



President Tsai Ing-wen Discusses the Diplomatic, Security, and Economic Challenges Facing Taiwan

TRANSCRIPT

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- Tsai Ing-wen, *President of Taiwan*

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A video of the event is available: <https://www.hudson.org/events/1850-video-event-president-tsai-ing-wen-discusses-the-diplomatic-security-and-economic-challenges-facing-taiwan82020>

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President Tsai Ing-Wen:

Good morning to you all, our friends in Washington, DC. Thank you to Hudson Institute and the Center for American Progress for hosting this event. It's great to be with all of you through the internet, which the world is getting used to these days. And I want to express my appreciation to President Weinstein and President Tanden for your leadership during these challenging times. People say that the second term is supposed to be easier than the first. They must be people that have not experienced the year 2020 like we have. We are gathered at a time when billions around the world are reeling from the unprecedented effects of COVID-19, when over half a million people have lost their lives and millions more have been sickened. There is tremendous economic uncertainty around the world with soaring unemployment and disruptions to global trade. Well, Taiwan has fared relatively well in the current pandemic, but not immune to its aftershocks.

My government has already unveiled a number of stimulus measures to get our economy back on track, to take care of workers and businesses that are especially vulnerable, and to ensure that our industries are well positioned following shifts in global supply chains. As a result of this, we have been able to maintain positive economic growth at a period of time when our neighbors are facing significant economic downturn. While we are concerned about COVID-19's economic impact, we're also worried about its broader political implications across the region. When the rest of the world has been distracted in responding to one of the most significant crises in recent history, we're seeing a growing effort to pose ever more challenging threats to free and democratic societies.

Nowhere is this more apparent than in Hong Kong. Taiwan hosts deep historical and cultural ties with Hong Kong. Millions of people traveled between the two places each year and thousands of Hong Kong students studied in our universities. We are the only two Chinese speaking societies around the world that commemorate June the fourth and its profound significance for freedom and democracy. As a result, we are saddened and alarmed to see this beacon of civil liberties become extinguished in violation of the promises Beijing had made to the people of Hong Kong as well as the international community. We recognize the bravery of the people of Hong Kong. Earlier in July, hundreds of thousands of people turned out to vote in primary elections despite the significant actions that had been taken to discourage them from doing so. We also see the international community as having an obligation to speak out and act against the demise of Hong Kong's freedoms. I applaud the actions that the U.K., the U.S., and many other democracies have taken and call on more like-minded countries to do the same.

In May, I visited the reopened Causeway Bay Books in Taipei, which had long been a symbol of freedom of speech in Hong Kong. The owner, Mr. Lam Wing-kee, was detained and interrogated after crossing the border to Shenzhen and came to Taiwan after fears that he would be extradited back to China. Cases like Mr. Lam inspired us to quickly establish a new Taiwan-Hong Kong Services and Exchange Office to

provide humanitarian support and assist the people of Hong Kong in relocating to Taiwan. The measures that have taken place against Hong Kong further exemplify how Taiwan is on the front lines of freedom and democracy. This has made it all the more incumbent for my administration to prudently manage cross-strait policy in the next four years so that we can maintain peace and stability while protecting our freedom and democracy.

This is why in my inauguration speech in May, I mentioned four principles in our management of cross-strait relations. That is peace, parity, democracy, and dialogue. Peace means we will seek continued peace with Beijing and call for the renunciation of force to settle our differences. Parity requires that both sides should not deny each other's existence. Democracy means Beijing must recognize that Taiwan is a democracy whose future is decided by our own people. And dialogue means we will not refrain from dialogue with Beijing that is not based on political preconditions. With these four principles, we will seek to continue our engagement across the Taiwan Strait. We will always be willing to work together in the interest of peaceful coexistence and to prevent a downward trend in cross-strait relations. We will always acknowledge the historical and cultural ties that exists across the strait. And we will never stop believing that there can be a better future ahead where both sides can share in each other's successes and accomplishments.

