, Parly's remarks also implicitly show Paris' desire to strengthen its credibility in the region through a "power demonstration" in order to turn the tide for its Indo-Pacific dilemma.

France values intelligence gathering in Western Pacific

The main mission of the Dupuy-de-Lôme is to intercept communications and collect intelligence through its radio signal and satellite antennas; after analysis performed by the 80 experts on board, the information is transmitted back to the Direction du Renseignement Militaire (DRM) of the French Ministry of Defense via the "Inmarsat" maritime intelligence satellite or the "Syracuse III" military intelligence satellite transmission system for further use.

Although Parly did not further elaborate on the timing of Dupuy-de-Lôme's activities in the Taiwan Strait, it can be inferred from the fact that the ship was under Russian surveillance in the Strait of Tartary between the Sea of Okhotsk and the Sea of Japan on July 5, 2021,³ so her time in the Taiwan Strait should have been around this point.⁴

After all, France is now paying more and more attention to the intelligence from the Western Pacific. In fact, it is quite rare for the Dupuy-de-Lôme to be dispatched to this area, as it used to operate almost exclusively in the Mediterranean and the Black Sea. On the other hand, the cruise of the Émeraude and Seine in the South China Sea has also helped Paris to grasp the hydrographic data there, which echoes Parly's words "to improve our understanding of the (Indo-Pacific) region."

3. "Russian Defense Watching French Armored cruiser," *TeleTrader*, July 6, 2021, <https://ppt.cc/fIK8vx>.

4. In August 2021, there was news of a French ship staying off the Fang Yuan Township water of Changhua County. Although the news was denied by Taiwan and the French Ministry of Defense at the time, many wondered if there is a connection with the Dupuy-de-Lôme. See Zeng Tingxuan's "French Warships Stayed Off Changhua Shore, French MoD states 'No Ships Sent to Taiwan Strait' report" . *Central News Agency*, August 12, 2021. <https://www.cna.com.tw/news/firstnews/202108120311.aspx>.

From “transit” to “presence” : France elevates its challenge vs Chinese assertion

In terms of terminology, the French said that their warships usually “transit” the Taiwan Strait once a year, such as the patrol ship Vendémiaire passing through the Strait in April 2019.⁵ This time, Parly used the term “présence” to describe the activities of the Dupuy-de-Lôme in the Strait, a term that was also used by Parly later in the Assemblée Nationale hearings to describe France’s relationship with New Caledonia, its collectivité sui generis (“special administration regions”) in the Southeast Pacific. This application not only confirms France’s long-standing stake in the Indo-Pacific region, but also indicates that the French Navy has the right to operate in the Taiwan Strait, and reveals the possibility that Dupuy-de-Lôme had stayed in the Strait for some time.

Reinforcing credibility of France's Indo-Pacific strategy

France was not invited to join AUKUS (an Australia-UK-US trilateral

security alliance aimed at countering China) when it was announced on September 15, 2021. The exclusion of Paris seemed to show that France’s role in the Indo-Pacific region seemed to be inferior to that of Australia and the UK, which was a major blow to France’s Indo-Pacific strategy that emphasizes multilateralism and cooperation with regional countries such as the US and Australia. Even so, France still tried to convey a message to the Indo-Pacific countries that Paris was not naive to Beijing’s intentions by actively revealing the activities of French ships in the Taiwan Strait. This also helped to restore the confidence of other countries in France and reduce the negative impact from the establishment of AUKUS and the discontinuation of the Franco-Australian submarine agreement on France’s Indo-Pacific strategy.

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5. “Déroit de Taïwan: Incident Naval Entre la France et la Chine,” *La Croix*, April 25, 2019, <https://ppt.cc/fNcaZx>.



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