LOWY INSTITUTE POLICE (BR

Enhancing Australia's Taiwan ties

BENJAMIN HERSCOVITCH & MARK HARRISON DECEMBER 2023 The Lowy Institute is an independent policy think tank. Its mandate ranges across all the dimensions of international policy debate in Australia — economic, political and strategic — and it is not limited to a particular geographic region. Its two core tasks are to:

- produce distinctive research and fresh policy options for Australia's international policy and to contribute to the wider international debate
- promote discussion of Australia's role in the world by providing an accessible and high-quality forum for discussion of Australian international relations through debates, seminars, lectures, dialogues and conferences.

Lowy Institute Policy Briefs are designed to address a particular, current policy issue and to suggest solutions. They are deliberately prescriptive, specifically addressing two questions: What is the problem? What should be done?

Responsibility for the views, information, or advice expressed in this report is that of the author/s. The contents of this report do not necessarily reflect the views of the Lowy Institute.

CONTENTS

Key findings	2
What is the problem?	3
What should be done?	3
China's assertiveness and Australia's policy options	4
Deepening Australia's political and trade ties with Taiwan	8
Implications for the Australia-China relationship	13
Notes	16

KEY FINDINGS

- Australia should articulate and pursue a disciplined Taiwan strategy that uses the flexibility of its one-China policy to increase engagement with Taipei in service of Australian economic and security interests.
- Canberra should support Taipei's bid for entry into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and start negotiations for a bilateral free trade agreement. It should also establish regular ministerial exchanges with Taiwan.
- The Taiwan strategy advocated in this paper is likely to be a net negative for Australia's relations with China. But it strikes a reasonable balance between Australia's interests and the stabilisation of the Australia–China relationship.

WHAT IS THE PROBLEM?

Australia's economic and political engagement with the self-governed island of Taiwan has been constrained by inconsistent and tentative policy under diplomatic pressure from Beijing. Economically, Australian interests have been hurt by China's so-far successful effort to stop Canberra pursuing a free trade agreement with Taipei. Politically, Australia has contributed to Taipei's international isolation by not more fully taking advantage of the freedom to manoeuvre granted by the ambiguities of its one-China policy. If left unchecked, this deepening international isolation could eventually endanger both Taiwan's de facto independence and its liberal democracy.

WHAT SHOULD BE DONE?

Canberra should strengthen trade and political engagement with Taiwan through a strategy of consistent policy and messaging to counteract China's efforts to isolate Taiwan, maximise the economic potential for Australia, and assert Canberra's freedom to deepen ties with Taipei. Australia should support Taiwan's bid for membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), commence bilateral free trade agreement (FTA) negotiations, and send ministers to visit Taipei on a regular schedule. With this Taiwan policy architecture, Australia will be able to build its institutional capacity to manage the relationship across different domains, communicate a clear, consistent, and coherent position on Taiwan to stakeholders both domestically and internationally, and pursue mutually beneficial opportunities in the bilateral relationship.

The Taiwan strategy advocated in this paper is likely to be a complicating factor for Australia's relations with China. However, Beijing's pursuit of a normalisation of diplomatic and trade ties with Canberra, the consistency of these recommendations with Australia's one-China policy, its overlap with positions taken by Australia's allies and partners, and the already fraught nature of Australia–China ties across a wide range of policy arenas, mean this Taiwan strategy is unlikely to significantly further disrupt relations with China. To manage Chinese government concerns, this Taiwan strategy can be combined with reassurances to Beijing that Canberra continues to adhere to its one-China policy and does not support Taiwanese independence.

CHINA'S ASSERTIVENESS AND AUSTRALIA'S POLICY OPTIONS

In the Xi Jinping era, and especially since the 2016 election of Taiwan's Democratic Progressive Party President Tsai Ing-Wen, Beijing has adopted a more belligerent and uncompromising stance towards Taipei. In 2022, the third Taiwan white paper was released by the Taiwan Affairs Office of the State Council, which reiterated Beijing's commitment to unification under its "One Country, Two Systems" formulation and signalled China's willingness to act against what it defines as "separatist elements or external forces".¹ Beijing's Taiwan policy has been supported by the goal of developing the People's Liberation Army (PLA) into a peer competitor of the US military and with far greater power than Taiwan's armed forces.² Beijing is using more inflammatory political rhetoric and has systematically escalated its military threats with frequent air force and naval activity in the Taiwan Strait, serving to regularise a PLA military presence around Taiwan.



THE DIFFERENCES

Australia's one-China policy recognises the Government of the PRC as the sole legal Government of China. Yet unlike China's one-China principle, Australia's one-China policy takes no position on whether Taiwan is or ought to be part of the PRC. Instead, Australia, like the United States and a range of other countries with one-China policies, only acknowledges without endorsing the PRC's position on Taiwan. Australia has for decades combined its recognition of the PRC as the sole legal Government of China with building ties with Taiwan in the trade, political, people-to-people, cultural, and security arenas. Like numerous other countries that maintain various configurations of one-China policies, recognition of the PRC does not mean disengaging from Taiwan.

