

# Taiwan's 2024 presidential election and cross-Strait relations

## Consequences for the European Union

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### Summary

- Taiwan's presidential election on January 13, 2024 could have regional and global implications. It appears that the election will be fought by four candidates: Lai Ching-te for the Democratic Progressive Party (DPP); Hou Yu-yi, the official candidate of the Kuomintang (KMT); Terry Gou, who launched his independent candidacy in August 2023 after failing to earn the KMT nomination; and Ko Wen-je for the Taiwan People's Party (TPP).
- The outcome of the election could affect the interests of the European Union (EU) for a number of reasons: first, the EU is reliant on Taiwanese semiconductor production; second, the risks associated with a crisis in the Taiwan Strait could have adverse effects on global peace and security; and, third, the Taiwan Strait has great importance as a trade passage for the EU economy.
- While the DPP's Lai rejects the so-called 1992 Consensus, a formula whereby Taiwan and China mutually tolerate, but do not agree on each other's contending opinions on "One China", the KMT's Hou and independent Gou support it, and the stance of the TPP's Ko remains ambiguous. The EU's preference for maintaining the status quo on Taiwan could benefit from candidates like Hou, Gou or Ko, who could facilitate Taiwan's dialogue with Beijing. That said, Lai's criticism of China's handling of Xinjiang and Hong Kong would probably lead to greater conformity with the values of the EU.
- Ko and Hou aim to enhance cross-Strait economic interchange by reviving negotiations on the Cross Strait Service Trade Agreement (CSSTA). In opposing the CSSTA, Lai has pushed for enhanced bilateral exchanges with Australia, Japan and the US. Like Lai, Gou has urged Taiwan to pursue trade diversification and move away from its current reliance on trade with China. Hou and Ko's aspirations to enhance Taiwan-China economic engagement would move them towards closer economic integration. Enhanced economic interactions between Taiwan and China could expose Taiwan to Chinese pressure which, among other things, could affect the EU's semiconductor supply.
- All four candidates have indicated their unceasing willingness to continue military cooperation with the US. Lai's recent diplomatic interactions with the US have triggered military action from China. Should Lai become president, the EU might therefore have reasons to expect an even greater need to navigate its response to Chinese military provocation of Taiwan.

## Introduction

Leaving behind its 20th century history of martial law and constrained civil and political freedoms, Taiwan has become a progressive and democratic polity over the past three decades. In January 2024, the population is due to decide who will be Taiwan's fifth democratically elected president. Recent opinion polls suggest that the election will be fought between four main candidates: the incumbent vice president, William Lai Ching-te (賴清德), for the centre-left Democratic Progressive Party (民主進步黨, DPP); Hou Yu-yi (侯友宜), representing the conservative Kuomintang (國民黨, KMT), Terry Gou (郭台銘), who previously attempted to run for the KMT but, having failed to do so, is running as an independent, and Ko Wen-je (柯文哲) founder of and candidate for the centre-right Taiwan People's Party (台灣民眾黨, TPP).

Analysts have described how the candidates' cross-Strait policies will be a prominent feature of the 2024 Taiwanese Presidential election. The election is also likely to have ramifications for the European Union (EU). Through its "One China Policy", the EU advocates for a China-Taiwan relationship based on "peaceful interaction and constructive engagement". In its dialogues with China, the EU has moreover consistently criticised China's human rights record in Xinjiang, undemocratic developments in Hong Kong and Chinese territorial violations in the South China Sea. Taiwan's status as the world's largest producer of semiconductors makes collaborating with Taiwan pivotal for the EU. The European Parliament and the European Commission have also expressed an ambition to strengthen the EU's trade and investment ties with Taiwan. This Brief contrasts the candidates' official statements and policy proposals, exploring the possible consequences for the EU in three areas: Taiwan's international status, economic relations with China and defence policy.

