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By: Russell Hsiao

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Washington is engaged in a concerted effort to re-shore production capacity of advanced semiconductors to the United States, and to reduce its over-reliance on China for critical materials through legislative efforts such as the [CHIPS and Science Act](#) and [Inflation Reductions Act \(IRA\)](#). Amidst these efforts, Taiwan—a world leader in the fabrication of advanced microchips—has renewed its longstanding push to begin negotiations on an Avoidance of Double Taxation Agreement (ADAT) with the United States, which now enjoys stronger support in Congress than ever before, as well as seemingly greater support within the Biden Administration.

At first blush, the two issues—tax and foreign policy—may appear to have very little in common. Taiwan has been trying to negotiate an ADAT with the United States for decades. However, the issue has been the focus area of only a handful of tax specialists and international lawyers, and was relatively low on the list of other priorities amid a bilateral relationship dominated by other concerns—and was therefore widely perceived in Washington as an issue not worth irritating Beijing over.

Don Shapiro, a senior advisor to the American Chamber of Commerce in Taiwan, which is an international business association that advocates on behalf of the US and international business community in Taiwan, described early discussions about a potential ADAT as follows:

“A decade or more ago when the double taxation issue was first being broached, the idea got shot down on the grounds that in the absence of formal diplomatic relations, it wouldn't [sic] be a treaty approved only by the Senate but would also have to go to the House. The argument was that Treasury would never stand for opening the door to House involvement in international tax matters. At the time, we at AmCham wondered how much that argument reflected a real problem and to what extent it was an excuse not to pursue a policy that Beijing would vigorously object

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to. The fact that no one now is raising the ‘bicameral’ issue would indicate that it was the latter—and something that could be ignored if the [US government] considered a tax agreement with Taiwan to be in its best interest.”
[1]

The attitude in Washington has changed in fundamental ways in the intervening years in large part due to China’s belligerence, the increased awareness about the critical importance of semiconductors, and the growing recognition of the need for a reliable global high-tech supply chain. A mundane issue such as a tax agreement is now becoming a foreign policy focus area that is receiving the attention of senior lawmakers in both chambers.

Increasing US Political Support for a US-Taiwan ADAT

Asserting the significance of an ADAT with Taiwan in terms of an increasingly necessary measure to counter Chinese economic coercion, a bipartisan group of senators led by Senator Bob Menendez (D-NJ), Senator Jim Risch (R-ID), Senator Chris Van Hollen (D-MD), and Senator Mitt Romney (R-UT) introduced the *Taiwan Tax Agreement Act of 2023* in early May. If enacted, the Bill would authorize the Biden administration to negotiate and conclude a tax agreement with Taiwan. In the statement unveiling the bill, the Senators [noted](#): “Similar to a tax treaty, this agreement would play a key role in facilitating investment between the United States and Taiwan, including in key strategic industries such as semiconductors, by making it easier for businesses in the United States and Taiwan to avoid double taxation while protecting against tax evasion.”

However, not every member of Congress is on board. Senator Rand Paul (R-KY) purposely delayed the landmark *Taiwan Tax Agreement Act of 2023*. Still, Senator Paul’s objection to the agreement is not specific to Taiwan; instead, his concerns are purportedly over protecting the privacy of American taxpayers with the legislation. “We’ve had problems with the bulk exchange of data without individualizing,” he [told](#) *The Hill*. As a libertarian, Senator Paul is [critical](#) of provisions in tax treaties that often provide a low bar for the US government to obtain the financial records of Americans living abroad.

Notwithstanding Senator Paul’s objection, the ADAT also has the clear and strong support of the US business community. In [a letter](#) dated June 8 sent by the US Chamber of Commerce—the largest lobbying group representing US business interests in the United States and abroad—to members of Congress in reference to the [Taiwan Tax Agreement Act of 2023](#):

“Taiwan is the 10th largest US trading partner, and US

direct investment in Taiwan topped \$16 billion in 2021. In the same year, Taiwanese investment in the United States reached \$17 billion. These commercial ties support growth, jobs, and innovation in both the United States and Taiwan. A US-Taiwan tax agreement would help reduce unnecessary double taxation, prevent tax evasion, and remove barriers to trade between our two economies. The Chamber urges the Committee to expeditiously report this bill.”

Even more importantly, the Executive Branch—once a hurdle for an ADAT—has signaled a willingness to consider the matter. In March, the Biden Administration’s secretary of the treasury, Janet Yellen, in a [Congressional hearing](#) organized by the House Committee on Appropriations Subcommittee on State, Foreign Operations, and Related Programs, was asked the following question by Representative Diaz-Balart (R-FL): “[T]here is strong bipartisan support in Congress for our Democratic friend and partner Taiwan. Many of us support efforts to strengthen that partnership, including through expanded trade and investment frameworks ... Madame Secretary, do you think it’s [sic] time to address this gap in our trade policy by potentially beginning negotiations towards that end with Taiwan?”

The treasury secretary [responded](#) in the affirmative: “I do recognize that this is a very significant problem, that we really need to explore ways to deal with what the private sector has repeatedly pointed out is an issue, and we will do that work with the State Department to see if we can find a way to address it.”

ADAT: Reduces Investment Barriers, Supply Costs, and Shipping Delays

Taiwan-based companies like Taiwan Semiconductor Manufacturing Company Limited (TSMC, 台灣積體電路製造股份有限公司)—which accounts for the fabrication of [around 90 percent of the most advanced chips](#)—and GlobalWafers (環球晶圓股份有限公司) have already committed historic-size investments in the United States: such as building plants to manufacture 5 and 3-nanometer chips, silicon wafer plants, and an electronic-grade isopropyl alcohol plant, and have contributed to the significant increase in two-way investments from USD \$1.52 billion over four years (from 2012-16 to USD \$8.11 billion from 2017-21). Additionally, the United States is Taiwan’s top destination for foreign direct investment (FDI), accounting for USD \$4.19 billion of Taiwan’s outward FDI. [2]

As US policymakers look for ways to re-shore capacity in chip fabrication back to the United States, it also requires the technical experience and know-how of a myriad of suppliers in a

complex ecosystem to make investments in the United States and build and produce their products at costs that are still profitable. Yet, given that Taiwan and the United States do not have an income tax agreement in place, corporations in countries like South Korea, Australia, and even China have significantly lower withholding tax rates on dividends, interest, and royalties when compared to their Taiwanese counterparts. In the absence of a tax agreement, Taiwan's corporations currently have a 30 percent withholding tax on dividends, interest, and royalties—and this is in comparison to a range of 5 percent to 15 percent for the other three countries that have a tax agreement with the United States.

