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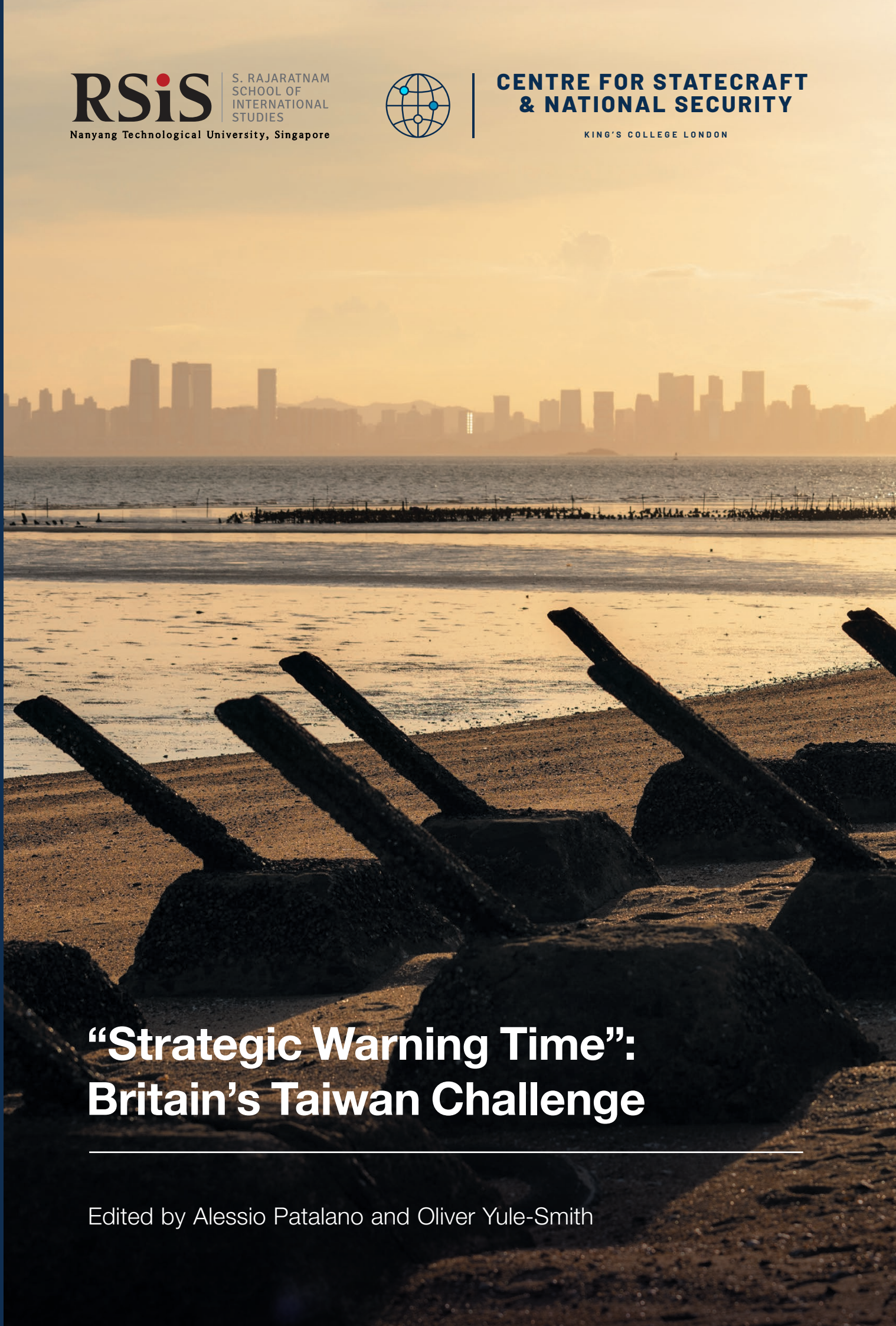
Nanyang Technological University, Singapore

CENTRE FOR STATECRAFT & NATIONAL SECURITY
KING'S COLLEGE LONDON



"Strategic Warning Time": Britain's Taiwan Challenge

Edited by Alessio Patalano and Oliver Yule-Smith

CONTACT DETAILS

For questions and queries, please contact:

Centre for Statecraft and National Security
King's College London
Strand
London WC2R 2LS
United Kingdom

mail@csns.uk

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Introduction

There is no doubt that the risk of military escalation or, worse still, of war, across the Strait of Taiwan has gained centrality in international security discourse. In the US, experts and senior political officials agree that changes in the balance of cross-Strait relations are a core point of friction in the Sino-American competition that will shape the future of global leadership. There is some disagreement over how to manage American support for Taiwan within this broader competition – with some observers suggesting that the fate of Taiwan may not be an existential concern for the US.[1]

At heart, the key dividing lines are between those proposing a stronger challenge to growing Chinese military build-up and technological advancements and those suggesting a mix of dialogue and tailored pressure on Beijing.[2] Yet it is hard to predict American responses in times of crisis, especially where a direct confrontation with Beijing might be required.

Notwithstanding this uncertainty, there is agreement across the political spectrum in the US that the future of Taiwan is a pressing issue of policy concern.[3] A clock is ticking, and key policymakers in the Trump administration argue that Washington has agency when it comes to shaping a maritime strategy that might deny Beijing any strategic advantage they believe it might possess in the event of a military operation across the Strait.[4]

Other experts support this view, pointing to the country's lasting engagement with both Beijing and Taipei as a key lever to shape a policy of deterrence towards China.[5] During his confirmation hearing with the Senate Armed Services Committee, Elbridge Colby, the current Under Secretary of Defence for Policy, expressed such a view. As he put it, the "most pressing" scenario for American defence officials – including himself – concerned a Chinese attempt to seize Taiwan militarily. He pointed out that what he considered a "cardinal responsibility" was for US defence to ensure that leaders in Beijing did not bring harm to Taiwan during President Trump's period in office.[6]

This specific aspect is key to understand the underlying American sense of urgency. There is a perception that senior US officials are also communicating clear requests to close allies like Japan and Australia, to clarify the type of role they would be able to

1 Jonathan Caverley, "The Taiwan Fallacy," *Foreign Affairs*, August 7, 2024.
2 Matt Pottinger and Mike Gallagher, "No Substitute for Victory," *Foreign Affairs*, April 10, 2024; Rush Doshi et al., "What Does America Want from China? Debating Washington's strategy and the Endgame of Competition," *Foreign Affairs* 103, no. 4 (2024): 174–187; Kurt M. Campbell, "Underestimating China: Why America Needs a New Strategy of Allied Scale to Offset Beijing's Enduring Advantages," *Foreign Affairs* 104, no. 3 (2025): 66–81.
3 Bonny Lin, John Culver, and Brian Hart, "The Risk of War in the Taiwan Strait Is High – and Getting Higher," *Foreign Affairs*, May 15, 2025.
4 Elbridge Colby, "A Strategy of Denial for the Western Pacific," *US Naval Institute Proceedings* 149, no. 3 (2023).
5 Bonnie S. Glaser and Bonny Lin, "The Looming Crisis in the Taiwan Strait," *Foreign Affairs*, July 2, 2024; Bonnie S. Glaser et al., "Taiwan and the True Sources of Deterrence: Why America Must Reassure, Not Just Threaten, China," *Foreign Affairs* 103, no. 1 (2024): 88–103.
6 "Advance Policy Questions for Elbridge Colby Nominee for Appointment to be Under Secretary of Defence for Policy," *Senate Armed Services Committee*, March 4, 2025.

play in a major crisis.[7] In response to these comments, Japan's newly appointed Prime Minister Sanae Takaichi expressed the view that use of force within the Strait could constitute a 'threat to Japan's survival'.[8] Chinese political announcements signalling they will keep all options on the table – including being ready to conduct military operations against the island by 2027 – are central to explaining continued American and allied engagement with this issue.[9]

Beyond the US, leading political figures in Europe consider the risk of war over Taiwan as more than just a regional affair. In June 2025, the European Union's High Representative for Foreign Affairs and Security Policy, Kaja Kallas, strongly reaffirmed the Union's commitment to speak out when tensions flare up and to oppose any attempt to change the status quo by force or coercion.[10] As she delivered her remarks at the Shanghai-La Dialogue, she made the point that events and actions over Taiwan matter to the stability of the global maritime order as enshrined in the United Convention on the Law of the Sea, underpinning maritime security and global economic prosperity.[11]

Crucially, she was not alone in stressing the trans-regional character of a potential crisis in the Strait. In not too dissimilar tones, Mark Rutte, NATO's Secretary General, made the case in a recent *New York Times* interview that the stability of the Strait of Taiwan relates directly to European security. In light of the growing coordination and alignment between China, Russia and other authoritarian regimes, he argued, one should expect that any move against Taiwan would likely witness support from Russia as a means of diverting European attention elsewhere.[12]

Their propositions, like those of their American counterparts, are clear. The state of affairs across the Strait is steadily deteriorating and this shift demands attention because of its obvious consequences for the region and beyond. A crisis in the Strait has international implications that will hit everything from trade to the stability of neighbouring regional orders. This demands that Europe pays attention to potential Chinese moves against Taiwan and seriously considers how to contribute to deterring such eventualities.

