

Fortnightly Review

Russell Hsiao

Hong Kong's Anti-Extradition Law Protests and their Reverberation in Taiwan

By: I-wei Jennifer Chang

China's Missile Tests in the South China Sea: Implications for Taiwan

By: J. Michael Cole

Advancements in US-Taiwan Relations Counter "Bargaining Chip" Theory

By: Michael Mazza

Weighing the Effects of Taiwan-China Competition in Latin America and the Caribbean

By: Margaret Myers and Isabel Bernhard

Fortnightly Review

By: Russell Hsiao

Russell Hsiao is the executive director of the Global Taiwan Institute (GTI) and editor-in-chief of the Global Taiwan Brief.

Taiwan President Reinforces Call for Strengthening a Community of Democracies in Stopover US Speech

Taiwan President Tsai Ing-wen (蔡英文) transited through the United States on her way to several of the country's nine diplomatic allies in the Latin America and Caribbean region. The transit comes amid Beijing's aggressive poaching of the island-nation's diplomatic allies—five since May 2016—which is part of an unrelenting pressure campaign intended to isolate the Tsai administration. In an uncharacteristically long stopover in New York from July 11 to 13, which was twice as long as the Taiwanese president routine transits through the United States, Tsai made several public appearances that included events with lawmakers, representatives from its diplomatic allies, business community, expatriates, and scholars, as well as private meetings with senior and former officials. Besides the pageantry, which is welcomed by many of the relationship's supporters for its departure from self-imposed protocols, remarks that she gave in a public speech at Columbia University stood out for its substance.

In [remarks](#) at the Ivy League university on July 12, President Tsai highlighted the competition between democracy and rising authoritarianism. The president of the only Chinese-speaking democracy in the world underscored how the existence of Taiwan's robust democracy served as the antithesis to the belief that China's rise will inevitably subsume Taiwan, or that democracy is incompatible with Asian values. As a case in point for the threat of rising authoritarianism on freedom, she pointed to the unfolding political crisis on Hong Kong. "We are seeing this threat in action right now in Hong Kong. Faced with no channel to make their voices heard, young people are taking to the streets to fight for their democratic freedoms. And the people of Taiwan stand with them," President Tsai [declared](#). She [added](#) "Hong Kong's experience under 'one country, two systems' has shown the world once and for all that authoritarianism and democracy cannot coexist."

The Global Taiwan Brief is a bi-weekly publication released every other Wednesday and provides insight into the latest news on Taiwan.

Editor-in-Chief

Russell Hsiao

Associate Editor

Marzia Borsoi-Kelly

Staff Editor

Katherine Schultz

The views and opinions expressed in these articles are those of the authors and do not necessarily reflect the official policy or position of the Global Taiwan Institute.

To view web sources cited in the published papers (underlined in printed text), visit <http://globaltaiwan.org/2019/07/vol-4-issue-14/>

Global Taiwan Institute
1836 Jefferson Place NW,
Washington DC 20036
contact@globaltaiwan.org

To subscribe, visit
<http://globaltaiwan.org/subscribe/>

© 2019 · Global Taiwan Institute

Tsai's Columbia speech echoes the symbolic precedent set by her August 2018 transit through California and remarks that she made at the Reagan Library in front of a Berlin Wall exhibit. In that short speech to the press corps, Tsai extolled President Reagan's lifelong commitment to the values of freedom and democracy, which she described as having inspired the wave of democracy that brought down the Berlin Wall and presaged the end of the Cold War with the Soviet Union. Specifically, President Tsai stated in that [speech](#):

"... the values of freedom and democracy are important to Taiwan, as a country to that stands behind its commitment, Taiwan is willing to work with other countries— in line with its national interests, as well as the principles of freedom and democracy—to spur regional stability and peace. We will keep this uppermost commitment in mind. President Reagan once said something well worth reflecting on—'everything [was] negotiable except two things: our freedom and our future.' I believe this is how the people of Taiwan feel today."

The most recent New York transit, which will be followed by a stopover in Colorado on her return leg, follows a steady upgrade in the strict diplomatic protocols that have traditionally constrained these transits. It may be worth remembering that in addition to speaking with the press corps at the Reagan Library, President Tsai also engaged with expatriate communities of Taiwanese-Americans and was permitted to visit a federal-agency.

Over Beijing's repeated objections, Washington not only approved these stopovers but appears to be gradually elevating the form of these transits made by Taiwan's leaders. As Beijing squeezes Taiwan's international space ever more tightly, the US government seems to be incrementally [normalizing](#) these transits to become more visit-like for this democratic ally. After her Colorado transit, President Tsai will have made [10 transits](#) [1] through the United States since becoming the president of Taiwan in May 2016.

While calling for a coalition of democracies to promote shared values, President Tsai refuted the culturally-deterministic argument generally proffered by Beijing, [stating](#) "Ours is a story of why values do still matter. The cultural and political differences across the Taiwan Strait only grow wider by the day; and each day that Taiwan chooses freedom of speech, human rights, the rule of law, is a day that we drift farther from the influences of authoritarianism." Furthermore, she [stated](#)

"History tells us that democracies are strongest when united, and weakest when divided. Without Taiwan, the international coalition of like-minded countries will lose a crucial link in working to ensure our values are passed on to the next generation." The focus of President Tsai's speech is consistent with the overall shift undergoing in the United States in its policy towards China. While [disagreements](#) in the approach remain, there is a greater convergence of views that great power competition with China is the mainstay of the new era.

