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By: John Dotson

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Introduction

The month of November has seen an extraordinary, and continuing, diplomatic feud between Japan and the People's Republic of China (PRC): one set off by rival positions over Taiwan, and the implications of a Taiwan conflict for the security of Japan and other Asia-Pacific states. The heated diplomatic rhetoric involved—which has included the PRC foreign minister stating that Japan "crossed a red line," and even apparent threats of violence made by a PRC diplomat against Japan's prime minister—has far exceeded in tone the normally cautious and indirect language traditionally employed in Asia-Pacific diplomatic discourse. The timing and circumstances surrounding these events suggest that the PRC leadership has made a conscious decision to press a harder line against Japan: both to gauge the reaction of Japan's new government, and as a warning to other regional states that might consider offering further security support for Taiwan in the face of Chinese pressure.

Japanese Prime Minister Takaichi Stakes Out a Clearer Stance on "Survival-Threatening Situations" Related to Taiwan

The current diplomatic dust-up began on November 7, when Japan's newly-appointed Prime Minister Sanae Takaichi, while responding to questions during a meeting of the budget committee in the lower house of Japan's Diet, stated that China's use of military force against Taiwan—to include a scenario such as a naval blockade—would represent a <u>"survival-threatening situation"</u> (存立危機事態, sonritsu kiki jitai)) that would require a Japanese response.

The language used by Prime Minister Takaichi in this instance was significant: it echoes the text of Japan's 2003 <u>Act on the Peace and Independence of Japan and Maintenance of the Security of the Nation and the People in Armed Attack Situations, etc., and Survival-Threatening Situations</u>, which states that "the national government has the responsibility to respond to armed attack situations, etc. and survival-threatening situations with all of its or-

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ganizations and functions, and ensure that all possible measures are taken by the whole nation." While such language remains vague, a "survival-threatening situation" has been widely interpreted as one that could justify military action. For example, the 2019 edition of the *Defense of Japan* report, issued by the Japanese Ministry of Defense, stated that:

[A] "Survival-Threatening Situation" [applies] to the situations to which Japan is to respond as an armed attack since even if it occurs against a foreign country it could threaten Japan's survival as well, depending on its purpose, scale and manner. Following this, the [Self Defense Force] Law was also amended to define responses to such a situation as one of the SDF's primary duties as unavoidable self-defense measures for Japan's defense... [1]



Image: Japanese Prime Minister Sanae Takaichi presiding over her first parliamentary deputy ministers' meeting after assuming the prime ministership (Oct. 22, 2025). (Image source: <u>Japanese Cabinet Public Affairs Office / Wikimedia Commons</u>)

Prime Minister Takaichi, who assumed office in mid-October as Japan's first-ever woman prime minister, was known to represent a trend of increasingly hawkish and China-skeptic thinking within the ruling Liberal-Democratic Party (LDP) (to the extent that the LDP's long-standing governing partner, the more dovish and China-friendly Komeito Party, abandoned its coalition with the LDP as a result of Takaichi's ascendency). That said, Takaichi's comments on November 7 were largely consistent with a pattern in recent years of Japanese political leaders expressing increasing concern about a rising security threat from China, and identifying Taiwan's security as a serious issue for Japan. [2] The difference in Takaichi's remarks was less the content of what she said, and more the directness with which she

said it. Her comments could perhaps be interpreted as moving further away from Japan's version of a "strategic ambiguity" policy, by directly linking Japan's own security with the security of Taiwan.



Image: A PRC state media cartoon depicting Japanese Prime Minister Sanae Takaichi literally playing with the fire of "militarism," and threatening to set off a conflict over Taiwan.

(Source: Global Times)

The CCP Leadership Decides to Pick a Fight

While inflammatory nationalist rhetoric is par for the course in the CCP's current era of "wolf warrior" diplomacy, the ferocity of the response from the PRC exceeded even the normal baseline. On November 8, Xue Jian (薛剑), the PRC consul general in Osaka, referenced Takaichi's comments in a post on the platform X and declared that "the dirty neck that sticks itself in must be cut off." While that inflammatory post was taken down, it was followed by a sustained campaign of condemnation directed against Takaichi by official PRC sources, as illustrated below.

"Zhong Sheng" Commentaries in The People's Daily

The People's Daily (人民日报), the official mouthpiece publication of the Chinese Communist Party (CCP), commenced publication of a series of editorials under the pseudonym "Zhong Sheng" (钟声) ("bell sound," but also a homonym for "voice of China"), which is employed to emphasize the CCP's official position on foreign policy issues. A November 14 "Zhong Sheng" editorial detailed a litany of Japanese historical crimes against China, and asserted that:

Takaichi's absurd fallacy of interfering on Taiwan is utterly isolating political nonsense; behind this are Japanese right-wing forces breaking through the restraints of the peaceful constitution, conspiring for a bigoted and arrogant "military great power" position. [...] Against this background,

Takaichi has linked together the "Taiwan problem" and right of collective self defense; this is seeking a pretext for Japanese military expansion, and contains perilous signs of a resurgence of militarism. [3]

Another exemplary "Zhong Sheng" editorial on November 19 stated that:

Japan's Prime Minister Takaichi has brazenly advocated for the possibility of armed intervention in the Taiwan Strait, crudely interfering in China's internal affairs, [and] has made no effort to repent and reform [herself], refusing to retract the mistaken speech. [...] In the face of fundamental questions of right and wrong, Chinese people will be explicitly clear. The Taiwan problem is a core interest of China; whoever touches this red line, the 1.4 billion people of China, and the entire Chinese race [or nation], will never agree! [...] As a country that carried out wars of aggression in past times, and a country that in past times carried out crimes in Taiwan too numerous to record, Japan should learn the lessons of history, and more cautiously handle its involvement with the Taiwan problem. Japan risks universal condemnation if it insists on tying itself to the cart of breaking up China, [and] it will inevitably suffer the results of its own evil actions. [4]

绝不容忍高市早苗在台湾问题上的越线挑衅 心。这不仅如"白旗"今服势为醉故严重错误信号,而且严重连 食(中日服合声明)中坚持一个中国原则的组心内容,以及2008 年中日第四个政治文件中关于两国"至为合行伙伴,至不构成 威胁"的兵达,严重破坏了中日关系的政治基础。 近日,日本首相高市平省在国会公然宣称"台湾省事"可 能构成日本可行使集体自卫权的"存亡危机事态"。暗论可能 武力今入台海问题。这是对中国内政的组纂于沙,是对一个 高市的涉台译论规非孤立的政治妄言,曾后是日本右翼 势力突被和平宪法束缚、谋求"军事大国"地位的偏执和张 中国原则的蒙信再义,是对二战后国际秩序的公性故解。中 车。还年来,日本在得累扩充道路上流行社额,不断契定和平 和日本的有供之士都一好见幽地指出,高市此论是1945年 宪法,初底营养"专守防卫"原则,因谋故典"无桩三原则" 此背景下、高市研"白浦有事"与集体自卫机技的。是为日本军 日本被散以来,日本领导人首次在正式络合核吹所谓"台湾湾 事故是自己有事"并与行使集体自卫权相关联,首次在台湾同 超上表达该因或联合人的野心,首次对中国发出或力威胁,思 事扩张寻找借口、篮藏者军信点义此灰复帧的危险苗头。 英市从积繁旅拜诸镇神社园苗认南京大屠杀、再到极力催染"中 可以想家分外确因所以外的认为不允者令。而列联力组织 下 国底的论"施格—与如此在点色景图表的由的中令,应因为他 哈后更都靠,为军国主义括他。 日本军国主义后更上多决江 所谓"洛子克松"为诸心,支持对外他而。此相以"对使自卫战" 为由增强引起之一八事变,从配债劳战争。如今重提类似验 调,难道日本检查始后更遵疑下 (2) 机宾铃昂、性质机宾易宾、后果机宾严重。中国政府和中国人民对此强烈情极、坚决反对。 进代以来,日本军简主义政社好外侵略扩张,对中国犯下 的草行攀行难书。1895年,日本通过(局关务约)强行割占台 消,实施长达50年的殖民统治,血腥镇压台湾同院反抗,大罐 中华民族伟大复兴,尚厚统一是不可拉拾的历史大势。 中国政府和人民维护国家主机和领土完整的决心坚定不停。 程华黄源,对台湾枢游、文化、民生等造成严重破坏。 1945 华,中国人民兴校 14年琼芳卓统的沿血会战赢得政计政争作 大胜村,日本答署张路书,正及接受(开罗宣言)(决定综合合)等规定台湾归还中国的国际法律文件,中国收复台湾,恢复对台湾行使主致,改是中华民族群卫国家统一的光辉霉素,也是 台湾问题是中国核心利益中的核心,惟数翰廷这条红线,10 化多中酯人民、整个中华民族统不会答应! 我们再次正告日 方,如目方取数式为介入台海局势,将构成侵略,中方向将进 二战石国际秩序的重要但成部分。 今年是中国人民就目战争暨世界反法而新战争胜利80周 头偏去。目为必须立即到正执蚌越戴的错误言行。故谓恶劣言论,停止底军事安全领域的危险冒进率价,否则一切后某必 年,也是台湾北夏幼用年。简际社会早已形成坚持一个中国 价普遍共识。作为战效简,日本理应深刻反省后更思考,恪守 限由目方承担。 80年前,中個人民战胜了日本军国主义侵略。今天,中华 对中国和国际社会作出的采诺,以实际行动彻底反思历史罪 其报有坚定者志,充分信心和足够能力挫败任何形式"白独"分 。 风火者必自焚,任何全图程税中国统 业的势力都是睢暦当本,心特遭到坚决反制和物底失败! 首和日本所谓的"安全利益"进行物定,从而全因为日本武力干

Image: The People's Daily "Zhong Sheng" editorial of Nov. 14, 2025, titled "Never Tolerate Sanae Takaichi's Line-Crossing Provocation on Taiwan" (绝不容忍高市早苗在台湾问题上的越线挑衅). The "Zhong Sheng" banner is used to indicate an authoritative CCP position on a foreign policy issue. (Image source: People's Daily)

Broadsides from the PRC Foreign Ministry

At the official PRC foreign ministry press conference on November 10, spokesman Lin Jian (林剑) declared that "the Japanese leader blatantly made wrongful remarks on Taiwan at the Diet that imply the possibility of armed intervention in the Taiwan Strait. It constitutes a gross interference in China's internal affairs [...] What signal is the Japanese leader trying to send to 'Taiwan independence' separatist forces? Is Japan up to challenge China's core interests and stop its reunification? [...] For the leader of Japan to try to wade into cross-Strait affairs is an affront to international justice [...] China must and will achieve reunification."