So what about the UK in all of this? This is far from a trifling question. In the UK, challenges to the stability of political relations across the Strait might feel like a distant issue. British citizens – if they turn their attention to foreign affairs at all – are likely to consider Russian threats as the primary focus of foreign, defence and security policy. From the very real impact of the Salisbury poisoning on the British population and the persistent coercive activities against national critical infrastructure, to the wider impact

7 Demetrius Sevastopulo, "US Demands to Know What Allies Would Do in Event of War over Taiwan," *Financial Times*, July 12, 2025.
8 Nobuhiko Tajima, "Japan forced in damage control over Takaichi's Taiwan remarks", *The Asahi Shimbun*, November 11, 2025.
9 On the US understanding of Chinese military preparations in relation to possible Taiwan actions by 2027: David Vergun, "China's Military Build-up Threatens Indo-Pacific Region Security," *DOD News*, April 9, 2025.
10 "Speech by High Representative/Vice-President Kaja Kallas at the IISS Shangri-La Dialogue," *European Union External Action*, May 31, 2025.
11 "Speech by High Representative/Vice-President Kaja Kallas."
12 Lulu Garcia-Navarro, "The Interview: Mark Rutte, The Head of NATO, Thinks President Trump 'Deserves All the Praise'," *New York Times*, July 5, 2025.

of the war in Ukraine on life in the UK, Russia is a persistent factor in national debates over defence and security.[13]

Indeed, as the latest Strategic Defence Review (SDR) reaffirmed, because of the severity of European security, the UK will focus in the near future on the strengthening of the country's conventional and strategic commitments to NATO as the government's "first" priority.[14] At the same time, however, the recently released UK National Security Strategy also acknowledged that a "NATO-first" approach does not mean a "NATO-only" engagement. The document made clear, in fact, that Taiwan's centrality to global trade and supply chains "underscores the importance to the UK of regional stability".[15]

The most recent UK defence and strategy frameworks, therefore, have acknowledged, like previous British governments, that the potential destabilisation of Taiwan really does matter to political leaders in London.[16] Indeed, the consequences for the UK of a major Taiwan event would be significant. Trade transiting the South China Sea would be heavily disrupted; global supply chains would be thrown into chaos. This would force significant additional costs on businesses, while the fall of Taiwan would mean the loss of a democracy of nearly twenty-five million people. This would rock the existing international order to its core, inviting further structural systemic fragmentation and uncertainty.

The implications of a Taiwan event – be that an invasion, an economic blockade or grey zone operations – would therefore affect the security, prosperity and way of life of British citizens. Yet what would be the specific impacts? And how long would it take for the British economy and society to adjust and recover from such a shock? These are key preliminary questions that merit attention before any potential role for the UK in such a crisis can be determined.

This project started with these very questions. It did so by trying to assess not only how the UK might react to such crisis, but also how other allies and regional partners would expect the UK to react. To that end, as a starting proposition, we asked contributors to this project how close we were to seeing a conflict, broadly defined, arising over Taiwan. We sought to capture this concern by borrowing from the 2024 Australian Defence Strategic Review, particularly the idea that "there is no longer a ten-year window of strategic warning time for conflict".[17] The concept of a "strategic warning time" was a device adopted in Australia to define 'urgency' as it relates to foreign, defence and security policy, guiding everything from defence equipment procurement to assessing supply chain vulnerabilities. Australia is at the coalface of a Taiwan event, and as a result we felt it offered a useful way to understand 'urgency' for the UK.

13 Harry Yorke, "Revealed: Russia's Secret War in UK Waters," *The Times*, April 5, 2025.
14 "The Strategic Defence Review 2025 – Making Britain Safer: Secure at Home, Strong Abroad," *Ministry of Defence*, 2025, 4.
15 "National Security Strategy 2025: Security for the British People in a Dangerous World," CP 1338, *HM Government*, 2025, 36.
16 "Integrated Review Refresh 2023: Responding to a More Contested and Volatile World," CP 811, *HM Government*, 2023, 30.
17 "National Defence Strategy," *Australian Government*, 2024, 5.

Following this initial proposition, when we approached international experts to examine 'Britain's Taiwan challenge' we asked them to reflect upon the following four key questions:

1. What is the UK's strategic warning time for a Taiwan event?
2. How would the triggers of a Taiwan event manifest themselves, if at all?
3. Crucially, what should the UK be thinking about to reduce such risks or, failing that, to be ready to meet the implications?
4. Bluntly, what should the UK be preparing for, and when does the UK need to be ready?

To address these questions, the Centre for Statecraft and National Security convened a one-day workshop aimed at gaining a greater understanding of the likelihood, course and implications of a Chinese event against Taiwan. The workshop brought together officials and academia from the UK, Europe and Asia. The workshop built upon an existing collaboration with the S. Rajaratnam School of International Studies (RSIS) Maritime Programme in Singapore and aimed to test a model of knowledge transfer between academia and government stakeholders.

The workshop had four objectives:

1. Introduce the concept of strategic warning time as a policy tool
2. Test the specific risks of different Taiwan scenarios
3. Enhance the UK policy community's strategic fluency through interaction with innovative regional experts
4. Augment the UK policy community's ability to think beyond the immediate first-order effects of a national security crisis.

For the purpose of gaining a wider range of views, participants in this workshop had considerable freedom around how they conceptualised potential Taiwan scenarios and options, and the implications for the UK and the world more broadly. The variety of perspectives enabled us to identify four main themes that are worth highlighting in this introduction.

Firstly, many contributors emphasised the idea that we might very well already be in the midst of a Taiwan scenario, in light of China's ongoing grey-zone activities. These grey-zone activities are aimed at undermining both Taiwan's will to resist and the legitimacy of the support that external actors might provide. While contributors were quick to say a full-scale invasion of Taiwan could not be ruled out – and indeed that China is well placed to conduct such an operation – there would at least be obvious signs that an invasion was imminent through geospatial intelligence. Chinese grey-zone activities – whether a lower-level customs enforcement zone aimed at bringing the island (especially its offshore islands) under Taiwanese control into China's jurisdictional control, or the provocation of a limited crisis aimed at undermining confidence in Taiwan's political leadership – will not, however, present any obvious warning signs. Thus, it might not be apparent when these activities have even occurred. If this view is accepted, then it means that the UK, as well as any country supportive

of the status quo, has no real strategic warning time for a Chinese action against Taiwan. Seen in this way, we might already be in a Taiwan scenario.

Secondly, a number of contributors argued that the best approach for countries like the UK to a major Taiwan crisis is to ensure it does not happen in the first place. To do this, Taiwan must be made more resilient – particularly as it relates to societal cohesion – and China must perceive that the risks of reunification with Taiwan far outweigh what it believes to be the benefits of reunification. The UK and other like-minded countries can start laying the groundwork for this now by supporting resilience-building measures and developing the narrative that a Chinese attempt on Taiwan would prompt a significant backlash in the global court of public opinion. The UK could make useful contributions to protecting Taiwan’s critical national infrastructure and countering disinformation.

Thirdly, many contributors made it clear that although there has been an escalation of Chinese military activity in recent months and years, this activity was not just aimed at improving military preparedness but also at achieving concrete political outcomes. Beijing wants to ensure it keeps tight control over the escalatory ladder, meaning that if it feels that it cannot rapidly overcome Taiwan’s defences before external support can be mustered, it will continue to use force and a wide spectrum of other capabilities to try to convince the Taiwanese population that their struggle is ultimately futile. Given the uncertainty about the role of the US in the world, Beijing will likely use every opportunity to try to drive wedges between Washington and Taipei. In this context, the normalisation of higher thresholds of accepted Chinese military activities around Taiwan – when combined with the advantages provided by advancements in technology, especially in long-range precision strike (LRPS) and mass production of drones – might further favour social and political conditions to secure Beijing’s objectives of a Taiwanese capitulation.

Fourthly, contributors were cautiously optimistic about Taiwanese actions aimed at improving its situation, but conceded that there remained significant challenges to maintaining some measure of status quo. Taiwan’s political parties have broadly coalesced around the idea that Taiwan should keep a distance from the mainland. The Democratic Progressive Party (DPP), which won the presidency in January 2024, is perhaps most outwardly in favour of keeping a distance from Beijing, but even the traditionally China-friendly Kuomintang supports increased defence spending and reject models of reunification with the mainland that do not provide some guarantees to Taiwanese society. There were, however, significant concerns from contributors over the intensity of Beijing’s attempts to undermine the Taiwanese population’s confidence in the DPP’s political leadership. Beijing could use co-opted politicians, religious groups and military personnel, among others, to fuel political polarisation – challenging the integrity of the government, inhibiting the operation of democratic institutions, and pushing some to declare their unwillingness to defend Taiwan in a time of crisis.

Finally, contributors suggested that the UK would be expected to play a meaningful role in a Taiwan crisis, particular in sustaining support in Europe. The UK has a realistic series of options that it can take to help both to deter a Taiwan event and to change Beijing’s calculations

in an actual crisis. A UK military contribution in the event of full-scale military conflagration would not be expected, as the UK already makes an important contribution in anchoring European defence efforts – something increasingly salient in light of alignment between China and Russia.

But this should not be interpreted as the UK having no role in a crisis. The UK would be expected to help shoulder more of the burden of securing lines of communication in the North Atlantic, and the UK would be expected by allies in Asia to sustain a European coalition of the willing around Taiwan. The UK would help lead lawfare efforts in international institutions, and there are several economic measures it could signal and undertake as part of a wider multilateral strategy. Similarly, the UK – working closely with partners – would also be in a position to offer tailored military capabilities.

We would once again like to thank our incredible contributors and express our gratitude to the Policy Support Fund from the Faculty of Social Science and Public Policy at King's College London. We hope readers find this report thought-provoking and illuminating.

Alessio Patalano
Professor of War and Strategy in East Asia
Centre for Statecraft and National Security
Department of War Studies
King's College London
patalano@ws.kcl.ac.uk

Oliver Yule-Smith
Ernest May Fellow in History & Policy
Applied History Project
Belfer Center for Science and International Affairs
Harvard Kennedy School
oliveryulesmith@hks.harvard.edu

Executive Summary

- The study finds that we are in a period of strategic warning time on Taiwan and that the risk of serious escalation around the Strait of Taiwan is a real possibility well within a ten-year timeframe.

- Direct military action by the People's Liberation Army (PLA) against Taiwan would be a dangerous conflict, highly destabilising to global trade and security. But if China's leaders deem force to be necessary, the PLA is well-organised to the task and China's diplomats have set the stage for a global information campaign to discourage external intervention.