## Taiwan's presidential election

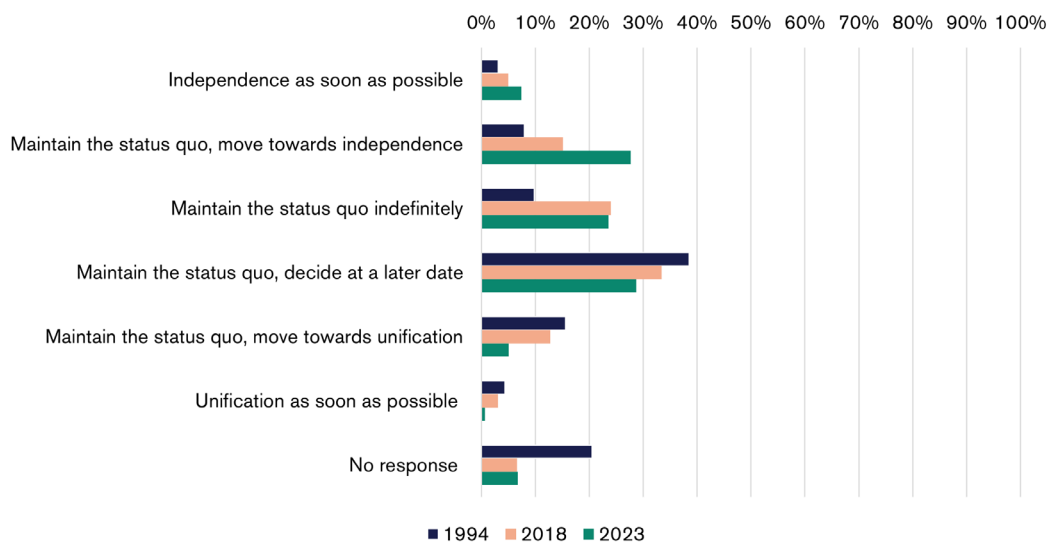
Taiwan is a semi-presidential democracy that holds presidential and parliamentary elections every four years. In 2020, voter turnout was around 75 per cent. Since 1996, Taiwanese presidents have been elected in direct elections that require a simple majority for victory. Re-election is limited to two consecutive terms, which prevents the incumbent, President Tsai Ing-wen (蔡英文) of the Democratic People's Party who has held office since the 2016 election, from seeking another term in office. Taiwan's presidential election is aligned with parliamentary elections for the Legislature, the Yuan. Taiwanese voters select their district representative and vote for a preferred party. The Legislative Yuan comprises 113 seats – 73 elected by individual ballots and the remaining 34 distributed proportionally.

## Taiwan's international status

The 1992 Consensus formula is a non-official memorandum negotiated by Taiwan's Strait Exchange Foundation (SEF) and China's Association for Relations Across the Taiwan Strait (ARATS).<sup>1</sup> By recognising the diverging views on Taiwan's status in relation to China, the memorandum enables the SEF and ARATS to circumvent resolving the future of Taiwan and of China's relationship with it, and allows for trade talks across the Strait.

China's approach to "One China" is that Taiwan is "an inalienable part of China's territory".<sup>2</sup> In January 2019, China's President Xi Jinping (习近平) clarified his understanding, stating his ambition to pursue a "One Country, Two systems" model for Taiwan.<sup>3</sup> As China understands it, this would mean that while the rest of China implements a socialist system OR "planned economy", Taiwan's capitalist model would remain intact – at least "for a long period of time".<sup>4</sup> Xi Jinping has also made clear several times that China would never renounce using force against Taiwan to achieve reunification.<sup>5</sup> Xi's statements suggest that if Taiwan's resistance to China is not properly sustained, it may spur China to push for a more rapid shift in the Taiwan Strait's status quo.

President Ma Ying-jeou (馬英九) embraced the 1992 Consensus on commencing his first term in 2008.<sup>6</sup> Ma conceived that the One China principle was in accordance with the Constitution of the Republic of China (ROC, Taiwan), which declares that Taiwan is the sole legitimate government of China and Taiwan. Ma Ying-jeou's approach differed significantly from the stance taken by his successor, Tsai Ying-wen. President Tsai's more confrontational approach to China was illustrated by her response to Xi Jinping's 2019 statement on pursuit of a "One country, two systems" model for Taiwan, when she declared Taiwan's firm opposition to the 1992 Consensus.<sup>7</sup> The 1992 Consensus has not achieved widespread understanding among the Taiwanese population. A recent survey shows a varied interpretation of what "One China" constitutes.<sup>8</sup>



**Table 1** Taiwan population's preferred handling of the Taiwan-China dynamic<sup>9</sup>

### The candidates' positions

Divisions over the approach to the 1992 Consensus are also reflected in the positions of the 2024 presidential candidates. Lai has previously labelled himself pro-independence.<sup>10</sup> In April 2018, however, he explained that "Taiwan is a sovereign, independent nation and therefore does not need to declare independence".<sup>11</sup> In June, he cautioned that accepting the 1992 Consensus would steer Taiwan in the same direction as Hong Kong.

