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Taiwan's Strategic Importance for the EU

A New Era (2016-2024)

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Abstract

The strategic importance of Taiwan as a focal point in the Indo-Pacific region and its critical role in global supply chains has led the European Union (EU) to reassess and adjust its strategy and policy toward the island. The EU now regards Taiwan as a like-minded partner in both economic and security matters. A potential conflict in the Taiwan Strait would not only disrupt global supply chains and reshape the rules-based international order, but it would also have serious repercussions for the EU's economy.

Over the past eight years, the EU has shifted from a policy that primarily focused on economic engagement with Taiwan to one that encompasses a broader range of cooperation. This includes collaboration in areas such as artificial intelligence (AI), semiconductors, high-level diplomatic exchanges, and the establishment of new Taiwanese diplomatic offices in Europe. This paper explores the recent shifts in EU-Taiwan relations and analyses why Taiwan has become one of the EU's most important economic and diplomatic partners. Finally, the paper offers policy recommendations to guide the future of EU-Taiwan cooperation.

Introduction

The High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell declared in his address to the European Parliament in September 2022: "For us, we continue saying the same thing: to preserve peace, stability, and the status quo in the Taiwan strait is key, not just for the security and prosperity of the region, but also for ours".¹ The Indo-Pacific region accounts for more than 65 percent of global GDP and one-third of Europe's exports go to the region, making the EU dependent on these important sea lanes. Taiwan, which might be at the centre of the next potential military conflict between the US and China, is a pivotal node in the global semiconductor supply chain.²

In terms of IT industry, Taiwan ranks first in market share for major ICT products, producing 60 percent of the world's overall semiconductors and over 90 percent of the most advanced ones, and is thus indispensable for the EU and the world.³ In recent years, due to Taiwan's strengths in high-technology fields, it is becoming an important partner for European companies. As the US-China competition is reshaping the global tech landscape, the EU is paying more attention to Taiwan.

In 2021, the European parliament published the first stand-alone report (EU-Taiwan political relations and cooperation) on the Taiwan issue, raising key concerns about security and

economic cooperation with Taiwan as a like-minded partner. The report recommends that the European Commission should intensify bilateral relations and pursue a comprehensive partnership with Taiwan under guidance of the EU's One China Policy.⁴ In 2023, the both sides co-hosted the first minister-level EU-Taiwan Trade and Investment Dialogue (TID), which previous dialogue was held on the deputy minister from Taiwan side and deputy director-general level from EU side.⁵ In the same year, Taiwan's foreign minister Joseph Wu visited Brussels and various national EU capitals. Members of the European Parliament are now more willing to publicly associate with high-level Taiwanese officials. For example, many MEPs have been openly sharing photos with Taiwanese Foreign Minister Joseph Wu on social media. In contrast, past visits by Taiwanese officials were generally kept low-profile by EU representatives to avoid antagonizing China.⁶

From 1952 to 2023, Foreign Direct Investment (FDI) to Taiwan from today's EU members has accumulated to €53 billion, making the EU the largest FDI source for Taiwan. In 2023, EU companies made considerable investments in Taiwan with a total amount of €2.91 billion.⁷ The intensification of relations shows that the EU puts more value on Taiwan's economic potential and its role as a like-

mined partner in the Indo-Pacific. This contrasts to some extent the EU's past interpretation of the One China Policy, and raises the question: Why did this happen and how does the EU engage with Taiwan differently than in the past?

This paper seeks to analyse and explain the evolution of EU-Taiwan relations from 2016 to 2024 during the Tsai Ing-wen administration and offer policy recommendations for the EU to continue to engage with Taiwan. To provide a comprehensive understanding of the EU-Taiwan relations, the study begins by offering a broad overview of the EU-Taiwan partnership. It then examines recent developments during the Tsai Ing-wen administration, particularly in the areas of trade and diplomacy. Subsequently, the study explores why Taiwan holds growing significance for the EU and the factors driving the intensification of co-

operation in recent years. Finally, based on the analysis, this paper presents key policy recommendations for advancing EU-Taiwan relations moving forward.