- The objectives of a PLA campaign would be to rapidly manoeuvre in every domain to overwhelm Taiwan's defences, hold American and allied regional forces at risk, and quickly gain control over the island before meaningful outside force can be brought to bear.

- The PLA will seek rapid victory, but if Taiwan can withstand the PLA's initial onslaught, the nature of the conflict could shift from rapid manoeuvre warfare to slower attrition warfare, involving opportunities for other countries to create economic leverage and expand the geographic scope of conflict.

- In the event of an extended period of conflict, the UK's primary contribution to a Taiwan contingency would be to ensure maritime defence of the North Atlantic on behalf of its NATO allies and exercise greater leadership within NATO as American attention is drawn to the Pacific. The UK may also be asked to help create economic leverage to encourage China to back down.

- To avoid the unpredictability of warfare and the international damage to China's reputation that the use of military force would entail, Beijing may seek to control Taiwan by employing a strategy of coercion without kinetics, either as a standalone operation or as a precursor to further escalation. This approach would involve Beijing's increasing use of law enforcement measures to bring Taiwan under China's jurisdictional control.

- Taiwan's democratic consensus has solidified around maintaining distance from Beijing, with even traditionally China-friendly parties now rejecting unification models and supporting increased defence spending. This bipartisan shift toward deterrence reflects a realignment which will likely persist regardless of which party holds power.

- Beijing will continue to escalate grey-zone activities and military pressure against Taiwan as the island's political direction moves away from unification, creating recurring cycles of tension which test international resolve. These coercive tactics represent China's preferred strategy for maintaining pressure without triggering full-scale conflict, and eventually persuading the Taiwanese people that their situation is futile and their US partners unreliable.

- European nations must develop a more coherent and proactive Taiwan policy which balances support for Taipei against Chinese coercion while coordinating closely with Indo-Pacific partners. Europe's ability to forge this balanced approach will determine its credibility as a serious security actor in the region and its capacity to respond to future Strait of Taiwan crises.

- China's military activity near Taiwan is intensifying, but its ultimate goal is political rather than military: to shape Taiwan's 2028 elections by eroding public trust and encouraging a shift away from the DPP.

- Beijing may attempt to provoke a limited crisis – not full-scale war – but only if it can blame Taiwan's leadership, fracture domestic confidence, and test US resolve without triggering uncontrollable escalation.

- The core variable in Beijing's calculus is the US: if Washington can be persuaded to view Taipei as the destabilising actor, or if 'America First' policies damage Taiwan's economy, China could exploit the moment to drive a wedge.

- To preserve the status quo, democratic actors should focus their action on reinforcing Taiwan's resilience, by bolstering critical infrastructure, countering disinformation, protecting foreign investors and clearly signalling to China the risks of crisis manipulation.

- The UK should commit to a 'national endeavour' to demand preparedness from businesses, citizens and the public sector, which should be enshrined as a 'Preparedness Act' ensuring serious machinery of government changes.

- This national endeavour must be explained, voters persuaded, and our private and public sectors directed and enabled to be resilient.

- The UK has several unique levers to influence Beijing's decision-making in a Taiwan crisis. These include the assets held by China's state-linked elites in the UK, London's role in offshore RMB trading and its pivotal role in maritime insurance.

- The UK can multiply its influence by building coalitions to put pressure on Beijing, helping reduce the need for unilateral US action. The UK will likely set the bar for any European military or sanction response to attacks on Taiwan, and should begin working with EU partners now to ensure a swift and coordinated response.

- The UK's strategic warning time has already begun. It must act now to strengthen its capabilities for a range of Taiwan contingencies. This means boosting strategic capabilities, working with allies on prospective sanctions and other measures, strengthening Taiwan's ability to deter and defend against Chinese threats, and reducing the UK's own exposure to Chinese retaliation.

- The UK should be working with EU officials to identify potential sanction targets proportionate to a range of grey-zone and conflict scenarios, and conduct diplomacy to persuade hesitant member states to align.

- The UK should work with its close partners to signal to China that the continued adherence to so-called One-China policies are conditional upon China not forcing a unilateral change to the status quo, with a range of options for moving beyond the confines of longstanding policies on Taiwan in the event of an attack.

- The UK government, through the Cabinet Office, should revive the 'war books' of the Cold War, detailing actions to be taken by government departments, arms-length bodies, critical national infrastructure, important private sector companies and civil society, in the event of a Taiwan crisis.

- The UK government should require public sector and critical national infrastructure digital transformation plans to include a 'non-digital redundancy', detailing how public service providers would try to operate a normal service if their digital systems were compromised.


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Contributors

James Crabtree – Distinguished Visiting Fellow at the European Council on Foreign Relations and Visiting Fellow at King's College London

Jane Chan – Senior Fellow and Coordinator of the Maritime Security Programme at the S. Rajaratnam School of International Studies

Peter A. Dutton – Senior Research Scholar in Law and Senior Fellow at the Yale Law School China Center, and Emeritus Professor of International Law and China Studies at the U.S. Naval War College

Mathieu Duchâtel – Director of International Studies and Resident Fellow for Asia, Institut Montaigne, Paris

Johanna Inness – Managing Director at the Centre for Statecraft and National Security, King's College London

Aleksandra Januszkiewicz – Operations and Events Manager at the Centre for Statecraft and National Security, King's College London

Jyun-yi Lee – Associate Research Fellow at the Division of National Security Research, Institute for National Defense and Security Research, Taiwan

Alessio Patalano – Professor of War and Strategy in East Asia at the Centre for Statecraft and National Security, King's College London

Kit Perry – Doctoral Candidate in the Department of War Studies, King's College London

K. Tristan Tang – Associate Fellow at the Research Project on China's Defense Affairs at the Secure Taiwan Associate Corporation and Young Leader at the Pacific Forum

Joris Teer – Research Analyst for Economic Security and Technology at the European Union Institute for Security Studies

The Rt Hon Anne-Marie Trevelyan – Strategic Adviser to global defence companies and Fellow at the Oxford Changing Character of War Centre, Pembroke College, Oxford

Shinji Yamaguchi – Senior Research Fellow in the China Studies Division, the Regional Studies Department at the National Institute for Defence Studies, Japan

Andrew Yeh – Executive Director at the China Strategic Risks Institute

Oliver Yule-Smith – Ernest May Fellow in History and Policy at the Belfer Center for Science and International Affairs, Harvard Kennedy School and Visiting Fellow at the Centre for Statecraft and National Security, King's College London

Moving from the Tactically Urgent to the Strategically Important

The Rt Hon Anne-Marie Trevelyan

Some suggest that with war in Europe, we should ignore the world beyond the Euro-Atlantic, but this would be to wilfully ignore the dependencies and therefore attendant threats to our economic security, which we have built up over recent decades alongside global partners.

The risks to the UK and our allies of failing to be ready for fallout from a Taiwan blockade, political decapitation or indeed full invasion by the Chinese Communist Party (CCP) are real and must be taken seriously. The UK government has assessed that the threat posed by China across the maritime and wider technology domains is high, and that China's persistent overt and covert state-sponsored efforts to gain economic advantage and control over maritime shipping, ports and associated infrastructure are visibly threatening to UK economic interests, should it choose to use them aggressively.

Why Did We Only Recently Reach That Conclusion?

China's Belt and Road Initiative showed great leadership in building trading relationships for the raw materials China needs to sustain its economic miracle – and its greatest foresight of all was in its maritime initiative. Designed in its simplest form to **facilitate trade** and enhance **global influence**, it would be a benign investment proposition. We seemingly took that at face value. But it actually created secure **economic corridors** for China by developing maritime infrastructure, from **ports** to **shipping lanes** and **logistics networks**, with which they now have control and the ability to undermine other trading nations and businesses. Why is it that the world just looked on, addicted to cheap Chinese exports? Why for so long without seeing the risks? Enjoying the fruits of globalisation seemed to allow us to delude ourselves that the world had become a benign and predictable place. We were experiencing small disruptions, but political leaders chose to look away for a long time. Now we find ourselves facing serious financial, logistic and dependency challenges, putting our economic security under threat.

What Should We Be Doing?

Preparedness for the impacts of major threats has been a missing link in UK policy for decades. Successive governments have chosen to buy into the peace dividend without insuring (with assurance tools) our economic and physical security. During the 1990s and 2000s, before Xi Jinping and before Putin, it may have been acceptable to surmise that peaceful co-existence was permanent, and that secure economic growth was certain. But the last twenty years have shown we cannot make those assumptions. Putin wants to rebuild the Russian Empire, threatening neighbours, and in 2014 taking Crimea, strategically vital for so much trade through the Black Sea. And not

a single country came to Ukraine's assistance to stop him. At the same time, Xi Jinping Thought appeared. We all noted Commitment No. 12: "promoting the one country, two systems system for Hong Kong and Macau with a future of 'complete national reunification' and to follow the One-China principle and 1992 Consensus for Taiwan".

So the 2010s was when the strategic warning clock began ticking, but we did not listen. Not until the US started to feel the pressure from coercive activities from China, and asked us to pay closer attention as well. A few brave political voices shared these known bad behaviours publicly. They got sanctioned for the privilege, but most depressingly, their challenge to rethink our view of China has not been acted upon. Our security services can identify threatening actions, and we are strengthening our ability to deter and identify. But there has been a continuous failure – to attribute what we know. And so our citizens are living in false comfort.

The Huawei 5G saga was the first time that these nefarious activities were understood by citizens, but everyone assumed that the government was dealing with it. Not only were we not prepared, it took the heft of forceful and belligerent political leadership to kick the systems into a higher gear at the pace needed to protect our families. It was a close-run thing on many issues, many times over. Daily COBR meetings in those first weeks were a shocking eye-opener to the lack of preparedness in the systems of government we all rely upon, followed by the dawning realisation that the system really will choose cheapest every time if it can – even though the longer-term consequences may well be much more expensive.