On November 21, the PRC brought its dispute with Japan to the United Nations (UN) when Fu Cong (傅聪), the PRC ambassador to the UN, sent an open letter to UN Secretary-General António Guterres. The letter posited Japan as an aggressor, stating that Takaichi's comments represented "the first time Japan has expressed ambitions to intervene militarily in the Taiwan question; and the first time Japan has issued a threat of force against China, openly challenging China's core interests." The letter went on to further assert that "Takaichi's remarks constitute a grave violation of international law and the basic norms governing international relations," and that "Taiwan is China's sacred territory. How to resolve the Taiwan guestion is a matter for the Chinese people and brooks no foreign interference." Most strikingly of all, the document attempted to lay the blame on Japan for any potential conflict, by stating that "If Japan dares to attempt an armed intervention in the cross-Strait situation, it would be an act of aggression. China will resolutely exercise its right of self-defence under the UN Charter and international law and firmly defend its sovereignty and territorial integrity."

On November 23, the PRC Foreign Ministry released a statement by Foreign Minister Wang Yi (王毅), which called Takaichi's comments "shocking," and stated that she had "crossed a red line" with her comments regarding a Taiwan crisis. This was accompanied by the unveiling of a new official propaganda slogan (宣传标语口号) in PRC state media, using the numerology frequently favored in CCP discourse: in this case, the "Three Never-Allows" (三个"绝不允许") in regard to Japan and Taiwan. These three assertions are:

- 1. "China will never allow Japanese right-wing forces to turn back the tide of history" (中方绝不允许日本右翼势力开历史倒车); and
- 2. "Never allow foreign forces to encroach on China's

Taiwan area" (绝不允许外部势力染指中国台湾地区); and

 "Never allow a revival of Japanese militarism" (绝 不允许日本军国主义死灰复燃). [5]



Image: A still image from an animated PRC media video laying out the "Three Never-Allows" nominally formulated by PRC Foreign Minister Wang Yi, and directed at Japan in the wake of Prime Minister Takaichi's November 7 comments. (Image source: Beijing Daily Online)

Restrictions on Trade and Exchange

The PRC has also made efforts to punish Japan that go beyond the purely rhetorical, by taking steps intended to target the Japanese economy. The Chinese government has restricted tourism, issuing a November 14 advisory against travel to Japan on grounds that Japan was an unsafe environment for Chinese citizens. In the wake of the announcement, many large Chinese travel companies began cancelling tours to Japan, with some also reporting that they had halted applications for processing tourist exit visas intended for travel to Japan.

On November 19, the Chinese government announced

a ban on Japanese seafood products. (The PRC had only just lifted an earlier ban on Japanese seafood imposed in August 2023, following the discharge of water from the Fukushima power plant.) At the announcement of the new ban, PRC Foreign Ministry spokesperson Mao Ning (毛宁) claimed that the new ban was related to safety issues, but also asserted that Takaichi's remarks had created "strong public outrage in China," and that "Under the current circumstances, even if Japanese seafood was exported to China, there would be no market [for it]."

The Chinese government has also restricted the exchange of cultural products, by freezing licensing reviews for Japanese films and cancelling a large number of planned concerts by Japanese musicians. (On November 29, Japanese singer Maki Otsuki was stopped in the middle of a song during a concert in Shanghai; and the next day, pop musician Ayumi Hamasaki performed to a 14,000 seat empty performance venue after her show was cancelled.) At a November 25 foreign ministry press conference, Mao Ning commented on the restrictions on Japanese cultural products by saying that "Exchanges and cooperation between China and Japan have recently been affected because of the erroneous remarks made by the Japanese Prime Minister Sanae Takaichi on Taiwan. The remarks gravely hurt the sentiments of the Chinese people and poisoned the atmosphere for exchanges between the two countries."

The Reactions from Tokyo, Taipei, and Washington

Japan

In the face of the multi-faceted rhetorical barrage from the PRC, the response of the Japanese government has been relatively muted. In response to the Fu Cong letter, Japan's UN Ambassador Kazuyuki Yamazaki called the letter "inconsistent with the facts and unsubstantiated"—a far softer tone as compared to the intemperate accusations made by the PRC. In comments before Japan's legislature on November 26, Takaichi indicated that it was in Japan's interests to advance a "constructive and stable" relationship with China through dialogue, and that Japan was open to talks with the PRC.

Takaichi has not, however, withdrawn her comments about "survival-threatening situations" regarding Taiwan and the PRC—and currently, she has little reason to do so. Takaichi maintains very high approval ratings in Japan; and, while it will take time to see how the continuing controversy plays itself out in Japanese domestic politics, it is possible that the PRC's intemperate attacks on her could actually rebound in her favor—by

winning the favor of Japanese voters who admire her forceful stance, and who are angered by the nature of the PRC response.

Taiwan

As the state at the center of the China-Japan dispute, the Republic of China (ROC) Foreign Ministry did issue a <u>forceful statement on November 11</u>, at the outset of the controversy, which took aim at the PRC assertion that discussions of Taiwan represented interference in China's "Internal affairs." The statement indicated that:

The Ministry of Foreign Affairs of the Republic of China (Taiwan) solemnly reiterates that the ROC (Taiwan) is a sovereign, independent nation; that its sovereignty belongs to the Taiwanese people; that neither the ROC (Taiwan) nor the People's Republic of China is subordinate to the other; and that the PRC has never governed Taiwan. [...] China has no right to dispute these facts or to interfere in the sovereign actions of other countries. China's statements underscore its hegemonic mindset and demonstrate that it is a troublemaker intent on unilaterally changing the international order.

Aside from this initial press release, for the following two weeks the reaction of Taiwan's government was relatively subdued in tone—with the Lai Administration likely making the calculation that, amidst an intensifying diplomatic stand-off, any more direct involvement in the dispute would be self-defeating. The government apparently decided to signal its support for Japan in more subtle ways: as ROC President Lai Ching-te (賴清德) did on November 19, with a social media posting of himself eating sushi (see image below).

On November 25, in response to reports of a phone call between US President Trump and CCP General Secretary Xi Jinping (see below), ROC Premier Cho Jung-tai (卓榮泰) asserted in comments at the Legislative Yuan that "reunification" with China was "not an option" for Taiwan, and "that the Republic of China, Taiwan, is a fully sovereign and independent country [...] The 23 million people of Taiwan do not have a 'reunification' option. This is very clear. Taiwan is the world's Taiwan."

United States

The government of the United States has largely refrained from any public involvement in the China-Japan diplomatic dispute, as the Trump Administration seeks to balance the traditional US alliance with Japan against Trump's expressed desires for a trade deal and state visit to the PRC.



Image: Taiwan President Lai Ching-te eating sushi, in a social media posting intended to signal support for Japan in the midst of the diplomatic dispute with the PRC (Nov. 19, 2025).(Source: Lai Ching-te X Account)

The most noteworthy involvement was a Trump-Xi phone call on November 24, in which the issue of Taiwan was reportedly raised, among other topics. (This contrasts with the Trump-Xi meeting in South Korea on October 30—in which, according to official read-outs, Taiwan was not discussed. This was generally regarded by most observers as a positive thing for Taiwan.)

While the specific contents of the November 24 call are unknown, the official PRC summary of the call sought to align the position of the USA with that of China, as victors in World War II: "President Xi outlined China's principled position on the Taiwan question [and] underscored that Taiwan's return to China is an integral part of the post-war international order. China and the U.S. fought shoulder to shoulder against fascism and militarism. Given what is going on, it is even more important for us to jointly safeguard the victory of WWII." President Trump's own summary of the call, as presented via his <u>Truth Social account</u>, omitted any mention of Taiwan. It stated that he had: "a very good telephone call with President Xi, of China. We discussed many topics including Ukraine/Russia, Fentanyl, Soybeans and other Farm Products, etc. [...] Our relationship with China is extremely strong!"

The following day, November 25, President Trump held a phone call with Prime Minister Takaichi. While the contents of that call have not been made public, media reporting has indicated that Trump told Takaichi to avoid further actions that might inflame the dispute

with Beijing. For its part, the Japanese foreign ministry issued a <u>vague summary of the call</u> indicating discussion of the "various challenges facing the Indo-Pacific region," and that "the two countries will continue working closely under the current international situation."

Conclusions

The intensity of the PRC diplomatic offensive against Japan is striking, even by the standards of the increasingly intemperate "wolf warrior" diplomacy practiced under Xi Jinping. The narrative ferocity of the campaign—including histrionic claims of Japanese "fascism" and revived "militarism"—as well as its sustained endurance (now continuing for three weeks) both indicate that it is unlikely to end soon. The CCP leadership has clearly made a decision to make the geopolitical equivalent of a "brush-back pitch" against the Japanese prime minister: one intended both to deter any further movement by Japan towards security support for Taiwan, as well as to send a warning to other governments in the region.

Some international observers have already stepped forward to <u>criticize Takaichi as bearing responsibility</u> for sparking the <u>crisis</u>, or have even <u>appeared on PRC state media outlets to back CCP narratives</u> about alleged Japanese "militarism." By completely disregarding the background of steadily <u>escalating PRC coercive military pressure</u> against its neighbors (most particularly Taiwan, the Philippines, and Japan), such commentary blames regional countries for their response to PRC actions—rather than the precipitating PRC actions themselves. It is as if events in World War II, now more than 80 years ago, are directly relevant to the current situation in the Asia-Pacific region—but that events over the past five years are not.