Sources for ^{1, 2, 3} see Notes on p. 16.

These growing military threats have been met with repeated commitments to defend Taiwan by US President Joe Biden and a heightened global focus on the stratospheric costs of military conflict in the Taiwan Strait.³ As Australia's Minister for Foreign Affairs Senator Penny Wong plainly stated in April 2023, "A war over Taiwan would be catastrophic for all."⁴ It is, of course, prudent to seek to deter conflict and develop contingency plans for the possibility of a full-scale PLA amphibious invasion across the Taiwan Strait. Yet this disastrous possibility should not cause Australia to overlook all the low-risk policy steps that can be taken now to help maintain the status quo of cross-Strait peace and stability. Without seeking to answer the question of whether and under what circumstances Australia should join a US-led military campaign to repel Chinese military aggression against Taiwan, this paper argues that Canberra can and should step up trade and political engagement with Taipei now. As well as serving Australian economic interests, such measures will aid Taiwan's effort to preserve its international space and secure its ongoing de facto independence.



Australia's emphasis on trade maximisation has enabled Taiwan to become one of its largest export markets (Shaah Shahidh/Unsplash)

Moreover, increased economic and political engagement is necessary if the Albanese government hopes to achieve its regularly articulated goal of maintaining the status quo in the Taiwan Strait.⁵ As part of China's efforts to alter the status quo in its favour, Beijing has sought to isolate Taipei. China has pursued a sustained and systematic strategy aimed at both prying Taiwan's formal diplomatic partners away and dissuading other capitals from engaging

with Taipei.⁶ As the collapse in Australian ministerial visits to Taiwan suggests (see Figure 2), Canberra may have already allowed Beijing to redefine an aspect of its engagement with Taipei. If Australia is to contribute to the maintenance of a cross-Strait status quo in which Taiwan remains politically and economically engaged with the world, then Canberra will need to do more to counteract China's efforts to isolate the island.

The foundation of Australia's approach to cross-Strait ties is a one-China policy established when Australia entered diplomatic relations with the People's Republic of China (PRC) in 1972. Australia recognised the government in Beijing as the sole legal government of China and ended its recognition of Taipei but only went so far as to acknowledge Beijing's position that Taiwan is a province of the PRC.⁷ With this ambiguity, Canberra built a relationship with China in which it grew to become Australia's largest trading partner, while also maintaining meaningful ties with Taipei through mechanisms that did not fall under the labels and practices of formal state-to-state relations. In this way, Australia's one-China policy is a key component of Australia's contemporary international relations.



Beijing's Taiwan policy has been supported by the goal of developing the PLA into a peer competitor of the US military (Elliott Fabrizio/US Department of Defense/Flickr)

This architecture has served Australia adequately over several decades. Within the limits of Australia's one-China policy and the calculus of Australia-China relations, Australia's emphasis on trade maximisation has enabled Taiwan to become one of its largest export markets.⁸ The bilateral economic relationship has also seen Australia emerge as Taiwan's seventh-largest trading partner and has in the past helped Taipei increase its international engagement through initiatives such as the Asia-Pacific Economic Cooperation (APEC) forum. But in the last decade, Canberra's existing policy architecture appears to have become more susceptible to pressure from Beijing to cease pursuing additional bilateral and multilateral trade agreements with Taipei and limit Australia's political engagement with the island (see Figures 1 and 2).

The limits of the existing policy architecture are also visible in public and policy discourse on Australia's ties with Taiwan. Debate about the bilateral relationship is often singularly focused on the question of whether Australia would join with the United States in military action against China in the event of cross-Strait conflict.⁹ Despite the importance of interrogating such a worst-case scenario, it risks reducing Taiwan to a proxy for US power in the region, and narrowing the question of responses to a Taiwan Strait crisis to options under the US alliance structure. A more comprehensive Taiwan policy architecture centred on the bilateral Australia–Taiwan relationship would broaden understanding of developments in the Taiwan Strait and be able to account for implications in the trade, political, people-to-people, and humanitarian, as well as military, domains. This further suggests the need for a clearer and more proactive policy position that articulates and leverages Australia's one-China policy for mutually beneficial engagement with Taiwan.

This is timely in the context of the AUKUS military technology sharing agreement between Australia, the United Kingdom, and the United States. If sustained, AUKUS will eventually give Australia greatly enhanced naval power projection capability and regional military interoperability. The speed, stealth, and endurance of nuclear-powered submarines means that they will be able to deliver a deterrent effect in the Taiwan Strait and surrounds. But AUKUS should be complemented with a comprehensive Taiwan strategy that supports calibrated actions by Australia across the full range of its tools of statecraft that span its foreign and trade policies. Such a Taiwan strategy can directly address Australia's immediate economic interests in Taiwan, counteract China's intensifying efforts to isolate the island, and assist Australia with the task of asserting its freedom of manoeuvre within its one-China policy. To achieve those objectives, Canberra will need to more fully articulate and exercise its legitimate rights to engage with Taipei in the trade and political arenas.

