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CHINA-TAIWAN RELATIONS

CONFRONTATION MUTED, TENSIONS GROWING

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As 2023 began, cross-Strait confrontation was muted. Travel began returning to pre-COVID levels across the Strait and between the mainland and Taiwan's offshore islands. At China's annual National People's Congress, outgoing Premier Li Keqiang and reanointed President Xi Jinping eschewed inflammatory rhetoric about reunification with Taiwan. Taiwan and the US kept Taiwan President Tsai Ing-wen's transit of the US low-key. Tsai met House Speaker Kevin McCarthy in California, deflecting the speaker's expressed interest in visiting Taiwan and avoiding the destabilizing Chinese military exercises around Taiwan that followed Speaker Pelosi's visit last August. Despite this calm, seeds of confrontation proliferated. China cut a communications cable to Taiwan's offshore islands and announced a coast guard drill to inspect commercial shipping in the Taiwan Strait, both interpreted as practice for gray-zone coercion. China persuaded Honduras to sever its longstanding diplomatic ties with Taiwan. Taiwan increased its military budget and expanded training with US forces. Former Taiwan President Ma Yingjeou visited China and met Chinese officials, endorsing the 1992 Consensus and signaling that the upcoming election campaign for Taiwan's president will again offer two very different visions of Taiwan's future relationship with mainland China.

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An Amicable Opening to the New Year

In contrast to some recent years, Beijing and Taipei's new year speeches offered each other relatively conciliatory best wishes. On Jan. 1, Chinese Communist Party (CCP) General Secretary Xi Jinping said that both sides of the Taiwan Strait are one family and should "jointly foster lasting prosperity." Two weeks later, the spokesman for Taiwan's Mainland Affairs Council (MAC) Chiu Chui-cheng offered Lunar New Year best wishes to the mainland, noting it was a custom among ethnic Chinese people to exchange blessings around the Lunar New Year holiday.



Figure 1 Taiwan President Tsai Ing-wen delivers her New Year's speech in the capital Taipei. Photo: Handout via Reuters

The mini-three-links allowing ferry travel between China and Taiwan's islands near the China coast resumed less than a week into the new year, and Taiwan's MAC said this was part of an effort to resume "healthy and orderly exchanges." Direct air routes have begun to return to normal pre-COVID levels. Taiwan Premier Chen Chien-jen expressed hope that this would gradually increase goodwill and friendly engagements. The spokesman for China's Taiwan Affairs Office (TAO) Ma Xiaoguang welcomed the move. On Jan. 29, the TAO announced that the mainland was lifting the ban imposed last year on products from 63 Taiwan food companies, and on March 16, the TAO announced China was lifting its ban on the imports on chilled beltfish and frozen Atlantic horse mackerel from Taiwan. The head of Kaohsiung-based Hsing-ta Harbor Fisherman's Association welcomed the decision and noted that 90% of their beltfish had been exported to China before the ban.

Xi Jinping's statements about Taiwan at China's National People's Congress and the Government Work Report were among the mildest in recent years, emphasizing that Taiwan's reunification will be achieved only over the long term. However, other Party leaders used their statements at the NPC to underscore the CCP's two-handed strategy of peace and coercion. Newly appointed Foreign Minister Qin Gang told a press conference that "the two sides of the Taiwan Strait belong to one common family, which is called China. As brothers and sisters, we will continue to work with the greatest sincerity and utmost efforts to pursue peaceful reunification. Meanwhile, we reserve the option of taking all necessary measures."

KMT Seizes the Initiative with Cross-Strait Visits

At the beginning of February, KMT Vice Chair Andrew Hsia led a party delegation to China and met on Feb. 10 with TAO Director Song Tao as well as Wang Huning, chairman of the Chinese People's Political Consultative Conference (CPCC) and a member of the Communist Party Politburo Standing Committee, who is taking a more active role in cross-Strait policy like CPCC chairmen before him. According to press reports, all three endorsed the 1992 Consensus and opposed Taiwan independence. On his return to Taipei, Hsia said that neither the KMT nor the CCP want a war. In doing so, the KMT has again shifted cross-Strait dialogue from a government-to-government to a party-toparty basis, inadvertently playing into Chinese united front strategies.

