



Taiwan

Summary and Key Talking Points

Policy Proposals

1. Arm Taiwan to deter Chinese invasion.
2. Actively support Taiwan's participation in the international community.
3. Restore conventional deterrence in the Indo-Pacific.

Quick Facts

1. Taiwan produces more than 60 percent of the world's semiconductors and more than 90 percent of the most advanced semiconductors. China's seizure—or destruction—of these industries would impose tremendous costs on U.S. workers and producers.
2. The waters around Taiwan host some of the world's most important trade routes. In 2022 alone, nearly 90 percent of the world's biggest container ships transited the Taiwan Strait.
3. According to Heritage's 2023 Index of Economic Freedom, Taiwan is the fourth freest economy in the world.
4. Taiwan was the United States' eighth-largest trading partner in 2021 and its seventh-largest market for agricultural exports in 2022.

Power Phrases

Deter Communist Aggression

- Though the Chinese Communist Party (CCP) has never governed Taiwan, the CCP claims that Taiwan is a part of the People's Republic of China and has intensified military coercion aimed at compelling Taiwan to accept CCP rule.
- If the CCP took over Taiwan, it would be a major step forward in the CCP's agenda of achieving hegemony throughout the Indo-Pacific, with dire implications for America's security, freedom, and prosperity.

Stand with America's Critical Partner

- The Administration should encourage Taiwan's membership, observer status, or other meaningful participation in INTERPOL, the World Health Organization, and the International Civil Aviation Organization.

The Issue

Taiwan is a critical U.S. partner in the Indo–Pacific. It is a de facto independent country with an unsettled de jure status. Though the Chinese Communist Party (CCP) has never governed Taiwan, the CCP claims that Taiwan is a part of the People’s Republic of China and has intensified military coercion aimed at compelling Taiwan to accept CCP rule.

An armed conflict over Taiwan would be distinct from any war that generations of Americans have experienced. It would inflict economic harm on every American household. If the United States intervened, it would likely result in significant loss of life and treasure, even without nuclear escalation. On the other hand, if China took control of Taiwan, that would be a major step forward in the CCP’s efforts to achieve hegemony throughout the Indo–Pacific, with dire implications for Americas’ security, freedom, and prosperity. It would also pose a direct threat to key U.S. allies Japan and South Korea. Deterring CCP aggression toward Taiwan must therefore be an apex priority for U.S. foreign policy.

The Taiwan Relations Act (TRA) forms the statutory basis of U.S. policy toward Taiwan and heavily influences which options are available to the United States to strengthen deterrence against a Chinese invasion. In 1979, when the Carter Administration ended formal diplomatic ties with Taiwan in favor of opening relations with China, Congress stepped in to provide the basis for continuing strong relations with Taiwan through the TRA. The TRA authorizes “the continuation of commercial, cultural, and other relations between” the U.S. and Taiwan, which U.S. Administrations have generally referred to as an “unofficial” relationship.

The TRA has a diplomatic component and prohibits the U.S. from “supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.” Taiwan maintains diplomatic relations with 13 countries and belongs to 37 international organizations and their subsidiary bodies, including the World Trade Organization (WTO) and the Asia–Pacific Economic Cooperation (APEC) forum.

Although the United Nations resolution admitting the People’s Republic of China to the U.N. did not address Taiwan’s status, the CCP has subsequently sought to exclude Taiwan from many other U.N.-related organizations, such as the U.N. Educational, Scientific, and Cultural Organization (UNESCO), the U.N.’s Food and Agriculture Organization (FAO), and the International Criminal Police Organization (INTERPOL). The United States has long supported Taiwan’s “meaningful participation” in more international organizations, including U.N. agencies. Since 2016, the CCP has reversed the moderate policy it maintained during Taiwan’s previous administration and aggressively sought to punish the island’s ruling party by inducing Taiwan’s diplomatic allies to sever relations with Taiwan and shutting it out from both the International Civil Aviation Organization (ICAO) and the World Health Assembly (WHA)—an organization to which it had previously been granted observer status with Beijing’s support.