But before this can take place, we must also be realistic and take stock of our differences. Taiwan has become a full-fledged democracy. Our 23 million people have the right to determine our own futures, which is antithesis to the position Beijing has taken. Consequently, we must ensure that cross-strait interactions do not jeopardize our freedoms, democracy, and way of life. The people of Taiwan expect nothing less from their democratically elected government. Upholding these principles requires us to be able to defend Taiwan against coercive actions. It entails backing up our words with actions. And this is precisely what I have in mind as I preside over the current round of capacity building of our military. I am pleased that working together with our legislature last year, we unveiled our largest ever defense budget, reaching 2.3% of our GDP. I fully expect that this number will continue to grow, but what will be equally important is ensuring that these resources are being spent on the right capabilities. This is why I am committed to accelerating the development of asymmetric capabilities under the overall defense concept.

As I mentioned in my inauguration speech, this will be our number one priority. We'll also identify, develop, and expand capabilities that can more effectively utilize our geographical advantages. Furthermore, we are deeply engaged in the reforms necessary to make our military even more effective. As an example of this, during the annual Han Kuang Exercise in July, we introduced our new joint battalions, which have greater capacity to conduct independent operations. For the first time during the Han Kuang Exercises, our reserves also participated in live fire scenarios showcasing the capacity to support and complement our regular forces as well as play a critical role in our defense strategies. Moving forward, we will continue to expedite the implementation of these reforms in order to transform our military into an even more effective force.

As effective our military is, we cannot stand alone without support from the community of like-minded democracies. I am proud that the relationship between Taiwan and the U.S. has never been closer. Across the board, we share a high degree of mutual trust and a common strategic picture of how we can work together to protect and preserve a free and open Indo-Pacific. I am pleased that my new representative to the U.S., Bi-khim Hsiao, has arrived in Washington DC and looks forward to engaging in

more of these discussions. In my second term, I will continue our cooperation with the U.S. Foremost amongst my priorities is to establish a constructive security relationship built on the clear understanding of our shared interests in the region. I am confident that our common acknowledgement of challenges in the region transcends politics and political parties. Through more frank and robust policy level dialogue, we want to forge greater consensus on ways we can preserve peace across the Taiwan Strait.

The second area of focus is to begin negotiations towards an FTA. Past months have shown us the importance of economic linkages and supply chain security for both Taiwan and the U.S. TSMC has announced that it will be building a state-of-the-art facility in Arizona. Over the past year, American companies such as Google and Microsoft have substantially increased their investments in Taiwan. We must be clear-eyed on how we can move forward on FTA. For too long, closer trade relations have been hindered by technicalities that account for just a small fraction of two-way trade. We want to work together to resolve these issues in a way that is safe for our consumers and also consistent with established scientific standards. I believe that the people of Taiwan can see the value and wisdom in building closer economic relations with the U.S., and conversely, we hope that the U.S. recognizes the broader strategic implications such an agreement will undoubtedly have.

My third priority is to work with the U.S. to strengthen engagements with other like-minded democracies. We have noticed the U.S.' effort to build greater awareness in Europe, Asia, Africa, and many other places about the challenges posed by authoritarian actors. At the Copenhagen Democracy Summit held in June, I saw firsthand the growing consensus amongst like-minded countries about the need to take a forceful stand in defense of global democracy. A very first step can be more institutional and cohesive support for Taiwan's participation in international institutions. In January this year, over 14 million Taiwanese lined up in polls to cast their votes for the future of our country, one of the highest levels of turnout in our history. The people of Taiwan could not be more proud of our democracy and all that we have accomplished. They exemplify how democracy is not a Western phenomenon or as some people claim, "Incompatible with certain cultures."

The right of the people to choose how they are governed is a universal aspiration and inalienable right. As president, it is incumbent on me to protect these rights and to make certain that they will be passed down to future generations. Taiwan stands on the front lines in the defense of democratic values. The gravity of the threat we face signifies the difficulty of the task before us, but by standing as one, as a community of like-minded democracies, I am confident we will rise to successfully meet the challenge. Together, we will continue to see Taiwan as a bastion of freedom and democracy in the Indo-Pacific region. Thank you all for joining me. I look forward to a robust dialogue in the time ahead.