

## **What's Next for Cross-Strait Relations? Trends, Drivers, and Challenges**

August 17<sup>th</sup>, 2021

***Q1: Do you expect a more aggressive foreign policy from Beijing after the 20th Party Congress, especially in light of developments in Afghanistan?***

Well, we can always hope for the best, but we sure need to be prepared for the worst.

Today's China is a regime that does not shy away from showing its ambition and intention. This is evident in Xi's July First speech, where he said that "No one should underestimate the resolve, the will and ability of the Chinese people to defend their national sovereignty and territorial integrity". Therefore, we believe that the CCP's aggressive foreign policy is unlikely to dial down in the foreseeable future. We might even see a more assertive regime after the 20th Party Congress.

Over the past years, the CCP's assertiveness and intimidation have endangered the rules-based international order as well as the status quo of regional peace. In the face of such challenges, our government will continue to enhance our self-defence capabilities to ensure and maintain the cross-Strait status quo. In addition, we will also work together with like-minded countries to jointly secure peace and stability of this region and beyond.

For your question on Afghanistan, I have the same question for you. Do you think we should be worried?

What Afghanistan means for Taiwan? Taiwan is not and will not be another Afghanistan. We are the force for good in the region. Our determination to fortify our national sovereignty and democratic system has never been so strong. We will never succumb to the CCP's intensified pressure and its sabre-rattling. Taiwan never surrenders! Taiwan will continue to strengthen and proactively demonstrate our determination for self-defense. We will also continue working with like-minded country to ensure peace and stability of this region and beyond. Last but not least, we trust that the U.S. knows and understands Taiwan's irreplaceable strategic importance.

## ***Q2: What are the implications and assessment of Xi's July 1st speech?***

To understand the implication of Xi's July First speech, we need to put it under the right lens. As I've demonstrated in my speech, the true nature of the CCP Xi regime is a dual-extreme neo-totalitarian system which is built upon centralized leadership and frantic nationalism, and guided by internal suppression and external aggression.

Language in Xi's July First speech overall reflects China's growing confidence and ambitions. Warning those who dared to "bully, oppress, or subjugate" China "will find themselves on a collision course with a great wall of steel forged by over 1.4 billion Chinese people." Interesting enough, I do find this statement ironic, since it has been the CCP who's bullying and suppressing others, like Taiwan.

In addition, Xi stressed that the CCP had "transformed the future of the Chinese people", "lifted the nation out of poverty", "achieved its first centenary goal of building a 'moderately prosperous society in all respects'", and that "China's national rejuvenation has become a historical inevitability".

Xi also underlined firm leadership of the CCP as the greatest strength of Chinese governance system, referring it as "the foundation and lifeblood of the party and the country, and the key upon which the interests and wellbeing of all Chinese people depend."

This demonstrates Xi's intention to consolidate the legitimacy of the CCP rule by stressing its centrality and making clear that the nation, its people, and the party cannot be separated. In addition, the speech also helps Xi to pave the way for his unprecedented third term in 2022 National Party Congress as he most recently adopted the title of "helmsman"(舵手) last used by Mao.

Next, turning to what this means for Taiwan. Xi devoted one paragraph at the end of his speech addressing the Taiwan issue. Content wise, the speech did not reveal a fundamental shift in Beijing's approach to Taiwan. Mentioning of "one-China principle", "peaceful unification" and "defeat any attempt toward Taiwan independence" are all part of the same old tune played over and over throughout the years.

Although Xi referred to Taiwan issue as a "historic mission" he did not put a timeline on the completion of such mission. Showing that there is no urgency in Xi's policy agenda to resolve the Taiwan issue.

However, Xi continued to link the Taiwan issue with China's "national rejuvenation". As the paramount leader of the dual extreme neo-totalitarian regime, it remains to be seen how

patient Xi Jinping is in making progress on the CCP's historic mission and the extent to which he will turn Taiwan into his legacy issue.

Facing the CCP's encroachment on our sovereignty and security, I want to emphasize that the ROC Taiwan is a sovereign state. Taiwan has never been, and will never be, part of the PRC. Only the 23.5 million people of Taiwan have the right to speak and decide for Taiwan's future and development.

***Q3: What is the state of MAC's discussions with the TAO? Are there areas of expanded cooperation that both sides are discussing?***

Over the past five years, the CCP has deliberately refuse to interact with President Tsai and her government in front of the public eyes. Beijing has therefore unilaterally suspended official bilateral communication since China insists Taiwan must accept the political preconditions.