The newly elected Nationalist (KMT) Party mayor of Taipei, Chiang Wan-an, welcomed a visit by the deputy director of the Shanghai municipal Taiwan Affairs Office on Feb. 18 with the approval of Taiwan's MAC. In a reminder that tensions remain high, the TAO delegation failed to appear for a series of public events; Mayor Chiang said it was to ensure their safety.

At the end of March, Former Taiwan President Ma Ying-jeou led a delegation of KMT youth to China. He began his trip by paying his respects at the mausoleum of KMT founder Sun Yat-sen and a memorial to the victims of the 1937 Nanjing massacre before going to the hometown of his parents, accepting by his actions the CCP emphasis that Taiwanese are Chinese. He told reporters that all Chinese on both sides of the Taiwan Strait are children of the Yellow

Emperor, words that TAO Director Song Tao echoed when he met Ma on March 30, saying "compatriots on both sides..have a common blood, a common culture, a common history, a common vision." Like Andrew Hsia, Ma endorsed the 1992 Consensus. The head of the Ma Ying-jeou foundation took a dig at the Taiwan government's military budget on the eve of the visit, saying "Instead of buying more weapons, it would be better to increase exchanges between young people of the two sides of the Taiwan Strait."

In Tsai's Final Year, US-Taiwan Relations are "Closer Than Ever"

Senior US and Taiwan officials, including Deputy Secretary of State Wendy Sherman and Taiwan Foreign Minister Joseph Wu, gathered on Feb. 21 as part of the periodic "special channel." This meeting, convened at the American Institute in Taiwan (AIT) building just outside Washington, contrasted with previous conclaves held clandestinely outside DC. Deputy Assistant Secretary of Defense for China Michael Chase, having completed a rare visit by a senior Pentagon official to Taipei the week prior, also participated in the all-day talks.



Figure 2 President Tsai Ing-wen meets with US House Speaker Kevin McCarthy. Photo: Office of the President Republic of China (Taiwan)

In mid-March, the White House selected Laura Rosenberger, the senior China advisor to President Biden on the NSC, as the new chair of AIT. Rosenberger, well connected within the Biden administration, will likely bring a more hands-on approach to this hitherto part-time role occupied by a retired diplomat. Rosenberger undertook a six-day visit to Taiwan in late April after working with the White House to coordinate Tsai's transits through the United States.

Rapid progress is being made under the Initiative on 21st Century Trade, the Biden administration's framework for negotiations with Taiwan launched in late 2022. In January, a delegation of US trade officials visited Taipei for in-depth negotiations. A senior USTR official, speaking to journalists before this first negotiating round, noted the "great deal of excitement" on both sides and the desire "to move forward as quickly as possible." In mid-March, USTR published summaries of the text tabled by the US in January covering five of the initiative's 11 trade areas, which may form part of the basis of an early-harvest agreement. Negotiators are also drafting text for the remaining eight other areas, including digital trade.

The US House of Representatives, in one of its first legislative actions under the GOP, established the Select Committee on the CCP in early January. A top priority of the bipartisan panel is addressing delays in US weapons deliveries to Taiwan and strengthening the US military posture around the Taiwan Strait. Chairman Michael Gallagher (R-WI) undertook his maiden visit to Taiwan in February and is promising to hold a hearing of the Select Committee in Taiwan. In early April, House Foreign Affairs Committee Chairman Michael McCaul led the largest congressional delegation to Taiwan since 1979. The die is cast for 2023 to a new record for the number of Congressional visits to Taiwan.

In an isolated area of US-Taiwan friction, semiconductor manufacturer TSMC has taken issue with certain conditions set by the US Commerce Department for recipients of funding under the CHIPS Act, in particular the sharing of profits above a certain threshold and the handing over of sensitive company data. According to the Wall Street Journal, TSMC is seeking up to \$15 billion to defray costs of its \$40 billion investment in Arizona, split almost evenly between direct subsidies and tax credits. Commerce Department officials visited Taiwan in March to better understand TSMC's concerns before the agency begins accepting applications in June.

