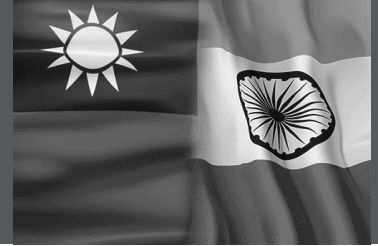
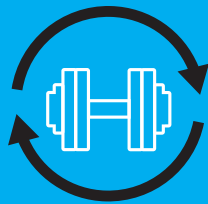


Establishing Formal Ties with Taiwan



India follows **“One China Policy”** and regards Taiwan as part of People’s Republic of China (PRC). But the situation is changing since 1995 as India and Taiwan have established and maintained representative offices in each other’s capitals that function as de facto embassies.



STRENGTHS

- Improving ties with Taiwan is part of India’s “Look East Policy” and is an effort to cultivate extensive economic and strategic relations with the nations of Southeast Asia to bolster its standing as a regional power
- Trade with Taiwan has increased from US\$ 1 billion in 2019 to US\$7.5 billion in 2000. India-Taiwan relations span trade, research and academia.
- The Taipei Economic and Cultural Center in India (TECC) is responsible for facilitating collaboration on education, tourism, culture, the media, and economic development.

- Taiwan is not pursuing formal diplomatic ties with the United States for now.
- Beijing considers Taiwan a part of China and has vowed to unite the island politically with the mainland, by force if necessary.
- China has kept Taiwan out of most major multinational organizations, including the United Nations.



WEAKNESSES



OPPORTUNITIES

- Enhancing Taiwan-India relations is consistent with the Taiwanese government’s efforts to decrease economic reliance on China
- Taiwanese businesses are increasingly interested in shifting business ties from China to India and policies that facilitate such cooperation could provide mutual benefits.
- Prime Minister Modi has suggested the possibility of a free trade agreement with Taiwan — this decision is not without precedent as Taiwan maintains economic cooperation agreements (ECAs) with New Zealand and Singapore, both unofficial relationships.

- PRC regards Taiwan as part of its mainland. It sees with suspicion any country which tries to build relations with Taiwan, as it perceives that it will weaken its claim over Taiwan
- Since India’s balance of trade is heavily in favour of China, India cannot openly oppose China as it depend on imports of critical components
- The Chinese government effectively bans countries from diplomatically recognizing Taiwan.



THREATS