EU-Taiwan Relations

EU-Taiwan relations have seen significant progress in both economic and diplomatic spheres during Tsai Ing-wen administration. This section provides a comprehensive overview of these developments, highlighting key milestones and offering a visual representation of EU-Taiwan economic relations to enhance the reader's understanding of the dynamics at play. The data visualization will focus on trade volumes, investment flows, and other economic indicators that underscore the growing importance of this EU-Taiwan partnership.

Economic relations. The EU Strategy for Cooperation in the Indo-Pacific, launched in April

2021, underscores the EU's growing strategic interests in the Indo-Pacific region. In recent years, the EU and Taiwan have engaged in various dialogues, such as the Trade and Investment Dialogue and the Industrial Policy Dialogue, alongside several sectoral working groups aimed at deepening cooperation across multiple areas.

Historically, bilateral investment ties between Taiwan and the EU have been robust. Between 1952 and 2023, Foreign Direct Investment (FDI) from the EU to Taiwan amounted to €53 billion, making the EU Taiwan's largest source of FDI. In 2023 alone, EU companies invested €2.91 billion in Taiwan, highlighting the sustained economic partnership. Taiwan ranks as the EU's 12th largest trading partner in terms of merchandise trade and the 5th largest in Asia, following China, Japan, South Korea, and India. Similarly, the EU is Taiwan's

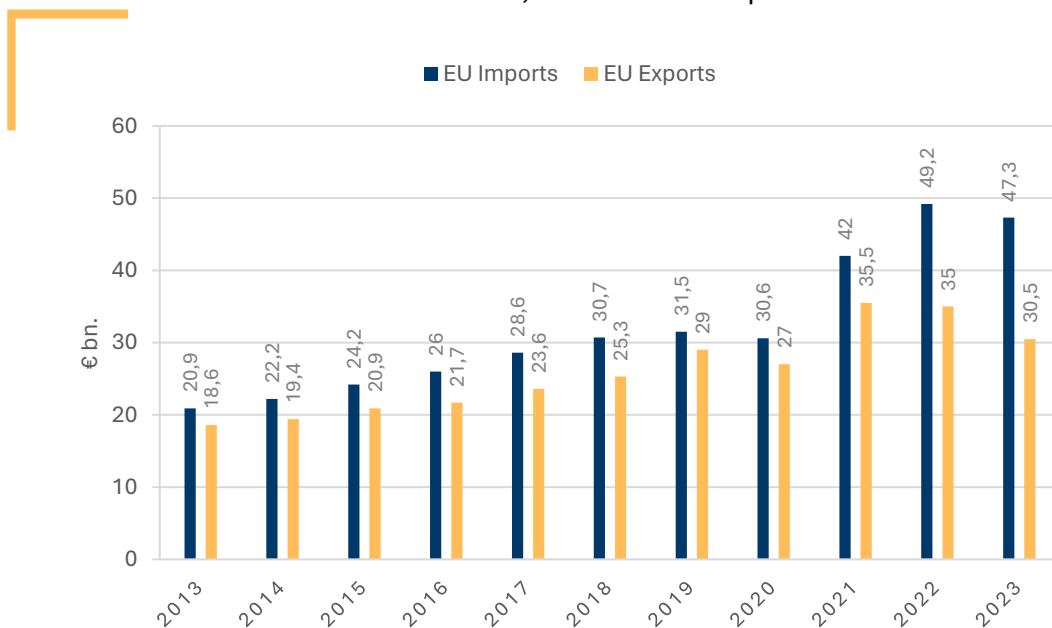


Figure 1 – Annual Growth Rate of Trade Goods & Services Between the EU and Taiwan 2013-2023

Source: Eurostat-European Commission

fourth largest trading partner, after China, the United States, and Japan. In 2022, bilateral trade between the EU and Taiwan reached €84.2 billion, with EU exports to Taiwan totalling €35 billion and EU imports from Taiwan amounting to €49.2 billion. These figures, represented in Figure 1, illustrate the growing strength and importance of economic and trade relations between the EU and Taiwan.

