

COMPARATIVE

CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL RELATIONS IN THE INDO-PACIFIC

CHINA-TAIWAN RELATIONS

TAIWAN VOTERS CHOOSE INDEPENDENCE

DAVID KEEGAN, JOHN HOPKINS SCHOOL OF ADVANCED INTERNATIONAL STUDIES KYLE CHURCHMAN, DIRECTOR OF GLOBAL STRATEGY & ANALYSIS AT ADVAMED

Taiwan's election campaign has concluded. Voters went to the polls on Jan. 13. As has been the case in almost every election, cross-Strait relations with China were the central issue, a secondary issue being President Tsai Ing-wen's management of the economy. The outcome of the election will largely dictate the course of Taiwan-China relations over at least the next four years. The Democratic Progressive Party (DPP) candidate and President Tsai Ing-wen's chosen successor, William Lai Ching-te, the eventual winner, proclaims that Taiwan is already independent as the Republic of China. It should continue to diversify economic linkages away from China, strengthen military deterrence, and hope that China will eventually offer talks without one-China preconditions. The opposition Kuomintang candidate, Hou Yu-ih, called for expanded cross-Strait economic ties and dialogue with China under the one-China banner to reduce tensions while Taiwan also builds its military deterrence. China has deployed economic sticks, gray-zone military intimidation, and fake news to influence the election.

This article is extracted from Comparative Connections: A Triannual E-Journal of Bilateral Relations in the Indo-Pacific, Vol. 25, No. 3, January 2024. Preferred citation: David Keegan and Kyle Churchman, "China-Taiwan Relations: Taiwan Voters Choose Independence," Comparative Connections, Vol. 25, No. 3, pp 97-110.

Washington has expanded its support for Taiwan's self-defense, though less vigorously than Republican critics in Congress would like. Taiwan and the US have continued to expand trade ties in ways that will benefit Taiwan businesses though without tariff concessions that Taiwan eagerly wants. Now that Taiwan voters have elected William Lai, as the polls predicted, China will likely respond with increasing coercion. Had Hou Yu-ih been victorious, his challenge would have been to navigate between Beijing's pressure for cross-Strait concessions and Washington's suspicions of any such steps by Taiwan.

Let The Race Begin

As September's cooler weather signaled that Taiwan's election campaign was heating up, some polls suggested the race might be over. Taiwan's Vice President and Democratic Progressive Party (DPP) candidate William Lai Ching-te held a double-digit lead over his likely opponents. Hou You-ih, New Taipei City mayor and Nationalist (Kuomingtang or KMT) Party candidate, was struggling to find his footing. Ko Wen-je, who rose to prominence as the independent Taipei City mayor and founded a third party, the Taiwan People's Party (TPP), was competing neck-and-neck with Hou for second place in opinion polls. Billionaire Terry Guo, or Kuo Tai-ming, the founder of Foxconn, which assembles Apple products in China, had lost his bid for the KMT but was organizing an independent run for president.

Lai Offers a Reliable Face

By September, the DPP and Lai had essentially completed presenting their campaign platform. Lai had already made the obligatory trip to the US made by all Taiwan presidential candidates in the form of a transit through the US to Paraguay in August. Lai made it clear that he would continue the policies of incumbent President Tsai Ingwen—domestic, international, and cross-Strait. At a diplomatic reception on Oct. 26, Lai assured his listeners that Taiwan would remain open to dialogue with China while strengthening the island's military deterrence and economic resilience. He continued to insist that his longstanding commitment to Taiwan independence was consistent with the cross-Strait status quo because the Republic of China is independent, sovereign, and not subordinate to the People's Republic of China.