Those who offer up choices to ministers on what threats to prioritise need to be clearer about the risks of a Taiwan event. I never saw an intelligence document that suggested or asked for a change of posture, or that gave an honest assessment of a threat picture I might hear from an Indo-Pacific partner or think tank. Why is our system insufficiently alert to these risks? Because of course most threats on the national risk register won't come about. So the mindset remains: 'why don't we work on the premise that they won't, and if one does, deal with it then in crisis mode?'.

What Happens if China Takes on Taiwan, and What are the Risks and Threats to the UK?

The blunt truth is that – unlike the non-malign threat that was Covid, when everyone was basically on the same side – if China takes on Taiwan then there will be:

Firstly, a direct impact on South China Sea trade flows, disrupting those trillions of dollars in trade moving through it and the Strait of Malacca. Bloomberg Economics assessed in 2024 that a first-year impact of a blockade alone could take 5%, or $5trillion, out of the global economy.[18] The UK has exports of more than $40 billion going through the South China Sea each year. Germany has three times that number. We also have twice that amount coming to the UK as imports – overall, 11% of our global goods trade goes through the South China Sea. That's going to be heavily disrupted or stopped. Bloomberg assessed a first-year impact of 6% or more on the UK economy.

18 Chris Anstey, "China 'Blockade Simulation' Exposes $5 Trillion Global Danger," *Bloomberg*, May 25, 2024

I clearly remember calls from energy companies when the Houthis started bombing ships in the Red Sea – should they just halt and wait for the Royal Navy? Should they detour via the Cape? Did government realise this was adding weeks and cost to everything? This will seem like nothing compared to the economic hit – immediate and longer-term as supply chains break down – of an unimpeded blockade and of shipping controlled by the PLA.

Secondly, if a defence of Taiwan's democracy and freedom is mounted, not only by Taiwan itself but by its neighbours and allies too, then we can expect to see much wider disruptions and interference. Crushing the spirit of a nation is a critical element to victory – or on the flip side, sustaining the national will to keep fighting the enemy, as Putin has discovered. What we are talking about here is disruption to normal trading patterns across the global maritime commons. We all know the statistics: 95% of all goods by sea; 99% of telecoms traffic by subsea cable; 40% of our energy imported by undersea pipeline or by sea into the UK – Norway & Qatar for our LNG, the USA for oil products, and electricity directly from France through interconnectors. We also need analysis for food, raw materials, components in complex supply chains, and all our financial services activities that use subsea cables. We need more of this work.

Project Defend, and the work it did during Covid on supply chain resilience, was a good first step, but the work has wound down again. The impact of malign activity – whether on goods supply chains disrupted or stopped, or undersea cables and satellite networks destroyed or blocked – would drive a drop in economic activity the likes of which this country has never seen.

And yet much more needs to be done to enable political leaders to make rational insurance decisions. I have been trying to drive this area from within government over the last few years, but it was definitely an uphill challenge. We saw a small impact from the non-malign impact of Covid on supply chain dependencies. We identified weaknesses, some known and many unknown. Despite no malign intent to stop or hinder economic activity, the impact was a temporary 3–4% drop in GDP.

Maritime security is essential to the UK's national economic security. The global maritime disruption that a Taiwan crisis could generate is being heavily underestimated. We cannot assure any Prime Minister that we have the capability to deter, deny or indeed defend. There remains a lack of pace, investment and changed posture across all areas. And we must remember that getting to that prepared place takes years to get into gear. The threats to our critical national infrastructure (onshore and offshore) are real and already being tested, but we are not in a national endeavour mindset on how to tackle these to become resilient and prepared to deter or defend.

Major crises with enormous repercussions are always unlikely, but that's why black swan events have catastrophic impacts – precisely because they were unexpected. Unless the UK government decides to accept that the unlikely but catastrophic events listed on the national risk register need to be prepared for, at some small cost now, the impact will become eye-wateringly expensive. For example, with Covid, for want of adequate spare capacity of intensive-care unit beds and medical practitioners in our hospitals, the decision to close the country down to reduce infection spread and

avoid mass casualties from other illnesses had to be taken. Estimates of an extra £100m a year to maintain greater capacity was not made, and this longstanding short-termism within the health department led to hundreds of billions having to be spent sustaining workers at home.

The fundamental weakness in our national security posture for the last 30 years has been that we do not learn from events to build in a buffer, or indeed a ladder, which underpins strategic warning time. If the alarm bell is going off, we should be getting prepared for the storm. And the bell is definitely sounding loud. We need to adapt our ways of working to be prepared for future threats as part of normal investment, by designing and embedding a ramp-up programme of works. Whatever might trigger the CCP decision to attempt to take Taiwan, the risks to the UK, and the catalogue of potential cascading impacts on our economic security, will all fall into similar areas of concern. These can be at least partially mitigated with forward-thinking preparedness.

The Scenarios

An Accidental Event

With increased tensions, as the CCP shows off its military capabilities and sabre-rattles around the South China Sea and beyond, the threat is most likely from an error. For example, this could be from the death of Philippine fishermen or an overflight accident towards civilian or military shipping passing legitimately through the Strait. But this has every chance of being de-escalated if our diplomatic relationships remain active and functioning. For this to be the case with the CCP, the relationships must be maintained behind the scenes and with respectful disagreements raised.

Where its actions necessitate public disapproval, we should expect to feel the force of its displeasure at being criticised over an issue it considers to be internal politics. The Australians felt that economic coercive force, with their wine and lobster markets being shut down following criticism of Chinese Covid matters.

A Blockade

If a blockade or more aggressive political decapitation occurs, we can expect to be asked by the US, Philippines and Japan to show solidarity with Taiwan by using sanctions against China as a public display of disapproval. That's probably the most immediate tool we have to demonstrate our solidarity. The ongoing US-China tariff war is demonstrating that China retaliates swiftly to economic coercion, even if self-harming. China's sophisticated and immediate use of export controls to stop critical supplies to the US has shown its agility to punish a country for disrespecting it. This small decision alone has huge consequences for American defence and security supply chains as critical minerals cannot be sourced to meet market need. The risks of retaliation or punishment for siding with Taiwanese allies would be felt swiftly in economic impacts from immediate loss of key supplies for UK businesses, especially in the semiconductor and related industries.

So What Must We Do?

It is strategically important that the UK's national security secretariat build on the work done during Covid to demand a full-spectrum analysis of critical supply chains. This must involve every UK business so the government has a clear picture of the economic impacts over various timescales of disruptions. There are AI-enabling tools that can assist in doing this at pace, harnessing information so that government can better understand gaps in preparedness.

The government will need to direct responsible departments, through financial, non-financial and legislative tools, to demand preparedness from our businesses, our citizens and public sector. This must be a national endeavour. All must share the financial and logistic burdens needed to protect the nation's profits which fund our way of life. This must be done at pace through a legislative tool – the only effective way to direct the machinery of government to move from a status quo behaviour. I call it 'The Preparedness Act'.

Our security services and military will need to increase the quantum of surveillance, deterrence and denial capabilities to credibly deter. They might also need to defend. Getting ahead of the risk is critical to protecting the UK's economic security. This national endeavour needs to be explained, voters persuaded, and every part of our private and public sector enabled and directed to be prepared for the threat picture around us.

Think of the three F's: Fones; Family; Freedoms. You may be bothered that you wouldn't be able to get a new phone or that cyber attacks make it dysfunctional, or that your family's security would be affected by empty shelves, or that democratically protected freedoms are being eroded. Voters all fall into one or more of those categories – so government needs to protect all three, before it's too late to get ahead of the threat to our way of life.

Destructive Conflict or Coercion with Kinetics?

Peter A. Dutton

The most dangerous Taiwan scenario is a decision by Beijing to employ direct military action to gain control of the territory governed by Taipei. Military action is not Beijing's preferred course of action, since it carries many political and military risks for China's leaders, and would have a severe impact on global trade and security. But Beijing often describes its connection to Taiwan as the "core of China's core interests", and it has created a military force and a related industrial complex focused on achieving unification with the island if necessary.[19]

Militarily, the PLA and its subsidiary services are highly organised around a potential future conflict across the Strait of Taiwan.[20] China's air, sea and missile forces are well structured to rapidly generate sea and air control around Taiwan, threaten early annihilation of regionally based forces, and challenge the logistical supply lines of military forces seeking to intervene from afar.[21] Furthermore, it possesses formidable ground forces equipped with many of the tools necessary to establish a beachhead position on the island and expand its control from there. To move troops across the Strait of Taiwan from the mainland, Beijing has developed innovative amphibious assault capacity and employs a civil-military fusion philosophy to quickly take advantage of air and sea control in the early phase of conflict to move its forces across the Strait of Taiwan to take control of the island.[22]

The objectives of a PLA campaign would be to rapidly manoeuvre in every domain to overwhelm Taiwan's defences, hold American and allied regional forces at risk, and quickly gain control over the island before meaningful outside force can be brought to bear.

Simultaneous to any use of force, Beijing will accelerate its longstanding global political campaign to legitimise the PLA's operations, discourage intervention, and limit any economic and political costs. This campaign seeks to gain acceptance for the narrative that there is one China, Taiwan is a part of China, and that the People's Republic of China (PRC) is the only rightful government of all of China.[23] Both in advance of and during conflict, Beijing can be expected to heighten its information campaign. It will employ every tool of persuasion and coercion available to it in international institutions including the United Nations, and through its bilateral and multilateral diplomatic engagements.

19 David Sacks, "Unpacking China's 'Four Red Lines' and Its Warning to Trump," *Council on Foreign Relations*, December 12, 2024.
20 Peter Alan Dutton et al., "AUKUS and the PRC: Assessing Maritime Strengths and Weaknesses," *Australian Naval Review*, no. 1 (2024).
21 Vergun, "China's Military Buildup,"; Kelly A. Grieco, Hunter Slingbaum, and Jonathan M. Walker, "Cratering Effects: Chinese Missile Threats to US Air Bases in the Indo-Pacific," *Stimson*, December 12, 2024.
22 "China's 'Invasion Barge' Piers Can Receive Five Ro/Ros at a Time," *Maritime Executive*, May 15, 2025.
23 "Questions and Answers Concerning the Taiwan Question: What Is the One-China Principle? What Is the Basis of the One-China Principle?," *Statement of the Mission of the People's Republic of China to the European Union*, August 15, 2022.