Moreover, the EU and Taiwan have established multiple dialogue platforms to enhance cooperation in the areas of economy, trade, and industrial investment. One of the key platforms is the EU-Taiwan Trade and Investment Dialogue (TID), which has been held regularly since 1981. Initially, the dialogue was co-chaired by the Deputy Minister of Taiwan’s Ministry of Economy and the Deputy Director-General of the European Commission’s Trade Department. However, in 2022, the dialogue was elevated to the ministerial/director-general level, reflecting a commitment to deepening the partnership. This upgrade broadened

the scope of the discussions to include not only traditional trade and investment matters but also strategic cooperation on key economic and trade issues, demonstrating the growing importance of EU-Taiwan relations.⁸ In 2023, both sides held a second dialogue on the minister/director-general level and discussed security-related aspects of trade and investment.⁹

In addition to the Trade and Investment Dialogue (TID), the EU and Taiwan have established several other platforms to further strengthen their economic relations. The EU-Taiwan Industrial Policy Dialogue serves as the highest-level platform for exchanges between the European Commission and the Taiwanese government on industrial policies and the promotion of industrial cooperation.¹⁰ A significant milestone occurred in 2018 when Taiwan and the EU signed the EU-Taiwan Industrial Cooperation Agreement through the European Cluster Collaboration Platform. This agreement was designed to boost cooperation between small and medium-

sized enterprises (SMEs), enabling them to explore global markets and enhance industrial collaboration.¹¹ During the 9th EU-Taiwan Industrial Dialogue, Maive Rute, Director General of the European Commission’s Trade Office, visited Taiwan with a delegation. This visit focused on critical areas such as robotics, research and development (R&D) collaboration, SME internationalization, industrial policy, supply chain resilience, and the exchange of industrial skills. Taiwan also expressed its ambition to be a long-term partner in the Horizon Europe Project, having already collaborated with the EU on initiatives like 5G frameworks. Additionally, both sides have been utilizing the Enterprise Europe Network to foster cooperation among SMEs, further solidifying their economic partnership.¹²

The European Commission regularly organizes the European Innovation Week in Taiwan to enhance cooperation between European enterprises, industrial clusters, and scientific institu-

Table 1 – EU-Taiwan Economic Cooperation Platforms

Platform	Function
EU-Taiwan Trade and Investment Dialogue	In 2023, both sides held a second dialogue on the minister/director-general level and discussed security-related aspects of trade and investment.
EU-Taiwan Industrial Policy Dialogue	Between the European Commission and Taiwanese government for the exchange on industrial policies and promoting industrial cooperation.
EU Cluster Collaboration Platform	In 2018, Taiwan and the EU signed the EU-Taiwan Industrial Cooperation Agreement to advance the cooperation of small and medium-sized enterprises.
EU Innovation Week	To boost cooperation of enterprises, industrial clusters, and scientific institutes with Taiwan.
Enterprise Europe Network	To develop cooperation between small and medium-sized enterprises.

tions with their Taiwanese counterparts. In 2023, the European Commission's Directorate-General for Research and Innovation partnered with Taiwan's National Science and Technology Council to further promote scientific research collaboration. This cooperation aims to involve Taiwanese experts and institutions in the Horizon Europe programme, fostering deeper integration and exchange of expertise in cutting-edge scientific and technological fields.¹³

In terms of semiconductor cooperation, Taiwan's chip manufacturing giant TSMC has approved a €3.47 billion plan to establish its first European plant in Germany, with construction launched in August 2024.¹⁴ According to TSMC's European chief, Paul de Bot, the facility, located in Dresden and known as the European Semiconductor Manufacturing Company (ESMC), is expected to start production by 2027. Germany's Minister for Economic Affairs Robert Habeck highlighted that TSMC's investment in Germany underscores the country's attractiveness and competitiveness as a semiconductor manufacturing hub. According to Kevin Zhang, who oversees TSMC's international operations, this emphasizes the strategic importance for the European semiconductor ecosystem, particularly as it supports Europe's automotive industry. Zhang noted that the Dresden fab would produce chips using the 22-nanometer production node, technology that was first introduced in the mid-2010s. He

added that this facility would enable TSMC to bring advanced MCU (microcontroller unit) technology to the heart of Europe's automotive sector. These chips are essential for controlling key vehicle functions, such as windows, windshield wipers, brakes, and various sensors.¹⁵