As a result, Taiwanese companies have two to three times more tax burden when remitting dividends, interests, or royalties from the United States when compared to their Chinese, Australian, or South Korean counterparts. [3] While all foreign companies have to pay the same level of federal and state taxes, the real income that Taiwanese companies earn is effectively garnished relative to the other companies by the higher remittance taxes placed on them. As such, the absence of an ADAT creates an unequal playing field and reduces the bottom line for Taiwanese companies relative to their market competitors.

It is therefore no surprise that a *Wall Street Journal* article in April [reported](#):

“A ‘double tax’ conundrum involving Taiwanese businesses operating on American soil is straining business ties between the US and Taiwan, a technology manufacturing powerhouse and central player in Washington’s plan to counter the rise of China and strengthen US supply chains.”

The same article also quoted an executive of a company that supplied TSMC who [noted](#) that the lack of an ADAT is “a big impediment to Taiwanese investments.” Additionally, a 2020 survey commissioned by the American Institute in Taiwan’s Taipei office reportedly noted that “79 percent of respondent Taiwanese companies with a presence in the United States consider the current 30 percent dividend withholding tax to be a considerable factor preventing investment in the United States.” [4]

These findings were echoed by AmCham’s Shapiro: “[s]ome of the semiconductor companies have complained that they are disadvantaged by the lack of a tax treaty because it deters them from doing drop shipments direct to their customers from the fabs like TSMC that are doing the actual production. To avoid being taxed in two jurisdictions, they have the chips shipped to their US head office and then reship them to the customer—

adding to costs and delivery time.” [5] Accordingly, the lack of an ADAT is not only a barrier to investments, but also adds unnecessary delays and costs to the global supply chain.

Conclusion

In the final analysis, pushing Taiwan to move production capacity to the United States while keeping the doors closed on an ADAT would be a twofold blow to Taipei. On the one hand, it will put Taiwan’s companies at a relative disadvantage to their market competitors; and, on the other hand, it will impose an unfair share of the necessary burden that comes with realigning the high-tech supply chain away from China. Moreover, it will discourage reciprocal investments that would help to reduce China’s economic leverage. According to AmCham’s Shapiro: “[I]t has also been clear that for many prospective investors, the tax implications are a serious concern and in some cases a definite impediment.” [6]

The main point: In addition to levying a comparatively high tax burden upon Taiwanese companies, the absence of an ADAT is also a deterrent to US-Taiwan investments that adds unnecessary delays and costs to production. Taking advantage of current political and economic momentum, US policymakers should aim to push through negotiations on an ADAT to encourage economic cooperation between Taiwan and the United States, as well as to bolster a shared defense against the PRC’s continued threats of economic coercion.

The author would like to Ya-Hui Chiu Summer Fellow Jonah Landsman for his research assistance.

[1] Author’s email, dated July 9, 2023.

[2] Taipei Economic and Cultural Representative Office, “Need for a Taiwan-U.S. Avoidance of Double Taxation Agreement (ADTA) to create more attractive environments for two-way investments” (fact sheet), January 2023.

[3] Ibid.

[4] Ibid.

[5] Author’s email, dated July 9, 2023.

[6] Author’s email, dated July 9, 2023.

Beijing Convenes Its Annual United Front Conference for Taiwan with the 2023 Straits Forum

By: John Dotson

John Dotson is the deputy director of the Global Taiwan Institute and associate editor of the Global Taiwan Brief.

The Role of the “Straits Forum” in CCP United Front Outreach to Taiwan

From June 15-17, the “[15th Straits Forum](#)” (第十五屆海峽論壇) was convened in the city of Xiamen, in China’s southeastern Fujian Province. First held in 2009, the Straits Forum is an annual conference that serves as a centerpiece of the People’s Republic of China’s (PRC) outreach-cum-cooptation united front events directed at Taiwan. The event is shunned by officials of Taiwan’s current Democratic Progressive Party (DPP, 民進黨)-led government, which has [characterized the event](#) as “an important platform hosted by the CCP to advance its united front work against Taiwan,” and sought to discourage both private individuals and local government officials from attending. However, the Straits Forum often includes participation by senior figures from Taiwan’s main opposition Kuomintang Party (KMT, 國民黨), who have supported it as a “people’s” (民間) forum for exchanges across the Strait. [1]

The annual Straits Forum is a highly scripted event, and many of its elements—such as propaganda-tinged entertainment performances (this year’s forum featured its own [syrupy theme song](#)), testimonial speeches by “Taiwan representatives” drawn from CCP-controlled united front organizations, and speeches by senior CCP political figures—all conform to repetitive and time-worn patterns. Despite this, the forum’s events, and its prioritized propaganda messages, can offer some insights into the direction of the CCP’s united front policies directed at selected individuals and groups in Taiwan—all in the name of Beijing’s ultimate goal of “reunification” on the CCP’s terms.

Propaganda Narratives at the 15th Straits Forum

The official theme for the Straits Forum over the past two years has been “[Expanding People-to-People Exchanges, Deepening Integrated Development](#)” (擴大民間交流, 深化融合發展). The Straits Forum postures itself as a venue for “people-to-people exchanges” (or “among the people exchanges”) (民間交流), and this message has been an increasing narrative theme of the CCP in recent years—even as the Chinese leadership has frozen out official government-to-government contacts with the

administration of President Tsai Ing-wen (蔡英文). In the place of official dialogue, the CCP has offered up nominal civil society “[grassroots exchanges](#)” (基層交流)—with such engagements managed by the CCP’s party-state united front system—in the categories of “youth exchanges” (青年交流), “cultural exchanges” (文化交流), and “economic exchanges” (經濟交流). The second component of the slogan, that of “integrated development,” connects to a central pillar of Taiwan policy under CCP General Secretary Xi Jinping (習近平): that closer economic development between the two sides of the Strait will pave the way for eventual “peaceful reunification.” [2]



Image: A Chinese state media photo of the auditorium hall for the 15th Straits Forum, which was convened in June in the city of Xiamen (Fujian Province). The official slogan of “Expanding People-to-People Exchanges, Deepening Integrated Development” is visible in the red banner at top right. (Image source: [Xinhua](#))

The keynote address at the Straits Forum has traditionally been delivered by the Politburo Standing Committee (PBSC, 政治局常務委員會) member who holds the chairmanship of the Chinese People’s Political Consultative Conference (CPPCC, 中國人民政治協商會議), and who therefore also bears responsibility for the party’s united front work (統一戰線工作) policy portfolio. (This was the case in last year’s forum, when outgoing CPPCC Chairman Wang Yang [汪洋] [delivered the keynote address](#).) This convention was maintained in this year’s event, in that Wang Huning (王滬寧), the PBSC member who [assumed the united front portfolio](#) at the 20th Party Congress in October 2022, was the featured speaker. In addition to comments of his own, Wang also read aloud a “letter of congratulations” (賀信) to the forum nominally written by Xi Jinping.