	William Lai Ching-te	Hou Yu-yi	Terry Gou	Ko Wen-je
<i>Position on 1992 Consensus</i>	Opposes the claim that there is any consensual understanding in Taiwan of the 1992 Consensus; instead, argues that Taiwan is not part of China and China is not part of Taiwan	Accepts the 1992 Consensus, arguing that it is compatible with the ROC Constitution	Stresses that Taiwan should continue to abide by the 1992 Consensus but restart negotiations with China on One China to reaffirm Taiwan's standing	Remains ambiguous regarding his stance on the 1992 Consensus formula; emphasises the need for meaningful cooperation across the Taiwan Strait

Although Lai has recently attempted to approach the question of independence more pragmatically, his pro-independence reputation lingers. In July 2023, Lai again clarified that Taiwan is not part of China and China is not part of Taiwan.<sup>12</sup> Moreover, during a visit to New York in August 2023, he repeated his stance that Taiwan does not need to declare independence because “Taiwan is already a sovereign, independent country called the Republic of China”.<sup>13</sup> Whereas some predict that Lai will continue Tsai’s candid but pragmatic approach to China, others have cautioned that should Lai become president, he might advocate Taiwan’s independence.<sup>14</sup> In its immediate reactions to Lai’s US visit, the Chinese ministry for foreign affairs portrayed him as clinging stubbornly to “the separatist position for Taiwan independence”.<sup>15</sup> At the same time, Lai continued to express his ambition to continue Taiwan’s exchanges with China to promote the peaceful development of Cross-Strait relations.<sup>16</sup>

In July 2023, Hou clarified that he accepted the 1992 consensus.<sup>17</sup> While believing the One China formula to be compatible with the ROC Constitution, Hou clarified his disapproval of its interpretation as representing the principle of “One Country, two Systems”.<sup>18</sup> In contrast to Lai’s argument that there is no need for Taiwan to declare independence, given that Taiwan is already independent, Hou points out that the constitution makes no reference to independence.<sup>19</sup> Arguing that the ROC Constitution represents Taiwanese public opinion and should therefore be abided by, Hou has stated that “If independence advocates are serious in their convictions they should try and amend the Constitution, with the support of Taiwan’s 23 million people”.<sup>20</sup>

However, Hou was initially reluctant to declare his position on the 1992 Consensus.<sup>21</sup> This might be explained by indications that the KMT’s candidate for the 2020 Taiwan Presidential election, Han Kuo-Yu (韓國瑜), lost after announcing his ambition to improve Taiwan’s relations with China.<sup>22</sup> Hou’s decision to declare his support for the 1992 Consensus is probably explained by two factors: the KMT has traditionally been more accommodating in its relationship with China and Hou’s candidacy has been overshadowed by official statements from other leading KMT figures, such as former president Ma Ying-jeou, taking a firmer stance on strengthening Taiwan-China ties.<sup>23</sup>

Similarly, Hou’s main challenger in the May 2023 bid to be the KMT’s official presidential candidate, Terry Gou – founder of the global manufacturer of electronic equipment, Foxconn – has argued that Taiwan should continue to abide by the 1992 Consensus, cautioning that not doing so would further deteriorate the cross-strait relations.<sup>24</sup> Prior to losing the nomination, Gou made a speech on Kinmen, the Taiwanese island situated off the coast of China.<sup>25</sup> In that speech, Gou stressed that the 1992 Consensus is key for peace in the Taiwan Strait and pledged that, should he become president, he would re-

start negotiations with China on clarifying “One China” in order to reaffirm the standing of Taiwan. In August, Gou revealed his plans to provide US\$20 million, among other things, to create a think tank and a media platform for gathering and circulating information on promoting peace in the Taiwan Strait.<sup>26</sup>

