

How Taiwan and South Korea Safeguard Semiconductor Supply Chains Amid US-Iranian Tensions

Cao Nguyen Khanh Huyen and Nguyen Thanh Long

More than Just Trade: Taiwan's Investment Boom in the United States

Mark Ensign

The Case for a Taiwan-Led Democracy Defense Fund

James Jennion

Treating Taipei's Homeless with a Policy of Compassion

Hope Ngo

Dongshan Island: A Critical Node for the People's Republic of China's Operational Plans for Taiwan Contingencies

Emerson Tsui

How Taiwan and South Korea Safeguard Semiconductor Supply Chains Amid US-Iranian Tensions

By: Cao Nguyen Khanh Huyen and Nguyen Thanh Long

Cao Nguyen Khanh Huyen, Ph.D., is a lecturer in the International Studies Division at Ho Chi Minh City University of Education (HCMUE). She is also a visiting scholar at the Taiwan Center for Security Studies (TCSS), National Chengchi University (NCCU), in 2026.

Nguyen Thanh Long holds a Master of Arts in International Relations from the Ho Chi Minh City University of Social Sciences and Humanities (USSH-HCM). His research interests focus on maritime security and international relations in the Asia-Pacific.

All views expressed in this article are solely those of the authors.

The Strait of Hormuz crisis, sparked by the advent of [full-scale war](#) between the United States and Iran, has precipitated spikes in energy costs and deep concerns regarding the stability of global supply chains. For Taiwan and South Korea, which are heavily involved in semiconductor production, interruptions in the flow of energy and petrochemical byproducts are not just minor shocks, but direct threats to their core economic systems. Both economies face similar risks but have pursued different strategic responses.

The article explores the different approaches that Taiwan and South Korea have taken to secure their semiconductor supply chains amid the Strait of Hormuz crisis, and where they may have responded differently. The two economies' policy responses underscore differences in their industrial structures and geoeconomic orientations as two of the world's leading semiconductor producers.

Shared Risks

On February 28, 2026, the United States and Israel launched [military strikes](#) against Iran in an effort to "eliminate threats posed by the Iranian regime." Tehran [responded](#) by closing the Strait of Hormuz on March 4 and launching attacks on Gulf energy facilities, particularly [Qatar's Ras Laffan Industrial City](#)—the world's

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

Editor-in-Chief
John Dotson

Staff Editor
Benjamin Sando

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

To view web sources cited in the published papers (underlined in printed text), visit <https://globaltaiwan.org/issues/vol-11-issue-12/>.

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

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



Image: A worker at Qatar's Ras Laffin refinery complex (undated). The Ras Laffin facility is the world's largest liquefied natural gas (LNG) export hub, and attacks on the facility and diminished merchant traffic through the Strait of Hormuz in the ongoing Middle East conflict have negatively impacted exports. (Image source: [Qatar Energy LNG](#))

largest liquefied natural gas (LNG) export hub. The crisis [immediately pushed](#) Brent crude prices close to 120 USD per barrel and severely disrupted global energy supply chains.

In this context, South Korea and Taiwan's semiconductor manufacturers were among the most vulnerable entities, given their heavy reliance on imported energy and petrochemical inputs. South Korea's Samsung Electronics and SK Hynix are [dominating](#) the global market for HBM and DRAM memory chips. Meanwhile, Taiwan's TSMC is the world's most important player in advanced foundry manufacturing, producing about [90 percent](#) of all advanced chips. The Strait of Hormuz crisis therefore exposed structural weaknesses inherent in both semiconductor ecosystems.

The conflict in the Middle East also triggered an immediate supply shock for raw materials used in the manufacturing of semiconductors—namely helium, a critical gas used in multiple stages of chip fabrication. Iran's attacks on Ras Laffan Industrial City disrupted Qatar's LNG and helium exports, choking off about [14 percent](#) of the world's helium supply. At the same time, the Iranian military's strikes on ships passing through the Strait of Hormuz paralyzed regional shipping. Subsequently, the price of helium rocketed, sparking fears of latent shortages in key chip-producing centers across East Asia.

The Middle East crisis has served as a major threat to the energy security of South Korea and Taiwan. Both economies rely heavily on imported LNG to power their semiconductor clusters and artificial intelligence (AI) data centers. South Korea imports about

[14.5 percent](#) of its LNG from Qatar, while Taiwan relies on Qatar for approximately [33.7 percent](#) of its LNG imports. Since the chip fabs of Samsung, SK Hynix, and TSMC consume huge amounts of electricity, any disruption in LNG supply or fluctuation in energy prices could directly impact production costs and the stability of the semiconductor supply chains in East Asia.

Different Vulnerabilities

While the Strait of Hormuz crisis presented major threats to the energy security of both South Korea and Taiwan, the two economies have also differed in their vulnerability to disruptions in petrochemical products and other raw materials. In particular, South Korea has faced more [imminent shortages](#) of helium, bromine, and naphtha. Taiwan was relatively more secure in its supply of petrochemical inputs, and was more preoccupied by its exposure to disruptions in LNG supply.

Indeed, Taiwan showed relative strength on helium, thanks to a more [diversified supply chain](#) and higher recycling rates at advanced fabs. TSMC and other major companies, such as UMC (聯華電子) and Winbond (華邦電子), [have stressed](#) that they still had healthy inventories and adequate short-term supplies of helium. In addition to importing helium from a range of partners, Taiwanese semiconductor makers have [invested heavily](#) in helium recycling systems, which have achieved recovery rates of around [60-75 percent](#). However, should disruptions in Qatar continue for a prolonged period, Taiwan could still face increasing competition for [the remaining helium volumes](#) supplied by the United States and Algeria.

By contrast, South Korea has been more exposed to the helium shock, as Samsung Electronics and SK Hynix [use up the gas in large quantities](#) to make memory chips. While companies still have stockpiles that can [last for months](#), much of the reserve is [spread across](#) supply chains rather than stored directly at fabs, which means production operations still rely heavily on continuous imports. [1] South Korea has lagged behind Taiwan in adopting helium recycling technology, increasing risks in the event of a prolonged crisis. More than [70 percent](#) of Taiwanese fabs already use helium recycling systems, while Samsung Electronics was only [one of the first Korean companies](#) to implement the technology [in 2024](#).

South Korea and Taiwan have acted quickly to safe-

guard their semiconductor supply chains and energy security. Seoul has sought to diversify raw material and LNG sources by [increasing purchases](#) from the United States, Australia, and other non-Middle East partners. It has also set in motion [nuclear power](#), [renewable energy](#), and [financial assistance](#) remedies for impacted companies. Meanwhile, Taiwan focused on increasing [LNG imports](#) from the United States, strengthening [strategic reserves](#), shifting toward [renewable](#) and [nuclear energy](#), and maintaining [electricity price stabilization](#) policies.

The Rationales of the Response Measures

Immediately after the Strait of Hormuz crisis broke out, South Korea and Taiwan implemented policies to mitigate disruption. But the key difference in the two economies' strategies lay in who led the response. South Korea stressed government coordination, while Taiwan had a much more corporate-driven response—especially through TSMC.

South Korea's Ministry of Trade, Industry and Resources (MOTIR) quickly held emergency meetings to evaluate the impact on energy, trade, and supply chains. President Lee Jae Myung also [requested](#) that relevant ministries closely monitor the situation and prepare necessary countermeasures, without ruling out the possibility of emergency economic relief packages. The South Korean government then provided support measures for more than [1,600 companies](#). The Lee Administration also [sought](#) to reduce dependence on the Strait of Hormuz for imports of helium, bromine, and semiconductor inspection equipment.

