

INDO-PACIFIC REPORT LAUNCH

2nd April 2019

EVENT TRANSCRIPT: INDO-PACIFIC REPORT LAUNCH

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VENUE: COMMITTEE ROOM 1, HOUSE OF LORDS, WESTMINSTER

SPEAKERS: MR DAVID Y. L. LIN, DR. EUAN GRAHAM, DR. JOHN HEMMINGS, PROFESSOR HARSH V. PANT, DR. DAVID SCOTT

CHAIR: LORD ARBUTHNOT

DAVID SCOTT: “Welcome everyone. I think I want to start with Brexit, for better or for worse, but also end with Brexit. Three broad points really to make. The first is concerning Brexit. In the report, unfortunately I made myself hostage to fortune by saying that Britain was set to leave on the 29th of March. Anyway I’ve been tearing my hair out.

The point that I’d like to make here is that Brexit has, to some extent, coincided with a renewed UK interest and re-engagement with the Indo-Pacific. However, this UK re-engagement with the Indo-Pacific does not stem from Brexit, it predates Brexit. My colleague here was asking ‘what’s in the name?’ If I was to use a name, the name I would use in UK discussions would be a return to ‘East of Suez’. That is in a sense the UK idea around which strategy is being developed. If we went back in history, 1967, Denis Healy the then-defence minister announcing UK withdrawal from bases in Singapore, Bahrain and Aden, and at the time he said ‘this will represent a dramatic lessening of UK presence in the Indo-Pacific’. He actually used the term Indo-Pacific which is an interesting advancement 40 years before it has caught the headlines again. The withdrawal from east of Suez was announced for the early 1970s, this was not a total withdrawal. There was still some presence, some UK presence in the Indian Ocean and even in the Pacific. However, it did mark a radical, dramatic withdrawal, particularly in the military field.

Interesting thing is that this return to what is called ‘East of Suez’ position can be traced as early as 2012, four years before Brexit. The reasons for this is in a sense, or rather if we are going to ask why? What are UK interests in this area, it’s not territorial. The UK has got virtually no territory or presence in the Pacific. In the Indian Ocean not very much with the important exception of Diego Garcia and the Chagos British Indian Ocean territory, more of that slightly later on. The UK interest is in a sense economic, there may be talk of an interest in the maintenance of the rule of law and so forth, general norms of international law. In reality UK interests are predominantly economic; trade flows, sea lanes communication, secure sea lanes, not be disrupted, be it by piracy or be it by other potential states strangleholds, more of that slightly later on. The UK interest is in a sense economic. It is also reflecting a structural process which again is pre-Brexit. The long term economic growth of that area; China, India, South-East Asia, the economic gravity of centre.

Now, we then come back to Brexit. Please don't ask me what's going to happen. I've given up. If the UK does exit, particularly if it is a hard Brexit then UK strategy will be to roll over and also develop new trading partnerships that are particularly focused on the Indo-Pacific. Trade agreements with Japan, trade agreements with Vietnam, trade agreements with South Korea to be rolled over. New trade agreements with Australia, new trade agreements with India, new trade agreements with China to be shaped. On the other hand, if the UK remains within the EU, twists and turns, the long term trend of growing trade and growing economic involvement by the UK was already developing as a member of the EU i.e. David Cameron particularly emphasising long term growth of trade with China, long term growth of trade with India. So either way the economics is what makes this region of growing importance for the UK whether or not Brexit happens.

The bare bones of the contribution, looking at UK strategy, how is this re-engagement with the region taking place? Well, it's a matter of bases, it's a matter of deployments and it's a matter of strategic partnerships. It's been interesting, Britain's return to an 'east of Suez' posture has been associated with the shaping of new basing or support facilities. Bahrain naval base opened in 2018 after a gap of 30-40 years. Other bases are also opening; Oman Duqm has been opened in 2018. We have Diego Garcia in the middle for the moment. And also the Defence Secretary talking about expanding the, sort of, quasi basing arrangements at Singapore. Now potentially the picture presents itself of a ring of bases or logistics facilities going across Bahrain, Duqm, Diego Garcia, Singapore, Brunei. However, there is one slight problem in this which happened in March. International Court of Justice gave an advisory opinion, it's not binding, an advisory opinion and that in fact the UK should decolonise in Diego Garcia and in effect make arrangements for ending sovereignty and control of that base. So suddenly this very nice tidy basing arrangement potentially is ripped out in the middle.

So looking forward, it really does depend how much political pressure arises from this development. The UK may be able to resist it, it may be able to ignore it but that is one thing that has erupted in March. The final two elements, deployments. A much more increase in and across the region. 2013 to 2018, one destroyer was deployed across the Indian Ocean into the Pacific. In the twelve months from early 2018 to 2019, four destroyers were dispatched in sequence. Some of the activities were interesting, for example, last month UK destroyers bilateral exercises with the US Navy in the South China Sea. So the other thing that is going on is strategic partnerships with Japan, with Australia, with India, in that region. But then we come back to Brexit. The economics. This renewed basing, renewed deployments, renewed spending on actually increasing the Navy depends on finances. Will Brexit damage the economy? Who knows? That might affect things. Will there be government will in the next decade to deploy, to spend that money? Time will tell. Meanwhile in the background lurks the People's Republic of China. How should the UK pursue trade agreements with China or how far should it more robustly deploy into the South China Sea? The two do not go together very neatly. Lots of choices. Time will tell. Thank you."

AUDIENCE MEMBER 2: "Hi there, (inaudible) from Ministry of Defence. There is an assumption that I (inaudible) to have Indo-Pacific strategies but there are (inaudible). I'd ask

the writers here, do we know any areas where there might be points of friction or daylight between nations in the Pacific area?”

DAVID SCOTT: “To some extent you get different shading, both the United States and Japan talk about a free and open Indo-Pacific and when you hone in on it, both of them are talking about norms, both of them are talking about maritime security and both of them are talking about infrastructure but nevertheless Japan is probably tending to emphasis the economics more than the security and the United States seems to be emphasising the security more than the economics, even though in the package they’ve got similar alignments. India talks about a free and open Indo-Pacific but also throws in the inclusive catchword. The United States and Japan then says well they’re happy with inclusiveness but to some extent that’s not quite where they’re heading for given their more over China concerns. Indonesia talks about a Indo-Pacific cooperation concept so you certainly get different emphasis and then you have the surrounding question of how far is ASEAN given a central role and then how far is that rhetoric and how far is that really substantial? They’re complementary enough but there are different shades of emphasis I would say.”

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