Figure 1 DPP presidential candidate and Vice President Lai Ching-te. Photo: Lai Ching-te

The one unfinished piece of the DPP campaign was selecting a vice-presidential candidate. For months, Bi-khim Hsiao, Taiwan's representative in Washington, had been rumored to be Lai's choice, and on Nov. 20, Lai made the decision official in a Facebook post. Hsiao quickly announced, "I am back." Hsiao first emerged in Taiwan politics as an English interpreter to DPP presidential candidate Chen Shui-bian in 2000, subsequently winning election herself to the Legislative Yuan in Taipei and then in the KMT stronghold of Hualien. Describing her tenure as Taiwan representative in Washington, The New York Times praised Hsiao's "powerful insider access" despite Taiwan's "peculiar outsider status." Hsiao's selection gave Lai an experienced electoral politician as his partner and signaled to Washington that, like Hsiao, he would work with the US. China's Taiwan Affairs Office labeled her immediately as part of "a double duo." toxic

Hou Appeals to Divergent Camps

KMT candidate Hou You-ih began September by making his visit to the United States to strengthen his foreign policy credentials, meeting with a series of think tanks and Congressional offices. The Biden administration chose not to meet with Hou to maintain balance with its decision, in line with the long-standing US one-China Policy, not to meet with Vice President Lai during his August transit. Hou did meet with the chair of the American Institute in Taiwan (AIT), Laura Rosenberger, until recently a senior director at the National Security Council, which provided a de-facto administration meeting.

During his visit, <u>Foreign Affairs magazine</u> published an article under Hou's name laying out

his foreign and cross-Strait policy. Hou promised "proactive pragmatism...increasing dialogue and...peace through strength." He said that he had "no unrealistic expectations about Beijing's intentions of seeking unification, and if necessary, by force." At the same time, he warned that DPP policies "are pushing Taiwan to the brink of war." Hou promised a cross-Strait policy of "deterrence, dialogue, and deescalation." In this article, as in other campaign statements, Hou sought to satisfy two divergent wings of the KMT-the more China-friendly KMT old-line deep Blue politicians, such as former President Ma Ying-jeou, who emphasized Taiwan's China identity and economic ties to the encapsulated in the mainland, Consensus," and the younger, more Chinaskeptical KMT officials who, like most of Taiwan's voters, have been antagonized by China's increasing number of gray-zone incursions into the waters and airspace immediately around Taiwan.

Two KMT candidate selections suggest that the elder statesmen have prevailed. On Nov. 19, the KMT announced that Han Kuo-yu, its defeated 2020 presidential candidate and deep Blue favorite would lead its list of at-large candidates for the Legislative Yuan elections to be held concurrently with the presidential elections on Jan. 13. On Nov. 24, Hou Yu-ih announced that Shau-kong, chairman of Taiwan's Broadcasting Corporation of China, a popular deep Blue talk show host, would be his vicepresidential running mate. Jaw promptly announced that he would take charge of campaigning in northern Taiwan where the preponderance of the population and of KMT voters resides. There was no indication whether that approach had been coordinated with Hou. Together, these two nominations suggest that the KMT and Hou have decided that their best chance of victory lies in mobilizing their base. Although it is difficult to assign a cause and effect relationship, shortly polls after nominations suggested that the KMT ticket had surged to within striking distance of the DPP ticket of Lai and Hsiao.

Fewer than three weeks later, on Dec. 14, KMT Vice-chairman Andrew Hsia traveled to mainland China, the most recent in a series of visits to meet with Taiwan businesses and Chinese officials, further solidifying the image of the KMT as the party of cross-Strait relations and business.

The Ko Wen-je Wild Card

Recognizing that neither Hou nor Taiwan People's Party candidate Ko Wen-je seemed able to match Lai's poll numbers alone, Ma Ying-jeou sought to bring the two of them together to run on a single ticket. Although the idea seemed plausible, the devil in the details was who would be the presidential candidate and who would take the second spot. After a series of awkward encounters in front of local media, Ko walked away, leaving Ma and the KMT looking politically inept. Later, Ko told a TV interviewer that "in my heart I am deep Green" (i.e., sharing the ideology of the DPP) and that he would continue President Tsai's security and cross-Strait policies.