As a former mayor of Taipei, the TPP's Ko has never accepted the Chinese interpretation of the 1992 Consensus formula, referring to China's reluctance to provide a clear view of its interpretation.<sup>27</sup> Ko has previously stressed that maintaining peace in the Taiwan Strait requires “deterrence and communication”.<sup>28</sup> Ko has also remained ambiguous on his own stance on the 1992 Consensus formula while pursuing his presidential election campaign.<sup>29</sup> It is therefore difficult to predict what his position would be should he be elected. Countering Lai and Hou, Ko has portrayed himself as the golden mean between pursuing independence or adopting the One Country, Two Systems formula.<sup>30</sup> Moreover, instead of clarifying his stance on the 1992 Consensus, in June, 2023 Ko positioned himself as prioritising meaningful exchange across the Strait.<sup>31</sup> Ko also stated that Beijing should clarify its interpretation of one China before he would be willing to accept the 1992 Consensus.<sup>32</sup> All the above show that Lai, Hou, Gou and Ko's lowest common denominator is that One Country, Two Systems is a development that none of them would want for Taiwan.

## Consequences for the European Union

Through its One China Policy, the EU supports a China–Taiwan relationship based on “interaction and constructive engagement”.<sup>33</sup> While the EU has no official diplomatic relations with Taiwan, the EU's One China Policy means that it has trading relations with Taiwan. It also recognises that Taiwan shares the EU's values on freedom, democracy, and respect for human rights and the rule of law.<sup>34</sup>

History shows that China tends to take a more assertive stance when the DPP is in power and a more pragmatic approach when the KMT is in office.<sup>35</sup> If Hou or Gou become president, Taiwan will probably be inclined to adopt a more conciliatory stance towards China.<sup>36</sup> Thus, in the light of the EU's preference for constructive engagement on the Taiwan Strait, Hou would probably lead to more interaction. Given Ko's thus far ambiguous pronouncements on the 1992 Consensus, it is unclear what his position would be should he be elected, including on Taiwan's overall relationship with China.

On the other hand, like the EU, Lai has previously been critical of the re-education centres in Xinjiang, the heightened tensions in the South China Sea and China's “military adventurism” in the Taiwan Strait.<sup>37</sup> Should Lai become president, the fact that he is more inclined to vocalise his critical approach to China, which is more aligned with EU values, could provide the EU with a valuable ally in upholding a rules-based regional and global order.

## Cross-Strait economic relations

China is Taiwan's main trading partner, representing 25.2 percent of Taiwan's total trade in 2021,<sup>38</sup> and 21.6 percent of Taiwan's imports. Taiwan's second biggest trading partner, the US, accounts for 12.6 percent of Taiwan's total trade and just 10.2 percent of its imports.

In 2010, during the KMT presidency of Ma Ying-jeou, China and Taiwan signed an Economic Cooperation Framework Agreement (ECFA), which lifted or reduced duties on goods worth US\$14 billion.<sup>39</sup> Taiwan's Mainland Affairs Council has described the ECFA as beneficial for Taiwan's global competitiveness and long-term economic development, and for Taiwan's prospects of signing trade agreements with other countries.<sup>40</sup>

However, developments in Hong Kong following enactment of the 2003 Hong Kong-China Closer Economic Partner Agreement (CEPA) have influenced Taiwan's perceptions of the costs and benefits of signing the ECFA.<sup>41</sup> A retrospective analysis revealed that CEPA's policies on trade relaxation and enhanced market access were the first step in Hong Kong's full political and social integration with China.<sup>42</sup> Against this backdrop, voices in Taiwan began to fear that Taiwan's deeper economic interaction with China risked similar developments to those that followed adoption of CEPA, which eventually led to China's political crackdown on Hong Kong following the protests in 2019.<sup>43</sup>

Despite criticism, President Ma's administration finalised negotiations with China on the Cross-Strait Service Trade Agreement (CSSTA) in 2013. The purpose of the CSSTA is to facilitate Taiwan-China trade and investment in the finance, healthcare and telecommunications industries.<sup>44</sup> Ma's attempts to rush the CSSTA through the National Assembly, however, sparked significant domestic criticism. This inspired the 2014 Sunflower Movement, a student-led uprising against Ma's policies.<sup>45</sup> Adoption of the CSSTA has been paused since the mass protests.