By contrast, Taiwan's response had a much stronger corporate, market-oriented character. Responding to questions on March 5, TSMC [affirmed](#) that it did not forecast any significant short-term impact, while the Taiwanese government under President Lai Ching-te (賴清德) rapidly [accelerated](#) plans to increase LNG imports from the United States to limit reliance on the Middle East. According to Minister of Economic Affairs Kung Ming-hsin (龔明鑫), Taiwan's LNG imports from the United States could [increase](#) from 10 percent of its total to 25 percent by 2029.

Unlike South Korea's vertically-integrated model, Taiwan's semiconductor industry operates through a [pure-play foundry](#) structure, with TSMC playing the central role. [2] This structure enables Taiwan to disperse risks through the expansion of external production and partnership networks. For example,



Image: The Taiwan Semiconductor manufacturing facility in Yilan (eastern Taiwan), circa 2023. (Image source: [Wikimedia Commons](#))

TSMC has [established](#) two semiconductor fabrication plants in Kumamoto, Japan. The company's first Kumamoto fab entered operation in 2024 with the support of Japanese firms such as Sony and Toyota, while a second fab is [scheduled](#) to be completed in 2027. In addition, TSMC and other semiconductor firms have also established manufacturing facilities in the United States, Germany, and Southeast Asia. Even before the Hormuz crisis occurred, Advanced Semiconductor Engineering (ASE, 日月光半導體製造股份有限公司), Taiwan's leading OSAT (Outsourced Semiconductor Assembly and Test) company, had already announced plans to [expand](#) its operations in Penang, Malaysia—reflecting a broader trend of relocating packaging and testing functions to other regions in order to reduce concentration risks. Although these initiatives do not directly eliminate the disruptions associated with the Hormuz crisis, they help distribute production and supporting functions across multiple locations and partners—rather than concentrating them entirely within Taiwan.

Broader Structural Differences between Taiwanese and South Korean Chip Industries

Both South Korea and Taiwan reacted quickly to the risk of disruptions affecting energy and semiconductor supply chains. However, their responses reflected different approaches to resilience, rooted in the structure of their semiconductor industries and their broader geoeconomic orientations.

South Korea maintains an [“integrated device manufacturer” \(IDM\)](#) structure, wherein chaebols such as Samsung and SK Hynix control nearly all of the production process. While this model allows for cost optimization and the protection of technological advantages, it also produced two major vulnerabilities during the crisis. First, South Korea's heavy reliance on its leading chaebols became the country's “Achilles’ heel” because disruptions affecting these firms could have far-reaching consequences for the broader economy. As a result, the government was compelled to act quickly to stabilize the economy. Second, South Korea's semiconductor fabs are

Comparison Criteria	South Korea	Taiwan
Primary Coordinating Actor	Government-led coordination	Industries play a more proactive role
Response Pattern	Immediate state-led response	Firms respond more proactively after initial government actions
Industrial Structure	Vertically-integrated chaebol structure centered on memory chips (Samsung, SK Hynix)	Pure-play foundry ecosystem centered on advanced chip manufacturing (TSMC)
Key Vulnerability	Strategic materials (helium, bromine, naphtha)	Energy security and LNG dependence
Main Response Measures	1. Supply sources diversification 2. Energy restructuring 3. Renewable energy shift 4. Domestic supply protection and financial support	1. Supply sources diversification 2. Strategic stockpile expansion 3. Renewable and nuclear energy transition 4. Electricity price stabilization

(Source: Authors' compilation)

extremely dependent on the country's own energy infrastructure and [electricity supply](#). In the wake of the Strait of Hormuz crisis, Samsung and SK Hynix were compelled to undertake emergency [electricity-saving measures](#) at production sites.

On the other hand, Taiwan operates a "[pure-play](#)" [foundry structure](#) (純晶圓代工)—the most famous example of which is TSMC. Instead of following a "closed" production model, Taiwan has established what might be called a global "symbiotic" semiconductor ecosystem. This architecture enables the island to carry out a strategy of risk diversification through international semiconductor networks. In this way, Taiwan has been able to distribute the risk

of supply disruptions across its overseas customer base, instead of absorbing all the strain domestically. While this approach has boosted Taiwan's economic security in times of crisis, this model also exposes the island to increasing pressure from protectionist policies in host countries, as well as strategic competition among major powers.

This divergence has also resulted in differing strategic orientations toward external partners. South Korea's leading position in [memory chips](#) has placed Seoul in a geopolitical bind between the United States, which [retains](#) leadership in core semiconductor technologies; and China, which consumes around [40 percent](#) of South Korean semiconductor

exports and [hosts](#) several major Korean production facilities. This structural dilemma has forced South Korea to pursue a hedging strategy, seeking to maintain balanced relations with both powers despite its continued dependence on each. [3] Hence, during the Middle East crisis, Seoul's responses have reflected this broader hedging strategy. The government emphasized strengthening domestic resilience, while diversifying partners to reduce excessive dependence on either the United States or China.

Meanwhile Taiwan has become increasingly entrenched within a US-led semiconductor ecosystem, as reflected in [the shift](#) in LNG imports away from the Middle East, and towards suppliers in the United States and Australia—as well as growing investment in production facilities in the United States. Taiwanese firms have also [signed preliminary agreements](#) to participate in a USD 44 billion Alaska-based LNG project.

As the global semiconductor industry [gradually shifts](#) from an “efficiency-first” (效率至上) model toward a “resilience-first” (韌性至上) approach, Taiwan has chosen to expand external linkages and internationalize supply chains as a way to maximize the advantages of its pure-play foundry structure when facing geopolitical shocks.

These differences reflect two different logics regarding semiconductor supply chain protection between Seoul and Taipei, as articulated in the table below:

Conclusion

Although both South Korea and Taiwan seek to safeguard semiconductor supply chains from geopolitical shocks, the two economies evince different resilience logics. South Korea focuses on strengthening domestic capacity and stabilizing vertically-integrated production systems, while Taiwan tilts toward risk dispersion through supply diversification and expanding external linkages within the global semiconductor ecosystem.

The Strait of Hormuz crisis has also revealed that Taiwan's resilience is not about decoupling from globalization, but rather embedding itself more deeply in semiconductor and energy supply networks led by the United States and its partners. As global semiconductor supply chains increasingly adopt a “resilience-first” outlook, Taiwan's pure-play foundry model and diversification overseas could serve as a model for how to effectively withstand geoeconomic

shocks.

The main point: The Strait of Hormuz crisis has exposed the divergence in responses between Taiwan and South Korea in safeguarding the semiconductor supply chains. The crisis has also revealed the differences in industrial structure and geoeconomic orientation that shape how both economies approach semiconductor resilience under geopolitical pressure.

[1] Although industry sources show that Samsung Electronics and SK Hynix currently maintain sufficient helium reserves for about [four to six months](#), it should [be noted](#) that helium supplies are not physically stored at semiconductor fabrication plants. Rather, much of these “reserves” are distributed across the supply chain. Because liquid helium must be maintained at extremely low temperatures and inevitably experiences continuous [boil-off](#) during storage and transport, it cannot be stockpiled in [large quantities](#) at fabrication facilities for extended periods. Consequently, semiconductor fabs operate largely on a [just-in-time](#) model, relying on a continuous flow of imported helium rather than large on-site strategic inventories. The disruption of the Strait of Hormuz therefore did not immediately deplete existing reserves, but it interrupted the continuous replenishment of helium supplies. Shipments that had already left the Middle East before the conflict [allowed](#) fabs in South Korea and Taiwan to continue operating until early April 2026. However, once these shipments were exhausted, manufacturers began facing increasing risks of delivery delays and helium shortages. If the Strait of Hormuz remains closed, vessels must take a longer route, [adding](#) about two weeks to the journey. The longer transit time also increases helium losses, reducing the amount of helium that ultimately reaches semiconductor manufacturers.