DEEPENING AUSTRALIA'S POLITICAL AND TRADE TIES WITH TAIWAN

Canberra should pursue additional trade liberalisation with Taipei, including backing Taiwan's bid for CPTPP membership and starting bilateral FTA negotiations. Taiwan seeks CPTPP accession and has sought Australia's support.¹⁰ Taiwan was Australia's sixth-biggest export market in 2022, its seventh-biggest two-way trading partner, and the only one of the top ten export markets with which Australia does not have either a bilateral FTA or shared membership in a regional multilateral FTA (see Figure 1).¹¹ In 2022, Taiwan also rose to become Australia's fourth-biggest merchandise export market.¹² Bringing Taiwan into the CPTPP and negotiating a bilateral FTA with Taipei would provide Australian exporters with better access to a market that is already among Australia's most valuable. Although Taiwan has generally low tariff rates, Australian agricultural exporters are especially likely to benefit from such free trade agreements.¹³

Export partner	Bilateral FTA	Shared membership of a regional FTA
China	\checkmark	\checkmark
Japan	\checkmark	\checkmark
South Korea	\checkmark	√
India	\checkmark	×
United States	\checkmark	×
Taiwan	×	×
Singapore	\checkmark	√
New Zealand	\checkmark	√
Vietnam	×	√
Malaysia	\checkmark	√

Figure 1: Australia's top ten export partners (2022) and FTAs

China similarly seeks CPTPP membership, is on the record opposing Taiwan's accession, and in 2016–17 pressured Australia out of negotiating a bilateral FTA with Taiwan.¹⁴ Australia should, however, not be deterred by China's opposition and past pressure. Given the CPTPP's requirements and disciplines on state-owned enterprises, labour, and e-commerce, among other issues, Taiwan is a much more plausible prospective member than China.¹⁵ Moreover, in contrast to China's extensive use of economic coercion against Australia since May 2020, Taiwan has a strong record as a reliable economic partner. Meanwhile, neither Australia's bilateral FTA with China nor their joint membership of the Regional Comprehensive Economic Partnership protected Australian exporters from Beijing's economic coercion.¹⁶

Taiwan has long used multilateral trade organisations to maintain international space, and its membership of the CPTPP would serve its interests in that way. Beijing's opposition to Taipei's membership is likely aimed at, among other objectives, foreclosing international avenues for Taiwan. But Beijing does not have legitimate grounds for objecting to either Taiwan's bid Regular and public ministerial meetings between Australia and Taiwan would be consistent with Australian government practice.

for CPTPP membership or bilateral FTA negotiations between Canberra and Taipei. In both cases, the Taiwanese government can enter into trade agreements as the representative of an economy — not a sovereign state — as it has done with its membership of the World Trade Organization and APEC.¹⁷ The Australian government is entirely within its rights to both back Taiwan's push for CPTPP membership and commence bilateral FTA negotiations, despite not recognising Taiwan as a sovereign state.¹⁸ That would be in line with common international trade practice, as exemplified in the precedent of Australia negotiating FTAs with economies such as Hong Kong rather than states, as well as Article 5 of the CPTPP agreement.

Australia and Taiwan should also establish a program of regular and publicly advertised trade and other relevant ministerial meetings. Given the large Australia–Taiwan trade relationship and shared experience of managing economic coercion, an Annual Trade Ministers' Meeting would allow both sides to advance their trade and economic security agendas.¹⁹ Australia's critical role as a supplier of both energy and minerals to Taiwan may also warrant at least ad hoc ministerial engagement in the resources and energy portfolios.²⁰ Australia and Taiwan already hold Bilateral Economic Consultations, Joint Energy and Minerals, Trade and Investment Cooperation Consultations, and an Agricultural Working Group meeting.²¹ Regularly elevating these engagements to the ministerial level and publicly advertising them would both ensure that Australia exercised its freedom to engage with Taiwan under its one-China policy and

provide the Australian government with opportunities to articulate the scope that it enjoys to legitimately develop ties with Taipei. Publicly elevating these engagements to the ministerial level would also encourage Australian businesses to take advantage of economic opportunities that the corporate sector might otherwise be deterred from pursing due to the perceived sensitivity of engagement with Taiwan.²²



Beijing's opposition to Taipei's membership of the CPTPP is likely aimed at foreclosing international avenues for Taiwan (Thomas Tucker/Unsplash)

Regular and public ministerial meetings between Australia and Taiwan would be consistent with Australian government practice. In recent decades, Australian ministers in the trade and related portfolios continued to meet with their Taiwanese counterparts, including on official visits to Taiwan. These regular ministerial meetings and visits occurred despite Australia not recognising Taiwan as a sovereign state. This follows the normal practice of ministers prosecuting Australia's economic and trade interests with a range of territories and international actors that the Australian government does not recognise as countries.²³ Prominent examples of past Australian ministerial visits to Taiwan include Minister for Resources and Energy Martin Ferguson's 2011 trip and Minister for Trade and Competitiveness Craig Emerson's 2012 visit, which was the last publicly reported visit to Taiwan by a serving Australian minister.²⁴ Minister for Trade, Tourism and Investment Dan Tehan participated in online dialogue with Minister of Economic Affairs Wang Mei-hua in July 2021 and reportedly met with Minister-Without-Portfolio John Deng in April 2021, while Minister for Trade and Tourism Don Farrell met Minister-Without-Portfolio Deng on the sidelines of an APEC meeting in May 2023.²⁵ Since 1990, ministers from both sides of Australian politics across a range of trade and related portfolios have visited Taiwan (see Figure 2).