### The candidate's positions

The CSSTA has gained renewed attention in the run-up to the 2024 presidential election campaign. Both Ko and Hou have expressed a desire to resume negotiations.<sup>46</sup>

	William Lai Ching-te	Hou Yu-yi	Terry Gou	Ko Wen-je
<i>Position on Cross-Strait economic relations</i>	Opposes implementation of the CSSTA. Stresses that Taiwan should pursue diversification through enhanced trading relations with "like-minded" partners	Has supported resuming the CSSTA negotiations; endorses enhanced economic cooperation with China	Has not made any statements on the CSSTA but has urged Taiwan to reduce its economic dependency on China; argues Taiwan should enhance trading links with Japan, Southeast Asia, the US and Europe	Supports resuming the CSSTA negotiations

In a white paper published in June 2023, Ko stated that Taiwan and China should recommence their negotiations on the CSSTA and indicated that he wishes to enter into an agreement on trade in goods.<sup>47</sup> His support for the CSSTA met with criticism from leaders pre-

viously active in the 2014 Sunflower movement.<sup>48</sup> In its election manifesto, the TPP states that it will seek to increase foreign direct investment in Taiwan and Taiwan's participation in international financial organisations.<sup>49</sup> Nonetheless Ko's call for Taiwan to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – a trade agreement between 12 parties, including the United Kingdom since July 2029, intended to eliminate trade barriers – has included a statement that cross-Strait dialogue must be improved before Taiwan could join.<sup>50</sup> Moreover, Ko has rejected calls to support Taiwan's participation in the Regional Comprehensive Economic Partnership (RCEP), a trade pact involving 15 Pacific nations including China.<sup>51</sup> Ko's stance stems from his conviction that China would not accept Taiwan's inclusion.

Like Ko, Hou believes that the CSSTA negotiations should be resumed.<sup>52</sup> Hou has also endorsed enhanced bilateral cooperation with China on the economy, trade, education and culture.<sup>53</sup> However, in contrast to Ko, Hou has taken a more assertive stance on Taiwan joining the CPTPP.<sup>54</sup> While recognising the difficulties of obtaining approval from the other member states, Hou has called on Taiwan not to give up on its membership ambitions. In August 2023, Hou expressed support for Taiwan signing trade agreements with other countries, in addition to actively participating in the RCEP and the CPTPP.<sup>55</sup> In July 2023, Hou called for a legal review of the first agreement under the US-Taiwan Initiative on 21st Century Trade, which has already entered into force.<sup>56</sup> The initiative is a framework for facilitating trade talks. Hou was asked why he has never called for a similar review of the CSSTA.<sup>57</sup>

In contrast to Ko and Hou, Lai stated in August 2023 that he does not support finalising negotiations on the CSSTA.<sup>58</sup> In his Four Pillar Plan for Peace, launched in July, Lai stressed that Taiwan's overreliance on China has exposed it to risks of economic coercion.<sup>59</sup> According to Lai, Taiwan should pursue diversification by enhancing trade relations with "like-minded" partners.<sup>60</sup> In a meeting with a US delegation in June 2023, Lai asked for US diplomatic support for Taiwan's aspiration to join the CPTPP and called for ties between the US and Taiwan to be enhanced.<sup>61</sup> When meeting with the former Japanese prime minister, Aso Taro, in August 2023, Lai emphasised his aspiration to enhance Taiwanese-Japanese economic collaboration.<sup>62</sup>

Gou has not made any statements on the CSSTA, the CPTPP or the RCEP. However, in March 2023 Gou urged Taiwan to loosen its economic dependency on China and instead pursue trade diversification through enhanced trading links with Japan, Southeast Asia, the US and Europe.<sup>63</sup> Gou has also claimed that China would not be able to exert pressure on him through his assets in Foxconn – partly because it would negatively affect global pension funds and partly because it would disrupt supply chains, which according to Gou would risk damaging China's global reputation.<sup>64</sup>

