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By: Jackson Lopez

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Last month, Taiwan's referendum to restart the Maanshan Nuclear Power Plant (馬鞍山核能發電廠), the last nuclear plant in Taiwan, failed. Though almost [75 percent of voters](#) supported the restart, the referendum fell more than half a million votes short of the required threshold of 25 percent of the entire electorate. The ruling Democratic Progressive Party (DPP, 民主進步黨) had backed a shutdown of the plant, in order to fulfill its [long-standing pledge](#) for a "nuclear-free homeland." Yet, after the vote, Taiwan's DPP President Lai Ching-te (賴清德) made a statement [acknowledging](#) "society's expectations for diverse energy options," and conceded that his party wouldn't rule out nuclear energy in the future.

Taiwan's political polarization is deeply reflected in its energy policy. The DPP has long advocated for an [accelerated green energy transition](#) at the expense of nuclear power, while the pro-nuclear Kuomintang (KMT, 中國國民黨) is [pushing for a slower transition](#) in order to preserve a stable energy supply. The Maanshan Plant referendum is only a microcosm of this divide, leaving Taiwan's energy policy confused and, at times, contradictory.

The outcome has been the worst of both worlds.

In advance of the referendum on the Maanshan plant, the DPP had finally eliminated Taiwan's nuclear power. Meanwhile, [budgetary opposition](#) in Taiwan's Legislative Yuan (立法院) from the KMT—which holds a legislative majority in partnership the Taiwan People's Party (TPP, 台灣民眾黨)—constrains aggressive renewables promotion. Major initiatives, including Taiwan's ambitious artificial intelligence (AI) agenda, will require a significantly greater power supply for industry (which already [consumes more than half](#) of Taiwan's total electricity; the OECD average is [32 percent](#)). Beyond the power generation facilities themselves, Taiwan will require fuel for energy-guzzling AI data centers, providing the necessary computational power to harness AI in new areas such as [robotics](#).

In just a few years, AI is expected to rapidly accelerate Taiwan's energy demand. As a result, any vulnerabilities in Taiwanese energy security will likely be multiplied in scope and

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depth. For Taipei, the stakes of developing a resilient energy mix could not be higher.

What's next for Taiwanese energy security after the failed referendum on restarting the Maanshan Nuclear Power Plant? This article will identify the major vulnerabilities currently threatening Taiwan's energy mix, while breaking down Taiwan's power generation among renewables, liquefied natural gas, and coal.

Institutionally Troubled: Taiwan's Uneven Renewable Deployment

Deploying renewable power has been at the top of Taipei's agenda for years. Taiwan [has spent billions](#) developing offshore wind and solar energy. The result has been lackluster. The waters off Taiwan's west coast have remarkably high [potential for wind power](#)—an advantage that has attracted substantial domestic and foreign investment. Implementation, however, has been more sluggish than expected.

Construction and procurement problems have led to severe cost overruns, and installation has [stalled due to permitting issues](#). Attempts to allocate capital are facing a byzantine legal and bureaucratic system that appears incapable of providing new capacity at the pace needed for Taiwan to meet its green energy goals. The government's original 2025 target of 5.7 gigawatts in installed offshore capacity [has been pushed](#) to 2026 due to the unexpectedly slow progress. By late 2024, [Taiwan had installed](#) only 2.8 GW in offshore wind.

Solar looks more promising—but only marginally so. Rooftop panels have proven the most successful, though installation [has slowed](#) due to high upfront costs and inconsistent grid integration. Last December, Taiwan's Legislative Yuan [introduced subsidies](#) offering select households NTD 300,000 (USD 9,257) per installation. Yet widespread adoption still remains far off.

Large-scale solar projects are plagued with similar grid integration issues, but are mainly [constrained by Taiwan's high land costs](#). Worse yet, the country's high energy sourcing costs deflate demand for green power, hurting the long-term viability of investment in solar. This is largely due to Taiwan's "feed-in tariff," a government subsidy to buy locally-made green energy at a baseline premium. While guaranteeing returns for energy producers, the subsidy [raises costs for consumers](#) and artificially reduces uptake from otherwise interested buyers, especially small and medium enterprises (SMEs).

Additionally, Taiwan's electricity market is managed by

Taipower (台電), a state-owned enterprise [often criticized](#) for poor grid reliability and sourcing energy at inflated rates.

Due to these factors, growth in solar has been sluggish for years, missing 2020 and 2025 targets by [0.7](#) and [7.5 GW](#), respectively. Taipei has effective policy options for expediting renewable implementation, including [accelerated permitting](#), [revising the feed-in tariff](#), and investing in modernized grid integration. All these options, however, face strong political opposition in the Legislative Yuan, Taiwan's bureaucracy, and [civil and environmental advocacy groups](#).

Taiwan's difficulties with renewable energy are far from unsolvable. But solutions will take more time than Taipei is willing to admit. Even without the impending AI-driven increase in power consumption, the government's plan to achieve [40 percent renewable electricity](#) by 2030 seems unrealistic.



Image: File photo of wind turbines at the Shih-Men Wind Power Plant (石門風力發電站) in northern Taiwan. (Image source: [Wikimedia Commons](#))

Great Rewards and Greater Risks: Taiwan's Growing Adoption of Natural Gas

The greatest risk to Taiwan's energy security lies in a rare point of political consensus. Both the DPP and KMT [support the phaseout](#) of coal in favor of cleaner and more efficient liquefied natural gas (LNG). To accommodate increases in demand, the government is now [rapidly expanding](#) LNG import capacity and a [new fleet](#) of gas-fired power plants.

At the government's behest, Taipower is managing an unprecedented LNG buildup. It is now developing Taiwan's third [import terminal in Taichung](#) and [two new gas-fired power plants](#). LNG is intended to provide half of Taiwan's total energy by 2030, though the proportion could increase much faster depending on the pace

of industrial growth. The island currently depends on LNG for roughly [42 percent](#) of its electricity. Compared to other energy sources, LNG is both easier and cheaper to deploy. The major supply bottleneck, terminal import capacity, is rapidly abating, ushering in LNG dominance as an affordable, efficient driver for Taiwan's industrial growth.

But there's a catch. LNG has a limited shelf life. When stored, LNG begins to "boil off," meaning [liquid fuel evaporates into gas](#) that builds potentially hazardous pressure in storage tanks. This makes storing LNG exceedingly difficult and expensive, and, using current technology, near-impossible to stockpile adequately. In fact, Taiwan's current LNG stockpiles would [only last for 11 days of normal use](#) under a blockade. Despite producing the largest share of Taiwan's power consumption, LNG reserves would only last about a quarter of the time as Taiwan's stockpiled coal.

This makes LNG a grave liability in the event of a Chinese blockade—almost half of Taiwan's energy infrastructure relies on stockpiled gas that couldn't provide power past a few weeks. While research into more efficient storage and larger government holdings is estimated to increase the duration of stockpiles, [initial extensions](#) won't add more than a few extra days. Taiwan is also largely dependent on Qatar for LNG imports, which ships energy through a series of [international chokepoints and hotspots](#), including the Strait of Hormuz, the Strait of Malacca, and the South China Sea. As a resource-poor country forced to import fuel, Taiwan is faced with inherent vulnerabilities.

