

Recent Developments of the Indo-Pacific Strategy: An Assessment of Strategic Environment

Che-Chuan Lee
Associate Research Fellow

Division of National Security Research
Topic: Indo-Pacific

1. News Highlights

In May 2022, the Biden administration of the U.S. took a series of actions to advance its “Indo-Pacific Strategy.” The actions included the U.S.-ASEAN Special Summit in Washington, D.C. between May 12-13 and U.S. President Joe Biden’s visit to South Korea and Japan between May 20-24. The U.S. also announced the launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) on May 23 and Biden’s attendance at the Quadrilateral Security Dialogue (Quad) Summit in Tokyo on May 24. On May 26, Secretary of State Antony Blinken delivered a speech on China policy at

George Washington University. In just half a month, the U.S. exchanged views with most countries under the Indo-Pacific Strategy framework, and a series of “joint statements” and “fact sheets” have been released. These documents contain an overwhelming amount of information. On the other hand, the Pacific Island countries not part of the U.S. scheme were visited by Chinese Foreign Minister Wang Yi from May 26 to June 4.¹

In February, the Biden administration released the U.S. Indo-Pacific Strategy Report with a 10-point action plan. However, before the action plan can be implemented, the report stated that the U.S. must “shape the strategic

1. Wang Yi visited seven South Pacific Island countries, including Solomon Islands, Kiribati, Samoa, Fiji, Tonga, Vanuatu, Papua New Guinea, and Timor-Leste. However, the signature of the Comprehensive Agreement on Regional Security and Economic Development, which has attracted the most attention, has not been completed because it has not been unanimously agreed upon by the 10 Pacific countries.

environment to best serve the U.S. and its allies and partners...” while Blinken’s China policy speech emphasized the need to “shape the strategic environment in which Beijing operates to advance our vision...” This article examines what recent Biden administration activities and documents have accomplished in “shaping the strategic environment” and their limits.²

2. Security Implications

In May, a series of activities by the Biden administration further completed the “Indo-Pacific Strategy” framework. For example, IPEF, the economic pillar of the Indo-Pacific Strategy, attracted the participation of 14 countries.³ South Korea’s new president, Yoon Suk-yeol, pledged to strengthen traditional security and economic security cooperation with

the U.S. to reinforce the Indo-Pacific Strategy in Northeast Asia, especially in response to North Korea’s nuclear and ballistic missile threats. But the reluctance of ASEAN countries and India to choose sides between the U.S. and China, or to confront China, remains largely unchanged.

2-1. Economic pillars of the Indo-Pacific Strategy are taking shape

Most countries in the region expect the Indo-Pacific Strategy to build an economic pillar like the Trans-Pacific Partnership (TPP), in addition to the diplomatic and security supports like the Obama administration’s “Pivot to Asia” and “Asia Rebalancing.” Although public opinion in the U.S. has not supported the traditional regional free trade mechanism emphasizing “tariff concessions” and

2. The wording of the U.S. Indo-Pacific Strategy Report is that “the U.S. goal is not to change China but to shape a strategic environment... that is in the best interests and values of the U.S. and its allies and partners.” Blinken said in his China policy speech, “we don’t expect Beijing to change its ways, so we will therefore shape the strategic environment in which Beijing operates to advance our vision of an open and inclusive international system.” See “Indo-Pacific Strategy of the United States,” *The White House*, February 11, 2022, p. 5, <https://reurl.cc/loXXld>; Antony J. Blinken, “The Administration’s Approach to the People’s Republic of China,” *U.S. Department of State*, May 26, 2022, <https://reurl.cc/b2xxey>.

3. In addition to the U.S., 14 countries, including Japan, Korea, India, Australia, New Zealand, Vietnam, Thailand, the Philippines, Malaysia, Singapore, Indonesia, Brunei, and Fiji, have expressed their participation in the Indo-Pacific Economic Framework.

“market access” in recent years, the Biden administration has still launched the “Indo-Pacific Economic Framework.” But U.S. officials have repeatedly emphasized that IPEF is not a traditional free trade agreement. So far, IPEF has revealed only four main areas and principles: a. fair, flexible trade regulation on digital trade, labor, and environment; b. “supply chain resilience”; c. infrastructure and green technologies; and d. taxation and anti-corruption. The details will not be finalized until participating countries begin negotiations this summer.⁴

2-2. South Korea actively responds to “Indo-Pacific Strategy” framework

Prior to Biden’s visit, South Korea announced the establishment of the Apache Combat Helicopter Unit in the Korea-US Joint Division, and Korea’s National Intelligence Agency joined the NATO Cooperative Cyber Defense Centre of Excellence (CCDCOE) to become the first Asian country in the organization.