One aspect of this pressure campaign involves the relationship between China's anti-secession law and the One-China principle. Together they signal that Beijing will treat any conflict regarding Taiwan as a domestic matter in which international intervention is illegal and illegitimate. In the early stages of a conflict, Beijing will seek to isolate Taiwan from international support through diplomatic action to leverage the political and legal groundwork it has laid to either gain the support of many states for Beijing's action, or at least to prevent otherwise sympathetic states from coming to Taipei's aid.[24] It will also seek to isolate and impose costs upon any state that chooses to intervene or in any way to support the independent government of Taiwan.

The core message of the pressure campaign will be that the anti-secession law specifies three triggers for the mainland's use of force: a Taiwan declaration of independence, a serious incident that will lead to separation from the mainland, or the possibility of peaceful unification being "completely extinguished".[25] The first condition is under Taipei's control; the second and third are left to Beijing's subjective interpretation. Accordingly, the point at which Beijing decides to use force may not be obvious to outside observers. While any final decision by PRC leaders will undoubtedly be condition-based, Xi Jinping directed the PLA to be ready to use force by 2027 and may have made up his mind to do so as soon thereafter as he believes conditions allow.[26] Today, the PLA is already undertaking exercises around Taiwan which will improve its ability to operate more effectively as a joint force, and there is concern in Taipei that the PLA could rapidly transition from exercise to combat operations.[27] Simultaneously, Beijing is engaging in a stepped-up, multi-dimensional pressure campaign to convince Taiwan's leaders and its population that unification with the mainland is inevitable.[28]

However, if Taiwan can withstand the PLA's initial onslaught, the nature of the conflict could shift from rapid manoeuvre warfare to slower attrition warfare, involving economic leverage and expanded geographic scope. Taiwan's leaders are aware that increased resilience and improved defensive capabilities are essential for Taiwan's survival.[29] Taiwan's acquisition of anti-access weapons systems and the development of unmanned defensive systems, lethal autonomous weapons guided by artificial intelligence and creative operational concepts, may complicate the PLA's efforts and deny it an early victory.[30] This would have the effect of changing the nature of the conflict from rapid manoeuvre warfare to slower attrition warfare.[31] The extension of time would enable Taipei to develop a collective self-defence strategy with military, economic and political elements.

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24 Cheng Deng Feng and Tim Boyle, "Exposing China's Legal Preparations for a Taiwan Invasion," *War on the Rocks*, March 11, 2025.

25 Donald C. Clarke, "China's Anti-Secession Law: Background, Legal Significance, and Recent Developments," *GWU Law School Public Research Paper*, July 11, 2024.

26 Michah McCartney, "Taiwan Sounds Alarm on 2027 Invasion," *Newsweek*, March 19, 2025.

27 Liu Xin and Guo Yuandan, "PLA Joint Exercises to Deliver Strong Deterrent Message to 'Taiwan Independence' Forces: Expert," *Global Times*, April 1, 2025; Joe Cash, Yimou Lee, and Ben Blanchard, "China Launches Military Drills around Taiwan, Calls Taiwan President a 'Parasite,'" *Reuters*, April 1, 2025 (updated from March 31, 2025).

28 "China's Xi Says 'Reunification' with Taiwan is Inevitable,'" *Reuters*, January 1, 2024.

29 Marvin J. Park, "Defending Taiwan Means Mobilizing Society, not just the Military," *Atlantic Council*, April 24, 2025.

30 Joyu Wang, "Taiwan's New Strategy: Make China Fear the Pain of an Invasion," *Wall Street Journal*, May 10, 2025; see also: the US Marine Corps' publication on expeditionary advanced base operations; Jr Ng, "Taiwan Conducts First HIMARS Live-Firing," *Asian Military Review*, May 16, 2025.

31 In a useful lesson for a Strait of Taiwan scenario, Patalano and Hallet have addressed how technological and cognitive factors helped Ukraine sustain itself in the face of significantly larger Russian naval capabilities, thereby shifting the nature of the conflict from rapid manoevre to slower attrition. The result may not be final strategic victory for Ukraine, but it did buy time for its leaders to seek and receive international assistance. The situation would be similar for Taiwan's leaders. See: Alessio Patalano et al., "The Strategic Significance of the Maritime Theater in the Russia-Ukraine War," *RUSI Journal*, April 2025.

Regionally, Taipei's supporters could attempt to attrit China's military forces, while others take the lead to horizontally escalate to degrade Beijing's maritime access to resources, markets and energy, especially in Beijing's vital sea lanes of communication across the Indian Ocean.

If there is armed conflict over Taiwan, the UK's primary military contribution would be maritime defence of the North Atlantic on behalf of its NATO allies and the exercising of greater leadership within NATO as American attention is drawn to the Pacific. If Russia and China remain strategically aligned, any conflict over Taiwan would have global effects. In the early stages of conflict, the UK would need to take charge of the maritime defence of the North Atlantic to secure Europe, North America and the lines of communication between them, primarily from Russian threats. The UK would also be called upon to exercise even greater leadership within NATO as American attentions focus on the Pacific.

Britain's considerable diplomatic clout would be needed to build and hold together a coalition of Taipei's supporters in Europe and beyond. In-theatre military support would likely be indirect and very limited, involving such activities as intelligence-sharing and technical support. Keeping the North Atlantic region secure may be challenging enough especially if the conflict escalates vertically. But these actions would undoubtedly be welcomed in Washington and European capitals, as well as among potential coalition partners such as Tokyo, Canberra and Manila.

However, if the conflict escalates horizontally to a longer war of military and economic attrition, the UK's role may also shift and expand. The objective of engaging in horizontally extended conflict would be to set conditions to negotiate an end to the use of force. It would be a protracted and dangerous phase of the conflict, which Beijing would be tempted to escalate by employing one or more of its strategic weapons. Unified Western condemnation of Beijing's actions and the threat of imposing increasingly greater costs will be essential to deter Beijing from succumbing to the temptation to engage in such escalation.

This would present challenges for the UK's relations with states that currently rely heavily on trade with China – especially countries in the Indian Ocean region and Southeast Asia. However, managing relations with these countries would be important in augmenting naval efforts to suppress Chinese access to resources, markets and energy. Much was learned through the proliferation security initiative about how to deny access to key ports.[32] Rather than attempting to develop a long-range naval blockade, which several studies have proven to be unrealistic,[33] the lesson of the proliferation security initiative is that the most effective way to restrict unwanted trade is by fostering international cooperation to enforce specified measures and control access to trade by controlling access to ports. Coalition partners would need to stop the flow of trade to China by strengthening national laws sanctioning trade with China, sharing information, and taking limited interdiction actions at sea. This campaign would be a long struggle but may be the best strategy for protracted conflict with Beijing, especially if it focused

32 "Proliferation Security Initiative," *US Department of State*, (undated).
33 Hugo Bromley and Eyck Freymann, "On Day One: An Economic Contingency Plan for a Taiwan Crisis," Hoover Institution, podcast, July 2024.

on key chokepoints in China's economy.[34] Under these conditions, the UK's ability to persuade other states to join the efforts to suppress trade with China would be important to the success of a longer attrition campaign.

To avoid international backlash and pose dilemmas for states that may want to protect Taiwan's separate status, Beijing may choose to seek control over Taiwan by employing a strategy of coercion without kinetics, either as a standalone strategy or as a precursor to escalation. Insufficient attention has been given to the possibility that Beijing may be successful in achieving its objectives through a strategy of conflict without kinetics. This strategy would extend the grey-zone operations China has been perfecting in the South China Sea and increasingly employing in the waters around Taiwan.[35] To date, it has been a strategy of restraint. It involves lower levels of force over extended periods of time in a relatively narrow geospatial context. It employs law enforcement and militia units rather than military forces and coercive measures below the threshold that might trigger armed conflict and a shift to related laws of armed conflict. The primary instrument in this strategy is China's Coast Guard (CCG). It is very large, both in the number of vessels and their size, and has the capacity to employ various types of non-lethal force typical of law enforcement actions to coerce a much less capable opponent. These tactics have been well-suited to Beijing's struggle to wrest the islands and resources of the South China Sea from its regional rivals.

However, Beijing has signalled the strategy could be adapted to fit a Taiwan scenario to facilitate a type of non-kinetic economic warfare.[36] In exercises in the waters east of Taiwan, CCG recently simulated a customs embargo which, if put in effect, could establish a gatekeeping function over and perhaps a stranglehold on Taiwan's economy.[37] This would not be a blockade, which is a creature of armed conflict, but an exercise of national jurisdiction, at least as Beijing sees its jurisdictional authority. States would be faced with the dilemma of choosing to comply with Beijing's control and thereby continuing to trade, or rejecting Beijing's authority and being denied trade with Taiwan, and perhaps with all of China.

Conflict that does not involve deliberate use of deadly force presents an attractive option for Beijing in that it may achieve its aim without use of kinetic force. Furthermore, such operations do not exclude the possibility of a subsequent phase of escalation from the use of military force if necessary. Indeed, they likely shift the burden of the first use of kinetic force to an opponent, thereby legitimising Beijing's use of its powerful military and minimising the international costs of doing so.