According to the [official state media summary](#) of Wang’s remarks, Xi’s letter added a second official slogan/theme (alongside the continued “Expanding People-to-People Exchanges, Deepening Integrated Development” theme) to the proceed-

ings. This slogan was: “Only When the Country and the Nation Are Well Can Cross-Strait Compatriots Be Well” (“國家好，民族好，兩岸同胞才會好”). Considering that the slogan is directly associated with Xi’s letter, it carries even greater authority. The exact intent behind this slogan is unclear, but it could plausibly be interpreted as conveying both paternalistic concern and an undercurrent of implied menace. [3] This makes it something of a departure from the predominantly positive narrative environment promoted at the forum, which normally focuses most of its attention on promoting the cultural commonality between people on both sides of the Strait, and the profitable business opportunities available for Taiwanese people in China.

The [text of Xi’s letter](#) indicated “Hope that the Straits Forum will expand cross-Strait people-to-people exchanges,” and that all participants should “Continue to advance cross-Strait economic and cultural exchange cooperation, deepen integrated development in various cross-Strait domains, mutually carry forward Chinese culture, [and] promote the accordance of spirit on both sides of the Strait.” The letter concluded with a call for “cross-Strait compatriots [...] to make contributions to advancing the great enterprise of unification of the motherland.”

Wang reportedly noted that “We must, according to the spirit and guidance of General Secretary Xi Jinping’s letter of congratulations, from a new starting point make the Cross-Strait Forum better and better.” The [official summary of Wang’s keynote address](#) included the following comments, all of which repeated well-established CCP boilerplate phraseology for Taiwan:

“[T]he foundation for the development of cross-Strait relations is among the people, its impetus is among the people, [and] the positive results of exchange cooperation extend to cross-Strait compatriots. We adhere to the principle that ‘both sides of the Strait are one family,’ [and] from beginning to end we respect, show concern for, and benefit Taiwan compatriots. As long as [we may] benefit compatriots love and welfare, benefit and deepen mutual understanding and identification, we all will act with diligence, feeling, and energy, and we will surely act well. We hope that cross-Strait compatriots will seize the moment, devote themselves to the great enterprise of national revival, [and] share in the great opportunities of China’s modernization. [...]

Cross-Strait relations and peaceful development uphold peace and stability in the Taiwan Strait, promote common development, [and] benefit cross-Strait compatriots, leading to the correct path of national revival. ‘Tai-

wan independence’ is as incompatible with Taiwan Strait peace as fire is with water, [we] must resolutely oppose ‘Taiwan independence’ separatist activities and interference by foreign forces. Only by persisting in the ‘92 Consensus’ [and] opposing ‘Taiwan independence’ can cross-Strait relations return to the correct track of peaceful development.”

Participation by Taiwan “Representatives” at the 15th Straits Forum

The CCP maintains a [network of Taiwan-oriented front organizations](#), whose members are regularly called upon to provide “representation” for Taiwan at an array of stage-managed public fora. One of the most prominent of these organizations is the [“Taiwan Democratic Self-Government League”](#) (TDSGL, 臺灣民主自治同盟), which enjoys official recognition in the PRC as one of the nominal [“democratic parties”](#) allowed to function as adjuncts of the CCP. [Senior members of the TDSGL had token roles at the forum](#), as publicized in PRC state media: for example, party chairwoman Su Hui (蘇輝) reportedly gave a speech at the opening ceremony for the event, and led discussions at the “Sixth Grassroots Administration Forum” (第六屆兩岸基層治理論壇), a component event of the larger forum that purported to bring together “300 grassroots representatives” from both sides to discuss issues affecting rural area tradesmen. Su was also in attendance for a meeting that Wang Huning hosted for “distinguished Taiwan guests” (台灣嘉賓代表)—primarily businesspeople, or front organization members, or both—in attendance at the conference.



Image: CCP Central Taiwan Office Director Song Tao (宋涛) (background, center right) was one of the CCP officials who met with “Taiwan representatives from various walks of life” (臺灣各界代表) during the 15th Straits Forum in Xiamen (June 18, 2023). Such orchestrated visits by CCP-controlled front groups are a key element of CCP “engagement” with Taiwan. (Image source: [China Taiwan Net](#))

This year's Straits Forum also included selected figures from the deeper "Blue" end of Taiwan's political spectrum. New Party (新黨) Chairman Wu Cheng-tian (吳成典), a [fixture of CCP propaganda efforts, was reportedly in attendance](#). A far more prominent figure present was KMT Vice-Chairman Andrew Hsia (夏立言)—who, as had been the case in each of the last two years, represented his party at the forum and delivered a speech to the assembly. According to an [official PRC state media summary](#), (not necessarily a trustworthy source), Hsia avowed that the KMT continued to support the "92 Consensus" (九二共識) and to oppose Taiwan independence, and that it continued "to advance cross-strait trade and cultural exchange cooperation, to maintain peace and stability in the Taiwan Strait, [and] to promote the propitious path of both sides returning to peace and prosperity."

Conclusions

This year's Straits Forum, as a scripted and carefully choreographed propaganda event, offered no real surprises. Instead, the event offered a predictable recitation of boilerplate CCP propaganda messages about Taiwan: bountiful economic opportunities are available for Taiwanese in China, CCP leaders are deeply concerned for the welfare of their brothers and sisters in Taiwan, people on both sides of the Taiwan Strait are eager to embrace unification, and cross-strait dialogue should be resumed on the basis of the "92 Consensus." [4] The event's function as a venue for CCP unification propaganda, and for united front cultivation efforts directed at individuals and groups in Taiwan, was very much in keeping with iterations from previous years.

The one thematic difference was Xi's—or perhaps, in light of his role as the CCP's leading ideologist, Wang Huning's—slogan of "Only When the Country and the Nation Are Well Can Cross-Strait Compatriots Be Well." Too much could easily be made of any of the CCP's ever-evolving procession of propaganda slogans, but this one does appear to convey a darker tone than the anodyne promotion of "integrated development" *et al* normally associated with the event. Alongside the escalating military coercive pressure directed against Taiwan, the CCP's rhetorical pressure is gradually escalating as well.