In closing her Columbia speech, President Tsai [pointed out](#) that "Taiwan's survival is about more than just cross-Strait relations. We are a vital bastion of democracy in the Indo-Pacific, and the entire world is closely watching the precedent we will set for the future of democracy." Indeed, the incremental upgrade in diplomatic protocol afforded to Tsai's transits over the years and also her Columbia speech reflect the desire in Washington to provide reassurance to Taiwan as it faces growing pressure from China, as well as growing trust between the two governments and alignment in their policy agendas.

The main point: President Tsai's transits through New York and also her speech calling for the strengthening of the community of democracies reflect growing trust between the governments of the United States and Taiwan, greater alignment in their respective policy agendas, and Washington's desire to provide further reassurance as Taiwan faces growing pressure from China.

Kaohsiung Mayor Decisively Wins KMT Primary

With only six months to go before presidential and legislative elections are to be held in the island-democracy, the two major political parties in Taiwan have finally decided on their candidates for the top political office. A month after the ruling-Democratic Progressive Party (DPP) decided to elect the incumbent president as their candidate, the largest-opposition party, the Nationalist Party (Kuomintang, or KMT), completed its presidential primary. The hotly contested and uncharacteristically open primary race was determined entirely by five public opinion polls using only landline calls. Commissioned by Party headquarters and conducted by TVBS, Shih Hsin University (世新大學), All Dimension Survey & Research (全方位市場調查有限公司), Taiwan Real Survey (全國公信力), United Daily News Group (聯合報系), the [clear victor](#) that emerged was the incumbent first-term Kaohsiung Mayor Han

Kuo-yu (韓國瑜, b. 1957).

The [primary result](#), which was released on July 15, was based on a weighted average of the aforementioned five polls conducted over the period from July 8 through July 14. The polls, which asked respondents to choose between five possible contenders and also in a match up against the other political party, the first-term mayor of Kaohsiung decisively won. Mayor Han received the highest support rate with 44.80 percent and business tycoon Terry Guo (郭台銘) was in a distant second place at 27.73 percent. The KMT's former presidential candidate and clear establishment favorite, Eric Chu (朱立倫), lagged far behind coming in third place at 17.9 percent, whereas another establishment candidate, former Taipei County Magistrate Chou Hsi-wei (周錫璋), mustered only 6.02 percent, and the principal of the Sun Yat-Sen School, Chang Yachung (張亞中), received only 3.54 percent support.

Han's primary victory continues the trend of the KMT establishment-wing's marginalization. Indeed, the party has been experiencing a swinging pendulum effect since 2014 after the KMT's defeat in the local elections, defeat in the presidential and legislative elections in 2016, and apparent resurgence in the 2018 local elections.

The party flirted with a conservative lurch in the botched candidacy of former Chairwoman Hung Hsiu-chu (洪秀柱). The establishment wing seemed to have recovered its control over the party after Wu Den-yih (吳敦義) took over as party chairman in August 2017. Moreover, Wu ostensibly guided the party back with its sweeping victory in the 2018 local elections and should have been able to take credit for the return of the establishment wing of the party. However, a deeper analysis about the results of the 2018 election may have missed the key variable of the 2018 elections, which was not the return of the establishment camp but the victory of the populist candidates represented by Han Kuo-yu in Kaohsiung.

The fluid and increasingly unpredictable preferences of voters was on further display in KMT's primary. Han's victory in the KMT primary seems to indicate a continuation of that trend. Indeed, rather than an indication of the preference of supporters of the political party, both polls seem to indicate a national sampling of the preferred candidate.

To be sure, while most public opinion polls showed Han as the favorite to win the KMT's primary, there was still skepticism among informed observers about his viability prior to his primary victory. Some have pointed to

his lagging approval ratings from earlier in the year as indication of his candidacy's short shelf life. However, such a temporal analysis largely overlooks the structure of his support base, which may be broader and deeper than most analysis have taken into account. Since according to the political commentators, despite his lack of political experience he still commands extensive factional support due to his family ties. According to the political commentary blog Frozen Garlic:

"He is a mainlander who came up through the KMT Huang Fu-hsing (military) party branch, so maybe it isn't all that surprising that they love him so much [...]. We often think of him as a populist, throwing bombs from the outside. He has offended some KMT insiders, such as former president Ma, but his offenses are stylistic rather than ideological. On policy, his views fit in quite comfortably with standard KMT views. Economically, he wants to develop by integrating Taiwan's economy into China [...] Han also isn't really challenging the 92 Consensus, though he doesn't always phrase his ideas in those terms."

It is perhaps worth pointing out that the primary poll results cannot be seen as necessarily reflective of KMT members' preference since they were conducted through a random sampling of the entire population and not specifically of party members. Also, restricting the respondents to only those with a landline seems to limit the sample of younger voters and would presumably favor those more ideologically inclined since they would have the incentive to stay at home in order to receive and answer the polling call. Nevertheless, the contested primary within both the ruling party, which ran its primary on a similar system, and opposition parties seem to suggest a greater division among the voting public about the direction that parties and the country should take.

Consistent with polling data from earlier in the year, the most recent weekly poll conducted by [Apple Daily](#) released on July 16 showed Han with a comfortable 10 percent lead standing at around 36 percent in a prospective three-way race against President Tsai and Taipei Mayor Ko Wen-je. To be sure, voter preferences are very fluid and it remains to be seen whether the two primary results will have a consolidating effect on voter preference when it comes time to vote. And it is important to remember that polling preference does not necessarily follow voter mobilization and whether people will actually come out to vote on election day. Notably absent in the [press conference](#) announcing the KMT's primary poll results are the two other front

runners: Terry Guo and Eric Chu. That said, as the presidential candidate for the KMT, Han must be taken seriously. Most of the chips of the 2020 election are now on the table, the next to bet will be Mayor Ko.

The KMT primary poll result has been submitted to the KMT Central Standing Committee and a final and official announcement is expected to be made on July 28.