## **Consequences for the EU**

Although the EU recognises Beijing as the sole legal government of China, this has not precluded it from sustaining exchanges with Taiwan, particularly with regard to trade.<sup>65</sup> In a speech delivered in October 2021, Margarethe Vesthager, Executive Vice President of

the European Commission, stressed the EU's ambition to deepen trade and investment relationships with Taiwan.<sup>66</sup>

As full members of the World Trade Organisation (WTO), the EU and Taiwan have the ability to enter into trade agreements. In 2015, the EU and Taiwan commenced discussions on an EU-Taiwan Bilateral Investment Agreement (BIA),<sup>67</sup> but the negotiations have remained on pause since 2022. The EU's official explanation is that Taiwan's market is already sufficiently open.<sup>68</sup> Some believe that the real reason for the EU's failure to advance the BIA is its fear of upsetting China.<sup>69</sup> The EU has stated that it regards the Economic Cooperation Framework Agreement (ECFA), as well as enhanced economic, trade and investment interactions between Taiwan and China as having a positive impact on Taiwan's economy.<sup>70</sup> It is also possible to argue, however, that too close economic interactions between Taiwan and China could expose Taiwan to Chinese economic coercion.

In her 2021 speech, Vesthager described Taiwan's semiconductor production as crucial for the EU to achieve its goals of strengthening supply chains.<sup>71</sup> The EU aims to host 20 percent of global semiconductor production by 2030. The EU's strategy therefore leaves it dependent on trusted, like-minded partners.<sup>72</sup> As the world's largest producer of semiconductors, EU collaboration with Taiwan is key.<sup>73</sup>

As noted above, Gou has claimed that China will not be able to put pressure on Taiwanese businesses such as Foxconn.<sup>74</sup> However, in June 2022, Chen Wenling (陈文玲), Chief Economist at a Centre overseen by China's National Development and Reform Commission, urged China to "seize" control of TSMC, the world's biggest semiconductor producer, to counter third countries' economic coercion.<sup>75</sup> Too close economic interactions between Taiwan and China have previously exposed Taiwan to Chinese economic coercion, as was illustrated in August 2022 when China imposed import restrictions on Taiwan's fish stocks in response to the visit of Speaker of the US House of Representatives Nancy Pelosi to Taiwan.<sup>76</sup> This suggests that the level of economic dependency is sufficient for China to put substantial pressure on Taiwan.

Moreover, as in the example of fish exports, China is the largest market for Taiwan's exports of semiconductors,<sup>77</sup> with 40 percent of its annual sales in 2021. TSMC is a Dutch developer and manufacturer of photolithography machines used in computer chip products, and ASML's biggest customer for lithography machines.<sup>78</sup> Through Shanghai Micro Electronics Equipment, a Chinese company that conducts research on, designs, manufactures and sells semiconductor equipment, China has begun to produce lithography machines that might challenge ASML.<sup>79</sup> Closer economic relations between China and Taiwan could therefore play out in favour of Chinese purchasers, negatively affecting EU industries.



## Defence policy

Taiwan's aim is to ensure its continued existence as a nation and thus to deter China from pursuing unification by force.<sup>80</sup> The prevalence of the Chinese threat is discussed in Taiwan's *2021 Quadrennial Defense Review*, which sets out its national defence strategy.<sup>81</sup> Taiwan's defence policy sets five goals: fortifying Taiwan's national security through deterrence; optimising and modernising Taiwan's defence capabilities; striving for a self-reliant defence base; ensuring readiness for disaster relief; and expanding partnerships in the Indo-Pacific as an explicit reaction to China's military expansion there.

In August 2023, President Tsai announced a plan to increase defence spending to 2.6 percent of gross domestic product in 2024, an increase of 7 percent on 2023.<sup>82</sup> The US is Taiwan's biggest arms supplier. The US commitment to provide Taiwan with defence equipment and defence services is based on the Taiwan Relations Act.<sup>83</sup> Through its "Six Assurances Policy", adopted under US President Ronald Reagan, the US has an open-ended commitment to provide Taiwan with weapons.<sup>84</sup> The US announced its most recent arms supplies to Taiwan in August 2023, pledging to provide arms to the value of US \$500 million.<sup>85</sup>