The main point: The Cross-Strait Forum, the CCP's largest annual united front conference for Taiwan, was convened in the city of Xiamen in mid-June. The event largely followed a predictable program of entertainment acts, business testimonials, and political speeches, but also inserted a new official propaganda slogan that asserted further pressure for unification on the PRC's

terms.

[1] For discussion of themes and events at the Straits Forum in each of the past two years, see the author's previous *Global Taiwan Brief* articles: "[The 13th Straits Forum and Beijing's United Front 'People-to-People Exchanges'](#)" (January 26, 2022); and "[The CCP's 14th Straits Forum and United Front Outreach to 'Taiwan Youth'](#)" (July 27, 2022).

[2] For a discussion of the central CCP propaganda narratives surrounding unification with Taiwan, see: "[What Is the CCP's 'Comprehensive Plan for Resolving the Taiwan Problem'?](#)"

[3] Also noteworthy was the description of this slogan as a "Great Way of Truth" (大道至理)—yet another example of the increasingly grandiloquent and imperial-sounding discourse emerging from Xi's cult of personality.

[4] For a discussion of the CCP's treatment and interpretation of the "92 Consensus," see: "[The CCP Commemorates the 30th Anniversary of the '1992 Consensus'—and Seeks to Change Its Meaning.](#)"

Taiwan's Growing Significance in European Policy Illustrated by Germany-China Diplomatic Exchanges

By: Anita Inder Singh

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Introduction

This spring and early summer, German officials have engaged in a series of high-level diplomatic meetings with their counterparts in the People's Republic of China (PRC). These visits have taken place against a background of major concerns for Germany and other European Union (EU) countries related to the PRC and Taiwan, in the realms of both trade and international security.

German officials and businessmen are particularly interested in the trade relationships with both sides. Germany's trade with Taiwan has been on the rise: in 2021, German-Taiwan trade was estimated at a record [USD \\$20.7 billion](#) (up 27.5 percent from

USD \$16.2 billion the previous year). This is dwarfed by trade between Germany and the PRC ([estimated](#) at EUR €245.4 billion [USD \$268.6 billion] in 2021), and strong economic ties with China are imperative because it is Germany's number one trading partner. However, Berlin would like to strengthen economic ties with both sides.

Cross-Strait tensions also play a role in Berlin's diplomacy. Russia's illegal assault on Ukraine has cautioned Germany and other EU countries against becoming economically dependent on an aggressive, authoritarian state. 50 percent of international trade flows through the Strait every day, 70 percent of global semiconductors are shipped through the region, and Taiwan manufactures 90 percent of the world's most advanced semiconductors. Therefore, the situation in the Taiwan Strait is of crucial importance to global trade, and a strategically vulnerable Germany and EU cannot be indifferent to China "[fanning the flames](#)" around Taiwan.

Germany's spring diplomatic efforts followed on the heels of a [state visit to China by French President Emmanuel Macron](#) in early April, in which Macron garnered headlines by seeking to distance EU countries (or at least France) from "crises that are not ours" in relation to Taiwan. (European Commission President Ursula von der Leyen, also engaged in the same trip, was not so accommodating to Beijing, and was therefore treated far more coolly by their hosts.) Macron further conveyed the impression that the United States was behind the current tension with Beijing, [stating](#) that Europeans must not become followers and "take our cue from the US agenda and a Chinese overreaction," and that Europeans did not want to be drawn into a "bloc versus bloc logic." (This last phrase echoed China's frequent talk of "[bloc confrontation](#)" in relation to international security issues.)

Such factors illustrate the challenges for Berlin and other EU governments as they attempt to navigate the challenges of cross-Strait tensions, even as they formally accept a "One-China Policy" as insisted upon by Beijing. These factors also highlight the global significance of Taiwan, in terms of both international trade and international security. A look at the German-PRC exchanges between April and June helps to bring these issues into greater focus.

The Tension Between the "One-China Policy" and a Bolder New Line

Like other EU countries and Brussels, [Germany upholds the "One-China Policy"](#)—a term subject to interpretation, but which in a European context generally means recognition of the



Image: German Foreign Minister Annalena Baerbock (left) and PRC Foreign Minister Qin Gang (right) appear together at a joint press conference following the "China-Germany Strategic Dialogue on Diplomacy and Security" in Beijing (April 14, 2023). (Image source: [Xinhua](#))

PRC as the sole legitimate government of China, while refraining from any recognition of the Republic of China (Taiwan). However, Beijing condemns even visits to Taiwan by parliamentarians or ministers, whether for economic or educational reasons, as violations of China's sovereignty. For instance, shortly before the April visit to China by Germany's Foreign Minister Annalena Baerbock, in March her colleague Education Minister Bettina Stark-Watzinger made the [first visit by a German minister to Taiwan since 1997](#). Stark-Watzinger carefully affirmed in Taipei that Germany stood by the "One-China Policy." Accordingly, she did not meet with President Tsai Ing-wen, because Berlin did not want to rock the Chinese boat—but even so, Beijing condemned her "[egregious act](#)."

In December 2021, the parties forming Chancellor Olaf Scholz's government released a [Koalitionsvertrag \("coalition agreement"\)](#) in which the government stated that: "Any change in the status quo in the Taiwan Strait must be peaceful and mutually agreed upon. Within the framework of the EU's One China policy, we support the relevant participation of democratic Taiwan in international organisations." This was the first time that Berlin referred to "democratic Taiwan," was explicit about peace in the Strait, and offered support for Taiwan's participation in international organizations.

Foreign Minister Baerbock's April Visit to China

Security Concerns Expressed Prior to the Trip

Foreign Minister Baerbock—a representative of the Green Party in Germany's current coalition government—conducted an [of-](#)

[ficial visit to China](#) from April 13 to 15. In addition to following on the heels of Macron’s trip (and his provocative comments), Baerbock’s trip also occurred in the wake of the Chinese [Joint Sword military maneuvers](#) in the vicinity of Taiwan that commenced on April 9 (the day after Macron and von der Leyen left Beijing).

Baerbock addressed these issues directly: she declared, as she left Germany, that military escalation would be a “[terrifying scenario](#),” with serious consequences for both the German and world economies. She further underlined the “common European conviction” that a unilateral change to the status quo in the Strait—and especially military escalation—would be “unacceptable.” Baerbock thus implicitly challenged statements by Macron that Europe should not get involved in disputes that would hobble the EU’s strategic autonomy. (Macron [doubled down on his comments](#) after his own trip, stating: “Being allies [with the United States] doesn’t mean being vassals.”)