As Ko's poll numbers faded following the collapsed talks with the KMT, speculation has arisen whether Ko supporters might engage in "strategic voting." Normally, "strategic voting" sees voters switching their vote from a third-place candidate to a second-place candidate to defeat the first-place candidate, in this case switching their votes from Ko to Hou to defeat Lai. However, if Ko's supporters have the same Green blood he claims, will they choose instead to change their vote from Ko to Lai to ensure that the KMT is defeated?

National Day Rancor



Figure 2 Emblem for Taiwan National Day 2023. Photo: Taiwan News

Amidst all the political contention and maneuvering of the past few months, Taiwan's National Day on Oct. 10 might have seemed an opportunity for national unity and a respite from partisan rancor. However, Hou Yu-ih and Ma Ying-jeou boycotted the event the event. Casting themselves as defenders of the Republic of China against advocates of Taiwan independence, they protested that the logo for the celebration

suggested that it was celebrating Taiwan's national day rather than the Republic of China's.

President Tsai's national day address offered her an opportunity on a Taiwan-wide stage to persuade voters that her policies had benefited them and that they should elect Lai Ching-te to continue them. In familiar terms, Tsai said that "peace is the only option across the Taiwan Strait," that maintaining the status quo is the key to peace, and that Taiwan is willing to work out "a path to peaceful coexistence" China. While Tsai's words might have seemed conciliatory, China's Taiwan Affairs Office (TAO) rejected Tsai's appeal, saying that she was "playing a double game" by urging dialogue without accepting China's one-China principle and the "1992 consensus," which it insists is the prerequisite for dialogue.



Figure 3 President Tsai Ing-wen at the 112th Double Tenth National Day Celebration of the Republic of China in the plaza in front of the Presidential Office Building. Photo: Wang Yu Ching

Beijing Wields Economic Stick Against Terry Gou

The fourth candidate to throw his hat in the presidential ring was Terry Gou (Kuo Tai-ming), who had failed in the spring to win the KMT presidential nod. In mid-September Gou announced that he would collect the 289,667 signatures, or 1.5% oof eligible 2020 voters, to qualify for the ballot. By early November, Gou announced he had secured over 1 million signatures. Just before the Nov. 24 deadline to file as a candidate, Gou announced he was ending his presidential bid. Many suggested that Gou was simply acknowledging the obvious—that he was dead last in all the polls.

Others pointed to an announcement on Oct. 22 that four Chinese provinces were <u>launching</u> investigations into tax and land use irregularities

by Foxconn, the contract manufacturing company founded by Gou with a huge presence in China. Some analysts suggested this was a calculated move by Beijing to pressure Gou out of the presidential race, which would help consolidate the opposition camp. If so, it was also an unmistakable warning to all Taiwan businesses in China that the authorities would not hesitate to punish economically anyone involved, even indirectly, in Taiwan politics in ways contrary to China's interests.

Beijing's Sticks and Carrots Abound

In mid-December, China's Ministry of Commerce concluded an investigation, which it had begun in April 2023, into trade restrictions imposed by "DPP authorities." In a transparent ploy, MOFCOM had set a deadline of Jan. 12, just one day before Taiwan's January 2024 presidential election, to wrap up its findings. Citing difficulties facing Mainland exporters across 2,509 agricultural and merchandise products, MOFCOM's report claimed Taiwan has erected unfair "trade barriers" in violation of WTO rules and the 2010 cross-strait Economic Cooperation Framework Agreement.

On the heels of MOFCOM's report, Beijing on Dec. 21 announced it had reimposed import duties on a dozen Taiwan products, mostly chemicals, which it had removed as part of the 2010 ECFA with Taiwan. The economic impact on Taiwan is expected to be limited because this basket of products covers around 1% of Taiwan's exports to China, and the tariff changes are small. Nevertheless, the Tsai government announced a \$577 million fund to aid affected petrochemical companies with export diversification initiatives. Taipei also appealed for third-party arbitration at the WTO, but China's TAO said cross-Strait trade disputes must only be resolved through bilateral channels rooted in the "1992 Consensus."

