

AUKUS: EMERGING DYNAMICS IN ASIA-PACIFIC

By
Muhammad Faisal
Research Fellow

&
Hajrah
Intern
China-Pakistan Study Centre (CPSC), ISSI

Edited by
Dr Talat Shabbir

November 4, 2021

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



In mid-September 2021, Australia, the United Kingdom (UK) and the United States (US), announced a new ‘trilateral security arrangement’, termed AUKUS, focusing on Asia-Pacific region to offset growing prowess of China. The first project under AUKUS will focus on delivering eight nuclear-powered submarines to Australia. This initiative has the potential to alter the regional balance, reshape order, and even trigger a military conflagration (both intended or unintended).

AUKUS: Scope and Strategy

AUKUS brings together old treaty allies that share historical and cultural linkages. In its entirety it will encompass wide-ranging diplomatic, military and security cooperation in the Indo-Pacific region. It will include collaboration between three countries in the areas of artificial intelligence, cyber, quantum technologies, and undersea capabilities including underwater sensors and drones.¹ It is aimed at giving the US and its allies in the Indo-Pacific region a qualitative technological edge as competition with China escalates.

In the first stage, cooperation under AUKUS framework will support Australia in acquiring a nuclear-powered but conventionally armed submarine fleet. The talks on design of these submarines will take place over next 18 months. Meanwhile, three sides have stated that new submarines will be

¹ “Australia to pursue nuclear-powered submarines through new trilateral enhanced security partnership”, *Prime Minister of Australia*, September 16, 2021, <https://www.pm.gov.au/media/australia-pursue-nuclear-powered-submarines-through-new-trilateral-enhanced-security>

built in South Australia and Canberra will also purchase range of conventional long-range strike weapons including Tomahawk cruise missiles and precision-strike guided weapon system.²

The AUKUS deal is notable for the fact that it is for the first time, in over five decades, that the US has decided to share the nuclear propulsion technology with another nation, other than the UK. This is an acknowledgement that in the coming decades, maritime arena is going to be the main theater for great-power competition in the Indo-Pacific region. And, it for this reason, that Australia replaced its existing contract with France, concluded in 2016, for development of diesel electric submarines (SSKs) with nuclear-propelled vessels from the US. Canberra appears to have decided that French anger is worth the risk.³

Till now, six countries – Britain, China, France, India, Russia, and the US– operate nuclear-powered submarines (SSNs). With new deal under AUKUS framework, Australia will likely become the seventh nation. For Australia, it is a decision signaling a change in strategy as Canberra determined new scale of threat posed by rising China. From an operational perspective, SSNs are stealthier, faster and have more endurance undersea. In contrast, SSKs have to resurface within weeks to clear exhaust and recharge their batteries. Meanwhile, SSN fleet would enable Australia to project power from shipping lanes across Malacca Straits to Taiwan. In addition to it, a nuclear-powered submarine can potentially deliver conventional missiles to mainland China, as far away from east of Philippines.

For the US, Australia is a new strategic addition to its network of bases from Hawaii in the east to Guam, Okinawa in Japan and Diego Garcia in the Indian Ocean. Now US navy will also undertake operations from Australian bases, thus, greatly enhancing America's ability to project power across Indo-Pacific. In the process, Washington has reinvigorated an existing strategic relationship and taken it to a new level.

AUKUS: Beijing Reacts

The immediate reaction from China was to describe AUKUS as 'extremely irresponsible' which 'seriously damages regional peace and stability, increases arms race and undermines global non-proliferation treaty'.⁴ For Beijing, AUKUS is a manifestation of Cold War era zero-sum thinking in the

² Ibid.

³ Debak Das, "Australia will get nuclear-powered submarines. Some see a proliferation threat." *The Washington Post*, September 24, 2021, <https://www.washingtonpost.com/politics/2021/09/24/australia-will-get-nuclear-powered-submarines-some-see-proliferation-threat/>

⁴ "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on September 16, 2021", *Ministry of Foreign Affairs, the People's Republic of China*, September 16, 2021, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1907498.shtml

West, which seeks to contain rising China. Now China has to strategize to respond to America and its partners closing ranks against in across the Indo-Pacific.

Beijing has been a critic of America's alliances, terming them cover for hegemony. Chinese media termed AUKUS 'strategic siege of China' and Australia a 'running dog' of the US.⁵ Moreover, Chinese commentators warned Australia of punishment with 'no mercy' if it tries to 'find fault militarily' with China. It appears that, for Beijing, now onwards, Australia will also be a target of Chinese missile strikes in the event of conflict with the US. Beyond rhetoric, however, Beijing has yet to demonstrate ability to form counter-coalitions to balance the US and its allies. In the naval balance of power, the US and China have almost equal number of submarines. All of the 52 American attack vessels are nuclear-powered and only seven of 62 attack submarines of China are nuclear-propelled. With new SSNs coming to Australia, China would have to build and deploy additional nuclear-powered vessels to maintain a favorable balance in the Indo-Pacific.

Aside from diplomatic response, a day after AUKUS announcement, China made a pitch to join 11-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), highlighting primacy of geo-economic in its regional strategy. Earlier, China had preferred to conclude bilateral free trade agreement with its neighbors. Now, its bid to join CPTPP indicates that Beijing realizes its comparative advantage lies in the realm of economy and trade and it seeks to capitalize on that.