Figure 2: Publicly reported visits to Taiwan by Australian ministers and junior ministers since 1990

Title at time of visit	Name	Time of visit
Minister for Trade and Competitiveness	Craig Emerson	Sep 2012
Minister for Resources and Energy	Martin Ferguson	Jun/Jul 2011
Minister for Vocational and Technical Education	Gary Hardgrave	Nov 2005
Parliamentary Secretary to the Minister for Transport and Regional Services	Ronald Boswell	Oct 2003
Parliamentary Secretary to the Minister for Transport and Regional Services	Ronald Boswell	Nov 2001
Minister for Trade	Mark Vaile	Feb 2001
Parliamentary Secretary to the Minister for Transport and Regional Services	Ronald Boswell	Nov 1999
Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry	Judith Troeth	Jun 1999
Minister for Industry, Science and Resources	Nick Minchin	Apr 1999
Minister for Resources and Energy	Warwick Parer	Sep 1997
Minister for Primary Industries and Energy	John Anderson	Sep 1996
Minister for Trade	Bob McMullan	Nov 1995
Parliamentary Secretary to the Minister for Transport	Neil O'Keefe	May 1995
Minister for Tourism	Michael Lee	Jul 1994
Minister for Trade	Peter Cook	Oct/Nov 1993
Parliamentary Secretary to the Minister for Primary Industries and Energy	Nick Sherry	1993

Australia should also more regularly and clearly articulate the scope of its one-China policy. China propagates disinformation in the form of the falsehoods that Australia is committed to Beijing's view that Taiwan is simply a province of the PRC and that therefore Canberra cannot legitimately expand its ties with Taipei.²⁶ In this context, more effort to publicly advertise and explain ministerial meetings with Taiwanese counterparts would provide a valuable opportunity to correct China's deceptive messaging about the limits of Australia's legitimate engagement with Taiwan. Moreover, keeping these engagements quiet or eschewing them entirely risks giving the misleading impression that these kinds of meetings are verboten and could thereby inadvertently serve China's efforts to curtail Australia's engagement with Taiwan. The Australian government should also consider, among other initiatives, correcting especially serious examples of Beijing's disinformation about Australia's one-China policy and publishing an official factsheet that explains the historical reasons for and contemporary relevance of Canberra's one-China policy.²⁷

Australian parliamentarians should also be encouraged to engage with Taiwan more openly. Like their counterparts from a wide range of North Atlantic and Asian democracies, Australian parliamentarians have in recent years continued to visit Taiwan.²⁸ But some of these visits have been kept quiet or at least not openly discussed with the media and the Australian public.²⁹ As with ministerial engagements, such parliamentary visits are entirely consistent with Australia's one-China policy and keeping them discreet could inadvertently play into Beijing's hands by implying that Australian parliamentarians should cater to the Chinese government's sensitivities by not visiting Taipei.³⁰ Parliamentarians should be free to publicly broadcast these engagements to ensure that Canberra exercises, and the public understands, the freedom Australia enjoys to engage with Taiwan as part of its longstanding and bipartisan one-China policy.

IMPLICATIONS FOR THE AUSTRALIA-CHINA RELATIONSHIP

Although the Chinese government would object to the policy proposals advocated in this paper, they pose limited risks for the Australia–China relationship overall. First, none of the measures advocated in this paper is at odds with Australia's longstanding one-China policy of recognising the PRC as "the sole legal Government of China".³¹ The trade and political engagement advocated in this paper is entirely consistent with the way Australia engages with many territories and international actors that it does not recognise as sovereign. Second, the measures advocated in this paper are similar to the forms of engagement pursued by a wide range of Australian allies and partners.³²

Lawmakers and parliamentarians from the Philippines, India, Japan, Indonesia, numerous European countries, Canada, the United Kingdom, the United States, and elsewhere have publicly advertised their visits to Taiwan. Meanwhile, the UK Trade Minister visited Taiwan in November 2022 and the German Education Minister visited in March 2023.³³ Moreover, Singapore and New Zealand already have bilateral FTAs with Taiwan, and Washington has signed a bilateral trade facilitation arrangement with Taipei.³⁴ The policy options recommended

Although the Chinese government would object to the policy proposals advocated in this paper, they pose limited risks for the Australia–China relationship overall.

here are not more assertive than those currently pursued by a wide range of likeminded countries. Importantly, this includes countries such as Singapore and New Zealand, which have significantly less strained ties with China than does Australia and which are not as strategically aligned with Washington as is Canberra.³⁵

Of course, Beijing will still object to such efforts to deepen engagement with Taiwan even if they are consistent with Australia's one-China policy and the policies of many other countries. Indeed, China privately pressured Australia when it sought to expand trade ties with Taiwan via a bilateral FTA that was abandoned by the Turnbull government in 2016–17.³⁶ At the same time, China has criticised other countries for engaging with Taiwan in the ways advocated in this paper, including diplomatic objections to the UK Trade Minister's and the German Education Minister's visits.³⁷ However, based on Beijing's recent behaviour, the Chinese government is likely to limit itself to making private representations and criticising the Australian government via the Ministry of Foreign Affairs and the state-controlled Chinese media if Canberra pursues the Taiwan strategy advocated in this paper. Crucially, in the numerous cases of

public ministerial and parliamentarian visits to Taipei and FTAs with Taiwan, the relevant countries have not experienced significant or sustained downturns in their relations with China.