In conclusion, a mainland attack against Taiwan would be a dangerous conflict with globally destabilising repercussions. The PLA is well-built to attempt to achieve a rapid, manoeuvre-based victory before external intervention can prevent it. However, if Taiwan can slow down the PLA's progress, its international supporters will

34 Ben Murphy, "China's Self-Identified Strategic Technology Import Dependencies," *Center for Security and Emerging Technology*, May 2022.
35 Peter A. Dutton, "Conceptualizing China's Maritime Gray Zone Operations," in *Maritime Gray Zone Operations: Challenges and Countermeasures in the Indo-Pacific*, ed. Andrew S Erickson (Routledge, 2023), 19–34.
36 "CCG Conducts Law Enforcement Patrols around Taiwan Island: Expert Says Drills Aim to Prevent Separatists from Fleeing," *Global Times*, October 14, 2024.
37 Peter A. Dutton and Bonnie S. Glaser, "China Is Laying the Legal Groundwork to Seize Taiwan," *The Hill*, November 22, 2024.

have an opportunity to impose military, economic and political costs on Beijing to pressurise it to return to a political solution. If armed conflict occurs, the strength of the US military will be focused on the conflict in the Pacific, and the UK will need to take a greater leadership role in NATO to ensure the security of alliance partners. Finally, understanding the potential costs of an armed conflict, Beijing appears to be preparing an alternative strategy involving conflict without kinetics. To effectively counter this strategy, states must be prepared to impose significant costs on China even without its use of military force.


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Making Sense of Taiwan's Recent Elections

James Crabtree

This is an excerpt of an ECFR Commentary written in January before Taiwan's election.[38]

Taiwan's voters will elect a new president on 13 January, following a closely fought election campaign. Polls show a small but consistent lead for Lai Ching-te of the ruling Democratic Progressive Party (DPP), whose eight years in power have been marked by deteriorating relations with China and closer ties to the United States. Beijing is still holding out hopes for a return of the opposition party Kuomintang (KMT) and its leader Hou Yu-ih, who has styled himself on the stump as the only candidate capable of avoiding war with China.

Whichever side wins, Taiwan looks set for a period of heightened tensions during early 2024 in advance of the new president's inauguration in May, and one that will raise complex questions for both China and the US, as well as in Europe. Beijing is likely to test the incoming administration with military activity and other coercive tactics, especially if the DPP prevails. Europe has of late offered stronger public backing for Taiwan in the face of such actions. But rising geopolitical risks mean European leaders need to develop a more unified and coherent policy approach to Taiwan – beginning with a recognition that Europe has a greater role to play in supporting Taipei in the future.

Growing global worries over Taiwan stem largely from China's own anxiety about the island's political direction. Polls suggest that only a tiny fraction of Taiwanese voters now support the island's formal unification with China. Just 2 per cent of those polled in June 2023 said they would back unification as soon as possible.

The current election campaign has showcased divisions between the two main parties' approaches to cross-Strait relations. But it has also shown more fundamental trends across Taiwanese politics towards a new geopolitical consensus that is not favourable to Beijing. Both main parties now support greater military spending and moves to bolster deterrence with respect to China. Even the KMT, which has traditionally had close ties to Beijing, has now explicitly rejected any future model of unification based on China's proposed "one country, two systems" model. It has also somewhat caveated its support for the traditional "1992 consensus", a longstanding fudge in which Beijing and Taipei say they believe in "one China", but quietly ignore questions about which of them is Taiwan's legitimate government.

38 You can find the original text at: James Crabtree, 'The Red Flags Ahead: What to Expect from Taiwan's Election', *ECFR Commentary*, January 10, 2024. Retrieved from https://ecfr.eu/article/the-red-flags-ahead-what-to-expect-from-taiwans-election/

China fears a Lai administration would move to support formal independence, a step Beijing has often threatened to prevent with military action. Lai denies this. Instead, he promises broad continuity of the moderate policies of incumbent President Tsai Ing-wen. Beijing has nonetheless signalled its concern by strengthening messaging on the issue in recent months. China's leader Xi Jinping recently described unification as an "historical inevitability". He was reported to have delivered similarly blunt remarks in private to US president Joe Biden at their recent Sino-US summit.

Xi is thus highly likely to test the positions of any incoming government, especially if the DPP wins. Recent months have seen a steady increase in 'grey-zone' activity from Beijing, including pressuring Taipei by conducting increased naval and air patrols. China's military has taken to flying unmanned balloons over the island, and most recently conducted a satellite overpass, prompting Taiwan's government to issue an island wide emergency air raid alert. In December, Beijing threatened renewed trade sanctions too.

The likely uptick in pressure after the election will raise complex questions for the US, as it attempts to de-escalate its own tensions with China. Washington has remained broadly neutral during the election campaign. US policymakers would prefer another DPP administration, although many worry privately that Lai might adopt a more confrontational tone than his predecessor, complicating Sino-US ties. Either way, there are clear risks that worsening ties between China and Taiwan, but also possibly between China and the US, could develop into a full-blown crisis. The military exercises China launched following the visit of US house speaker Nancy Pelosi to Taipei in 2022 give a sense of the alarming scenarios that might follow.

The prospect of heightened Chinese coercion will in turn see Taiwan's new administration seek greater support from international partners. Beyond the US, Taipei will look first to 'like-minded' regional nations, including Australia, Japan, and South Korea. Forging closer links with India has also been a recent Taiwanese priority. But Taipei is likely to seek greater support from the European Union and its members too, building on the closer economic and diplomatic ties it has built with countries in the region in recent years. In the latter days of the campaign, Lai noted specifically in an interview that he would seek more support from Brussels and that he looked forward to "working together with Europe on peace in the Indo-Pacific region".

Europe grew more willing to offer such support to Taipei during 2023. European Commission president Ursula von der Leyen repeatedly warned Beijing against using military force as it manages ties with Taipei. Some European countries, notably the Czech Republic and Lithuania, have agitated for more overt backing. Vilnius did so following a spat with Beijing over an upgrade of Lithuania's ties with Taiwan, which included the opening of a Taiwanese Representative Office in Lithuania in 2021 and a subsequent Chinese economic coercion campaign. The salience of Taiwan has risen more generally in Europe, in part because of the war in Ukraine. Political leaders in eastern Europe have drawn parallels between Russian and Chinese aggression. A greater focus on economic de-risking has also brought attention to Taiwan's crucial semiconductor sector.

That said, Europe also faces clear internal divisions. Much like the US, it is attempting to bed down a more stable relationship with Beijing, complicating any approach to Taipei. Returning from China in early 2023, French president Emmanuel Macron cautioned against US policies that might raise the risk of conflict. The EU’s foreign policy chief, Josep Borrell, wrote last September that Taiwan “should not embark on any unilateral declaration of independence” – a move that earned a public rebuke from Taiwan’s foreign ministry. To some degree such concerns reflect European public opinion. ECFR polling released last June suggested that less than one-quarter of respondents from a sample of European countries would be eager to support the US in the event of a future conflict over Taiwan, with roughly two-thirds wanting to remain neutral.

European leaders therefore need to develop a more unified position and explain it to their publics. A range of steps is required. High-level diplomacy between the EU and China can help to reassure Beijing of Brussels’s support for the status quo, while continuing to reinforce in public that coercive or military measures will come with significant costs. At the same time European leaders should take a less fearful approach to diplomacy with Taipei, recognising that they have a legitimate role in offering support in the face of coercion and threats of military action. It would help for European nations to coordinate much more closely over their Taiwan policy not just with the US, but also with important partners in the Indo-Pacific, such as Australia and Japan. Policymakers should also examine plausible future crisis scenarios, including those involving quarantines and blockades, and plan coordinated responses.

Tensions over Taiwan have risen sharply since the EU first launched its Indo-Pacific strategy in 2021. They are now likely to rise again. Increased military escalation in the Taiwan Strait would have grave economic and security consequences for Europe. Its leaders therefore need to find a new balanced and united approach to the island, which both supports Taiwan in the face of external pressure and works more closely with like-minded partners in the region. Getting that balance right during 2024 will be a major test of how ready the EU is to play a more serious role in the realm of Indo-Pacific security.

Preparing for Chinese Action: A Taiwanese Perspective

Jyun-yi Lee

A full-scale invasion of Taiwan is possible but not likely under current conditions. Indeed, the question of whether the PRC will launch a full-scale invasion of Taiwan is highly context-dependent, with the assessment presented here made under certain assumptions. It assumes that over the next ten years, Xi Jinping will remain in power and have a firm control over the Chinese party-state. Accordingly, the PLA moves steadily towards the completion of defence and military modernisation by 2035. China therefore 'normalises' its military exercises and law-enforcement operations around Taiwan. In the meantime, there remains a consensus on US-China strategic competition between the Republicans and Democrats, even with the second Trump administration. The US government therefore maintains its security commitments to Taiwan under the Taiwan Relations Act, as well as its 'strategic ambiguity' stance. It also assumes Taiwan does not seek formal independence, with the majority of the population continuing to identify themselves as 'Taiwanese only'.

Under these conditions, even though Xi Jinping will still have the intention to take Taiwan by force, and the PLA's war-fighting capability will continue to grow, it will remain difficult for China to execute an invasion. Xi Jinping may intend to cement his fourth or fifth term and seal his political legacy by taking Taiwan militarily, but the decision will likely only be made if he is (over)confident that the PLA can occupy Taiwan before the US has time to intervene. While some believe that Xi may invade Taiwan to shift domestic social and economic pressure, it is highly questionable whether those within the CCP and PLA are willing to take the risk if they believe the authority of Xi to be shaky.

Militarily, taking Taiwan by force requires full occupation of the island, which necessitates amphibious operation and urban warfare. Despite China's growing military strength, the PLA is yet to overcome some of the challenges of full occupation of the island, including the vulnerability of the transport fleets when crossing the Strait of Taiwan, the limited sites suitable for landing along Taiwan's 1,990-kilometre coastline, the complexity of urban (guerrilla) warfare in Taiwan's heavily populated cities near the western coastline, and Taiwan's efforts towards asymmetric capability and territorial defence.

