

Chilling US-China Economic Relations and Options for Taiwan

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Just in and Setting the Tone

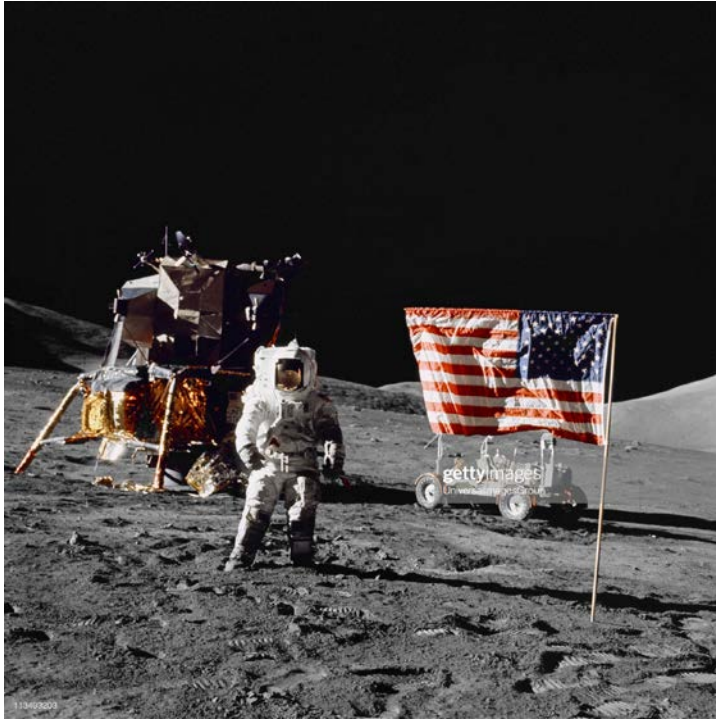


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Economics-Security Nexus: Interdependence or Dependence



Why to Securitize US-China Economic Relations: Political Mobilization



Economic Security is national security; China's economic aggression, US' economic surrender, the reversal of engagement policy

Why to Securitize US-China Economic Relations: Ideological Differentiation



- China as a non-democratic Other; State capitalism v. Capitalism; Non-market economy v. market economy.
- Samuel P. Huntington, 'The Clash of Civilizations?' (1993) 72 *Foreign Affairs* 22.
- Jarrod Hayes, *Constructing National Security: U.S. Relations with India and China* (Cambridge University Press 2013).

Why to Securitize US-China Economic Relations: Authority and Justification



- Authorization for the Measures to be Taken.
- Shield from the WTO challenges as a Justification