Despite these growing security risks, Taipei's political consensus is that LNG is [conducive to economic growth](#) and can efficiently replace coal (an energy source that is widely [unpopular](#) throughout Taiwan). Security considerations aside, this makes sense. LNG capacity is easier to expand than renewables, cleaner than coal, and more popular than nuclear. It would be the best option if Taiwan were in a more secure position. Unfortunately, Taiwan confronts the risk of imminent blockade by China. As such, it must view LNG with measured scrutiny.

A Necessary Evil: Taiwan's Rejection of Coal Amid Energy Insecurity

In Taiwan, coal is the [hugely unpopular](#) backbone of the energy mix. It is simultaneously the pre-existing [cornerstone](#) of Taiwanese energy security, while also being the island's [least efficient](#), [dirtiest](#), and [deadliest](#) source of energy. In fact, the KMT and DPP both agree that eliminating coal is an imminent national priority—

the two only differ on the timeframe.

Unlike liquid fuels, coal is [primarily imported](#) from Indonesia and Australia, which means comparatively limited reliance on international chokepoints. Coal is also far easier to preserve: [current coal stockpiles](#) would last more than 40 days of normal use. During a crisis like a blockade, austere usage could stretch that limit far longer. Additionally, coal is used as a fallback for failed projects and other closures. For example, after the initial phase-out of nuclear power earlier this year, [coal plants increased production](#) to compensate for the lost supply. This measure ignited intense opposition from local communities and activists. Nonetheless, Taiwan has found it more straightforward to increase the supply of coal energy, as the power source doesn't rely on major physical infrastructure such as wind farms or specialized LNG import facilities.

This gives coal power operators the necessary flexibility to adjust production levels based on the performance of Taiwan's other energy resources. Yet, just as Taiwan recently became nuclear-free, the government plans to eliminate one of its [largest coal plants by 2034](#). The government plans to replace this lost power with renewable production and hard-to-stockpile LNG. Whether Taiwan's renewables market will have matured by then—or the risk of blockade will have weakened—remains to be seen.

Is Energy Security Possible for Taiwan?

The future of Taiwan's energy security is rife with risk. By cutting off nuclear power amid lagging renewables deployment and the phaseout of coal, Taiwan is hurtling toward heavy reliance on LNG. Massive [spikes in energy demand](#) due to AI and [associated expansions](#) in advanced chip manufacturing are set to accelerate this trend. Energy security concerns may preserve coal in the short-term, but Taiwan's massive investments in LNG terminals signal a long-term shift toward gas.

However, without home-grown alternatives, Taiwan is highly vulnerable to both a blockade and grey-zone aggression by China. Beijing likely knows it only needs to wait a few weeks to starve Taiwan's power supply. In the short term, it may become emboldened by its substantial leverage to commit to greater economic coercion against Taiwan by limiting its access to energy. One worrying scenario is that China [could inflate](#) LNG prices on the open-spot market, straining supply for the island.

Meanwhile, it is unclear what the United States—Taiwan's [third-largest LNG supplier](#)—will do to defend an important customer. Perhaps President Donald

Trump's [persistent interest in selling American gas](#) will guarantee Taiwan's energy security. Yet, this may be a gamble Taiwan doesn't have to take. Even if Taiwan's current nuclear infrastructure is dead, President Lai can still make hard decisions to enhance Taiwan's energy security. Though coal remains highly unpopular, Taiwan may have no choice except to preserve its coal-fired plants, which could occur alongside sizeable investments in renewables.

Energy security and clean energy aren't necessarily in opposition. Taiwan must liberalize its energy sector, particularly for renewables, so that the industry can mature and establish itself as a competitive player in the island's energy market. Though LNG will be necessary for Taiwan's continued competitiveness in high-tech manufacturing, it must not dominate Taiwan's energy generation at the expense of other fuels. At its current rate of expansion, the short-term economic gains of LNG power might be outweighed by the long-term loss of security.

If Taiwan is willing to be pragmatic, energy security is possible. Back in 1985, [nuclear power provided](#) 52 percent of Taiwan's energy. While navigating valid [security concerns](#), Taipei must strive to preserve its nuclear sector and retain coal power capacity, at least until renewables production matures.

As partisan warfare escalates in Taipei, the government might be tempted to fall back on easy, politically uncontroversial energy sources. But to secure Taiwanese power for the next generation, the government must make painful choices in the present.

The main point: Despite investments in renewables, Taiwan is becoming increasingly reliant on liquefied natural gas (LNG) for its energy needs—resulting in extreme vulnerability to a PRC maritime blockade. To ensure resilience, Taiwan should prioritize a diverse energy mix, even if it includes less popular energy sources such as coal and nuclear power.

What Sahel Countries Can Learn from Taiwan's Security Strategy

By: Francis Annagu

Francis Annagu is a journalist and researcher. He was formerly a fellow of the Tiger Eye Foundation and Code for Africa, and was a grantee of the Pulitzer Center and the Africa-China Reporting Project. He is currently a Dataphyte Fellow.

Violence in the Sahel Region—a semi-arid geographic region in northern-central Africa, extending from Senegal in the west to Eritrea in the east—has escalated, as manifested by some of the world's deadliest insurgencies. The conflict is ruthless. Between 2024 and 2025, jihadist groups such as Jama'at Nusrat al-Islam wal Muslimin (JNIM), Islamic State in the Greater Sahara (ISGS), and other militias affiliated in ideology have [capitalized on weak state](#) control, porous borders, and the overstretched armies of the Sahel countries to terrorize civilian populations. As this is going on, many Sahel states have turned to local militias or civilian auxiliaries to supplement their [overstretched security forces](#), as national armies are unable to protect rural and hard-to-reach communities.

By contrast, Taiwan is confronting a conventional and [existential military threat](#) from China, rather than the kind of insurgency ravaging Sahelian countries. Yet, Taiwan has increasingly been emphasizing a [whole-of-society defense](#) model that places civilian protection, resilience, and civic participation at the heart of its national security. Under Taiwan's approach, compelling lessons can be learned by the Sahel states. These include how Sahel states can normalize civilian preparedness, localize supply resilience, employ early-warning technologies, and embed civilian protection into their national security doctrine. Moreover, Sahel states should look to Taiwan for examples as to how the state can rebuild trust between the security forces and society.

As a matter of urgent security recalibration, this article argues that while direct emulation is impossible given differing geographies, political contexts, and threat types, the principles underlying Taiwan's security model are transferable. Indeed, this may allow Sahel states to avoid defaulting to the practice of relying on local militias.

Civilian Preparedness versus Reliance on Militias

It is important to highlight that Taiwan's civil defense system is grounded in structures that are legally-binding (such as the [Civil Defense Act](#) of 2021), rather than impromptu paramilitary forces. In September 2025, Taiwan released an updated civil defense handbook that clearly expands its wartime scenario planning, with detailed guidance on self-protection, threat typologies, and [preparedness measures for its civilian population](#). In this context, the Taiwan All-Out Defense Mobilization Agency (ADMA, 全民防衛動員署) organizes mobilization initiatives across administrative and military operational areas, integrating civilian groups and reservists with official government coordination. Meanwhile, Taiwan's "whole-of-society resilience" (

全社會整體韌性) [initiative](#) further normalizes participation among its civil society, local governments, and businesses in [national resilience](#).