Finally, any Chinese strategist must continue to assume US intervention in a cross-Strait contingency. The PLA's war preparation requires mass mobilisation, which can hardly go unnoticed by the US, Japan and even Taiwan. For the PLA, the idea of rapidly 'turning military drills into a full-out attack' is not feasible, and there is a genuine risk that a cross-Strait contingency will escalate into a direct conflict with the US. The Chinese leadership also needs to consider the consequences of a failed invasion or a prolonged war. Even if Taiwan is occupied, the cost of ruling

24 million people living in anger and frustration, with the distinct possibility of international sanctions on China, further complicate the CCP's calculation.

For China, operating in the grey zone against Taiwan is not only necessary, given the difficulty of an invasion, but part of an overall strategy of reshaping the international environment China inhabits. Unification with Taiwan is only part of Xi Jinping's 'rejuvenation of the Chinese nation', which further seeks China's 'rightful place' in the world to match its growing economic, political and military strength. China as a 'measured revisionist' does not intend to overthrow the entire international order, but aims to revise some parts of it to suit its interests.[39] Operating in the grey zone is a rational strategy to unify Taiwan without a fight and realise the 'Chinese dream'.

For the UK and the international community, special concern should be put on the status of the Strait of Taiwan as international waters, because it involves freedom of navigation and overflight in the exclusive economic zone, and the rule of law more generally. These are all issues of which the UK has a vested interested in ensuring continuity.

Some non-mutually exclusive grey-zone scenarios include:

1. **The occupation of the Pratas/Dongsha by CCG and maritime militia.** The Pratas island, situated in the northern part of the South China Sea and controlled by Taiwan, monitors naval activity in the Bashi Channel. The fact that the Taiwan Relations Act does not cover the Pratas, the Taiping Island/Itu Aba, Kinmen and Matsu gives China the incentive to harass one or more of these islands to test Taiwan's preparedness, US security commitment and the wider regional response. The Pratas' remoteness, sparse inhabitation and geostrategic importance make it a more likely target for China than others.[40] The Chinese maritime militia could be deployed to cause trouble in waters around the Pratas, providing the CCG with excuses to forcibly confront Taiwan's forces stationed there in the name of law enforcement.
2. **The imposition of a custom regime, demanding that ships from and to Taiwan register with a Chinese authority and be inspected if necessary**. The CCG would be deployed to implement the regime. Shipping companies' compliance would give the impression that China governs the Strait of Taiwan (and Taiwan itself).
3. **The denial of Taiwan's exercise of jurisdiction in waters around its outlying islands.** The CCG could be deployed to intervene in the law-enforcement operation of Taiwan's Coast Guard. In a cross-Strait maritime incident or accident, China could deny Taiwan's authority of investigation, interrogation and prosecution. This would effectively abolish the institution of the median line of the Strait of Taiwan, which was set up by the US in the 1950s and has been observed by both sides across the Strait.
4. **The PLA increasing and prolonging its military exercises around Taiwan.** The no-fly/no-navigation zones thereby set up

39 Michael J. Mazarr, *Mastering the Grey Zone: Understanding a Changing Era of Conflict* (US Army War College Press, 2015), 26–27.
40 Cheng-yi Lin, "The Underestimated Crisis Surrounding Pratas Island," *Global Taiwan Brief* 7, no. 19 (September 2022).

are used to disrupt the sea lines of communication and test regional and global reaction. The lack of active international response would have a 'boiling frog effect', encouraging China to simulate – and ultimately impose – a blockade of Taiwan.

5. **A de facto denial of 'innocent passage' of foreign military vessels.** The Chinese maritime militia could be deployed to harass foreign warships and government vessels sailing through the Strait of Taiwan. The CCG could then respond by expelling the militia vessels and demanding the cooperation of the foreign vessels.
6. **Increasing incidents of undersea cable sabotage by flag of convenience vessels around Taiwan**.

These would likely be accompanied by other grey-zone operations, including the co-option of some of Taiwan's opposition politicians, military personnel and key opinion leaders, disinformation and narrative warfare promoting US scepticism and Taiwan defeatism, and the expansion of sanctions on and prosecutions of Taiwanese politicians, activists and social-economic elites claiming to support Taiwan independence and economic coercion.

Analysts are giving insufficient attention to a scenario involving a misguided and overconfident Chinese leadership which is more likely to take aggressive actions against Taiwan. The discussion above suggests intention, capability and execution to be the factors explaining China's use of force (or lack thereof), which essentially assumes a system of rational actors headed by a rational leadership. Accordingly, under the current conditions, **if China steps up its pressure on Taiwan, this would most likely be a result of Xi's overconfidence and miscalculation.** The authoritarian nature of the CCP can lead to a 'dictator's dilemma', in which Xi keeps purging the PLA to maintain power, but as a result engenders a system of reporting only positive news about the PLA's war-fighting capability.[41] Chinese leadership is likely to have an inflated view of the PLA's ability to mount a cross-Strait invasion and therefore take riskier decisions based on overconfident calculations.

Some external factors may embolden the Chinese leadership. For instance:

1. **The Chinese leadership believing that the US is losing in the strategic competition**. This could be the case if the Chinese leadership believes China is winning in the current US-China tariff/trade war, or if the US reduces its military presence in the Indo-Pacific, especially in Japan, South Korea and the Philippines.
2. **Russia and Ukraine reaching a ceasefire or peace deal, the terms of which are in Russia's favour.** This would reinforce Xi's view that the West is in decline.
3. **Little international response to China's manoeuvres around Taiwan, the Senkakus and South China Sea.**
4. **Division and instability within Taiwan.**

An overconfident China could opt for the use of force against Taiwan, but hybrid threat scenarios are more likely. China has been operating in the grey zone and has coerced Taiwan in all the political,

41 Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge University Press, 1998), 20–40.

military, economic, social, information and infrastructure domains for many years. There does not seem, however, to be an effort to coordinate those measures to orchestrate a comprehensive and genuine 'hybrid threat'. Instead of developing new forms of coercion, an overconfident Chinese leadership may direct the party-state to integrate existing instruments to put maximised pressure on Taiwan.

The kind of hybrid threat envisioned here centres on time and defence industrial base. Past simulations and wargames suggest that Taiwan, the US, and its partners and allies could defeat China in a cross-Strait armed conflict, but they will inevitably suffer heavy losses.[42] China could, however, turn this conclusion against Taiwan and the US by insisting that time is on China's side. It could insist that even if an invasion fails, it is only one battle in a long-term struggle. Given China's ship-building capability, it will need just a few years to restore its fleets, much quicker than the US and others can reconstitute their own naval capabilities.[43] China therefore could use Strait of Taiwan contingencies to deter and dissuade the US (and others) from militarily supporting Taiwan while pressing Taiwan to capitulate.

To make the Chinese threat credible, China could launch limited armed conflict against Taiwan or other regional countries to demonstrate that it is willing to use force. Massive information operations are expected to influence international public opinion, with some American and European scholars and business leaders trying to promote the narrative that Taiwan is not defendable.

On Taiwan, China will step up its dual-track strategy. On the one hand, it could invoke the 2005 anti-secession law to coerce Taiwan. Article 8 of the law stipulates three conditions under which 'non-peaceful means' are justified, including "secessionist forces… cause the fact of Taiwan's secession from China", "major incidents entailing Taiwan's secession", and "the possibilities for peaceful reunification are exhausted". Even if Taiwan does not seek formal independence, China could still work on the third condition, demanding that Taipei negotiate with Beijing to prove that peaceful unification remains likely. In the meantime, some of the co-opted politicians, religious groups, gangsters, military personnel and Chinese spouses, among others, could be weaponised to fuel political polarisation in Taiwan. They could, for instance, question the integrity of the government, block the functioning of Taiwan's democratic institutions, and vow not to defend Taiwan in a time of crisis.

On the other hand, China is likely to further promote cross-Strait integration to achieve 'divide and rule'. It could encourage Kinmen, one of Taiwan's outlying islands which relies on China for water and economic development, to hold a referendum for peace to put pressure on Taipei. China will also issue more favourable measures to attract Taiwanese people.

It is questionable, however, whether China has the capacity to mount this kind of hybrid threat. To implement the scenario above, a shift in the PLA's doctrine would be necessary. The CCP still sees the PLA as a force capable of 'fighting to win', which contrasts

42 Mark F. Cancian, Matthew Cancian, and Eric Heginbotham, "The First Battle of the Next War: Wargaming a Chinese Invasion of Taiwan," The Center for Strategic and International Studies (CSIS), video, January 2023.
43 Matthew P. Funaiole, Brian Hart, and Aidan Powers-Riggs, "Ship Wars: Confronting China's Dual-Use Shipbuilding Empire," The Center for Strategic and International Studies (CSIS), video, March 2025.

with a strategy that accepts greater risk of failure in the near term in return for long-term gains. The ability of the CCP to control China’s information sphere is also crucial for Xi – and any Chinese leadership – to monopolise the discourse of an open conflict against Taiwan, the US and others.


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China's Approach: Swift and Decisive Victory

Shinji Yamaguchi

China's strategic approach concerning Taiwan is fundamentally anchored in the pursuit of a 'swift and decisive victory', a concept deeply interwoven with its evolving doctrine of 'informatised warfare'. This military thinking – representing Beijing's assimilation and adaptation of extensive studies into the ways of US warfare, particularly those observed in conflicts since the end of the Cold War – prioritises the rapid incapacitation of an adversary's command and control structures. The central objective is to neutralise both military and political nerve centres through a sophisticated combination of precision strikes against critical infrastructure and leadership targets, coupled with debilitating cyber attacks aimed at disrupting information systems and sowing chaos. This initial onslaught is envisioned to be followed by the swift deployment of forces to achieve physical occupation of key territories. The underlying strategic assumption is that the paralysis or outright destruction of these vital centres or nodes will precipitate the collapse of the opposing government's will to resist and the disintegration of its military command capabilities, thereby culminating in a 'clean victory' – one achieved with minimal protracted conflict and international intervention.

Writings emanating from the PLA explicitly identify three primary operational typologies designed to achieve these strategic aims: the joint firepower strike, the joint blockade and the joint landing operation.