The main point: Kaohsiung Mayor Han Kuo-yu emerged as the clear victor in the KMT primary and may portend the further marginalization of the party's establishment wing.

[1] June-July 2016 (Miami, Los Angeles), January 2017 ([Houston, San Francisco](#)), October-November 2017 ([Hawaii](#), Guam), August 2018 ([Los Angeles, Houston](#)).

Hong Kong's Anti-Extradition Law Protests and their Reverberation in Taiwan

By: I-wei Jennifer Chang

I-wei Jennifer Chang is a research fellow at the Global Taiwan Institute.

Hong Kong protesters, who have taken to the streets in recent weeks to protest the proposed extradition bill, have a message for Taiwan: cherish and protect your democracy and existing freedoms. They point to creeping Chinese control over Hong Kong under the People's Republic of China's "one country, two systems" framework adopted since the former British colony returned to China in 1997. In fact, Hong Kong has become a glaring lesson to Taiwan about the pitfalls of accepting China's "one country, two systems" proposal for unification.

After sporadic marches in March and April, the recent string of Hong Kong protests began in early June over the Hong Kong government's proposed Fugitive Offenders Ordinance amendment bill (逃犯條例) that would extradite Hong Kong residents to trial in China. The proposed bill was sparked by an [incident](#) last year when a Hong Kong man, Chan Tong-kai, was suspected of killing his pregnant girlfriend while on a trip in Taipei and then fled back to Hong Kong. Because Taiwan and Hong Kong do not have an extradition treaty, Chan could not be prosecuted for the alleged crime in Taiwan or Hong Kong, though he was later tried and sentenced by a Hong Kong judge for [a separate crime](#) of money laundering.

Hong Kong protesters oppose China's imposition of its

legal system over the territory and sending Hong Kong residents to China (反送中) for prosecution, which they believe could pave the way for further intrusions by Beijing on its Western-style legal and political institutions. Underlying that fear is the existential threat from China on Hong Kong's unique identity and status as the only democratic stronghold under Beijing's current administrative control. Hong Kong protestors paint the extradition bill as "[the final battle](#)" (最後一役) against Beijing to protect Hong Kong's cherished democratic freedoms that its people have long regarded as the core of their identity.

Thus, a record number of people have flooded the streets of Hong Kong that are reminiscent of the large demonstrations in 2003 and the 2014 Umbrella Movement. Large protests and violent clashes with Hong Kong police continued into July, even after Hong Kong Chief Executive Carrie Lam announced on June 15 the indefinite suspension of the extradition bill. Hundreds of protesters stormed the Hong Kong Legislative Council Chamber during the annual march on July 1 commemorating the territory's handover to China, and as many as [2 million people](#) converged on Hong Kong's streets on June 16, calling for Ms. Lam to step down.

Since June, Taiwan President Tsai Ing-wen has issued statements of support for Hong Kong demonstrators on social media. "[Hong Kong Endures, Taiwan Holds On](#)" (香港撐住,台灣守住) has become Tsai's rallying call for Hong Kong protesters to keep their spirits up against the odds and her message that Taiwan will protect itself from Chinese encroachment. On June 12, Tsai tweeted, "[Taiwan stands with all freedom-loving people in Hong Kong](#)," after Hong Kong police fired rubber bullets at protesters.

Indeed, many Taiwanese people, who see a common struggle against China, have rallied behind Hong Kong protesters by offering messages of support on social media. "Cheng" (撐), or endure, has become a ubiquitous slogan symbolizing that Taiwan stands behind the Hong Kong people. "Cheng" is also the title of [a song by Taiwan and Hong Kong music artists](#) to express solidarity for the protests.

Hong Kong netizens have [expressed gratitude](#) on President [Tsai's Facebook page](#) for the encouragement and sympathy from President Tsai and Taiwan netizens. Despite the record number of protesters in attendance at these marches, there is a general sense of [despair and helplessness](#) about Hong Kong's future that recognizes the structural asymmetry between Hong Kong protesters and China's authoritarian government backed by a

powerful military. The People's Liberation Army (PLA) troops are stationed in Hong Kong and, if the Chinese Communist Party leadership wanted to, could crack down on protesters and end the street protests in a repeat of Tiananmen Square. Yet, Hong Kong activists still have not given up, despite knowing that their actions may not ultimately change their political future.

Taiwan's people have deep personal and emotional connections to the ongoing developments in Hong Kong. Bound by geographic proximity, cultural, and social ties, as well as a shared democratic legacy, Hong Kong and Taiwan are seen by Beijing as the outliers—and thus prime targets—of the Chinese government's strategy to consolidate its sovereign and authoritarian control over contested territories. Taiwan's media and society have closely followed the cycle of Hong Kong civil protests and police crackdown because the island faces a similar challenge: reigning in Chinese interference in Taiwan's politics and media, a cause that brought [tens of thousands of protesters](#) on Taipei's streets to lambast the “red media” on June 23.

Hong Kong and Taiwan are intertwined by a common struggle to preserve their democratic spirit and local and national identities—factors that distinguish both of them from China. The theme “[Today Hong Kong, tomorrow Taiwan](#)” (今天香港·明天台灣) became prevalent during Taiwan's anti-China trade “Sunflower Movement” in 2014 and continues to bring attention to Taiwan's need to resist Chinese efforts to turn it into Hong Kong. Taiwan netizens have utilized the [slogan for anti-extradition protests in Hong Kong](#) (反送中) to express that the island also cannot be “sent” to China.

During a crackdown on the protests by Hong Kong police in June, some Hong Kong netizens wrote that they had “[tried their best](#)” and evoked imagery of standing on the “frontlines” of the political battle against Beijing. If Hong Kong falls, Taiwan will be the Chinese government's next target. They tell Taiwan's people to cherish and protect their [democratic rights and freedoms](#) now.

