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## **India-Taiwan Ties**

### **A Case for Stronger Partnership**



Center for Asian  
Studies

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Sana HASHMI

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# Abstract

The links between India and Taiwan have gathered unprecedented momentum in recent years. This has largely come about due to growing support for Taiwan at civil society level in India. Taiwan has also tried to reach out to India. Its carefully crafted New Southbound Policy, President Tsai Ing-wen's flagship foreign policy move, which was officially launched in 2016, has served as a roadmap for greater engagement with Taiwan's potential friends and partners – especially India. India's Act East policy and Indo-Pacific outreach efforts have also encouraged Taiwan to widen and deepen its engagement with India. This, however, is a recent development facilitated by a variety of strategic developments in the region. With the Indo-Pacific construct taking a firmer shape, New Delhi-Taipei ties are poised to assume a more concrete shape and provide a meaningful role for the bilateral relations, which have ebbed and flowed since the establishment of unofficial relations between the two democracies in 1995.

For a long time, the China factor has overshadowed India-Taiwan relations. While Taiwan itself was taking a conciliatory stance toward China before Tsai assumed the president's office in 2016, India's complicated relationship with China also played a role in preventing Delhi and Taipei from intensifying their relationship. However, China's assertive foreign policy under President Xi Jinping has compelled several countries to find a long-term and viable solution to address their national concerns. China's reluctance to address India's territorial concerns and two major Chinese territorial incursions over the past four years (Doklam 2017, Galwan 2020) have forced India to rethink its China policy. In the process, India-Taiwan ties have also benefitted, and India is making efforts to revamp its Taiwan policy. The early signs of this were visible during the initial phase of the first term of the Narendra Modi government (2014–17).

There are noticeable signs of India slowly shedding its hesitancy about Taiwan, but it still remains cautious. To step up the momentum, Taiwan needs to maximize the potential of the New Southbound Policy in engaging India and other major actors in the Indo-Pacific region. Given that India is a key focus country within the framework of the New Southbound Policy, Taiwan should take further steps to strengthen relations with the South Asian country. This partnership is mutually beneficial in several aspects. It will be a missed opportunity for both Taiwan and India if the two sides do not find a way to engage each other purposefully.

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# Introduction

In October 2020, President Tsai Ing-wen took to Twitter to thank Indian netizens who had wished Taiwan well on its national day, commended Taiwan's exemplary Covid-19 pandemic response, and extended support to Taiwan amid China's growing military coercion. The Taiwan government's effective use of social media channels and good management of the Covid-19 crisis boosted its positioning in Indian policy circles as well as mainstream discourse. More op-ed articles on Taiwan have been published in India since the outbreak of the Covid-19 pandemic than in seventy years of independent Indian history, making it a watershed moment in the India-Taiwan relationship. The Covid-19 pandemic and Taiwan's response to it have not only familiarized Indians with Taiwan, but also helped to garner support in its favor and impressed a number of Indians, especially as the second wave of the pandemic created a massive health crisis in India in the spring of 2021.

From Taiwan's side, Tsai's decision to tweet to Indian netizens in October 2020 did not come out of the blue. On several occasions, she has stated that one of her administration's foreign policy goals is to bolster ties with India, as a key focus country under the New Southbound Policy (NSP). The NSP was officially launched in 2016 as a roadmap for greater engagement with Taiwan's potential friends and partners in South and Southeast Asia.<sup>1</sup> Prior to its initiation, Taiwan's external engagement was largely confined to managing cross-Strait ties and to giving further impetus to its relations with the West. Foreign policy priorities, especially with regard to China, have been a key determinant in distinguishing the Democratic Progressive Party (DPP) from its rival, the Kuomintang (KMT), which it defeated in a landslide electoral victory in the 2016 elections.

With the DPP at the helm in Taiwan, China-Taiwan relations hit rock bottom when the DPP-led government refused to accept the 1992 consensus, and China reiterated its pledge to integrate Taiwan with the mainland, with ever-increasing incursions into Taiwan's Air Defense Identification Zone (ADIZ). As the threat from China has become more pervasive with time, Taiwan's West-centric foreign policy has also been gradually reoriented. The NSP signals this policy

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1. The New Southbound Policy includes 18 countries: the 10 ASEAN member-states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam), six South Asian countries (Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka), Australia and New Zealand.

shift. Tsai, during her second term (since May 2020), has been eager to develop ties with India further. Taiwan has recognized the flaws in its lack of socialization in the region; the NSP aims to rectify that.

Despite showing a warm response to the idea of engaging with Taiwan, India has remained cautious. However, it would not be fair to put the blame entirely on India, especially the Modi government and its predecessor, the Manmohan Singh government. Taiwan was not responsive enough to India's outreach attempts in the past. Moreover, India has maintained a cautious approach to Taiwan because of its precarious ties with China. Nevertheless, given that Taiwan is an important country in the regional context, and despite India's adherence to the One-China policy, India-Taiwan relations have progressed well. If recent developments are any indication, India too is in for an overhaul in its Taiwan policy.

This paper argues that, even in the absence of official diplomatic ties, relations between India and Taiwan are steadily moving towards greater engagement. Taiwan's consistent focus on India under the NSP, as well as other factors such as Taiwan's international standing, its Covid-19 response, and other like-minded countries' support for Taiwan, are persuading India to rethink its engagement with Taiwan, slowly and steadily. However, while the relations are brimful of potential, a range of concrete steps across the economic, social, and political spheres are needed.

# India-Taiwan Ties Since the 1920s: A Classic Case of Friendliness, Mutual Neglect, and Redefining Ties

## Trajectory of Relations from the 1920s to the End of Cold War

During the 1920s-1940s, relations between the Indian National Congress (INC) leaders and Taiwan's nationalist leader Chiang Kai-Shek were cordial. In 1927, on the sidelines of the League against Imperialism held in Brussels, "a joint manifesto on mutual cooperation against imperialism" was issued by Jawaharlal Nehru, General Secretary of the INC, and delegates from the Kuomintang (KMT). In August 1939, Nehru visited mainland China and was received by Chiang. He was described as "the great leader of the Indian people" and "an intimate friend of China".<sup>2</sup> In an effort to secure India's support against Japan's imperialism, Chiang visited India in 1942.

Chiang was one of the few Asian leaders with whom Mohandas Karamchand Gandhi and Nehru had a special relationship. Despite differences in their strategies, Chiang endorsed Gandhi's non-violent struggle against the British empire, which had made a deep impact on him. When Chiang and his wife, Soong Mei-ling, met Gandhi in India, in February 1942, Chiang said,

"Your civil resistance is not mere passivity, I am sure. But these foes may not listen to active civil resistance and may make even the preaching of non-violence impossible."<sup>3</sup>

Chiang even developed empathy towards India's independence movement and feared that any more tensions between the United Kingdom and India would damage the Allied Forces' chances of winning against Japan. He appealed to his British allies to pay heed to the Indian demands. He said, "Great Britain should give real political

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2. Lin Chengjie, "Friendship-in-Need Between Chinese and Indian People in Modern Times", in: Tan Chung (ed.), *In the Footsteps of Xuanzang: Tan Yuan-Shan and India*, New Delhi: Gyan Publishing House, 1999, p. 182.

3. P. Hermsen, *War in the Far East: Japan Runs Wild, 1942-1943*, Havertown: Casmate, 2020.



authority to the Indian people as soon as possible without waiting for a demand from the people.”<sup>4</sup> This tells us volumes about how deep an understanding Gandhi and Chiang had of their countries and their common interests. Sadly, however, such perceptive understanding among the top leaders could not be translated into bringing Taiwan and India together as close friends and partners in the late 1940s. After India won its independence, the Indian and Chinese nationalist governments established embassies in each other’s countries. However, differences began to occur due to diverging perceptions on Tibet and the McMahon Line. From 1947-1949, several notes were exchanged between the Indian government and the Chinese nationalist government about the Tibet issue and the India-China border.<sup>5</sup> The essence of India-Taiwan relations was further lost when the Chinese Communist Party (CCP) took over mainland China. India established diplomatic ties with the People’s Republic of China (PRC) on April 1, 1950, and Nehru, India’s first prime minister, strived to forge Asian-African solidarity and the Bandung Spirit by reinforcing good relations between India and the CCP government in China.