President Tsai's Transit Proves a Disciplined Success

In late March, Tsai stopped over in New York City while en route to Central America, her first US stopover since 2019. At a private dinner, which included New Jersey Gov. Phil Murphy and members of the Taiwan diaspora, Tsai proclaimed that US-Taiwan relations "are closer than ever" as she finishes out her term. Also in New York, Tsai privately met House Minority Leader Hakeem Jeffries and a small bipartisan group of US senators.

Tsai's stopover in California a week later was equally careful yet also more momentous and sensitive. House Speaker Kevin McCarthy, in meeting Tsai at the Ronald Reagan Library in Simi Valley, became the most senior US official to meet with a Taiwan president on US soil. A bipartisan delegation of 17 bipartisan members accompanied McCarthy. The president and speaker each gave brief remarks in front of Reagan's Air Force One jet, with Tsai proclaiming that "democracy is under threat."

The encounter had been arranged with close coordination by Taiwan's Presidential Office, the White House, and the Speaker's Office. It was widely understood that Tsai offered this transit meeting to avoid the kind of intensive military exercises and cross-Strait tensions that resulted from the visit of House Speaker Nancy Pelosi to Taipei the previous August. Ironically, Beijing's threats to punish Taiwan for a McCarthy visit led to a public breakthrough for Tsai in the United States.

China Tests Coercive Capabilities

Although public statements and visits between Taiwan and the mainland at the beginning of 2023 seemed to signal a relative reduction in tensions, China's People's Liberation Army (PLA) Air Force and Navy continued the extensive maneuvers near Taiwan, which had become the norm since the Pelosi visit in August. After extensive PLA air maneuvers the first week of January, the Chinese Foreign Ministry said that the drills were aimed at testing the joint combat capability of troops and "resolutely countering the provocative acts of external forces and Taiwan independence separatist forces in collusion."

On Feb. 2, a Chinese fishing vessel severed one of the two undersea telecom cables connecting Matsu island, just offshore of Fujian, with Taiwan. On Feb. 8, a Chinese freighter cut the other cable, leaving the island with only rudimentary WiFi and telephone for perhaps three months. This was either a highly

improbable series of accidents or, as many analysts <u>have suggested</u>, gray-zone intimidation of Taiwan and the residents on these isolated islands.



Figure 3 China's Shandong aircraft carrier sailed through waters south of Taiwan into the West Pacific Ocean. Photo: Ministry of National Defense of Taiwan

Just before President Tsai's meeting with Speaker McCarthy, China's maritime police would "on-site announced it launch inspections" of direct cargo ships and construction vessels on both sides of the Taiwan Taiwan immediately commercial shippers not to comply with this unprecedented action. Separately, the PLA Navy <u>sailed</u> its newest aircraft carrier, the Shandong, through the Bashi Strait south of Taiwan. On April 8, the day after Tsai's return to Taiwan, the PLA launched a three-day exercise immediately around Taiwan. On April 10, 91 PLA aircraft and 12 naval ships flew and sailed around Taiwan, the highest one-day total ever. More than 200 aircraft entered Taiwan's Air Defense Identification Zone (ADIZ) in the course of the three-day exercise. A bipartisan caucus of members from the governing Democratic Progressive Party (DPP) and the opposition KMT Party in Taiwan's Legislative Yuan responded harshly, condemning what it called China's "barbarous acts."

On April 13, China announced it would impose a flight exclusion zone over an area of the East China Sea 85 miles north of Taiwan and within the island's ADIZ from April 16–18. The location and length of the flight ban threatened major disruption to commercial air travel across the region. The disruption was later reduced to 27 minutes on the morning of April 16, and Taiwan claimed it had successfully persuaded China to make the reduction.

Military analysts from Taiwan and the mainland concluded that the movement of PLA aircraft and ships east of Taiwan was intended to signal two aspects of China's military planning. First, it plans to counter Taiwan's plan to move its air force planes from airfields on the west side of the island to more protected locations on the east coast. Second, the PLA is testing its ability to intercept US military movements to support Taiwan in case of a cross-Strait conflict. These actions, combined with the announced plan to interdict commercial shipping, appear to signal the PLA is exercising its capability to impose a blockade around Taiwan.