I want to talk about China's Taiwan policy. For the past five years, simply put, China's Taiwan policy is rigid, negative and without flexibility. They insist Taiwan accepts their so-called "1992 Consensus" which they define as their "one China principle." I want to point out that if we accept the "1992 Consensus," it means we accept China's "framework and process for unification with China." Therefore, we will not accept any political preconditions because of the principles of Taiwan's sovereignty and democracy.

In addition, Xi Jinping's remarks on January second in 2019, known as "Xi's Five Points", is the fundamental principles guiding China's Taiwan policy. Actually, all these 5 points only refer to just one thing, which is to "unify with Taiwan" or "annex Taiwan." Xi speeds up his political agenda to unify with Taiwan as a roadmap under "one country, two systems model for Taiwan". Therefore, the cross-Strait relations have entered a new era of critical moment.

Xi redefined the "1992 Consensus" as "the two sides of the Taiwan Strait belong to one China and should work together for national unification." Xi's redefinition leaves no room for Taiwan's interpretation of what one China means and leaves no room for the existence of ROC Taiwan. Furthermore, Xi said that he would not renounce the use of force against Taiwan. Therefore, the so-called "1992 Consensus" is the path towards unification with China.

Going Forward, both now and into the future, our government's commitment to peaceful and stable cross-strait relations will remain unchanged. And we will maintain a non-provocative and non-adventurist attitude to prevent serious conflict from breaking out in the Taiwan Strait.

However, I would also like to stress that both sides of the Taiwan Strait share the common responsibility to ensure peace and security in this region. As President Tsai said, we hope that the other side of Taiwan Strait will take on the same responsibility and work with us to jointly stabilize the long-term development of cross-strait relation. We are willing to facilitate

meaningful dialogue under the principles of parity and dignity as long as the Beijing authorities sincerely want to resolve differences and improve cross-strait relations.

President Tsai has stressed, when the pandemic is under control, we look forward to the gradual return of regular, orderly people-to-people exchange across the strait to improve mutual understanding and reduce misunderstandings. We hope Beijing can respond positively and make corresponding adjustments. Although, we all know that the reality on the ground is far from optimistic.

But under President Tsai, Taiwan has been and will continue to be the responsible partner of the peace and stability in the Taiwan Strait.

***Q4: How will Beijing respond if Taiwan and the U.S. sign a BTA? And if other countries follow, such as Japan?***

As an export-oriented country, issue like BTAs is close to every Taiwanese people's heart. Although MAC is not the competent authority of Taiwan's economic and trade policy, here's how I see it.

Considering the nature of the Xi's neo-totalitarian regime, the short answer is: Beijing will flip out seeing a Taiwan-U.S. BTA and be hopping mad knowing that Japan and other countries are thinking to jump on the bandwagon.

China has always opposed any form of bilateral economic and trade agreements between Taiwan and other countries. I am sure that when getting wind of such development, Beijing authorities will do everything in their power to block such prospects by upholding the "one China principle".

But make no mistake, the ROC Taiwan is a sovereign country and separate customs territory under the WTO. Expanding economic activities and negotiating trade agreements with other countries are our due rights. It is really not the CCP's place to give it's two cents.

As an important player of the Indo-Pacific region and a responsible stakeholder of international community, how, when and with whom Taiwan chooses to sign BTAs/FTAs shall be on our own discretion.

In the face of the U.S.-China trade conflict, global supply chains realignment, and challenges posed by the post-pandemic global economic recovery, naturally Taiwan needs to continue our diversification strategy to manage potential economic risks. Signing BTAs is definitely one of the options this government put on the table. This means to continue on-going dialogues with important trading partners such as the U.S, Japan and the EU to strengthen bilateral and multilateral economic cooperation.

***Q5: What's Taipei's view of TSMC's operations in China, specifically the planed Nanjing expansion?***

Thanks your Jude. However, MAC is not the main competent authority of this matter, what I can provide you and our online audience can only be my humble observation.

We are fully aware that the U.S.-China trade dispute, the COVID-19 pandemic, and the global chip shortage have all contributed to worldwide recognition of semiconductors as an important strategic asset.

Since Taiwan is home to world-leading chip industry, preventing our key technology and hi-tech personnel from being infiltrated by the CCP's "red supply chain" has always been an important task to protect our industry's competitiveness and ensure our economic security.

We do carefully review each and every investment proposal with highest standard, making comprehensive assessment on the possible impact of such project on Taiwan's own supply chains and potential implication on national security.