Despite the links forged between the INC and the KMT leadership in the 1940s, India and Taiwan could not get closer. India’s Taiwan policy was guided by India-China relations, the One China Policy, and India’s closeness with the Soviet Union. Later, due to the suspension of relations with China from 1962 to 1976 and other pressing issues to deal with, Taiwan did not figure prominently in India’s regional policy. Closely aligned with the United States and the Western bloc during the Cold War years, Taiwan did not pay much attention to India either. It was only in the 1990s that a channel of communication was created. The opening of the representative offices in 1995 reflected growing interest in each other. However, relations continued to oscillate because of the China factor and lack of official diplomatic ties.

## Growing informal interactions from the 1990s onwards

The end of the Cold War and the initiation of India’s Look East Policy under the leadership of former Indian Prime Minister P.V. Narasimha

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4. Quoted in Wu Chen-Tsai, “Chiang Kai-Shek’s Visit to India and the Indian Independence”, *Chinese Studies in History*, Vol. 21, No. 1, 1987, pp. 3-38. After returning to China, on July 25, 1942, Chiang sent a confidential message to President Franklin Roosevelt urging the United States to request both Britain and India to find a solution to the growing tensions. For details see, “Exchange of views between Generalissimo Chiang Kai-shek and President Roosevelt regarding situation in India”, *Office of the Historian*, <https://history.state.gov>.

5. K. Gupta, “Hidden History of the Sino-Indian Frontier I—1947-1954”, *Economic and Political Weekly*, Vol. 9, No. 18, May 4, 1974, pp. 722.

Rao changed Taiwan's outlook toward India.<sup>6</sup> In 1995, during the tenures of Prime Minister Rao and Taiwan President Lee Teng Hui, India and Taiwan took the remarkable initiative of establishing unofficial relations. Representative offices were opened in each other's capitals: the Taipei Economic and Cultural Center (TECC) in New Delhi and the India Taipei Association (ITA) in Taipei. This clearly marked the beginning of a new chapter in India-Taiwan relations. Interestingly, under the statesmanship of Narasimha Rao, India was successful in engaging both Taiwan and China at the same time. With respect to the latter, an important development was Rao's visit to China in 1993 and the signing, on this occasion, of the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas. Later, in November 1996, India and China inked the Agreement on Confidence-Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas.

Even though India took the landmark step of initiating unofficial relations with Taiwan, it felt the overarching presence of the China factor. To avoid confrontation with China, India's Ministry of External Affairs (MEA) even downplayed the establishment of unofficial relations with Taiwan. This cautious stance was reflected in an Indian government response in March 1995 to the media reports about the potential establishment of the representative offices:

“The Government of India have seen reports to the effect that India and Taiwan have decided to establish relations and exchange representative missions. These reports are factually incorrect. Government of India are aware that certain non-governmental bodies are to establish a presence in Taiwan or in India for promoting trade, investment and tourism.”<sup>7</sup>

Similarly, India did not start sending serving foreign service officers to head the India Taipei Association (ITA) until 2004. However, over the past 25 years, India's approach has changed substantially, and relations have progressed a long way. India's economic rise and growing profile during the 2000s played an important role in driving Taiwan's engagement-based policy towards India.<sup>8</sup> This was only natural as India's successful economic reforms were in tune with Taiwan's economic and trade priorities. Interactions further grew in the 2010s, as reflected by the signing of a string of

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6. Following the collapse of the Soviet Union, India initiated the Look East Policy as a renewed attempt to reach out to Southeast Asian countries.

7. India's Ministry of External Affairs' Annual Report 1995.

8. Fang Tien-Sze, “Taiwan's Relations with India: Issues and Trends”, *China Report*, Vol. 49, No. 4, November 2013, pp. 425-439.

agreements in different sectors (economics, science and technology, education, transport, and agriculture – see Table 3 in the Annex).

Moreover, India and Taiwan sought to institutionalize their relations in order to boost bilateral exchanges. The Taipei Economic and Cultural Center (TECC) established a second office (in Chennai) in December 2012, and the Taiwan External Trade Development Council (TAITRA) opened branch offices in Delhi, Chennai, Kolkata and Mumbai. On April 26, 2017, TAITRA also launched an India Center in Taipei to work in coordination with its four India-based offices and thus provide knowledge information and assistance about India to Taiwanese businesses. The India Center can be seen as another substantial effort by the Taiwan government to help its local businesses to explore opportunities in the Indian market.<sup>9</sup> At the political level, the India-Taiwan Parliamentary Friendship Forum was established in December 2016, and Harish Chandra Meena, a member of the Lok Sabha (lower house) of the Indian Parliament, led a delegation to Taiwan that comprised 12 parliamentarians from the ruling Bhartiya Janata Party (BJP) and 10 parliamentarians from seven opposition parties.<sup>10</sup>

In order to boost people-to-people interactions, Taipei created the Taiwan Tourism Information Center in Mumbai in 2018. However, the number of Indian tourists to Taiwan has remained at around 40,000 annually, and an even fewer number of Taiwanese travels to India as tourists. One major issue is the absence of an Indian overseas tourism office in Taipei (tourism matters relating to Taiwan have been taken care of by the India Tourism office in Tokyo, Japan). As regards direct air connectivity between India and Taiwan, it was initiated only in 2003, and, to date, Taiwan's state-owned national carrier, China Airlines, has remained the only airline to offer direct flights. In 2020, Vistara Airlines, a joint venture between Singapore Airlines (SIA) and India's Tata Sons Private Ltd, was scheduled to launch direct flights between India and Taiwan. Due to the Covid-19 pandemic, however, this has not yet happened.<sup>11</sup>

## Economic Relations: A Glass Half Full?

Strengthening economic cooperation has been a common area of interest for both India and Taiwan. An economic dialogue for cooperation in a wide range of areas at the director-general level has

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9. "TAITRA Launches India Center in Taipei", *New Southbound Policy Portal*, April 28, 2017, <https://nspp.mofa.gov.tw>.

10. "Indian Parliamentary Group Boosts Bilateral Ties", *Taiwan Today*, December 22, 2016, <https://taiwantoday.tw>.

11. This information was shared by a TTB official with the author during an informal conversation.

taken place at regular intervals. Moreover, in 2006, a private grouping was launched, the Taiwan-India Cooperation Council (TICC), with the DPP's Yu Shyi-kun as the chair, and with an objective of promoting economic cooperation and bilateral exchanges between Taiwan and India. On December 21, 2012, another unofficial business association, the Taiwan-India Business Association (TIBA), was established with the support of business leaders and the ITA. The main goal of TIBA has been to enhance Taiwan's understanding of the Indian economy and other relevant fields.<sup>12</sup> Then, in 2016, the Taiwan Chamber of Commerce and India's PHD Chamber of Commerce and Industry signed an agreement to boost trade and investment ties.

All these initiatives can be seen as important developments, but a formal institutional mechanism or a government-supported body to drive economic relations has clearly been missing. Moreover, a failed attempt to negotiate an India-Taiwan Free Trade Agreement (FTA) in the early 2010s somewhat dampened both sides' expectations. In March 2011, Nirupama Rao, then India's Foreign Secretary, announced to the visiting media delegation from Taiwan that the MEA had commissioned a feasibility study for an FTA.<sup>13</sup> In the hope of attracting more Taiwanese investments in India, Gautam Bambawale, then Joint Secretary at MEA's East Asia Division (who later became India's Ambassador to the PRC), also clarified that "while Indian companies still faced issues of market access in China, a Taiwan-India FTA was a possibility".<sup>14</sup> Interestingly, the Manmohan Singh government was keen on moving forward with the FTA negotiations with Taiwan, but the Ma Ying-jeou<sup>15</sup> administration was looking for a breakthrough in cross-strait ties, and therefore seemed reluctant to go ahead with the trade deal with India at that point in time.