Such interpretations also bear a rough analogy to accepting at face value Russian government narratives that its aggression against Ukraine is a <u>self-defensive</u> move in the face of NATO expansion. Such narratives invert cause and effect: we are led to believe that irredentist aggression on the part of authoritarian states is not the problem; but rather, that efforts at collective defense among liberal-democratic states subject to such threats are the crux of the problem.

Such commentary also reveals naivete regarding the extent to which Beijing's foreign policy actions are calculated: it takes PRC government actions at face value as emotional expressions of aggrieved nationalism, justified by past historical wrongs committed against China. Rather, such incidents represent occasions in which the Chinese political leadership has *chosen to be*

outraged, as a conscious decision to set off a crisis that the CCP views as serving its interests. In this sense, Beijing's reaction to Takaichi's comments is somewhat analogous to the supposedly spontaneous PLA military exercises that followed the visit to Taiwan by then-US Speaker of the House Nancy Pelosi in 2022 (see here and here).

These incidents illustrate a common CCP practice, which I propose to designate "calculated opportunistic strategic outrage" (COSO). COSO plays an important role in the narrative / information manipulation aspects of CCP political warfare. COSO incidents, when backed by Beijing's diplomatic, economic, and military clout, play a significant role in psychologically conditioning both foreign and domestic audiences to conform to the CCP's preferred policies.

The effort that Beijing has put into the current diplomatic offensive against Japan indicates a high level of leadership investment in the issue—which in turn is indicative of the high priority that the CCP leadership places on isolating Taiwan from sources of international support. This campaign is likely to continue in the coming weeks—and it will not be the last COSO campaign of its kind.

- [1] Japanese Ministry of Defense, *Defense of Japan 2019*, chapter 5, section 2, p. 248. https://www.mod.go.jp/en/publ/w paper/wp2019/pdf/index.html.
- [2] For example, during a visit to Taiwan in early December 2021, former Prime Minister Shinzo Abe publicly stated in a public speech that a "Taiwan emergency is a Japanese emergency, and therefore an emergency for the Japan-U.S. alliance. People in Beijing, President Xi Jinping in particular, should never have a misunderstanding in recognizing this." See: "Former Japan PM tells China, 'a Taiwan emergency is a Japanese emergency'," CNN, December 1, 2021.

https://edition.cnn.com/2021/12/01/asia/abe-japan-china-taiwan-intl-hnk.

- [3] "Never Tolerate Sanae Takaichi's Line-Crossing Provocation on Taiwan" (绝不容忍高市早苗在台湾问题上的越线挑衅), People's Daily, Nov. 14, 2025. https://paper.people.com.cn/rmrb/pc/content/202511/14/content_30114836.html. ("高市的涉台谬论绝非孤立的政治妄言,背后是日本右翼势力突破和平宪法束缚、谋求"军事大国"地位的偏执和狂妄。[…]在此背景下,高市将"台湾有事"与集体自卫权挂钩,是为日本军事扩张寻找借口,蕴藏着军国主义死灰复燃的危险苗头。") Translation by the author.
- [4] "Poisoning China-Japan Relations Will Inevitably

(毒化中日关系必将自食恶果), Backfire" People's Daily, Nov. 19, 2025. https://world.people.com.cn/ n1/2025/1119/c1002-40606647.html. ("日本首相高 市早苗公然鼓吹武力介入台海的可能性,粗暴干 涉中国内政,且不思悔改,拒不撤回有关错误言 论。[...] 在大是大非问题面前,中国人绝不含糊。 台湾问题是中国核心利益中的核心,谁敢触碰这条 红线,14亿多中国人民、整个中华民族绝不会答 应!今年是中国人民抗日战争暨世界反法西斯战 争胜利80周年,也是台湾光复80周年。作为昔日 的侵略战争发动国,作为曾在台湾犯下罄竹难书罪 行的国家,日本应该汲取历史教训,更加慎重处理 涉台问题。日方冒天下之大不韪,执意将自己绑上 分裂中国的战车,必将自食恶果。") Translation by the author.

[5] "Wang Yi's Latest Declaration to Japan: The Three Never-Allows" (王毅对日最新表态:三个绝不允许) China News Net, Nov. 23, 2025, https://xinwen.bjd.com.cn/content/s69228463e4b02424b0c35e3f.html.

Taiwan Needs to Refocus on its US-Trained Military Officers

By: Jonathan Harman

Jonathan Harman is an operations associate at the Global Taiwan Institute.

Since taking office in May of last year, Taiwanese President Lai Ching-te (賴清德) has carried out sweeping military reforms. However, alongside these changes, it may be time for the Taiwanese government to refocus on retention and promotion among its small cohort of US service academy-trained officers—an issue that Taiwan's Control Yuan (監察院) briefly investigated in 2023. Doing so will foster military leaders who are better prepared to implement Lai's defense reforms, advance modern military doctrine, and integrate with US military forces—abilities that could help alleviate some of the Pentagon's operational concerns over a potential US intervention in a Taiwan contingency. To raise retention and promotion, however, the government will need to increase pay and implement a separate accelerated promotion pipeline.

Taiwan's US Service Academy Officer Program

Military reform in Taiwan has never been easy. The Kuomintang (KMT, 國民黨), which maintained total domination of the military up until 2000, built the armed forces around a mindset of Chinese nationalism, and a focus on a conventional force structure nominally oriented towards reconquering the Chinese

mainland. While the military has long since shifted to a <u>defensive</u> posture, much of its nationalist mindset persists—a fact demonstrated by military leadership's historic <u>resistance</u> to procuring weapons conducive to asymmetric warfare.

To combat this institutional rigidity and modernize military leadership, the Taiwanese government spends hundreds of thousands of American dollars every year to send some of its top <u>cadets</u> to US military academies.

However, despite the Taiwanese government's best efforts, <u>none</u> of these officers has stayed within the ranks for a full 20-year career after graduation—let alone remaining in service long enough to be promoted to <u>flag officer</u> rank where their US military education would most affect military policy. In fact, most of these officers only stay for the minimum service requirement of ten years.

In response to concerns in the Legislative Yuan (LY, 立 法院), the Taiwanese Control Yuan <u>ordered</u> the military in November 2023 to investigate why such officers tend to leave early. In the two years since this investigation began, there have been no reported results and the government seems to have forgotten the issue entirely.

Why Taiwan Needs to Refocus on its US-Trained Officers

In light of the Lai Administration's focus on military revitalization, Taiwan needs its US-trained officers now more than ever. Retaining these servicemembers and increasing their influence through promotion will help facilitate the administration's defense reforms, modernize the military, and improve the military's ability to seamlessly operate with US forces.

Since President Lai begun his term, the Ministry of National Defense (MND, 國防部) has carried out significant military reforms at breakneck speed. These changes, ranging from replacing bayonet training with modern hand-to-hand combat to implementing unscripted drills, all aim to move the military towards becoming a more modern and capable force. However, while reforms are necessary, old habits die hard. Regular officers and non-commissioned officers (NCO) who lack significant off-island training find themselves unprepared to carry out these changes at the rate the administration is making them. This not only hinders modernization, but—according to on-the-ground reports—is causing greater rates of burnout and exhaustion among servicemembers.

While Taiwan-trained leadership and the rank-and-file may find adapting to these reforms difficult, US service academy graduates are well-equipped to carry them out and guide their colleagues. Indeed, they have spent four years in the United States <u>studying</u> and practicing the very military modernization that President Lai seeks to introduce. If Taiwan can better retain these officers, and even promote them to flag officer ranks, they will be able to streamline modernization efforts and address gaps in training and doctrine that other officers may not see.

Better retaining US-trained officers will also alleviate the Pentagon's logistical <u>concerns</u> when considering whether the American military should intervene in a conflict over Taiwan—intervention that Taiwan's defense <u>strategy</u> ultimately relies on.

A US intervention to defend Taiwan involves major logistical complications. Breaking up or preventing a People's Liberation Army (PLA, 中國人民解放軍) blockade of Taiwan would require flawless coordination between the US and Taiwanese militaries, especially in the early stages where both navies would likely focus on creating a maritime corridor to Hualien in eastern Taiwan.

This means both militaries need to improve interoperability and learn how the other fights, which, in an ideal world, requires large-scale joint military drills and rehearsals—something the United States so far is unwilling to do in the face of Beijing's political pressure. This lack of familiarity poses real risks when conducting large-scale operations. At an event at the Hudson Institute in July, US Navy Rear Admiral (ret.) Mark Montgomery echoed this sentiment and mused, "I have a son stationed in Japan. I jokingly say that my number one worry is his ship gets sunk by a Chinese weapon. My number two worry is a US Army weapon. We'll set that one aside. But my number three worry is a Taiwan weapon, and I say their Navy should worry about us doing the same to them."

While US-trained officers cannot replace the need for joint exercises, US service academy graduates intimately understand American strategy and tactical methodologies—know-how that would allow for more effective communication between the two armed forces.

Why Taiwan Struggles to Retain These Officers

For many reasons, Taiwan has long struggled to retain its small cohort of US service academy graduates. Yet, two major factors stand out: historically low pay and poor career mobility. While the Lai Administration has sought to address some of these issues, the government can still go further.

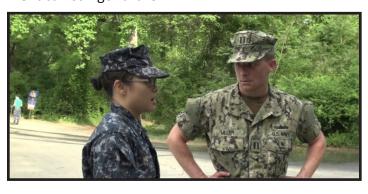


Image: Hu Chao-lin, a cadet from Taiwan training at the US Naval Academy in Annapolis, MD, speaking with a faculty instructor (May 2015). (Image source: CNA / YouTube)

Low Pay

Across the board, below-average pay has persistently disincentivized Taiwanese officers from staying the full 20 years. While the Lai Administration has instituted significant pay <u>increases</u> over the past few months, there is still room for improvement.

