



Tension intensifies in the Taiwan Strait

Post Xi's warning of 'playing with fire', the visit of US House Speaker Nancy Pelosi to Taiwan, the highest-ranking US elected official to visit Taipei since 1997 brewed up tensions in the Indo-Pacific. The standoff between the US and China over Taiwan has thrown a spotlight on growing risks to one of the world's busiest shipping lanes. Taiwan fears its security and sovereignty, Pelosi's visit which focussed on three issues human rights, trade and security seen by China as a challenge to its 'One China Policy'. In this edition of CUTS ONW, articles of significant importance about the crisis in Taiwan is highlighted.

News/Op-ed	Key Takeaway
<p>What a Chinese blockade of Taiwan would mean for global business Livemint August 15, 2022</p>	<p>A Chinese blockade of Taiwan (Paywall) would cripple global supply chains and raise freight prices in Asia and potentially beyond, because of the outsize role that the island of roughly 23 million people plays in global business. Taiwan accounts for roughly 70 percent of the world's microchip supply. It serves as an important part of the production chain for goods including smartphones, computers and cars.</p>
<p>Five US Lawmakers arrive in Taiwan amid tensions with China <i>Jane Perlez</i> The New York Times August 14, 2022</p>	<p>A five-member congressional delegation arrived in Taiwan (Paywall) on August 14, 2022, less than two weeks after the contentious visit by House Speaker Nancy Pelosi that infuriated China and drew intense Chinese military drills off the island's coast. There was no immediate response from Beijing, but the presence of the five American lawmakers so quickly after Pelosi's visit was likely to provoke a sharp reaction, possibly of more military exercises.</p>
<p>How China-Taiwan tensions play out in India <i>Michael Kugelman</i> Foreign Policy August 11, 2022</p>	<p>India has expanded economic cooperation with Taiwan more than any of its neighbours, in great part because of its sharp rivalry with China. Trade with India accounts for nearly 80 percent of Taiwan's trade with South Asia. The broader geopolitics matter for India. China-Taiwan tensions are playing out in the Indo-Pacific region, where India strongly supports US policy that revolves around countering China.</p>
<p>Why Taiwan Matters <i>Daron Acemoglu and James A. Robinson</i> Project Syndicate August 09, 2022</p>	<p>It is no secret that the Communist Party of China (CPC) is committed to unifying Taiwan (which it views as a breakaway province) with the mainland. Western powers have since mostly refrained from recognising Taiwan as a separate country. Some Western commentators believe that Pelosi acted recklessly by visiting the island. But they ignore how and why Taiwan also matters (Paywall) for the future of both democracy and China itself.</p>

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<p>China-Taiwan crisis: Implications and options for Japan <i>Chisako T. Masuo and Jabin T. Jacob</i> India Today August 09, 2022</p>	<p>The fact of the matter generated by the visit of US House of Representatives Speaker Nancy Pelosi to Taiwan as something largely involving the US and China is that there are a lot more countries that have a stake in the fate of Taiwan. One of these countries naturally is Taiwan’s neighbour, Japan. Chinese talk of regularising the military exercises around Taiwan creates particular sensitivities in Japan.</p>
<p>Why is Taiwan caught between US and China? <i>Ananth Krishnan</i> The Hindu August 08, 2022</p>	<p>Taiwan caught between US and China (Paywall), democratic party politician Nancy Pelosi visited Taiwan. US President Joe Biden said the visit was “not a good idea”. China has seen it as an attempt by the US to change the status quo as far as its ‘One China Policy’ is concerned. Pelosi said her visit was focussed on three issues human rights, trade and security.</p>
<p>China-Taiwan: Beijing conducts new military drills near island BBC News August 08, 2022</p>	<p>Taiwan has accused China of using these drills as practice for an invasion of the island. Taiwan said Chinese aircraft and ships had not entered its territorial waters, which extend 12 nautical miles (22km; 14 miles) from the coast, during the exercises so far. The US, Australia and Japan, have condemned the drills, saying their objective is to change the status quo in the Taiwan Strait.</p>
<p>Japanese PM Fumio Kishida to reshuffle cabinet amid China-Taiwan, inflation concerns The New Indian Express August 06, 2022</p>	<p>Japanese Prime Minister Fumio Kishida, announced on August 06, 2022 that he will likely reshuffle his cabinet to address a variety of issues including heightened tensions in the Taiwan Strait, increasing inflation and the war in Ukraine. Following the reshuffle, work will start on drafting the state budget for the upcoming fiscal year.</p>
<p>China-Taiwan Conflict: Japan scrambles fighter jets after Chinese suicide drones approach Sakishima Islands The Eur Asian Times August 05, 2022</p>	<p>A surveillance drone and a kamikaze drone left the East China Sea and entered the Pacific Ocean in the vicinity of Japan’s Sakishima Islands at different times but followed almost the same route. The drones have not violated Japan’s airspace, but the Japanese air force scrambled several fighter jets out of precaution.</p>
<p>Jaishankar, Blinken discuss pressing global issues, including China-Taiwan conflict The Wire August 04, 2022</p>	<p>External Affairs Minister S. Jaishankar and US Secretary of State Antony Blinken on, August 4, 2022 held talks on pressing global challenges, amid rising tensions between China and Taiwan following US House Speaker Nancy Pelosi’s high-profile visit to Taipei. China has launched a major live-fire military exercise in the waters around Taiwan in response to Pelosi’s visit.</p>

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