In response to India's overtures, Taiwan's Ministry of Economic Affairs (MOEA) stated that "now is not the time to engage in official talks on the signing of FTA with India".<sup>16</sup> As for the feasibility study commissioned by India, it was conducted by Taiwan's Chung-Hua Institute for Economic Research (CIER) and the Indian Council for Research on International Economic Relations (ICRIER), but it was

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12. For more information, see, Taiwan-India Business Association, [www.taiwan-india.org.tw](http://www.taiwan-india.org.tw).

13. "Taiwan, India Explore Feasibility of FTA", *Focus Taiwan*, March 8, 2011, <https://focustaiwan.tw>.

14. Ko Shu-ling, "Indian Officials Optimistic on FTA Deal", *Taipei Times*, March 9, 2011, [www.taipeitimes.com](http://www.taipeitimes.com).

15. Ma Ying-jeou was Taiwan's President from May 20, 2008 to May 20, 2016. While he was invested in ties with India, his main focus remained improving cross-strait ties during his tenure.

16. "Not Yet Time to Conduct Official FTA Talks with India: MOEA", *Focus Taiwan*, March 8, 2011, <https://focustaiwan.tw>.

not put to use. The report suggested the possibility of a comprehensive economic partnership and called for more cooperation and collaboration at three levels: companies, industry association, and representative offices.<sup>17</sup> That episode turned out to be a major disappointment for India, while giving it the impression that China figured as the central factor in Taiwan's India calculation. One cannot deny the fact that Taiwan's obsession with friendly ties with China got in the way of strong economic ties with India. As trade talks could not take place, skeptics questioned Taiwan's long-term interest in developing sustainable trade ties with India.

This lost opportunity may explain why bilateral economic ties have not yet reached their full potential. In 2000-2001, trade between India and Taiwan stood at US\$ 1.2 billion. Two decades later, in 2020-2021, it was at US\$ 5.6 billion, still much below potential.<sup>18</sup> India-Taiwan trade was not even one percent of each country's global trade in goods and services (in 2019-2020, India's global trade was US\$ 1.2 trillion and Taiwan's stood at US\$ 725.52 billion).<sup>19</sup> India was Taiwan's 17<sup>th</sup> largest trading partner and 14<sup>th</sup> largest export destination,<sup>20</sup> while Taiwan was India's 35<sup>th</sup> largest trading partner (see Table 2 to compare Taiwan's trade with India and other countries). India's major exports to Taiwan usually include naphtha, metal and metal products, organic chemicals, and agricultural products, while its imports include high-end products such as PVC, machinery, organic chemicals, electrical machinery, ICT products and solar cells from Taiwan.<sup>21</sup>

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17. P. Pal, A. Mukherjee and K. Tsun-Tzu Hsu (eds.), *Enhancing Trade, Investment and Cooperation between India and Taiwan*, New Delhi: Academic Foundation, 2013.

18. For details on India-Taiwan trade, visit the website of the Ministry of Commerce, Republic of India.

19. Data from the World Trade Organization (WTO). India has been a WTO member since 1995; Taiwan has been a member since 2002 under the name of Chinese Taipei.

20. "Taiwan-India Economic Relations", Bureau of Foreign Trade, Ministry of Foreign Trade, [www.trade.gov.tw](http://www.trade.gov.tw).

21. Bilateral Trade, India Taipei Association, [www.india.org.tw](http://www.india.org.tw). See Table 4 in Annex for detailed composition of India-Taiwan trade.

**Table 1: India-Taiwan Two-way Trade, 2015-2021**  
(in US\$ billions)

Year	Export	Import	Total Trade	Balance of Trade
2015-2016	1.4	3.3	4.7	(-) 1.9
2016-2017	2.2	3.1	5.3	(-) 0.9
2017-2018	2.1	3.9	6	(-) 1.8
2018-2019	2.6	4.6	7.2	(-) 2
2019-2020	1.7	4	5.7	(-) 2.3
2020-2021	1.6	4	5.6	(-) 2.4

Source: Ministry of Commerce, Republic of India.

**Table 2: Taiwan's Major Trading Partners (2019, 2020)**  
(in US\$ billions)

Countries	Bilateral Trade
Mainland China	149.2
ASEAN	89.6 (2017)
United States	83.3 (2020)
Japan	67.3
European Union	51.88 (2020)
Hong Kong	41.4
South Korea	34.35
Singapore	26.11
Vietnam	16
Australia	13.3
Philippines	8.25
Indonesia	7.61
India	5.6 (2020)

Source: Bureau of Foreign Trade, Ministry of Economic Affairs, Taiwan; ASEAN data is from the United Nations Conference on Trade and Development (UNCTAD).

As far as investments are concerned, Taiwan's cumulative investment in India was estimated to be approximately US\$ 1.5 billion for the period April 2000 to June 2021, of which US\$ 602.35 million

came as foreign direct investment.<sup>22</sup> Taiwan's FDI in India was abysmally low given cumulative FDI flows to the South Asian country totaled US\$ 763.5 billion for the period April 2000 to March 2021.<sup>23</sup> The NSP has been more beneficial for the Southeast Asian countries. In the past decade, Taiwan has invested at least US\$ 30 billion in Vietnam and around US\$ 17 billion in Indonesia.<sup>24</sup> At least 11,000 Taiwanese companies operate in ASEAN (with a total of US\$ 88 billion investment), making ASEAN the second-largest destination for Taiwan's outward FDI.<sup>25</sup> With US\$ 149 billion, China is the largest beneficiary of Taiwan's FDI outflow.<sup>26</sup>

Nevertheless, over 140 Taiwanese companies have invested in India, especially in the states of Andhra Pradesh, Gujarat, Haryana, Karnataka, Tamil Nadu and Uttar Pradesh.<sup>27</sup> Foxconn, Pegatron, Wistron, China Steel Corp, and ASUS are leading companies trying to establish a strong foothold in India. In 2011, Francis Kuo-Hsin Liang, Vice-Minister at the Taiwan's Ministry of Economic Affairs, announced that China Steel Corp would set up a US\$ 178 million electric steel plant in the state of Gujarat.<sup>28</sup> Foxconn currently has a manufacturing plant in Tamil Nadu, and in July 2020 it announced its plans to invest US\$ 1 billion in the plant.<sup>29</sup> Wistron has a factory in Bengaluru, Karnataka, where it will be further investing US\$ 165 million for expansion.<sup>30</sup> ASUS, a major Taiwanese tech company, has been deliberating on opening a manufacturing plant in India. As of now, it is working through electronics manufacturing service (EMS) providers in India. Taiwan's Chinatrust Commercial Bank (CTBC) has two branches in India: one in New Delhi (opened in 1996), the other in Sriperumbudur, Tamil Nadu (opened in 2012).<sup>31</sup> Inversely, there are a few major Indian companies operating in Taiwan such as Tech Mahindra Ltd, Wipro, Tata Consultancy Services, HCL, and Patanjali Ayurved.

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22. "Taiwan Plus", *Invest India*, [www.investindia.gov.in](http://www.investindia.gov.in).

23. For details on India's FDI inflows, see, [www.investindia.gov.in](http://www.investindia.gov.in).

24. S. Guha, "India-Taiwan Business Cannot Be Built On An Anti-China Platform", *Outlook*, March 4, 2021, [www.outlookindia.com](http://www.outlookindia.com).

25. "Taiwan-ASEAN Investment Forum Wraps Up in Taipei", *New Southbound Policy Portal*, July 14, 2016, <https://nspp.mofa.gov.tw>.

26. For more details, see the government portal of the Republic of China (Taiwan), [www.taiwan.gov.tw](http://www.taiwan.gov.tw).

27. For details, see Investment section of the India Taipei Association, [www.india.org.tw](http://www.india.org.tw).

28. "China Steel Corp to invest Rs 1,000 cr in Gujarat", *Business Standard*, January 20, 2013, [www.business-standard.com](http://www.business-standard.com).

