YOUNG LEADERS
PROGRAM

PROMOTING COOPERATION BETWEEN SOUTH KOREA AND TAIWAN FOR ENFORCING EFFECTIVE NSP

BY KIE KANG

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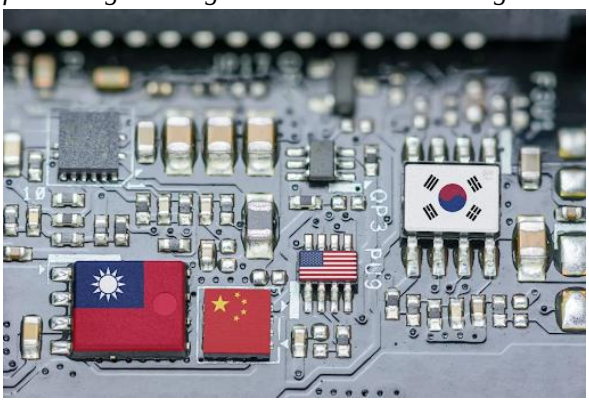

Photo: Flags of Korea, the United States, Taiwan, and China are shown on a circuit board. High-tech products like semiconductors are a focus for the United States as it seeks to protect its economy from China by shifting the manufacturing of these products to the home market. Companies in Korea are finding that their dependence on China for high-tech manufacturing and materials has become a liability. Source: William Potter

The compelling tech-diplomacy vision set out by Taiwan at the 2025 Yushan Forum in Taipei embodies the integration of innovation with values-based international cooperation. Named after Jade Mountain (玉山, Yushan), the 8th annual forum highlighted the theme of "New Southbound Policy+: Taiwan, the Indo-Pacific, and a New World," where semiconductors were discussed throughout the forum as not merely an industrial strength, but rather as a means of soft power, regional partnership, and strategic resilience.

In the Indo-Pacific, semiconductors now represent much more than merely economic growth: they have become the very fulcrum of geopolitical strategy. Taiwan and South Korea have become pivotal players in this increasingly global contest over chip supply chains. Clearly, both countries have world-class semiconductor industries. However, their very dissimilar modalities of engagement have provided insights into the divergent diplomatic and developmental approaches toward technology.

Semiconductors as Strategic Assets

TSMC-led Taiwan's chip sector still controls global logic chip production from smartphones to Artificial Intelligence (AI)-infrastructure-level chips. The forum, however, articulated that Taiwan's ambitions extend beyond production. Taiwan conceives its semiconductor sector as a bridge to like-minded partners in Southeast Asia and the Pacific in which technological capacity-building, training, and partnership can redefine regional development.

In contrast, the Korean semiconductor strategy is heavily backed by the state, characterized by corporate facilitation, mainly focusing on bilateral agreements with major economies. Under the auspices of the government's K-Semiconductor Strategy, South Korea aims to create the world's leading semiconductor supply chain by working with domestic companies such as Samsung Electronics and SK Hynix, while also expanding economic competitiveness and reinforcing strategic partnerships with key allies, primarily the United States.

Regardless of the differences in styles, Taiwan and South Korea operate very much in concert within the semiconductor value chain. Moreover, the joint dependence on materials from Japan and equipment from the United States adds another layer of necessity for collaboration. Throughout the Yushan Forum, it was acknowledged that not one single country can hope to master this industry, so complex and so fraught with dangers.

The interdependence opens opportunities for deeper

cooperation between Taiwan and South Korea, along with other regional partners. Taiwan's multilateral frameworks for resilient supply chains in training engineers, aligning quality standards, and sharing R&D infrastructure especially match with calls for Southeast Asian partners and small island states to be included, painting a picture of an inclusive and future-proof semiconductor ecosystem.

On the other hand, South Korea operates on a more centralized model that primarily revolves around its corporate champions and trade-based cooperation. South Korea remains much more conventional in its focus on strategic competition and state-led investment. Taiwan, on the other hand, is promoting its people-centered diplomacy through its tech sector: Public-private partnerships (PPP), educational exchanges, and regional tech cooperation under the New Southbound Policy+ (NSP+) illustrate a more flexible and decentralized approach.

Another divergence is in synthesizing technology with more overarching policy goals. The sessions at the Yushan Forum demonstrated Taiwan's integration of AI into smart manufacturing, energy systems, and healthcare—most often as part of cooperation pilot projects abroad. Taiwan created a diagnostic streamlining AI for Palau as an example of its capacity to export hardware and know-how to underserved regions. Similarly, Taiwan's push into green semiconductors, AI-based energy monitoring, and smart cities shows a desire to align its chip sector to sustainable and human-centered development.

South Korea is also heavily investing in AI and future technologies, including 6G, robotics, and smart mobility. Its approach is focused on enhancing domestic technology rather than relying on foreign technology, especially when it comes to manufacturing AI semiconductors. Once again, such investments mostly congregate domestically or through formal bilateral frameworks focused on competitiveness and technological leadership.

Common Grounds

Both root their diplomacy in democratic values. Taiwan's call for "like-minded nations" to unite echoes Korea's push for a fair regional order. Semiconductors bolster resilience for both countries—Taiwan against isolation and Korea against nearby challenges. Talks about building intellectual networks highlighted their shared interest in research and collaboration, while shortages in the skilled labor force point to mutual needs that could enhance teamwork.

In addition, both nations share intensifying roles in geopolitics, especially with the intensifying rivalry between the United States and China. While Taiwan's international recognition is limited, it has been using such constraints as a motivating factor for innovative diplomacy. During the Yushan Forum, Taiwan's President Lai Ching-te described Taiwan as a "Silicon Island" transforming into an "AI Island," grounded in democratic values and regional cooperation. His message underscored that Taiwan's global engagement is not simply based on economic-ideology, but on reliability and mutual benefit, which extend to freedom, prosperity, and democracy.

Meanwhile, South Korea has to maintain security with the United States, as well as strong trade ties with China. Such delicate positioning often limits the country's full alignment with value-based tech initiatives, especially in multilateral settings where high tensions between great powers exist. However, given South Korea's scale and technology depth, it would be indispensable to any future semiconductor coalition.

Beyond Competition, Towards Cooperation

How these two powers get along with each other and the larger region will likely determine the future of the semiconductor landscape in the Indo-Pacific. Taiwan's NSP+ is already a platform for interacting with countries such as India, Vietnam, Thailand, and the regions of the Pacific islands. South Korea's tech outreach can amplify these efforts through shared infrastructure, funding and industrial coordination. Nonetheless, the Indo-Pacific also needs trust, transparency, and alignment, in addition to capacity, as the semiconductor industry increasingly ties into national security, economic resilience, and regional stability. With their unique sets of advantages, Taiwan and South Korea have the capabilities to become the guides of the process—should they so choose.

Semiconductors are not mere economic drivers but in fact, diplomatic tools which could thrive at the heart of diplomacy, development, and prosperity. Taiwan's efforts for inclusion to share solutions and Korea's drive to lead innovation show how chips and technology can connect nations. A partnership between the two nations could turn existing potential into action, shaping a region that thrives on collaboration. For the Indo-Pacific to flourish, technology diplomacy must go beyond competition towards cooperation.