Image: Islamist insurgents in northern Mali (July 2012). (Image source: [Wikimedia Commons](#))

In the Sahel, by contrast, states have suddenly turned to militias to make up for security deficiencies. But this approach carries high risks. For example, Burkina Faso's [Volunteers for the Defense of the Homeland \(VDP\)](#), expanded by the 2022 junta, now count in the tens of thousands of able-bodied men. Up to this point, these groups have been implicated in abuses, reprisal killings, and the fueling of communal and religious tensions. For example, at least 130 Fulani civilians were reportedly killed by VDP and military personnel in the [Solenzo massacre](#) of March 2025. In the Sahel Region, militia expansion often tragically bypasses government safeguards and deepens cycles of fear, political differences, and impunity.

Rather than relying on militias like the [VDP](#) and others to fill gaps in the security situation, Sahel countries should seek to institutionalize civil defense under legal frameworks, training, and oversight, akin to Taiwan. Under such a process, Sahel states should also pilot small-scale programs in safer areas, before integrating them with local administrators and gradually expanding them under strict human-rights oversight and accountability mechanisms.

Building Resilience

A central pillar of Taiwan's approach is making sure that the civilian population can survive a blockade or conflict through distributed and redundant supply systems. Such a civil defense framework mandates [stockpiles of essential goods](#)—such as a [three-month buffer](#)

of staple grains—and the dispersal of reserves across the territory to reduce single points of failure. Taiwan's doctrine views [civilian resilience as a deterrent](#): if an aggressor cannot collapse society quickly, the cost of conquest rises.

In the Sahel region, [supply chains are chronically vulnerable](#). Jihadist groups regularly intercept or block humanitarian convoys, enforce sieges, and loot food stocks in contested zones. The UN's Central Sahel report notes that insurgents have [blocked humanitarian access](#) in besieged areas, contributing to localized famines and mass displacement. Meanwhile, the [collapse or withdrawal of international military or development operations](#) has further reduced logistics output in areas where conflicts hit the hardest.

To build the kind of resilience Taiwan has established over recent years, Sahel countries must localize and diversify supply systems that are currently insufficient. This involves positioning small-scale storage depots closer to vulnerable communities, decentralizing food processing or distribution networks, investing in rural road maintenance, and defining "safe corridors" in contested environments. Mechanisms such as negotiated, monitored humanitarian corridors backed by neutral parties or community consensus can allow essential goods to flow even during conflict situations. Meanwhile, NGOs and international partners with interest in the region should help with logistics design and security protocols that reduce exposure to jihadist attacks.

Leveraging Modern Technology

Taiwan takes advantage of the [modern communication and sensor systems](#) at its disposal to deliver real-time alerts and situational awareness to its civilians. Its [Public Warning System](#) (災防告警細胞廣播訊息系統) can broadcast through mobile networks, while smartphone apps integrate alerts for air raids, missile threats, typhoons, and other crises that could put people in danger. Taiwan also integrates [civilian-military communication networks](#) to share threat data and instructions with local governments and districts.

In the [Sahel region](#), mobile phone penetration is uneven but growing. SMS alert systems are [already in use](#) for systems like weather warnings, crop advisories, and health campaigns. To adapt these for security early warnings, states and NGOs could deploy very simple and resilient architectures such as those using SMS or [USSD](#) to alert registered local groups. Other options include low-cost radio networks and the community-run ["watch stations"](#) that feed alerts into regional nodes.

Under such a system, satellite-based messaging might also provide backstop connectivity in remote areas. For that reason, geospatial data and open-source intelligence can allow preemptive warnings when militant activity intensifies. Over time, machine learning may assist in detecting any anomaly patterns in movement or communications. And for communities to play their part, there must be trust that each time warnings appear, they are based on sound judgement and are actionable.



Image: Volunteers with the Taiwan civil defense NGO Kuma Academy conduct first aid training (January 2024). (Image source: [Wikimedia Commons](#))

Prioritizing Civilian Protection

In Taiwan's doctrine, civilian protection is not an afterthought but woven into the [Overall Defense Concept \(ODC, 整體防禦概念\)](#). The ODC organizes defense around asymmetric, mobile, denial-based warfare, and recognizes that protecting infrastructure, communities, and societal continuity is part of how deterrent value is generated. The [concept emphasizes](#) force preservation, dispersal, and denial of territory—rather than high-visibility, centralized “control” operations.

By contrast, in the Sahel, many state-directed [military operations prioritize](#) territorial gains, insurgent disruption, and kinetic engagements. Due to that, [civilian harm](#) often becomes a common collateral effect, and therefore undermines the long-term legitimacy of the state. For example, the European Institute for Security Studies brief titled “[Security Provision and the Protection of Civilians in the Sahel](#)” states that violence against civilians is perpetrated by all parties—the state, insurgents, and self-defense groups alike—and that only a shift to civilian protection could restore state legitimacy. Given these developments, Human Rights Watch and UN investigations have documented repeated abuses by security forces, especially in [Mali](#) and [Burkina Faso](#).

For militaries in the Sahel, civilian protection requires a

rebalance of doctrine, calling for a revision to the rules of engagement, the adoption of strict accountability protocols, the integration of civilian affairs officers into operations, and the designation of medical, educational, and shelter sites as “no-strike” places. Military operations must be judged beyond their success in capturing territory, they should also factor in civilian safety results.

Rebuilding Trust

Accordingly, Taiwan's [resilience strategy](#) has depended on public buy-in and trust. In 2024, Taiwan's President Lai Ching-te (賴清德) inaugurated the [Whole-of-Society Defense Resilience Committee](#) (全社會防衛韌性委員會), thereby formalizing the bridge between the government, NGOs, academia, and the private sector in its defense resilience planning. In March 2025, Taiwan [held](#) a multi-domain civilian defense drill in Tainan, involving 1,500 participants aiming to test capacity to evacuate at-risk populations, offer emergency medicine, and coordinate communications.

In the Sahel, unfortunately, trust between government security forces and communities is deeply fractured. Coup cycles, abuses, neglect of rural areas, and a lack of accountability have rendered communities fearful and sometimes hostile to each other. In fact, [Afrobarometer surveys](#) often show that citizens have low confidence in security institutions across Mali, Burkina Faso, and Niger. If nothing is changed, the use of militias without legal oversight will continue to undermine state legitimacy.

Rebuilding trust must start small. For example, joint security-community dialogues, civilian oversight boards, localized “security liaison officers,” and the inclusion of local leaders/elders in planning could mitigate distrust. Security forces should prioritize communication, rapid responses to complaints, and visible accountability for abuses.

Conclusion and Recommendations

Having critically looked at insecurity in the Sahel, I have concluded that Taiwan's whole-of-society defense model offers a different paradigm for how Sahel states can think about their security—not just through firepower, but through resilience, participation, and civilian protection. While the region's challenges differ in scale, context, geography, and threat type, some core recommendations remain important:

1. Develop civilian preparedness, which is preferable to outsourcing to militias.
2. Maintain supply chains that are locally relevant

and secure humanitarian routes to protect civilians during conflict times.