In sum, the deepening economic and trade ties between the EU and Taiwan, along with enhanced cooperation in critical technology sectors such as 5G and semiconductors, reflect the European Union's strategic effort to foster closer economic relations with Taiwan as a like-minded partner. This growing economic interdependence is also paving the way for further progress in diplomatic relations, solidifying Taiwan's role as a key player in the EU's broader engagement with the Indo-Pacific region.

Diplomatic relations. EU-Taiwan relations have made substantial progress during Tsai Ing-wen administration, with European officials demonstrating an increased willingness to engage with the Taiwanese government more openly than in the past. While the European Parliament has emerged as the EU institution that is comparatively more supportive of Taiwan, the European Commission is more reluctant to formalize its diplomatic relations with Taiwan. Despite this, the growing public engagement highlights a shift in the EU's approach to Taiwan, reflecting deeper political and economic ties.

In 2021, the European Parliament released its first stand-alone report titled "EU-Taiwan Political Relations and Cooperation" addressed to the High Representative of the EU for Foreign Affairs and Security Policy. This report advocated for the pursuit of a comprehensive partnership with Taiwan, while adhering to the EU's One China Policy. It also condemned China's actions as a threat to stability in the Taiwan Strait and the broader Indo-Pacific region.

The report calls for several key actions:¹⁶

1. It expresses serious concern about China's military aggression towards Taiwan, including exercises and violations of Taiwan's Air Defense Identification Zone (ADIZ). It thus urges the EU and its Member States to collaborate with like-minded international partners to promote peace in the Taiwan Strait and strengthen ties with Taiwan's democratic government.
2. The report highlights concern over China's potential ability to launch a full-scale invasion of Taiwan by 2025, noting that peace in the Indo-Pacific is vital for the EU and its Member States. It warns that military conflict in the Taiwan Strait could significantly disrupt European economic interests and undermine the regional rules-based order, democratic governance, and human rights.
3. It advocates for Taiwan's meaningful participation as

an observer in international organizations like the World Health Organization (WHO).

4. The report suggests renaming the European Economic and Trade Office in Taiwan to the "European Union Office in Taiwan" to better reflect the scope of EU-Taiwan relations.
5. Finally, it recommends conducting an urgent impact assessment and public consultation regarding a Bilateral Investment Agreement (BIA) with Taiwan to prepare for deeper economic ties. However, despite the pressure from the European Parliament, the European Commission and the Member States stayed reluctant to conclude a bilateral treaty with Taiwan.

In 2023, Taiwan's Foreign Minister Joseph Wu undertook two high-level visits to Europe, traveling to nine European countries. In June, Minister Wu visited Poland, the Czech Republic, Belgium, and Italy. Later, in October, he travelled to Lithuania, Estonia, and Latvia. Despite maintaining a generally low profile to avoid causing diplomatic discomfort for EU partners, Minister Wu participated in notable events. On June 14, he attended the European Values Center for Security Policy summit, where Czech President Petr Pavel delivered the keynote address. During this visit, Minister Wu also met with Czech Speaker of the Chamber of Deputies Markéta Pekarová Adamová and Senate President Miloš Vystrčil, both

prominent figures in Czech efforts to strengthen relations with Taiwan in recent years.

