

AIT Managing Director Ingrid Larson
Opening Remarks & Keynote Speaker Introduction
2025 US-Taiwan Business Council Defense Industry Conference
October 20, 2025

Rupert, members of the Council, TECRO representatives, friends from Taiwan, and honored guests --

Thank you for including me again in this important event connecting defense industry leaders with Taiwan's Ministry of National Defense, U.S. defense officials, and others who care greatly about Taiwan's ability to deter threats. In particular, I'd like to acknowledge our keynote speaker, General Chung... Sir, what an honor to see you...

We, as a community of professionals dedicated to advancing the U.S.-Taiwan relationship, find this gathering incredibly valuable. Rupert, you have picked some truly historic American cities as venues for this conference – Williamsburg, Philadelphia, Annapolis, Richmond, and Ellicott City. You might be asking -- Ellicott City? This town has a history dating back to 1772 and was founded on a basic industry – flour milling. Known for its history, it is now situated in a hub for high tech and cyber security, healthcare, biotechnology, and advanced manufacturing. Perhaps it sounds a bit like Taiwan in these regards. Sadly, this small city has also experienced catastrophic flooding in the past decade due to its location in a river valley. And here I'd like to take a moment to acknowledge the recent, tragic loss of life and infrastructure in Taiwan due to Super Typhoon Ragasa.

So, the example of Ellicott City, in more ways than one, helps me to transition to the heart of this presentation of current U.S. policy toward Taiwan – support for societal resilience and the industries of the future.

Unlike most others in this room, I am not a defense expert. The key reason I am here is to make a broader statement: that a core tenet of our foreign policy is our deep and abiding interest in **maintaining peace and stability in the Indo-Pacific; and more specifically, across the Taiwan Strait.** The United States remains

committed to our longstanding one China policy, which is guided by the Taiwan Relations Act, Three Joint Communiques, and Six Assurances, and which has remained consistent for decades.

We are committed to our decades-long effort to help Taiwan defend itself from coercion by providing “defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability” (TRA, Sec 3(a)). The nature and quantity of such defense articles and services is commensurate with the threat Taiwan faces.

Taiwan has consistently demonstrated increased concern, stewardship, and action with regards to the security environment in the Strait. This is evident in Taiwan’s improvements to military training and reforms, as well as increases to its defense budget.

Just a few months ago in July, Taiwan’s annual Han Kuang exercise presented enhanced focus on the exercise’s:

- duration – doubling from five days to ten days;
- scope – three distinct phases – gray zone operations, landing and defense in-depth, and protracted war; and
- scale – calling up the largest number of reserves ever, 22,000 soldiers.

The exercise also integrated civil defense drills into a new effort, Urban Resilience 2025. While there is still much work to do, these steps are all solidly moving to improve deterrence and resilience.

Other reforms include reserve transformation efforts. Lengthening annual reserve training and focusing on realistic combat training tied to asymmetric warfare are two advances in reserve competency. Increased partnership with the United States and U.S. defense industry will help address logistical challenges such as reserve force equipment shortages as well as addressing military-wide personnel shortages.

The United States strongly supports Taiwan’s efforts to bolster defense and deterrence through reforms and a commitment to increased defense spending

and the United States looks forward to working with Taiwan as it accelerates the development of its defense capabilities. The continued support from President Lai and the Legislative Yuan with regards to recognizing the security threats and taking action is encouraging. It takes courage to tackle the politics of these decisions, and we applaud it. In addition to the use of special defense budgets to support critical acquisitions, the base defense budget must also permanently address concomitant increases in operations and maintenance considering increased equipment and training requirements. Taiwan needs a well-trained, well-equipped, and well-maintained force ready to broadcast deterrence.

Taiwan is not just focusing on military hardware and deterrence. Societal resilience has become front and center as well. Last year, President Lai established the Whole-of-Society Defense Resilience Committee to help streamline bureaucratic systems and coordination in support of civilian force training, strategic material stockpiles, critical infrastructure, social welfare and medical readiness, and information security. This is ambitious and it is heartening to see these efforts being supported by a \$18.1 billion USD special budget last month (September).

The United States is not the only country supporting Taiwan's efforts. Both regional allies and partners and those farther afield are also contributing their expertise and resources, and a network of support for Taiwan is growing.

Our efforts to enlist other partners leads to my last point, one of connectivity.

Taiwan is a critical node for high-value supply chains, which creates opportunities we could not have imagined a decade ago. With its leadership in semiconductors and advanced manufacturing, Taiwan is well positioned to play an important role in President Trump's AI Action Plan. Taiwanese companies' investments in the United States are models for collaboration, where the United States benefits from Taiwan's precision know-how while Taiwan benefits from our incredible market. It is crucial that we continue to attract Taiwanese investment as we develop our domestic AI server industry for the modern economy.

The United States and Taiwan can also work together to advance drone development and manufacturing, which was a focus of the recent Taipei Aerospace & Defense Technology Exhibition, or TADTE. China's dominance in the drone industry has quickly become a liability – one that the United States can no longer ignore. By developing trusted networks, cooperating on drone R&D, and diversifying our supply chains, we become more secure and simultaneously promote economic growth, all while supporting Taiwan's connectivity.

The use of drones extends well beyond military and law enforcement applications and into such areas as agriculture, emergency response, and environmental monitoring. This creates an opportunity for the United States and Taiwan to collaborate as we build domestic markets here in the United States and supply U.S. states, cities, and companies with trusted cutting-edge products. This is another example where U.S. R&D expertise meshes perfectly with Taiwan's manufacturing and high-tech production capabilities. As AIT Acting Director Karin Lang emphasized at the exhibition in Taipei, "The partnerships formed at TADTE extend beyond commercial transactions. They represent strategic alignment in pursuing technological advancement, supply chain resilience, and regional stability."

Such partnerships and cooperation will be built on a strong foundation of U.S.-Taiwan commercial and economic partnership. Taiwan is the United States' seventh-largest trading partner for goods and one of our largest agricultural export markets. In fact, Taiwan last month brought an agricultural trade mission to the United States that committed to purchase over \$10 billion of U.S. meat and grain products.

Many U.S. states recognize the growing importance of Taiwan as a commercial partner. That is why five more states opened trade offices in Taiwan last year, bringing to 23 the total number of U.S. states with an office in Taiwan. Taiwan, meanwhile, recognizes the importance of commercial engagement at the state and local level. I recently attended the second Taiwan ExpoUSA which was held in Dallas, with the honor of being seated next to Rupert. State and local-level

economic development teams were very well represented – they know that Taiwanese investment brings immense benefits.

We are partners, and Taiwan is helping the Trump administration reach its goal of re-industrializing the United States, and particularly in the indispensable semiconductor industry.

And now, it is my great honor to introduce the Keynote Speaker, Taiwan Vice Minister of Defense for Armaments General Shu-Ming Chung. General Shu has held several major command and staff positions, including as the Presidential Security Chief and the Deputy Commander of the Army General Headquarters. His comprehensive academic and military background has been a major factor in Taiwan's increased military readiness.

General, the floor is yours.

