

Regional Defense and Security Implications of the International Financial Crisis

Speech at the 6th ARF Security Policy Conference

May 19, 2009

Vice-Admiral Sun Jianguo

Deputy Chief of General Staff, the Chinese People's Liberation Army

Honorable Chairman, Dear Colleagues:

It is my great pleasure to be here on the beautiful island of Phuket. First of all, please allow me to thank the government of the Kingdom of Thailand for all the considerate arrangements that have been made to facilitate this conference. My thanks also go to Mr. Chairman for giving me the opportunity to speak on the topic "Regional Defense and Security Implications of the International Financial Crisis", and to exchange views with my fellow colleagues.

Since last year, the international financial crisis has had a serious impact on the economic development and people's lives of countries around the world. At present, the world economic situation remains complex and grave. Quite a number of countries have slid into economic recession. Great efforts are still needed for countries to overcome this financial crisis.

We should see that the international financial crisis against the background of globalization has not only brought great challenges to the economic and social field, but also exerted profound and complex impact on international and regional security. In some countries, political turbulence persists, social contradictions tend to intensify, and domestic security and stability problems are on the rise. Some countries with weak development basis are even more seriously affected by the financial crisis and their ability to maintain domestic stability has been greatly compromised, which is detrimental to the overall security of the region.

Local tensions and conflicts crop up from time to time, and old contradictions and disputes between countries are highlighted once again. Terrorist, ethnic separatist and religious extremist forces are growing and spreading in some regions. Non-traditional security threats such as piracy, smuggling, drug-trafficking and public epidemics have gained new momentum. What's particularly noteworthy is that against the backdrop of the international financial crisis, there is now a closer link between international and domestic security, an intensified interaction between economic security and political security, and an intertwining between factors of traditional and non-traditional security. Regional security issues have become markedly more comprehensive, interconnected and integrated.

At the same time, we should see that the negative impact of the financial crisis on the security field hasn't got out of control, and the regional security situation remains stable in general. Major countries have stepped up their coordination and cooperation. The vast number of developing countries have deepened their mutual help and coordination. Regional hotspot issues are showing trends of relaxation. The pursuit of common interest and peaceful settlement of disputes have become a common goal. The financial crisis has made countries realize that amidst economic globalization, the destinies of countries around the world have been closely interconnected. Countries around the world share broad common interest either in coping with the international financial crisis and promoting the recovery of world economy, or in settling international and regional hotspot issues and safeguarding world peace and security. We should and we can join our hands to meet the new security challenges together.

Dear Colleagues,

It requires a peaceful and stable international and regional security environment for us to walk out of the shadow of the financial crisis. This is

a common aspiration of peoples around the world, as well as a shared responsibility of defense establishments and armed forces. In this regard, we would like to make the following initiatives on maintaining regional security:

First, peacefully settle international disputes. Peaceful settlement of international disputes is the tenet of the United Nations and a basic principle in international laws. We hold that in the current international financial crisis, there is a greater need for countries to settle problems left over from history as well as immediate differences through dialogue and coordination, respect existing understandings and agreements, and refrain from taking actions that may complicate or magnify the disputes, so as to maintain regional security and stability together.

Second, comprehensively promote security and mutual trust. An important lesson learned from the international financial crisis is that confidence is even more valuable than gold. Confidence in ourselves gives us the courage and strength to overcome the crisis. Confidence in others lays the foundation of cooperation in countering the crisis. We stand for strengthening exchanges and communication among defense establishments and armed forces of different countries to enhance understanding, expand consensus, reduce suspicions, create an atmosphere of mutual understanding and trust, and jointly build a peaceful and stable environment for overcoming the crisis.