## The candidates' positions

	William Lai Ching-te	Hou Yu-yi	Terry Gou	Ko Wen-je
<i>Position on military cooperation</i>	Emphasises maintaining US-Taiwan military cooperation; Has stated that he wants to enhance deterrence through more exchanges with other countries on joint training, civil defence and information exchange	Emphasises maintaining US-Taiwan military cooperation; Previously expressed certain ambiguous positions on limiting the duration of military service	Emphasises maintaining US-Taiwan military cooperation; Has however urged Taiwan to put in place greater self-defence capabilities; Blames the DPP government for China's military exercises	Emphasises maintaining US-Taiwan military cooperation; Has nonetheless stressed that Taiwan should refrain from relying on any single external actor in ensuring its defence capabilities.

The DPP's Lai has expressed a willingness to continue Taiwan-US military cooperation.<sup>86</sup> Hou has declared that he wishes for US arms supplies to continue, arguing that this will enable Taiwan to defend itself.<sup>87</sup> Similarly, Ko recognises the US as Taiwan's most important ally, and the only ally willing to provide it with weapons.<sup>88</sup> Thus, without specifying either the scope or the form they wish military cooperation with the US to take, Lai, Hou and Ko all agree that military cooperation with the US should continue.

While expressing gratitude for US military support, Gou has stressed that "Taiwan has to take control of its destiny, strengthen deterrence capability and, at the same time, deliver an approach to peace that benefits the region and the globe, but most of all itself".<sup>89</sup> In doing so, he has made clear that Taiwan needs to negotiate further clarity within the One China framework. Nonetheless, while insisting that he would recommence negotiations with China, he has also stated that he would continue to purchase or produce weapons to enhance Taiwan's military capability.<sup>90</sup> Responding to the military exercises China launched following Tsai's meeting with the then Speaker of the US House of Representatives, Kevin McCarthy, in April 2023, Gou stated that they were aimed at the DPP government

rather than the people of Taiwan.<sup>91</sup>

Although not stated as explicitly, it is likely that Gou's opinion on Taiwan pursuing greater self-reliance in military defence is shared by the other candidates. Ko has stressed that Taiwan should not rely on any external actor in ensuring its defence capabilities.<sup>92</sup> This should not least be seen in the light of the fact that no candidate opposes the five goals mentioned in the *Quadrennial Defense Review*, and that no candidate has opposed the Tsai administration's plan to increase Taiwan's defence spending.

Thus, there are no indications that any candidate would push for significant changes to Taiwan's defence posture. Announcing his "Four pillar plan for peace", Lai set out his ambition to enhance deterrence through greater exchanges with foreign countries on joint training, civil defence and information exchange.<sup>93</sup> After creating some initial confusion about whether he would cut military service to four months from the current 12 months, in July 2023 Hou stated that he would "ensure stability and peace across the Strait before cut[ting] military service to four months".<sup>94</sup>

## Consequences for the EU

The EU's One China policy is clear that it wants to ensure that security and stability are maintained in the Taiwan Strait.<sup>95</sup> It has consistently condemned China's provocations and threats of violence against Taiwan.<sup>96</sup> In April 2023, the European Commission's High Representative for Foreign Affairs and Security Policy, Josep Borrell, called on member states to send warships to monitor the Taiwan Strait in response to China's hostilities.<sup>97</sup> This statement could be seen in the context of the European Parliament's call for the Commission to act on China's aggressive behaviour towards Taiwan, which in turn amplified the calls for further diplomatic responses from EU officials.

The European External Action Service is developing measures to coordinate a response should relations in the Taiwan Strait deteriorate further.<sup>98</sup> In the short term, the EU's immediate issue is the conflicting pledges made by EU leaders on their commitments in the Taiwan Strait. In March 2023, President of France Emmanuel Macron declared that the EU should not get entangled in an escalation between China and the US.<sup>99</sup> In an attempt to provide reassurance of the robustness of the transatlantic link, German Foreign Minister Anna-Lena Baerbock pledged to maintain dialogue with the US should a conflict erupt in the Taiwan Strait.<sup>100</sup> The fragile security situation in the Taiwan Strait shows no sign of improving. In these circumstances, it is conceivable that the EU and its member states might find it necessary to further clarify their posture in the course of the coming presidential term.

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