Foreign Minister Baerbock also seemed to take issue with Macron’s assertion that Europe should avoid following the United States’ lead on Taiwan. She stated that Germany needs partners around the world—and that one with shared values like the United States would be “crucial when we face our own security threats,” which seemed to be an implicit but clear reference to Russia’s invasion of Ukraine. Baerbock also asserted European unity on Taiwan, stating that the strength of the EU was that “we pursue joint strategic approaches on the central issues of our interests and values.”

Significant Exchanges on Taiwan

Baerbock’s verbal sparring with China proceeded apace when she met State Councilor and Foreign Minister Qin Gang (秦刚) on April 14; and Wang Yi (王毅), Director of the Communist Party’s Central Committee Foreign Affairs Commission Office, the next day. Qin’s comments sought to dispel the growing German—and broader European—worry that China is becoming less a partner for cooperation and negotiation, and more of an economic competitor and [systemic rival](#). Qin insisted that China and Germany are “[partners, not rivals](#).”

Baerbock assured Qin of Germany’s respect for the “One-China Principle,” but expressed concern about the “current tension” across the Taiwan Strait. That only provoked Qin to [repeat Beijing’s positions](#) that Taiwan was part of China; that secessionist acts in Taiwan “are as irreconcilable with peace and stability in the Taiwan Strait as fire with water;” and that “the fundamental cause of tension across the Taiwan Strait in recent years is the ‘Taiwan independence’ forces on the island engaging in separat-

ist activities with the support and connivance of foreign forces.”

On April 15, Wang further avowed that Taiwan’s “return to China” was an essential part of the post-World War II international order. Noting China’s past support for Germany’s reunification, he said he “hopes and believes” that “Germany will also support the great cause of [the] peaceful reunification of China.” According to the official Chinese readout, Baerbock [responded](#) that Germany understood the sensitivity of the Taiwan question for China, and stayed committed to the “One-China Policy.” [1]

Reflections of Greater China Skepticism in Europe—and Increasing Concern Over Taiwan

Following her trip, Baerbock did not directly mention Taiwan in her [address to the German parliament](#) on April 19. She merely said that the problem of dealing with China as a “strategic rival” was increasing, because China is acting more offensively and aggressively externally, and “above all, more repressively internally... It was really more than shocking at times.” Such remarks seemed to align Baerbock with the skeptical comments made by European Commission President Ursula von der Leyen in her [speech to the European Parliament](#) in Strasbourg on the same day, in which she underlined the need for coordination within the EU on China and against Beijing’s “divide and conquer tactics.”

Such statements are reflective of growing skepticism among some quarters in Europe for closer engagement with China—as well as increasing concerns over Taiwan. For example, Polish Prime Minister Mateusz Morawiecki has [criticized](#) Macron’s calls for European “strategic autonomy,” stating that politicians



Image: Chinese Foreign Minister Qin Gang visiting the site of the 1945 Potsdam Conference outside of Berlin (May 10, 2023). Qin used the occasion to re-assert China’s sovereignty claims over Taiwan, and to claim that the United States was “undermining the post-war international order” through its support of “Taiwan independence separatist activities.” (Image source: [CGTN](#))

“who want the EU to be more independent are actually pushing it closer to China.” The Inter-Parliamentary Alliance on China, an international cross-party group of mostly European legislators from 29 countries working on how democratic countries approach China, similarly criticized Macron: the group [stated that](#), with Beijing carrying out military maneuvers in the South China Sea and supporting Russia’s aggression in Ukraine, this was “the worst possible moment to send a signal of indifference over Taiwan,” and that it was “severely out of step with the feeling across Europe’s legislatures and beyond.”

Baerbock herself [realizes](#) that Germany must wait and see whether China will turn out to be a partner, competitor, or systemic rival: she stated that “the direction in which the dial will shift in the future also depends on which path China chooses.”

The Chinese Diplomatic Visits to Germany

Meanwhile, as Berlin prepared in late June for talks with China’s prime minister Li Qiang (李強), it [reportedly](#) hoped to deter Beijing from escalating tensions over Taiwan. At the same time, Germany is keen to retain its strong economic ties with China. For its part, China is concerned at what it alleges are US-inspired [narratives about decoupling and “de-risking”](#), and it wants Germany and the European Union to maintain a distance from them.

Chinese Foreign Minister Qin Gang reiterated the point about the political status of Taiwan on May 10 on a trip to Germany. Visiting Potsdam, Qin highlighted the international significance of Taiwan in a way that contrasted sharply with Baerbock’s comments. Qin [wrongly claimed](#) that the Declaration of 1945 issued after the Potsdam Conference reaffirmed the provisions of the Cairo Declaration, including that “all the territories Japan had stolen from China, including Taiwan, should be restored to China.” In the same breath he called for the preservation of “the post-war international order.”

Economic issues remain important in the relationship, and were mentioned by Qin in his joint press conference with Baerbock on May 10. Such concerns also dominated the talks between Li Qiang and German Chancellor Olaf Scholz when China’s premier visited Berlin on June 20. “De-risking yes, decoupling no,” Scholz [assured](#) Li, and further promised that “We have no interest in economic decoupling from China.” (This stance is [shared](#) by Brussels, as seen in [comments by von der Leyen in March](#).) Unsurprisingly, Li hailed his talks with Scholz and German businessmen as “practical and highly effective,” and lauded their “fruitful results.” He was optimistic that they would [“take China-Germany relations to a new level.”](#)

Despite the emphasis on trade, Taiwan continued to remain a complicating factor in discussions during Qin’s trip. On June 22, German Chancellor Olaf Scholz stated in [comments to the country’s parliament](#) that he had warned the Chinese representatives against using force to obtain territorial goals: “We firmly reject all unilateral attempts to change the status quo in the East and South China Seas by force or coercion. This is especially true for Taiwan.”

Conclusions

Like the EU-wide institutions in Brussels, the German government is against “decoupling,” but wants to “de-risk” its economic ties with China by diversifying its supply chains for security reasons. Were China to further heighten tensions around Taiwan, the political rhetoric of Germany—and the rest of the EU—could move further towards decoupling. China, on the other hand, is against de-risking as much as decoupling. In Berlin, [Qin pointed to China’s ambition](#) to promote [“opportunities instead of crises, cooperation instead of confrontation, stability instead of turmoil, sureness instead of risks.”](#) Global industrial and supply chains were “the results of economic globalization and market economy, both of which are strongly advocated and promoted by European countries.” [2]

So the clarity Baerbock wants has yet to emerge, both at the wider European and the national German levels. And although Germany abides by the “One-China Policy,” differences over Taiwan are likely to endure, even as both Berlin and Beijing continue to express and navigate their differences about Taiwan.