29. B. Jain, "Foxconn Won't Set Up Proposed Unit in Maharashtra, Says Shiv Sena Minister", *The Times of India*, January 7, 2020, <https://timesofindia.indiatimes.com>.

In 2015, the state of Maharashtra and Foxconn signed an MoU for building an electronic manufacturing plant in Navi Mumbai. As a part of the US\$ 20 billion deal, Foxconn announced it would initially invest US\$ 5 billion, but the deal was scrapped later owing to Foxconn's internal dispute with Apple.

30. Data from the Economic Diplomacy Division, Ministry of External Affairs, Government of India.

31. For more details on CTBC's operations in India, see [www.ctbcbank.com](http://www.ctbcbank.com).

In view of the unfulfilled potential in economic ties, both sides have recently taken several steps to boost commercial exchanges and investment prospects. One such initiative was the launch, in early 2019, of Taiwan Plus, an official joint platform by TAITRA and the Indian government's Invest India initiative, for promoting, facilitating and retaining Taiwanese investments in India.<sup>32</sup> To address the decline in trade (since 2018-2019 – see Table 1) and connect Taiwanese businesses and their Indian counterparts, Taiwan's Bureau of Foreign Trade and TAITRA have organized Taiwan Expo. The third Taiwan Expo was held in December 2020, with over 650 virtual meetings for connecting 270 companies from both sides (150 from India and 120 from Taiwan).<sup>33</sup>

## India-Taiwan Ties under the Modi Government

Modi's landslide electoral victory and his assumption of the prime minister's office in 2014 generated hope that India-Taiwan relations would take a turn for the better. In 1999, as the general secretary of the BJP, Modi had visited Taiwan. Later, in 2011, in his capacity as Chief Minister of Gujarat, Modi had invited an 80-member high-level Taiwanese business delegation to his state.<sup>34</sup> Led by Christina Y. Liu, Taiwan's Economic Planning Minister, that was the biggest-ever business delegation visit from Taiwan to India. Modi remarked, "Taiwan and Gujarat are made for each other", and announced, that "he will extend cooperation in setting up a special Taiwan Industrial Park near Ahmedabad, in a time-bound manner."<sup>35</sup>

In 2012, Tsai visited India in her personal capacity. Recalling her India visit during an interaction with Asian correspondents in 2017, she said, "India left a very deep impression on me".<sup>36</sup> Clearly, both Tsai and Modi had previous good experience of working with each other's country; this contributed to inclusion of India in Taiwan's foreign policy priority, and vice versa. Modi invited Tien Chungkwang, who was then Representative of Taiwan to India, to his

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32. "Strengthening India-Taiwan Ties to Boost Trade, Investments, and Cultural Exchange", *Economic Diplomacy Division, Ministry of External Affairs*, <https://indbiz.gov.in>.

33. *Ibid.*

34. Dipanjan Roy Chaudhury, "Taiwan pins hope on Narendra Modi's win to boost business ties with India", *Economic Times*, April 14, 2011, <https://economictimes.indiatimes.com>.

35. Quoted in "Taiwan to Set Up Industrial Park nNear Ahmedabad", *The Indian Express*, February 25, 2011, <http://archive.indianexpress.com>.

36. "President Tsai's Opening Statement in Interview with Journalists from India, Indonesia, Malaysia, the Philippines, Singapore, and Thailand", Office of the President of the Republic of China (Taiwan), May 5, 2017, <https://english.president.gov.tw>.



swearing-in ceremony in May 2014.<sup>37</sup> In the subsequent years, numerous meaningful developments took place. Visits of officials and parliamentarians from Taiwan were a strong indication of the growing convergence of interests between the two sides. In January 2015, Duh Tyzz-jiun, Minister of Executive Yuan (Cabinet), and Cho Shih-chao, Deputy Minister of Economic Affairs, led a delegation to the Vibrant Gujarat Summit.

The year 2017 witnessed several visits from Taiwan to India. In May, Wang Mei-hua, then Taiwan's Vice-Minister, Ministry of Economic Affairs; Kuo Lin-wu, Vice-Chairman of TAITRA, and Francis Tsai, Chairman of the India Economic and Trade Committee under the Taiwan Electrical and Electronic Manufacturers' Association visited India to participate in the third Smart Cities Expo. Ho Chi-kung, Deputy Minister of Health and Welfare, and Yao Leeh-ter, Deputy Minister of Education, visited India in September. In November, James C. F. Huang, Chairman of TAITRA, led a delegation for organizing and taking part in SMART ASIA expo.<sup>38</sup>

In February 2017, when an all-women parliamentary delegation visited India, China lodged a complaint and asked India not to maintain official contacts with Taiwan. Global Times, a CCP state-owned media outlet, warned India that, in using the "Taiwan card", India was "playing with fire".<sup>39</sup> Geng Shuang, China's Foreign Ministry spokesperson, said,

"We [China] have been asking countries that have diplomatic relations with us to honor their commitment to the one-China principle. We also urged the Indian side in the representations to stick to the one-China principle and take concrete steps to maintain the sound and steady growth of China-India relations."<sup>40</sup>

That was the last parliamentary visit from Taiwan to India. Though the development was unrelated, India then got occupied with the military standoff at Doklam with China in the summer of 2017. Managing tensions with China affected the momentum in relations with Taiwan. This slowdown in India-Taiwan relations was deplored by some in India's political circles. In September 2018, the Indian Parliamentary Committee on External Affairs in its report on India-

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37. Tien Chung-kwang headed the Taipei Economic and Cultural Center in India from 2013 to 2020. He was promoted to the level of Deputy Minister at Taiwan's Ministry of Foreign Affairs (MOFA) in July 2020. See: <https://en.mofa.gov.tw>.

38. Organized by TAITRA, SMART Asia is a Taiwan-led expo to exhibit Taiwan's expertise in building intelligent, robust and efficient smart cities. For details on visits, see "Taiwan-India Relations", Taipei Economic and Cultural Center, [www.roc-taiwan.org](http://www.roc-taiwan.org).

39. Yu Ning, "New Delhi Will Suffer Losses If It Plays Taiwan Card", *Global Times*, February 14, 2017, [www.globaltimes.cn](http://www.globaltimes.cn).

40. Foreign Ministry Spokesperson Geng Shuang's Regular Press Conference on February 15, 2017, *Ministry of Foreign Affairs, Republic of China*, February 15, 2017, [www.fmprc.gov.cn](http://www.fmprc.gov.cn).

China relations advised the government to change its Taiwan policy and be more proactive with Taiwan:

“It comes as a matter of concern to the Committee that even when India is overly cautious about China’s sensitivities while dealing with Taiwan and Tibet, China does not exhibit the same deference while dealing with India’s sovereignty concerns... Given the fact of China’s muscular approach of late while dealing with some of the issues pertaining to India, it is difficult for the Committee to be content with India’s continuing with its conventionally deferential foreign policy towards China. Dealing with a country like China essentially requires a flexible approach. The Committee strongly feel that the Government should contemplate using all options including its relations with Taiwan, as part of such an approach.”<sup>41</sup>

The Indian government did not officially incorporate the suggestions of the parliamentary committee; the then Foreign Secretary at the MEA, V.K. Gokhale, even disregarded any change in India’s Taiwan policy, at a parliamentary hearing:

“This is a policy the Government of India established on the 30th of December, 1949. On the 30th of December, 1949, Government of India declared the Ambassador of the so-called Republic of China resident in New Delhi as persona non-grata. That was an irretrievable step the Government took. India derecognized that Government and asked its Envoy to leave the country and the next day, the then Government of the day offered its recognition to People’s Republic of China.”<sup>42</sup>

However, since then, India-China relations have worsened. The 2017 Doklam standoff led India to take some bold steps and reconsider its strategic outlook vis-à-vis China. One of the consequences was the revival of the Quadrilateral Security Dialogue (Quad)<sup>43</sup> and India’s active participation in it. However, sensing India’s closeness to the United States and participation in what China termed as the United States-led clique,<sup>44</sup> China suggested that Indian and Chinese leaders meet at an informal summit. The Modi government was keen on managing ties with China during its first term (2014-2019). Accepting the proposal of the informal summits

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41. Committee on External Affairs (2017-2018), Sixteenth Lok Sabha, “Sino-India Relations Including Doklam, Border Situation and Cooperation in International Organizations”, Lok Sabha Secretariat, New Delhi, September 2018.

