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CHINA- TAIWAN RELATIONS

HONG KONG IMPACTS TAIWAN ELECTIONS

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The coming elections in Taiwan have shaped cross-strait relations. To a surprising degree, Hong Kong demonstrations have influenced the early campaign, helping President Tsai Ing-wen win her party's nomination and requiring opposition candidates to reject Beijing's "one country, two systems" more firmly than they would have otherwise. In the midst of US-China tensions, Washington has approved two major arms sales to Taiwan and taken other steps to improve US-Taiwan relations. Beijing opposes Tsai and has taken steps publicly and behind the scenes to boost the KMT's populist candidate, Kaohsiung Mayor Han Kuo-yu. Beijing's hardline response to Hong Kong demonstrations will likely continue to benefit Tsai as the election approaches in January.

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Presidential campaign

Much of what has occurred in cross-strait relations recently has been tied to the campaign in Taiwan for the presidential and legislative elections scheduled for Jan. 11, 2020. While each of the major parties has nominated its candidate, an important unknown is whether a third major candidate will enter the race. Although there are many issues in the presidential elections, cross-strait relations will again have a major influence.

DPP nominates Tsai

During May, Tsai Ing-wen and challenger Lai Ching-de maneuvered for advantage in the Democratic Progressive Party (DPP) primary. Tsai's supporters in the party leadership delayed the primary in hopes Lai would withdraw, in part because many polls indicated he was more likely to win. Finally, the rules for the primary polling were agreed to and a debate was held June 8. The debate showed that there was little difference between their positions. It was a matter of who had more support in the party and public. Beijing saw both as pro-independence separatists, with Lai perhaps the more dangerous.

The delay in the primary proved consequential. In May, a serious controversy was developing in Hong Kong where Chief Executive Carrie Lam was pressing for adoption of amendments to the extradition law that would permit extradition to China. Lam was using the need to prosecute a Hong Kong citizen accused of committing murder in Taiwan to justify changing the law to allow extradition to both Taiwan and China. Not wanting to become a justification for extraditions to China, the Tsai administration indicated it would not want the suspect sent to Taiwan under the proposed amendments. In a statement issued June 4, Tsai expressed concern about the erosion of democracy in Hong Kong. On June 9, four days before the DPP primary polls, the citizens of Hong Kong staged a massive and peaceful demonstration against the extradition amendments. Tsai promptly tweeted support for the demonstrators, and as did many others. In the following days, civic groups in Taiwan, particularly youth, demonstrated in support of Hong Kong, and Tsai took the opportunity to reiterate that Taiwan must reject the "one country, two systems" (1C2S) formula. Clashes in Hong Kong kept the issue on the front pages during the DPP primary. On June 15, the DPP announced the surprise result that Tsai had won by a substantial margin. Many commentators have since opined that Tsai's prompt and continuing support for the demonstrators was a major factor in her victory.

KMT nominates Han

It took the Kuomintang (KMT) longer to decide on its nominee. Han Kuo-yu, the populist mayor of Kaohsiung, who almost all polls said would beat Tsai by a large margin, delayed making a decision on whether he would

contest the nomination. It took over a month for Han and the other main contenders – Hon Hai Chairman Terry Gou (Kuo Tai-ming) and former Legislative Yuan (LY) speaker Wang Jin-pyng – to agree on ground rules for the primary. The campaign was bitter, particularly between Han and Gou. With enthusiastic support from party rank and file, Han won the primary by a substantial margin and was formally nominated at the KMT Congress on July 28. The loss was a bitter defeat for Gou, who nurses grievances against party leaders who had encouraged him to run but did not help him win.



Figure 1 Han Kuo-yu is described as "The Common Man's President" at a rally.

In January, Chairman Xi Jinping strongly asserted the One China principle (without separate interpretations), reaffirmed unification would be pursued under the 1C2S formula, and called for discussion on how the formula would apply to Taiwan. This represented a difficult challenge for the KMT, which seeks constructive relations with the Chinese Communist Party (CCP) but must operate within limits set by domestic politics. Han's desire has been to focus on economic ties with China. When he visited Hong Kong and Shenzhen early in the year, Han carefully sidestepped political issues. However, after the first major demonstration in Hong Kong, that approach became untenable. Within a week, Han made a strong statement rejecting 1C2S, saying that it would never be implemented while he is president. Later, in the KMT primary debate, Terry Gou also said 1C2S would never happen in Taiwan.