Beijing could also reactivate higher MFN tariffs on up to 527 Taiwan products on the ECFA's early harvest list, with duties reaching as high as 25–30% in some product categories. In any case, Beijing may seek to avoid withdrawing from the ECFA completely, because doing so would undermine a foundational pillar on which future cross-Strait economic agreements could rest.

As a carrot, Beijing in late December permitted grouper from "registered" Taiwan fisheries to be sold again in the mainland. China imposed a complete ban on grouper from Taiwan in June 2022, ostensibly on health safety grounds. In announcing the ban's relaxation, China's TAO credited KMT officials with helping to connect affected Taiwan fisheries with the appropriate mainland authorities. Taiwan's Ministry of Agriculture called the decision "politically motivated" because multiple attempts to resolve the issue at the governmental level had been rebuffed.

China's Military and Cyber Interventions

China has reinforced economic efforts to influence Taiwan voters through military and cyber initiatives. In contrast to 2020, when Beijing dialed back People's Liberation Army (PLA) activity before the election, PLA activity around Taiwan has continued at an elevated pace, with the PLA launching its highest ever number of sorties in the Taiwan Strait on Sept. 18 (104) as well as the most intrusions across the midline of the Strait (40). In addition Chinese balloons have been seen periodically sailing near the island. This is done intentionally to remind voters that re-electing a DPP government will increase Taiwan's military threat, as if to buttress their line, also used by the KMT, that the election is a choice between war and peace.

In the cyber domain, troll groups have circulated rumors through social media according to Taiwan AI Labs, that a vote for the DPP might endanger the survival of Taiwan's ECFA signed under the KMT administration of Ma Ying-jeou and risk the island's prosperity. Taiwan National Security Bureau Director-General Tsai Ming-yen told Taiwan's Legislative Yuan that China has been able to deploy fake news to create a false choice between "war or peace" in the election, seeking to frighten voters. Sandra Oudkirk, Taipei-based director of the American Institute in Taiwan, warned in a speech on Dec. 4 that unnamed "foreign actors seek to use social media and emerging technologies to manipulate public discourse, divide the public, sow discord, and influence our elections, essentially undermine confidence in our democratic institutions."

Washington Grapples with Taiwan's Expanding Defense Needs

US President Joseph Biden delivered an Oval Office address on Oct. 19 where he linked the threats posed by Putin and Hamas but did not mention the PRC and its coercion of Taiwan. The next day, the White House submitted a supplemental budget request to Congress with the lion's share of the funding earmarked for Ukraine, Israel, and securing the US-Mexico border. A public narrative soon developed describing Taiwan as a key component of the supplemental when, in fact, there is no budget item exclusively for Taiwan. Instead, the request asks for \$2 billion in Foreign Military Financing for Indo-Pacific partners, a portion of which could go to Taiwan.

Describing the supplemental's funding for the Indo-Pacific as "wholly inadequate," Chairman Mike Gallagher and six additional members of the House Select Committee on the CCP urged funding specifically for Taiwan. In particular, the group's Nov. 20 letter to the House and Senate leadership proposed \$2.65 billion in weapons transfers to Taiwan from US stockpiles using presidential drawdown authority. However, the appropriations bill put before the Senate in early December closely aligned with the White House's request and did not have any special funding for Taiwan. With Republicans and Democrats deadlocked on funding measures for the US southern border, Congress will revisit the supplemental request in January 2024.

On Dec. 22, President Biden signed into law the 2024 National Defense Authorization Act (NDAA) with some Taiwan-friendly provisions. Most notably, the <u>law</u> instructs the Pentagon to establish a comprehensive program to advise and train Taiwan's armed forces on asymmetric defense concepts and battlefield tactics. Currently, Taiwan's F-16 pilots receive training at a US Air Force base in Arizona, and a small number of US military trainers make rotations on the island. The 2024 NDAA further requires the Pentagon to report to Congress on the practical steps it is undertaking to address the nine broad elements of the comprehensive training program outlined in the NDAA.