The main point: Comments by German Foreign Minister Baerbock and other European leaders have expressed growing European concerns over China’s actions towards Taiwan, and these concerns have also been highlighted during recent diplomatic exchanges between Germany and China. The German government wishes to build economic ties with both Taiwan and China, but this has been complicated by China’s increasingly coercive behavior towards Taiwan.

[1] There is no official German readout of the conversation between Wang and Baerbock.

[2] That does raise the question of how China would react if Taiwan’s TSMC, which [manufactures half of the world’s semiconductors](#), were to open a plant in Germany. Some [diplomats hold](#) that such a significant Taiwan-Germany deal could influence Berlin’s China-centric Asia policy. Meanwhile, Taipei [advocates](#) stronger ties with the EU if Germany and Europe want continued Taiwanese investment in semiconductor production.

Assessing Taiwan's Media Landscape and PRC Influence, Part One: The Dangers of De-regulation

By: Jonah Landsman

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This is the first part of a two-part series on PRC media infiltration in Taiwan. Part one covers the sources and symptoms of Chinese media influence, while part two will delve into the innovative ways that Taiwan's civil society is fighting back.

It will likely come as no surprise that Taiwan sits on the frontline against efforts by the People's Republic of China (PRC, 中華人民共和國) to manipulate global media. In fact, both [Freedom House](#) and the Taiwan-based [Doublethink Lab](#) (台灣民主實驗室) place it at the top of their respective Beijing media influence indexes. Taiwan's [relatively unregulated media environment](#) has opened avenues for "united front work" (統一戰線工作), which quietly (and, sometimes, not-so-quietly) leverages China's economic advantages to shape coverage. The Taiwanese government, meanwhile, struggles with bureaucracy and political indecision. In its place, third-party actors have a unique opportunity to step in, regulate, and help preserve journalistic integrity.

Proliferation and Conglomeration

After decades of strict control by the ruling Kuomintang (KMT, 國民黨), [independent media in Taiwan](#) experienced an explosion in the 1990s. The number of newspapers in circulation ballooned from 31 in 1987 to over 2000 in 2006, while legislation in 1993 allowed hundreds of local, regional, and international television channels to reach audiences across Taiwan. By the early 2000s, Taiwan had become one of the most media-friendly societies in the world, boasting around 80 percent cable penetration.

But as the media industry erupted, it quickly became evident that its proliferation was largely one-dimensional. Rather than representing a diverse set of companies with different backgrounds and motivations, Taiwan's media landscape had been divided into several large blocs, which were frequently traded between conglomerates. This process accelerated in 2005, when the [KMT sold large chunks of media stock](#) in response to new government policies. Their cache included controlling stakes in the Chinese Television Company (CTV, 中國電視公司), Broadcasting Corporation of China (BCC, 中國廣播公司), *Central Daily News* (CDN, 中央日報), and Central Motion Pic-

tures Corporation (CMPC, 中央電影事業股份有線公司). Together, these comprise some of the oldest and most influential media companies in Taiwan. Instead of selling to various parties, however, the KMT transferred the vast majority of shares to the China Times Group (中國時報集團). This trend has continued through the modern day: Taiwanese media groups rarely trade small amounts of stock, but rather swap chunks of market share.

The (Sort-of) Invisible Hand

Taiwan's overall economic dependence on China has left its media vulnerable to exploitation. A survey from the mid-2000s found that over [90 percent of Taiwanese media companies did business in China](#), a figure that has likely grown—and 30 percent of the businesses that had not expanded into China expressed an expectation to do so in the near future. Further, most media enterprises are owned wholly or in part by multinational corporations with significant business interests in China. This largely aligns with broader economic trends, as China and Hong Kong combine to command [22 and 42 percent of Taiwan's import and export markets](#). This reliance has encouraged many Taiwanese media companies to engage in self-censorship, lest they damage business relations across the strait. A [2019 survey](#) of 149 journalists found that 29 percent had self-censored, while almost 50 percent reported having been ordered by a higher-up to reduce coverage of sensitive issues.

In addition to self-censorship, Taiwan's media landscape is littered with under-the-table deals that allow for direct PRC narrative control. Content produced by the Chinese Communist Party (CCP, 中國共產黨) regularly finds its way into local media through [paid advertorials, co-production deals, or content-sharing agreements](#). This content may give no indication of origin, and has generally been vetted and edited by Taiwanese journalists to appear native. The aforementioned 2019 survey found that 20 percent of respondents had worked on illegal advertising projects, while one editor reported that a Kaohsiung-based newspaper was publishing Chinese state-produced media on a daily basis.

The most acute economic vulnerability, however, comes not from the media companies themselves, but from their sibling businesses. Formosa Plastics Group (臺塑企業)—which claims to be the [largest conglomerate headquartered in Taiwan](#)—has its [own media company](#), and in 2021 saw [USD \\$11.8 billion in revenue from its companies in China](#). Meanwhile, China Network Systems (CNS, 中嘉網路), the largest cable provider in Taiwan, is [controlled by](#) Ting Hsin International Group (頂新國際集團). The largest subsidiary of Tsin Hsin is Master Kong (康師

博), which [dominates the instant noodle and beverage markets](#) in China while performing [99 percent of its business there](#). The [hugely popular TVBS](#) is [owned by Cher Wang](#) (王雪紅), whose HTC Corporation (宏達電) primarily manufactures in China and [partners with Chinese state-owned businesses](#).

These firms are cognizant of the dangers associated with any actions that may offend the Chinese government. In November 2021, they watched as the Taiwanese conglomerate Far Eastern Group (FEG, 遠東集團) received a USD \$74.4 million fine from Beijing, and its [chairman was compelled to publish an article](#) emphasizing the organization's anti-independence stance. The [fine was widely seen as retaliation](#) for FEG's contributions to the Democratic Progressive Party (DPP, 民進黨).