Nominees define core issues

Each of the two main candidates has described the election as a fundamental choice for Taiwan. On July 20, Tsai described the election as "a choice of values." She said Taiwan is a democratic society where voters are focused on the country's future, especially whether a democratic way of life can be sustained. On Aug. 21, she reiterated her determination to defend Taiwan's sovereignty against Beijing's oppression. In accepting the KMT nomination, Han described the election "as a choice between a peaceful Taiwan Strait and a Strait filled with crisis." He vowed to restore peace and revive the economy for the benefit of common people. On Aug.

12, he called for peaceful exchanges across the Taiwan Strait to facilitate the flow of people and goods, which would make Taiwanese rich. Once again, cross-strait issues will be central to a presidential campaign and Taiwan voters are being asked to make a sharp choice.

A third-party candidate?

Polls indicate that a two-way race would be close, but Han's support is waning and Tsai's rising. At the end of August, there was intense speculation about whether Ko, Gou and former speaker Wang Jin-pyng will somehow collaborate with Gou, or less likely Ko, becoming a candidate. A decision by one or the other to run would shake up the race.

When Terry Gou first entered the race, he was perceived as someone who would likely be heavily influenced by his extensive business interests on the mainland to take pro-China positions. Beijing's *Global Times* said that Gou's election could reduce cross-strait tensions. Although Gou's early public statements revealed his political inexperience, by the time of the KMT primary debates, he began to clarify his positions. He called on China to accept the existence of the Republic of China and described the 1992 Consensus as being One China with Taipei having its separate interpretation. He went on to say that Taipei's interpretation was the more important part of the formula – a stance clearly at odds with Xi's views. Since his loss, Gou has been considering whether to join the race and said he would decide by Sept. 17, the registration deadline.

Ko has had a consistent approach to cross-strait relations. In July, he traveled to Shanghai for a meeting of the Taipei-Shanghai Twin City Forum, and repeated his view that China and Taiwan are both part of one family – a vague statement that Beijing has found acceptable. On Aug. 1, Ko announced the registration of a new Taiwan People's Party (TPP). Ko said the TPP would be designed to appeal to independent voters who do not identify with the two main parties, a cohort that makes up about half the electorate. However, the new party, like its founder, has thus far avoided adopting a clearly articulated ideology or policy, especially regarding the issue of national identity that is at the heart of Taiwan politics. The new party plans to run candidates in the LY elections.

With speculation rife, Ko, Gou, and Wang had a brief but very public meeting at a concert in late August. Although nothing was announced, Ko described the meeting as a beginning. Should either join the race, they would not have the support of an established party network. Should Terry Gou run as an independent with support from Ko, the implications are unclear. On the one hand, many believe Gou's candidacy would split the pro-KMT vote to Tsai's advantage. That is why the KMT is working behind the scenes to persuade Gou not to run. However, polling indicates that Gou would draw many more independent voters and Ko supporters from Tsai than from Han. At

this point, the one part of this picture that seems clear is that Ko wants his new party to win a block of seats in the new LY that will make the TPP a swing caucus between the two main parties.

Campaign dynamics

Opinion polls show divergent support for candidates in a two-way race and in possible three-way races. Some things can be said about the developing campaign, however. Party cohesion is a perennial factor in elections, in Taiwan as elsewhere. When Lai Ching-te conceded the primary, he promised to support Tsai's re-election. About two months later, it is still not clear how Lai will provide that support and whether he will be Tsai's running mate, as the party hopes. As failure to support Tsai would seriously damage Lai's future standing in the DPP, this issue will likely be resolved amicably. Tsai has a campaign organization that supported her election in 2016 and good relations with Party Chair Cho Yung-tai, who will oversee the LY campaigns. Old-line independence supporters dissatisfied with Tsai's moderate stance have created new organizations, including the Taiwan Action Party Alliance, which is identified with former President Chen Shui-bian's idea that there are separate countries on either side of the strait. But these fringe groups are unlikely to draw much support from Tsai. So, it appears, Tsai will have the party quite well unified behind her.

By contrast, the KMT is hampered by more serious internal tensions. Traditional KMT leaders view populist Han Kuo-yu with suspicion and even disdain. Han relies on rallies and social media to appeal directly to the KMT rank and file and has not created a campaign organization nor settled on a running mate. Some of the KMT's local mayors and magistrates have thus far declined to lead local campaign chapters. Nevertheless, in some polls, Han is leading in a two-way race.