Third, deepen regional security cooperation. Regional security cooperation is an important form of maintaining regional peace and stability. At present, multi-layer and composite security cooperation mechanisms have taken shape in the Asia-Pacific region, including the ASEAN Regional Forum, the 10+1, 10+3 mechanisms and the Shanghai Cooperation Organization. We stand for making full use of these multilateral security cooperation platforms to deepen dialogue and cooperation of countries in the security field, particularly in the

non-traditional security field, actively explore the establishment of joint early warning, information sharing, and task coordination mechanisms in the fields of disaster relief, counter-terrorism, and maritime security, share our experience and enhance our capabilities in jointly coping with new challenges and new threats.

Fourth, actively pursue common security. We believe that security should be based on a mutual and equal footing, and characterized by openness and universality. Only security in common is reliable security. A country should not care only about its own security while neglecting that of others, even less should a country seek its own security at the expense of others. China stands for the abandonment of the Cold War mentality, transcending different ideologies and values, breaking up the exclusiveness and isolation of old security cooperation modes, and carrying out exchanges and dialogue among countries with an open, tolerant and active attitude to seek common interest and maintain common security.

Dear colleagues,

The above-mentioned initiatives are not only China's proposals to the defense ministries of the ARF member states against the background of the international financial crisis, but also the consistent practice of China in handling international and regional security issues.

China persistently pursues a foreign policy of peace featuring building friendship and partnership with its neighbors, and commits itself to the peaceful settlement of disputes. As the country with the most neighbors on its land border in the world, China has actively contributed to maintaining regional peace and tranquility by properly settling its land border issues with most of its neighbors, and consistently adhering to the *Code of Conduct on the South China Sea*.

China actively participates in settling international and regional hotspot issues and plays its due role as a major country responsibly. In particular, China has actively promoted the Six Party Talks on the Korean

Peninsular nuclear issue. No matter what obstacles and setbacks we may encounter, China will always commit itself to the de-nuclearization of the Korean Peninsula and to regional peace and stability.

China has been continuously expanding its openness in the military field, strengthening military exchanges and cooperation with other countries, and making efforts to deepen mutual trust on security affairs. China has established defense and security consultation mechanisms with the defense ministries and armed forces of major countries and its neighbors, conducted bilateral and multilateral military exercises and training, and participated in and held various international conferences. A favorable situation has taken shape, which features the mutual supplement of "Track One" and "Track Two" exchanges, and the mutual promotion of traditional and non-traditional security cooperation. Last April, the Ministry of National Defense of China and the Singaporean Armed Forces co-hosted the ARF Seminar on Laws and Regulations on the Participation in International Disaster Relief by Armed Forces. The event received active participation and great support from the ARF member states. Early this month, China participated in the ARF Voluntary Demonstration of Response (VDR) on Disaster Relief held in the Philippines. We hope that by conducting different forms of exchange and cooperation, the capability of ARF members to jointly cope with crises will be enhanced.

China has played an important role in jointly coping with security threats by actively participating in cooperation in the non-traditional security field, such as international peacekeeping, humanitarian rescue and assistance and maritime escort missions. The Chinese People's Liberation Army has sent 11,949 military personnel/time to 18 UN peacekeeping operations. We have carried out 18 missions to provide emergency humanitarian assistance to countries hit by natural disasters. Recently, in the wake of the outbreak of the A/H1N1 flu, the PLA undertook the task

entrusted by the Chinese government to provide medical material assistance to Mexico. China was the first country to provide material and fund assistance to Mexico. In line with relevant resolutions of the United Nations, since the end of last year, China has sent 5 naval warships in two groups to carry out escort missions in the Gulf of Aden and waters off the Somalia coast. By the end of April, they have escorted 260 vessels, provided area cover for 51 vessels, including over 40 from foreign countries, and successfully rescued 3 foreign ships, which received wide appraisal from the international community.

Facing the severe test posed by the international financial crisis, the Chinese government has taken active measures to properly handle the situation. Positive traces have shown in the social and economic sector, and the society remains stable in general. Practice has proved that the maintenance of China's security and stability is in itself an important contribution to regional security, and China's prosperity and development is a strong boost to the development of the region.