President Tsai also took the occasion of the anti-extradition protests in Hong Kong to further buttress her stance that Beijing's “one country, two systems” model for unification cannot work for Taiwan. “[What Taiwanese feel most deeply about this is that ‘one country, two systems’ is not viable and not acceptable for a democratic Taiwan](#),” Tsai told reporters on June 13. Tsai pledged that as long as she is president, she will never accept “one country, two systems” and vowed to protect Taiwan's [sovereignty and democracy](#).

The Hong Kong protests have emerged in the debates for Taiwan's upcoming presidential election in January 2020. It was during the wave of Hong Kong protests that Tsai was formally nominated as the Democratic Progressive Party's (DPP) presidential candidate on June 19, after defeating her challenger, former Premier Lai Ching-te (賴清德), in the DPP primary. Tsai's supporters argue that she is the only presidential candidate that can defend Taiwan and ensure that the island is [not “given” to China](#). On social media, one netizen replied on Tsai's Facebook page, “[Vote for Tsai Ing-wen \[so that\] Taiwan does not become Hong Kong](#).”

Other presidential hopefuls have also voiced dissatisfaction with “one country, two systems” and promised to safeguard Taiwan's future amid the developments in Hong Kong. Kaohsiung Mayor and now presidential candidate Han Kuo-yu (韓國瑜) of the opposition Kuo-mintang issued a statement saying that the majority of Taiwanese people think “one country, two systems” [does not apply to Taiwan](#). Han expressed his “[unquestionable determination to defend the Republic of China, Taiwan's democratic system, and its lifestyle](#).”

As the international community is watching the events unfold in Hong Kong, Taiwan also seeks to put greater international attention on China's increasing threats towards Taiwan. If Hong Kong falls, Taiwan is next. And “[if Taiwan falls, who is next?](#)” wrote Taiwan's Foreign Minister Jaushieh Joseph Wu in a recent article, pointing to China's militarization of the South China Sea, debt trap diplomacy in the developing world, Uyghur internment camps, and other human rights violations.

Chinese President Xi Jinping wants to use Hong Kong as a model for governing Taiwan over the long run. In his January 2, 2019, speech on Taiwan, Xi said, “[The principles of ‘peaceful reunification’ and ‘one country, two systems’ are the best approach to realizing national reunification](#).” However, the events in Hong Kong and their reverberation in Taiwan's politics complicate China's respective relations with both Hong Kong and Taiwan. Certainly, “one country, two systems” has lost its attraction and confidence among Hong Kong residents, not to mention Taiwan. Hong Kong demonstrations are testing the viability and credibility of “one country, two systems,” and provide lessons for China and Taiwan to rethink the framework for cross-Strait relations.

The unexpected consequence of Hong Kong's mass demonstrations, which have garnered international sympathy and concern, is that they might make it more difficult for China to militarily suppress the protesters. Beijing is already at odds with the United States over

bilateral trade issues and faces intense criticism and scrutiny from Western countries over its mass internment of Uyghurs in the Xinjiang region. The Chinese government may not want to further tarnish its international image by violently cracking down on Hong Kong protesters.

Amid rising tensions between China and Western countries, President Tsai has sought to raise international support for Taiwan by evoking the democracy bandwagon—namely, the group of [like-minded democratic nations](#) around the world. Thus, by supporting Hong Kong's democratic aspirations, Taiwan can not only win the hearts and minds of the Hong Kong people, but also elicit Western support to help safeguard Taiwan's democracy and freedoms from China's authoritarian government.

The main point: Hong Kong and Taiwan find common cause in Beijing's encroachment on their free and democratic societies, and the Hong Kong demonstrations have raised issues about the credibility of China's "one country, two systems" model for Taiwan.

China's Missile Tests in the South China Sea: Implications for Taiwan

By: J. Michael Cole

J. Michael Cole is a senior non-resident fellow at the Global Taiwan Institute.

The People's Liberation Army Rocket Force (PLARF, 中國人民解放軍火箭軍) is believed to have test-fired as many as six ballistic missiles into disputed waters in the South China Sea during exercises from June 29 to July 3, sparking strong criticism from the United States, Australia, and other claimants in the contested area. Pentagon spokesman Lt. Col. Dave Eastburn described the [exercise](#), which reportedly involved anti-ship ballistic missiles fired into the disputed area, as "coercive acts meant to intimidate other South China Sea claimants." The continued militarization of the South China Sea by Beijing, and the escalation implied by the use of advanced missile systems in the contested area, represent a direct threat to Taiwan, a claimant in the area.

Prior to the exercise, China's maritime safety authorities in Sansha (三沙市), on Yongxing Island (永興島), issued a navigation warning in a designated area north of the Spratly Islands (南沙群島), between the Spratly and Paracel Islands (西沙群島). Possibly in response to US complaints about the missile launch(es), Sansha

authorities shortened the navigation warning by 24 hours.

At the time of this writing, the type(s) of missile(s) suspected of having been fired during the exercise has yet to be confirmed, although it is believed to involve the Dong Feng-21D ("East Wind," 東風-21D) or the DF-26 (東風-26), both ballistic missiles. Known as the "carrier killer," the DF-21D maneuverable anti-ship ballistic missile (ASBM) has an estimated range of about 1,500 km (approximately 932 miles). The DF-26, which can carry both conventional and nuclear warheads and can reportedly be used against targets on land and at sea, has a range of up to 4,000 km (approximately 2,485 miles). Following deployment in the region, both missiles would have the ability to target Taiwanese navy vessels and other assets in the South China Sea, and to threaten commercial shipping during an embargo contingency against Taiwan. As one of the claimants to the South China Sea, Taiwan controls Itu Aba (Taiping Island), on which it has built and extended a military airstrip and bolstered its military presence in the past decade. Should China decide to seize the strategically located island, the addition of the DF-21D and DF-26 would severely complicate Taipei's ability to defend its assets.