Continuing demonstrations and clashes with police have kept Hong Kong alive as an important factor in the campaign. The demonstrations resonate with Tsai's narrative of defending democracy, resisting Beijing's pressure on Hong Kong, and underlining that 1C2S is unacceptable to Taiwan. Tsai has been speaking regularly on these issues. However, when activists briefly occupied Hong Kong's Legislative Council building in July, Tsai expressed concern about the violence. When the demonstrations turned more violent, Tsai disavowed violence and urged restraint by the Hong Kong government. Opinion polls show that the public supports the demonstrations and approves of Tsai's handling of Hong Kong issues by about a three-to-one margin. Taiwan has quietly given refuge to an undisclosed number of Hong Kong activists who have come to Taiwan to avoid arrest and perhaps to apply for residence. Tsai has said that Taiwan will receive them out of humanitarian concern. With the exception of former presidential candidate Eric Chu, Han and other

KMT figures have generally chosen not to talk about Hong Kong.



Figure 2 A demonstration to support Hong Kong takes place in Taiwan.

Taiwanese, particularly the youth, have felt a strong sense of solidarity with Hong Kong's democratic activists. There have been some contacts between the DPP, including by Chairman Cho Yung-tai, and individual activists. Modest demonstrations supporting Hong Kong have been held frequently in Taiwan. Some supplies used by violent demonstrators have been purchased in Taiwan. As part of its narrative for explaining these massive demonstrations to domestic and foreign audiences, Beijing has retreated to the familiar gambit of blaming foreigners, particularly Americans and Taiwanese. When violence seemed to be in a dangerous downward cycle in early August, Beijing escalated criticism of the DPP and called on Taipei to withdraw its "black hands" that were allegedly stoking the violence. It is likely that some level of demonstration and tension will continue in Hong Kong. To the extent it does, Tsai will likely continue to use the issue to mobilize her supporters.

Han has focused on economic issues, with his talk of reviving the economy for the benefit of common people and his slogan "Get Rich" (發大財). Under the influence of a slowing global economy and US-China trade frictions, the Taiwan economy is facing headwinds. Tsai has emphasized her efforts to attract high-tech investment, the reshoring of firms leaving China, and the fact that Taiwan's current performance is the best of Asia's four tiger economies. However, Han's populist economic message has proven very appealing, and the ruling party is always blamed for a poor economy.

Beijing's approach

It is no secret that Beijing wants Tsai and the DPP to be defeated in January. The CCP is working publicly and behind the scenes to encourage this outcome. Beijing regularly criticizes the DPP, while inviting and cultivating many KMT leaders. In August, Taiwan Affairs Office (TAO) Director Liu Jieyi stated to a visiting legal delegation that, "only when cross-strait relations are good, can Taiwan be good and the broad mass of

Taiwanese enjoy greater prosperity." This is not a new message. However, in the election context, it closely parallels the core campaign message that Han Kuo-yu is voicing.

The CCP also seems to tailor specific actions for the influence they may have on Taiwan voters. In August, Beijing ended most individual tourist travel and reduced the number of group tours to Taiwan. The TAO blamed these actions on the DPP's support for independence. Implicit was the message that if a candidate that supports the 1992 Consensus on one China, like Han, were elected, tourism could resume. Beijing also banned mainland and Hong Kong film studios from participating in Taiwan's Golden Horse Awards ceremony to illustrate the cultural cost Taiwan pays for having an uncooperative government. Since June, Beijing has suspended provocative air and naval exercises around Taiwan to reduce Tsai's ability to use the military threat to mobilize her supporters.

Media manipulation

The election campaign has focused attention on how Beijing manipulates traditional and social media to influence opinion. In early May, Beijing hosted the Fourth Cross-Strait Media Summit. The Taiwan delegation, which was led by Chairman of the pro-China WantWant/China Times Group Tsai Eng-meng and former KMT Vice Chairman Hu Chih-chiang, brought about 70 representatives of pro-China and pro-KMT Taiwanese media to Beijing. Politburo Standing Committee (PBSC) Member Wang Yang addressed the meeting and called on participants to promote the ideas Xi enunciated in January. He acknowledged that it was difficult for the media to work for peaceful reunification in Taiwan, but stated that history would remember their efforts. The DPP believes the CCP uses such united front meetings to infiltrate the media. The KMT is not so concerned, believing that pro-KMT journalists and editors are exercising their freedom of the press and expression.