The TSMC's latest proposal to expand production at its Nanjing fab, has largely to do with global chip shortage. Since after the expansion, the Nanjing fab still lags behind TSMC's most advanced plants by at least two generations and it will not impact on TSMC's paid-in capital in Taiwan, the plan was approved by our government last month through existing review mechanisms. The Taiwan authorities concerned have carried out comprehensive consideration over the balance among industrial development, international competitiveness, protection of IPRs, national security and interests in the process of decision-making.

**Q6: *Who is advising Xi on Cross-Strait relations?***

As far as I can tell most of Taiwanese experts on China will say that Xi himself is his own advisor on Taiwan issues. Plain and simple.

Unfortunately, things are never this simple when it comes to cross-Strait relations. As I've always said, cross-Strait relations are complex, critical, sensitive, and subtle.

On paper, the Central Leading Group for Taiwan Affairs is at the heart of the CCP's cross-Strait policymaking. Its members include agencies from the state, party, and military systems, conducting inter-agency research and jointly handle Taiwan-related issues, including advising Xi Jinping on cross-Strait matters.

However, Xi is confident that he knows more about Taiwan than anybody else, even his predecessors. He was the party official, first in Fujian province for 17 years and then in Zhejiang for 5 years, where he dealt with many Taiwanese businessmen and visitors from Taiwan. Therefore, Xi believes that he knows and understands best when it comes to Taiwan. On this account, we believe that Xi himself leads the direction of the CCP's overall policy on Taiwan and is the one who makes the final calls on major cross-Strait decisions.

Knowing Jude is an excellent expert on the China-related issues, I am sure you must have more to add on.

***Q7: How far can Taipei grow its relationship with the U.S. before it crosses a Beijing red line?***

This is a critical question, yet a tricky one.

However, red line or not, I do want to make the following two points clear.

First, the ROC Taiwan is a sovereign state. We have never been, and will never be, part of the PRC. It is Taiwan's fundamental right and is only natural for us to cooperate and interact with members of the international community. As a democratic and rule of law nation, our government is only responsible to its 23.5 million people living on this island. And what our people want is to enjoy full right to international participation.

It has been unreasonable, not to mention unacceptable, that the Beijing authorities view and claim any attempts of Taiwan to expand our international space as a challenge to their "one China principle" and violation of their self-defined red line.

The truth is, the CCP's bullying measures and pressure campaign against Taiwan have been counterproductive. They not only help strengthen Taiwanese people's resolve to defend our democracy and identity; they also cause wariness among international community toward China's conduct, confirming all the criticisms made about the CCP.

Secondly, President Tsai's consistent approach to cross-Strait issues has been to refuse to buckle under pressure, but also not to engage in rash behaviour when we have support. Our policy goal remains consistent and clear, and that is to maintain peace and stability across the Taiwan Strait.

***Q8: What is the state of Taiwan-Hong Kong relations since the passage of the National Security Law on Hong Kong? How has Taiwan responded to Hong Kong citizens seeking political asylum?***

Beijing's unfounded claims saying that Taiwan has intervened in Hong Kong's affairs. It's not true and belittle Hong Kong people's aspiration to pursue their own freedom and democracy. This also shows how far away the Beijing and Hong Kong authorities are from public opinion.

Taiwan's consistent position has been to support the Hong Kong people's pursuit of freedom, democracy, human rights and rule of law. While the irreversible deterioration of situation in Hong Kong sparks concern around the world; Taiwan, as a democratic country and a member of the democratic value-community, continues to pay close attention to the developments in Hong Kong. But we have not and will not intervene.

In terms of Hong Kong people seeking assistance due to the implementation of the Hong Kong National Security Law, our government agencies will provide appropriate humanitarian support on a case-by-case basis. We announced the Hong Kong Humanitarian Aid Project and established the Taiwan-Hong Kong Office for Exchanges and Services last year to provide Hong Kong people with assistance and necessary care based on humanitarian spirit and in accordance with existing laws and regulations.

Hong Kong's tragedy, the story of Hong Kong, provides an important lesson for Taiwan. It not only teaches us that the CCP cannot be trusted. It also consolidates our belief in sovereignty and democracy.

Sovereignty is the first priority that Taiwan needs to hold on to. Only sovereignty can ensure the basic rights of democracy, human rights, freedom, and rule of law. And with these basic rights can we secure our personal achievement, happiness, wealth, and security.