Also in December, the Biden administration authorized a \$300 million <u>sale</u> of equipment and services to upgrade systems used by Taiwan's military for battlefield communications and domain awareness. To some <u>observers</u>, this notification is notable for its timing, coming just one month before Taiwan's 2024 presidential election and signals Washington's desire for

Taiwan to continue apace its military modernization efforts irrespective of internal political dynamics.

Taiwan Unveils Locally Manufactured Submarine

Taiwan's crash program to develop a diesel submarine achieved a milestone in late September with the public unveiling of a prototype. Taiwan's navy currently operates just two Dutch-made submarines from the 1980s. The United States ceased diesel submarine production in the late 1950s, but it has provided several technologies enabling Taiwan to complete this project. The first Hai Kun, or Narwhal, class submarine will undergo sea trials in May 2024 and is slated to become operational in 2025. A second submarine is expected to be completed in 2027.

At the unveiling ceremony in Kaohsiung, President Tsai lauded the submarine program as a boon to Taiwan's "asymmetric fighting power." Defense experts differ over the utility of undersea capabilities in repelling a PLA invasion, however. Submarines can stealthily launch torpedoes against PLA surface ships, but landbased anti-ship missiles spread across Taiwan could achieve similar objectives and are much less expensive. The cost to build one *Hai Kun*-class submarine is \$1.53 billion, and Taipei wants to build eight boats within the coming decade. Some strategists view a fleet of submarines as not the best use of Taiwan's constrained resources.



Figure 4 Taiwan's first domestically-made submarine is called Hai Kun. Photo: Wang Yu Ching

Taipei Advances Economic Agreements with the US, Canada, and the UK

The brisk pace of trade negotiations under the US-Taiwan Initiative on 21st Century Trade

slowed in the fall as the United States Trade Representative (USTR) sought to conclude the Indo-Pacific Economic Framework (IPEF) trade pillar before November's APEC gathering in San Francisco. Bowing to pressure from progressive Democrats suspicious of big tech, USTR removed the digital trade chapter from the IPEF and withdrew US proposals on digital trade at the WTO. Such moves do not bode well for the digital trade component envisioned in the next phase of the US-Taiwan trade initiative.

In early December, Taiwan's top trade official John Deng sought to inject fresh momentum into US-Taiwan trade talks, saying Taipei is eager to build on the initial agreement reached in June 2023. A few days later, US Trade Representative Katherine Tai touted the "excellent progress" in current negotiations covering agriculture, labor, and environment, but again shot down any suggestion of tariff liberalization. The fourmonth interregnum between Taiwan's January election and May presidential inauguration could provide a window for US and Taiwan trade negotiators to make sustained progress, but the government changeover and a new Legislative Yuan could induce caution.

In October, Taiwan concluded negotiations with Canada on a robust investment protection agreement containing 70 provisions. In November, Taiwan and the United Kingdom signed a more basic roadmap, the Enhanced Trade Partnership (ETP), which envisions agreements on digital trade, green technologies, and investment promotion. ETP will function as a living agreement and is likely to expand into other areas. Taipei prioritized economic agreements with the UK and Canada because both are members of the CPTPP trade bloc that Taiwan is eager to join.

Looking Ahead—The Consequences of Choices

On Jan. 13, Taiwan's voters elected a new president and vice president, as well as the entirety of the Legislative Yuan (LY). The DPP candidates Lai Ching-te and Bi-khim Hsiao won with 40% of the vote, a clear victory, but not as dominant as President Tsai Ing-wen's victory four years ago. The KMT won 52 seats in the Legislative Yuan, one more than the DPP. The TPP won eight seats. This means that Lai and the DPP has lost the control of the LY that Tsai enjoyed for eight years.

Had either the DPP or the KMT won both the presidency and control of the LY, that party would have had a mandate to move forward with the cross-Strait policies as well as the domestic economic policies it presented to the voters during the campaign. However, given the contradictory poll indications of support for Lai and dissatisfaction with eight years of President Tsai's government, the outcome of a DPP president constrained by a legislature controlled by the KMT and TPP came as little surprise. The last time a DPP president faced this situation, between 2000 and 2008 during President Chen Shui-bian's administration, it led to DPP-KMT confrontation and an ugly political paralysis. As Ko Wen-je has lost the presidential race, this scenario may offer his TPP a second chance at political power by siding with either the KMT or the DPP on certain issues in the LY as their interests dictate.