The WantWant/China Times Group backed Han in his Kaohsiung election campaign. During the primary campaign, Terry Gou accused the TAO of using the media to favor Han and called Tsai Eng-meng a TAO lackey. In July, the *Financial Times* published a report sourced to former *China Times* journalists who asserted that the paper's editors hold daily discussions with the TAO on reporting themes. The WantWant/China Times Group rejected those allegations and threatened to sue. In August, *Reuters* reported that Beijing was paying high prices to place favorable stories about mainland programs in the Taiwan press. Commentators say Beijing is able to find and pay journalists willing to write stories on their behalf.

There is also concern that Beijing will use social media to interfere in the campaign. President Tsai has warned that Beijing disinformation campaigns are a national

security threat that could undermine Taiwan's democracy. The National Police Agency and the Ministry of Justice Investigation Bureau have been conducting investigations of mainland involvement in social media attacks and influence operations. Sharing Tsai's concern, American Institute in Taiwan (AIT) Director Brent Christensen and State Department Deputy Assistant Secretary Jonathan Fritz have both expressed concern about Chinese election interference. In August, AIT arranged a TechCamp to connect Taipei with international disinformation experts for a discussion of ways to counter disinformation. The news that Twitter and Facebook had terminated Chinese accounts engaged in inaccurate and coordinated operations concerning Hong Kong demonstrations was welcomed in Taiwan and raised hope that social media companies would take similar action when mainland sites spread disinformation during the coming campaign. Taipei has been urging Facebook in particular to pay attention to the Taiwan election.

The Tsai administration has taken several steps to counter Chinese influence operations. The LY has adopted countermeasures, including amending the Criminal Code to define collusion with China as treason. The government has created a fact-check mechanism and encouraged private groups to create others. Government ministries have established rapid-response teams to quickly correct any media reports misrepresenting government policy. In July, the LY adopted amendments to ban former senior government officials and military officers from traveling to China to participate in united front political activities. As Taiwan does not have a law similar to the US Foreign Agents Registration Act, the DPP plans for the LY to adopt this fall a "Chinese agents" bill to require transparency concerning people working on behalf of China. The KMT has expressed serious concern that such legislation would violate people's freedom of association and expression. TAO Minister Liu has criticized the planned legislation as a restraint on exchanges.

Renewed proposals for a cross-strait peace treaty by KMT Chairman Wu Den-yih and Hung Hsiu-chu have led the DPP to move quickly to propose measures to assure the LY will control any future political agreement negotiations. In May, the LY adopted, over KMT opposition, a political agreements amendment to the statute governing cross-strait relations. The amendment requires that the LY approve any administration proposal to conduct negotiations by a 3/4ths majority, that the administration keep the LY informed regularly about negotiations and that a draft agreement must be approved both by the LY by a 3/4ths majority and by a public referendum before it can be signed. These requirements are so stringent that it is highly unlikely any negotiation of a political agreement will be undertaken.

Strengthening US-Taiwan Partnership

US-Taiwan ties, already in excellent shape, advanced further with the announcement of the two largest arms sales to Taiwan under the Trump administration. Concerns that President Trump might refrain from authorizing the sale of big-ticket weapons to Taiwan during a sensitive phase in US-China trade talks proved unfounded. Robust support for Taiwan across the highest levels of the Trump administration and within Congress appears to have influenced Trump's decisions. In addition, with little prospect of an early breakthrough in trade negotiations, August may have been seen as an opportune time for a decision on the *F-16* sale that would likely anger Beijing.

The Trump administration continued to uphold its commitment to "normalize" Taiwan arms sales by acting expeditiously on Taipei's requests, in contrast with the practice of previous administrations to approve bundled arms packages every few years. On July 8, the administration notified Congress of its intention to sell *Abrams* tanks and *Stinger* anti-aircraft missiles to Taiwan, a \$2.2 billion sale. The following month, the administration announced it will sell Taiwan 66 *F-16V Block 70* fighter jets and related parts, an \$8 billion deal. Given Taiwan's aging air force fleet and longstanding desire to acquire advanced fighters from the United States, the US-Taiwan Business Council hailed the latter as the most important proposed arms sale to Taiwan since 2001. Indeed, the *F-16V* is hailed as the most technologically advanced fourth-generation fighter on the global market.



Figure 3 The F-16 fighter jet.