Singapore and New Zealand already have bilateral FTAs with Taiwan, with both countries not as strategically aligned with Washington as is Canberra (Chuttersnap/Unsplash)

Australia's pursuit of additional trade liberalisation with Taiwan via a bilateral FTA and support for its CPTPP membership might frustrate China more than Singapore's and New Zealand's respective agreements that were inked in 2013 when China was less powerful, its statecraft was less assertive, and the more Beijing-friendly Nationalist government was in power in Taipei. Still, China has not sought to publicly pressure Singapore or New Zealand to withdraw from their FTAs with Taiwan, suggesting a willingness on China's part to tolerate countries pursuing expanded trade engagement with Taiwan even as Beijing seeks to limit Taipei's international connections. China's private and public criticisms of the Australian government and efforts to dissuade Canberra from bringing Taipei into new trade agreements would admittedly not be welcomed in Australia, but objections from Beijing are already a common feature of bilateral ties on a wide range of issues.³⁸ The policies to expand trade and political engagement with Taiwan advocated in this paper will thereby likely only add another irritant to Australia–China ties without jeopardising the relationship overall.

Unlike other countries, Lithuania has experienced a severe downturn in its trade and diplomatic ties with China in the wake of its expanded engagement with Taiwan. Following the establishment of a Taiwanese Representative Office in Vilnius in 2021, which did not use Beijing's preferred nomenclature of Taipei Economic and Cultural Office, China reduced imports from Lithuania by nearly 90 per cent and imposed some informal secondary sanctions against companies that depended on the Lithuanian market.³⁹ The Lithuanian experience is, however, not a reliable guide to what might happen to the Australia-China relationship if the Taiwan strategy advocated in this paper is pursued. First, and most importantly, this paper's Taiwan strategy does not include making the changes to nomenclature that deeply frustrated the Chinese government in the case of Lithuania-Taiwan ties. Second, Lithuania's one-China policy is different from Australia's and more closely resembles Beijing's own one-China principle, which likely contributed to China's especially harsh response.⁴⁰ Third, Australia's history of engagement with Taiwan is far longer and deeper than Lithuania's, meaning that China is much more accustomed to sustained and strong trade, political, people-to-people, cultural, and other ties between Australia and Taiwan.⁴¹ Fourth and finally, Australia matters much more than Lithuania to China economically and strategically, so Beijing would suffer massively greater economic and diplomatic costs if it sought to impose such extreme trade restrictions on Australia.

The Taiwan strategy advocated in this paper will be a net negative for the Australia-China relationship, but it is unlikely to disturb the relationship more than a range of Australian policies that already deeply frustrate Beijing, including Australia's acquisition of nuclear-powered submarines and the Australian government's opposition to China playing a security role in the Pacific Islands region.⁴² Although Taiwan is considered a "core interest" for China, none of the measures advocated here impinges on that interest any more than the policies pursued by a range of other countries that have in recent years had less fractious relations with China.43 Any damage to the Australia-China relationship is therefore likely to be manageable. China's current pursuit of relationship repair with Australia also makes now the optimal time to deepen Canberra's engagement with Taipei. Despite not winning any major policy reversals from the Albanese government since it took office in May 2022, China has relented in its campaign of diplomatic punishment of Australia and continues to unwind trade restrictions.⁴⁴ Having progressively turned the trade and diplomatic taps back on with Australia, China is likely to be reluctant to quickly reverse course, especially in light of Beijing's goal of keeping relations with Canberra on a positive trajectory to pursue its own trade and diplomatic objectives.⁴⁵ This likely provides Australia with additional latitude to take positions that frustrate China without suffering significant trade and diplomatic fallout.

NOTES

Cover image: Taiwan Strait (Gallo Images/Orbital Horizon/Copernicus Sentinel Data 2019/Getty Images)

Notes for One-China policy infographic:

c6d02e533532f0ac.html.