42. *Ibid.*

43. The Quad was revived in 2017 after remaining dormant for a decade. It is an informal mechanism involving Australia, India, Japan, and the United States.

44. “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on May 12, 2021”, Ministry of Foreign Affairs of the Republic of China, May 12, 2021, [www.fmprc.gov.cn](http://www.fmprc.gov.cn).

(Wuhan-2018 and Mamallapuram-2019), attempting to understand and accommodate China's sensitivities, and, to some extent, avoiding elevating ties with Taiwan were a part of India's reconciliatory stance vis-à-vis China. However, this approach failed as China did not keep its promise and encroached into Indian territory in 2020.<sup>45</sup>

## Signs of Policy Shifts

Despite India's apparent willingness to work with China in managing workable relations, China has shown complete disregard for India's territorial sensitivities. Over the last few years, China's aggression has posed a fundamental threat to several like-minded countries' national interests. For India, the violent clashes in the Galwan Valley on June 15, 2020 and the prolonged military standoff on the border were a turning point in its relations with China. While the standoffs have, at least since 1986, increasingly become a common feature in the India-China equation, the Galwan standoff is different from the 2017 Doklam and 2013 Daulat Beg Oldi standoffs.<sup>46</sup> The clashes resulted in the death of more than 20 Indian soldiers and an undisclosed number of Chinese soldiers. The Galwan clashes have transformed the India-China equation in several ways, and relations are unlikely to return to normal in the near future. India is clearer than ever that China's primary intention is to change the status quo along the border. Its contention is not just about differing perceptions, rather it is about different priorities. Even though disengagement at the border was agreed upon, tensions continue to mount.

The India-China border clashes played a role in attracting Indians towards Taiwan. Public support for Taiwan has been on the rise. This was manifested when the Indian media defied the "diktat" issued by the Chinese embassy in New Delhi asking them to follow the One-China policy and refrain from calling Taiwan a country while reporting on Taiwan's national day on October 10, 2020.<sup>47</sup> This time, even the MEA's response to China's diktat was a little different from its previous approach of silently acknowledging the One China policy. Anurag Srivastava, MEA's spokesperson, told the media, "There is a free media in India that reports on issues as it sees fit".<sup>48</sup>

While India has not yet formally and overtly approached Taiwan, there have been visible signs of policy shifts (which are often hidden

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45. S. Hashmi, "Beyond Galwan: An Assessment of India-China Relations", *Prospects & Perspectives 2021*, No. 14, March 22, 2021.

46. R. Mishra, "Time for Taiwan, India to Team UP", *Taipei Times*, February 6, 2021, [www.taipeitimes.com](http://www.taipeitimes.com).

47. S. Miglani, "China Tells India Not to Call Taiwan a Country, Taiwan Says Get Lost", *Reuters*, October 8, 2020, [www.reuters.com](http://www.reuters.com).

48. "There Is a Free Media in India: MEA on Chinese Embassy's Taiwan Guidelines to Journalists", *Indian Express*, October 8, 2020, <https://indianexpress.com>.

from public view). In May 2020, Meenakshi Lekhi and Rahul Kaswan, two BJP members of parliament, attended Tsai's swearing-in ceremony virtually, and praised Taiwan as a democratic country. Meenakshi Lekhi sent a separate video message in which she wished Tsai great success and the continued strengthening of the comprehensive relations between India and Taiwan.<sup>49</sup> This was perceived as a move by the Indian government to send a signal to China.<sup>50</sup> In light of these developments, Meenakshi Lekhi's appointment as Minister of State at the MEA in July 2021 seemed to be good news for India-Taiwan ties. Additionally, departing from precedent, in April 2021, the MEA offered India's condolences on the Hualien train crash in Taiwan. That was the first time that an exchange between Indian and Taiwanese official accounts took place.<sup>51</sup> The statement read:

“We are deeply saddened by the loss of so many lives in the railway accident in Taiwan. Our deepest condolences to the families. And our prayers for the early recovery of the injured.”<sup>52</sup>

Another notable development was the revival of the India-Taiwan Parliamentary Friendship Association in October 2020, after a hiatus of three years, giving way for the resumption of parliamentary exchanges in the post-pandemic era. However, despite shared concerns and mutual interests, the India-Taiwan partnership has yet to reach its optimum level. Of course, the China factor has loomed large. The recent developments in relations, the emergence of the Indo-Pacific construct, the revival of the Quad, and unprecedented support for and deliberations upon Taiwan signal a change in the countries' strategic orientation.

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49. A. Krishnan, “BJP MPs Praise Taiwan as ‘Democratic Country’ as President Tsai Ing-wen Begins New Term”, *The Hindu*, May 20, 2020, [www.thehindu.com](http://www.thehindu.com).

50. “印度內閣新面孔引關注 友台議員任外交國務部長”, *Liberty Times*, July 8, 2021, <https://news.ltn.com.tw>.

51. “Social Media Statements Show Improving Taiwan-India Relations: MOFA”, *Focus Taiwan*, April 6, 2021, <https://focustaiwan.tw>.

52. Facebook and Twitter social media accounts of Ministry of External Affairs, April 3, 2021, <https://twitter.com>.

# Challenges and Opportunities

## India's Cautious Approach

India has exercised caution in engaging with Taiwan overtly. While public support for Taiwan has been at an all-time high, government-to-government interactions remain limited, posing a challenge to the long-term efficacy of the relations.<sup>53</sup> This is not to say that exchanges do not take place, but much of it is not available in the public domain. One such important development has been India sending Indian foreign service probationers for language training to Taipei instead of Beijing in recent years. While this might not be a long-term policy, it still shows a policy reorientation. Another notable development has been the posting of an unofficial military attaché to the TECC, New Delhi, since 1996.<sup>54</sup> On their part, Indian serving officials have also visited Taiwan (on ordinary rather than official and diplomatic passports) for consultations and also study leave.

Nonetheless, the One-China policy has been a dissuading factor for India to optimally utilize the potential in the relations. Admittedly, since 2010, India has stopped mentioning the One-China policy in its joint statements and other official documents with China. India's position on the policy further saw a shift in 2014 when the late Sushma Swaraj, External Affairs Minister of India in the first Modi government, informed her Chinese counterpart Wang Yi that India would support the One-China policy only when China adopted a "One-India policy" (effectively meaning that China should respect India's territorial integrity and sovereignty).<sup>55</sup> Interestingly, while India acknowledged the Tibet Autonomous Region (TAR) in joint statements several times, Taiwan was never mentioned. Nonetheless, India has been mindful of China's sensitivities and, in February 2018, even supported Air India, India's government-owned enterprise, in changing Taiwan's name to Chinese Taipei on its website. New Delhi

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53. Informal conversation with a Taiwanese senior official from the Ministry of Foreign Affairs.

54. There is no public record mentioning since when Taiwan has been sending military attachés to be stationed at the TECC, New Delhi. An unofficial anonymously shared the year of stationing of the military attachés in India with the author. Apart from India, Taiwan has posted unofficial military attachés to Singapore, Tokyo, and Washington D.C. See G. Torode and J. Macy Yu, "Taiwan Courts Security Ties with Bigger Friends as Beijing Snatches Allies", *Reuters*, September 14, 2018, [www.reuters.com](http://www.reuters.com).