The Lai Choice

Now that Lai Ching-te and Hsiao Bi-khim have won the election, they have promised a continuation of President Tsai's disciplined adherence to the status quo of Taiwan as the Republic of China. Lai may become more forceful in insisting that this is the "independence" he has long sought. Since the DPP no longer controls the LY, they may struggle to continue Tsai's gradual increase in the defense budget and expansion of conscription. The KMT controls the LY if it can cooperate with the TPP, it may choose to press for reductions in defense spending, describing it as a distraction from needed social spending and a provocation to China. There will be no cross-Strait honeymoon. The KMT will likely continue and even intensify the series of mainland visits by senior KMT representatives, and China will offer to meet with the KMT at increasingly senior levels as a part of its divideand-conquer "united front" campaign. Beijing will immediately intensify its gray-zone military intimidation of Taiwan. If the DPP controls both the presidency and the legislature, Beijing may decide it needs to send some dramatic signal, such as a large-scale exercise circling the island.

Lai will likely keep his public rhetoric much along the lines of Tsai's playbook, emphasizing openness to cross-Strait dialogue with mutual respect and without preconditions. At the same time, Hsiao will reach out through AIT and directly to the US National Security Council and appeal for US diplomatic support and accelerated delivery of armaments already committed. Lai's first challenge will come in his May 20 inaugural address. Will he choose to offer some at least rhetorical softening of the DPP opposition to the 1992 consensus to appeal to Beijing? Will Washington press Lai to make such a gesture, and if he does, will Washington overcome its aversion to carrying cross-Strait messages to encourage Beijing to be responsive, perhaps reaching out even before the inauguration on May 20?

The DPP presidential victory combined with the KMT and TPP chance to control the LY could mean Taiwan will face confrontational domestic politics and turbulent cross-Strait seas.

CHRONOLOGY OF CHINA-TAIWAN RELATIONS

SEPTEMBER-DECEMBER 2023

- **Sept. 3, 2023:** National Day Preparation Committee unveils the logo for this year's Double Ten National Day celebrations, dubbing it "Taiwan National Day."
- **Sept. 5, 2023:** Taiwan government announces that investments approved for the 18 countries under the New Southbound Policy increased to \$5.3 billion in 2022, up 90% from US\$2.8 billion in 2019.
- **Sept. 5, 2023:** Taiwan's Central Election Commission announces legislation to ban foreigners or people from China, Hong Kong, or Macau from funding election advertisements in Taiwan.
- **Sept. 12, 2023:** Taiwan Ministry of National Defense <u>issues its 2023 National Defense Report</u>. One focus of the report was the lessons to be learned from Russia's invasion of Ukraine.
- **Sept. 12, 2023:** China introduces 21 measures to encourage Taiwan investment in Fujian Province, including incentives for Taiwanese to buy houses.
- **Sept. 13, 2023:** *Wall Street Journal* reports that the US plans to redirect approximately \$55 million in foreign military financing allocated for Egypt to Taiwan.
- **Sept. 13, 2023:** China's Taiwan Affairs Office announces that China's Ministry of Commerce would launch an investigation into preferential tariffs granted to Taiwanese goods under the cross-Strait Economic Cooperation Framework Agreement signed by KMT President Ma Yingjeou in 2010.
- **Sept. 14, 2023:** Hou Yu-ih, mayor of New Taipei City and Nationalist Party candidate for president of the Republic of China, departs for