3. Deploy available early-warning systems to give communities time to act.
4. Ensure that the protection of civilians is more than just best practice, but instead is incorporated into doctrine.
5. Position trust and accountability as central to the legitimacy of state security.

For the Sahel to adopt a Taiwanese-like security model, it will require strong political will, donor support, cultural customization, and sustained commitment. In an environment where civilian security is already at rock bottom in the Sahel, recalibrating security around civilian protection is ethically necessary. Indeed, it may be the only way to break the unsparing cycles of violence and restore state legitimacy.

The main point: Taiwan has offered a model for civil resilience in Sahel states, where conflict is widespread and civilians are frequently the targets of violence. Sahel states that are interested in protecting civilians, especially in rural areas, must emulate Taipei's trust-building approach that emphasizes community buy-in, through measures such as Taiwan's Whole-of-Society Defense Resilience Committee and the *Civil Defense Act*.

From Ukraine to Taiwan: How Would Switzerland Respond to a Potential Taiwan War?

By: Davide Campagnola

Davide Campagnola is a political researcher specializing in international security, East Asian geopolitics, and civil-military relations. He has authored peer-reviewed academic publications and contributes regular analysis to Taiwan News. His writing has also appeared in global outlets such as the Lowy Institute and the Toda Peace Institute.

In February 2022, Switzerland took a decision that grabbed global attention. A few days after Russia's full-scale invasion of Ukraine, the Federal Council—Switzerland's executive body—announced that it would adhere to the European Union's sanctions regime on Russia. While some observers have [described](#) the move as an historical departure from Switzerland's traditional foreign policy, it was in fact the latest example of how Bern has adapted its neutrality since the end of the Cold War. Switzerland has, for example, joined [previous sanctions regimes](#) and [participated](#) in NATO's

Partnership for Peace. Furthermore, Switzerland [joined the United Nations](#) in 2002, which further signaled a willingness to combine the concept of neutrality with more active engagement in the international system.

Switzerland's decision regarding sanctions on Russia was nonetheless remarkable due to the speed at which it came. Moreover, it was extraordinary in that it aligned Switzerland with the EU on a high-stakes security crisis, and had major economic implications. Switzerland's decision also sets a precedent that could soon face a more complex test—a conflict over Taiwan.

The Asia-Pacific region is a geopolitical hotspot, with the Taiwan Strait context particularly worrying: an increasingly assertive China insists on pursuing unification, while most Taiwanese reject this and embrace a [distinct identity](#). With both peaceful unification and independence unachievable in the near term, the status quo is growing [increasingly unstable](#) and could potentially unwind into armed conflict. From Beijing's perspective, time is not on its side. As Taiwanese identity [grows stronger](#), achieving peaceful unification becomes less likely. The Chinese Communist Party (CCP, 中國共產黨) [fears](#) that further delay could lead to permanent separation.

A Taiwan contingency could unfold quickly—potentially by [2027](#), as some US officials have warned. While China [may aim](#) to be ready for military action by then, readiness does not guarantee intent. Still, rising tensions in the Taiwan Strait demand serious international attention, including from Switzerland. The key question is: In the event of an Asia-Pacific crisis involving Taiwan, would Switzerland respond as it did after Russia's full-scale invasion of Ukraine?

Switzerland's Growing Stake in the Asia-Pacific

Switzerland was one of the first Western countries to recognize the People's Republic of China (PRC) ([doing so](#) in 1950). Since 2010, Beijing has been Switzerland's [biggest trading partner in Asia](#) and its third-largest globally (after the EU and the United States). The PRC plays a critical role in the Swiss economy because of its profound ties with several major Swiss companies. According to the Embassy of Switzerland in the PRC, China [ranks](#) among the top three priority investment markets for numerous Swiss firms. Many key sectors of the Swiss economy—most notably electronics, chemicals, and pharmaceuticals—specifically [rely](#) on critical inputs from China. As a consequence, stable and strategic economic relations with Beijing are an essential necessity for Switzerland's continuous prosperity. Recently, in September 2024, Bern and Beijing [began](#) ne-

gotiations to upgrade their Free Trade Agreement, underscoring the intensity of their economic relationship.

Switzerland's economic interaction with the PRC far exceeds the scale of its pre-2022 trade with Russia (see *Figure 1, below*), making the stakes of a confrontation with China considerably higher. While Swiss companies are heavily invested in the Chinese market, their historic economic engagement with Russia has been comparatively modest.

Figure 1: Swiss Trade with China and Russia (1992-2024)

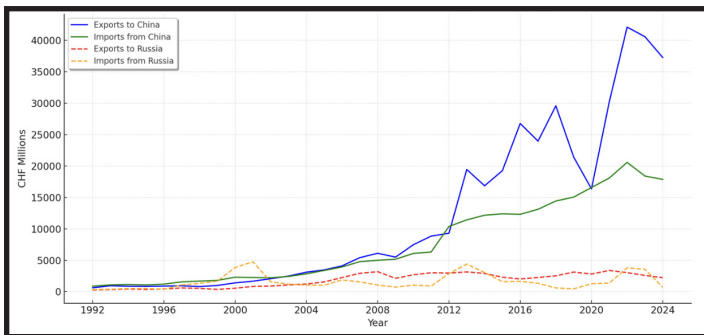


Image: Switzerland trade with China and Russia in millions of CHF between 1992 and 2024. (Data Source: [Federal Statistical Office](#))

Taiwan was ranked as Switzerland's fifth-largest export destination in Asia and its 24th-largest worldwide in 2024 (see *Figure 2, below*). While Taiwan is a significantly smaller market for Switzerland, it plays a critical role in the global semiconductor supply chain. Indeed, Taiwan's semiconductor industry is an indispensable supplier for an enormous range of advanced civilian and military technology companies: Taipei [recorded](#) a market share of 68 percent in the global semiconductor foundry market in 2024. Any disruption to this supply would have serious consequences for Swiss industry, particularly in high-tech manufacturing.

This enormous scale of Swiss trade with China, particularly in relation to trade with Taiwan (and indeed Russia), raises critical questions about how far Bern would be willing to go in aligning with Western sanctions in the event of a Taiwan contingency. Unlike in the case of Russia, where the Swiss alignment with EU sanctions concerned a comparatively limited share of its trade, any confrontation involving China would force a far more delicate balancing act between geopolitical values and economic interests. Bern's economic stakes with Beijing are gigantic in comparison to those with Moscow. In light of this economic context, decoupling from China would be unsustainable for the Swiss Confederation.