[2] The pure-play foundry model focuses primarily on manufacturing chips for external customers. In contrast, the vertically integrated Integrated Device Manufacturer (IDM) model covers the entire semiconductor value chain, including chip design, manufacturing, packaging, testing, and product sales. See: Sil Jin and Jin-young Kim, “Switching Lanes? South Korea's Shifting Hedging Behavior in the U.S.–China Rivalry,” *Australian Journal of International Affairs* 80, no. 2 (2026): 143–165, <https://doi.org/10.1080/10357718.2025.2588415>.

[3] Sil Jin and Jin-young Kim, "Switching Lanes? South Korea's Shifting Hedging Behavior in the U.S.–China Rivalry," *Australian Journal of International Affairs* 80, no. 2 (2026): 143–165, <https://doi.org/10.1080/10357718.2025.2588415>.

More than Just Trade: Taiwan's Investment Boom in the United States

By: Mark Ensign

Mark Ensign is a master's student of political science at National Taiwan University.

"Taiwan knows how to build," and has built "a reputation for execution – not simply announcing plans, but delivering results." These comments, from US Under Secretary of Commerce for International Trade [William Kimmit](#), were made in reference to an investment agreement signed in January between the United States and Taiwan. The deal promises \$250 billion in Taiwanese private-sector investment and up to \$250 billion in government-backed credit guarantees in the United States.

Perhaps even more notable is the context in which Under Secretary Kimmit gave his praise.

Kimmit attended a welcome reception in Washington DC hosted by the Taipei Economic and Cultural Representative Office in the United States (TECRO) for the [May 2026 SelectUSA Summit](#)—a forum for companies hoping to invest in the United States. The summit, organized by the US Department of Commerce, is "the highest profile event in the United States to facilitate business investment," hosting thousands of foreign companies every year, and has generated over USD 256 billion in new investment projects across the United States. For the past seven out of eight years, Taiwan has sent the largest delegation in the world to attend. This year, with [113 companies and 207 Taiwanese delegates](#) attending, Taiwan delivered the largest delegation in history.

Growing US-Taiwan Trade and Investments

This may come as no surprise given the thriving nature of US-Taiwan commercial relations in re-

cent years. For example, according to recent [US Census Bureau data](#), Taiwan was the United States fourth-largest trading partner in 2025, with bilateral trade totaling approximately USD 256 billion. Four years prior, Taiwan was America's eleventh-largest trading partner, with bilateral trade barely exceeding USD 100 billion. Now, Taiwan is the United States fourth-largest source of imports (USD 201 billion), and the tenth-largest export market (USD 55 billion). This large volume of trade has led the United States to become Taiwan's second-largest trading partner for over a decade.

In addition to the impressive trade volumes, Taiwanese investment in the United States is also on the rise, and arguably becoming just as important as US-Taiwan trade. According to the [Bureau of Economic Analysis](#), Taiwan is one of the top 15 sources of foreign direct investment (FDI) in America: with USD 14.8 billion in investment stock in 2024, and announced investment projects at almost USD 200 billion in total. [1] Additionally, Taiwan is responsible for the largest FDI project in American history: Taiwan Semiconductor Manufacturing Company (TSMC, 台灣積體電路製造公司)'s [USD 165 USD billion project for a semiconductor manufacturing complex](#) in Phoenix, Arizona.

While discussion of Taiwanese investment understandably focuses on TSMC, there are also a growing number of companies across a wide range of industries trying to expand into the American market. This was obvious at the 2026 SelectUSA Summit, where [Taiwanese participation](#) included company delegates from sectors including artificial intelligence (AI), robotics, drones, health technology, and food manufacturing. Taiwanese investment in the United States has more potential than just semiconductor projects and will include [networks of small and medium-sized enterprises](#) (SMEs) that bring a variety of expertise in the technology sector to the United States. Overall, with the US-Taiwan investment cooperation memorandum signed earlier this year, Taiwanese investment into the United States is set to grow significantly.

Implications of Taiwanese Investment

This growing investment matters for several rea-



Image: Members of Taiwan's delegation to the 2026 SelectUSA Summit, held in May in Washington, DC. Taiwan's was the largest delegation at the 2026 event. (Image source: [ROC Ministry of Foreign Affairs](#))

sons. First, investment has the potential to facilitate significant job creation in key states and industries. America's [International Trade Administration](#) pointed out that approximately 10 percent of US employment was directly or indirectly attributable to foreign direct investment in 2019, and that FDI makes the US manufacturing industry more productive. According to [TECRO's 2024 estimates](#), trade and investment with Taiwan supports over 380,000 American jobs.

Moreover, Taiwanese investment also supports higher-end jobs—specifically in the high-tech sector, including high-tech manufacturing, engineering, and artificial intelligence. During the 2026 SelectUSA summit, twenty Taiwanese firms in the semiconductor and related supply chain sectors announced plans to invest USD [35 billion](#) in the United States. According to Taiwanese Minister of Economic Affairs [Kung Ming-hsin](#) (龔明鑫), this will “not only help strengthen the global competitiveness of Taiwanese

companies, but also assist the US in accelerating the establishment of a more complete and resilient high-tech supply chain.”

This directly aligns with recent American economic strategy policy goals. In the context of competition with China, the Biden Administration emphasized “[friendshoring](#)” and [allied coordination](#), seeking a stronger and well-organized division of labor between the US and like-minded democratic allies like Taiwan. On the other hand, the Trump Administration has advocated for broader [reshoring or decoupling](#), economic separation from China, and moving supply chains to the United States. Taiwan's investment in high tech industries in the United States supports both of these strategies by building manufacturing capabilities in the United States with a trusted democratic partner.

This trend also supports supply-chain resilience in general, aligning with Taiwan's goal to build resilient

[“non-red” supply chains](#) (非紅供應鏈) (i.e., supply chains not based in or reliant on China). Scholars point out that, in the modern age, countries and firms may [leverage strategic chokepoints](#) to coerce and harm adversaries, particularly in certain industries such as semiconductors or rare earths. By working with democracies worldwide to maintain technological strengths, Taiwan and the United States can [deter the PRC](#) from [weaponizing economic interdependence](#) and asymmetrical positions within global supply chains, preventing trade from becoming a potential [strategic vulnerability](#). Therefore, there are numerous benefits to attracting Taiwanese investment into the United States.

Policy Recommendations

As Taiwan and America continue to pursue deepening this investment relationship, there are a few key things to consider. First, America and Taiwan need to promote subnational engagement and state-level investment partnerships. [The US is not a singular market](#), given that states have different regulatory environments and investment considerations. Even though the US has a lot to offer with each states’ advantages in various industries, Taiwanese firms have limited access to acquire more information before making investment decisions. To narrow this gap and assist Taiwanese firms in their investment goals, more states should consider opening up trade and investment offices in Taiwan. Currently, just [23 American states have trade and investment representative offices in Taiwan](#). These offices are typically set up under the American State Offices Association (ASOA), which was formed to facilitate and strengthen bilateral ties between individual states and Taiwan, supporting efforts to increase US exports and attract Taiwanese investment. There is clearly potential for future growth, given that not even half of all American states have offices in Taiwan. These offices serve as an important pipeline for Taiwanese companies interested in investing in the United States, as they are able to articulate their respective state’s investment ecosystem, regulations and policies, and incentives or challenges for Taiwanese companies seeking to take root in America. These offices can also connect Taiwanese firms to local talent networks and service providers to facilitate easier and deeper

investment.

