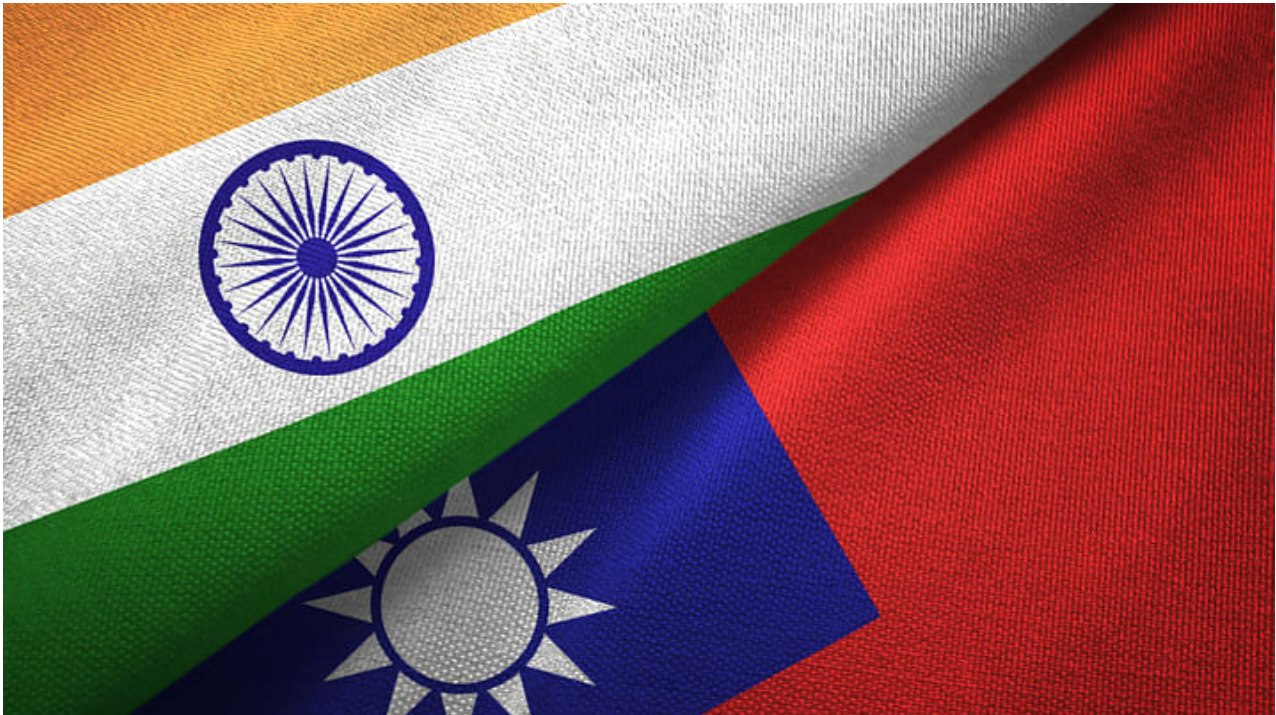


India-Taiwan | Growing ties in the shadow of the dragon

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On October 17, India-Taiwan ties further strengthened with Taipei opening its third Taipei Economic and Cultural Centre (TECC) in Mumbai. This is an indicator of the progress and positive momentum in bilateral ties, and underscores a step in the right direction of the Taiwanese southbound policy and India's Act East policy.

China will always cast its shadow on India-Taiwan ties, but more on that later.

India-Taiwan ties have been improving since India initiated the Look East Policy in 1992. This culminated in the first TECC office opening in Delhi in 1995. This acts as a de facto embassy. Taiwan opened a second office in Chennai in 2012, which has helped boost the relations between Taiwan and the southern states. With the third office, the number of Taiwanese diplomats in India could rise to 32.

The Mumbai office is expected to help around 260 Taiwanese companies which have invested \$~5 billion and added around 170,000 jobs, to strengthen their position in Maharashtra, and other states on the western coast.

According to the Federation of Indian Chambers of Commerce and Industry (FICCI)'s 'Unlocking the Potential: The Benefits of India as a Partner for Taiwanese Enterprises' report, New Delhi could attract around \$15 billion in investments from Taiwan. It argues that "by working together, India and Taiwan can create resilient supply chains, advance new technologies, and address broader global economic challenges". Some Indian states like Telangana have also concluded a Memorandum of Understanding (MoU) with Taiwan to boost investments in infrastructure and other sectors. Karnataka is also looking at attracting Taiwanese investment.

In addition to technologies, Taiwan has also been a prime destination for Indian students wanting to learn Mandarin and ~3,000 students are studying in Taiwan. Trade between the two sides has also grown. In 2024, the trade was around \$10.1 billion, making India Taiwan's 16th largest trading partner. In February, both sides had signed an MoU to encourage Indians to work in Taiwan to address the latter's labour shortage. In January, India conferred its third highest civilian honour, the Padma Bhushan, to Foxconn CEO Liu Young-way. Foxconn is also in the process of increasing investments in India.

This growing India-Taiwan bonhomie was sure to attract Beijing's ire. On expected lines, Chinese foreign ministry spokesperson Mao Ning recently asserted the centrality of the 'One China Policy'. She said, "China urges India to strictly adhere to its commitments, handle Taiwan-related questions cautiously, refrain from engaging in any form of official interactions with the Taiwan region, avoid any interference in the improvement progress of China-India relations".

The United States has been a major supporter and supplier of weapons and military equipment to Taiwan, and is bound by the Taiwan's Relations Act (TRA) to help Taipei defend itself. However, the evolution in the geopolitical scenario in the region and the growing Chinese assertiveness and aggressiveness across the Taiwan Strait, can push Taiwan to look for more partners. Given this, it is no surprise that Taiwanese foreign minister Lin Chia-Lung recently said that "India is 'especially important' in efforts by like-minded countries across the Indo-Pacific and groupings such as the Quad to counter China's challenge to the global rules-based order and its expansionism".

That said, it would be incomplete to define India-Taiwan ties entirely from the China prism. New Delhi and Taipei invest and engage with each other on mutually beneficial aspects. Taipei also looks at New Delhi as a credible partner because of governmental similarities and the need for economic growth and co-operation. As a result of this both sides have managed to build a bond. They have complementarity in their economies, and thus making the relationship quite logical. One cannot ignore the fact that since the Democratic Progressive Party has come to power in Taiwan, and Beijing has cut all links, New Delhi has emerged as the most logical beneficiary of Taiwanese investments. The more Beijing attempts to intimidate and suffocate Taiwan the more it will look for alternative routes to gain voice and recognition.

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