- the trip to the US that has become obligatory for all ROC candidates for president.
- **Sept. 15, 2023:** China announces sanctions on Northrop Grumman and a Lockheed Martin subsidiary for supplying arms to Taiwan.
- **Sept. 18, 2023:** Taiwan's Ministry of Defense says it detected a "recent new high" of 103 People's Liberation Army aircraft, including more than 30 fighter jets, and nine vessels in the areas surrounding the island in the 24 hours up to September 18.
- **Sept. 18, 2023:** Laurie Locascio, undersecretary of Commerce for Standards and Technology and director of the National Institute for Standards and Technology (NIST) within the US Commerce Department, <u>leads</u> a delegation to Taiwan of 13 US cybersecurity companies.
- **Sept. 19, 2023:** Ely Ratner, assistant secretary of defense for Indo-Pacific Security Affairs, and Mira Resnick, deputy assistant secretary of state for regional security, <u>brief</u> the Armed Services Committee of the US House of Representatives on US weapons transfers to Taiwan.
- **Sept. 19, 2023:** Arizona Gov. Katie Hobbs <u>meets</u> President Tsai Ing-wen and Economics Minister Wang Mei-hua in Taipei.
- **Sept. 21, 2023:** Taiwan launches its first indigenous submarine, named "*Hai Kun*" (*Narwhal*).
- **Sept. 26, 2023:** Members of the Australian Parliament <u>meet</u> with Tsai Ing-wen in Taipei.
- Sept. 27, 2023: China's TAO says its recent series of drills near Taiwan is aimed at combating the "arrogance" of separatist forces, but Lai Ching-

te, Taiwan's vice president and Democratic Progressive Party (DPP) candidate to be Taiwan's next president, says China is trying to "annex" the island.

Oct. 2, 2023: Former Taiwan President Ma Yingjeou says he will boycott official celebrations for the island's national day this year, he announces, after accusing the government of proclaiming it "Taiwan" rather than "Republic of China" national day and turning it into an overt attempt at pushing independence ahead of an election.

Oct. 4, 2023: Taiwan's National Security Bureau (NSB) Director-General Tsai Ming-yen tells the Legislative Yuan that China intends to influence Taiwan's elections by publicizing manipulated poll data through polling organizations and by packaging disinformation.

Oct. 9, 2023: China's Ministry of Commerce announces that it is extending its "trade barrier" investigation into Taipei's alleged trade restrictions toward China to Jan. 12, 2024, one day before Taiwan's 2024 presidential and legislative elections.

Oct. 13, 2023: Taiwan's Ministry of Finance reports Taiwan exported \$112.01 billion to China and Hong Kong in the first nine months of the year, 35.3% of Taiwan's total exports, marking a new low over the past 20 years. By contrast, the proportion of exports to the United States rose to 16.6%, a record over the past 20 years.

Oct. 16, 2023: <u>Ma Ying-jeou tells</u> an audience at New York University that: "The US should play the role of peacemaker by encouraging the two sides to talk."

Oct. 20, 2023: New Jersey Gov. Phil Murphy <u>leads</u> a business delegation to Taiwan and meets President Tsai.

Oct. 20, 2023: <u>China announces</u> tax and real estate investigations in Foxconn. The Taiwan Affairs Office says that Taiwanese businesses with investments in China should clearly

understand the importance of not supporting "stubborn advocates of Taiwan independence."

Oct. 24, 2023: Taiwan and Canada conclude negotiations on a bilateral investment agreement.

Oct. 26, 2023: China's defense ministry warns that Taiwan's Democratic Progressive Party authorities are pushing the island towards a "dangerous situation of war and peril."

Oct. 26, 2023: Lai Ching-te tells a diplomatic reception he will do his best to maintain the status quo across the Taiwan Strait.

Nov. 7, 2023: Taiwan and the United Kingdom sign a roadmap, the <u>Enhanced Trade</u> Partnership, to bolster trade and investment ties.

Nov. 15, 2023: Morris Chang, founder of the Taiwan Semiconductor Manufacturing Company and Taiwan's envoy to the Asia Pacific Economic Forum, says <u>President Tsai Ing-wen asked him</u> to tell APEC that (i) Taiwan is committed to the peace and prosperity in the Asia-Pacific region; (ii) Taiwan wants to work with its partners on energy transition for climate change mitigation; (iii) Taiwan wants to create partnerships to build a supply chain that is more resilient and flexible; and (iv) Taiwan is working with its partners to reduce the digital divide in the region.

