



TAIWAN: TOWARDS A MILITARY ESCALATION?

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Photo: Taiwan says its military is on high alert as Chinese warships sailed near the island. Credit: Taiwan Coast Guard via AFP

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Tensions between Taiwan and China stem from a complex historical, political, and strategic context, primarily revolving around the issue of Taiwan's sovereignty. Following the Chinese Civil War in 1949, the government of the Republic of China (ROC) fled to Taiwan, prompting the People's Republic of China (PRC) to assert that the island is a province of China. The PRC's "One-China" policy pressures other nations to avoid recognizing Taiwan as an independent state. According to a special report from the Taiwanese Public Opinion Foundation, support for

Taiwan's independence has risen by 4.6% from May to December 2024, while support for maintaining the status quo has decreased by 4.3%. Specifically, 51.8% of Taiwanese adults aged 20 and older now favor independence, compared to 24.2% who prefer the status quo. This shift is also accompanied by a growing sense of distinct Taiwanese identity, which is increasingly fueling movements advocating for independence.

In response to this shift, China has escalated its military presence around Taiwan, raising concerns over potential conflict, particularly given the growing U.S. support for Taiwan, especially through arms sales. In 2024, as China became more aggressive with military exercises near Taiwan, the U.S. approved significant arms sales, including a \$1.1 billion package featuring Harpoon anti-ship missiles and radar systems. Taiwan also plays a critical role in the global semiconductor industry, producing approximately 65% of the world's chips, with companies like TSMC at the forefront. Around 90% of advanced semiconductors, essential to multiple sectors, are manufactured in Taiwan, providing it with significant economic leverage, especially since China depends on this technology. Taiwan's strategic location in the Asia-Pacific region further underscores its importance for regional security and trade, making the island a key player in the balance of power in East Asia. Thus, the relationship between Taiwan and China remains a major geopolitical issue.

Reclaiming Control of Taiwan

China's recent military escalation around Taiwan signals a profound geopolitical struggle with high stakes for the Asia-Pacific region and beyond. In recent years, Beijing has ramped up its activities, including frequent incursions into Taiwan's Air Defense Identification Zone (ADIZ), blockade simulations, and large-scale naval and air exercises. These incursions into Taiwan's ADIZ, where Taiwan's military monitors air traffic for potential threats, have significantly heightened tensions and raised concerns about the risk of conflict. This aggressive posture partly reflects Taiwan's growing alignment with the United States, which has increased arms sales and political support for Taipei. Tensions notably spiked

after Nancy Pelosi's visit to Taiwan on August 2, 2022. These actions highlight the centrality of "national reunification" for Xi Jinping, with Taiwan's integration being crucial for his legacy and the PRC's centenary in 2049.

As the 75th anniversary of the PRC approaches, Xi Jinping reaffirmed his commitment to "reunification" with Taiwan in a speech at a state banquet. Beyond its political symbolism, Taiwan's control has substantial economic and strategic value. Taiwan's semiconductor industry, particularly through TSMC, produces essential microprocessors for global supply chains, resources China deems vital for advancing its own technological sector. Additionally, Taiwan's position along the first island chain makes it crucial to U.S. security interests in the Asia-Pacific. Securing Taiwan would grant China access to the Pacific, diminishing U.S. influence and shifting the regional balance of power while exacerbating fears of destabilizing conflict.

Rising Tensions in the Taiwan Strait

Tensions have escalated since the election of Lai Ching-te, Taiwan's president and member of the Democratic Progressive Party (DPP), whom Chinese officials and state media frequently refer to as a "dangerous separatist" or "troublemaker". In May, Lai called for an end to Chinese intimidation, triggering an uptick in military activities, including exercises that China described as tests of its ability to "seize power" over Taiwan. In an October speech, Lai reaffirmed the island's sovereignty, asserting that the PRC "has no right to represent Taiwan." These declarations prompted the Chinese military exercise "Joint Sword-2024B," simulating a blockade of Taiwan's main ports, reflecting the intensifying tensions between China and Taiwan.