55. P. Dal Samanta, "One China? What about One India Policy: Sushma Swaraj to Wang Yi", *Indian Express*, June 12, 2014, <https://indianexpress.com>.

said the move was in accordance with international norms and India's own position on Taiwan since 1949.<sup>56</sup>

While India, like other countries, has not yet made any changes to its acknowledgement of the One-China policy officially, domestic debate has heavily tilted in Taiwan's favor. Calls from Indian civil society and academia alike for advancing ties with Taiwan are partly due to the growing enmity between India and China. It is noteworthy that China is both a "connecting" and "separating" factor in India-Taiwan relations.<sup>57</sup> Adversarial relations with China have brought the two countries together, at least in the popular media. However, given the proximity between India and China, the asymmetric military capabilities, and the prolonged boundary dispute, India is still treading lightly. It is time that both Taiwan and India formulate their long-term approaches to engaging with each other, but that cannot be done without firmly pushing aside the temptation to get carried away by the India-China/Taiwan-China binaries.

## Merits of Greater Engagement

Taiwan is an integral part of the Asian regional supply chains. Its presence in Southeast Asian markets and economic sectors is significant. But the South Asian economic and trade environment is different from Southeast Asia, and Taiwan would need extensive background work to make sense of the trade practices in the region.<sup>58</sup> Nevertheless, officials in Taiwan believe that, with the NSP, India could attract Taiwanese businesses and become one of their production bases as it has ample human resources and a strategically important location.<sup>59</sup> For an advanced economy like Taiwan, India is a huge market and investment opportunity. Moreover, in the midst of the United States-China trade war and strategic rivalry, and given the two countries' respective issues with China, India and Taiwan are attempting to decouple from the Chinese economy and to work together to establish stronger trade and investment ties.<sup>60</sup>

India has already banned more than 100 Chinese apps since 2020. While this has hardly helped India to reduce its dependence on China (the move was also intended to mitigate the cyber security

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56. "Air India Changes Taiwan Name to Chinese Taipei on Website", *Economic Times*, July 5, 2018, <https://economictimes.indiatimes.com>.

57. T. Wang and H. Chen, "Different Beds, Same Dream: Taiwan-India Security Relations in China's Shadow", *Defense Strategy & Assessment Journal*, Vol 9, No. 4, Autumn 2019, pp. 52-55.

58. B. S. Glaser et al, *The New Southbound Policy: Deepening Taiwan's Regional Integration*, Center for Strategic and International Studies, 2018, p. 21.

59. L. Chia-nan, "Official Touts New High in India Ties", *Taipei Times*, October 17, 2020, [www.taipeitimes.com](http://www.taipeitimes.com).

60. S. Hashmi, "India's Taiwan Opportunity", *South Asian Voices*, August 26, 2020, <https://southasianvoices.org>.

threat emanating from the use of such apps), it has shown India's resolve to decouple from the Chinese economy. Similarly, due to the unfavorable political climate and the Covid-19 pandemic, several Taiwanese companies have pulled out of China. The Tsai administration has incentivized the returning Taiwanese investors under the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" by offering preferential loan terms, land concessions, and tax breaks.<sup>61</sup> As physical space is limited in Taiwan, the administration has also encouraged companies with a heavy presence in China to relocate and shift supply chains to NSP countries. Given that Southeast Asian countries such as Vietnam will be saturated soon, India, with its 1.4 billion population and relatively lower wages, presents a credible alternative for Taiwanese companies. This would also aid Modi's "Make in India" and *Atmanirbhar Bharat* (self-reliant India) campaigns, which aim to attract investment from countries across the world to strengthen India's manufacturing sector and make it self-reliant.<sup>62</sup> Taiwan could be a partner in such endeavors. This is specifically relevant when the world is facing a global semiconductor shortage; Taiwan accounts for 60 percent of the global market share of semiconductor chips. A collaboration between Indian enterprises and the Taiwan Semiconductor Manufacturing Company (TSMC) could provide much-needed impetus to India's high-technology manufacturing, further supporting the "Make in India" and *Atmanirbhar Bharat* campaigns.<sup>63</sup>

In 2019, Walter Yeh, TAITRA President & CEO, remarked, "We started late in India, but want to grow now. We are inviting more Indians to Taiwan."<sup>64</sup> Taiwan is looking for more collaboration with India, especially in intellectual property, the service sectors, and science and technology. Collaboration in the field of science and technology is one of the most advanced areas of cooperation between the two countries. Apart from a number of scholarships available from Taiwan's Ministry of Science and Technology (MOST) for Indian students and professionals for pursuing science courses, several agreements and collaborative plans are in place between Indian and Taiwanese universities in the areas of artificial intelligence, IoT (Internet of Things), big data, cyber security, green energy technology, renewable energy, micro/nano-electronics, embedded systems & sensors, biotechnology, and healthcare, including

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61. M. Fulco, "Amid a Changing World Economy, Taiwanese Manufacturers Return Home", *AmCham Taiwan*, February 9, 2021, <https://topics.amcham.com.tw>.

62. For details, see [www.makeinindia.com](http://www.makeinindia.com).

63. A. Ramesh, "India Needs To Be 'Aatmanirbhar' For Semiconductors — Taiwan Can Help", *The Quint*, August 12, 2021, <https://www.thequint.com>.

64. N. Dhawan, "Taiwan Sets Eyes on India amid China-US Trade War", *Economic Times*, May 20, 2019, <https://economictimes.indiatimes.com>.

functional genomics, etc.<sup>65</sup> For instance, National Chung Cheng University (CCU) in Southwestern Taiwan hosts the Taiwan-India Joint Research Center on Artificial Intelligence. In 2020, the center signed an MoU with the Indian multinational company Tech Mahindra Ltd with the intent of encouraging innovation; as a part of the agreement, Tech Mahindra will launch the AI lab at the center.<sup>66</sup> On September 2, 2021, the center signed an intent of cooperation with India's National Association of Software and Service Companies (NASSCOM) Centre of Excellence for Internet of Things (CoE-IoT) for institutionalizing industrial collaboration.<sup>67</sup>

Apart from economic considerations, cultural and people-to-people connections have improved in the past two decades. There are currently 4,600 Indians residing in Taiwan, and, in the absence of diplomatic ties, the Indian diaspora have become a bridge between India and Taiwan. In a symbolic gesture, Taiwan's MOFA hosted the 2020 Diwali celebrations for the Indian diaspora in the iconic Taipei Guest House, where only the state guests are received.<sup>68</sup> On April 24, 2021, the New Taipei City government co-organized the India Spring Festival. Again, on November 12, 2021, the Diwali reception was hosted by Taiwan's MOFA.

Parliamentarians have also acted as intermediaries. Parliamentary exchanges over the years have helped in evaluating each other's expectations and policies. In an interview with the author, Wu Yu-chin, Member of the Legislative Yuan and Chairperson of the India-Taiwan Parliamentary Friendship Association, said she believed that the exchange of visits of Taiwanese and Indian ministers, members of parliament, and officials would help in generating greater awareness and facilitate better prospects for collaboration in the future. She expected that the restoration of parliamentary exchanges in October 2020 would foster understanding and allow the two sides to stand in support and solidarity for each other in times of challenge, as happened in 2020 (see sub-section on Covid-19 below).<sup>69</sup>

Taiwan's officials have, on several occasions, urged India to consider having parallel ties with Taiwan and China. Tien Chung-kwang even said, before leaving his post in India in 2020, that "India's relations with China should not be at the cost of Taiwan-India

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65. For details, see [www.most.gov.tw](http://www.most.gov.tw).

66. For details of the MoU, see <https://www005006.ccu.edu.tw>.

67. "Nasscom CoE-IoT Partners Taiwan-India AI Technology Innovation Research Centre", *Mint*, September 2, 2021, [www.livemint.com](http://www.livemint.com).

68. Diwali – Festival of Lights – is a major Indian festival celebrated by all Indic cultures across the world.

69. Interview with Wu Yu-chin, Member of the Legislative Yuan and the Chairperson of the India-Taiwan Parliamentary Friendship Association, on July 19, 2021.



relations, and India should have parallel ties with Taiwan and China”.<sup>70</sup> For India, engaging Taiwan should not mean that India has to change its adherence to the One-China policy. It is immensely important for the Indian establishment to realize that Taiwan has not been a factor in China’s aggression towards India and that India should treat relations with Taiwan separately. Clarity on Taiwan’s place in India-China relations is crucial.