At the same time, state governors and other subnational representatives should continue to bring delegations to Taiwan. By visiting Taiwan, states show that they attach importance to Taiwan, opening up opportunities for further collaboration. For instance, Wyoming representatives have visited Taiwan several times over the past few years and developed opportunities for further collaboration with Taiwan. During a visit to Taiwan in April 2025, Wyoming representatives signed a [Memorandum of Understanding \(MOU\)](#) promoting the development of quantum technology cooperation, and [President Lai met with Wyoming Governor Mark Gordon](#) this May to discuss avenues for economic and trade collaboration. Individual states should follow suit and actively engage in attracting Taiwanese investment, considering the hundreds of billions of dollars Taiwan has promised to allocate for private-sector investment.

This was solidified by a [joint letter](#) issued this June by the US Departments of State, Agriculture, and Commerce, which encouraged US state governors to expand engagement with Taiwan in trade and investment. The letter noted the commercial opportunities of subnational engagement with Taiwan, and that such engagement is consistent with the *Taiwan Relations Act*. Given the restrictions that Taiwan has for interacting with the United States on the national level, subnational engagement is an effective way to promote US-Taiwan relations and economic cooperation, while also expanding Taiwan’s international space. This is especially important, given that firms must eventually pick a specific location in which to invest first.

Additionally, despite the deepening of US-Taiwan investment ties, the United States is the only G7 country without a [double taxation agreement](#) with Taiwan. A US-Taiwan double taxation agreement would unlock billions in FDI for the US economy. Taiwan companies that currently invest in the United States face an [overall 15 percent tax rate](#), which deters small and medium-sized Taiwan enterprises, including TSMC’s specialized suppliers, from investing in the US. The US House of Representatives passed a bill in January 2025 addressing double taxation ([H.R.33](#)) on cross-border investments between

the US and Taiwan, but the bill has not progressed further. To [bolster economic ties and alleviate instances of double taxation](#), commercial diplomacy efforts should focus on negotiating and finalizing a tax agreement with Taiwan.

In conclusion, Taiwan is becoming a major strategic investor for the United States, not just an export partner. To continue strengthening ties with Taiwan and expanding its international space, policymakers both on the national and subnational levels should make efforts to capitalize on this new development. As competition over technology and supply chains grows, attracting Taiwanese investment is more than just an economic opportunity—it is also aligned with American security interests.

The main point: Taiwan is becoming one of the United States' most important investors, helping to support supply chain resilience and technological competitiveness. American policymakers at the national and state levels should reduce barriers to Taiwanese investment and make room for commercial engagement.

[1] For further information on these trade figures, see these sources: <https://www.nist.gov/news-events/news/2025/06/president-trump-secures-200b-investment-micron-technology-memory-chip>; and <https://money.usnews.com/investing/news/articles/2026-07-10/nvidia-supplier-king-yuan-electronics-to-invest-up-to-1-4-billion-in-us-facility>; and <https://www.pbs.org/newshour/politics/watch-live-trump-makes-investment-announcement-as-he-prepares-speech-to-congress>; and <https://www.digitimes.com/news/a20260508PD212/taiwan-usa-investment-financing-government-tsmc.html>

The Case for a Taiwan-Led Democracy Defense Fund

By: James Jennion

James Jennion is a British foreign policy analyst. He recently completed the Democracy and Human Rights Service Fellowship at the Taiwan Foundation for Democracy. He

began his career advising the UK Foreign Affairs Committee on China and Indo-Pacific policy, and has since worked for and with international organizations including Amnesty International, the International Rescue Committee, and the OSCE. He is an Associate Fellow of the British Foreign Policy Group and an Advisory Group member of the Standing Group on Atrocity Crimes. He writes in an individual capacity.

Over the past two decades, virtually every annual global indicator of democracy, human rights, corruption, and press freedom has pointed downwards—a protracted trend that the democracy monitoring [V-Dem Institute](#) has referred to as “25 years of autocratization.” As this crisis has deepened in recent years, democracy promotion funding has also seen a rapid diminishment, with traditional donors making deep cuts to their international assistance budgets. Vehicles such as the United Nations Democracy Fund continue to face a sharp [decline](#) in funding, and coalitions of authoritarian states led by Russia and China work to [block](#) human rights funding at the multilateral level. This situation presents significant security concerns for Taiwan, as Beijing-led narratives about Taiwan face much less scrutiny and challenge amid a weakened global information environment.

However, as demonstrated by the [electoral defeat](#) of Viktor Orbán in Hungary this year, an energized and motivated opposition can upheave even deeply entrenched authoritarian systems. Policymakers in Taipei should take inspiration from this. To help counter the ongoing wave of autocratization, Taiwan should explore the prospect of launching a new democracy defense fund to support pro-democracy movements and initiatives to promote transparency and accountability in government and politics around the world. Taiwan is at the [forefront](#) of many of the most pressing challenges to democracy: foreign information manipulation and interference, gray zone warfare, and efforts to portray democracies as weak and ineffective. It has lessons to teach, and lessons to learn, by supporting global responses against threats to democracy.

Given that the existing multilateral system is increasingly dysfunctional and deadlocked in combatting these issues, it would be strategically valuable for Taiwan to promote an innovative new funding model that both serves the vital function of protecting democracy and human rights, and of helping Taiwan to build out its global footprint and partnerships in an area in which China clearly cannot—and [will not](#)—outcompete it.



Image: Taiwan was one of the states invited to participate in the Biden Administration's "Summit of Democracies" in December 2021. Hsiao Bi-khim, then the Taiwan representative to the United States (currently vice president), is visible in the bottom row (fourth from right). (Image source: [ROC Ministry of Foreign Affairs](#))

The Strategic Value of a Taiwan-Led Fund

Taiwan's status as a democracy is central to its identity, and serves as a connecting line between it and powerful democratic allies and partners. In an essay for *Foreign Affairs*, "[The Free World Needs Taiwan](#)," Taiwan Minister of Foreign Affairs Lin Chia-Lung (林佳龍) has written that Taiwan's "experience in countering authoritarian expansion is a public good for the international community." As one example, Lin points to recent efforts, such as a 2025 counter-disinformation training workshop held in Taipei through Taiwan's Global Cooperation and Training Framework (GCTF, 全球合作暨訓練架構). While Taipei recognizes that it has much to contribute to global democ-

cracy promotion and cooperation, there is space to expand such initiatives to a wider, global remit.

Major donors have drastically reduced their international development budgets, with total official development assistance spending falling by almost a [quarter](#) among major donors in 2025. By contrast, Taiwan is one of the few democracies planning to [increase](#) its international development spending, rather than cut it. Allocating a portion of this funding toward democracy promotion and protection initiatives—focused on issues of media plurality, counter-disinformation, anti-corruption, investigative journalism, and civil society training—will help Taiwan fulfill its role as a democratic leader while

also working to hold accountable the authoritarian actors working against it.

However, Taiwan's international development spending has traditionally [focused](#) on issues like capacity building and technical support, health, and humanitarian development. Such efforts are often [complicated](#) by Taiwan's lack of diplomatic recognition by target countries, its lack of a properly institutionalized and state-supported humanitarian sector, and efforts by China to outspend Taiwan in humanitarian support in cases such as natural disasters. Increased funding to democracy promotion work, on the other hand, would bypass many of the complications arising from non-recognition by state entities, providing resources directly to individuals and civil society organizations.