After the summit, Minister Wu visited Brussels, where he met the Vice-President of the European Parliament, who publicly tweeted a photo featuring the Taiwanese flag. Wu also engaged with European Parliament members and received certificates from Rasa Juknevičienė, Vice Chair of the Security and Defence Subcommittee. In Italy, Wu discussed potential Taiwanese investments with parliamentarians, including Paolo Formentini, Vice President of the Foreign Affairs Commission. These meetings could lead to stronger relations between Taiwan and Italy in the future.¹⁷

During his October visit, Minister Wu gave a guest lecture at Riga Stradins University in Latvia and held informal meetings with key officials. In Estonia, Wu met with officials at a seminar hosted by the ICDS think tank, where Estonia's Foreign Minister announced the approval of a Taipei Representative Office despite China's objections. Wu's trip concluded in Lithuania, where he delivered a speech at the Seimas alongside Czech Foreign Minister Jan Lipavský and met with Vytautas Landsbergis, recognizing his role in Lithuania's 1991 independence.¹⁸

Conversely, both the European Parliament and individual EU members have shown a keen interest in strengthening EU-Taiwan relations through high-level visits and the establishment of new Taiwanese representative

offices in the EU. Since 2016, over 2,000 European officials have visited Taiwan, with several visits marking significant milestones in the development of bilateral relations between the EU and Taiwan. In 2020, Czech Senate President Miloš Vystrčil led a delegation comprising parliament members and business representatives to Taiwan. During this visit, Senate President Vystrčil not only met with Taiwan's President Tsai Ing-Wen at the Presidential Office but also delivered a speech at Taiwan's Legislative Yuan, echoing John F. Kennedy's famous Berlin speech with the phrase "I am a Taiwanese." In 2023, Czech Chamber of Deputies Chairwoman Markéta Pekarová Adamová led the largest-ever delegation to Taiwan, consisting of more than 150 members, including parliamentarians and business representatives. The delegation included six MPs, notably the chairs of the Foreign Affairs and Defence Committees, and was cross-party, incorporating representatives from five government parties and one opposition party (ANO). The group also encompassed the directors of the Czech intelligence service and the Czech cybersecurity watchdog, alongside representatives from Czech academic institutions, businesses, local governments, and cultural organizations. To further enhance ties, a Czech Hub in Taiwan was officially opened on March 27.¹⁹

In 2022, the Vice President of the European Parliament made a historic visit to Taiwan, where she met with President Tsai Ing-Wen and other Taiwanese government officials. During her visit, she expressed a commitment to stand firm with Taiwan.²⁰ In 2023, German Education Minister Bettina Stark-Watzinger made a significant visit to Taiwan, marking the first time in 26 years that a German cabinet member had travelled to the island. During her visit, Minister Stark-Watzinger signed the Germany-Taiwan Science and Technology Agreement, which aims to enhance collaboration in fields such as artificial intelligence, batteries, hydrogen energy, and notably, semiconductors.²¹ In the same year, Viktorija Čmilytė-Nielsen, Speaker of the

Lithuanian Parliament, also visited Taiwan, further underscoring the growing diplomatic engagement between Taiwan and European countries.²²

In addition to frequent diplomatic visits, new representative offices have been established within the EU. In 2021, Lithuania became the first EU member state to allow Taiwan to open a representative office in Vilnius, defying the convention followed by other EU countries, which typically use the name "Taipei" to avoid antagonizing China. Lithuania's move marked it as the seventeenth EU member state to open a representative office in Taipei.²³ In 2023, Italy furthered this trend by permitting Taiwan to open a second representative office in Milan, officially named

the "Milan Office of the Taipei Representative Office in Italy."²⁴

In summary, EU-Taiwan relations have made significant strides in recent years, although the EU continues to abide by the "One China Policy", as do its individual member states. Notably, the increased frequency of EU officials visiting Taiwan, along with greater transparency and visibility regarding Taiwan issues through official reports, press releases, and social media, reflects a notable shift. Additionally, some European countries, such as Lithuania, have demonstrated a greater willingness to engage with Taiwan and to establish new representative offices under the name "Taiwan," thereby enhancing bilateral relations.