Are Trade Barriers Gray Zone Intimidation?

As all these PLA and Chinese military exercises and intimidation were occurring, the Chinese Ministry of Commerce announced it was launching an investigation into what it identified as Taiwan trade restrictions on 2,455 products, including agricultural Chinese produce, minerals, chemicals, and textiles. Taiwan's Ministry of Economic Affairs (MOEA) confirmed that it had been informed of the action through China's mission to the World Trade Organization (WTO). The Chinese announcement prompted Taiwan legislators to ask MAC Minister Chiu Tai-san at a hearing whether China might use this as a reason to terminate the **Economic** Cooperation Framework Agreement (ECFA), which has increased cross-Strait trade in goods since it was concluded by President Ma Ying-jeou's administration in 2010. Chiu replied that ECFA benefits both sides and that he did not anticipate that it was at risk. Taiwan officials said that anticipated trade retaliation would affect only about 5.2% of Taiwan's exports.

China has indicated that the investigation could extend until Jan. 12, 2024, the day before Taiwan's elections, injecting the issue into the presidential election campaign and perhaps prompting some business groups to criticize the incumbent DPP government and its presidential candidate, William Lai Ching-te.

Taiwan's Defense Efforts Marginally Stronger and Popular

While almost all of Taiwan's military equipment purchases come from the US, the most noteworthy acquisition news of these four months came from Britain. It was revealed that

Britain had licensed for sale \$201.29 million in submarine components and technologies. Taiwan's effort to design and build submarines came after no nation was willing to sell it diesel submarines, including the US, which discontinued making diesel subs over a half century ago. The submarine project has become an expensive and controversial demonstration of its commitment to security independence and of its ability to threaten the PLA Navy in the Taiwan Strait.

The most dramatic developments in US support for Taiwan's self defense came in two revelations about US training of Taiwan troops. First, later this year, Taiwan plans to send a combined arms battalion of roughly 500 troops to the US for training. Although training Taiwan military in the US is nothing new—*F-16* pilots and mechanics have trained there for many years — the scale of this deployment reinforces the idea that whatever "strategic ambiguity" means, it does not preclude intensive cooperation between the Taiwan and US militaries. Second, it has been reported that US army special forces trainers continue to be active in Taiwan in larger numbers than usually understood, perhaps a couple hundred.



Figure 4 Taiwanese soldiers take part in a demonstration during a visit by Taiwan's President Tsai Ing-wen at a military base in Chiayi. Photo: Sam Yeh/AFP/Getty Images

Following Taiwan's announcement during the reporting period of our last article that it was increasing defense expenditures, two different concerns have been expressed. The first, made particularly by members of the US Congress, is that US efforts to equip Ukraine with the weapons it needs are causing unacceptable delays in Taiwan acquiring weapons it has purchased from the US. US Department of Defense officials have insisted that is not the

case without making it clear how they have overcome widely reported shortfalls. The second is that Taiwan's military spending remains unacceptably low despite recent budget increases. In its annual report on global military expenditures published on April 24, the Stockholm International Peace Research Institute (SIPRI) estimated that Taiwan's \$13 billion defense budget still only equates to 1.6% of gross domestic product (GDP), an increase of only 0.4% over the previous year. By contrast, SIPRI reported that China's 2022 defense budget was 4.2%, more than in 2021 and 63% more than in 2013.

The 21st Century Foundation, a Taiwan think tank, released a poll on Feb. 17 that showed about 79% of respondents supported President Tsai's policy to lengthen conscription from four months to one year starting next year—even respondents who have children under 18 years old. In addition, around 39% of respondents thought the United States would provide weapons or material support to Taiwan if China invades, while 10% of respondents believed that the United States will send troops to help defend Taiwan.