The US Department of Defense "was aware of the Chinese missile launch from [...] man-made structures in the South China Sea near the Spratly Islands," Lt. Col. [Eastburn said](#), adding that "What's truly disturbing about this act is that it's in direct contradiction to President Xi Jinping's (習近平) statement"—[made](#) in the Rose Garden in 2015—"that he would not militarize those man-made outposts." According to the Pentagon spokesman, the missile launch occurred near the Spratly Islands, approximately 1,000 kilometers, or 621 miles, south of Hainan.

It now appears that the reference to the missile firing from man-made structures in the South China Sea may have been erroneous and may in fact have occurred on the Chinese mainland or, as some analysts now speculate, at a [new PLARF facility](#) 10 km west (approximately six miles) of the city of Danzhou on Hainan Island, which abuts the South China Sea. The base is believed to have become operational since 2018 and is regarded as a prime candidate for the deployment of the DF-21D and DF-26 intermediate-range ballistic missile (IRBM) on road-mobile transporter-erector-launchers (TEL).

Describing the foreign alarm as overreaction and "contrary to the facts," China's Ministry of National Defense

(MND) said the live-fire exercises by the Southern Theatre Command of the People's Liberation Army (PLA) were part of an annual drill in waters in proximity to Hainan Province. An unnamed source in the Chinese military [told](#) the *Global Times*, a Chinese Communist Party (CCP) mouthpiece, that the live-fire drills were not held in waters near disputed island territory in the South China Sea.

The location of the facility from which the ballistic missiles were fired does make a difference. If they indeed occurred from man-made platforms in the South China Sea, such a move would constitute grave and incontrovertible escalation in China's ongoing militarization of the disputed sea expanse (China denies it is engaged in militarization). Conversely, the launch of ballistic missiles from inland locations makes their interception by the targeted country much more complex, given the extremely high speeds involved during re-entry (the longer the range of a ballistic missile, the higher it must climb to reach its target; and the higher it climbs, the more time it takes for it to fall to the ground, giving gravity more time to accelerate the descent of the warhead, at a rate of about 9.8 m per second squared 21.92 mi/(h.s).

What is less debatable is the fact that the inclusion of ASMBs and IRBMs in live-fire exercises conducted by the PLA's Southern Theatre Command in or near the South China Sea constitutes escalation and sends a threatening signal to the US and other countries which in recent months have conducted freedom of navigation patrols (FONOP) in the South China Sea as well as free passages in the Taiwan Strait. Should such testing become regular—and we can expect Beijing will seek to normalize those, as it has done in other spheres over the years—the PLA's ability to [improve the accuracy and performance of its ASBM systems](#), not just in the South China Sea but in the Taiwan Strait and within the entire “firsts island chain,” will increase, and with that, its ability to coerce its opponents and reinforce the effectiveness of its anti-access/area denial (A2/AD) capability. This, no doubt, will complicate the efforts of the US Navy and regional allies in the South China Sea and beyond.

While the Chinese Ministry of National Defense sought to downplay the importance of the drills, Chinese military commentators, often coming across as more hawkish than the MND, saw things differently and regarded the move as a means to put pressure on Washington ahead of negotiations in an escalating trade war, as well as for its leading role in the South China Sea and continued support for Taiwan.

“The ultimate backing for diplomatic effort is absolute power, military might. In the case of the US, that's their 11 aircraft carrier strike groups,” Ni Lexiong (倪樂雄), a Shanghai-based military scholar [told](#) the *Global Times*. “The DF-21D is something that could pose a threat to that.”

On June 2, the PLA Navy also conducted a [test-launch](#) of what is suspected to have been a Ju Lang-3 (JL-3, 巨浪-3) submarine-launched ballistic missile (SLBM) during naval exercise in the Bohai Sea and Bohai Strait between the Liaodong and Shandong Peninsulas. The PLA [did not confirm](#) the nature of the missile involved. The JL-3 SLBM, which is currently under development, has an operational range estimated at 14,000 km (around 869 miles) and may be equipped with as many as 10 independent guided nuclear warheads. The missile, which was first test-launched in November 2018, is expected to enter service on the Type 096 nuclear ballistic submarine over the next decade. The launch coincided with the closing day of the 2019 Shangri-La Dialogue in Singapore and on the day PLA General Wei Fenghe (魏鳳和), State Councilor and Minister of National Defense, [delivered his assertive plenary talk](#).

In January 2019, Chinese media [reported](#) that the DF-26 had been “mobilized to Northwest China's plateau and desert areas,” after a “US warship trespassed into China's territorial waters [sic] off the Xisha [Paracel] Islands in the South China Sea.”

Consequences and Opportunities For Taiwan

Taiwan's defense ministry has not commented publicly on the suspected launches. The Youth Daily News, published by the ministry, ran a [short article](#) on July 6 aggregating foreign news reports on the matter.

While there may be a dispute over the origin of the launches, military forces within the region have the radar- and satellite-tracking capability to differentiate between the firing of regular artillery and that involving medium- and intermediate-range ballistic missiles. One of the key regional assets is the long-range early-warning radar (EWR) atop Leshan (樂山) in Hsinchu County, Taiwan.

Located 1,600 km from Taiwan's southernmost point, Taiwan-controlled Taiping Island is the largest natural feature in the South China Sea. The island features a pier and a 1,200-meter runway. The island's [defense](#) relies on a combination of 40 mm anti-aircraft artillery and 120 mm mortar, AT-4 anti-armor rockets and other light weapons. Upgrades to its pier have permitted visits by larger-displacement Coast Guard and Navy

vessels.