Policy Instruments

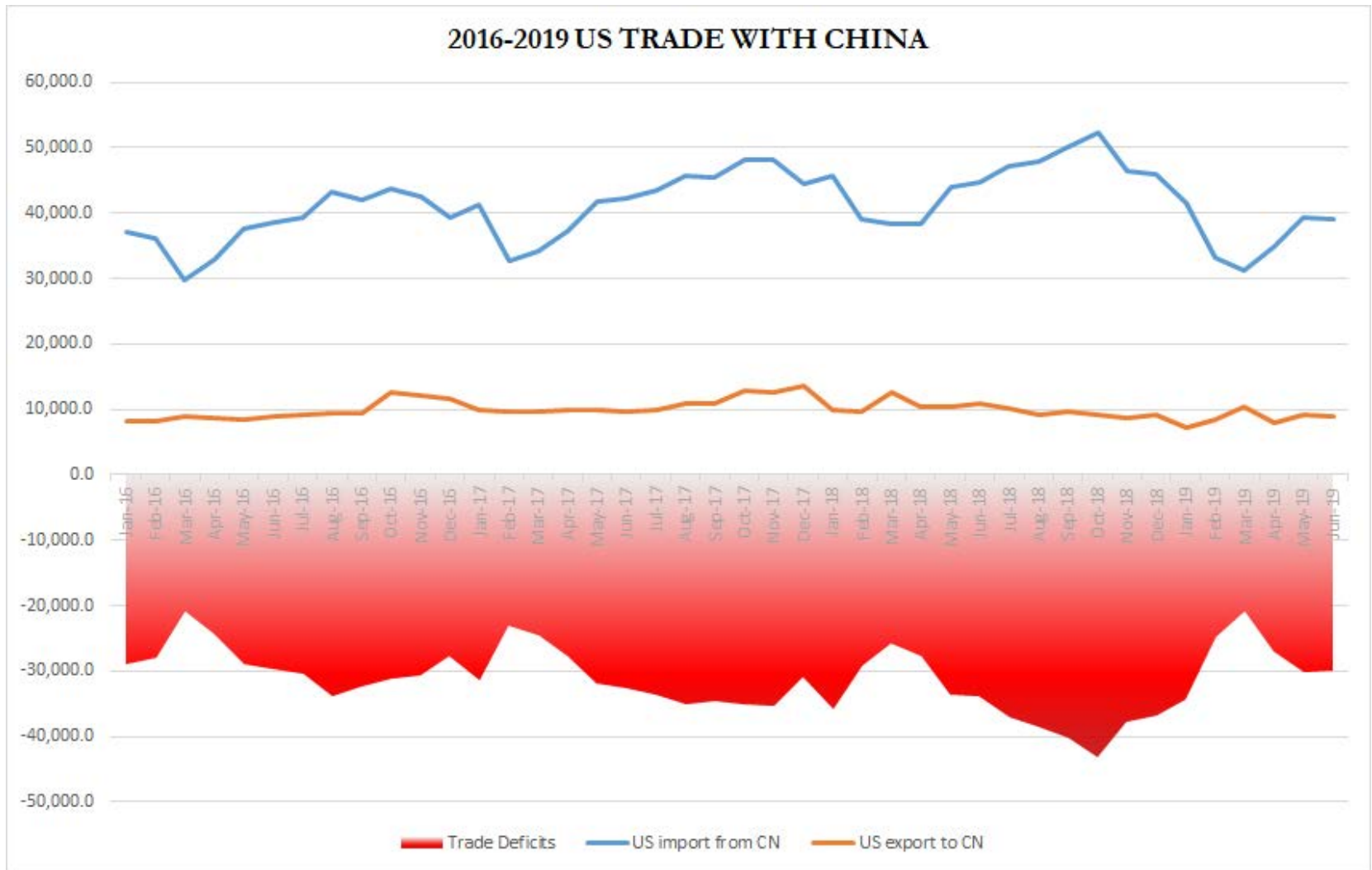
- International Economic Emergency Power Act
- Section 232 of the Trade Expansion Act of 1962
- Section 301 of the Trade Act of 1974
- Export Control Reform Act 2018.
- Foreign Investment Risk Review Modernization Act (FIRRMA) of 2018.

Key Measures Adopted

Section 232 Steel and Aluminum Investigations

- Section 301 Investigation
- Export Restrictions against ZTE (subsequently lifted)
- Addition of Huawei to Entity List
- Blocked inbound investments from China or China-related entities, including Broadcom's purchasing attempt of QUALCOMM
- Declared National Emergency on Information and Communications Technology
- Designated China as a Currency Manipulator.

Are these Measures Effective?



Options for Taiwan: Three-Level Analysis

- National Level: From Ma Administration to Tsai Administration
- Party Level: DPP, KMT and TPP (Taiwan People's Party)
- Firm Level: Shoe-making and Textile; Personal Computer and Electronics; Integrated Circuit (IC) industries

National Level



Party Level



Frim Level: Shoe-making and Textile: Makalot Industrial Co.



Firm Level: PC and Electronics

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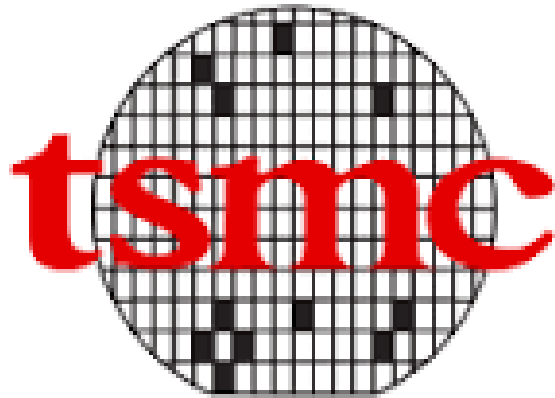


廣達電腦
Quanta Computer



Inventec

Firm Level: IC Industries



台灣積體電路製造股份有限公司
Taiwan Semiconductor Manufacturing Company, Ltd.