As recently as 2024, a newly-minted second lieutenant made about NTD 52,210 (USD 1,626) a month in total pay—about NTD 6,500 (USD 200) below what is considered middle class in Taiwan. Under the 2024 pay scale, an officer's base pay would not reach the minimum threshold for what is considered middle class until they reach the rank of captain, and would not surpass the 2022 median household income until they become a colonel—a rank that typically requires at least 20 years of service.

Compare these statistics with those of US officers, where a second lieutenant already makes enough in base pay to qualify as middle class. US officers reach the American median income by captain, and attain upper middle-class as lieutenant colonels.

According to one Taiwanese West Point graduate, the pay issue was particularly salient. In a phone interview, Yujen Lien (連于仁), of West Point's 2009 graduating class, stated that although his time in Taiwan's military was a generally positive experience, he ultimately decided to leave after the minimum ten years so that he could pursue a career at TSMC with a higher salary and a better work life balance.

Lien is not alone in sharing this sentiment. Indeed, of the 4,172 volunteer service members who opted for early discharge in 2023, <u>52.2 percent</u> cited better civilian job opportunities as their primary reason. To its credit, the <u>Lai Administration</u> is taking steps to address low pay. Beginning <u>April 1</u> of this year, the Lai Administration increased the military's monthly NTD 10,000 (USD 320) stipends to offset base pay for volunteer service members: with junior, mid-ranking, and flag officers seeing a 50 percent, 40 percent, and 30 percent increase respectively. Front line officers in combat units saw even greater increases.

These <u>increases</u> translate into new second lieutenants earning a total of NTD 58,000 (USD 1,850) a month—just enough to be considered middle class in Taiwan. While this is a positive development, it still only puts servicemembers on par with their US counterparts' base pay. What's more, these stipend increases are regressive with rank, which disincentivizes long-term promotion. Additionally, officers who are forced out of direct combat roles due to <u>promotion</u> may risk losing additional combat-related stipends.

Limited Job Opportunities

Though the military offers job stability, Taiwanese society views its armed forces <u>unfavorably</u>. It is therefore difficult for veterans to find employment. This sentiment has two origins: the military's history of serving as the enforcement arm of KMT authoritarianism; and the general public's perception of the armed forces' unprofessionalism.

Taiwanese society has long distrusted the military. Under the KMT's command, the military enforced martial law on the island for 40 years until 1987. This period, known as the White Terror (白色恐怖), saw the military enforcing KMT repression, including carrying out arrests and executions. While this history may not be as relevant to the younger generations, the older generation remembers this period well—and many of them are employers.

Besides distrust caused by history, the Taiwanese public has historically <u>viewed</u> the military as incompetent. While the government has recently implemented overhauls, conscripted military training has a <u>reputation</u> for being nothing more than glorified summer camp. Due to these impressions, military experience is less impressive to employers than it <u>is</u> in the <u>United States</u>.

Exacerbating this trend, US service academies—despite being <u>comparable</u> in certain metrics to Ivy League schools—do not possess the same name recognition in Taiwan as they do in the United States. Yujen Lien noted that this made it more difficult for him to land job interviews, forcing him to pursue a master's degree at

a Taiwanese university to become more competitive.

Recommendations

If the government hopes to encourage US service academy-educated officers to stay in the military long-term, it will need to increase its financial incentives and improve the armed forces' reputation in the civilian world. While the administration's recent stipend increases will likely help improve recruitment and retention at the lower ranks, the government can do more to incentivize long-term retention by implementing progressive stipend increases by rank—a change that would model the US military.

To further incentivize US-trained officers to remain long-term, the Taiwanese government may consider creating a separate pay scale for these officers with an accelerated promotion pipeline. Because there are so few of these officers, higher pay would not significantly burden the defense budget.

Other governments have successfully implemented dedicated pay scales for employees with highly-desired skillsets. The <u>US government</u>, for example, provides separate, higher pay scales from the regular general schedule (GS) scale for professionals in highly sought-after fields (like STEM or law) to try to match what these individuals could earn in the private sector.

Additionally, by creating an accelerated promotion pipeline, the Taiwanese government would not only elevate these officers' influence in military command but also offer them greater career potential. If the military were to allow these officers to reach higher ranks in a shorter time, it would incentivize US service academy graduates to serve longer. Such a promotion system would also render them more competitive in the civilian world post-retirement.

Finally, in order to further improve post-service employability, the military must also enhance the public perception of its professionalism—a task easier said than done. However, the government has taken positive steps in this area, such as increasing the mandatory conscription period, overhauling military training, and prioritizing <u>asymmetric</u> doctrine. While it is too early to tell if these actions have shifted public opinion, polling from <u>2023</u> suggests that the general public overwhelmingly supports such changes.

If the government hopes to change public opinion, the administration will need to press on with these sorts of reforms—progress that President Lai <u>seems</u> resolved to continue.

The main point: As Taiwan continues to rapidly reform its military, its need for US-trained officers will grow. If the MND wishes to incentivize these officers to stay in the military long-term, it will need to increase their pay and improve post-military employability by implementing an accelerated promotion pipeline.

Beyond Taipei: How Kaohsiung Advances Taiwan's International Standing through City Diplomacy

By: Yuchen Lee

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Non-state actors now play a significant role in international relations, and this undoubtedly includes cities. City diplomacy, a form of subnational diplomacy, is defined as "the conduct of external relations undertaken by official representatives of cities with other actors, particularly other cities, nation-states, NGOs, and corporations." Due to intensive political pressure from the People's Republic of China (PRC), Taiwan experiences great difficulties in maintaining its diplomatic presence on the international stage, let alone forging formal relations with other countries. City diplomacy offers Taiwan a strategic solution to stay in the game, by creating a subnational platform that allows foreign countries to circumvent the concerns of formally recognizing Taiwan's statehood. Such efforts by the city of Kaohsiung provide a great example as to why Taiwan should leverage city diplomacy to advance its foreign policy goals.

Located in southwestern Taiwan, Kaohsiung is Taiwan's second largest city with a population of 2.7 million, and boasts a history as the biggest port and heavy-industrial base of the country. As Taiwan rapidly drives its national development towards a high-tech economy, Kaohsiung is also striving to transform from an industrial city into a metropolis based on technology, cultural industries, and tourism. Alongside the focus on industrial transformation, the Kaohsiung City government also demonstrates a strong determination to expand its international engagement. Current Kaohsiung City Mayor Chen Chi-mai (陳其邁) has repeatedly emphasized on different occasions that it is crucial to deepen exchanges with global partners, contribute to international cooperation, and enhance the city's visi-

bility.

Bilateral Relations Focusing on Education and Industries

City-to-city bilateral relationships, often conducted under the frameworks of "sister cities" or "partnered cities," constitute an integral part of Kaohsiung's international outreach. So far, Kaohsiung has 45 sister-city partnerships-ranking No.2 in Taiwan, second only to Taipei's 53 partners. While having many friends is always better than having none, what truly matters is how much substantial collaboration actually occurs. In Kaohsiung's case, frequent educational exchange proves the point. Chang Yen-ching (張硯卿), the director-general of the Department of Administrative and International Affairs of the Kaohsiung City government, suggests that educational exchange is central to these sister-city ties. She discloses that every time the Department obtains a new sister city, the next step is always to reach sister-school agreements with institutions in that city. [1] As an article by the Lowy Institute reveals, it only took 2 months for Kaohsiung and Orange County, New York, to announce a school exchange memorandum of understanding (MOU) after they inked a sister-city agreement this April. To this point, Kaohsiung has created 220 sister-school ties. "Politicians will step down and parties will rotate, but collaboration between schools is long-lasting. Once routine communication between schools is established, with the support of parents, the schools will continue this work spontaneously," said Director-General Chang. [2]



Image: A map of Kaohsiung's city-to-city partnerships. (Image Source: Kaohsiung City Government)

Kaohsiung also prioritizes exchanges with cities facing similar industrial conditions. Take Gdynia as an example: known for its harbor on the Baltic coast of Poland, Gdynia's economy centers on port and shipbuilding industries, highly resembling Kaohsiung's industrial structure. Based on shared interests and experiences,

two sides kicked off cooperation in 2023 when Deputy Mayor Bartosz Bartoszewicz visited Kaohsiung to discuss net-zero policies, smart transportation, and port operations. In March 2025, Gdynia Deputy Mayor Bartłomiej Austen spoke at the Kaohsiung Smart City Summit & Expo, sharing perspectives on Gdynia's data-driven governance and civil participation initiative. Prior to the official agreement being signed in October 2025, senior officials from both cities have already exchanged five visits within two years, underscoring how highly both cities valued this partnership.

In September 2025, an MOU Concerning the Establishment of City Cooperation was inked between the Kaohsiung and Dresden, Germany. Nicknamed the "Silicon Valley of Europe," Dresden is now the largest semiconductor cluster in Europe. Last year, Taiwan Semiconductor Manufacturing Company (TSMC, 台灣 積體電路製造股份有限公司) invested its first European wafer fab in Dresden. Meanwhile, TSMC is leading a plan to construct five wafer fabs in Kaohsiung. Therefore, during Kaohsiung's trip to Dresden in September, much attention was paid to address shared challenges brought by the semiconductor industry. The delegation visited fabs and schools, exchanging on talent cultivation, energy supply, and broader cooperation on research and development. According to the Kaohsiung city government, the two sides agreed on fostering substantial collaboration based on aligned industrial conditions and development goals.