The military buildup by China around Taiwan has raised growing concerns among the island's allies, generating international support. In response to China's increased military activities, the United States has strengthened its freedom of navigation operations in the Taiwan Strait, underscoring its commitment to regional stability. This led to a rare joint naval transit with Japan, Australia, and New Zealand, signaling a

united stance against China's military assertiveness. In turn, China deployed People's Liberation Army (PLA) vessels to monitor allied forces, revealing its sensitivity to foreign actions. Furthermore, the recent passage of a German Baden-Württemberg-class frigate through the Taiwan Strait underscores a growing alignment of European powers with American interests, reinforcing their shared commitment to security in the Indo-Pacific. Known for its multirole capabilities, advanced radar and missile defense systems, stealth design, long-range operational capacity, and high degree of automation, the Baden-Württemberg-class frigate is a highly versatile asset that enhances modern naval operations.

China's recent military escalation around Taiwan has raised concerns about regional security and stability, presenting a multifaceted challenge for the United States and its Indo-Pacific allies. The bolstered Chinese military capabilities not only test Taiwan's defenses but also complicate U.S. strategic calculations, particularly amid ongoing conflicts in Ukraine and with Hamas. This raises questions about Washington's ability to effectively manage a potential crisis in the Taiwan Strait. Additionally, this military activity serves as a striking demonstration of China's advanced capabilities, showcasing a stark contrast with its past. It also acts as a warning not only to Taiwan but to neighboring countries in the East and South China Seas, as a conflict in the Taiwan Strait could have spillover effects, escalating regional tensions—especially in the East and South China Seas. Such a conflict would likely be more costly than current regional tensions due to China's extensive economic interdependence with the global economy. Ultimately, China's actions reflect its ambition to establish norms aligning with its interests, challenging the existing international order and signaling a willingness to assert its territorial claims aggressively.

The Question of U.S. Support

Under President Trump's second term, U.S. foreign policy towards Taiwan and China is set to shape regional dynamics in the Indo-Pacific. By continuing policies of increased arms sales and military cooperation, the U.S. aims to strengthen Taiwan's defense capabilities and deter Chinese aggression.

However, Beijing would likely view these actions as a direct challenge to its territorial claims, potentially escalating tensions in the Taiwan Strait.

As U.S.-Taiwan relations strengthen, regional allies like Japan and Australia may be encouraged to offer greater support to Taiwan, further complicating the geopolitical landscape and fostering closer collaboration to counter China's military expansion. On the other hand, any reduction in U.S. arms sales and military partnerships could weaken Taiwan's security, emboldening Beijing to take more aggressive steps. In this way, the current U.S. strategy will play a crucial role in influencing how countries in the Indo-Pacific respond to China's actions.

With Donald Trump back in office, the future of U.S.-Taiwan relations faces new uncertainties. While U.S.-Taiwan ties strengthened during his first term, recent statements by Trump suggest a shift in policy that could weaken America's longstanding commitment to defending Taiwan. Trump has adopted a transactional approach, arguing that Taiwan should "pay" for American protection by significantly increasing its defense spending. He proposes that Taiwan's defense budget reach 10% of its GDP, far exceeding NATO's expectations. This shift could jeopardize Taiwan's security and signal a move towards isolationism in U.S. foreign policy, threatening regional stability.

This change is further reflected in recent appointments within Trump's cabinet, signaling a more aggressive stance toward China. Figures like Secretary of State Marco Rubio, who is banned from China due to U.S. sanctions, and Michael Waltz, who serves as national security advisor, emphasize the need to reduce U.S. dependence on China, particularly in strategic sectors like critical minerals. Waltz advocates for increased U.S. preparedness for potential conflict in the Asia-Pacific, suggesting that strategic competition may overshadow traditional diplomacy, thus further escalating tensions in the Taiwan Strait.

Another complicating factor is the involvement of Elon Musk, appointed the head of the controversial Department of Government Efficiency and senior advisor to US President Donald Trump. Musk's comments on Taiwan, particularly his 2023 statement

at the All-In Summit in Los Angeles, where he referred to Taiwan, like Hawaii, as an "indivisible part" of China, sparked friction with Taiwan. Furthermore, in October 2022, Musk proposed that tensions between Beijing and Taipei could be resolved by granting China some control over Taiwan. This stance reflects his business interests in China, particularly Tesla's Shanghai factory, highlighting the tension between economic interests and geopolitical considerations.

The interplay of business, politics, and security will shape U.S.-Taiwan relations. Trump's transactional approach and the more hardline composition of his cabinet could heighten tensions in the Taiwan Strait. Taiwan's security is caught in the crossfire of U.S.-China competition, and President William Lai's pro-American stance will be crucial in navigating these pressures. A second Trump term presents significant challenges for Taiwan, and its strategic response will be key to maintaining regional stability.

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