Figure 2: Swiss Exports to Taiwan (1990-2024)

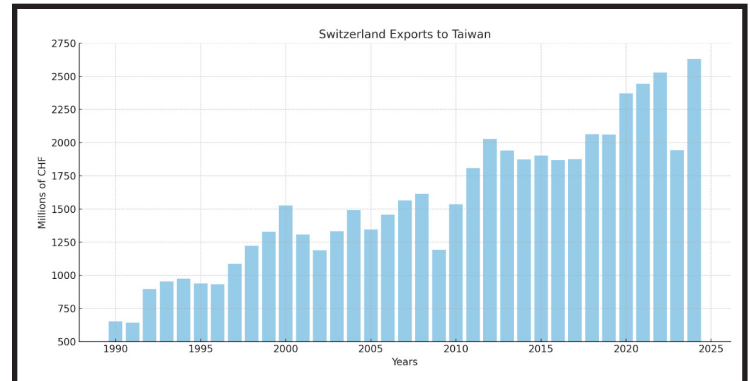


Image: Switzerland exports to Taiwan in millions of CHF between 1990 and 2024. (Data Source: [Federal Statistical Office](#))

This tension is already present in Switzerland's human rights policy. In order to avoid threatening its relations with Beijing, Bern [declined](#) to join the EU's sanctions against China over its alleged abuses against the Uyghurs. This pragmatic and situational approach [risks](#) creating the perception that economic interests are more important than the [human rights and democratic](#) values enshrined in the Switzerland's constitution—a perception that may seriously damage the country's credibility if Bern takes the same course in a Taiwan crisis.

Although Switzerland [views](#) itself as a neutral bridge between competing powers, a conflict in the Taiwan Strait would place it in a delicate position where preserving good relations with both major powers, the United States and China, might prove impossible.

Political and Diplomatic Pressures

Beyond China and Taiwan, the broader Asia-Pacific is a [critical trade destination](#) for Switzerland, and profound disruptions in the region would deeply affect the Swiss economy. Countries such as Japan, South Korea, and Australia [have emerged](#) as highly important economic and strategic allies. With Japan and South Korea [ranking](#) among Switzerland's top ten trading partners in Asia, and Australia representing a like-minded democracy with shared values on international governance, Bern's regional assessments cannot revolve around Beijing alone. Deepening its ties across the region not only diversifies Switzerland's economic portfolio, but also increases its stakes in peace and in the stability of the Asia-Pacific region.

A conflict over Taiwan would have regional and global repercussions. It could draw in other countries, including Japan due to its proximity along the first island

chain, as well as the United States, and to varying degrees partners such as Australia and South Korea. If several of these actors were directly or indirectly involved, Switzerland would face diplomatic pressure to align with their responses that could surpass even what the country experienced during the Ukraine crisis. Washington [has sought](#) clarity from its allies on where they would position themselves in the event of a Taiwan contingency. Meanwhile US, Japanese, and Australian forces [have intensified](#) joint military exercises in response to Beijing's growing assertiveness in the region. In this context, Swiss neutrality may become an increasingly unstable policy position.

According to the *Bloomberg Economics*, the estimated cost of a war in Taiwan [would reach](#) around USD 10 trillion—approximately 10 percent of global GDP in 2024—strongly surpassing the economic impact of the war in Ukraine or the COVID-19 pandemic. Any disruptions to shipping routes through the South China Sea and East Asian supply chains would directly affect the Swiss economy.

As mentioned previously, Switzerland maintains deep economic relations not only with China, but also with the United States and the European Union. In the event of a Taiwan contingency, the EU's response will be particularly decisive. European states [increasingly view](#) the challenges taking place in the Indo-Pacific as interconnected with the ones on the continent. Switzerland, situated at the heart of Europe, cannot afford to face political isolation from its neighbors and would almost certainly be pressured by both Brussels and Washington to align with their own stances. Following Russia's invasion of Ukraine in 2022, Bern [initially hesitated](#) to freeze Russian assets and faced strong criticism from the international community. It ultimately joined EU sanctions—a precedent that would make later non-alignment in the face of military aggression against a democracy like Taiwan difficult to justify.

Could Switzerland position itself as a mediator, drawing on its tradition of [good offices](#)? Or would it choose silence to safeguard its economic interests? Whatever the choice, a crisis in the Taiwan Strait would almost certainly become one of the most serious tests of Swiss neutrality in recent history.

The Asia-Pacific: A New Test for Swiss Neutrality and Credibility

In 2020, the Federal Council [affirmed](#) that Switzerland's neutrality is not immutable. Because the Confederation [strictly adheres](#) to the "One-China Policy"

and therefore does not recognize Taiwan as a state, a conflict in the Taiwan Strait would raise difficult legal questions. Under Switzerland's [law of neutrality](#), the country is restricted from transferring arms to conflicts between *de jure* internationally-recognized states. This ambiguity means that Switzerland will need to decide whether, and how, its neutrality law can be applied in a scenario where Taiwan's statehood is not formally recognized. Alongside this legal dimension, Switzerland's policy of neutrality is a [broader concept](#) whose implementation is determined according to the current international context. This flexibility gives Bern additional room to maneuver, but also carries political risks. Indeed, avoiding sanctions or restrictive actions may be perceived domestically and internationally as the prioritization of economic gain over the defense of international norms.

At the same time, Switzerland identified the global erosion of democracy as of its top foreign policy priorities in its [Foreign Policy Strategy 2024–2027](#). In keeping with this document, the Swiss government has emphasized that promoting democratic values and fundamental freedoms is a strategic national interest. This commitment could face a serious test in the Asia-Pacific region. In fact, Switzerland [has recognized](#) the Asia-Pacific's rising strategic importance and the need to deepen engagement and diversify partnerships in this complex and dynamic region. In today's context, neutrality cannot simply mean maintaining an equivalent distance between aggressors and victims. A Taiwan contingency would therefore reveal whether Switzerland's neutrality is truly principled or ultimately pragmatic.

Preparing for a Plausible Crisis

For Switzerland, preparation for a Taiwan contingency involves clarifying how neutrality applies to conflicts involving non-recognized states and assessing the economic risks of measures against a major trading partner. Acting now would improve the speed and coherence of any future decision.

Switzerland needs a foreign policy that anticipates—not reacts to—future shocks. In this regard, the country's [China Strategy 2021-2024](#) and [Asia G20 Strategy 2025-2028](#) underscore not only the Asia-Pacific's importance to Switzerland's prosperity, but also Bern's recognition of the region's increasingly tense and complex strategic environment. A critical gap in this regard is the country's [limited academic expertise](#) on Asia, which risks leaving decision-makers without the depth of regional understanding needed in a fast-moving cri-

sis.

The Swiss response to a Taiwan war would depend on several aspects of the conflict: the scale of Chinese action, the unity of international response, and the EU's position. If Brussels coordinated closely with Washington on a sanctions regime, the political cost of staying out would rise sharply. The Ukraine experience suggests that, under sufficient pressure, Switzerland is prepared to adapt neutrality to align with partners—but the economic and diplomatic weight of China makes this a more delicate calculation.

A partial alignment model could be strong enough to signal disapproval, but still be calibrated to limit damage to economic interests. Whether such a middle course would satisfy partners, or preserve Switzerland's image as a principled actor, is another question. The war in Ukraine showed that Bern can adapt—but in a Taiwan contingency, the decisions would be harder and the costs higher. Switzerland can no longer count on keeping its economy detached from international geopolitical realities.

The main point: By forcing Bern to choose between its deep economic ties with China and its alignment with Western partners on democratic values and sanctions, a Taiwan conflict would pose a far greater challenge to Switzerland's neutrality than the Ukraine war.

Despite Pressure from Beijing, Guatemala Benefits from Maintaining Relations with Taiwan

By: Henry Large

Henry Large is a doctoral candidate in Latin American Studies at the University of Oxford.

