

Taiwan looking to itself to boost defence

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The need for air superiority in the Taiwan Strait presents a major dilemma for Taiwan, which has been facing an armed threat from the People's Republic of China for decades.

With limited strategic choices available, Taiwan adopted a twin-track approach - buying American military hardware while indigenously developing military capabilities to maintain defence sovereignty.

Until the early 2000s, these strategies had ensured Taiwan's qualitative military superiority in the Taiwan Strait. As China's defence budget steadily increased over the years, it has become increasingly difficult for Taiwan to effectively maintain an edge over China.

Since the 1996 Taiwan Strait crisis, the United States has lifted its restrictions on the sale of sensitive military hardware to Taipei by offering 150 second-hand but refurbished F-16A/B Block 15 jet fighters. From then on, the US has become virtually the singular source of high-tech military capabilities for Taiwan's defence forces.

At the height of worsening cross-strait relations under the Chen Shui Bian administration, US assistance was even more important. Taiwan struck a substantial yet controversial multi-billion-dollar arms deal with the US, which included four decommissioned Kidd-class guided-missile destroyers, PAC-2 Patriot anti-ballistic missile interceptors and refurbished P-3C Orion maritime patrol aircraft (MPA) to partially upgrade the ageing Taiwanese military arsenal.

However, some Taiwanese politicians have been critical of the arms deal. First, they saw it as a means for US arms suppliers to take advantage of Taiwan's precarious security situation and earn a tidy profit. Indeed, the costs Taiwan paid were disproportionate to the level of sophistication those weapons could provide.

Second, the US has been willing to transfer only what could be deemed 'second-rate' hardware instead of 'best available'. The P-3C, intended to counter China's growing submarine capabilities, is considered obsolescent since it has been gradually phased out of US service.

The same goes for the Patriot systems, which are not exactly the newest available in the face of increasingly sophisticated Chinese ballistic missiles.

Third, the US was found to be unable to satisfy all of Taiwan's defence requirements. A notable instance has been Taiwan's quest for new diesel-electric attack submarines, which US shipbuilders were unable to construct.

The US also refused to allow Taiwan to license-produce submarines. Meanwhile, Taiwan has only two operationally-active submarines, far outnumbered by China's.

So Taiwan is looking to itself. A significant milestone in its defence self-sufficiency drive is the Ching Kuo Indigenous Defence Fighter (IDF), 131 of which were produced for its air force.

More recently, Taiwan has managed to produce some high-tech hardware, such as the

Cloud Leopard armoured fighting vehicle, the Kwang Hwa-series surface warships and precision-guided missiles.

Taiwan has even successfully designed its own strategic deterrent capability, the Hsiung Feng-III long-range cruise missile which, according to reports, could target China's coastal installations.

At the moment, Taiwan's military expenditure is around 3 per cent of its GDP (equal to US\$9.5 billion in 2007). The recent defence budget, reversing the trend of decreasing budget over the last decade, suggests that Taiwan has begun to respond to China's military build-up.

Whether Taiwan will opt to develop another indigenous fighter remains to be seen. However, it professes to not have enough funds to upgrade the existing F-16s or buy new F-16C/Ds, let alone build another indigenous fighter. With GDP growth of approximately 1.9 per cent in 2008, it would be difficult for Taipei to significantly increase defence expenditure without straining the budget.

Taiwan also has limited options when it comes to arms suppliers. In addition to the technical and political expediency that hamper US arms transfers, Taiwan cannot turn to other Western countries which fear provoking China's wrath. Therefore, there is no choice but to seek some modicum of self-reliance in its defence industry, with the support of willing foreign partners.

The future of Taiwan's defence industry could take any of the following trajectories. The first could be to use Russia to pressure the US to sell arms to it on more favourable terms - just as India signed the P-8I maritime patrol aircraft deal with the US to pressure Russia.

The second path could be to continue tapping Russian and other sources for military technology to hedge against the US.

However, it might not be plausible for Taiwan to procure whole platforms from Russia since its military is used to operating Western equipment.

The third path could be intensified indigenous research and development efforts within Taiwan's already quite established defence industries. While this may be the most expensive option, it will, however, advance its defence sovereignty.

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