As authoritarian governments become increasingly coordinated, they pose a greater threat to Taiwan's survival. Actors like Russia, Cambodia, and the Myanmar junta vocally support Beijing's narratives about Taiwan and would likely provide diplomatic, economic, and even military support to Beijing in the event of a crisis. Authoritarian actors have keenly taken advantage of funding reductions and uncertainty for key institutions such as the [BBC World Service](#) and the [closure](#) of critical institutions such as the United States Counter Foreign Information Manipulation and Interference Hub. Taiwan therefore has a direct strategic need to fund and resource the individuals and organizations working to refute authoritarian actors' narratives—thereby reducing their impunity and, ultimately, their power.

Authoritarian regimes learn from and abet one another. The tools they use are well-known and often take the same shape across different geographies. Disinformation-propagating bot farms and AI are used extensively by [China](#), [Russia](#), [Iran](#), the [Taliban](#), and others. While the specifics and language of their messaging may differ, their overall objectives are the same: sowing dissent and dissatisfaction with democratic leaders, promoting pro-regime messages and narratives, and obscuring crimes and human rights violations. Taiwan-led funding could work towards helping partner countries and organizations in responding to these shared challenges, developing common strategies for recognizing, preventing, and responding to major threats to democracy such as violence-inciting disinformation.

Effectiveness of a Democracy Defense Fund

While organizations like the Taiwan Foundation for Democracy (TFD, 臺灣民主基金會) exist within Taiwan, a gap remains for more comprehensive democracy promotion organizations. TFD currently focuses on specific project-based funding and visiting fellowships. Furthermore, its grants are mostly geographically [limited](#) in remit to the East Asia region, with its research exchange programs often focused on hosting visiting academics rather than practitioners and activists. Additionally, TFD does little by way of international public promotion, and its absence from major social media platforms leaves it without meaningful communications impact—meaning that it does not work as an effective vehicle to promote democracy and Taiwanese values internationally.

A global fund would instead focus on supporting counter-authoritarian movements across a range of geographies, facilitating learning between such movements and organizations, and providing lifeline funding for organizations that are facing financial difficulty or closure. There should be no expectation for Taiwan and partners to fill the enormous funding gap left by cuts from major donors like the United States, Germany, and the UK. Nonetheless, comparatively modest funding could provide a significant lifeline for civil society organizations (CSOs), news agencies, and other organizations battling authoritarianism.

Even modest funding can go far to support independent media outlets with simple running costs, activists with legal action and other accountability efforts, and help to facilitate NGOs' work to publicize threats against democracy and promote effective responses. Streamlined funding could provide rapid relief grants for organizations facing existential funding hardships, and allow individuals and organizations the latitude to work according to their own expertise, ensuring long-term support for critical democracy promotion efforts.

Introducing a new democracy-focused fund is comfortably within the scope of Taiwan's current international development legislation, meaning that Legislative Yuan politics would pose less of an obstacle to establishing such a fund. Article 5 of Taiwan's 2010 [International Cooperation and Development Act](#) (國際合作發展法) states that "[t]he goals of international cooperation and development affairs are ... [t]o ensure human security and safeguard such universal

values as peace, democracy, human rights, humanitarian care and sustainable development,” as well as having scope for providing support to governments, intergovernmental organizations, NGOs, and individuals alike. (*The written Chinese version of the legislation can be read [here](#).*)

The limitations posed by Taiwan’s lack of official international recognition are not insurmountable. One important step is to ensure the fund is not exclusively state-based, by drawing on private foundations, philanthropists, individual donors, and subnational actors as key sources of potential fund mobilization. This would make it easier for other democracies to contribute (even if only modestly) as they would be able to do so without running afoul of Beijing.

Taking inspiration from the model of other global funds (like [Gavi, the Vaccine Alliance](#)) could also offer a way forward. Gavi is not a traditional international organization (in other words, it was not established via a treaty between states) but is instead a public-private partnership consisting of governmental, multilateral, private sector, and philanthropic stakeholders. Gavi attributes much of its success to this partnership model, [stating](#) that it allows the organization to “capitalise on the sum of our partners’ comparative advantages,” with partners varyingly contributing resources, expertise, and funds.

Taiwan’s extensive, long-term [contributions](#) to international organizations (such as the European Bank for Reconstruction and Development (EBRD), under the name “Taipei China”) demonstrate that it is possible for Taiwan to contribute to international funds despite the usual barriers posed by its lack of recognition. However, Taiwan also participates in EBRD projects under the “brand name” of [TaiwanBusiness](#), which could point to a solution around the sensitivities of naming – supporting a global fund through an entity named, for example, ‘Taiwan Democracy,’ could present a viable solution to sensitivities around naming.

However, a Taiwan-led democracy fund should necessarily depend on large-scale participation. Taipei should stand ready to devote meaningful funds to such a project even if it means doing so alone. A comprehensive democracy defense fund would help to deepen Taiwan’s role as a democratic leader and continue to build its reputation for supporting democracy and human rights globally, while countering efforts by authoritarian actors to erase and

undermine its interests.

The main point: As global support for democracy continues to diminish and authoritarian coordination deepens, Taiwan has both the opportunity and responsibility to take the lead in global democracy promotion. To do this, Taiwan should drive the launch a new, global “democracy defense fund” to mobilize funding from governments, foundations, private donors, and others.

Treating Taipei’s Homeless with a Policy of Compassion

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.

Introduction: The Problem of Homelessness in Taiwan Today

Taipei Main Station is a destination that wears many hats. Aside from being the largest land and rail transport hub for Northern Taiwan, it is also a critical space for the city’s unhoused population – where many gather, keep their belongings, and settle down.

Official statistics show there are about [3,000 homeless people](#), also known as “street friends” (街友), across Taiwan: 620 of them are said to be living in Taipei, a similar number may be found in neighboring New Taipei City, and the rest can be found dispersed in urban centers across the country. [Social workers say](#) most of the unhoused are male, with an average age of 60. Many, but certainly not all, are single and unmarried.

Despite this, Taipei’s aid workers [believe the actual figure is much higher](#), since the official statistics only cover those who fit the government’s definition of



*Image: A homeless man sleeping outside an unidentified subway station in Taipei (April 2025).
(Image source: [Wikimedia Commons](#))*

a homeless person: someone who “[sleep\(s\) on the streets or in any public area](#).” Additionally, non-government groups like [Homeless Taiwan](#) state that the number does not consider “rough sleepers,” or persons who have a permanent address but sleep in shelters, institutions, internet cafes, or couch-surf in the homes of friends or relatives.

Non-government groups like [Salt Collectiv](#), which runs feeding programs around Taipei Main Station, say the homeless are mostly concentrated in three areas: in and around Taipei Main Station, at Bangka Park (艋舺公園) near Taipei’s Longshan Temple (龍山寺), and in the neighboring Wanhua district (萬華區). The areas are so well known they attract recruiters who often go to designated spots to find people willing to undertake low-paid, casual work.

Allowing homeless people to settle in high-traffic,

high-visibility areas confounds both tourists and commuters: It challenges their view of Taipei as a safe, welcoming city. The homeless population in and around Taipei Main Station has grown since [Bangka Park closed](#) for refurbishment to attract more visitors. Several homeless people have rejected the city’s offer to be sent to halfway homes and shelters, while others indicated that the closure [cut them off from potential employment offers](#).

Luke Pigott, who works with Salt Collectiv, believes the location makes sense because it provides the homeless with a sense of security. “[The homeless] are allowed to set up beds, whether that be made out of cardboard, camping mats, or whatever people can arrange, because this [Taipei Main Station] is a ‘public/private space’ after 6 p.m. They are required to pack up their sleeping means by 6 a.m. A private entity is not likely to demonstrate the same level of

flexibility," he said. [1]

As in other parts of the world, the problem of homelessness in Taiwan is complex. "There are family disputes and their social networks break down. That brings comorbidities such as alcohol misuse. There are also other factors, like mental health issues, that can contribute and make it worse," Pigott said. Moving out from the family can also be a challenge, because "rents [in Taipei] are high. [If] you look for places under TWD 5000, what you get is car park spaces, small rooms, no bathrooms, no kitchen, and they are usually far away from public transportation."