Leveraging Multilateral Networks to Respond to Global Challenges

Beyond bilateral relationships, Kaohsiung also advances its city diplomacy through participation in multilateral cooperative regimes that tackle transnational challenges. This July, the Head of European Economic and Trade Office in Taiwan (EETO) Lutz Güllner met with Kaohsiung Mayor Chen and invited the city to be a member of the International Urban and Regional Cooperation (IURC), a European Union (EU) initiative promoting sustainable urban development through global city network. After being officially announced as a formal partner in September, Kaohsiung has already participated in two online sessions with dozens of cities, presenting its policy achievements in smart water management, intelligent transportation systems (ITS), and rural shared mobility service. In November, a delegation took part in the IURC Global Thematic Networking Event alongside the Smart City Expo World Congress (SCEWC) 2025 held in Barcelona, Spain. The delegation interacted with over 130 cities and regions, and particularly held two in-depth dialogues with delegations from the Barcelona metropolitan area and

Hamburg, Germany, exchanging experiences on smart transportation and Al-driven urban governance. Director-General Chang Yen-ching indicated that having official delegations from Kaohsiung at the IURC event and SCEWC opens up opportunities for Kaohsiung to develop substantial collaboration with European cities.



Image: The first IURC Global Thematic Networking Event was held in Barcelona, Spain, where delegations from Kaohsiung participated as a formal partner. (Image Source:

Kaohsiung City Government)

In October 2024, Kaohsiung became the first local government in Taiwan to co-host a Global Cooperation and Training Framework (GCTF) International Workshop. Convening experts and representatives from 21 countries, the workshop centered on climate change impacts and marine policies, an area where Kaohsiung possesses strong expertise due to its rich experience in port city governance. In his opening remarks, Deputy Mayor Lo Ta-sheng (羅達生) introduced the city's climate mitigation and blue economy initiatives such as low-carbon agriculture and fishing practices, ocean carbon sequestration projects, and mangrove plantingLo emphasized Kaohsiung's desire to facilitate international cooperations on climate and marine issues through this GCTF workshop. GCTF has long been a critical platform for Taiwan to engage with like-minded countries on countering transnational challenges and for the world to learn from Taiwan's valuable lessons. The presence of the Kaohsiung City Government in this workshop demonstrates that local governments are capable of interacting and collaborating with key partners of Taiwan.

Kaohsiung's participation in both IURC and GCTF illustrates the significance of multilateral mechanisms for the city's diplomacy. First, these platforms enable Kaohsiung to apply its governance expertise in meaningful international cooperation. Second, this participation reflects the international community's growing recognition of Kaohsiung as a vital partner in addressing shared challenges in areas like sustainable urban development and ocean governance. Third, through

active involvement, Kaohsiung showcases its unique strengths and identity as Taiwan's biggest harbor city, thereby amplifying its global influence.

Building Positive Images and Deepening Dialogues through Cultural Engagement

Cultural diplomacy is another linchpin of Kaohsiung's international outreach. There is a growing discussion of Kaohsiung's concert economy in the news, as global super stars—like Coldplay, Ed Sheeran, and Bruno Mars—have chosen Kaohsiung, instead of Taipei, as the Taiwan destination of their world tour. Recent coverage of the Asia tour by the K-pop group Blackpink indicated that the two-day concert series at Kaohsiung National Stadium generated over NT\$300 million (US\$9.8 million) in tourism revenue, with nightmarkets seeing sales jump by 30 percent.

While cultural activities accelerate a city's tourism and economic growth, their impact extends far beyond just the economic sphere. In recent years, the municipal government has partnered with foreign embassies in Taiwan such as Japan, France, and Spain in organizing large-scale cultural events that promote cultural exchanges. For example, the 2025 Sunshine Island Vibe Fest, in partnership with four representative offices in Kaohsiung-the United States, Japan, the Philippines, and Thailand-gathered over 140 thousand visitors to enjoy food, music, and arts at the Kaohsiung Central Park. The event featured Southeast Asian immigrant communities as its main theme, encouraging local residents to interact with immigrants, meet foreign cultures, and embrace diversity. Such public events not only celebrate friendship with foreign countries and cultural diversity in the city, but they also enable citizens to understand the essence of international engagement by directly involving them in the process. According to Director-General Chang, a survey done by her department shows that over 90 percent of respondents acknowledge Kaohsiung's growing international visibility and affirm that these events elevate the city's positive global image. [3]

While authorities handle official cultural exchanges, many more extensive interactions occur at the civil society level. The Pier 2 Artist in Residence (PAIR) program exemplifies the people-to-people ties flourishing in Kaohsiung. Initiated in 2015, the program provides financial support to artists from all over the world and accommodates them at the Pier-2 Art Center. During their residency, artists are able to explore the city, exchange with other artists, and participate in public events organized by the Center. At the end of their residency, artists curate an exhibition that showcases

what they have accomplished during their stay, often blending in memories, knowledge or techniques they acquired from the community. For instance, two artists wrote in their <u>final exhibition</u> that the artwork "draws inspiration from Kaohsiung—its architecture, coastal landscape and cultural memory shaped by divine protection—interweaving themes of reverence and shelter."



Image: Kaohsiung Mayor Chen Chi-mai, Branch Chief Neil Gibson of the American Institute in Taiwan Kaohsiung Branch Office, Director General Masafumi Oku of the Japan-Taiwan Exchange Association Kaohsiung Office, Director Ma. Karina Bercasio Perida-Trayvilla of the Manila Economic and Cultural Office Kaohsiung Extension Office, and Director Nutchyawach Sanguanchaiyakrit of the Thailand Trade and Economic Office Labor Division formed a band to promote the Sunshine Island Vibe Fest. (Image Source:

Kaohsiung City Government)

In addition to the residency program, PAIR also organizes the Waving Waves Community (WWC) International Art Forum to connect art institutions in neighboring countries, invoking dialogues between arts and global issues. Through attending roundtables, workshops, and public talks, stakeholders-including institutions, curators, and artists-discuss how arts and culture can respond to transnational challenges and forge cooperations. Some topics in the past include port governance, diversity and inclusion, and emerging technologies. By bringing international artists and art organizations together in Kaohsiung, PAIR allows artists to learn the city through physical experience and represent it through their artistic interpretations. The program not only deepens international understanding of Kaohsiung, but also positions the city as a hub for cross-cultural dialogue and collaboration.

Political Pressure from the PRC

Even though municipal engagement usually does not raise Beijing's alarm, sometimes it still encounters disruption. One such incident dates back to 2013, when

Kaohsiung and Male (the capital of Maldives) signed their sister-city agreement. A day after the pact was inked, the Maldivian Ministry of Foreign Affairs declared that the agreement was invalid, due to the government's "firm conviction of one-China policy." The declaration underlined China's role as an important development partner for Maldives, and the Maldivian government's eagerness to maintain close ties with the Chinese government.

Such disruption against city-to-city ties could be contextualized under the framework of PRC political warfare, where Beijing leverages all kinds of influence to isolate Taiwan's international standing. The recent case of Edinburgh, Scotland postponing an official partnership with Kaohsiung further illustrates how PRC sways foreign governments to not interact with Taiwanese cities in an official capacity. In June 2024, a draft to establish a formal sister-cityhood between Edinburgh and Kaohsiung was proposed in the Edinburgh City Council. Knowing this, the PRC representative in Edinburgh, Zhang Biao (22), soon requested a meeting with the Scottish government and claimed that this proposal "will bring about serious consequences." At the same time, Edinburgh's business, tourism and education sectors all expressed their concern regarding potential sanctions by the Chinese government if Edinburgh proceeded with the proposal. Organizations like Edinburgh Airport and Essential Edinburgh warned that they may face a decline in the number of flights from China, as well as the number of Chinese students and visitors. A report by the city council even worried that the risk of cyber-attacks against the council might increase.

The city council eventually put the proposal on hold, but later passed a resolution on "Relationship with the City of Kaohsiung," indicating Edinburgh's continued willingness to strengthen cooperation with Kaohsiung in various areas. While exchanges between Kaohsiung and Scotland continue, the entire incident clearly attests to Beijing's willingness to use every tool it has—political, economic, coercive, and inducing—to restrict Taiwan's global presence, including sister-city agreements.

Conclusion

Despite occasionally suffering from PRC interference, city diplomacy in most cases functions smoothly for Taiwan, as such engagement focuses on pragmatic issues of municipal governance and prioritizes reciprocal exchanges. As Taiwan continues to flourish in its democratic governance, technological innovation, and economic growth, Taiwanese cities possess valuable

lessons to offer like-minded cities and their people. Kaohsiung's efforts to internationalize itself through expanding bilateral relations, participating in multilateral cooperation, and deepening cultural connections have definitely set a model for other cities. The city has successfully spotlighted its experience in urban transformation, port management and marine governance to advance its diplomatic practices. As Director-General Chang Yen-ching said, "We want to let the world know that Taiwan is more than just Taipei 101. We are telling the world what 'Kaohsiung experience' means and what Kaohsiung has to offer the world." [4]

The main point: As China intensifies pressure on Taiwan's official diplomacy, city diplomacy presents a strategic avenue for Taiwan to broaden its international engagement. Kaohsiung, a major southern city with a distinctive maritime heritage and expertise in port governance, has emerged as a leader in this effort. The city actively cultivates sister-city ties, partakes in multilateral cooperative frameworks, and hosts international cultural activities. Despite periodic interference by Beijing, Kaohsiung's global partnership continues to thrive, demonstrating the resilience of municipal-level diplomacy in circumventing national-level constraints.

[1] Author's interview with the Director-General of the Department of Administrative and International Affairs of Kaohsiung City government, Chang Yen-ching, November 16, 2025.

[2] Ibid.

[3] Ibid.

[4] Ibid.

What Would Taiwan's Gangs Do During a Possible PRC Invasion?

By: Benjamin Sando

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As the topic of Taiwan's organized crime and the Chinese Communist Party's (CCP, 中國共產黨) united front influence on the island has garnered international attention, analysts have posed an alarming question: "What would Taiwan's gangs do if China invades the island?"