In all of the PRC influence-peddling across Taiwan's corporate domain, nothing is so blatant as that of Want Want Holdings (旺旺集團) and its outspoken chairman Tsai Eng-meng (蔡衍明). The former richest man in Taiwan is infamous for speeding around in his [bright red corporate jet, and declaring his excitement for the inevitable unification of Taiwan and China](#). His snack behemoth is focused on China (as Tsai has reportedly remarked, a snack company "needs mouths"), and his media empire includes *CTV*, *Chung T'ien Television* (CTiTV, 中天電視公司), and the newspaper *China Times* (中國時報).



Image: Want Want Holdings Chairman Tsai Eng-meng appearing at a May 2012 hearing held by the National Communications Commission about his acquisition bid for multiple cable television channels. Want Want has since become one of the largest media conglomerates in Taiwan, with its outlets pushing pro-PRC messaging. (Image source: [Taipei Times](#))

Upon entering the Want Want family, all three outlets took a sharp pro-CCP turn. Academic analysis found that in the five years after being acquired, *China Times*—[one of the largest](#)

[newspapers in the country](#)—[reduced its coverage of human rights issues in China by over two-thirds](#). Even when the paper speaks on controversial topics, it often takes cues from the CCP: a 2015 paper found that [100 percent of *China Times* reports on Xinjiang were based on Chinese state media](#). Editors have learned to stay quiet: one former senior editor remembers [threatening calls from an official at China's Taiwan Affairs Office](#) (TAO, 国务院台湾事务办公室), while another was [fired after allowing criticism of a Chinese official to reach publication](#). Multiple sources, including the *Financial Times*, have also reported that employees at Want Want Media [receive direct instructions from the TAO](#). While Tsai has [repeatedly raised defamation claims](#) to suppress such reporting, he has always either lost or withdrawn the suit. Perhaps most damning of all, the PRC spy-turned-defector Wang Liqiang (王立強) [named Tsai specifically](#) as a close co-conspirator in CCP attempts to sway Taiwanese mainstream opinion.

The Politics of Regulation

Government attempts to control the media's rapid consolidation have been marred by weak enforcement and partisan accusations. President Tsai Ing-wen's (蔡英文) landmark [Anti-Infiltration Act](#) (反滲透法) contains some powerful counters to foreign interference, but [only within the realm of political campaigns](#); it cannot be used to combat the broader issue. As a supplement, the DPP drafted a foreign influence transparency act that would help cover activities outside campaigns by requiring certain actors to disclose their funding sources. However, the KMT blocked this effort by parliamentary procedure, citing language within the bill that referred to "the government of Taiwan," a legally problematic phrase in a nation whose constitution defines it as the Republic of China. The bill has also been criticized as an invasion of privacy and an infringement on the free market. It remains sidelined.

[Two more Tsai Administration initiatives aimed at throttling disinformation were derailed by KMT-led public backlash](#). One would have fined internet platforms (social media, online publications) for failing to remove "harmful" content, and the other would have allowed the government to impose jail time on spreaders of disinformation. Both measures would have left the definition of disinformation to government agencies, a dynamic perceived by the opposition as a serious threat to free speech and healthy disagreement.

The National Communications Commission (NCC, 國家通訊傳播委員會) was established in 2006 as an ostensibly non-partisan regulatory body. It has had some success, most notably in

blocking Want Want's attempted acquisition of China Network Systems (CNS, 中嘉網路) on monopolistic grounds. During the COVID-19 pandemic, the NCC also shut down *CTiTV* for repeatedly broadcasting vaccine disinformation. (*CTiTV* still runs a highly successful [YouTube channel](#)).

Since its inception, however, the [NCC's effectiveness has been continuously impaired by partisan conflict in the Legislative Yuan](#). Representatives from both parties routinely criticize the organization for perceived impartiality, its every action scrutinized for potential political implications. This leaves the NCC handicapped, only able to take the most meager of steps in either direction. Take its efforts to draft a generalized anti-monopoly act, for instance. Pressure from the left necessitated the act's genesis, while protests on the right dulled its edge. The product was a proposed bill that blocked satellite TV mergers resulting in average ratings reaching 15 percent or more. Ratings for any single channel in Taiwan rarely break 12 percent, leaving many unconvinced that the bill would block any merger deals. As a result, the KMT opposed the bill's existence, while the DPP was unmotivated by its toothless nature. The proposal was left to gather dust in the Legislative Yuan.

Conclusion

Some obstacles in the fight against PRC media control are purely political. This is to be expected in a democracy as vibrant and competitive as that of Taiwan. There are, however, some legitimate issues underpinning the conflict. The proper response to monopolistic entities is a high-level question with genuine arguments on each side. Restricting the ability of individuals to control a diversified set of businesses (say, a snack company and the *China Times*) is a dangerous political line. A government definition of "harmful information" certainly has ominous undertones. All of this is to say that Taiwan's government must tread carefully, and is unlikely to make substantial progress on this issue anytime soon. Thus, the onus has increasingly fallen on the civilian sphere. In the next article in this series, we will uncover how non-governmental organizations have become the defenders of a free media in Taiwan, and what they have to teach the world.

The main point: Taiwan's economic vulnerabilities and politicization of media regulation have left it exposed to PRC infiltration. Conglomerates with major business interests in China control large proportions of the media landscape, while a combination of legitimate debate and partisan bickering has kept the government sidelined. To protect journalistic integrity, Taiwan must rely on its robust civil society.

Rethinking Taiwan's Diplomatic Relations: Beyond the Term "Diplomatic Allies"

By: Timothy Rich

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The website of Taiwan's Ministry of Foreign Affairs (MOFA, 中華民國外交部) describes the country's formal diplomatic relations as "[diplomatic allies](#)," a phrase commonly used by [scholars](#)—including [myself](#)—and the [media](#) alike. However, it is crucial to reevaluate and shift away from this misleading and potentially harmful phrasing, which fails to capture the reality of Taiwan's diplomacy. To this end, I argue for a more nuanced framing of Taiwan's international standing, one that does not depict Taiwan in such a defensive position.

Taiwan's Increasing Diplomatic Isolation

Diplomatic recognition is a unilateral act conferring acknowledgment of the other's right to exist and of legal equality within international relations. Taiwan meets all [the standard requirements](#) to be recognized as a state, yet its formal diplomatic relations will remain limited absent an unforeseen shift in China's opposition to dual recognition and its "One-China Principle." After China's entry into the United Nations (UN) and China's rise as a political and economic superpower, most holdouts still recognizing Taiwan opted to switch recognition. Since then, China has sought to isolate Taiwan's ability to engage in diplomacy, and to ultimately erode competing claims to PRC sovereignty—using its economic and political leverage to pressure other countries to sever diplomatic ties with Taiwan. Such efforts remain effective, leaving Taiwan with formal recognition now from 13 states, down from 22 just a decade prior.