Beijing's reaction was firm but not aggressively defiant. PRC spokespersons issued conventional statements claiming the proposed sales violate the one-China principle and demanded that they be cancelled. Beijing also threatened to sanction the US companies involved in the sale. Lockheed Martin, manufacturer of both the *Abrams* tanks and *F-16V* fighters, conducts little business in China, however. In August, China undertook military exercises in the Taiwan Strait area, which some observers interpreted as a reaction to the arms sales announcements. Still, Beijing's restrained reaction

reflects its confidence in its growing military capabilities relative to Taiwan, even when accounting for US arms sales of this nature.

The Tsai administration has requested the DPP-controlled LY to set aside a special budget to pay for the new weapons. It also announced on Aug. 15 an 8.3% increase in defense spending for 2020 to \$13.11 billion (NTD \$411.3 billion), the largest jump in the defense budget since 2000. Having sought to persuade Taiwan for over a decade to invest more in its own defense, Washington welcomed these decisions.

US Navy ships transited the Taiwan Strait in May, July, and August, in what has become a regular occurrence under the Trump administration. Beijing protested the transits; the US Defense Department each time said they demonstrated Washington's commitment to a free and open Indo-Pacific (FOIP). Additionally, on June 19, two Canadian Navy ships made a rare passage through the Taiwan Strait, in support of the freedom of navigation principle shared by the United States.

The Pentagon released its [Indo-Pacific Strategy Report](#) on June 1, which identifies Taiwan as a "reliable, capable, and natural" partner alongside Singapore, New Zealand, and Mongolia. The report proclaims that the United States "is pursuing a strong relationship with Taiwan and will faithfully implement the Taiwan Relations Act, as part of a broader commitment to security and stability of the Indo Pacific." Such definitive language embedding Taiwan inside the larger US strategy for the region differs from similar policy documents by previous administrations, where Taiwan assumed a less prominent role.

The following month in July, the PRC Ministry of Defense issued a new [defense white paper](#), which many observers interpreted as a response to the Trump administration's recent strategy documents that identify "strategic competition" with China as the primary concern of US national security. Unsurprisingly, the 2019 white paper includes new and expanded language on Taiwan compared with the 2015 version, reflecting the CCP's concerns regarding the trajectory of cross-strait relations and strengthening US support for Taipei. Specifically, the document rings alarm bell about the Tsai administration's efforts to promote "gradual independence" and in "borrowing the strength of foreign (i.e., US) influence." The PLA has thus sent a "stern warning" to "Taiwan independence separatist forces" through its air and naval exercises around the island. The white paper also boldly declares national reunification is "essential to realizing national rejuvenation." Beijing is likely to continue trumpeting these nationalistic themes in the lead-up to the 70th anniversary of the PRC's founding this Oct. 1.

In July, President Tsai transited New York en route to Taiwan's four Caribbean allies and also made a stop in Denver when returning to Taiwan. Tsai's two-day stay in

New York included a speech at Columbia University, a meeting with the UN representatives of Taiwan's diplomatic allies, and remarks at a US-Taiwan business summit. Compared with Tsai's previous stopovers in Houston, Los Angeles, and Hawaii under the Trump administration, this visit to the US financial capital had greater symbolic value both for its location and the relatively few restrictions placed on Tsai.

Contact between senior US and Taiwan officials also underscored the warm US-Taiwan political relationship. Most notably, US National Security Adviser John Bolton met Taiwan counterpart David Lee in Washington on May 25, the first such meeting between occupants of those two offices since 1979. A few weeks later, Taipei, with Washington's blessing, changed the name of the headquarters of AIT's counterpart in Taipei from the Coordination Council for North American Affairs (CCNAA) to the Taiwan Council for U.S. Affairs (TCUSA). This change did not affect the names of Taipei's representative offices across the United States.

These steps and others over the past three years have established a pattern of close cooperation between Washington and Tsai's administration. Tsai's roughly biannual transits through US cities and a number of video conferences she has held with US organizations mean that she is well known in Washington and beyond the beltway. By contrast, KMT leaders have had little exposure to the US and the party does not have an office in Washington. Wu Den-yih has not visited Washington during his tenure as KMT chairman; Han Kuo-yu visited the US earlier this year without stopping in Washington; Terry Gou has had two brief visits in which he met only with President Trump. The only consultative visits by KMT leaders to Washington in the past year have been by Eric Chu in August and Chiang Chi-chen in December and April. This contrast has led many to speculate that Washington favors Tsai's election. AIT has stated several times that the US is only interested in a fair democratic process and will work with whoever is elected.