Long-standing resentment in Taiwan towards the pervasiveness of gangs has fueled speculation that these groups might act as a "fifth column," aiding the CCP's

invading forces by sabotaging critical infrastructure or sowing widespread panic. The concerns are backed by prominent revelations regarding some Taiwanese crime bosses' collaboration with People's Republic of China (PRC) espionage operations. In March 2025, Taiwan's President Lai Ching-te (賴清德) <u>publicly high-</u> lighted the role of Taiwan's gangs in the CCP's interference campaigns on the island. Months before Lai's speech, Taiwan's National Security Bureau (NSB, 國家 安全局), its intelligence service, had released a <u>report</u> specifically describing how Taiwan's organized crime groups (among other actors) facilitate CCP espionage operations and even fifth column recruitment. Fears were compounded in May of this year, when the news site Mirror Daily (鏡報) broke the story that the NSB had come into possession of a PRC intelligence document that allegedly mapped every major gang in Taiwan, covering the gangs' sizes, leaders, criminal enterprises, and supposed willingness to cooperate with the CCP. The Mirror Daily report caused consternation in Taiwan, prompting the Democratic Progressive Party's (DPP, 民進黨) former caucus chief executive Rosalia Wu (吳思瑤) to openly conclude that gangs would "cooperate with Chinese invading forces during wartime."

Given gangs' history of cooperation with the CCP, as well as the fact that some are heavily armed with assault rifles and fabled katanas, it is prudent to analyze whether they could form an internal paramilitary force disrupting Taiwan's defense effort. However, analysis that fails to consider the underlying incentive systems guiding gang participation will ultimately overstate the likelihood of these groups engaging in fifth column sabotage. Speaking to the Mirror Daily, one commentator compared the overall number of suspected gang members in Taiwan to the nation's police, prompting the news site to run the <u>headline</u>: "70,000 police officers fight against 300,000 gangsters." Such a crude comparison overlooks the fact that the majority of Taiwan's gang members are legal minors who have never committed gun crimes, murder, or other militant activity that could psychologically prepare them to assault critical infrastructure or police installations. Moreover, the expectation that gangs will participate en masse in fifth column paramilitary behavior underestimates the reservations that local gang bosses would experience towards sanctioning attacks on the territories they control.

Better candidates for fifth column saboteurs belong to the constellation of pro-unification sham political parties, such as the Chinese Unification Promotion Party (CUPP, 中華統一促進黨). The operations of these

groups are often conflated with organized crime—and indeed many of these party members have backgrounds in Taiwan's underworld—yet these fringe political parties differ from Taiwan's local gangs in the crucial area of ideology. Simply put, the rank-and-file of Taiwan's local gangs lack the pro-unification ideology that could allow them to fire upon their own friends, family, and community members in order to execute CCP sabotage objectives during a Taiwan invasion.

Spiralling Suspicion

In recent years, scrutiny towards collaboration between Taiwan's gangs and the CCP has intensified. In many respects, this is justified. It is undeniable that some criminal bosses—including those that "double-hat" as Daoist temple leaders—have supported CCP united front political warfare and espionage. This author and others have documented how some temple leaders allegedly linked to organized crime—participate in CCP efforts to use religious and cultural exchanges between Taiwan and the PRC to promote pro-China sentiment. On the espionage front, the chairwoman of the Rui Yao Temple (瑞磘宮) in New Taipei City, and a member of the Sun Alliance (太陽聯盟, a larger criminal network in Taiwan), was recently caught recruiting spies in Taiwan's military. Her recruitment campaign had reached as far as military police in President Lai's security detail, triggering an outcry in Taiwan's security establishment.

Aware of some gang leaders' involvement in CCP influence operations and espionage, some observers now ask: "Could these gangs use their muscle to disrupt a war effort in Taiwan?" Indeed, the Taiwanese military has been preparing for potential internal attacks on critical infrastructure in the event of a PRC invasion. The Ministry of National Defense (MND, 國防部) has identified 300 such possible targets in Taiwan, ranging from Taipei Main Station to oil refinement facilities. The alleged PRC intelligence map of Taiwan's gangs, as reported on by the *Mirror Daily*, has fueled an additional concern: that gangs might take over local police stations in order to prevent authorities from maintaining order in wartime Taiwan.

The alleged PRC intelligence document, which reportedly <u>runs at about</u> 10,000 Chinese characters in length, maps the spheres of influence of local gangs as well as police installations dotted around Taiwan. According to the *Mirror Daily*, the document also <u>lists</u> the manpower, weaponry, contact information, and even the propensity to cooperate with the CCP of each local gang. Disturbingly, the document also suggests the speed at which each gang could mobilize, the sum the

CCP would have to pay for their cooperation, and resettlement costs should gang members need to leave Taiwan.

If taken at face value, the map is damning and confirms the worst fears regarding a gang-led fifth column. However, it is worth questioning the provenance of this document. If the document is genuine, it could merely be an exploratory report aimed at mapping and relaying the relative strength and operations of each gang in Taiwan (useful for any would-be invading force). It is also possible that this is a genuine, highly-sensitive dossier that reflects actual commitments made by gang members to support the CCP. But if it were the latter, one should question why PRC intelligence services would blithely lay out their assets all in one briefing-style document. Indeed, an NSB official speaking with the Mirror Daily cautioned that the document could merely be an aspirational list of potential recruitment targets, rather than a concrete list of fifth column collaborators: "Although it's premature to consider all the gangs listed in the report as CCP collaborators, the contents do suggest that the PRC seeks to use this intelligence, and clearly intends to exploit the weaknesses of the gangs one by one."

Police and NSB investigations, which are reportedly underway as a result of this intelligence coup, may shed light on the veracity of the document's claims. However, before taking a blanket characterization of violent gang collaboration with the CCP at face value, it is first necessary to assess whether the structures of gangs would really allow them to serve as an organized CCP fifth column.

Local Gangs and Loyalties

In an interview with this author, Chang Hung-chi (張弘 信) described how Taiwan's local gangs "operate something like a company," with "executives, middle-management, and entry-level staff." At the age of 14, Chang was inducted into a gang in Taichung before he got out and continued his studies. When he took part in this interview, he was a PhD student studying Technology Management at National Yang Ming Chiao Tung University (國立陽明交通大學). The structure Chang described is specific to Taiwan's local gangs—the kinds of organizations that focus on controlling specific territories in order to operate criminal enterprises such as brothels, casinos, and drug dealing. This is somewhat contrasted with the highest echelons of Taiwan's nationwide organized crime associations—such as the Bamboo Union (竹聯幫) or the Celestial Alliance (天 道盟)—which focus more on facilitating international

enterprises such as drug- or gun-smuggling, or internet scams.

Local gangs may declare allegiance to these nationwide syndicates in return for access to resources and business opportunities (such as imported drugs or money-laundering systems), but they must always keep an eye towards community relations in order to perpetuate their local operations. It is hard to keep brothels and casinos secret from the local community—indeed, the local community supplies clients for these illicit businesses—so local gang bosses preoccupy themselves with their reputation. This dynamic has encouraged local bosses, known in Taiwanese as gatao (角頭), to jockey for control of Daoist temples in order to win the favor of the community through splendid temple events. It is also for this reason that gatao may be reluctant to order attacks on local sites such as police stations. Were it to be discovered that a gatao had ordered his gang to lay siege to a police station during a PRC invasion, and the PRC had later failed to occupy Taiwan, the gatao would lose all credibility with the local population. Indeed, he or she would likely be driven out of town or prosecuted. Participation in PRC fifth column operations therefore constitutes a wager where success and annihilation are the only two outcomes.



Image: Young Taiwanese perform a ritual to ward of COVID-19 in the garb of the "Eight Generals" (八家將). The gang affiliation of the individuals in this image is unknown.

(Image Source: Wikimedia Commons)

Such a wager would run contrary to the habits of local bosses, who prefer to maintain <u>plausible deniability</u> whereby a failure in their criminal operations cannot lead to accountability. Indeed, plausible deniability may be an important ingredient that has encouraged some crime bosses to support PRC espionage—the

work is necessarily clandestine and is therefore less likely to result in discovery.

The Rank-and-File of Taiwan's Gangs

The altogether more serious impediment to gangs' fifth column involvement lies in the quality of the would-be footsoldiers themselves—the so-called "entry-level" staff in Taiwan's gangs. As Chang tells me, gang leaders intentionally recruit minors, including children as young as middle-school age, to carry out risky criminal acts such as violent debt collection or drug dealing. As both Chang and the Criminal Investigation Bureau describe, this is because Taiwan's penalties for crimes committed by minors—such as assault and drug dealing—are far lighter than those for adults. Under the Juvenile Justice Act (少年事件處理法), a minor convicted for a serious crime may spend only a few years in juvenile prison. At age 18, minors are eligible to have their convictions sealed from future employers or schools.

Gangs can recruit minors on this basis, but more importantly on the promise of reliable income and a sense of belonging and purpose. Minors who join gangs often come from broken or impoverished families. Gang membership comes with a measure of financial independence and a "job" (however unsavory). In the case of gangs led by *gatao* "double-hatting" as temple chairs, membership also delivers a sense of purpose derived from participation in <u>Daoist temple ceremonies</u> performed for the local community. In these ceremonies, minors lay on facepaint and perform the ritual of the "<u>Eight Generals</u>" (八家將). According to Chang, this role gives minors otherwise shunned by society a sense of pride and belonging.

In this context, it is hard to imagine the everyday enforcers in Taiwan gangs readily participating in military-style assaults on local infrastructure and police stations. While Taiwan's underage gang members may possess some animus towards local law enforcement, attacking police sites during a state of war would constitute a crime at a level of seriousness far exceeding anything these minors would previously have committed. Besides the fact that the perpetrators—regardless of their age—would face steep penalties for treason, sabotage of this kind would eviscerate the fragile sense of purpose that these minors gain from in-group membership and the performance of sacred Daoist rituals for the communities around them. As Chang stated, for these underage gang members, "the local town is not just a location; it is their entire world." To turn against their own communities, including friends and family members, through sabotage on behalf of a foreign country is simply beyond the realm of possibility for most underage gang members.