- See "Questions and Answers Concerning the Taiwan Question (2): What is the One-China Principle? What is the Basis of the One-China Principle?", Mission of the People's Republic of China to the European Union, 15 August 2022, http://eu.chinamission.gov.cn/eng/more/20220812Taiwan/202208/t20220815_10743591.htm.
- 2. See "Joint Communiqué of the Australian Government and the Government of the
- People's Republic of China Concerning the Establishment of Diplomatic Relations Between Australia and China", 21 December 1972, https://pmtranscripts.pmc.gov.au/sites/default/files/original/00003119.pdf.
- 3. For detailed analysis of the meaning and variety of various one-China policies and principles, see Ian Chong, "The Many 'One Chinas': Multiple Approaches to Taiwan and China", Carnegie Endowment for International Peace, 9 February 2023, https://carnegieendowment.org/2023/02/09/many-one-chinas-multiple-approaches-to-taiwan-and-china-pub-89003.
- 1 The Taiwan Question and China's Reunification in the New Era, The Taiwan Affairs Office of the State Council and The State Council Information Office of the People's Republic of China, August 2022, https://english.www.gov.cn/archive/whitepaper/202208/10/content_WS62f34f46
- 2 Military and Security Developments Involving the People's Republic of China, US Department of Defense, 2023, https://media.defense.gov/2023/Oct/19/2003323409/-1/-1/1/2023-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA.PDF.
- 3 Kevin Liptak, "Biden's Past Promises for US to Defend Taiwan Under Microscope in Meeting with China's Xi", CNN, 14 November 2022, https://edition.cnn.com/2022/11/13/politics/joe-biden-taiwan/index.html.
- 4 Penny Wong, "Australian Interests in a Regional Balance of Power", Address to the National Press Club, Canberra, 17 April 2023, https://www.foreignminister.gov.au/minister/penny-wong/speech/national-pressclub-address-australian-interests-regional-balance-power.
- 5 Benjamin Herscovitch, "Australia's Shifting Statements on Taiwan", Beijing to Canberra and Back, 4 August 2022, https://beijing2canberra.substack.com/i/67072098/australias-shifting-statementson-taiwan.

ENHANCING AUSTRALIA'S TAIWAN TIES

- 6 Benjamin Herscovitch, "Taiwan and the War of Wills", in Linda Jaivin, Esther Sunkyung Klein, and Sharon Strange (eds.), China Story Yearbook: Contradiction, (Canberra: ANU Press, 2022), pp. 203–207.
- 7 "Joint Communiqué of the Australian Government and the Government of the People's Republic of China Concerning the Establishment of Diplomatic Relations Between Australia and China", 21 December 1972, https://pmtranscripts.pmc.gov.au/sites/default/files/original/00003119.pdf.
- 8 Mark Harrison, "Australia–Taiwan Relations", in Bryce Wakefield (ed.), Taiwan, Cross-Strait Tension and Security in the Indo-Pacific, (Canberra: Australian Institute of International Affairs, 2021), pp. 30–36, https://www.internationalaffairs.org.au/wpcontent/uploads/2021/11/Taiwan-special-report-1-PAGE-NO-BLEED.pdf.
- 9 See, for example, Jonathan Pearlman (ed.), "The Taiwan Choice: Showdown in Asia", Australian Foreign Affairs, No. 14, February 2022.
- 10 Bernie Lai, "Taiwan's Bid to Join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)", FlagPost, 20 December 2021, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliament ary_Library/FlagPost/2021/December/Taiwan_CPTPP_bid; Joint Standing Committee on Foreign Affairs, Defence and Trade, "Expanding Membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership", 12 October 2021, https://parlinfo.gop.gov.au/parllnfo/search/display/display.w3p;guery=ld%3.4%22c

https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=ld%3A%22c ommittees%2Fcommjnt%2F25097%2F0001%22.

11 "Australia's Trade in Goods and Services by Top 15 Partners (2020–2022)", Department of Foreign Affairs and Trade,

https://www.dfat.gov.au/sites/default/files/australias-goods-and-services-by-top-15-partners-2022.pdf; "Australia's Free Trade Agreements (FTAs)", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/trade/agreements/tradeagreements. Figure 1 uses the Department of Foreign Affairs and Trade's categorisation of Australia's top trade partners and therefore does not include regional groupings such as the European Union (EU) or the Association of Southeast Asian Nations (ASEAN), both of which would feature in the top ten if they were included in the list.

- 12 "International Trade in Goods and Services, Australia", Australian Bureau of Statistics, 4 May 2023, https://www.abs.gov.au/statistics/economy/internationaltrade/international-trade-goods-and-services-australia/latest-release.
- 13 Benjamin Herscovitch, "Australia's Trade Access Agenda Should Take Advantage of Taiwan", East Asia Forum, 24 October 2023, https://www.eastasiaforum.org/2023/10/24/australias-trade-access-agendashould-take-advantage-of-taiwan/.
- 14 Li Keqiang, Report on the Work of the Government, 14th National People's Congress of the People's Republic of China, 5 March 2023, https://npcobserver.com/wpcontent/uploads/2023/03/2023-Government-Work-Report.pdf; "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference", Ministry of Foreign Affairs of the People's Republic of China, 23 September 2021, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/ 202109/t20210923_9580315.html; Fergus Hunter, "Australia Abandoned Plans for Taiwanese Free Trade Agreement after Warning from China", The Sydney

Morning Herald, 24 October 2018,

https://www.smh.com.au/politics/federal/australia-abandoned-plans-for-taiwanese-free-trade-agreement-after-warning-from-china-20181024-p50bj5.html.