Guatemala is one of 12 countries that still maintain formal diplomatic relations with Taiwan. Since the founding of the People's Republic of China (PRC), the Republic of China (Taiwan) has constantly faced proactive PRC efforts to pick off its remaining diplomatic allies. Nevertheless, Taiwan has preserved diplomatic relations with Guatemala and others by remaining a committed, loyal, and proactive partner, and by supporting the political and developmental needs of its allies. These countries, in turn, [support the island](#) by showing the world that Taiwan is a sovereign, autonomous, and legitimate state, and lobbying for its participation in multilateral institutions.

Despite [growing pressure](#) from the PRC—as well as the example of [multiple neighbors](#) in Latin America switching recognition to the PRC in recent years—Guatemala's president Bernardo Arévalo has perpetuated deep diplomatic engagement with Taiwan. In doing so, Arévalo has obtained crucial economic assistance from Taiwan and improved relations with Washington, which is [stepping up](#) efforts to promote Taiwan's diplomatic standing globally.

A Critical Ally Amid Rising PRC Aggression

Guatemala represents a critical ally for Taiwan in Central America, a region in which Beijing has made major [political, economic, and diplomatic inroads](#). Despite Mexico and most of South America [severing ties with Taiwan](#) and establishing ties with China in the 1970s and 1980s, all Central American countries maintained diplomatic relations with Taiwan at the turn of the 21st century. In 2007, however, Costa Rica [was the first](#) to switch its recognition; and after an 8-year [“diplomatic truce”](#) between Beijing and President Ma Ying-jeou (馬英九) of Taiwan's Kuomintang Party, [Panama](#) did the same in 2017. [El Salvador](#) followed suit in 2018, [Nicaragua](#) in 2021, and [Honduras](#) in 2023. Today, Guatemala and Belize are Taiwan's only two remaining Central American [allies](#).

For decades, Beijing has pressured Guatemala's government to ditch relations with Taiwan. In 1997, China [vetoed a United Nations resolution](#) to send peacekeepers to Guatemala to help implement conflict-ending peace accords—all because of Guatemala's recognition of Taiwan. In recent years, Beijing has given [luxurious, all-expenses-paid trips to China to Guatemalan journalists](#); many have since endorsed pro-China viewpoints in the Guatemalan press. Since the Arévalo Administration took office in January 2024, these efforts have only intensified. In May 2024, Chinese authorities [banned shipments of Guatemalan coffee, sugar, and macadamia nuts from entering Chinese markets](#), an apparent punishment for a [video call between Guatemalan President Bernardo Arévalo and Taiwan's President Lai Ching-te \(賴清德\)](#) that had occurred four days earlier.

Guatemala is not the only locus for Beijing's anti-Taiwan campaign in Latin America. In August 2023, Nicaraguan diplomats led a campaign that [stripped Taiwan of its permanent observer status in the Central American Parliament \(PARLACEN\)](#), a multilateral parliament representing all Central American countries. Taiwan had been a permanent observer since 1999. Notably, Nicaragua's government is a consolidated dictatorship

under [Daniel Ortega](#)—who has committed [blatant electoral fraud](#) and human rights abuses against political opponents. (Ortega has also [proposed admitting Russia](#) as an observer to another Central American multilateral organization, a measure other countries rejected due to Russia’s unprovoked 2022 invasion of Ukraine.) In December 2024, Paraguay’s government—the only South American government to recognize Taiwan—[expelled a Chinese envoy](#) from the country for meeting with legislators and attempting to undermine Paraguayan relations with Taiwan. Within this context, Guatemala has been a bulwark against China’s intensifying efforts to isolate Taiwan diplomatically, during a period of [escalating Chinese military and gray-zone aggression against the island](#).

In this context, Arévalo has proven a loyal and strong ally to Taiwan. The son of Guatemala’s first democratically elected president ([Juan José Arévalo](#), who led Guatemala from 1945 to 1951) Guatemala’s current leader is a fervent advocate for democracy, both at home and abroad. His campaign centered on [eradicating rampant corruption](#), and he has enacted policies to address poverty and irregular migration. Externally, he has [condemned](#) both Russia’s aggression against Ukraine and Venezuela’s dictatorship. Arévalo has long supported Taiwan’s democratic system, and notably [visited Taipei in 1994](#) as Guatemala’s deputy minister of foreign affairs. When running for president in June 2023, Arévalo stated that he had [“no interest”](#) in changing bilateral relations with Taipei, and he has held to this commitment. In doing so, he continues a long history of Guatemala supporting Taiwan’s democracy and diplomacy.

Guatemala’s Developmental Gains from Taiwan Relations

In return, Taiwan has long supported Guatemala’s economic development. In 2007, then-president Oscar Berger signed an [agreement with Taiwanese president Chen Shui-bian](#) (陳水扁), through which Taiwan provided USD 40 million in highway renovation funds, USD 10 million for prison upgrades, and 25 new scholarships for Guatemalans to study at Taiwanese universities. In the following years, Taiwan sent multiple [advisory missions](#) to help grow Guatemalan agricultural exports. In response to a devastating earthquake in 2012 and severe droughts in 2014 and 2015, Taiwan’s government [rebuilt bridges and provided food](#) in afflicted areas. In April 2023, Arévalo’s predecessor, Alejandro Giammattei, hosted then-Taiwanese president Tsai Ing-wen (蔡英文) in Guatemala, and together they [inaugurated](#) a newly renovated, Taiwanese-funded hospital with state-of-the-art medical equipment.

Bilateral commerce and investment were also growing. That same month Giammattei’s Economy Minister [commented](#) at an investment forum in Taipei: “It has been a great alliance.”



Image: Then-President of Guatemala Alejandro Giammattei and then-Taiwan President Tsai Ing-wen appear together during the former’s visit to Taiwan (April 25, 2023). (Image source: [ROC Presidential Office](#))

This alliance has continued under Arévalo with new, forward-looking development initiatives. In May 2024, Taiwan’s Ministry of Foreign Affairs launched the [Diplomatic Allies Prosperity Project](#), which promotes economic development in Taiwan’s diplomatic partners by developing technologically-innovative sectors including digital governance, smart medicine and agriculture, sovereign artificial intelligence, and sustainable tourism. In May 2025, Taiwan hosted 28 Guatemalans—including university students, engineers, and educators—for vocational training in Taiwan’s semiconductor industry, which Arévalo [commended](#). Taiwan’s International Cooperation and Development Fund (ICDF, 國際合作發展基金會) presently operates [8 projects in Guatemala](#): spanning infrastructure development, educational programs, healthcare personnel training, medical technology, agricultural advisory missions, and natural disaster response preparation. These projects build on 24 similar completed ones, demonstrating a sizeable and sustained commitment from Taiwan to support Guatemala’s development.

These areas of mutual benefit were on display during Arévalo’s visit to Taiwan in June this year. In Taipei, he met with President Lai, who [stated](#) during the visit, “We encourage even more Taiwanese enterprises to expand investments in Guatemala to leverage its geographic location, natural resources, and high-quality human resources.” Arévalo concurred, commending Taiwan’s government for its support for Guatemalan democracy and development, and [pledged his support](#) for “continu[ing] to strengthen bilateral relations

based on the solid foundations built on the past.”