During Biden’s visit, the two

countries reaffirmed their commitment to the U.S.-Korea Mutual Defense Treaty, agreed to reactivate the high-level Extended Deterrence Strategy and Consultation Group (EDSCG) as soon as possible, agreed to expand the scope and scale of joint exercises around the Korean Peninsula, significantly expanded the fight against North Korean cyber threats, and emphasized the importance of the trilateral cooperation of U.S., Japan, and South Korea in addressing North Korean challenges. In the meantime, the two countries also pledged to expand and deepen cooperation in “key emerging technologies” (such as advanced semiconductors, electric vehicle batteries, artificial intelligence, quantum technology, biotechnology, biopharmaceuticals, and autonomous robots), cybersecurity, supply chain, energy safety, nuclear energy, and space technology. Seoul has said it will participate in IPEF, and Biden has also welcomed Yoon’s willingness to participate in the Quad.

4. Yang Mingzhu, “U.S. Trade Representative Katherine Tai: Formal Consultation on Indo-Pacific Economic Structure This Summer,” *Central News Agency*, May 29, 2022, <https://reurl.cc/9GyQ5O>; “Statement on Indo-Pacific Economic Framework for Prosperity,” *The White House*, May 23, 2022, <https://reurl.cc/GxDlkp>.

2-3. ASEAN and India remain relatively conservative

Just as the statements of the ASEAN Foreign Ministers' Meeting and the Leaders' Summit in the past did not directly name China, neither did the "Joint Vision Statement" nor the "Fact Sheet" of this special summit between the U.S. and ASEAN. Given their close economic and trade ties with China, most ASEAN countries remain cautious about leaning on the U.S. Similarly, India has been reluctant to state that the Indo-Pacific strategy is directed at China and has refused to condemn Russia's invasion of Ukraine or impose sanctions on Russia. The Quad Summit did not name China's expansion in the region but only called it "a matter of concern" for the four countries and described the war in Ukraine as "a tragic conflict." These relatively mild words are clearly the result of India's insistence.

3. Trend Observation

In his speech on the China policy, Blinken pointed out that the Biden administration would compete with China, but not to seek conflict or a new Cold War. The U.S. will not prevent China from playing a role as a major power,

nor prevent China from developing its economy or promoting the interests of its people. But the U.S. will protect the international laws, agreements, principles, and mechanisms that allow all countries to coexist and cooperate. The U.S. and its allies must construct a strategic infrastructure to achieve the goals. The aim being to deter China from distorting the market mechanism with its policies, forcing technology transfer from multinational companies, pressing other countries with economic coercion, and interfering with the maritime economic activities of neighboring countries with maritime militias. The U.S., additionally, aims to defend the "rule-based" international order and the universal value system. Such economic and security cooperation is also gradually building what U.S. Secretary of Defense Lloyd Austin calls "integrated deterrence".

3-1. Strengthening "supply chain resilience" is core of strategic economic environment

Almost all of Washington's activities in May were related to "supply chains." The U.S. Secretary of Commerce said on May 12 that the U.S. is seeking to work with Southeast Asian partners to

deepen “supply chain resilience.” South Korea agreed to strengthen supply chain cooperation with the U.S., while Japan expressed the semiconductor supply chain requires support from South Korea and Taiwan. The U.S. and Taiwan launched the U.S.-Taiwan Initiative on 21st-Century Trade to promote bilateral trade, strengthen technology export controls, and improve supply chains.

The supply chains are also the most important of the four pillars of IPEF (international trade, supply chain, green energy, taxation and anti-corruption). The IPEF Fact Sheet states that the framework will provide an unprecedented supply chain commitment that can better anticipate and prevent supply chain breakdowns. It is also expected to create a more resilient economy and protect against price surges that could lead to higher household spending. Specific approaches to building a “resilient economy” include establishing early warning systems for supply chain disruptions, mapping key mineral supply chains, improving traceability in key sectors, and

coordinating for better diversity. In May of this year, the second meeting of the U.S.-E.U. Trade and Technology Council announced a two-month pilot study to develop an “early warning system” for disruptions in the semiconductor supply chain, demonstrating the multi-faceted approach of the U.S.⁵

In addition, moving production back or sourcing raw materials from other countries for industries, such as pharmaceutical or minerals, can enhance the security and resilience of the supply chain. Although IPEF does not provide “market access” or “tariff incentives,” it can help member countries avoid supply chain disruptions. In the supply chain restructuring, manufacturers may be moving out of China to Southeast Asia, such as the recent Apple supply chain restructuring that benefited Vietnam.