Impact of US-China trade war on Taiwan

In recent years, rising wage costs and other factors have led many firms to consider diversifying some operations out of China. The US-China trade war has accelerated multinational companies' efforts to shift their supply chains out of China, with Taiwan firms proving no exception. New investment in China by Taiwan companies dropped 51% in the first six months of 2019 compared with 2018. Taiwan-invested firms in China that export heavily to the United States also have moved or expanded some production in Taiwan. As a result, Taiwan's exports to the United States grew at a rate of 18% between January and July of this year, double the rate of growth over the same period in 2018. Meanwhile, Taiwan exports to Mainland China and Hong Kong from January to July dropped 8.3% and 7.5%, respectively, from 2018 levels. Such developments are encouraging to

those in Taiwan who have long been concerned about the island's overdependence on the Chinese export market.

The marked escalation in the US-China trade war over the summer could significantly harm Taiwan's export-dependent economy over the near- to medium-terms. Before May, the US for several months maintained a 25% tariff on \$50 billion worth of Chinese imports and a 10% tariff on a separate batch of Chinese imports worth \$200 billion. Frustrated with Beijing's purported backpedaling in trade negotiations, the Trump administration on May 10 imposed new tariffs, reigniting the trade war. As a result of tit-for-tat retaliation running through August, \$250 billion worth of Chinese imports is slated to be tariffed at 30% on Oct. 1. In addition, \$300 billion worth of Chinese imports previously not subject to tariffs will face a 15% tax in two phases, on Sept. 1 and Dec. 15. This latter tranche of imports primarily consists of consumer goods, and is expected to be the most harmful to Taiwan suppliers given Taiwan's outsized role in the production of consumer electronics and semiconductors in China. Whether Taiwan firms are able and willing to pull out extensive factories and assembly plants in China and relocate to Taiwan or other parts of Asia by year's end to avoid tariff impact is unlikely. However, if the trade war continues through the 2020 US presidential election, a continuation of these recent developments could lead to a significant adjustment in the direction of Taiwan exports.

Meanwhile, the Tsai administration has introduced incentives over the past year to encourage Taiwan-invested firms in China to return home over the long haul. Some of the measures include subsidized loans and the ability to hire Southeast Asian and Mainland Chinese workers residing in Taiwan. Thanks to these incentives, the trade war, and Taiwan's low labor costs relative to other advanced economies in the region, investment commitments by offshore Taiwan investors reached \$17.1 billion through August.

International

Beijing has continued multifarious efforts to constrain Taiwan's international relations. The most significant recent developments have involved the World Health Assembly (WHA) and whether the Solomon Islands will be induced to switch relations to Beijing. In May, Beijing was again able to block Taipei's participation in the WHA, despite increased efforts by Washington and other Western countries to support Taiwan's participation.

After persuading El Salvador to sever ties with Taipei in August 2018, Beijing has not convinced another Taiwan ally to switch relations. An opening emerged in June, however, when the new government in the Solomon Islands announced that it would decide in 100 days whether to maintain diplomatic relations with Taiwan following consultations with Beijing, Taipei, and its South Pacific neighbors that have switched recognition to the PRC in recent years.

The announcement has led to diplomatic maneuverings by Beijing, Taipei, Washington, and even Canberra. As the deadline approaches, reports have emerged that Honiara remains torn and may take more time to decide. Nearly 60% of the Solomon Islands' exports go to China, consisting primarily of timber. Six ministers from the Solomon government also visited Beijing Aug. 15-19, as part of a trip funded by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC).

Taipei, fearing the loss of the Solomons could cause its five remaining allies in the South Pacific to follow suit, has sprung into action. On July 11, Taipei signed an MOU with Honiara to build a sports stadium as the Solomon Islands prepares to host the 2023 Pacific Games. Taiwan Foreign Minister Joseph Wu also met Solomon Prime Minister Manasseh at the Pacific Islands Forum in Tuvalu in August. Afterward, Taipei and Honiara inked a visa waiver agreement.

