

Ketagalan Forum 2023

Isabelle FENG

2023-09-11

September, 11th 2023

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About the author:

Isabelle Feng studied economics at Wuhan University, then law at Université Paris I Panthéon Sorbonne and Paris Dauphine. Specialized researcher in CSR at the Perelman Center for Philosophy of Law at the Free University of Brussels, she is interested in the governance of Chinese companies listed abroad and, more generally, in geopolitical developments. Her research focuses on the extraterritorial force of laws in a globalized context. Isabelle Feng also advises on cross-border mergers and acquisitions related to China.

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Since 2017, every summer, between typhoons and heat waves, the Ministry of Foreign Affairs (MOFA) of the Republic of China (the official name of Taiwan) organizes the Ketagalan Forum in Taipei, in coordination with various Taiwanese think tanks. Initially titled *Asia-Pacific Security Dialogue*, the Forum has been renamed, since 2022, *Indo-Pacific Security Dialogue. Ketagalan*, which designates one of the island's aboriginal populations, is also the name of the road in front of the presidential palace in Taipei, the *Ketagalan Boulevard*.

On August 8, 2023, the 7th edition of the Ketagalan Forum was inaugurated by President Tsai Ing-Wen at the Grand Hyatt hotel, entirely face-to-face for the first time in three years. Coming from 12 countries, a dozen speakers - political figures, academics and experts - debated on various geopolitical hot topics: the new global supply chain, the new global security order, information warfare and its impact on democracy. However, the possibility of a military conflict between the two shores of the Taiwan Strait has been relegated to a minor place.

Because no one believes in an imminent war, although such a scenario is in everyone's mind. All agree on the capital importance of deterrence. In his speech, Taro Aso, Japon's former Prime Minister, insisted on the need to have deterrent capabilities to maintain peace in the Strait, but also on the need to make the adversary understand the desire to use force, if applicable. If one remembers the outcome of the Third Taiwan Strait Crisis (1995-1996) when Beijing fired missiles in the waters surrounding Taiwan, he would be tempted to agree with the current vice-president of the Liberal Democratic Party (PLD), in power in Japan. At that time, Washington responded by staging the biggest display of American military might in Asia since the Vietnam War. It's incontestable that in the past 40 years, Beijing has succeeded its military modernization with impressive high-tech arsenal and increased exponentially its marine power at face value, nevertheless, the People's Liberation Army (PLA) 's lack of combat experience, especially its Navy, constantly raises concerns about its effective battlefield performance....

In this one-day event, the word *like-minded* came up frequently, as well as *decoupling* or *derisking*, when the panellists described restructuring of the global supply chain. Globalization has taken more than 20 years to build a supply chain with almost each part *Made in China*, which would make any foreseeable decoupling painful. Given that some sectors are less strategic than others and countries, even like-minded, do not necessarily share the same economic interests, democracies must stand united instead of acting separately. Facing with Beijing's economic coercions, small countries such as Lithuania or Estonia suffer great pain while larger economies, like Canada or Australia, fare much better. As for the United States, it cares little about Chinese economic reprisals and has means to resist, just as declared Treasury Secretary Janet Yellen in July: "we will protect (national security) even if it harms our own narrow economics interests"

In the eyes of Taiwanese analysts, for the island that produces over 60% of the world's semi-conductors and 90% of the most advanced ones, there is no doubt that economic security and political security are one and the same. It must diversify its investments, but only within countries that share the same democratic values, and not with those that only offer a cheaper production cost. The game may turn out to be more challenging for some, such as South Korea: protected by the American military umbrella, Seoul remains extremely dependent on the Chinese market to which it ships 60% of its chip production. We have seen how the Ukraine war forced Germany to abandon its economic security, symbolized by dependence on Russian gas, to

choose political security, guaranteed by the Atlantic Alliance. All brings us to the conclusion that Seoul would follow the same path in the event of an invasion of Taiwan by the PLA.

Speakers urged the international community to unite to maintain the status quo in the Taiwan Strait and peace in Indo-Pacific region for the sake of world peace. However, there was a player missing from the pivotal Indo-Pacific game: the *Global South*, a neologism with blurred contours, as pointed out Mr. Karambir Singh, Chairman of India's National Maritime Foundation. Will *global South* play its part in the tensions in the Indo-Pacific? Given the latter's indifference towards the war in Ukraine - and the billions of dollars poured out by Beijing into Global South's market along the *new silk roads* - we can bet without great risk that the countries of the Global South would display the same disinterest if a war broke out in the Taiwan Strait...