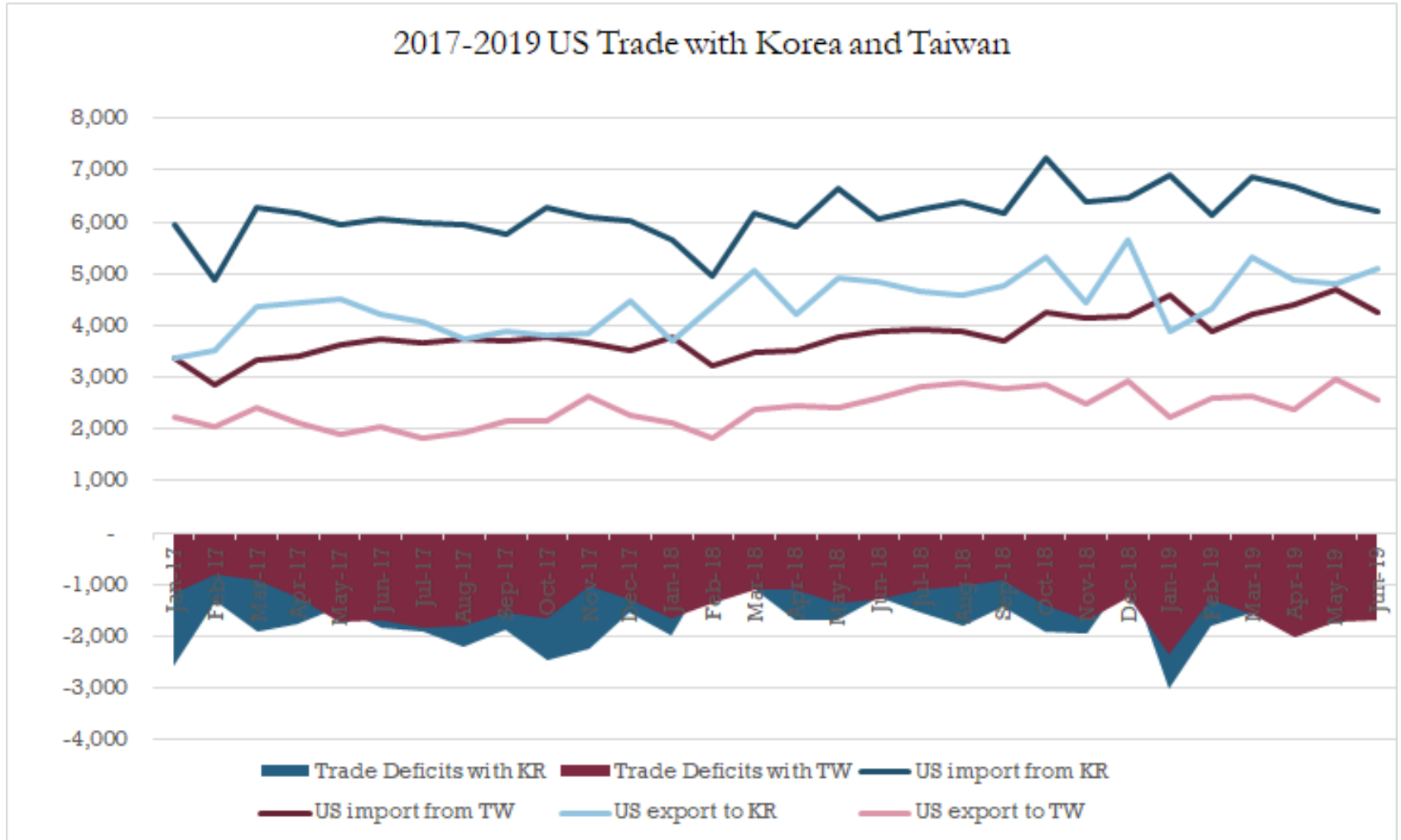


ASE GROUP

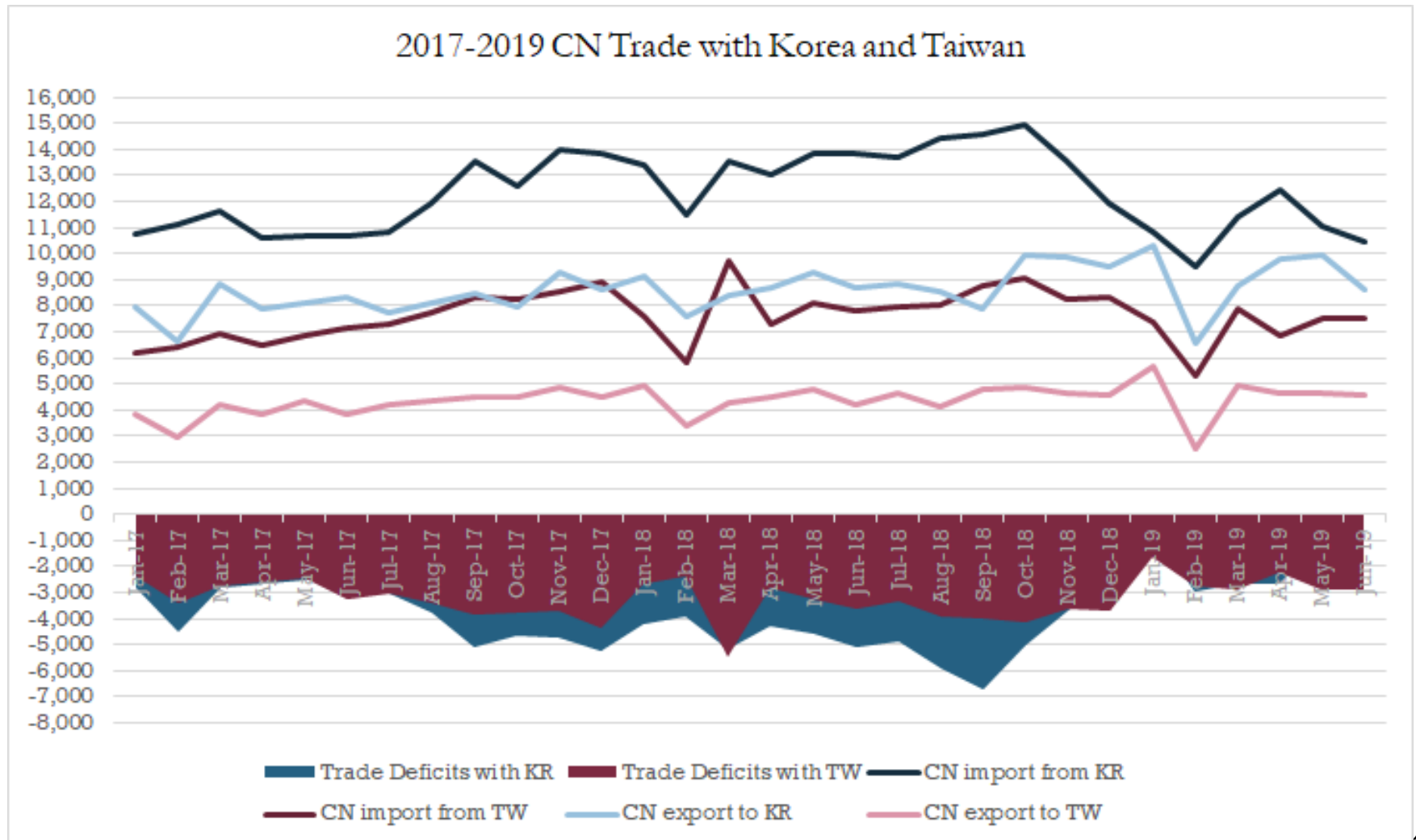
MEDIA TEK

聯發科技

The Impact of US-China Trade War: TW and KR



The Impact of US-China Trade War: TW and KR



Taiwan's Policy Instruments in the Midst of US-China Trade War

- “New South Bound Policy”
- Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan
- Outbound/Inbound investment reviews
- Sensitive Technologies
- Government Procurement on Critical Infrastructure

Coming Soon

Wilson Center Policy Analysis under Asia Program
Full text on SSRN (Chien-Huei Wu) and journal
article.

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