Arguably the most powerful EWR in the entire region, the system, which went operational in 2013, has an area of coverage of nearly 360 degrees and a surveillance distance as far as 3,000 nautical miles (approximately 5,000 km). The approximately USD \$1.4 billion radar has a “comprehensive surveillance” of any air-breathing target from the Korean Peninsula in the north to the South China Sea in the south. According to the Republic of China Air Force (ROCAF) Lt. Gen. Wu Wan-chiao (吳萬教), the EWR “provides [Taiwan] with more than 6 minutes’ warning in preparation for any surprise attacks” by China. Leshan also was able to [detect a missile launch by North Korea](#) in December 2012 a few minutes ahead of Japan, which is located much closer to the launch site, Taiwan’s Ministry of National Defense said at the time.

Quantitative and qualitative improvements in the PLARF’s arsenal, and the deployment of new systems along coastal areas of the People’s Republic of China (PRC), pose a substantial threat to Taiwan, the target of an estimated 1,600 ballistic missiles from China, as well as US forces based in the region (Okinawa, Guam), and any country that seeks to involve itself in a Taiwan Strait military contingency. The growing threat of IRBMs and ASBMs to the entire region therefore creates an opportunity for Taiwan to put the EWR’s capabilities at the disposal of its security partners through early warning and intelligence sharing (Taiwan would not confirm it was sharing data collected from the EWR with the US, but there is every reason to believe that exchanges do occur regularly). As Kevin Cheng (鄭繼文), chief editor of *Asia-Pacific Defense Magazine*, [observed](#) in 2013, “Through the sharing with the United States of the information it collects from the radar system, Taiwan becomes a critical link in the US strategic defense network in the region.”

Once again, Chinese assertiveness and its willingness to challenge established rules is creating incentives for the US and the region to further engage Taiwan on security matters.

The main point: The reported test-launch of anti-ship ballistic missiles by the PLA Rocket Force near or into contested areas of the South China Sea during exercises in late June and early July escalates tensions in the region and puts a premium on Taiwan’s ability to share intelligence on missile launches with its allies.

Advancements in US-Taiwan Relations Counter “Bargaining Chip” Theory

By: Michael Mazza

Michael Mazza is a senior non-resident fellow at GTI. He is also a visiting fellow in foreign and defense policy studies at the American Enterprise Institute (AEI), where he analyzes US defense policy in the Asia-Pacific region.

In a June 17 story about a supposed split over Taiwan arms sales within the Trump administration, the *Wall Street Journal* [reported](#), “It took some convincing, but Mr. Trump came around ... and he now sees the value in using Taiwan as a bargaining chip in his talks with China.” It was a devastating sentence for Taiwan’s leaders and for supporters of the US-Taiwan relationship to read. Taipei has been worried about being conceived of as a “bargaining chip” since the early days of Donald Trump’s presidency, when he backed off his earlier questioning of the “one China policy” and instead committed to it in order, ostensibly, to secure a phone call with Chinese leader Xi Jinping. Early excitement following President Tsai Ing-wen’s own congratulatory phone call with President-elect Trump quickly shifted to a feeling of nervousness and potential foreboding.

Nerves calmed as worst fears did not come to fruition, with a number of Taiwan-friendly officials taking positions at the National Security Council, State Department, and Defense Department, with the president signing bills designed to improve US-Taiwan relations, and with the administration seeming to move to a regular arms sales process. Over the past two years, senior administration officials including Vice President Mike Pence, Secretary of State Mike Pompeo, National Security Advisor John Bolton, former Permanent Representative to the United Nations Nikki Haley, Ambassador at Large for International Religious Freedom Sam Brownback, and Assistant Secretary of Defense for Indo-Pacific Security Affairs Randall Schriver have spoken publicly about Taiwan in positive terms. Indeed, it has become common to describe US-Taiwan relations as the best they have been in many years, perhaps since the severing of formal relations in 1979. Yet concerns have lingered about the president’s own views of the island, which remain unclear.

The *Wall Street Journal* story dropped with US-China trade negotiations in a prolonged stalemate. The G20 summit was approaching and Xi Jinping had not yet agreed to a sidelines sit-down with President Trump in Osaka. According to the Journal, there were grow-

ing concerns within the administration that Xi might use the potential sale of new tanks and other arms “as one more excuse not to meet.” The real concern, of course, was not that President Trump would trade an arms sale for a meeting, but that he would do so as part of a trade deal. Although the G20 seemed unlikely to significantly affect Taiwan’s status in Washington, the possibility could not be ruled out.

Increasing Trade Ties

Any concerns that US-Taiwan relations would take a hit in the summit’s aftermath have thus far proven unfounded. Indeed, there was a glut of good news in the days immediately preceding and following the Osaka meetings.

Just before the G20, it was [reported](#) that American pork exports to Taiwan “are surging in 2019.” Compared to the same period last year, pork exports through April 2019 grew by 80 percent in metric tons and by 55 percent in dollar value. The same report noted that in 2018, US beef exports to Taiwan exceeded \$500 million for the first time, and “nearly doubled in volume and more than doubled in value over a period of just five years.”

Taiwan’s restrictions on the import of American beef and especially pork have long been a thorn in the side of US-Taiwan trade relations. This new data supports the contention that such restrictions are not the salient hindrance to US exports and thus to deeper trade ties that they once were (as Dan Blumenthal and I argued in a [paper](#) earlier this year for the Project 2049 Institute). A bilateral free trade agreement has long been a top priority for the Tsai administration. President Tsai can wield this news to contrast Taiwan favorably with China, which has cut agricultural imports from the United States, and to make the case that a free trade agreement would further benefit American farmers.