## Managing the Covid-19 Pandemic: A Boost to Taiwan’s Image in India

The Covid-19 pandemic, even though a devastating health crisis, has transformed India-Taiwan relations to a certain extent. Taiwan’s successful handling of the Covid-19 in 2020-2021 played a huge role in bolstering its image internationally, including in India. It helped Taiwan carve out an image worldwide – an image very different from that of China in terms of information-sharing, honesty, transparency, and ethical behavior, presenting the world with an alternative model to the Chinese authoritarian model. Even today, China is facing international criticism for trying to cover up information in the initial days of the spread of the virus and denying any inquiry led by the World Health Organization (WHO).

Taiwan attempted to turn the crisis into opportunity and worked towards expanding its international outreach. It donated millions of face masks, personal protective equipment (PPE), and other necessary medical equipment to many countries in their fight against the pandemic. In India too, Taiwan’s image was bolstered due to its government’s prompt response to the pandemic. Taiwan donated masks, PPE, oxygen concentrators and cylinders to India. However, despite Taiwan’s readiness to help, the NSP countries, including India, were somewhat hesitant to accept help from Taiwan directly. In this context, there lies an inherent difference between Taiwan’s relations with American and European counterparts and those with NSP partner countries. During the pandemic, the West accepted aid from Taiwan and was even vocal about Taiwan, but most of the NSP countries were less willing to accept Taiwan’s aid through government channels.<sup>71</sup> In India’s case, for instance, the aid sent by Taiwan was handled by India’s Red Cross Society rather than the government itself.

70. “Taiwan Wants India to Improve Bilateral Ties in Parallel with China: Official”, *Business Standard*, May 8, 2019, [www.business-standard.com](http://www.business-standard.com).

71. 廖士鋒, “【印度病重】一波大疫 烧出蔡英文“新南向”的症结”, DW News (Chinese), April 4, 2021, [www.dwnews.com](http://www.dwnews.com).

Importantly, even before the Covid-19 pandemic, the two sides had expressed interest in research for synergies between Chinese traditional medicine and Ayurveda. To boost cooperation in traditional medicine, on February 26, 2021, India donated approximately US\$ 20,000 to Taiwan's National Research Institute of Chinese Medicine (NRICM).<sup>72</sup> On March 24, 2021, with the support of the Taiwan Ministry of Science and Technology, TECC, and the Taiwan Education Center in India, Taiwan's CCU and India's Sri Ramaswamy Memorial University in Southern India launched a jointly developed smart pandemic prevention system.<sup>73</sup> The objective of the system is to learn from Taiwan's Covid-19 best practices. Moreover, Taiwan's response at home and continued aid overseas have contributed to its popularity in India and elsewhere. Taiwan needs to capitalize on this popularity and support, and work towards reinforcing cooperation in the health sector.

## Indo-Pacific: Common Ground for Cooperation

The Indo-Pacific construct has paved the way for Taiwan's greater inclusion and participation in the evolving regional dynamics. Countries such as the United States, Japan, Australia, and even the European Union have embraced the Indo-Pacific and shown support to Taiwan by highlighting the importance of ensuring peace and stability across the Taiwan Strait. The 2021 G7 statement<sup>74</sup> and several bilateral joint statements released by the United States and its Asian allies have verified this.<sup>75</sup> The representative offices of Australia, Japan, and the United States in Taipei issued a statement of support to Taiwan for its participation in the World Health Assembly in May 2021.<sup>76</sup>

The United States has already aligned its Indo-Pacific vision with that of Taiwan's NSP. In the 2019 Indo-Pacific Strategy Report, it was stated,

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72. M. Strong, "India Makes Donation to Taiwan to Boost Cooperation on Traditional Medicine", *Taiwan News*, February 26, 2021, [www.taiwannews.com.tw](http://www.taiwannews.com.tw).

73. "Taiwan, India Unveil Smart Prevention System", *Taiwan Today*, March 25, 2021, <https://taiwantoday.tw>.

74. "Crasbis Bay G7 Summit Communique", *The White House*, June 13, 2021, [www.whitehouse.gov](http://www.whitehouse.gov).

75. For instance, "U.S.- Japan Joint Leaders' Statement: U.S. – Japan Global Partnership for A New Era", *The White House*, April 16, 2021, [www.whitehouse.gov](http://www.whitehouse.gov); U.S.-ROK Leaders' Joint Statement", *The White House*, May 21, 2021, [www.whitehouse.gov](http://www.whitehouse.gov).

76 "U.S., Australia, Japan Advocate for Taiwan's Participation in WHA", *Focus Taiwan*, May 25, 2021, <https://focustaiwan.tw>.

“We are also strengthening and deepening our relationship with Taiwan. We have repeatedly expressed our concern over Beijing’s actions to bully Taiwan through military maneuvers, economic pressure, constraints on its international space, and poaching of its diplomatic partners.”<sup>77</sup>

Japan has gone a step further in support of Taiwan. In its 2021 annual Defense White Paper, Tokyo clearly highlighted the importance of maintaining peace and stability in the Taiwan Strait and the link between the stability of Taiwan and Japan’s own security.<sup>78</sup> Taro Aso, then Japan’s Deputy Prime Minister, hinted that a Chinese invasion of Taiwan would be a threat to Japan’s survival,<sup>79</sup> and that Japan might join forces with the United States and come to Taiwan’s defense in the event of a Cross-Strait conflict. Seemingly, the administration of former Prime Minister Yoshihide Suga (September 2020-September 2021) was in unison with the United States regarding regional security involving Taiwan and the shared challenge in the face of China.<sup>80</sup> Then, at Quad level, following the senior official meeting on August 12, 2021, the American statement mentioned the importance of maintaining peace and stability in the Taiwan Strait.<sup>81</sup> The other three Quad countries refrained from mentioning Taiwan in their statements. However, it was clear that Taiwan was discussed during the meeting. This suggests greater alignment of interests among the Quad countries as well as with Taiwan.

With the recent surge in Taiwan’s popularity across the world, the number of Chinese incursions into Taiwan’s air defense identification zone (ADIZ) has increased. In the first week of October this year, China sent as many as 150 warplanes into Taiwan’s southwestern ADIZ. On October 4 alone, PLA sent 56 aircraft, setting a record of sending the highest number of warplanes in a single day.<sup>82</sup> Several liberal democracies that have also faced various threats from China understand how Taiwan has been a long-time victim of China’s bullying tactics. Therefore, Taiwan could be seen as a silent (yet meaningful) partner in the Indo-Pacific.<sup>83</sup> However, while embracing

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77. “A Free and Open Indo-Pacific: Advancing a Shared Vision”, *Department of State, United States of America*, November 2019.

78. Defense of Japan, 2021, Ministry of Defense of Japan.

79. K. Osawa, “Japan’s No. 2 Raises Possibility of Joining US in Defending Taiwan”, *Nikkei Asia Review*, July 6, 2021, <https://asia.nikkei.com>.

80. H. Tam Sang, “Japan Is Teaming Up with Taiwan”, *Taipei Times*, July 21, 2021, [www.taipeitimes.com](http://www.taipeitimes.com).

81. “U.S.-Australia-India-Japan Consultations (the “Quad”) Senior Officials Meeting”, U.S. Department of State, August 12, 2021, [www.state.gov](http://www.state.gov).

82. For details see, “Air Activities in the southwestern ADIZ of R.O.C.”, Ministry of National Defense, Republic of China.

83. B. Lintner, “How Far Would Japan Really Go to Defend Taiwan?”, *Asia Times*, July 19, 2021, <https://asiatimes.com>.

the Indo-Pacific construct, India has so far stayed away from openly mentioning Taiwan in its official statements. India, along with countries such as the United States and Japan, has advocated for a free, open, and inclusive rules-based order. It would make sense for India to align its approach on issues of mutual interest in the Indo-Pacific, including on Taiwan, with other like-minded countries.