Taiwan and US-China Tensions

On March 18, US Secretary of State Antony Blinken met PRC State Councilor and Director of the CCP Central Foreign Affairs Office Wang Yi on the margins of the Munich Security Conference. While most of their discussion focused on the intrusion of a Chinese highaltitude surveillance balloon into US airspace, both sides repeated familiar positions on Taiwan. According to the Chinese Foreign Ministry, Wang repeated that "to preserve stability across the Taiwan Strait, one must firmly oppose 'Taiwan independence' and uphold the one-China principle. On the Taiwan question, the US side should respect historical facts, honor its political commitments, and follow through on its statement of "not supporting Taiwan independence." Blinken countered that "there had been no change to the longstanding US one-China policy, and he underscored the importance of maintaining peace and stability across the Taiwan Strait.' Despite what all recognize as the urgent need to reduce tensions in the Taiwan Strait, the only dialogue channel between the US and China continues to be a dialogue of the deaf.

The sense in Washington that the risk of conflict is growing is fed by statements by members of Congress and senior members of the administration and the military. One of the more disturbing was the assessment the Director of National Intelligence William Burns that the US knows "as a matter of intelligence" that CCP Secretary General Xi has ordered the PLA to be prepared to invade Taiwan by 2027, although Burns added that does not mean that Xi has decided on or even prefers such a course. In testimony to the Senate on March 22, Secretary of State Blinken said he shares Burns' judgment.

Honduras Abandons Taipei; Paraguay Remains

On the eve of Tsai's trip to Guatemala and Belize in late March, Honduras and China established official ties, reducing the number of nations who recognize Taipei to 13. Losing this Central American ally of 82 years, while painful and humiliating for Taipei, was not unexpected. Honduras's President Xiomara Castro had pledged to cut ties with Taiwan during her 2021 campaign but stalled due to US entreaties and pressure. Attention then turned to Paraguay's presidential election on April 30, where a candidate had called for a possible leading switch to Beijing if Taiwan not "compensate" for missed economic opportunities. Taipei breathed a sigh of relief when the ruling Colorado Party, which strongly favors maintaining ties with Taiwan, won the vote.

Macron Undercuts European Unity on Taiwan

Following a three-day state visit to China in early April, French President Emmanuel Macron said in an interview that Europe should chart an independent course toward China separate from the US, especially on the sensitive matter of Taiwan. "The worse thing would be to think that we Europeans must become followers on this topic and take our cue from the US agenda and a Chinese overreaction," Macron proclaimed. The French president also cautioned against European entanglement in "crises that are not ours."

Macron's comments were repudiated across the European continent. German Foreign Minister Annalena Baerbock, on a visit to Beijing a week later, <u>proclaimed</u> that an invasion of Taiwan would be a "horror scenario for the whole world" and would be unacceptable for Europe. EU Commission President Ursula von der Leyen,

in a <u>speech</u> before the European Parliament, made clear that Europe stands "strongly against any unilateral change of the status quo" in the Taiwan Strait. Central and Eastern European leaders were even more critical of Macron's comments.

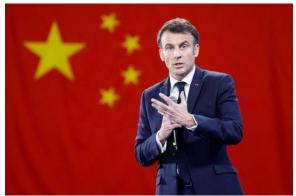


Figure 5 France President Macron speaks to students at Sun Yat-sen University in Guangzhou, China. Photo: JiJi/AFP via Getty Images

The French president <u>sought to walk back</u> his comments following the backlash, saying that Paris supports the "status quo" in the Taiwan Strait, "the one-China policy and the search for a peaceful resolution to the situation." Sending a quite different signal, the French Navy's Floréal-class surveillance frigate *Prairial* made a rare transit in the Taiwan Strait from April 9-10. Still, the episode laid bare tensions within the 27-member EU bloc on how best to handle relations with the US with respect to China and cross-Strait issues.

Taiwan's Presidential Election Campaign Begins

We are less than a year from the Jan. 13, 2024, election for Taiwan's next president. Tsai Ingwen is ineligible for a third term. Following its sometimes narrow electoral victories across Taiwan in November, the opposition KMT is feeling a surge of optimism. Yet, as Nathan Batto noted in his April 10 blog on Frozen Garlic, the DPP has moved back ahead of the KMT in public opinion surveys.