Visit-like Transits

And now, President Tsai can make that case to Americans directly. On July 1, Taiwan’s Ministry of Foreign Affairs [announced](#) that President Tsai would soon visit four diplomatic allies in the Caribbean, a trip to be punctuated by two “transit” stops in the United States. Each US visit would be a two-night stay, allowing plenty of time for engagement with government, business, and civil society leaders. (Typically, Taiwan’s presidents spend only one night in the United States on a “transit” stop.)

Last week, President Tsai made her first transit, stop-

ping in New York City on her way to Haiti, St. Vincent and the Grenadines, St. Lucia, and St. Christopher and Nevis. While in New York, she hosted a reception for the United Nations representatives of Taiwan’s diplomatic allies, met with business leaders, strolled through Central Park with young expats from Taiwan, delivered an address at Columbia University, and spoke by phone with Speaker of the House of Representatives Nancy Pelosi.

Washington’s accommodation of Tsai’s travels is as good a sign as any that the US-Taiwan relationship remains on firm footing. Beijing always raises stern objections to presidential transits of the United States as such transits are seen as conferring legitimacy on the so-called “Taiwan authorities.” That the Trump administration is welcoming and indeed facilitating two (relatively) extended stays over the course of eleven days suggests that the administration does not see its relationship with Taiwan as leverage to put to use vis-à-vis Beijing.

Arms Sales

Need more evidence? Just last week, following approval from the Department of State, the Defense Security Cooperation Agency notified Congress of two impending arms sales to Taiwan. The sales are substantial. The first package is to include 108 [M1A2T Abrams tanks](#) and associated equipment, support, and training for a cost of approximately \$2 billion. The second package is a \$224 million sale of [Stinger missiles](#) and related equipment and support. These arms will better enable Taiwan to defend its airspace, counter an invasion, and thus deter Chinese aggression.

On cue, Chinese foreign ministry spokesman Geng Shuang [claimed](#) the sale “flagrantly interferes in China’s domestic affairs and harms China’s sovereignty and security interests,” and called on the United States to “cancel this arms sale immediately and stop military ties with Taiwan to prevent further damage to China-US relations and peace and stability across the Taiwan Strait.” China signaled its displeasure at the potential sale prior to the notification as well. It is even possible that Xi raised it directly with President Trump during their meeting in Japan. However Chinese objections were raised, those objections were not persuasive to leaders in Washington.

In short, the US-Taiwan relationship does not appear to be for sale. Of course, even given positive developments over the last two years, there is no guarantee of future progress in the relationship, especially as Beijing continues to pressure the Trump administration to

distance itself from Taipei and with President Trump's personal commitment to the relationship remaining a question mark. What's more, aside from ongoing negotiations over the sale of F-16s, it is unclear what comes next for Washington and Taipei, with the presidential transits and finalization of the recently notified arms sales soon to be in the rearview mirror.

Moving Towards a Bilateral Agenda

In order to give impetus to continuing advances in US-Taiwan relations (and thus to make it even more valuable to the United States, making it all the more difficult for anyone to bargain away), the two governments should agree to a shared agenda—a succinct but wide-ranging public plan to deepen ties that both sides can use to measure progress and to hold each other accountable. Such an agenda could be negotiated by the director of American Institute in Taiwan and his counterparts at the Ministry of Foreign Affairs in Taipei before approval by senior leaders. It should be specific enough to necessitate genuine action to meet goals described, but vague enough to allow flexibility in what those actions should be (e.g., the agenda should not specify the provision of specific defense articles).

The Trump and Tsai administrations both deserve praise for advancing the bilateral relationship, but there is no clear, agreed-upon roadmap for the relationship's future direction. Setting forth such a roadmap or agenda will help to inure the relationship against forces that might seek to push the United States and Taiwan apart. It would also help to prevent leaders in either capital from sitting on their laurels after a significant accomplishment, such as a major arms sale, as there would remain yet more to accomplish. Under the Trump and Tsai administrations, the US-Taiwan relationship has reached new heights. There is no reason it cannot soar even higher.

The main point: The past two years have seen continued advances in US-Taiwan relations, despite fears that the Trump administration would use Taiwan as bargaining chip in US-China relations. A joint agenda for the relationship would help ensure that bilateral ties continue to deepen in the years ahead.

Weighing the Effects of Taiwan-China Competition in Latin America and the Caribbean

By: Margaret Myers and Isabel Bernhard

Margaret Myers is director of the Asia and Latin America program in Washington, DC. Isabel Bernhard is an intern with the Asia and Latin America program and a student at Harvard University.

Since 2017, three countries in Latin America and the Caribbean (LAC)—the Dominican Republic, Panama, and El Salvador—[have shifted diplomatic recognition](#) from Taiwan to the People's Republic of China (PRC), marking an end to a decade-long unofficial diplomatic truce between China and Taiwan in LAC and other regions. As Taiwan grapples with its shifting diplomatic outlook, Taiwanese president Tsai Ing-wen has embarked on a trip to the United States and several Caribbean nations to reaffirm Taiwan's commitment to remaining allies.

Beijing's most recent diplomatic gains in the region are at least in part the result of enhanced diplomatic activity in the region, and among Taiwan's remaining allies. The May 2016 election of President Tsai Ing-wen and concerns in China about her [perceived pro-independence agenda](#) has reignited diplomatic competition between China and Taiwan in the LAC region. Chinese officials have been increasingly active in promoting diplomatic ties with the mainland.