Measures for Homelessness in Taiwan's Past

To see the homeless free to settle outdoors undisturbed would have been unthinkable decades ago. [Historically, the homeless were considered lawless elements](#): gangsters and ne'er-do-wells who had been cast away from their families. During the Qing dynasty and the subsequent Japanese occupation, Taiwan's homeless were seen as an overall threat to the social order. That did not change post-1949, when the influx of refugees and soldiers from China [strained Taiwan's resources](#).

During the late 1960s and the height of Taiwan's Martial Law era (1949-1987), the city passed the [Taipei City Regulations for the Suppression of Homeless Persons](#) (臺北市取締遊民辦法), which defined the homeless, or "youmin" (遊民), as people in one or more of these categories (I) those who lived without proper household registration; (II) beggars and "vagrant children"; (III) those who were jobless; and/or (IV) were seen wandering the streets or sleeping in public places. Furthermore, the police, assisted by the Military Police Corps, would have the "work of suppressing homeless persons." Under these rules, the homeless were to be arrested and taken forcibly to designated homeless shelters "for handling."

It was not until the 1980s that the measures were softened, when legislation emphasised the need for social welfare. The regulation was renamed [Taiwan Province Regulations Governing the Sheltering and Counseling of Homeless Persons](#) (臺灣省遊民收容輔導辦法). While the homeless were still referred to as

"youmin" (which is a derogatory term), the new law redefined them as "those who wander, drift on the streets in loneliness and without support, or beg for alms in public places and must be sheltered and counseled."

Further amendments were made during the 2010s. The [Placement and Counseling of Homeless Persons Ordinance](#) (臺北市遊民安置輔導自治條例) defined the homeless as "those who habitually stay overnight in public places or places accessible to the public." It gave the homeless agency to decide their own fates. It also entrusted Taipei's Social Welfare Department with the care, housing and maintenance of the homeless; and the Labor Department with the responsibility of assisting the homeless in finding suitable employment. This ordinance remains in effect in Taipei today.

Policy Measures for Homelessness in Taiwan Today

But government policy is not foolproof, and aid workers say the homeless continue to be left behind. For instance, to be eligible for [social welfare assistance in Taipei](#), applicants need a permanent address and to demonstrate that the total value of their personal property is below TWD 150,000 (about USD 5,000). That requirement is impossible to meet for those who have cut ties with their families.

Moreover, the homeless face difficulties receiving medical attention because they cannot cope with the required paperwork. Global health scholar Elisabeth Gilmore, who did a survey among the unhoused in Taipei, pointed out that homeless people are often too preoccupied with the basics, like food and shelter, to think about filling out bureaucratic paperwork. As Gilmore has pointed out, "They have so many daily struggles that registration is not their priority: Where am I going to sleep? What am I going to eat?" [2]

Gilmore further indicates that the struggle to get social welfare and healthcare is also an obstacle for rough sleepers who fall through the cracks. "Those we surveyed were people sleeping outside, usually in public places, and that is where social workers will go and talk to them. [However] ... for a group of

people who are couch-surfing, or sleeping in more hidden places, they will not even know that they need to get registered or get in contact with social workers.”

Even though the homeless are now referred to by the less derogatory term “street friends,” they still face discrimination. “Uncle Liang,” a tour guide for Homeless Taiwan, said the homeless have difficulty renting places despite having the funds to cover rent, because landlords are unwilling to lease to those who have a record of being unhoused. [3] Piggott has further commented: “There are obviously interpersonal struggles, and a feeling of stigma from society, that does not see the homeless as humans. They are seen as fixtures, as invisible.”

Nevertheless, the homeless in Taipei still enjoy a small advantage over [other parts of the developed world](#). Along with the ability to rest in a place where they feel secure, Piggott points to the absence of “[hostile architecture](#),” which prevents the homeless from lingering in public spaces. As progressive legislation has decriminalised homelessness, Taipei has treated the problem as a social issue requiring a humane and tangible approach—instead of criminalizing homelessness, which would require stern police action to resolve.

The main point: Taiwan experiences many of the same problems with homelessness that affect other developed democratic societies, frequently impacting individuals who have lost ties to their families and/or suffer from mental illness or substance abuse. In past decades homelessness was generally treated as anti-social in nature, and subject to repressive government measures. Current government policy in Taiwan tends to treat homelessness more as a public welfare issue, but many problems remain.

[1] Author’s interview, September 2025.

[2] Author’s interview, March 2025

[3] Author’s interview, April 2025.

Dongshan Island: A Critical Node for the People’s Republic of China’s Operational Plans for Taiwan Contingencies

By: Emerson Tsui

Emerson Tsui is a China and Indo-Pacific security analyst based in Washington, D.C. His research focuses on political and security affairs related to Taiwan and the People’s Republic of China (PRC). His work has been translated into Japanese by the Sasakawa Peace Foundation and cited by defense practitioners in the United States and Japan, including researchers from Japan’s Ministry of Defense-affiliated National Institute for Defense Studies (防衛研究所) and the Brookings Institution. His research on cross-Strait deterrence has been accepted for presentation at the American Political Science Association 2026 Annual Meeting and has been cited in US congressional testimony.

On March 9, 2021, the then-head of the US Indo-Pacific Command, [Admiral Phil Davidson](#), testified before the [US Senate Armed Services Committee](#). Despite not mentioning a concrete timeline for a PLA operation directed at Taiwan, Davidson emphasized the PRC’s goal “to accelerate military modernization initiatives in time for the PLA’s 100th anniversary in 2027”—as well as the military threats, diplomatic isolation, and economic constraints the PRC imposed on Taiwan. Meanwhile, the PRC Ministry of National Defense (国防部) announced in March 2025 that it was on track to achieve PLA centenary goals “[on schedule](#).”

Meanwhile, PLA has been actively pursuing military readiness for a “[strategic decisive victory](#)” over Taiwan (取得对台决定性胜利). A strategic, decisive victory—defined as the PRC’s full control over Taiwan through military means executed by the PLA—is deemed necessary if peaceful unification fails. As a result, an [amphibious landing](#) remains one of the viable options among all hypothetical PLA operations to seize control of Taiwan. Even as PRC leaders have described “[peaceful unification](#)” as their preferred pathway, the PLA has been de facto enhancing its amphibious capabilities since 1995 in its “southeast coastal region” (东南沿海). Dongshan Island (东山岛), an island county in Fujian province, has served as a [training base](#) for the People’s Liberation Army Navy (PLAN)—as well as the People’s Armed Forces Maritime Militia (PAFMM), another critical force that supports the PRC’s cross-Strait operations.