In September, Taiwan’s Ministry of Foreign Affairs (外交部) pledged [over USD 32 million more](#) in Latin American assistance projects. These funds are designated for infrastructure construction and professional training. Given the [elimination of USAID](#) under the second Trump Administration—which [used to provide tens of millions annually in developmental projects to Guatemala](#)—Taiwan’s economic support has become increasingly critical to Guatemala’s development.

Taiwan: A Crucial Commercial Market

Guatemala and Taiwan’s economic relations encompass much more than developmental assistance. As a large and yet still-growing market for Guatemalan exports, Taiwan is a critical commercial partner. After signing a bilateral free trade agreement (FTA) in 2005, Guatemalan exports to Taiwan [increased by 125 percent within one year](#). This year, Taiwan has purchased a record-high [720,000 kilograms of Guatemalan coffee](#), and Guatemala became Taiwan’s fourth-largest coffee supplier. This figure is no small feat for Guatemala, a country with a population of just 15 million that competes in global coffee markets against Costa Rica, Colombia, Brazil, Ethiopia, Indonesia, and other major exporters.

While many claim that maintaining relations with Taiwan leads to missed opportunities in Beijing’s 1.4 billion-strong consumer market, this argument has not held up in practice. For example, Guatemala’s neighbor Honduras switched recognition to China in March 2023, [alleging](#) that greater economic opportunities with Beijing would follow. In the two years since that decision, Honduras’s shrimp industry—which before sold nearly 40 percent of its exported product to Taiwan through preferential trade measures—has been [devastated](#), with more than 10,000 workers losing employment.

Were Guatemala to switch recognition to the PRC, its coffee, macadamia, sugar, and other exports would have to compete in Chinese markets with similar products from nearby Asian countries—all of which benefit from much lower transportation costs. On the other hand, Guatemala holds preferential access to Taiwanese markets, a commercial opportunity that would be hard to replace if it switched diplomatic allegiance to Beijing. Given that Guatemala currently suffers from a [trade deficit](#) with the PRC—where the PRC is the source of 13 percent of the country’s imports, but the destination for less than 1 percent of its exports—Guatemala’s commercial outlook with China seems dim.

Consecutive Guatemalan presidents have seemed content with their relations with Taipei, believing that a switch would run counter to Guatemala’s interests through the loss of its economic relationship with Taiwan. In spite of challenges, Guatemala’s economy consistently achieves [higher annual economic growth than its Central American neighbors](#) (projected to reach 3.9 percent this year), and [the lowest debt-to-GDP ratio across Latin America](#). On the other hand, the [most-indebted countries in Latin America](#)—Argentina, Ecuador, and Venezuela—have accepted copious amounts of Chinese financing in the 21st century. Guatemalan decision-making appears to be paying off.

Building Ties with Taipei and Washington Simultaneously

Strengthening relations with Taiwan has also improved Guatemala’s relationship with its most important political and economic partner: the United States. Since 2018, US representatives of [both major political parties](#) have expressed opposition to Central American countries ditching Taiwan and approaching China. To Beijing’s displeasure, in March 2020, Trump signed into law the [Taiwan Allies International Protection and Enhancement Initiative \(TAIPEI\) Act](#), which formally endorses US efforts to bolster Taiwan’s diplomatic standing and encourages the US government to consider “altering” relations with countries whose actions “undermine the security or prosperity or Taiwan.” In September this year, US Secretary of State Marco Rubio [announced](#) that Washington would enact visa restrictions on Central American citizens that “are intentionally acting on behalf of the Chinese Communist Party and threatening our region’s stability.” US officials have made it abundantly clear to Central American countries that strengthening ties with Beijing jeopardizes ties with Washington.

Conversely, US officials have also made clear their desire to explore more engagement with Guatemala and other countries that still back Taiwan. In January 2020, Guatemala hosted the first [quadrilateral talks](#) with Taiwanese, Honduran, Guatemalan, and US officials—including US Development Finance Corporation CEO Adam Bohler, Guatemala and Honduras’s presidents, and multiple foreign ministers—to discuss cooperation in commerce, infrastructure, investment, and multilateral partnerships. According to a March 2024 press release during a White House meeting with Arévalo, then-Vice President Kamala Harris [“commended Guatemala’s support for other democracies around the world,”](#) an apparent reference to Guatemala’s backing of Taiwan. On his first overseas trip as US Secretary of

State in February this year, Marco Rubio flew to Guatemala and sincerely [thanked](#) Arévalo for backing Taiwan, stating: “We thank you very much for your support and the relationship that you already have with Taiwan, another democracy... We’ll do everything we can to help with that. We are going to support it not only being diplomatic recognition, but for it to also have economic benefits, to do anything possible to bring investment in the economy, Guatemala’s developing economy.” As Rubio’s remarks demonstrate, by maintaining relations with Taipei, Guatemala has improved its relations with Washington—which in return seeks to do more for Guatemala.

The United States has long been Guatemala’s number one trade partner and source of capital, with US-based migrants’ remittances making up [19 percent of Guatemala’s GDP](#). The United States has also been a critical strategic and political partner, [cooperating with Guatemalan officials](#) for counternarcotics, security cooperation, and migration management. The United States even launched a [diplomatic offensive to ensure Arévalo’s inauguration](#) in January 2024 against attempts by corrupt officials seeking to annul his election. Arévalo thus has economic and political incentives to maintain positive relations with Washington. Backing Taiwan has clearly helped him achieve this.

The case of Guatemala shows that picking Taiwan over China does not mean missing out on economic opportunities. Instead, diplomatic recognition for the Republic of China (Taiwan) can enable a country to benefit from both Taipei’s generosity and Washington’s gratitude.

The main point: By maintaining relations with the Republic of China (Taiwan), Guatemala under President Bernardo Arévalo has resisted aggressive PRC pressure to switch its diplomatic recognition. In doing so, Guatemala has benefitted from generous developmental assistance, preferential commercial access in Taiwanese markets, and improved relations with Washington—where influential policymakers from both US parties appreciate Guatemala’s backing of Taiwan.

How a Chinese Doll Stole the Hearts of Taiwan’s Trend-Loving Consumers – and Provides a Case Study of the Cross-Strait Economy

By: Hope Ngo

Hope Ngo has worked for over two decades as a journalist

covering regional politics and business for organizations including Bloomberg Television, CNN International, and NBC Asia. She obtained her Master of Social Sciences in Media, Culture, & Creative Cities (with Distinction) from The University of Hong Kong, and is a Salzburg Global Fellow. Ms. Ngo is currently a news anchor at International Community Radio Taipei and is host of the program “Taiwan Talk.”

Fans will say the dolls are “ugly cute” while their critics will dismiss them as scary.

But whether you love them or hate them, it’s undeniable that [Pop Mart’s “The Monsters”](#) plushies, aka “Labubu” (拉布布) dolls, have become a viral part of global commerce—with some referring to the dolls as [“recession indicators,”](#) and others as a [“mascot of the moment.”](#) Even in Taiwan, where Chinese-made goods are not always publicly embraced, Labubus are hot and their popularity likely surpasses even that of “Chiikawa,” currently one of [Japan’s most popular mascots](#).