Nov. 16, 2023: Chinese Foreign Minister Wang Yisays that President Xi Jinping told President Biden that the Taiwan question remains the most important and most sensitive issue in China-US relations. Wang says that China urges the US to honor the one-China principle, oppose "Taiwan independence," stop arming Taiwan, stop interfering in China's internal affairs, and support China's peaceful reunification.

Nov. 16, 2023: After meeting President Xi, <u>Biden tells the media</u>: "I reiterate what I've said since I've become president and what every previous president of late has said—that we—we maintain an agreement that there is a one-China policy and that—and I'm not going to change

that. That's not going to change. And so, that's about the extent to which we discussed it."

Nov. 17, 2023: Japanese Prime Minister <u>Kishida stresses</u> the importance of peace and stability in the Taiwan Strait during a meeting with President Xi Jinping on the sidelines of the APEC summit.

Nov. 25, 2023: Nationalist Party Presidential candidate <u>Hou Yu-ih tells supporters</u>: "Our whole generation will surely lose everything we have fought for during our lifetime [if Lai wins the presidency]."

Nov. 27, 2023: Taiwan High Prosecutors Office indicts 10 people, including several active-duty military personnel, for allegedly spying for China.

Nov. 28, 2023: Lithuanian Foreign Minister Gabrielius Landsbergis <u>says</u> Beijing has dropped most of its "illegal" trade measures following a diplomatic spat. In 2021, the Lithuanian government permitted the opening of a "Taiwan Trade Office" in Vilnius. Beijing's economic retaliation against Lithuania provoked a rebuke by the EU and a WTO challenge.

Nov. 30, 2023: "Taiwan and the True Sources of Deterrence," an article written by Bonnie Glaser, Jessica Weiss, and Thomas Christensen is published by *Foreign Affairs*, and provokes a debate in Taiwan over how and whether Taiwan should offer assurances to China as part of effective deterrence.

Dec. 1, 2023: Google's threat analysis division, which monitors government-sponsored hacking campaigns, warns it has observed a "massive increase" in Chinese cyberattacks on Taiwan in the last six months or so.

Dec. 5, 2023: AIT Director Sandra Oudkirk tells an audience at Taiwan National University that supporting Taiwan is one of the strongest consensuses in the United States. "I cannot think of a single other policy in Washington that is as strongly supported by both parties, both the

administration and the Congress, and is popular with the American people."

Dec. 6, 2023: <u>G7 nations reaffirm</u> at the end of their summit the "importance of peace and stability across the Taiwan Strait" to "security and prosperity in the international community."

Dec. 7, 2023: Taiwan People's Party presidential candidate Ko Wen-je emphasizes to CTS TV that he is "deep green" in his heart, and he "has a chance" to make Taiwan a normal country. Asked whether he will also continue Tsai's policy on national defense and whether Taiwan should develop its self-defense capabilities, Ko replies "Yes."

Dec. 13, 2023: China's TAO confirms that China-based Taiwanese writer Liao Meng-yen is being investigated. Liao's family has been unable to contact him for over a year, and recent online posts have claimed he has been imprisoned. The TAO did not confirm online posts claiming that Liao has already been sentenced to more than 12 years in prison.

Dec. 15, 2023: US Ambassador to China Nicholas Burns tells a Brookings Institution event that the United States has warned China not to interfere in Taiwan's presidential and legislative elections on Jan. 13, urging "responsible behavior on all sides."

Dec. 20, 2023: Taiwan's Ministry of National Defense promises the military will be on high alert around the Jan. 13 presidential and legislative elections to respond to any potential PLA activity.

Dec. 25, 2023: MND estimates that as a result of its high alert around Jan. 13, around 5,000 military officials and soldiers will not be able to vote and that the number is similar to that in the 2020 presidential election.