The TRA codifies a U.S. interest in Taiwan’s security and makes certain commitments toward Taiwan’s defense. While these TRA provisions are short of a mutual defense treaty, they are uniquely strong, underlying a U.S. policy of “strategic ambiguity” concerning whether the U.S. would intervene in Taiwan’s defense. The TRA declares “that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of international concern” and emphasizes that the use of anything “other than peaceful means” constitutes “a threat to the peace and security of the Western Pacific area and [is] of grave concern to the United States.” The TRA further states that it is U.S. policy to “maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.” The fiscal year 2023 National Defense Authorization Act specified further that, “consistent with the Taiwan Relations Act...it shall be the policy of the United States to resist a fait accompli that would jeopardize the security of the people on Taiwan.”

At the same time, the TRA makes it a matter of policy that the U.S. “will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.” Since the TRA’s enactment, U.S. military support to Taiwan has consisted almost exclusively of foreign military sales, sales of U.S. military hardware that Taiwan pays for from its defense budget. However, the eroding security balance in the Taiwan Strait has exposed both the limitations of this narrow defense relationship and opportunities for the United States to use security assistance to strengthen Taiwan’s defenses and bolster deterrence against China.

The urgency of such efforts is only growing. In recent years, the CCP has dramatically increased military coercion toward Taiwan, including live-fire military exercises, provocative missile testing, and unprecedented encroachments into Taiwan’s airspace and waters. Since 2022, CCP belligerence has breached historic records, including ballistic missile launches over Taiwan’s main island and multiple mock blockades of Taiwan. At the same time, U.S. military sales to Taiwan have been significantly delayed due to existing constraints in the U.S. industrial base, compounded by the U.S. shouldering a disproportionate share of the security assistance burden for Ukraine. The backlog in arms sales for Taiwan grew to more than \$19 billion in 2023, with delivery timelines for key weapons systems stretching beyond 2027, a year in which many in Washington believe that the People’s Liberation Army (PLA) could field the capabilities to launch a successful invasion.

In late 2023, Congress passed the Taiwan Enhanced Resilience Act (TERA), which, if fully implemented, could help to mitigate the acute threat to Taiwan’s security. The TERA authorized for the first time the use of U.S. security assistance authorities for Taiwan, including foreign military financing assistance to supplement and shape Taiwan’s defense acquisitions and presidential drawdown authority to allow the transfer of weapons from U.S. stocks.

Recommendations

In order to deter a Chinese invasion of Taiwan, the U.S. should:

Arm Taiwan. Congress and the Administration should fund and implement the foreign military financing provision and the presidential drawdown authority provision of the TERA to harden Taiwan’s defenses as quickly as possible. Particular attention should be given to accelerating Taiwan’s fielding of “asymmetric defense capabilities,” such as relatively affordable coastal, air, and missile defenses, that are optimized for use against a Chinese invasion force and can be fielded in large numbers. At the same time, the United States should increase production of the weapons and other capabilities required by U.S., Taiwanese, and other allied and partner forces for a Taiwan contingency.

Restore conventional deterrence in the Indo–Pacific. The United States should urgently resource a strategy of denial against China. This is imperative to convince Beijing not only that an invasion of Taiwan would prove costly, but also—and more important—that it would fail. Given constraints on U.S. defense spending, however, funding this strategy will require disciplined prioritization, emphasizing improvements to U.S. forces in the Indo–Pacific over secondary priorities in other theaters. The Administration’s forthcoming budget requests should reflect that prioritization, as should congressional defense authorizations and appropriations.

Actively support Taiwan’s international space and participation in international organizations. Taiwan has critical expertise to share with international organizations. More broadly, Taiwan’s meaningful participation in international organizations would integrate its security policy into its broader relationship with global partners and deter China from coercing it into unification. The Administration should encourage Taiwan’s membership, observer status, or other meaningful participation in INTERPOL, the WHO, and the ICAO. Critical to this effort is a re-evaluation of the grounds under which Taiwan ceded its U.N. seat to China in 1971. Beijing has gone beyond the intent of the documents approving that change to shut Taiwan out of

international organizations. Polls consistently show that the vast majority of Taiwanese prefer the status quo of Taiwan's diplomatic status, with only 4.5 percent supporting a push for independence as soon as possible.

Facts + Figures

FACT: Taiwan's freedom from Chinese dominion is in the United States' national interest.