The two visits to China by Ma Ying-jeou and Andrew Hsia confirm that the 1992 Consensus remains at the center of the KMT platform, or at least the platform favored by the KMT's older generation. Others in the party reportedly want to abandon what has been the standard version of the KMT 1992 consensus, "one China,

different interpretations," and move toward a revised interpretation, perhaps that "the 1992 consensus is the Republic of China." In response, KMT Chairman Eric Chu insisted to reporters that there has been no debate in the party about revising the 1992 consensus.

Hou You-yi, the mayor of New Taipei, the current front-runner for the KMT presidential nomination, has expressed general support for the 1992 Consensus, perhaps simply to unite the KMT behind him, without explaining exactly what he thinks it means. Instead, he has preferred to say cross-Strait policy should be based on strengthening Taiwan's democracy and defense while reducing cross-Strait antagonism. Hou may hope to avoid cross-Strait issues and campaign as an effective and popular political manager who has proven he can govern Taiwan's largest municipality. However, almost all Taiwan presidential elections have turned on the issues of cross-Strait relations and Taiwan identity.

Taiwan Vice President William Lai was elected DPP party chair on Jan. 15 after President Tsai resigned from that position responsibility for the DPP's defeat in the November elections. Lai said that the Taiwan public is well aware that Beijing's 1992 Consensus <u>leaves no room</u> for the existence of the Republic of China (ROC) or the sovereignty of 23 million Taiwanese people. Lai was nominated as the DPP presidential candidate on April 12, reportedly sparking concern among US officials who remember his earlier statements that he was "a worker for Taiwan independence." One commented that it was "difficult to be reassured when you hear him declare that Taiwan is an independent nation." Of course, this is little more than what ordinary Taiwanese and Taiwan's representatives in Washington say routinely, adding that it is the Republic of China.

Two other possible candidates for president have made what has become the obligatory stop in the US to polish their international credentials. Terry Gou, founder of Foxconn, has announced that he is a candidate for the KMT presidential nomination. Ko Wen-je, former Taipei City mayor and founder of the Taiwan People's Party, has been all but explicit in signaling that he is considering a third-party bid for the presidency. Both have cast themselves as pragmatists, able to eschew ideology and find common ground with Beijing.

Neither Hou nor Lai have announced plans to visit the US. Given his position as Taiwan vice president, Lai would most likely only be able to travel to the US as part of a transit. Although neither Hou or Lai have visited Washington, a series of KMT and DPP surrogates have met with US officials to reassure them of their candidates' policies.

Looking Forward—Known Unknowns

The KMT is expected to nominate its candidate for president of the Republic of China before the end of June. At that point, the campaign will begin in earnest. The KMT will seek to portray itself as the party that can reduce tensions with Beijing without sacrificing Taiwan's dignity and de-facto independence. The DPP will present itself as the party that has stood up to Beijing's intimidation, strengthened Taiwan's selfdefense and its ties with the US, and cemented Taiwan's stature with East Asian and European powers. The outcome of the election may be determined by two known unknowns: first, whether Gou or Ko choose to run and drain support from the KMT or DPP, and, second, whether Beijing will take rhetorical or coercive steps to influence the campaign, perhaps once more boosting the DPP's fortunes.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