Moreover, Taiwan's NSP and India's Act East Policy are an integral part of their respective approaches to the Indo-Pacific. There are noticeable synergies between the Act East Policy<sup>84</sup> and the NSP; they are both premised on a free, open, inclusive, and rules-based Indo-Pacific order. As far as Taiwan is concerned, the initiation of the NSP has been a boon to its Asia policy. Unlike its past iterations, this policy does not rely on profit-centered or state-centered strategic considerations and policy arrangements *per se* but is rather premised on a people-centered development agenda.<sup>85</sup> It also signals Taiwan's aspirations to move away from the China factor and reinforce ties with countries in the Indo-Pacific region. One of its major achievements is that India is officially on the foreign policy map of Taiwan. To achieve lasting results and improving the prospects of India-Taiwan relations, a policy framework needs to be devised. The addition of the NSP in India's wider Indo-Pacific policy would be a welcome step. With India as a key focus country in the NSP, Taiwan has already placed India within an institutional framework, but India has so far not officially included Taiwan in its Act East Policy. Doing so could bolster both the Act East Policy and India's resolve in the Indo-Pacific.

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84. India's Act East Policy is an upgrade of the Look East Policy. While the latter focused only on the 10 ASEAN member states, under the Act East Policy framework India has expanded the geographical scope of the policy and included countries from East Asia to the Pacific Islands.

85. H. M. Hsiao and A. H. Yang, "Repositioning Taiwan in Southeast Asia: Strategies to Enhance People-to-People Connectivity", *The National Bureau of National Research*, July 11, 2018, [www.nbr.org](http://www.nbr.org).

# The Road Ahead

While India-Taiwan relations are registering growth and development, there are still some major challenges stunting its optimal growth. First, of course, is the absence of formal diplomatic ties and thus the lack of an official rulebook to define the contours of the relations. In this context, it becomes more important to make efforts towards streamlining the process of continuous engagement; there are, indubitably, ways to work around it. While the focus is on critical areas such as science and technology, other sectors such as foreign direct investment and bilateral trade should also be given due attention. Taiwan can gain a lot of diplomatic capital by investing in India's education and infrastructure sectors, for instance.

The China factor looms large over India-Taiwan relations, and any step towards Taiwan is wrongly perceived as a move to gain leverage against China.<sup>86</sup> Despite this, there is motivation on both sides to de-hyphenate their China policies from their bilateral relations.<sup>87</sup> Taiwan has been keen to engage further with India and has put in place a multifaceted framework. India too is exploring different areas of cooperation, but the potential has yet to be realized. Both sides need to shed their hesitation. India, in particular, should realize that, with the run-up to 100 years of the CCP in 2021 and 100 years of the People's Liberation Army (PLA) in 2027, China has to prove its mettle at home and is less likely to pay attention to India's sensitivities, let alone give equal space to India.

In sum, India needs to take a three-dimensional approach to Taiwan.

- First, India should strive to strengthen bilateral ties and expand areas of cooperation with Taiwan. Security cooperation is not really under the framework of the NSP, and India too would not want to highlight the security component of the bilateral relations. But the non-combatant component can certainly be worked out. Moreover, cooperation in the fields of culture, education, science and technology, and development assistance should be strengthened through linking the Act East Policy and the NSP.

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86. “又有印度人鼓噪打“台湾牌”，须高度警惕”， *Taihai Net*, February 2, 2021, [www.taihainet.com](http://www.taihainet.com).

87. S. Hashmi, “India Must Engage with Taiwan, and Not Because of China”, *Hindustan Times*, November 27, 2020, [www.pressreader.com](http://www.pressreader.com).

- Second, India should engage Taiwan through available informal and formal regional platforms. To foster understanding, a policy planning dialogue involving mid-level officials between the MEA and Taiwan's Ministry of Foreign Affairs could be established. Perhaps, dialogue between India's BJP and Taiwan's DPP could also be initiated. Japan's ruling party, the Liberal Democratic Party (LDP), held a security dialogue with the DPP on August 27, 2021. That was a landmark development, which could be replicated with India, being political enough in nature yet not official enough to project any alterations in India's acknowledgement of the One-China Policy. More generally, a number of comprehensive dialogues would serve as catalysts for future cooperation between Taiwan and India.
- Third, Taiwan should be accepted as a part of the wider Indo-Pacific region, and India should contribute toward this. India and Taiwan are two vibrant democracies with shared interests and common concerns. Further exchanges between them will contribute towards a rules-based order in the Indo-Pacific.

So far, China has set the discourse in its ties with both India and Taiwan. That must change. Letting China decide the course of India's foreign policy while overlooking Taiwan has not proven to be a beneficial strategy. To optimize India-Taiwan ties, an approach that blends a people-centric process with a non-traditional security-centric policy should be adopted.

# Annex

**Table 3: List of Select Agreements Signed between India and Taiwan**

<b>Area</b>	<b>Name of the Agreement</b>	<b>Signed in</b>
Economics	Double Taxation Avoidance Agreement and Customs Mutual Assistance Agreement	July 2011
	ATA Carnet Protocol	March 2013
	MoU on Small and Medium-sized Enterprises	December 2015
	MoU between Taiwan Chamber of Commerce and India's PHD Chamber of Commerce and Industry	June 2016
	MoU on Promotion of Industry Collaboration	December 14, 2017
	Authorised Economic Operators Recognition Action	2017
	Mutual Recognition of the Respective Authorised Economic Operation Programs to Facilitate Bilateral Trade	December 18, 2018
	Bilateral Investment Agreement	December 18, 2018
Science and Technology	MoU on Scientific and Technological Cooperation	2007
	MoU of Cooperation between ROC (Taiwan) Academia Sinica and Indian National Science Academy	2012
Education	MoU between Foundation for International Cooperation in Higher Education of Taiwan and Association of Indian Universities	2010
	MoU on Social Sciences Research	2019
Aviation	Air Services Agreement	September 2016
Agriculture	MoU on Taiwan-India Agricultural Cooperation	September 2016
Railways	Letter of Intent for Cooperation on Railway Heritage in Chiayi City of Taiwan	December 24, 2016

Source: Taiwan Economic and Cultural Centre in India, Republic of China (Taiwan).

**Table 4: Detailed Composition of India-Taiwan Trade  
(2018)**

<b>India's Top Exports to Taiwan</b>		
<b>Commodity</b>	<b>US\$ millions</b>	<b>Percentage in Total Trade</b>
<b>Naphtha, mineral</b>	1,492.84	45.8
<b>Aluminium, not alloyed, unwrought</b>	162.65	4.9
<b>Ferro-chromium, containing by weight more than 4% of carbon</b>	119.26	3.6
<b>Containing by weight 99.99% or more of zinc, not alloyed</b>	85.6	2.6
<b>Ferro-silico-manganese</b>	62.69	1.9
<b>P-xylene</b>	45.18	1.3
<b>Other fish, minced (surimi), frozen</b>	43.35	1.3
<b>Other apparatus for communication in a wired or wireless network</b>	38.34	1.8
<b>Non-industrial diamonds, worked, but not mounted or set</b>	38.31	1.8
<b>Refined copper, cathodes and sections of cathodes, unwrought</b>	38.3	1.8
<b>India's Top Imports from Taiwan</b>		
<b>Poly(vinyl chloride), not mixed with any other substances, in primary forms</b>	386.57	10.2
<b>Polyamide 6 (nylon 6)</b>	148.39	3.9
<b>Terephthalic acid</b>	139.36	3.6
<b>Flat-rolled products of other alloy steel, not further worked than cold-rolled (cold-reduced), of a width of 600 mm or more</b>	97.91	2.6
<b>Other electronic integrated circuits</b>	71.12	1.9
<b>Parts and accessories of the machines of heading 84.71</b>	65.49	1.7
<b>Machining centres</b>	52.23	1.3
<b>Digital still image video cameras and digital cameras</b>	51.13	1.3
<b>Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus</b>	49.54	1.3

Source: Commercial, India Taipei Association.







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