Table 2 – Important Steps for the EU-Taiwan Relations

Type	Details
Report	In 2021, the European Parliament published its first stand-alone report on Taiwan (EU-Taiwan political relations and cooperation).
Visit by Taiwan Officials	In 2023, Taiwan foreign minister Joseph Wu conducted two high-level visits to Europe and visited nine European countries.
Visit by EU and Member State Officials	From 2016 to 2024, more than 2000 European officials visited Taiwan. In 2020, for the first time, the Czech Senate President visited. The EU Parliament's Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (INGE), made its first official visit to Taiwan in 2021. In 2022, for the first time the Vice President of the European Parliament visited Taiwan and met Taiwan President Tsai Ing-Wen. In 2023, the Czech Chamber of Deputies chairwoman Marketa Pekarova Adamova visited.
Taiwan's new diplomatic offices in the EU	In 2021, the Taiwanese Representative Office in Vilnius, Lithuania. In 2023, the Taipei Representative Office in Milan, Italy. In 2023, Estonia agreed with Taiwan to set up a representative office in Tallinn (Taipei representative office).

Key Factors shaping EU-Taiwan Relations

Factor 1: China's wolf warrior diplomacy. In recent years, Beijing's "Wolf Warrior" diplomacy and its use of economic coercion against countries it perceives as adversarial have contributed to a decline in global perceptions of China and have led to increased cooperation with like-minded partners, including Taiwan. A notable example of this aggressive diplomatic stance is China's ambassador to France, Lu Shaye. Known for his inflammatory remarks, Lu has repeatedly insulted French lawmakers, scholars, and media for their pro-Taiwan positions. As a key figure in "Wolf Warrior" diplomacy, Lu controversially stated in an interview regarding the Ukraine war that "those Soviet countries have no effective status in international law." Additionally, he remarked that "Taiwanese people will need to be re-educated if the island is reunified with mainland China" reflecting Beijing's hardline stance on Taiwan and further straining relations with the international community.²⁵ Another example is the involvement of Chinese diplomat Zheng Xiyuan in the violent attack on a Hong Kong pro-democracy protester outside the Chinese consulate in Manchester, UK.²⁶

Such "Wolf Warrior" actions not only damage China's image in the EU but also stand in stark contrast to the professional and amicable demeanour of Taiwanese diplomats in Europe. Taiwan's chief representatives to France, Wu Chih-chung, and to

Germany, Shieh Jhy-wei—both former senior government officials closely aligned with President Tsai—have skilfully leveraged media and public diplomacy to bolster Taiwan's positive image in Europe.²⁷

In sum, the aggressive actions of Chinese diplomats have raised concerns in EU member countries about China's confrontational stance towards democracy, human rights, and the rule of law. This shift in perception has contributed to a change in EU attitudes and policies towards China, making the bloc more receptive and friendly toward Taiwan.

Factor 2: Taiwan's semiconductor value to the world's economy. The COVID-19 pandemic severely disrupted global supply chains, highlighting vulnerabilities in key sectors, including the EU's relative weakness in transversal technologies such as AI and quantum computing. This has prompted the EU to recognize the strategic importance of deeper cooperation with Taiwan, particularly in the semiconductor industry. Europe's automotive sector was notably affected by the global chip shortages. As lockdowns began, many European car manufacturers cancelled orders for new chips from foreign suppliers. When demand rebounded after the pandemic, these companies found themselves at the back of the queue due to the global semiconductor shortage. This bottleneck significantly slowed the recovery of Europe's car industry. Moreover, the growing demand for electric vehicles requires increasingly

advanced chips, which currently can only be produced by the Taiwanese firm TSMC and the South Korean firm Samsung. The EU's dependence on these manufacturers underscores the need for closer collaboration. Complicating matters further is the ongoing US-China tech rivalry, which has resulted in collateral damage to the EU. The United States has implemented stringent measures to prevent China from developing cutting-edge semiconductors, a move that not only affects European firms supplying chip-making equipment to China but also contributes to rising chip prices globally.²⁸

Therefore, the European Union enacted the European Chips Act to strengthen its semiconductor ecosystem, enhance the resilience of supply chains, and reduce reliance on foreign suppliers. Given that Taiwan produces 60 percent of the world's semiconductors and over 90 percent of the most advanced ones, the EU has intensified its cooperation with Taiwan's semiconductor industry. This includes fostering industrial collaboration and negotiating government agreements, such as facilitating TSMC's €3.47 billion investment to build its first European plant. Additionally, the EU has leveraged its existing economic cooperation platforms (see Table 1) to bolster supply chain coordination with Taiwan, ensuring a more robust partnership in this critical sector.

