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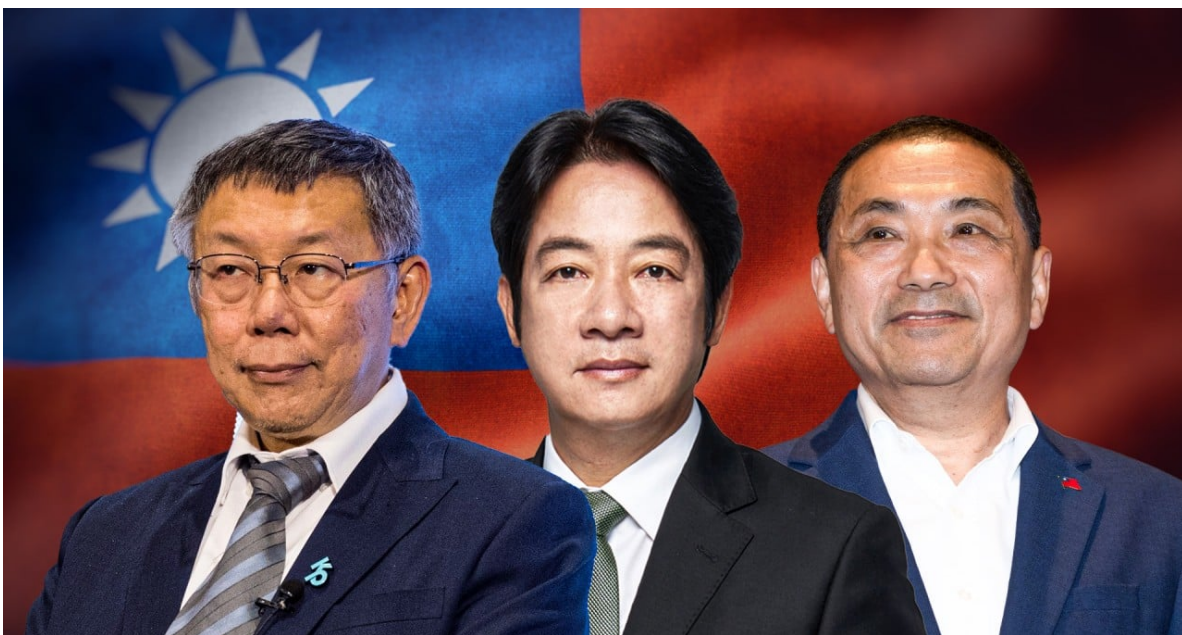
Why does Taiwan matter so much to both mainland China and the US?


6–8 minutes

As many as 19.3 million voters in [Taiwan](#) will [elect a new president on January 13](#). Their vote will not only decide the self-ruled island's policy with Beijing for years to come, but also geopolitics in the Asia-Pacific region and US-China relations.

Washington views Taiwan as a bastion of democracy next to autocratic mainland China and a strategic foothold for a peaceful Asia-Pacific. Though, like most other countries, it does not see the island as an independent state.

Beijing sees Taiwan as its own and the issue of Taiwan as a red line that must not be crossed or interfered with by foreign parties.





10:34

What Taiwan's presidential election will mean for China, the US and the world



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In [Taiwan's presidential election](#), the leading candidate, Vice-President William Lai Ching-te of the incumbent Democratic Progressive Party (DPP), sees Taiwan as an independent country. His major rival, Hou Yu-ih of the Beijing-friendly Kuomintang (KMT) party, opposes Taiwan independence and Beijing's proposal for unification, while advocating "pragmatic dialogue". Another rival, Ko Wen-je of the Taiwan People's Party, proposes engaging with Beijing while maintaining peace and Taiwan's democratic political system.

Why is Taiwan's location important?

Taiwan is near the Taiwan Strait and the South China Sea, one of the world's busiest shipping routes. They link northeast Asia with the Middle East and Europe, allowing the trade of food, energy sources, natural resources and consumer goods. Experts have argued a conflict in the area would seriously disrupt global trade and drive up prices.

Washington also sees Taiwan as a "critical node" in the [first island chain](#) that runs from Borneo to the Philippines, Japan and South Korea. The latter three are US allies and host US bases. The chain is strategically important to Washington because securing it

would curtail the deployment of the People's Liberation Army (PLA) in the western Pacific.

Beijing sees the island chain strategy as a way to contain mainland China. The PLA has been trying to defy the island chain's limits with new transport planes, strategic bombers, aircraft carriers and cruise and ballistic missiles that can strike a target more than 1,000km (621 miles) away.

Why does Beijing want Taiwan under direct control?

Chinese President Xi Jinping has made [“national rejuvenation”](#) a goal for Beijing to reach by mid-century. Bringing Taiwan under its control and [“reunifying” China](#) is part of that rejuvenation vision.

The Qing dynasty (1644-1911), the last imperial Chinese dynasty, ceded Taiwan to Japan in 1895 after losing a war. In 1945, the KMT, which ruled China at the time, gained control of Taiwan after Japan was defeated in World War II. The KMT moved its capital to Taiwan after losing the civil war to the Communist Party on the mainland in 1949.

[Who is running in Taiwan's presidential race and what does it mean for Beijing?](#)

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In Beijing's narrative, mainland China and Taiwan were separated

because of “a weak nation”, an issue that would be “resolved” when “rejuvenation” is achieved. The issue is considered a core question for the Communist Party’s legitimacy, as it has often cited fulfilling “the wishes of 1.4 billion Chinese people” as a reason to unify Taiwan and the mainland.

And in that narrative Washington becomes the prime target of what senior Chinese officials, including Xi, refer to as “external forces” meddling on the issue.

What is the US’ relationship with Taiwan?

Washington does not keep formal ties with Taipei and does not support Taiwan independence. Nor does it recognise Taiwan as part of China in its one-China policy. In the documents that established official ties between Beijing and Washington in 1971, the US said it acknowledged Beijing’s position that Taiwan was part of China but stopped short of endorsing that view. This position has been described as [“strategic ambiguity”](#).



05:27

Taiwan election exposes generational rift over potential reunification with mainland China



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Whether the US will come to Taiwan's defence if attacked by Beijing is also ambiguous. Under US law, Washington must help arm the island for Taiwan's self-defence. US President [Joe Biden](#) has said four times since 2021 that US troops would aid Taiwan if Beijing attacked, but each time, the White House clarified that the policy remained unchanged.

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The US is also opposed to unilateral changes to the status quo.

The US sees Taiwan as one of its "like-minded partners" in Asia. It also supports Taiwan's participation in international organisations, often to the dismay of Beijing, which has accused the island's ruling DPP of "using the US to push for independence".

Why is Taiwan's chip industry important?

[Taiwan Semiconductor Manufacturing Company \(TSMC\)](#) is the biggest contract manufacturer of advanced chips in the world. As the chips supply chain is global, disrupting TSMC's operation could cause a global shortage of the chips that power smartphones and other consumer electronics.

This puts Taiwan at the centre of US-China tech competition and creates an interest for other countries to ensure that Taiwan – which supplies more than half the world’s semiconductor chips – is not involved in a war.

[Mainland China reporters on short-term stay ‘can only observe’ Taiwan elections](#)

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The US government is giving tax credits and incentives to companies to make chips in the US and allied countries to ensure long-term American leadership in advanced chip technologies.

In 2020, it also virtually [banned TSMC from supplying chips to Huawei Technologies](#), a mainland tech giant. Without their cutting-edge supplier, mainland Chinese firms must rely on other mainland semiconductor foundries, such as Semiconductor Manufacturing International Corporation.