As a major developing country with a population of 1.3 billion, China persists in taking the road of peaceful development and remains an important force in maintaining regional security and stability. In the face of the international financial crisis, China is ready to join hands with other countries and respond to various non-traditional security threats. We believe that questions lead to answers, and crises could be turned into opportunities. With the common efforts of all the countries, the Asia-Pacific region will have a brighter future.

Thank you.

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Vice-Admiral *Sun Jianguo*

Deputy Chief of General Staff, the Chinese People's Liberation Army



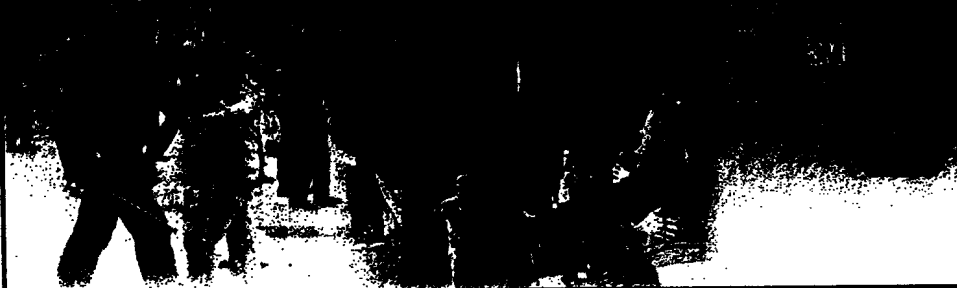
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I. Regional Defense and Security Situation
Against the Backdrop of
the International Financial Crisis



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1. The international financial crisis against the background of globalization has brought not only great challenges to the economic and social field, but also profound and complex impact on international and regional security.



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2. There is a closer link between international and domestic security, an intensified interaction between economic and political security, and an intertwining between factors of traditional and non-traditional security. Regional security issues have become markedly more comprehensive, interconnected and integrated.



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3. Major countries have stepped up their coordination and cooperation. The vast number of developing countries have deepened their mutual help and coordination. Regional hotspot issues are showing trends of relaxation. The pursuit of common interest and peaceful settlement of disputes have become a common goal.

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II. It requires a peaceful and stable international and regional security environment for us to walk out of the shadow of the financial crisis. In this regard, we would like to make four initiatives on maintaining regional security.



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1. Settling International Disputes Peacefully

We hold that in the current international financial crisis, there is a greater need for countries to settle problems through dialogue and coordination, respect existing understandings and agreements, and refrain from taking actions that may complicate or magnify the disputes, so as to maintain regional security and stability together.

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2. Promoting Security and Mutual Trust Comprehensively

We stand for strengthening exchanges and communication among defense establishments and armed forces of different countries to enhance understanding, expand consensus, reduce suspicions, create an atmosphere of mutual understanding and trust, and jointly build a peaceful and stable environment for overcoming the crisis.

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3. *Deepening Regional Security Cooperation*

We stand for making full use of multilateral security cooperation platforms such as ARF and SCO, actively exploring mechanisms of the joint early warning, information sharing, and task coordination in the fields of disaster relief, counter-terrorism, and maritime security, enhancing our capabilities to cope with new challenges and threats.