- Taiwan produces more than 60 percent of the world's semiconductors and more than 90 percent of the most advanced semiconductors. China's seizure—or destruction—of these industries would impose tremendous costs on U.S. workers and producers.
- The waters around Taiwan occupy some of the world's most important trade routes. In 2022 alone, nearly 90 percent of the world's biggest container ships transited the Taiwan Strait. CCP control of Taiwan would dramatically improve its ability to blockade or impose other forms of economic coercion on U.S. allies Japan, the Philippines, and South Korea.

FACT: Taiwan is a like-minded democracy and critical trading partner.

- Taiwan has been a vibrant democracy since 1996. As of 2016, it had celebrated three peaceful transfers of power between opposing parties.
- Taiwan has diplomatic relations with 13 nations and representative offices in more than 50 others; more than 60 foreign countries maintain embassies or representative offices in Taiwan.
- Taiwan was the United States' eighth-largest trading partner in 2021 and seventh-largest market for agricultural exports in 2022.
- According to The Heritage Foundation's *2023 Index of Economic Freedom*, Taiwan has the world's fourth-freest economy.

FACT: China has become more aggressive in its actions and rhetoric toward Taiwan.

- In 2020, 380 PLA warplanes entered Taiwan's air defense identification zone (ADIZ), the most warplanes to have done so since the 1996 Taiwan Strait crisis. Between October 1 and October 4, 2021, 149 warplanes entered the ADIZ.
- In 2019, China's Xi Jinping said that "reunification" was "an inevitable requirement for the great rejuvenation of the Chinese people." At the 100th anniversary of the founding of the CCP on July 1, 2021, [Xi said](#), "We must take resolute action to utterly defeat any attempt toward 'Taiwan independence.'" On October 9, 2021, [he said](#), "No one should underestimate the Chinese people's staunch determination, firm will, and strong ability to defend national sovereignty and territorial integrity."

Resources

James J. Carafano, Michael Pillsbury, Jeff M. Smith, and Andrew J. Harding, eds., [Winning the New Cold War: A Plan for Countering China](#), Heritage Foundation *Special Report* No. 270, March 28, 2023.

Elbridge A. Colby and Kevin Roberts, [The Correct Conservative Approach to Ukraine Shifts the Focus to China](#), *Time*, March 21, 2023.

Alex Velez-Green, [Prioritizing Ukraine Aid Threatens Deterrence by Denial in the Pacific](#), *19FortyFive*, July 24, 2023.

Bryan Burack, [Biden Administration Must Stop Breaking Congress's New Taiwan Defense Law](#), *Washington Examiner*, May 23, 2023.

Michael Cunningham, [If Washington Wants to Support Taiwan, Here's the First Thing It Should Do](#), *The Daily Signal*, March 21, 2023.

Dakota L. Wood, ed., [2022 Index of U.S. Military Strength](#) (Washington, DC: The Heritage Foundation, 2022).

Terry Miller, Anthony B. Kim, and James M. Roberts, [2022 Index of Economic Freedom](#) (Washington, DC: The Heritage Foundation, 2022).

Anthony B. Kim, [Taiwan's Free and Vibrant Economy Is a "Democratic Success Story."](#) Heritage Foundation *Commentary*, February 17, 2022.

Anthony B. Kim, [A Democratic Ally, Taiwan Merits Greater Trade with U.S., Europe.](#) Heritage Foundation *Commentary*, November 22, 2021.

Walter Lohman, [Back to Basics on Taiwan's Participation in International Organizations.](#) Heritage Foundation *Commentary*, October 5, 2021.

Anthony B. Kim, [Why Taiwan Matters to the World.](#) Heritage Foundation *Commentary*, September 20, 2021.

Anthony B. Kim, [Why U.S.–Taiwan Relations Are Partnership for Freedom.](#) Heritage Foundation *Commentary*, March 8, 2021.

Walter Lohman, [Headed in the Right Direction on Taiwan.](#) Heritage Foundation *Commentary*, January 20, 2021.

Edwin J. Feulner, [Forty Years of Taiwan–U.S. Relations: A Partnership for Freedom.](#) Heritage Foundation *Lecture* No. 1308, March 27, 2019 (delivered January 31, 2019).

Riley Walters, [A Neglected Partner in Asia: The U.S. Should Strengthen Economic Cooperation with Taiwan.](#) Heritage Foundation *Backgrounders* No. 3365, November 13, 2018.