At the same time, the US and Australia have weighed in to encourage the Solomon Islands government not to sever ties with Taipei. US Undersecretary of States for Political Affairs David Hale, placed a call to Prime Minister Manasseh in May to discuss the issue. In Canberra in May, Acting Deputy Assistant Secretary of State for Southeast Asia Patrick Murphy publicly called on Taiwan's South Pacific allies to maintain ties with Taipei. Meanwhile, Australian Prime Minister Scott Morrison visited the Solomon Islands in June, his first overseas trip since securing re-election the previous month, where he pledged \$168 million (A\$250 million) in aid.

In late August, Nauru President Waqa failed to get re-elected. As he has long been a supporter of Taipei, the new government's position on recognition has become an issue.

Looking ahead

Once Terry Gou has decided whether to run, the shape of the presidential race will become clearer and the campaign will move into gear and dominate cross-strait developments. The stark contrasts in personality, style, experience, and policy between the two main candidates will make for an intense race. Will defending democracy or promises of economic prosperity be the more compelling campaign message? How the confrontation in Hong Kong evolves and how Beijing reacts to it will have a significant influence. And the campaign will test the effectiveness of measures to counter CCP influence and disinformation.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

MAY – AUGUST 2019

May 6, 2019: Taipei announces it has not been invited to the World Health Assembly (WHA).

May 10, 2019: Politburo Standing Committee (PBSC) member Wang Yang addresses a Cross-Strait Media Summit in Beijing.

May 13, 2019: On a discreet visit to Washington, National Security Council Secretary General David Lee meets National Security Adviser John Bolton.

May 20, 2019: Health Minister Chen Shih-chung promotes Taiwan on the margins of the WHA meeting in Geneva.

May 22, 2019: Taipei Mayor Ko Wen-je visits Japan.

May 25, 2019: In Taipei, the Coordination Council for North American Affairs (CCNAA) Headquarters name is changed to Taiwan Council for US Affairs (TCUSA).

May 29, 2019: State Department Special Advisor for Children Suzanne Lawrence visits Taipei.

May 31, 2019: Legislative Yuan (LY) adopts stringent provisions for cross-strait political agreements.

June 1, 2019: US Defense Department releases Indo-Pacific Strategy Report.

June 2, 2019: Sen. Cory Gardner tours Taipei with President Tsai Ing-wen.

June 4, 2019: President Tsai criticizes Beijing for covering up Tiananmen.

June 9, 2019: Massive anti-extradition bill demonstration is held in Hong Kong.

June 13, 2019: President Tsai wins Democratic Progressive Party (DPP) primary.

June 16, 2019: PBSC member Wang Yang addresses opening session of Straits Forum.

June 17, 2019: LY adopts resolution supporting democracy and freedom in Hong Kong.

June 25, 2019: Liaoning carrier group transits Taiwan Strait.

July 1, 2019: Hong Kong demonstrators ransack Legco on Hong Kong Retrocession Day.

July 4, 2019: Taipei-Shanghai Twin City Forum held in Shanghai.

July 8, 2019: State Department announces foreign military sale to Taiwan of *MIA2T Abrams* tanks and *Stinger* missiles totaling \$2.2 billion

July 12, 2019: President Tsai transits New York.

July 15, 2019: Kaohsiung Mayor Han Guo-yu wins Kuomintang (KMT) primary.

July 19, 2019: President Tsai transits Denver.

July 24, 2019: China issues defense white paper with strong language on Taiwan.

July 28, 2019: KMT Congress nominates Han as presidential candidate.

July 31, 2019: Beijing announces ban on individual tourist travel to Taiwan.

Aug. 1, 2019: Taipei Mayor Ko registers new Taiwan People's Party.

Aug. 12, 2019: DPP expresses concern about police violence in Hong Kong and calls for supporting Hong Kong and defending Taiwan.

Aug. 15, 2019: KMT's Eric Chu visits Washington.

Aug. 15, 2019: State Department sends Congress pre-notification on foreign military sale to Taiwan of 66 *F-16V* aircraft for \$8 billion.

Aug. 20, 2019: Retired Taiwan generals participate in Cross-Strait Anti-Japanese War Symposium held in Nanning.

Aug. 22, 2019: Taiwan Affairs Office (TAO) Minister Liu Jieyi addresses cross-strait legal studies forum in Tianjin.

Aug. 22, 2019: US Navy research vessel *R/V Sally Ride* docks in Keelung.

Aug. 29, 2019: Mainland Affairs Council asks for Beijing's help in locating democracy activist Lee Meng-chu, who has been missing since leaving Hong Kong for Shenzhen.