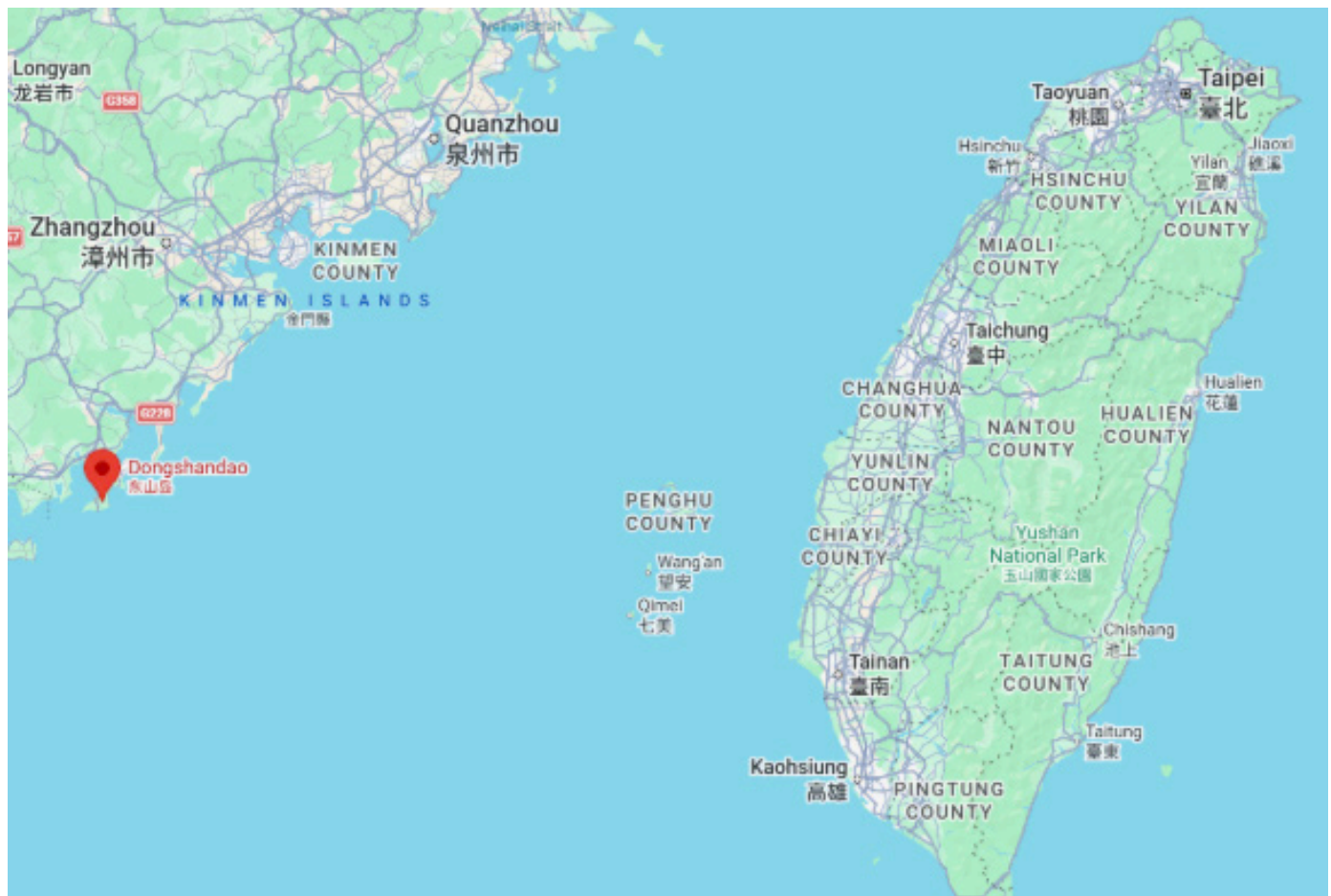


Image: Dongshan Island, located on the southern coast of Fujian Province and near the southern mouth of the Taiwan Strait, in relation to Taiwan. (Image source: [Google Maps](#))

Dongshan's Strategic Proximity to Taiwan's Energy Supply

Dongshan's critical relevance to cross-Strait security is evident in its geographic proximity to the Taiwan Strait and the historical battles fought on the island between PRC and ROC (Taiwan) forces. Dongshan is the second-largest island in Fujian Province, and marks the southern boundary of the Taiwan Strait. Dongshan is under the administrative control of Fujian's [Zhangzhou City](#) (漳州市), a heavily armed port city and home to the PLA Air Force's Zhangpu [Base](#) (漳浦基地).

As the location of the PLA 73rd Group Army's Air Brigade, Zhangzhou is also one of the three coastal Fujian cities (along with Xiamen and Quanzhou) most likely to host the HQ-16 (红旗-16) missile system— particularly its newest variant, the [HQ-16FE](#) medium-to-long-range surface-to-air missile. These developments further bolster the PLA's anti-access and area-denial capacity over southwestern Taiwan

and boost the island's role as a hub for logistical support and personnel training. The S-300 system has also reportedly covered dual-use airfields in coastal Fujian, including Longtian Airfield and Huian Airfield. This geographic proximity thus transforms Dongshan from an exercise ground into a forward-positioned node within the PLA's force structure.

Dongshan is located 110 nautical miles west of Kaohsiung City, the city that harbors the [largest deep-water port](#) of Taiwan. The Kaohsiung port imports [30%](#) of the island's crude oil. Specifically, in [2025](#), the Yung-An terminal, which is located in Kaohsiung City, imported approximately [54 percent](#) of Taiwan's liquefied natural gas (LNG). LNG powers [43 percent](#) of Taiwan's electricity, making Kaohsiung a critical energy hub. More significantly, the maritime trade route has supplied over [98 percent](#) of Taiwan's energy via Qatar ([25 percent](#)), Australia ([38 percent](#)), and the United States ([10 percent](#)). Presently, Taiwan's LNG stores can reportedly sustain [10–11](#) days at the current daily consumption rate. Taiwan con-



Image: PLA amphibious forces conducting an exercise near Dongshan Island (undated, 2001). (Image source: [China Daily](#))

sumed [30,346 million cubic meters](#) of LNG in 2025, with power generation accounting for approximately 80 percent of total demand. According to Wu Wen-chung (吳文忠), the Director of the State-Owned Enterprise Commission under Taiwan's [Ministry of Economic Affairs](#) (經濟部), LNG storage capacity is expected to reach [14 days](#) of supply.

As a result, Dongshan's geographical proximity to Kaohsiung Port, coupled with Taiwan's structural dependence on energy imports, renders the island a highly strategic location in a possible cross-Straits conflict. A PRC quarantine, [blockade](#), or amphibious operation directed at Taiwan would likely involve interdictions of vessels entering Taiwan and trigger an energy shortage. Meanwhile, the PLA has used Dongshan to simulate beach assaults against Taiwan to prepare for amphibious landing operations since 1996.

Dongshan as a Historical Cross-Straits Battlefield

Besides the recent activities of the PLAN and PAFMM, Dongshan's geostrategic importance is reflected in the historical battles fought on its shores in the years following the main phase of the Chinese Civil War (1946-1949). A decisive conflict between the Chinese Communist Party and the Nationalist Party (國民黨, KMT) occurred in July 1953. Known as the [Battle of Dongshan Island](#) (東山戰役), the conflict involved an assault by the KMT's [air, sea, and land forces](#) (三棲作

戰), backed by the US Central Intelligence Agency. Occurring in the last year of the Korean War, the operation was an attempt to divert the PLA's resources from the Korean Peninsula to the Taiwan Strait.

A second failed operation in 1965 to recapture Dongshan led the KMT to refocus on defending its [offshore islands](#) rather than "reconquering the mainland" (反攻大陸). Consequently, both the PRC and Taiwan have integrated lessons from the Dongshan conflicts into their [education programs](#) for soldiers and national security personnel. Fujian Province has appropriated funds for a [national-level memorial](#) to commemorate the 1965 battle. Multiple military contests for control of Dongshan have reinforced the island's enduring role in both the symbolic and operational dimensions of cross-Straits security.