JANUARY—APRIL 2023

- **Jan. 1, 2023:** In her New Year speech, Taiwan President <u>Tsai Ing-wen offers</u> to help China deal with a recent surge of COVID infections. Tsai also said that she is looking forward to resuming regular cross-Strait exchanges when the COVID-19 pandemic subsides.
- **Jan. 1, 2023:** Chinese President Xi Jinping says during his televised New Year speech that he sincerely hopes that "our compatriots on both sides of the Strait will work together with a unity of purpose to jointly foster the lasting prosperity of the Chinese nation."
- Jan. 1, 2023: Song Tao, newly appointed Director of China's Taiwan Affairs Office (TAO), says in a published New Year's message that China will "carry out extensive and in-depth discussions on cross-Strait ties and national reunification with people of foresight from various sectors of Taiwan society" on the basis of the one-China principle and the 1992 Consensus. To many in Taiwan that sounded like a call to reinvigorate China's united-front tactics against Taiwan.
- Jan. 3, 2023: Former Danish Prime Minister and NATO Secretary-General Anders Fogh Rasmussen arrives in Taiwan for a three-day visit. He says NATO should consider holding joint exercises with Taiwan on "European soil."
- **Jan. 5, 2023:** Taiwan's Ministry of National Defense (MND) <u>says</u> that its capacity will be sufficient to train conscripts once mandatory military service in Taiwan is extended to one year in 2024.
- **Jan. 5, 2023:** USS *Chung-Hoon* conducts first US Navy transit of 2023 through the Taiwan Strait.
- **Jan. 7, 2023:** First ferry crosses from Kinmen to Xiamen since the mini-three links were suspended by COVID three years earlier.

- **Jan. 9, 2023:** Kaohsiung Customs commissions two new radiation portal monitors provided by the US.
- **Jan. 10, 2023:** Papua New Guinea Foreign Affairs Minister Justin Tkatchenk announces that PNG will close its trade office in Taiwan because of financial difficulties.
- Jan. 14, 2023: United States Trade Representative (USTR) and Taiwan's Office of Trade Negotiations (OTN) open four-day inperson negotiating round for the US-Taiwan Initiative on 21st Century Trade in Taipei.
- Jan. 15, 2023: Vice President William Lai Chingte is elected chairperson of the Democratic Progressive Party (DPP) after President Tsai resigned to accept responsibility for the DPP's poor showing in November's nine-in-one local elections.
- **Jan. 20, 2023:** Taiwan's Legislative Yuan passes a central government budget for fiscal 2023. It includes US\$19.1 billion defense spending.
- **Jan. 20, 2023:** US Secretary of State Antony Blinken states that "China [has made] a decision that it was no longer comfortable with the status quo."
- **Jan. 27, 2023:** President <u>Tsai announces</u> that former Vice President Chen Chien-jen will replace Premier Su Tseng-chang.
- **Jan. 30, 2023:** Tsai Ing-wen and the presidentelect of Czechia, Petr Pavel, speak by telephone for 15 minutes. Beijing delivers a diplomatic demarche to Prague.
- **Feb. 4, 2023:** US and Japanese representatives to the annual meeting of the World Health Assembly (WHA) <u>call for</u> the participation of Taiwan in the work of the World Health Organization (WHO).

Feb. 6, 2023: Kinmen County Legislators <u>urge</u> <u>that</u> the island be made into a demilitarized zone.

Feb. 7, 2023: The Taiwan American Chamber of Commerce releases its annual survey of American companies in Taiwan on the economic outlook. 33% of surveyed <u>companies say</u> that their operations had been "significantly disrupted" by cross-Strait tension while 47% have revised or plan to revise business continuity plans in Taiwan to address new geopolitical conditions.

Feb. 8, 2023: KMT Vice Chair Andrew Hsia leads a delegation to China, saying his purpose is to promote the interests of Taiwanese working, studying, or living in China.

Feb. 9, 2023: TAO Director <u>Song Tao tells</u> visiting KMT Vice Chair Hsia that the mainland is willing to enhance exchanges and build mutual trust and work with the KMT to promote relations between the two parties and two sides of the Taiwan Strait, on the basis of the common political foundation of upholding the 1992 Consensus and opposing "Taiwan independence."

Feb. 12, 2023: Taiwan and China exchange accusations over Taiwan's refusal to issue visas to a delegation of 12 mainland officials seeking to attend the funeral of Buddhist monk and founder of the Fo Guang Shan organization Hsing Yun.

Feb. 13, 2023: Unnamed senior Taiwan official <u>says</u> Chinese military balloons have entered Taiwan airspace very frequently over the past few years.

Feb. 15, 2023: Paraguay President Mario Abdo Benítez arrives in Taiwan for a five-day state visit.

Feb. 16, 2023: China's Ministry of Commerce sanctions Lockheed Martin and Raytheon for arms sales to Taiwan, blocking visits by executives and investments and imposing fines.