- 15 Jeffrey J. Schott, "Which Countries are in the CPTPP and RCEP Trade Agreements and Which Want In?", Peterson Institute for International Economics, 27 July 2023, https://www.piie.com/research/piie-charts/which-countries-are-cptpp-and-rceptrade-agreements-and-which-want.
- 16 "Australia's Free Trade Agreements (FTAs)", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/trade/agreements/trade-agreements.
- 17 "Australia–Taiwan Relationship", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/geo/taiwan/australia-taiwan-relationship.
- 18 "Comprehensive and Progressive Agreement for Trans-Pacific Partnership Text and Associated Documents", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/trade/agreements/in-force/cptpp/official-documents; "Australia's Free Trade Agreements (FTAs)", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/trade/agreements/trade-agreements.
- 19 "Taiwan: Key Economic Indicators", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/sites/default/files/taiw-cef.pdf.
- 20 "Taiwan: Key Economic Indicators", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/sites/default/files/taiw-cef.pdf.
- 21 "Australia–Taiwan Relationship", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/geo/taiwan/australia-taiwan-relationship.
- 22 Authors' discussions with Australian business organisations.
- 23 See, for example, past Australian trade ministerial visits to Hong Kong, including "Visit to Hong Kong", Minister for Trade, Tourism and Investment, The Hon Steven Ciobo MP, 19 March 2018, https://www.trademinister.gov.au/minister/stevenciobo/media-release/visit-hong-kong; "Trade Minister to Visit Hong Kong", Australian Consulate-General, Guangzhou, China, 29 October 2010, https://guangzhou.china.embassy.gov.au/gzho/MediaEn1005.html.
- 24 Other visits to Taiwan by Australian ministers and junior ministers may have occurred without being publicly reported. Figure 2 is based on the travel records of current and past parliamentary members, which are available on the Parliament of Australia website: https://www.aph.gov.au/Senators_and_Members/Senators.
- 25 Benjamin Herscovitch, "Talking with Taiwan", Beijing to Canberra and Back, 16 June 2023, https://beijing2canberra.substack.com/i/128539800/talking-with-taiwan.
- 26 On prominent examples of Chinese government disinformation in relation to Australia's one-China policy and engagement with Taiwan, see, for example, Xiao Qian, "Uphold One-China Principle to Keep Regional Peace, Ambassador Says", Australian Financial Review, 24 August 2022,

https://www.afr.com/world/asia/uphold-one-china-principle-to-keep-regionalpeace-ambassador-says-20220824-p5bcc7; Xiao Qian, "Taiwan is Always Part of China, but War with Australia is a Fallacy", The Sydney Morning Herald, 23 March 2023, https://www.smh.com.au/world/asia/taiwan-will-be-ours-but-war-withaustralia-is-a-fallacy-20230322-p5cuaj.html.

- 27 For a longer menu of policy options to respond to Beijing's disinformation regarding Australia's one-China policy, see Benjamin Herscovitch, "All about Taiwan (CPTPP, Disinformation, and Ministerial Visits)", Beijing to Canberra and Back, 12 April 2023, https://beijing2canberra.substack.com/p/all-about-taiwan-cptppdisinformation.
- 28 Sean Johnson, "Political Junkets and Influence", Open Politics, 25 January 2022, https://openpolitics.au/analysis/foreign-junkets; Sean Johnson, "Taipei Confidential: More Junkets Exposed", Open Politics, 23 March 2023, https://openpolitics.au/analysis/social-media-posts-expose-more-undeclaredjunkets.
- 29 Benjamin Herscovitch, "A Taiwan Trip", Beijing to Canberra and Back, 18 October 2023, https://beijing2canberra.substack.com/i/138089045/a-taiwan-trip.
- 30 "Foreign Ministry Spokesperson Mao Ning's Regular Press Conference", Ministry of Foreign Affairs of the People's Republic of China, 6 December 2022, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/ 202212/t20221206_10985948.html.
- 31 "Joint Communiqué of the Australian Government and the Government of the People's Republic of China Concerning the Establishment of Diplomatic Relations Between Australia and China", 21 December 1972, https://pmtranscripts.pmc.gov.au/sites/default/files/original/00003119.pdf.
- 32 Ian Chong, "The Many 'One Chinas': Multiple Approaches to Taiwan and China", Carnegie Endowment for International Peace, 9 February 2023, https://carnegieendowment.org/2023/02/09/many-one-chinas-multipleapproaches-to-taiwan-and-china-pub-89003.
- 33 "UK Strengthens Taiwan Trade Ties as Minister Visits Taipei", Department for International Trade, 7 November 2022, https://www.gov.uk/government/news/ukstrengthens-taiwan-trade-ties-as-minister-visits-taipei; "German Minister Makes Landmark Visit to Taiwan", DW, 21 March 2023, https://www.dw.com/en/germanminister-makes-landmark-visit-to-taiwan/a-65056645.
- 34 "FTAs Signed with Trading Partners", The Bureau of Foreign Trade, 2021, https://www.trade.gov.tw/english/Pages/List.aspx?nodeID=672; "United States and Taiwan Announce the Launch of the US-Taiwan Initiative on 21st-Century Trade", Office of the United States Trade Representative, 1 June 2022, https://ustr.gov/about-us/policy-offices/press-office/pressreleases/2022/june/united-states-and-taiwan-announce-launch-us-taiwaninitiative-21st-century-trade.
- 35 See, for example, Lee Hsien Loong, "The Endangered Asian Century: America, China, and the Perils of Confrontation", Foreign Affairs, July/August 2020, https://www.foreignaffairs.com/articles/asia/2020-06-04/lee-hsien-loongendangered-asian-century; "The Australia, New Zealand and United States Security Treaty (ANZUS Treaty), 1951", United States of America Department of State, https://history.state.gov/milestones/1945-1952/anzus.
- 36 Fergus Hunter, "Australia Abandoned Plans for Taiwanese Free Trade Agreement after Warning from China", The Sydney Morning Herald, 24 October 2018, https://www.smh.com.au/politics/federal/australia-abandoned-plans-for-taiwanesefree-trade-agreement-after-warning-from-china-20181024-p50bj5.html.