China's most recent diplomatic overtures in LAC also correspond with the global expansion of its Belt and Road Initiative (BRI, originally "One Belt, One Road"), which promises infrastructure and other forms of connectivity. Xi's signature foreign policy platform was officially [extended to the LAC region](#) during the January CELAC Ministerial Forum in January 2018 after [much lobbying](#) by Latin American ambassadors and other officials.

Though not well understood in Latin America, and subject to varying definitions even in China, the BRI and the investment opportunities it purports have been attractive to China's and Taiwan's diplomatic allies alike. The decisions by Dominican, Panamanian, and Salvadoran governments to establish diplomatic ties with China were based in large part on the [prospect of large-scale infrastructure](#) and other investment in their countries. As former president of Panama Juan Carlos Varela [indicated](#) in a speech in Hong Kong in 2019, the BRI is "all about connectivity and Panama is

one of the most connected countries in the region.” He added that his country saw a “big opportunity” in the BRI. Panama, which broke ties with Taiwan in 2017, was the [first country in the region](#) to sign a bilateral Belt and Road Cooperation Agreement with China. The Dominican Republic since signed a similar [agreement with China](#) after establishing relations with Beijing and El Salvador reportedly inked several Belt and Road-related MOUs in after its decision to break ties with Taipei. To date, sixteen other LAC nations have also signed bilateral BRI agreements with China.

China has delivered on at least some of its BRI-related messaging. China-backed infrastructure deals are in the works throughout the region, including in the three LAC countries that recently established ties with Beijing. China bid on and won a number of construction contracts in Panama over the past year and a half, and has also discussed a possible China-backed railway with Panamanian officials, which would run from Panama City to the border of Costa Rica. The railway, which has already progressed past an initial feasibility study, was among the first ventures in the region to be officially affiliated with the BRI.

China reportedly offered the Dominican Republic [a package worth \\$3 billion](#) in exchange for diplomatic recognition, over half of which was destined for infrastructure projects. The Dominican Republic is also in the process of securing a \$600 million [loan](#) from China’s Export-Import Bank to upgrade its power distribution systems, and President Medina has flagged [additional projects](#) for possible Chinese support, including the modernization of the Port of Arroyo Barril. El Salvador’s former ruling Farabundo Martí National Liberation Front (FMLN) tentatively [negotiated](#) at least two major projects with China—renovation of the La Union Port and a possible special economic zone, which would account for about 14 percent of Salvadoran territory and much of the country’s coastline—before siding diplomatically with Beijing.

As the Dominican Republic, El Salvador, and Panama navigate their new ties with Beijing, Taiwan’s remaining allies in the LAC region—Haiti, Guatemala, Honduras, Nicaragua, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines—are no doubt [weighing their options](#). Some, such as Guatemala, appear content with their current diplomatic arrangements. Guatemala’s president [reiterated](#) his support for Taiwan in April, during a visit to Taipei. Others may fear that cutting ties with Taiwan would lead to retaliation from the US. The US government has indicated a strong preference that Guatemala and Honduras remain steadfast

in their diplomatic support for Taiwan. In May, three US senators [reintroduced](#) the draft Taiwan Allies International Protection and Enhancement Initiative Act to engage with governments in the world that support Taiwan’s diplomatic recognition. US leverage over decision-making in the Northern Triangle region of Central America (comprising El Salvador, Guatemala, and Honduras) has arguably decreased, however, since the Trump administration [threatened](#) to cut funding to those countries in April 2019.

Whatever Taiwan’s remaining allies decide to act, they should monitor outcomes in those countries that have decided to break their diplomatic ties with Taiwan in recent years, noting that the extensive variation in outcomes on a country-by-country basis. Panama has seen a boom in Chinese activity, with Chinese entities involved in at least nine confirmed infrastructure projects, but Chinese companies were active in Panama many years before the country chose to cut ties with Taiwan. The Central American country has been of [strategic interest to Chinese investors](#) for more than a decade. Though a Taiwan ally at the time, Panama featured in the Chinese Ministry of Commerce 2010 going-out guide for companies seeking to invest in Latin America.

By comparison, Chinese engagement with Costa Rica is exceedingly limited, even though Costa Rica [established ties](#) with China over a decade ago. At that time, China promised a stadium, a refinery, and the [expansion](#) of a critical roadway, but only the stadium and an initial road authorization have materialized—the latter after about a decade of debate in Costa Rica. The Recope refinery project is now in litigation at the International Chamber of Commerce amidst [accusations](#) that the Chinese partner firm in the joint venture attempted to downplay environmental implications of the project when developing pre-construction impact studies. In comparison to elsewhere in LAC, deal-making in Costa Rica has seemingly been limited by the country’s extensive environmental regulations.

Public perception of Chinese investment also varies considerably in these countries. Whereas everyday Panamanians are largely optimistic about continued prospects for cooperation with China, the debate about Chinese engagement in El Salvador is largely confined to the political class. Costa Ricans have expressed mixed feelings about economic partnership with China, and especially about the stadium they were gifted. It was a generous gesture on the one hand, but limited public funding for stadium upkeep has been problematic, and inconsistencies between the stadium’s elec-

trical infrastructure and Costa Rica's electricity grid resulted in some costly reconfigurations.

Across the board, LAC countries can certainly benefit from enhanced economic ties with China, but the extent and quality of these benefits may vary, as underscored by neighboring Panama and Costa Rica. The ways in which other nations derive advantages from their new relations with China will depend on the types of deals they strike, on the state of their regulatory environments, and their capacity to ensure compliance with existing regulations and standards. China may have dealt a considerable blow to Taiwanese diplomacy in the region over the past year and half, but it is still navigating the differences between successfully creating and cultivating alliances.

The main point: China's economic outreach in LAC has eroded Taiwan's diplomatic presence in the region, but mixed investment results and divided public reception will complicate China's attempts to cultivate its new relations.