Feb. 17, 2023: Deputy Assistant Secretary of Defense Michael Chase arrives in Taiwan. He is the most senior Defense Department visitor to Taiwan since 2019.

Feb. 25, 2023: Chinese authorities <u>capture and return</u> two Taiwanese criminal suspects to Taiwan. The two were accused of a shooting in Tainan in November.

Feb. 27, 2023: Longtime Taiwan Independence advocate <u>Koo Kwang-ming dies</u>. President Tsai expresses gratitude for his support for Taiwan's democratic values and its localization movement.

Feb. 28, 2023: A <u>Washington Post article</u> <u>highlights</u> Taiwan's shortage of air force pilots and Taiwan's broader military personnel crisis.

Feb. 28, 2023: American Institute in Taiwan publishes a letter from the US Departments of Agriculture, Commerce, and State saying that they "encourage cooperation with Taiwan and stand ready to help state and local governments navigate questions of nomenclature and protocol."

March 2, 2023: <u>AIT announces</u> the retirement of James Moriarty as chairman and the appointment of Laura Rosenberger as new chair. Rosenberger was previously special assistant to the President and senior director for China and Taiwan on the National Security Council (NSC).

March 5, 2023: Chinese Premier Li Keqiang, in his final work report to the National People's Congress, says that Chinese on both sides of the Taiwan Strait "are one family bound by blood."

March 9, 2023: Director of North American Affairs at Taiwan's Ministry of Foreign Affairs, Douglas Hsu You-tien, says that China is spreading misinformation to denigrate US support for Taiwan.

March 14, 2023: Honduras President <u>Xiomara</u> <u>Castro announces</u> the country will switch its diplomatic relations from the Republic of China to the People's Republic of China.

March 27, 2023: Former President Ma Ying-jeou arrives in China leading a delegation of Taiwan students.

March 27, 2023: Founder and former CEO of Foxconn <u>Terry Gou arrives</u> in the US for a visit after signaling his intention to seek the KMT nomination for president of Taiwan.

March 30, 2023: Taiwan President Tsai arrives in New York on the first leg of her transit of the US enroute to Guatemala and Belize. <u>Tsai meets</u> with Senators Dan Sullivan, Joni Ernst, and Mark Kelly, as well as Congressman Hakeem Jeffries, and New Jersey Gov. Phil Murphy.

March 21, 2023: Germany's education minister visits Taiwan, the first visit to the island by a German Cabinet official in a quarter century.

April 5, 2023: During her transit of Los Angeles, President Tsai meets with Speaker of the US House of Representatives Kevin McCarthy and 19 members of Congress. During a joint press conference with Tsai, <u>McCarthy stresses</u> that US support for Taiwan "is a matter of profound importance to the free world."

April 8, 2023: Taiwan People's Party (TPP) Chairman and and former Taipei mayor <u>Ko Wen-je embarks</u> on a three-week tour of the US in advance of his anticipated 2024 run for Taiwan president.

April 10, 2023: China announces it has concluded three days of military activities around Taiwan in retaliation for Tsai's visit to the US and her meeting with Speaker McCarthy. Taiwan's Ministry of National Defense reports 232 PLA aircraft and 12 ships participated. A record-breaking 91 Chinese military aircraft and 12 naval ships are detected around Taiwan on April 10.

April 12, 2023: Taiwan's ruling Democratic Progressive Party nominates Vice President William Lai Ching-te as its presidential candidate in the 2024 election.

April 12, 2023: Taiwan's Directorate General of Budget, Accounting and Statistics <u>reports</u> the number of Taiwanese working in China dropped by nearly two-thirds over the past decade.

April 20, 2023: Friends report that Fucha, editor-in-chief of Taiwan-based publisher *Gūsa*, has been arrested in Shanghai.

April 24, 2023: Guatemala President Alejandro Giammattei arrives in Taiwan for a four-day visit.

April 25, 2023: Beijing announces that Taiwanese activist Yang Chih-yuan, who was detained in mainland China eight months earlier, will face "secession" charges. This would be the first time someone from Taiwan will face such charges on the mainland.