- 37 "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference", Ministry of Foreign Affairs of the People's Republic of China, 7 November 2022, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/ 202211/t20221107_10801658.html; "Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference", Ministry of Foreign Affairs of the People's Republic of China, 21 March 2023, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/ 202303/t20230321_11045969.html.
- 38 "Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference", Ministry of Foreign Affairs of the People's Republic of China, 17 March 2023, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/ 202303/t20230317_11043921.html.
- 39 Marcin Szczepańsk, China's Economic Coercion: Evolution, Characteristics and Countermeasures, European Parliamentary Research Service, November 2022, https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/738219/EPRS_BRI(2 022)738219_EN.pdf.
- 40 Ian Chong, "The Many 'One Chinas': Multiple Approaches to Taiwan and China", Carnegie Endowment for International Peace, 9 February 2023, https://carnegieendowment.org/2023/02/09/many-one-chinas-multipleapproaches-to-taiwan-and-china-pub-89003.
- 41 "Australia–Taiwan Relationship", Department of Foreign Affairs and Trade, https://www.dfat.gov.au/geo/taiwan/australia-taiwan-relationship.
- 42 For a more detailed account of the wide range of deep disagreements between Canberra and Beijing, see "Key Bilateral Disputes", Beijing to Canberra and Back, https://beijing2canberra.org/key-bilateral-disputes/.
- 43 The Taiwan Question and China's Reunification in the New Era, The Taiwan Affairs Office of the State Council and The State Council Information Office of the People's Republic of China, August 2022, https://english.www.gov.cn/archive/whitepaper/202208/10/content_WS62f34f46 c6d02e533532f0ac.html.
- 44 Benjamin Herscovitch, "Beijing's Backdown and the Role of Canberra's Softer Tone on China", Beijing to Canberra and Back, 2 February 2023, https://beijing2canberra.substack.com/p/beijings-backdown-and-the-role-of.
- 45 Benjamin Herscovitch, "China's CPTPP Pressure to Mount, Warming Wine Prospects, and Ministerial Meetings", Beijing to Canberra and Back, 10 May 2023, https://beijing2canberra.substack.com/p/chinas-cptpp-pressure-to-mountwarming; Benjamin Herscovitch, "The Prime Minister's Visit, What Really Caused Relationship Repair, and a Policy Takeaway", Beijing to Canberra and Back, 9 November 2023, https://beijing2canberra.substack.com/p/the-prime-ministersvisit-what-really.



Benjamin Herscovitch

ABOUT THE AUTHORS

Dr Benjamin Herscovitch is a Research Fellow in the School of Regulation and Global Governance at the Australian National University (ANU). His primary areas of research are Australia–China relations and China's statecraft. He is the author of Beijing to Canberra and Back, a fortnightly newsletter chronicling Australia–China relations. Prior to joining the ANU, he was an analyst and policy officer in the Department of Defence, specialising in China's external policy and Australia's defence diplomacy. He was previously a researcher for Beijing-based think tanks and consultancies.



Mark Harrison

Dr Mark Harrison is Senior Lecturer in the Politics and International Relations program at the University of Tasmania, and an Expert Associate at the National Security College at the Australian National University. He was previously Research Fellow at the Centre for the Study of Democracy at the University of Westminster in London, UK. He has a PhD in Chinese Studies from Monash University and is author of *Legitimacy, Meaning and Knowledge in the Making of Taiwanese Identity* (Palgrave, 2007) and a wide range of other writing on politics and culture in Taiwan, and Australia's relations with Taiwan and China. He has a forthcoming book *Revolutionary Taiwan*, with Catherine Chou (Cambria, 2023). He is a frequent participant in policy forward engagement on Taiwan with Australian policymakers, including through track 2 dialogue.

LOWY INSTITUTE

31 Bligh Street Sydney NSW 2000 Tel. +61 2 8238 9000 Fax +61 2 8238 9005 lowyinstitute.org @LowyInstitute