Factor 3: The impact of the Russo-Ukrainian War and China's behaviour abroad.

The deepening strategic partnership between China and Russia, coupled with China's increasingly assertive behaviour abroad, has significantly altered the EU's perception of China, prompting a shift in its policy. In light of China's alignment with Russia and its implicit support for Russia's war in Ukraine, European Commission President Ursula von der Leyen emphasized that "how China continues to interact with Putin's war will be a determining factor for EU-China relations going forward."²⁹ U.S. Secretary of State Antony Blinken echoed this sentiment, stating that China has provided critical components to Moscow's war efforts, with around 70 percent of machine tools and 90 percent of microelectronics imported by Russia coming from China.³⁰ According to the Carnegie Endowment, Beijing exports more than €271.88 billion worth of dual-use items—goods with both commercial and military applications—to Russia each month.³¹

Von der Leyen further remarked that "China is becoming more repressive at home and more assertive abroad." She argued that China has shifted from its previous era of "reform and opening" to one dominated by "security and control." Illustrating this, she noted that Chinese companies are legally required to assist the state in intelligence-gathering efforts while keeping such activities secret. She also cited President Xi Jinping, who stated

that "China must tighten international production chains' dependence on China to form a powerful countermeasure and deterrent capability." During the 20th Chinese Communist Party Congress, Xi also called on the Chinese people to prepare for "struggle" (douzheng and fendou). Von der Leyen concluded that the Chinese Communist Party's clear objective is to engineer a systemic transformation of the international order with China at its core.

Taiwan [...] is a pivotal node in the global semiconductor supply chain.

China's assertive behaviour and its close partnership with Russia during the Ukraine war have heightened EU concerns, signaling that China may have a different vision of the international order. This has led the EU to reassess its policies toward both China and Taiwan. Prior to the war in Ukraine, EU interest in Taiwan was largely framed around economic and value-based issues, with caution regarding diplomatic engagement. However, in the current context, the EU has become more open to strengthening both economic and diplomatic cooperation with Taiwan, seeing it as a "like-minded partner." This was underscored in 2022 when EU High Representative Josep Borrell stated during a European Parliament debate that "the One China policy does not prevent us from persisting and intensifying our cooperation with Taiwan."

This shift illustrates that the EU is increasingly viewing Taiwan independently of its relations with China.³²

Factor 4: Taiwan's resilience as democracy. Taiwan, as a vibrant democracy in Asia, demonstrated significant resilience during the COVID-19 pandemic, which further led the EU to view it as a like-minded partner in the Indo-Pacific region. Taiwan's effective COVID-19 policies helped minimize the pandemic's impact on its population, and its generosity in donating masks and personal protective equipment (PPE) to the EU contributed to Taiwan's positive reputation across Europe.³³

In addition to its public health achievements, Taiwan's experience in combating disinformation and foreign interference in its democratic processes has become equally attractive to the EU. Both Taiwan and the EU are vulnerable to authoritarian cyber threats that aim to undermine democracy. Taiwan faces millions of cyberattacks each month, with estimates ranging between 20 to 40 million.³⁴ Russia and China, in recent years, have weaponized disinformation to disrupt and polarize public trust in European democracies. For instance, Chinese state media frequently disseminates pro-Kremlin narratives and provides platforms for sanctioned Russian media to spread disinformation.³⁵

Given these shared challenges, the European Parliament's Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (INGE), made its first official visit to Taiwan in 2021. The visit focused on exchanging best practices in countering disinformation and foreign electoral interference.³⁶ By 2023, the European Parliament adopted the "Report on Foreign Interference in All Democratic Processes in the European Union, including Disinformation," which called for deeper cooperation between the EU, its member states, and Taiwan in countering disinformation and foreign interference.³⁷ This growing partnership highlights Taiwan's strategic importance to the EU in both economic and security domains, particularly as they face common authoritarian threats to democracy.