3-2. Strengthened countermeasures against threats from North Korea and China

The activities in May reinforced the countermeasures against security

5. “U.S. -EU Joint Statement of the Trade and Technology Council,” *U.S. Department of Commerce*, May 16, 2022, <https://reurl.cc/VDlnyn>.

Recent Developments of the Indo-Pacific Strategy: An Assessment of Strategic Environment

threats from North Korea and China. On Northeast Asian security, the U.S.-Korea Leaders' Joint Statement reveals for the first time that "the U.S. will use all of its defensive forces, including nuclear weapons, to defend South Korea against the threat of a nuclear attack by North Korea." In the U.S.-Japan Leaders' Joint Statement, Biden also reaffirmed the U.S. security commitment to Japan and said he would use all military power, including nuclear weapons, to assist in Japan's defense.⁶

Regarding the Taiwan Strait situation, the joint statement by the leaders of the U.S. and Japan reaffirmed the importance of peace and stability in the Taiwan Strait as an indispensable element of peace and prosperity for the international community. In addition to asserting the importance of maintaining peace and stability in the Taiwan Strait, the U.S. and Korean leaders added, "peace and stability in the Taiwan Strait is an essential element for the security and prosperity of the Indo-Pacific" in their joint statement.

Biden held a joint press conference after the meeting with Japanese Prime Minister Kishida. When asked by the media whether the U.S. would intervene militarily if the same situation occurred in Taiwan as in Ukraine, Biden replied, "Yes...that's the promise we've made." Although the White House later clarified again that U.S.'s China policy remained unchanged, this was the third time Biden has made a clear statement on the issue since taking office. The reasons for this attitude are intriguing.

The Quad Joint Statement proposes the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA) on maritime security in Southeast Asia. The partnership aims to share commercial information, track illegal maritime events, and establish a "common operational picture" through digital technology, satellite technology, and information sharing to counter the threat of Chinese maritime militias and prevent grey zone conflicts." This is the first time that the U.S., Japan, Australia, and India have responded to the threat of

6. "United States-Republic of Korea Leaders' Joint Statement," *The White House*, May 21, 2022, <https://reurl.cc/7DlmOy>; "Japan-U.S. Joint Leaders' Statement: Strengthening the Free and Open International Order," *The White House*, May 23, 2022, <https://reurl.cc/QLDx0q>.

a Chinese maritime militia with concrete measures. In his speech on China policies, Blinken also emphasized that through IPMDA regional partners can better monitor coastal waters, address illegal fishing, and protect their sovereignty and maritime rights. The US-ASEAN Special Summit Fact Sheet also states that the U.S. will spend \$60 million to promote maritime security cooperation and deploy a U.S. Coast Guard (USCG) patrol vessel to Southeast Asia and Oceania to conduct security cooperation and training.

3-3. The gradual tightening of U.S.-China strategic confrontation

With the release of the U.S. Indo-Pacific Strategy Report and the recent series of actions, whether or not it is intended to be a “strategic containment” against China, the Biden administration has largely completed the construction of the strategic environment for the Indo-Pacific Strategy and is prepared for the

upcoming release of the National Security Strategy Report. On the China side, while Biden was in Tokyo for the Quad Summit, Chinese and Russian warplanes were conducting routine joint strategic air patrols over the waters surrounding Japan. Although Wang Yi’s trip to the Pacific Islands failed to establish a multilateral agreement with 10 South Pacific countries, the region has become a battlefield for China and the U.S. to compete. China has invested in the construction of the Ream Naval Base in southern Cambodia, located in the northern Gulf of Thailand, and the two countries broke ground on the project on June 8. In the meantime, China also announced that the level of foreign ministers’ talks with the five Central Asian countries would be raised to the level of national leaders.⁷ It is obvious that the U.S.-China strategic confrontation is not limited to the “first island chain” and that a new long-term competitive landscape is gradually taking shape.

7. Simone McCarthy, “China and Cambodia Break Ground at Naval Base in Show of Iron-clad’ Relations,” *CNN*, June 10, 2022, <https://reurl.cc/d2IK3D>; “Wang Yi on the Outcome and Consensus of the Third Meeting of Foreign Ministers of China+5 Central Asian Countries,” *Ministry of Foreign Affairs of the People’s Republic of China*, June 8, 2022, <https://reurl.cc/QLG8rZ>.

Recent Developments of the Indo-Pacific Strategy: An Assessment of Strategic Environment

(Originally published in the 56th “National Defense and Security Biweekly”, June 22, 2022, by the Institute for National Defense and Security Research.)

(The contents and advice in the assessments are the personal opinions of the authors, and do not represent the position of the Institute for National Defense and Security Research.)