

Ambrey Insight Brief

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Indicator

The People's Republic of China (PRC) and the Republic of China (Taiwan) are on course to go through a period of heightened political and military tension from the elections until the inauguration of the Taiwan President. The Republic of China has its presidential and parliamentary elections scheduled for 13 January 2024. The current President, Tsai Ing-wen, of the Democratic Progressive Party (DPP), has already served a maximum of two consecutive terms. Polling suggests that Lai Ching-te, Tsai's successor in the DPP, will likely win the election. A win for the DPP over the Kuomintang (KMT) will likely be seen as a setback for Beijing.

Context

In 1949 Chinese nationalist forces fled the mainland for Taiwan following defeats to Communist forces. The PRC considers Taiwanese territories to be a province of the PRC and most UN Member States do not officially recognise Taiwan as an independent state. Since 1954 there have been three Taiwan Strait Crises, where the Taipei-based administration and the PRC have engaged in armed conflict and confrontation. Following the last Crisis, in 1995-1996, the PRC expanded its naval and amphibious capabilities and continued to demonstrate its resolve over the territories. Although the US does not officially recognise a Taiwanese State, the Taiwanese Relations Act 1979 provides for the US administration to "enable Taiwan to maintain a sufficient self-defence capability". Military activities have increased around the territories in recent years and have been correlated to political actions. The PRC's President, Xi Jinping, stated in his New Year's speech that Taiwan will "surely be reunified".

Analysis

In some ways, the next Crisis has already begun, due to the regularity of Chinese military activity around the island; actions that would have previously triggered a cross-strait Crisis have become normalised. Many of the circumstances that preceded the last Crisis (1995-1996) are now present. Before the last Crisis, President Bush provided significant arms to Taiwan, including 150 F-16 fighter jets. In recent years, under both the Trump and Biden administrations, the US has provided a considerable amount of military equipment including F-16V fighter jets, main battle tanks, armed attack drones, and anti-ship missiles. These factors will likely persist if Lai Ching-te is elected, as the DPP has invested in strengthening the island's armed forces, and has been pro-Taiwanese independence, as opposed to other Taiwanese parties which have nuanced views on "one-China". The DPP unveiled Taiwan's first domestically built submarine, the ROCS HAI KUNG in September 2023. In echoes of President Lee Teng-hui visiting the US in 1995, there have been two recent diplomatic visits that have triggered military exercises. In August 2022, the US Speaker of the House of Representatives visited, and the PRC conducted long-range missile launches into the Pacific Ocean and performed large-scale naval exercises around the entirety of Taiwan. In March-April 2023, the incumbent President of the ROC visited the US and met with the Speaker of the House of Representatives. The day after she returned from the US, the PRC announced three days of military exercises around Taiwan, including live missile firing.

The re-election of a DPP candidate is unlikely to accelerate any conflict due to Chinese domestic limitations of the PLA, it is assessed the PLA will not be ready to conduct such operations until at least 2027. Anything short of a quick victory would risk the political stability of the Chinese Communist Party due to domestic financial fragility. The US appears to share this assessment, as it has also not moved the Seventh Fleet into a defensive posture ahead of the upcoming elections. Nevertheless, in the medium to long term, President Xi has made unification of Taiwan a fundamental ideological issue. He has made military appointments that would offer him strategic choices in the future. These include the recent appointment of Dong Jun as Minister of Defense. Dong Jun is a former admiral and deputy commander of the Southern Theater Command, and is the first from a naval background to hold this appointment.

Implications

There is a high likelihood that the PRC will increase military activity around the island around the time of the election, this could consist of naval exercises, missile launches, increased aerial activity over the Air Defense Identification Zone, and an increased state of readiness/posturing from People's Liberation Army units in the Eastern Theater Command. This could lead to temporary navigational disruption in the form of designated military exercise areas. It is assessed highly unlikely that the PRC will launch an invasion of the island, and it is even more unlikely that the Strait will be closed. Vessels should be aware of the potential of sudden NAVTEX area notices and an increase in naval and military assets in the Taiwan Strait and off the eastern coast of Taiwan. In the event of being hailed, merchant shipping is advised to follow military instructions.