The remaining class for consideration, then, is the "middle-management" of Taiwan's gangs. According to Chang, these are individuals in their twenties and thirties who served prison time as minors and remained in the gangs. They act as go-betweens, allowing bosses to convey orders to the minors without having to meet them directly. Because they have committed to a career in organized crime—but lack the recognizability of gatao—this class of gangster may be the best recruitment target for the hardened crime of treason. However, recruiting gang "middle managers" for fifth column sabotage also presents its own obstacles. For one, Chang underscores that their criminal histories makes these gangsters well-known to local police. In tandem with this fact, gang "middle-managers" are often draft age, meaning that Taiwan's military could easily call up these individuals to military service in advance of an invasion, neutralizing their capacity to assemble into a fifth column.

Nonetheless, there remains the possibility that the CCP could engender scattered incidents of civil disorder or sabotage through rogue gang members recruited ad hoc. Indeed, Taiwanese lawmaker Puma Shen (沈伯洋) has warned that scattered attacks are the most likely scenarios for internal sabotage. However, such actions are more likely to bring about psychological repercussions than real impairments to Taiwan's war effort. Ultimately, predictions of island-wide rebellions by local gangs are far-fetched.

Were gangs to play a coordinated role in a PRC invasion, it would most likely take place after PRC victory was assured and the People's Liberation Army (PLA) was in the course of occupying Taiwan. Under such a scenario, there would be no risk for a *gatao* to support occupying PLA forces—indeed, resistance would likely guarantee eradication. *Gatao* could justify their support for occupying forces under the premise that they are helping restore order in Taiwan's localities. Just as when the Kuomintang (KMT, 國民黨) relied on Taiwan's local gangs to support their authoritarian rule over the island in the 20th century, the PLA would likely be forced to turn to gangs to support their occupation at the beginning stages.

Fringe Pro-Unification Parties and the Fifth Column

In recent years, more egregious examples of fifth column preparation have come not from Taiwan's gangs, but rather a fringe network of sham political parties openly calling for unification with the PRC. The political parties scarcely deserve the label, as they do not focus on winning elections, but rather use their freedom of association to build networks around the island facilitating bribery and other crimes. They are often conflated with organized crime because some of their members are former or current gangsters. But even some of Taiwan's gangs resent this conflation, with one Bamboo Union gang member complaining that "Just because the CUPP has a gang-related background, does that mean every incident gets blamed on us?"

The most famous of these political parties is the CUPP, headed by <u>Chang An-lo</u> (張安樂), AKA the "White Wolf." CUPP members have <u>assaulted</u> student protestors taking anti-PRC stances, and have <u>attempted to recruit</u> spies in Taiwan's military on behalf of the CCP. Another fringe party is the now-defunct <u>Taiwan Military Government</u> (台灣軍政府), founded by an acquaintance of Chang and a former lieutenant general in the Republic of China (ROC) Army. The founder, Kao An Kuo (高安國), <u>was sentenced</u> to seven-and-a-half years in prison in October this year for recruiting collaborators to spy on Taiwanese military bases and agreeing to establish a fifth column force on behalf of the PRC. The group was only able to secure a handful of recruits before discovery.

In another unsettling case, a <u>retired ROC Army major</u> was sentenced to ten years in prison for recruiting six retired military personnel to surveil critical political and military sites in Taiwan, and to organize a sniper gang that could attack these positions during a PRC invasion.

These cases indicate a trend whereby disaffected retired military personnel could be the most conspicuous participants in PRC fifth column recruitment. Indeed, of the 64 individuals prosecuted in espionage and sabotage cases last year, 66 percent were current or former members of Taiwan's armed forces. The military training that these individuals have undergone may prepare them for fifth column sabotage missions. But most importantly, ROC soldiers—especially older, retired ones—may be more likely to maintain a pro-unification ideology inculcated by the authoritarian-era KMT leadership. Kao An Kuo, the 80-year-old founder of the Taiwan Military Government, defended his actions by saying he sought to "uphold the One-China principle in the Republic of China Constitution."

The pre-existing ideological inclinations of Taiwan's retired military personnel render them more likely recruits for a PRC fifth column than the rank-and-file

of Taiwan's gangs. However, even retired military personnel may not prove powerful internal saboteurs. Because many of these retirees are beyond military age, with Kao and others exceeding 60, they may not constitute a potent fighting force capable of distracting Taiwanese internal security for a consequential length of time.



Image: Kao An Kuo (高安國), the former head of the "Taiwan Military Government" (台灣軍政府) political party.
(Image Source: Wikimedia Commons)

Policy Recommendations

While the character and incentives of Taiwan's local gangs may frustrate PRC fifth column recruitment, the Taiwanese authorities should not neglect this risk. In order to curtail this threat, the Taiwanese government should pursue a two-pronged approach:

Surveillance: Taiwan's government should capitalize on intelligence, including local informants and the alleged PRC map of Taiwan's gangs, to monitor grassroots activity and determine whether or not gatao are laying the ideological groundwork for underage members to engage in fifth column sabotage.

Co-optation: The Taiwanese government should seek to co-opt the rank-and-file of Taiwan's gangs capable of engaging in sabotage. Firstly, the government should seek to integrate temple-affiliated gangs into the burgeoning civil defense infrastructure of Taiwan, under the pretext that it is working with the <u>legal organizations</u> that govern temples. Indeed, the government has toyed with this policy before. This could be achieved by using local politicians and village chiefs—many of whom are closely-networked with temple leaders—as interlocutors. Temple-affiliated gang bosses may acquiesce as civil defense participation could burnish their legitimacy in local communities. Underage gang members may relish the chance to physically serve society through disaster relief activities. Secondly, if war is imminent, the ROC military should intentionally include the "middle-management" gang members in the first round of reservist callups, ensuring they are not present in local areas to execute possible sabotage activities.

The main point: While surging attention on Taiwan's organized crime has prompted concerns that gangs could support PRC fifth column activities, the rank-and-file Taiwanese gangsters are neither trained nor ideologically-primed to take part in these operations. Instead, retired ROC military personnel and fringe pro-unification political parties may serve as better fifth column recruits. In order to minimize the risk of gang participation in a PRC fifth column, the Taiwanese government should escalate surveillance of organized crime and seek to co-opt temple-affiliated gangs into civil defense infrastructure and reserve forces.

Argentina's Critical Minerals Sector: Opportunities and Challenges for Taiwanese Investment and Trade

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Over the years, the Argentine government has taken significant steps to liberalize its mining sector. Under President Javier Milei (2023-present) and through the newly introduced *Incentive Regime for Large Investments*, Argentina is aiming to attract large-scale foreign direct investment (FDI) in mining, extraction, and processing of critical minerals such as lithium, gallium, germanium, and rare earths. [1] At the same time, there is a <u>rising global demand</u> for minerals in the

technology, energy, and semiconductor industries. For Taiwan, which has an economy that is heavily reliant on advanced manufacturing, securing stable supplies for critical minerals is strategically relevant. In this context, Argentina presents an opportunity for Taiwanese investment and trade.

Argentina: Mineral Resources, Policy, Trade & Investment Framework

Argentina is endowed with a <u>wide range of critical minerals</u>. According to the <u>Organization for Economic Cooperation and Development (OECD)</u>, beyond sizable lithium reserves, Argentina holds abundant copper, cobalt, chromium, rare earths, graphite, nickel, platinum-group elements, zinc, and other strategic minerals. In particular, Argentina is part of the "<u>Lithium Triangle</u>" (with Chile and Bolivia) and <u>ranks</u> among the world's top lithium producers. Copper has also become a rapidly emerging focus, as <u>numerous exploration projects</u> are underway and the metal is considered essential for electrification and renewable energy infrastructure.

Following the election of President Javier Milei in 2023, Argentina has advanced a legal and regulatory framework aimed at attracting large-scale mining investment. Key material factors include:

- The Incentive Regime for Large Investments: Offers tax, customs, and foreign exchange benefits for projects exceeding USD 200 million, with 30 years of regulatory stability.
- Export-Duty Reductions: In August 2025, Argentina eliminated export duties on 225 mining products through the Executive Decree No. 563/2025.
- <u>Transparency Commitments</u>: Since joining the Extractive Industries Transparency Initiative in 2019, Argentina has maintained an online platform providing public access to mining, environmental, and cadastre data.
- Institutional Framework: The <u>Argentine Chamber</u>
 of <u>Mining Firms</u> represents major companies and
 serves as a key industry interlocutor with the government.

Together, these policies and institutions make Argentina a relatively favourable jurisdiction for mining investment—and one of the more open jurisdictions in the Lithium Triangle. In this regard, <u>Argentina</u> is the only country in the Lithium Triangle that <u>allows private companies to own and commercialize lithium resourc-</u>

es, while Chile and Bolivia maintain greater state control.

Furthermore, following the results of Argentina's October 2025 <u>legislative elections</u>, the current administration is expected to retain stronger control over Congress, reinforcing policy continuity and investor confidence. In this context, characterized by an openness to foreign capital, favorable investment conditions, and a liberalized mining regime, Argentina presents a unique opportunity for Taiwan to strengthen its non-official economic ties while ensuring greater resilience against potential disruptions from the People's Republic of China (PRC) in its semiconductor supply chain. Additionally, President Milei's <u>alignment</u> with the United States, the European Union, and other like-minded democracies further enhances the political feasibility of deeper Taiwan-Argentina cooperation.

Taiwan: Dependence on Critical Minerals and Supply-chain Risks

Taiwan's advanced technology, semiconductor, and electronics industries <u>rely heavily</u> on a stable supply of critical minerals such as rare earth elements, lithium, copper, and germanium. However, due to its limited natural endowments and <u>lack of domestic reserves</u>, Taiwan's supply chain remains highly dependent on external sources.