The Third Taiwan Crisis and Critical Developments in Dongshan

The PLA's [amphibious drills](#) on Dongshan date back to 1995. That year, incumbent Taiwanese President Lee Teng-hui's (李登輝) Congressionally-authorized visit to Cornell University in New York resulted in a PRC military response. The PRC interpreted Lee's remarks at Cornell as a call for Taiwanese independence and a breach of the PRC's asserted "One-China Principle." In October 1995, the PLA [conducted](#) a major naval exercise. One month later, before Taiwan's legislative elections, the PLA staged an [amphibious](#)



Image: Tongling Township on Dongshan Island (undated). (Image source: [Wiki-pedia](#))

[landing exercise](#) on Dongshan Island.

Since the Third Taiwan Strait Crisis of [1995-1996](#), Dongshan Island has served as a training hub for PLA contingency planning involving Taiwan. The island also facilitates the PRC's routine gray-zone activities against Taiwan, and has been involved in the PLA's joint exercises and drills aimed at deterring perceived moves towards "Taiwan independence"—particularly the live-fire drill in August 2022, codenamed "[Justice Mission \(正义使命\)](#)," which occurred following Nancy Pelosi's visit to Taiwan. Additionally, the island also played a key role in the PLA's *Joint Sword* series exercises ([联合利剑系列演习](#)), which have simulated [port blockades](#) and island encirclements targeting Taiwan.

Soon after the conclusion of the *Joint Sword-2024B* drills in [October 2024](#), CCP Chairman Xi Jinping visited Dongshan Island on October 15 for an [inspection tour \(考察\)](#). During his inspection in Dongshan County, Xi visited the [Guandi Cultural Industry Park \(关帝文化产业园\)](#), where he received briefings on

local efforts to "strengthen cultural heritage protection and promote cross-Straits cultural exchanges" (听取当地加强文化遗产保护、推进两岸文化交流等情况介绍). Xi also paid tribute to the [memorial of Gu Wenchang \(谷文昌纪念馆\)](#)—, a [Party Secretary of Dongshan County](#), renowned among locals for his [14-year campaign](#) to combat desertification and transform Dongshan's economy—to understand "local situations on the inheritance of the red gene" (了解当地传承红色基因等情况). PRC state media did not, however, indicate or report a specific correlation between Xi's Dongshan visit and the *Joint-Sword-2024B* exercise that occurred a week earlier.

Specifically, Dacheng Bay ([大埕湾](#)) represents a key body of water for the PLA's joint training. The area hosts PLA Eastern Theater Command (ETC, 东部战区) [amphibious training bases](#) designated for operational purposes. Official sources from the [PLA](#) and [MND](#), PRC [state media](#), and Taiwan-based [user-generated content](#) all suggest that Dongshan is a key PLA amphibious assault training location, designated for joint operations from the air, sea, and land

domains. The island also supports [China Coast Guard](#) (中国海警, CCG) patrols and vessel inspections, activities that often [exploit the ambiguity](#) between coercion and domestic law enforcement.

The [Dacheng Bay](#) base has been used to train PLAN [Marine Corps](#) units, and other air, sea, and land forces ([陆海空三军](#)) for joint-operation simulations. Given the similarities in terrain and climate between Dongshan and Taiwan, the bases serve as useful locations for readiness training. These exercises involve both combat operations and logistical support: for example, on [September 2, 2021](#), civilian vessels (including [roll-on/roll-off ships](#)) were spotted at [Dongshan Island](#). The vessels were engaged in logistical operations, including transporting [PLAN Marine Corps ZTD-05 amphibious fighting vehicles](#) for beach assault simulations. In September 2022, seven ferries of the [BoHai Ferry Group](#) ([渤海运输集团](#))—under the PAFMM's Eighth Transport Group ([海运八大队](#))—transported [operational materiel to Dongshan](#). These exercises have signaled Dongshan Island's emerging importance as a hub for civil-military integration. One year later, on September 24, 2023, the [Taiwan Ministry of National Defense](#) announced that “we detected PLA aircraft and ground troops conducting military drills at Dacheng Bay located in Dongshan Island.” Such developments, along with the recurring patterns of the PLA activities in the “ETC and areas contingent to the Taiwan Island” ([东部战区台岛周边](#)), have further demonstrated the rising importance of Dongshan's strategic value in the PLA's capacity-building aimed at greater operational readiness.

According to [official sources](#) and historical accounts from Fujian Province, bases on Dongshan Island have also been training “tens of thousands of militiamen” each year. Known as the PRC's “[Third Sea Force](#)” (中国的第三海军), PAFMM units in Fujian often simultaneously serve essential or supplementary roles in the PRC's gray zone operations and military drills, from which escalation towards a full-scale assault may begin. As a dual-use force situated for “[diversified military tasks](#)” (多样化军事任务), the PAFMM significantly bolsters the PLA's overall capacity and resilience in Taiwan-related operations.

Double-Support in Practice: Dongshan's Civil-Military Integration

Dongshan is a prime example of the PRC's civil-military integration efforts. For [six years](#), the island has

consistently been awarded the “[Model County for Double-Support](#)” ([双拥县](#)) title. Indeed, in the *Double Support of China* (中国双拥) journal issued by the PRC Ministry of Veterans Affairs (退役军人事务部), Dongshan has been praised as “[The Island of the Hero](#)” (英雄岛).

In practice, the Dongshan County government and the local CCP County Committee (县委) have implemented programs that provide preferential treatment to PLA personnel and militia members. These policies have been carried out under the CCP county committee and the county government's directive of “wide participation among all industries, and shared responsibilities among local-military departments” ([县委、县政府主抓，军地部门各司其职，各行业广泛参与](#)). (An official source from Fujian's Ministry of Veteran Affairs verified the implementation structure to this author in December 2025, and forwarded the article from the *Double-Support of China*.)

Dongshan's “double-support” (双拥) implementation strategy strictly adheres to the Fujian Provincial Government's “[Measures for Guaranteeing Militia Rights and Interests](#)” (福建省民兵权益保障办法), which was issued in January 2025. According to the official Xinhua News Agency, “double-support” means “the government and the people support the military, and the military supports the government and the people.” The 2025 *Measures for Guaranteeing Militia Rights and Interests* establishes a province-wide framework of financial incentives, employment protections, priority public services, and institutional benefits for both militia members and participating enterprises, aiming to strengthen recruitment, retention, and operational readiness. However, Dongshan's implementation strategy is also tailored to local conditions. Preferential measures in Dongshan include complementary meals for senior veterans and military families, as well as free resettlement employment training provided by local businesses. The local source at Fujian's Ministry of Veterans Affairs indicated to this author that Dongshan's preferential programs lean heavily toward employment, aiming to guarantee “100 percent reemployment of the veteran” ([退役军人100%就业](#)).

From an infrastructure perspective, Dongshan is home to Zhangzhou City's first “Service Center for Military Personnel” (军人服务科). The center was established as part of Zhangzhou City's joint military–local hospital initiative (军地医院) in 2023. According to an [official Baijiahao](#) (百家号) account

affiliated with the PLA Eastern Theater Command, the center provides priority medical services for military personnel and integrates civilian hospitals with PLA medical resources, while also serving as a designated wartime medical support node for frontline operations ([战时全力拥军支前](#)). Such an initiative reflects the ongoing integration of civilian infrastructure into military support systems in Dongshan. Thus, localized preferential measures have reinforced Dongshan's suitability as a [forward-operating node](#) within the PRC's broader cross-Straits civil-military framework.

The main point: Dongshan Island's proximity to Taiwan's energy supply lines, as well as its historical role in cross-Straits conflicts, renders the island a critical node for coordination between the PLA and PAFMM. Since 1995, Dongshan has served as a training ground for amphibious training operations simulating assaults on Taiwan. As Dongshan's strategic importance has grown, local authorities have stepped up measures to support military personnel and veterans on the island.