Taiwan’s love affair with the doll can be traced back to its very public embrace by K-pop star Lisa, of the music group Blackpink, who [declared her love](#) for Labubu dolls on social media and has been seen in public with different versions of the doll ever since. Labubu is an iteration of a [character created](#) by Hong Kong artist Kasing Lung (龍家昇). While the character is licensed and sold by Pop Mart, it is incredibly [difficult to find](#) through the chain’s official retail outlets. As in many parts of the world, Labubus in Taiwan are most often purchased through resellers—both online as well as through brick and mortar stores—who often charge huge premiums for the doll and its most popular iterations.

Pop Mart Pops Off

The appeal of Pop Mart’s [range of characters](#), which includes popular, licensed Disney characters as well as proprietary creations, rests on their collectability. Most of its collectibles—including its Labubu line—are sold in [uniformly-packaged blind boxes](#), so all a buyer knows is that they’re picking up an item from a particular series. When a buyer opens the box to discover its contents, there is first suspense, anxiety, and then either elation or disappointment. For those who have scored the boxes at Pop Mart, the dopamine hit is real.

Blind boxes aren’t unique to Pop Mart. In fact, they’ve been around for a while, particularly in places like Taiwan, which is in sync with Japanese culture and where blind boxes, seasonal mystery bags full of unknown items, and [gashapon](#)—Japanese-style vending machines that drop collectible toys—have been a thing for decades. But there is a certain *je ne sais quoi* to Pop Mart’s blind boxes—and that unknown quantity has

propelled Pop Mart's growth from a Chinese company to a global retail giant.



Image: A social media poster shows off a newly purchased Labubu doll in front of a Pop Mart store in Taiwan. (Image source: [TikTok](#))

Pop Mart's rise has become the stuff of business legend. It was [founded in 2010](#) when "Grant" Wang Ning (王寧), opened his first concept store in Beijing. While the store had originally been set up to market hip and trendy goods, it [found success](#) in 2015 by offering up its first collectible, high-demand product: the [Japanese Sonny Angel](#). That success led to Pop Mart's transformation from retailer to toy store and in 2020, it listed on the Hong Kong Stock Exchange with a [market capitalization of USD 7 billion](#). The stock ended its first trading day with [80 percent increase](#) in value, with a market cap of USD 12.5 billion. Today Pop Mart operates more than [500 stores](#) globally, and has been listed by [Time Magazine](#) as one of the most influential companies of 2025—the same ranking that features Taiwan Semiconductor Manufacturing Company (TSMC,

台灣積體電路製造股份有限公司).

Breaking Out of the Box in Taiwan

But here in Taiwan at least, Pop Mart's road to success looks a bit different, thanks to stringent rules governing relations between Taiwan and the People's Republic of China (PRC). The [Regulations Governing Permissions for Trade Between the Taiwan Area and Mainland Area](#) (兩岸貿易許可辦法), as enforced by the Mainland Affairs Council (大陸委員會), list 13 categories of goods and items from China that are banned in Taiwan: including antiques and cultural works, sample products for the "exclusive use of research and development," animals, Chinese medicines, raw materials meant for reprocessing and re-export, as well as audio-visual materials including movies and television shows. PRC business entities looking to operate in Taiwan are required to register with a specific government body. For instance, PRC securities or investment firms need to consult with the [Financial Supervisory Commission](#) (金融監督管理委員會) for licensing and approval.

More wide-reaching regulations governing the operation of Mainland Chinese companies in Taiwan come under the [Act Governing Relations between the People of the Taiwan Area and the Mainland Area](#) (臺灣地區與大陸地區人民關係條例), the 1992 legal framework that covers all aspects of relations between the people of the PRC and Taiwan. The all-encompassing Act covers everything from immigration and cultural ties to investment and trade. Given this legislation, the PRC's largest companies have generally opted to operate in Taiwan through a subsidiary, which is how brands like [Xiaomi](#) and [Lenovo](#)—both of which are publicly listed on the Hong Kong Stock Exchange—have entered Taiwan.

Like Xiaomi and Lenovo, Pop Mart doesn't hide its Chinese roots. The company is headquartered in Beijing, [domiciled in the Cayman Islands](#), and listed on the [Hong Kong Stock Exchange](#). [Pop Mart Taiwan](#) currently operates at least 12 stand-alone stores. Pop Mart Taiwan distributes some of its goods through a handful of popular, brick-and-mortar resellers, and as of September, 2025, it operates 13 standalone vending machines, also known as "Roboshops" (機器人商店). Pop Mart's official inventory can also be purchased online through Taiwan's most popular e-commerce retailers Momo and PCHome, with Momo designated as its "flagship" online marketplace. Unlike other markets such as Hong Kong or the United States, Pop Mart's toys cannot be purchased directly from its online website, although sources from the e-commerce industry have told this

author that the absence of a Pop Mart-branded retail channel is not related to political considerations.

All this is made possible through a joint venture Pop Mart has undertaken with a veteran Taiwan retailer, which remains unnamed (but whose arrangement is reflected in Pop Mart Taiwan's annual report). According to the document, 60 percent of ownership interest is held by the PRC-based Pop Mart, and 40 percent is held by the local partner. Pop Mart Taiwan stands out as one of the few entities that Pop Mart HQ operates as a joint venture or subsidiary. Pop Mart's [annual shareholder report](#) shows it holds 50 percent equity in its Singapore subsidiary, in Japan it holds 60 percent, and in Hong Kong it holds 25 percent.

In its 2024 annual report, Pop Mart [reported](#) combined earnings of RMB 3 billion (around USD 430 million) from its Hong Kong, Taiwan, and Macao stores—representing 10.1 percent of its overall revenue. In the same report, Pop Mart stated that revenue from “East Asia and Hong Kong, Macao and Taiwan regions” increased by 185 percent from 2023 to 2024, illustrating the rapid rise in demand among the PRC's neighbors.

Spot the Difference

While Pop Mart Taiwan appears to be pulling its financial weight, it's unclear how much of its revenue is lost to Taiwan-based resellers of counterfeit versions of the popular Labubus, affectionately termed “[Lafufus](#).” Even though Taiwan has strict intellectual property laws banning the sale of counterfeit goods, an unknown number still manage to make it through. In the first half of 2025, the Ministry of Finance's Customs Administration (財政部關務署) [seized](#) over 30,000 counterfeit items with a total value of NTD 470 million (USD 14.3 million). Most were said to be “pharmaceuticals, mobile devices, and household items”—with a majority of the packages coming from China and Hong Kong. The Ministry of Finance did not specify whether any counterfeit “Lafufus” were among the confiscated items, but given the high demand and scarce supply of the dolls in Taiwan, it's almost a given that more than a few counterfeits crossed the Strait.

Taiwan and China may not currently see eye-to-eye on most issues. But at least the people on both sides of the Strait agree on one thing: Labubus are cute, not ugly—or, at least, an endearing combination of both.

The main point: The popular craze for “Labubu” dolls in Taiwan shows the impact of social media trends in Taiwan's retail sector – but also provides a case study of continuing trends in cross-Strait retail trade, as well

as the attendant issues (e-commerce, counterfeiting, etc.) that affect this trade.