AUKUS: Reordering Region

In the Southeast Asia, the immediate region where US-China competition exerts most influence, AUKUS has been interpreted as another US-led Western attempt to deter China. Officially, the reaction from regional government has been cautious. Malaysia and Indonesia, have been vocal in their appraisal of AUKUS. Malaysian Prime Minister viewed AUKUS as a 'catalyst toward a nuclear arms race' which can potentially 'provoke other powers to act more aggressively'.⁶ Even Malaysian Defence Minister made a hurried visit to Beijing for exchange of views on the new situation. Meanwhile, Jakarta, while viewed new development 'cautiously', expressed deep concern over 'continuing arms race and power projection in the region'.⁷

⁵ "AUKUS to bring 'nuclear-powered submarine fever' across globe: Global Times editorial", *Global Times*, September 16, 2021, <https://www.globaltimes.cn/page/202109/1234459.shtml>

⁶ "The Prime Minister of Malaysia and the Prime Minister Of Australia agree to Strengthen Bilateral Relations", *Prime Minister's Office Media Statement*, September 18, 2021, <https://www.pmo.gov.my/ms/2021/09/kenyataan-media-berkaitan-perdana-menteri-malaysia-dan-perdana-menteri-australia-setuju-memperkukuhkan-hubungan-dua-hala-2/>

⁷ "Statement on Australia's Nuclear-powered Submarines Program", *Ministry of Foreign Affairs of the Republic of Indonesia*, September 17, 2021,

Similarly, Vietnam carefully argued that ‘all countries strive for the same goal of peace, stability, cooperation and development in the region and the world over’.⁸ On the nuclear-dimension, Hanoi, urged development and usage of nuclear energy for ‘peaceful purposes’. Meanwhile, Philippines welcomed the AUKUS as enabling its ‘near abroad ally’s ability to project power’, which would ‘restore and keep balance rather than destabilize it’, as Association of Southeast Asian Nations (ASEAN), the regional group, has been unable to do enough to ‘avoid disproportionate and hasty responses by rival great powers’.⁹

In a low-key response, Singapore viewed AUKUS being able to ‘contribute constructively to the peace and stability of the region and complement the regional architecture.’¹⁰ Only Thailand, did not release an official statement. Former Foreign Minister Kasit Piromya, however, stated that ‘no one country in the region wants to be under the domination of China and the US presence is thus a necessity’.¹¹

For Australia and other regional powers, AUKUS is a definitive manifestation of America’s long-term commitment to the region. In the US-China strategic competition, Australia has chosen America, and placed a strategic bet on America’s continuing engagement in the Indo-Pacific. Similarly, the US has also made a choice of sharing its most sensitive and sovereign nuclear technology – only mastered by select countries- as it explores new alliances and strategies to counter rising China.

AUKUS: A New Model of Alliances?

The composition and formation of AUKUS represents a new model of multi-nation security cooperation. It advances wide-ranging defense and security cooperation while avoiding the trappings of a formal alliance structure. It is essentially an informal coalition which contributes to already operational Quadrilateral Security Dialogue (QUAD) comprising Australia, India, Japan, and

https://kemlu.go.id/portal/en/read/2937/siaran_pers/statement-on-australias-nuclear-powered-submarines-program

- ⁸ Tu Anh, “Vietnam spells out stance on AUKUS”, *Hanoi Times*, September 23, 2021, <https://hanoitimes.vn/vietnam-spells-out-stance-on-aucus-318802.html#:~:text=Vietnam%20spells%20out%20stance%20on%20AUKUS&text=Vietnamese%20spokesperson%20Le%20Thi%20Thu,Ministry%20of%20Foreign%20Affairs%20today>.
- ⁹ “Statement of Foreign Affairs Teodoro L. Locsin, Jr. On the Australia-United Kingdom-United States (AUKUS) Enhanced Trilateral Security Partnership”, *Department of Foreign Affairs, Philippines*, September 19, 2021, <https://dfa.gov.ph/dfa-news/statements-and-advisoriesupdate/29484-statement-of-foreign-affairs-teodoro-l-locsin-jr-on-the-australia-united-kingdom-united-states-aucus-enhanced-trilateral-security-partnership>.
- ¹⁰ “Prime Minister Lee Hsien Loong’s Telephone Call with Australian Prime Minister Scott Morrison”, *Ministry of Foreign Affairs Singapore*, September 16, 2021, <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos/2021/09/20210916-PM-Call-With-Scott-Morrison>.
- ¹¹ “Southeast Asian Nations Cautious Over New AUKUS Defense Pact”, *Radio Free Asia*, September 17, 2021, <https://www.rfa.org/english/news/china/aucus-southeastasia-09172021164007.html>

the US. This is in line with the way regional cooperation is taking place across Southeast Asia, where acceptability of a formal regional security pact and an organization like North Atlantic Treaty Organization is very low. It is for this reason that ASEAN has been unable to transform itself into a formidable regional organization.

AUKUS along with QUAD have demonstrated a new model of partnerships via ad hoc arrangements in the Indo-Pacific region. In an era, when taking open sides for regional countries is not a policy choice, such informal arrangements will become a new normal. Countries will coordinate on diplomatic and defence issues and share technology without entering into formal treaty alliances. This way, maritime balance of power will remain a dynamic feature continuously influenced by transactional arrangements between major powers and regional countries.