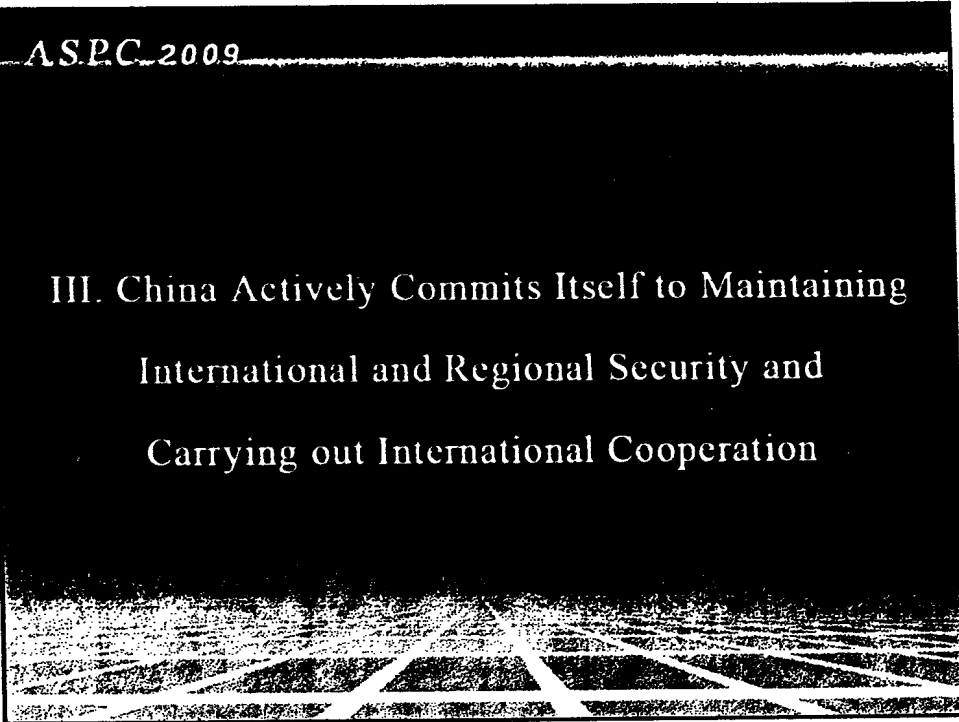
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4. *Pursuing Common Security Actively*

China stands for the abandonment of the Cold War mentality, transcending different ideologies and values, breaking up the exclusiveness and isolation of old security cooperation modes, and carrying out exchanges and dialogue among countries with an open, tolerant and active attitude to seek common interest and maintain common security.

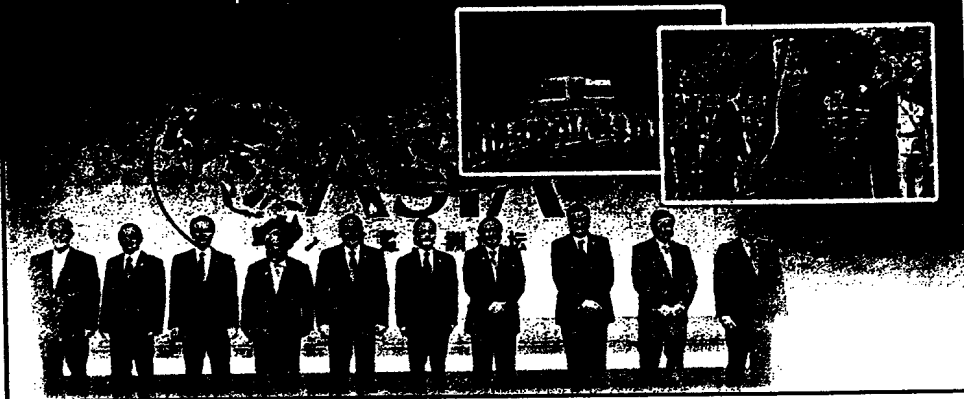
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III. China Actively Commits Itself to Maintaining
International and Regional Security and
Carrying out International Cooperation



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1. China pursues a foreign policy of peace featuring building friendship and partnership with its neighbors, and commits itself to the peaceful settlement of disputes.



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2. China has been continuously expanding its military openness, strengthening defense cooperation with other countries, and making efforts to deepen mutual trust on security affairs.



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3. China has played an important role in jointly coping with security threats by actively participating in cooperation in the non-traditional security field, such as PKO, HADR and so on.



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China's security and stability is in itself an important contribution to the regional security. Its prosperity and development is a strong promotion to the region. In the face of the international financial crisis, China is ready to join hands with other countries and respond to various non-traditional security threats.

Thank You