Calling the countries that maintain formal diplomatic recognition with Taiwan "diplomatic allies" certainly serves a symbolic purpose in that it conveys a sense of solidarity with Taiwan, as well as mutual benefits. For example, when Nauru hosted the Pacific Islands Forum (PIF), the country refused to allow [the Chinese delegation](#) to enter on diplomatic passports as a sign of its relations with Taiwan. One may also read into the phrase a common concern about the influence of China—an issue of concern, for example, among some of the island states of the Pacific region. [1] For example, in June, Palau's President Surangel

Whipps Jr. [restated his country's commitment to Taiwan's recognition](#), linking this to China's unwelcome surveying of Palau's coasts.

More broadly, formal diplomatic recognition remains substantively important, as it confers legitimacy to Taiwan, allows for official state visits, and prevents a resolution on Taiwan's status that favors China. Yet, calling these formal diplomatic partners "diplomatic allies" oversimplifies the nature of these continued formal relationships, ignores the role of unofficial efforts, and may create unintended consequences for Taiwan.

The Meaning of Diplomatic "Allies"

First, the term "allies" typically implies a binding commitment to provide military assistance and protection, or an explicit cooperation towards a shared goal. However, countries that maintain formal relations with Taiwan do not have formal defense agreements or obligations; and even if desired, do not have the capacity to aid Taiwan's defense substantively. Seven of the thirteen states that recognize Taiwan do not have armed forces, while many rely heavily on international assistance, including from Taiwan itself. For example, the Marshall Islands and Palau [have no military](#), relying on the US for their defense—with Nauru relying solely on Australia—even as Taiwan historically outspent China in terms of per capita international aid in the Pacific.

Recognition remains a political decision in which states determine how the act meets their own national interests. Taiwan's interests gain little from inaccurately equating recognition to conventional alliances, or else implying a security commitment that does not exist and is unlikely to materialize. While nearly every formal partnership parrots the "allies" rhetoric, Taiwan's *informal* relations actually have provided some defensive commitments, such as those under the [Taiwan Relations Act](#) (TRA) with the United States.

If we take a more expansive view of "allies" as encompassing cooperation towards shared goals, here too it is unclear how this fits into current relations with Taiwan. Those countries that maintain formal relations with Taiwan have spoken out on Taiwan's behalf in international organizations in which Taiwan is not a member—and have, in various forms, stood up to China, although such efforts have not been consistent. While many of the recognizing states speak of shared democratic values or other political similarities, an explicit goal in which they all share has not emerged. In addition, I am unaware of any other situation in which countries have equated formal recognition to that of "allies." History shows plenty of examples of countries establishing formal relations while remaining adversaries—notably

the US and the USSR throughout the entirety of the Cold War—and none of these examples would reasonably be considered "allies." Worse, this linguistic decision plays into the strategy of China, by framing each "ally" poached from Taiwan as a "loss" of substantive relations and an erosion of Taiwan's sovereignty.



Image: A sign marking the "Taiwan Representative Office in Lithuania" at the time of its opening in Vilnius in November 2021. Although Taiwan and Lithuania do not have formal diplomatic relations, the opening of the office was an example of expanding unofficial diplomatic ties between Taiwan and other states. (Image source: [Taiwan News](#))

The repetition of the term "diplomatic allies" may also reinforce a narrow view of Taiwan's global presence, focusing on an area where Taiwan appears weak (as compared to China's near universal recognition), and marginalizing efforts from economic engagement to people-to-people [citizen diplomacy](#) and other creative non-official connections that set to counter China's efforts. Such informal efforts have been vital in promoting Taiwanese culture and values, and provide a wider opportunity to develop goodwill and cement views of Taiwan as distinct from China both politically and substantively. Without resorting to "[checkbox diplomacy](#)," where Taiwan would attempt to outbid China's aid efforts to maintain formal recognition in a game Taiwan cannot afford, economic cooperation demonstrates Taiwan's value as a partner—especially in contrast to concerns from aid recipients that Chinese offers lead to debt traps and political concessions. This could take the form of the expansion of free trade agreements, and aid targeted at job training and sustainable development.

By prioritizing economic cooperation and trade agreements, Taiwan can leverage its economic strength to maintain some of its formal recognition, while also enhancing informal relations

with other states to the point that Taiwan receives nearly all of the diplomatic benefits of formal recognition short of formal titles (e.g., ambassador, embassy). Taiwan maintains unofficial relations with most major countries already. Additionally, Taiwanese citizens have visa-free entry (or can apply for visa upon arrival) in [over 140 countries](#), actions that effectively blur the distinction between official and unofficial diplomatic recognition. Yet, none of these unofficial relations are labeled as “allies.” In other words, the term “diplomatic allies” fails to capture the breadth and depth of these multifaceted engagements, and risks emphasizing the one area in which Chinese efforts have already largely succeeded.

Alternatives for “Diplomatic Allies”

To more accurately depict Taiwan’s international relationships, it is essential to adopt precise terminology. I suggest several alternatives that provide a clearer understanding of Taiwan’s diplomatic standing without defaulting into the language of “allies.” First, to distinguish those countries that do maintain diplomatic recognition of Taiwan, “diplomatic partners” avoids the military connotations of an alliance. Meanwhile, the terms “strategic partners” or “bilateral partners,” acknowledge the two-way, mutually beneficial relationships that Taiwan has established based on common interests and objectives—while remaining ambiguous enough to capture defensive commitments such as the TRA, and avoiding narrow, perhaps outdated, conceptions of diplomacy. Another option, although perhaps more controversial, could be the term “sovereign relations.” This wording would place the emphasis on how these relations explicitly reaffirm Taiwan’s sovereignty claims, and the choice to not have relations with China.

The main point: The terminology we use to describe Taiwan’s diplomatic relations needs to evolve to reflect the complex realities of its international standing. The term “diplomatic allies” oversimplifies Taiwan’s relationships, misrepresents its level of economic importance and *de facto* recognition, and overlooks the multifaceted engagements available beyond traditional diplomacy. By reframing the terminology to reflect strategic partnerships, friendships, and bilateral relationships, we can foster a more accurate understanding of Taiwan’s place in the international community: one that does not treat every breaking of formal relations as an existential loss that undermines sovereignty.

[1] For more on this topic, see the *Global Taiwan Briefs* [special issue on Taiwan’s relations with Pacific island states](#), published on March 22, 2023.