Conclusion

During the Tsai Ing-wen administration, relations between the EU and Taiwan have notably improved, with the EU demonstrating a greater willingness to engage with Taiwan more openly and officially. While the EU continues to abide by the "One China Policy," its interpretation no longer precludes cooperation with Taiwan on a range of issues, including economic, diplomatic, and security matters. This shift is evident in the EU's use of economic cooperation platforms to enhance ties with Taiwan, such as the elevation of the Trade and Investment Dialogue to the ministerial/director-general level,

which now includes more discussions on security-related aspects of trade and investment.

Diplomatically, the European Parliament published its first stand-alone report on Taiwan in 2021, encouraging the EU to pursue a comprehensive partnership with Taiwan while condemning the PRC's military aggression, which destabilizes peace and stability in the region. Subsequently, Taiwan's Foreign Minister, Joseph Wu, made two high-level visits to Europe, visiting nine countries. In return, EU representatives have frequently visited Taiwan, further solidifying ties. Taiwan has also expanded its diplomatic presence, exemplified by the opening of the Taiwanese Representative Office in Vilnius, Lithuania, in 2021. From 2016 to 2024, more than 2,000 European officials have visited Taiwan. Notably, in 2022, the Vice President of the European Parliament visited Taiwan and met with President Tsai Ing-Wen, marking a milestone in bilateral relations.

This recent enhancement of EU-Taiwan relations is driven not only by Taiwan's status as a vibrant democracy and crucial technological supplier to Europe but also by growing concerns over China's increasingly repressive domestic policies and assertive foreign actions. The EU has become more cautious about its relationship with China, particularly as Beijing's pro-Kremlin stance during the war in Ukraine has raised alarms about China's reliability as a partner and its potential chal-

lenge to the rules-based international order. Moreover, the war has underscored Taiwan's importance, especially in the event of a conflict in the Taiwan Strait, which could severely disrupt global supply chains and jeopardize semiconductor supplies critical to Europe, as Taiwan produces 60 percent of the world's chips and over 90 percent of the most advanced ones.

To build on these advancements, the author recommends that:

1. The EU should further strengthen its relationship with Taiwan through a multi-agency approach, rather than relying predominantly on the initiative of the European Parliament. The EU must shift its long-standing approach of viewing Taiwan primarily through the lens of China, which would enable a more nuanced and balanced policy on cross-strait relations.
2. The EU should pursue a flexible bilateral trade agreement with Taiwan to expand economic relations across all sectors. A comprehensive economic partnership agreement, akin to the U.S.-Taiwan Initiative on 21st-Century Trade, could bypass the challenges posed by the EU-Taiwan Bilateral Investment Agreement and formalize both sides' economic and technological cooperation.
3. The EU should establish a strategic communications hub in Taiwan to collaborate on tackling disinformation, a

growing challenge globally. In line with the European Parliament's INGE Committee's 2023 report on foreign interference in democratic processes, this hub could operate within the European Economic and Trade Office in Taipei as a regional focal point for cooperation on disinformation. Taiwan's expertise in handling disinformation would provide valuable lessons for the EU.

4. The EU should engage Taiwan in regular technology cooperation under a comprehensive trade framework.

Taiwan's expertise in semiconductors and AI technology is critical to the EU's goal of building a resilient digital economy. Despite current cooperation through the EU-Taiwan Digital Economy Dialogue, a more structured and frequent engagement on technology issues is essential to strengthening Europe's digital capabilities. The European Commission's DG Connect, alongside the AI Office within the Commission and the European Parliament's Special Committee on Artificial Intelligence in a Digital Age (AIDA), could

lead this effort. On Taiwan's side, the Ministry of Digital Affairs (MODA), Ministry of Education (MOE), Academia Sinica, and AI research institutions such as Taiwan AI Labs should be key partners in this collaboration.

About the Author

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