Critical minerals are fundamental to advanced technologies. Lithium, nickel, and cobalt underpin battery performance, while rare earth elements are indispensable for components in electric vehicle motors. However, Taiwan remains heavily dependent on external suppliers. In the first half of 2025, imports from the PRC and Hong Kong totaled USD 43.2 billion, with electronic components, information and communication products, and electrical machinery showing particularly strong growth. Taiwan also imported USD 58.1 million worth of mineral raw materials in 2024. Although its dependence on the PRC is significantly lower in the commodities category, accounting for only 1.6 percent of total mineral raw material imports, these figures still underscore Taiwan's constrained access to the upstream raw materials needed to sustain its high-value manufacturing sectors.

It is worth noting that the <u>critical minerals supply chain</u> begins with upstream activities, which consist of exploration and extraction. Following extraction, the minerals enter the processing and refining stage, which serves as a bridge between raw mining output and industrial applications. Here, materials are transformed

into usable forms. The downstream stages involve the industrialization of refined minerals as they move into manufacturing, where countries have greater opportunities to add value and diversify their production. The chain concludes with end-of-life management, which seeks to close the loop through recycling and reuse, ultimately reducing the demand for virgin materials.

| Г | Unit: US\$ billion, % | | | | | | |
|------------------------|-----------------------------|----------------------------------|-------|-------|-------|--------|--------|
| | | Mainland China & Hong Kong | ASEAN | Japan | Korea | U.S.A. | Europe |
| Amount | | 43.2 | 28.2 | 26.4 | 28.0 | 23.7 | 24.8 |
| | Q1 | 19.9 | 13.2 | 12.8 | 13.0 | 10.9 | 11.5 |
| | Q2 | 23.3 | 15.0 | 13.6 | 14.9 | 12.8 | 13.3 |
| YoY Growth Rate | | 13.8 | 18.6 | 19.0 | 56.4 | -9.7 | 12.0 |
| | Q1 | 11.6 | 18.5 | 20.4 | 65.6 | -28.2 | 10.3 |
| | Q2 | 15.7 | 18.8 | 17.8 | 49.1 | 15.8 | 13.6 |
| As % of All Imports | | 19.0 | 12.4 | 11.6 | 12.3 | 10.4 | 10.9 |
| | Percentage Points Change | -1.1 | -0.2 | -0.1 | +2.8 | -3.5 | -0.8 |

Source: External Trade Report in the First Half of 2025- Taiwanese Ministry of Finance

A notable example is tungsten, a strategic metal essential to Taiwan's industrial infrastructure. Taiwan does not produce its own raw tungsten and relies entirely on imports, with approximately 90 percent of its supply originating from China. In February 2025, China added tungsten to its export control list and eliminated value-added tax rebates for raw exports, effectively discouraging global supply and altering market dynamics. Industry managers have warned that a complete disruption in tungsten supply could force "half of Taiwan's people" to take unpaid leave, highlighting the metal's strategic importance. Additionally, in October 2025, Beijing introduced sweeping new export restrictions requiring companies worldwide to obtain licenses for any product containing more than 0.1 percent Chinese-origin rare earth elements by value. While Taiwan does not directly rely on China for rare earth elements used in its domestic chipmaking processes, it remains vulnerable through indirect channels—especially via its dependence on semi-finished products

and components manufactured in Japan or Southeast Asia that use Chinese-refined rare earth elements.

Hence, diversification is essential for Taiwan to strengthen its industrial resilience and preserve its global competitiveness in high-tech sectors. Critical minerals are <u>indispensable inputs</u> for semiconductors, smart machines, electronics, battery systems, and green technologies. In particular, Taiwan's semiconductor industry (anchored by firms such as <u>Taiwan Semiconductor Manufacturing Company [TSMC, 台灣積體電路製造公司]</u>), constitutes the foundation of its export economy and strategic position in the international system, given the large market share they hold. Any disruption in the supply of raw materials could pose systemic economic and security risks for not just Taiwan, but for the whole world.

Although Taiwan and Argentina lack formal diplomatic relations, Taipei maintains commercial and cultural engagement through the Taipei Economic and Cultural Office in Argentina (駐阿根廷台北商務文化辦事處). Despite persistent pressure from the PRC, Taiwan has succeeded in promoting economic and institutional cooperation through Memoranda of Understandings (MOUs) between firms, chambers of commerce, and academic institutions. Building on these mechanisms, Taiwan can further advance bilateral ties with Argentina and other resource-rich partners to secure access to critical minerals and enhance the resilience of its industrial supply chains.

Opportunities and Challenges for Taiwanese Investment and Trade

For Taiwan, engaging with Argentina's critical-minerals sector offers a route to diversify supply chains away from heavy reliance on the PRC and a narrow set of sources. By gaining access to minerals such as lithium, copper, rare earths and germanium from Argentina, Taiwanese firms can strengthen their upstream security of supply for semiconductors, electronics, magnets, battery technologies and smart machines. Given the geopolitical risks associated with China's dominance in mineral processing and refining, diversification into Argentina is both economically prudent and strategically significant.

Furthermore, instead of being purely downstream manufacturers, Taiwanese firms might explore upstream participation through joint ventures, equity shares, or trade partnerships in Argentina. Notable examples include the memorandum of understanding between the Chinese International Economic Coopera-

tion Association (CIECA) and the Argentine Chamber of Commerce and Services (Cámara de Comercio y Servicios de la República Argentina), as well as the cooperation agreement between CIECA and the Chamber of Industry and Commerce of Mercosur and the Americas (Cámara de Industria y Comercio del Mercosur y de las Américas). This would allow Taiwan to evolve from a passive consumer of raw materials to an integrated actor within the Argentine emerging mining sector, improve value-chain capture, secure supply stability, and reinforce the competitiveness of its high-tech industries.

In the absence of formal diplomatic relations between Taiwan and Argentina, cooperation can advance through provincial and regional levels, particularly in mining-rich provinces, such as Jujuy, Catamarca, and San Juan. Through chambers of commerce, investment promotion agencies, and sister-city agreements, access could be facilitated while circumventing federal-level diplomatic constraints. This decentralized approach would complement existing trade promotion mechanisms and foster ground-level partnerships.

In addition, these engagements may also open doors in neighboring countries for Taiwan to build a regional critical minerals network, strengthen its political and economic position in Latin America's Southern Cone-Brazil, Paraguay, Uruguay, and Chile-, reduce its diplomatic isolation, and increase its presence in a strategically significant region. Participation in the Argentine mining boom could also enhance Taiwan's leverage in the global competition over supply chains, particularly *vis-à-vis* the PRC.

However, the critical minerals sector in Argentina also presents notable challenges for Taiwanese businesses and investors. Geopolitically, the influence of the PRC remains substantial, reinforced by the Belt and Road Initiative (BRI, formerly known as "One Belt, One Road," 一带一路) and extensive commercial presence in the country. As of September 2025, China had become Argentina's second-largest trading partner, with the bilateral trade balance reflecting a USD 6.5 million deficit for Argentina. Moreover, the PRC maintains significant foreign direct investment in strategic sectors including energy, manufacturing, mining, real estate, ICT, infrastructure, agroindustry, and finance.

At the same time, mining operations in Argentina face <u>strict regulations</u> and community opposition, with legislation that limits and restricts mining activity and investment. These issues are compounded by Argentina's <u>macroeconomic instability</u>, including <u>high</u>

<u>inflation</u> and <u>uncertain</u> investment and economic conditions, which may pose financial risks despite recent reforms. Altogether, these geopolitical, environmental, financial, and diplomatic constraints form a challenging landscape that Taiwan must carefully navigate to participate effectively in Argentina's emerging critical minerals market.

Recommendations

In order to capitalize on the benefits of closer economic relations, Taiwan should:

- 1. Sign an MOU between the Taipei Economic and Cultural Office in Argentina and the Argentine Chamber of Mining Firms [Cámara Argentina de Empresas Mineras]. The MOU should establish a framework for investment and dialogue, including information sharing, high-level reciprocal visits, and matchmaking between Argentine mining firms and Taiwanese investors.
- 2. Direct the Taiwan External Trade Development Council (TAITRA, 中華民國對外貿易發展協會) to organize at least one annual trade mission to the Argentine provinces of Jujuy, Catamarca, and San Juan, focused on identifying trade and investment opportunities in critical mineral sectors. These missions should involve forming a working group among Taiwanese firms interested in diversifying raw material sourcing for semiconductors, as well as relevant Argentine stakeholders (federal, provincial, and regional governments, mining firms, and legislators). Through the Contact Taiwan platform, TAITRA should facilitate linkages between investors and recipients, and specify mining and processing projects suited for Taiwanese participation.
- 3. Coordinate with like-minded partners, such as the United States, Canada, and the European Union (countries that already have significant investments in Argentina) to establish a multilateral forum on critical minerals. The forum would align investment cooperation frameworks and ensure Taiwan's inclusion in broader supply chain initiatives.

The main point: For Taiwan, the time is ripe to deepen its presence in Argentina's mining sector; not merely as a buyer of raw materials, but also as a strategic partner in extraction, processing, and supply-chain integration. Doing so would strengthen Taiwan's techno-industrial base and enhance its economic diplomacy in Latin America.

[1] Critical minerals are <u>defined</u> as any mineral, ele-

ment, substance, or material designated as critical by the Secretary of the Interior, acting through the director of the US Geological Survey. The Critical Materials List includes the following: Critical materials for energy: Aluminum, cobalt, copper, dysprosium, electrical steel, fluorine, gallium, iridium, lithium, magnesium, metallurgical coal for steelmaking (inclusive of anthracite), natural graphite, neodymium, nickel, platinum, praseodymium, silicon, silicon carbide and terbium. Critical minerals: Aluminum, antimony, arsenic, barite, beryllium, bismuth, cerium, cesium, chromium, cobalt, dysprosium, erbium, europium, fluorspar, gadolinium, gallium, germanium, graphite, hafnium, holmium, indium, iridium, lanthanum, lithium, lutetium, magnesium, manganese, neodymium, nickel, niobium, palladium, platinum, praseodymium, rhodium, rubidium, ruthenium, samarium, scandium, tantalum, tellurium, terbium, thulium, tin, titanium, tungsten, vanadium, ytterbium, yttrium, zinc, and zirconium.