- The joint firepower strike would likely entail a coordinated barrage of ballistic and cruise missiles, air strikes, long-range artillery targeting Taiwan's critical military assets, command, control, communications, computers, intelligence, surveillance, and reconnaissance nodes, airfields, ports, and potentially key governmental buildings. The psychological impact of such a strike, aimed at demonstrating overwhelming power and inducing a sense of futility, is considered as crucial as the physical destruction wrought.

- The joint blockade, as a distinct operational concept, would focus on severing Taiwan's external lines of communication and supply.

- However, it is in the conceptualisation of the joint landing operation that the PLA's ultimate ambitions for a decisive outcome are most evident, involving complex amphibious and airborne assaults. Despite the articulation of these operational frameworks, it is noteworthy that detailed doctrinal exploration and open-source discussion regarding the complexities of operations subsequent to a successful landing – such as stabilisation, counter-insurgency or long-term governance – appear less developed, perhaps reflecting an optimistic bias towards the efficacy of the initial shock or an assumption that a rapid political collapse would obviate such prolonged engagements.

The blockade scenario, specifically, is designed to exploit Taiwan's inherent economic and resource vulnerabilities. This operation would involve comprehensive measures to interdict maritime and air traffic, effectively cutting off the island from essential supplies of energy, raw materials and foodstuffs. Taiwan's economic structure, heavily reliant on international trade and export-oriented manufacturing, renders it particularly susceptible to such pressure. Furthermore, its significant dependence on imported energy sources, notably oil and natural gas, coupled with relatively limited strategic reserves, presents a critical point of leverage. The island's low rate of food self-sufficiency further compounds this vulnerability, as a sustained blockade could rapidly impact civilian welfare and morale.

Historically, blockades have yielded mixed results, however, with success often contingent on the blockaded entity's internal cohesion, level of preparedness and the international response. A crucial question, therefore, remains as to whether a blockade, even if successfully imposed and sustained, could unilaterally compel the political submission of Taiwan, particularly if its populace demonstrates strong resilience, and external powers offer significant humanitarian or even clandestine material support. The imposition of a blockade would also carry substantial international legal and diplomatic repercussions, potentially galvanising an international coalition to counter such an action.

A political decapitation strategy, aimed at neutralising Taiwan's leadership and disrupting its governmental functions, could potentially be executed as a standalone operation or, more plausibly, in conjunction with a broader full-scale invasion to maximise shock and disarray. Evidence supporting the PLA's consideration of such a scenario includes the construction of sophisticated training facilities that closely simulate key areas of Taipei's central governmental district. These sites are apparently designed for conducting exercises focused on targeted strikes or special forces operations aimed at capturing or eliminating key political and military leaders. The methods employed could range from precision missile strikes and aerial bombardment to clandestine special operations, insertions and cyber warfare aimed at severing communication links between leaders and their subordinate commands, or even manipulating information to create a perception of leadership collapse.

A successful decapitation could, in theory, cripple Taiwan's ability to mount a coordinated defence and hasten its capitulation, but such an operation is fraught with immense risks. These risks include the potential for intelligence failures regarding leadership locations or defences, the possibility of galvanising popular resistance in response to an attack on national symbols, and the high likelihood of international condemnation and intervention should such targeted assassinations or abductions occur. A failed decapitation attempt could prove counterproductive, strengthening Taiwanese resolve and international support.

Concerning the option of a full-scale invasion, while successful blockade or decapitation operations would undoubtedly inflict significant damage upon Taiwan's capacity and will to resist, they do not offer an absolute guarantee of achieving Beijing's ultimate political objectives. Consequently, a comprehensive, full-scale invasion – involving large-scale amphibious assaults, airborne

landings and the subsequent occupation of the island – is often considered within PLA strategic calculus as the pathway most likely to lead to a decisive and irreversible military victory.

This approach, however, is laden with profound difficulties and substantial risks. The probability of direct US military intervention in response to an overt invasion becomes exceedingly high, predicated on Washington's commitments under the Taiwan Relations Act and its broader strategic interest in maintaining stability and deterring unilateral changes to the status quo in the Indo-Pacific region. This calculus then forces Chinese military planners to confront a perilous dilemma: does the imperative to seize the initiative and ensure the success of the invasion necessitate a pre-emptive strike against US bases in the region, particularly those in Japan and Guam, to degrade America's capacity to respond effectively? Embarking on such a course of action, however, would almost inevitably involve Japan directly in the conflict, given that an attack on US bases on Japanese soil would likely be interpreted as an attack on Japan itself. This would instantly transform a localised cross-Strait conflict into a major regional war, making it exceedingly difficult, if not impossible, to limit the scale of hostilities and thereby casting serious doubt upon the feasibility of achieving the cherished 'swift victory'. The prospect of a protracted, high-intensity conflict against a coalition including the US and Japan dramatically alters the risk-reward analysis for Beijing.

How Will Japan Respond to Each Scenario?

The question of how Japan would respond to these various scenarios is of critical importance to regional stability. Taiwan's security is intrinsically linked to Japan's own national security, a reality increasingly acknowledged in Japanese strategic discourse. Geographically, Taiwan sits astride Japan's vital sea lanes of communication, through which a vast proportion of its energy imports and trade flow. Any forcible change to Taiwan's status would have profound implications for Japan's economic wellbeing and its ability to operate freely in its maritime periphery. Consequently, interest within Japan concerning a potential Taiwan contingency has significantly increased in recent years, prompting more open discussion about potential roles and responsibilities.

However, Japan's actual response capabilities in a crisis would likely be shaped by a confluence of factors. These factors include enduring legal constraints imposed by its post-war constitution (particularly Article 9), limitations in its current military capabilities for sustained, high-intensity power projection, and the prevailing sentiments of domestic public opinion, which has historically favoured caution. A predominantly reactive posture, therefore, remains a strong characteristic of Japan's security policy, although there are signs of an evolving debate regarding the development of more proactive deterrent capabilities.

A crucial perspective for Japan and its allies should be focused on actively frustrating China's core strategic approach; specifically, the emphasis must be on preventing Beijing from achieving an immediate, uncomplicated and 'clean victory'. Should China perceive a high probability of a swift and low-cost success, the temptation to act could increase. Japan's role in such a framework would primarily centre on supporting US military

operations, a baseline expectation under the US-Japan security alliance. This support could encompass a wide range of activities, including providing access to Japanese bases, logistical and rear-area support, intelligence-sharing, and potentially direct, albeit limited, contributions by the Self-Defense Forces within the revised interpretations of collective self-defence, if Japan's own survival is deemed threatened.

In a full-scale invasion scenario, the timing and nature of any Chinese attack on US forces stationed in Japan would represent a critical inflection point. An unambiguous attack on US bases within Japanese territory would almost certainly be considered an armed attack against Japan itself, thereby triggering Japan's right of self-defence and leading to its direct participation in the conflict alongside the US. If, however, Japan itself were not directly attacked in the initial phases, its role would likely be confined to providing robust support to US forces, a role that would still be essential but less escalatory than direct combat involvement.

Conversely, the blockade scenario presents a more ambiguous and challenging set of circumstances for Tokyo. While a blockade is unequivocally an act of war under international law, its direct impact on Japan might initially be less immediate than a kinetic attack, creating complex legal and political hurdles for a robust Japanese response beyond diplomatic condemnation and potential economic sanctions. Nevertheless, the severe economic disruption caused by a blockade of Taiwan would significantly affect Japan, potentially compelling a more assertive stance over time.

Cooperation aimed at substantially enhancing Taiwan's societal and military resilience is therefore of paramount importance in the pre-conflict, or 'peacetime', phase. Since this form of cooperation is not exclusively limited to direct military-to-military engagement, the political and diplomatic barriers to its implementation might be relatively lower than for more overt security assistance. Concrete examples of such resilience-building include supporting Taiwan's efforts to stockpile essential resources such as food, medical supplies and energy reserves to withstand a prolonged blockade or disruption. Furthermore, collaboration on critical infrastructure protection, cyber security, countering disinformation campaigns, and enhancing civil defence preparedness can significantly bolster Taiwan's ability to absorb an initial shock and sustain resistance. Japan, along with European nations and other like-minded democracies, could potentially cooperate extensively in these areas, sharing best practices, technical expertise, and even material resources to enhance Taiwan's overall deterrent posture by denying Beijing the prospect of a quick and easy victory.

What Might Be the UK's Role?

Regarding the UK's potential role in a Taiwan contingency, its primary security focus should remain anchored in the European theatre, particularly given the ongoing security challenges proximate to NATO territory. Demanding an overly substantial direct military contribution in the event of a conflict in the Strait of Taiwan is neither feasible nor expected.

However, this does not render the UK’s role insignificant. It is crucial for European powers, with the UK playing a leading part, to provide robust diplomatic support for the positions of Japan, the US and Taiwan, condemning any unilateral attempts to change the status quo by force, and upholding the principles of international law and peaceful dispute resolution. Such diplomatic solidarity, expressed through international organisations and coordinated policy statements, can contribute to isolating an aggressor and shaping the global narrative. Furthermore, the continued security presence of the UK and France in the Indo-Pacific region – through naval deployments, participation in joint exercises and strategic dialogues – serves an effective purpose in complicating China’s strategic calculations, demonstrating that global powers have a vested interest in regional stability. Even limited but technologically advanced military contributions, or the provision of enabling capabilities such as intelligence, surveillance and reconnaissance, could be valuable. Finally, peacetime cooperation initiated by the UK to enhance Taiwan’s resilience, particularly in areas where Britain possesses unique expertise such as financial services security, counter-disinformation, and certain advanced technologies, remains an essential and achievable contribution to collective deterrence.

Significant, overarching concern is warranted regarding China’s adept employment of ‘wedge strategies’. These strategies are meticulously designed to create and exacerbate divisions, both domestically within targeted nations and internationally among alliances and partnerships. Such influence operations may involve sophisticated disinformation campaigns aimed at eroding public trust in democratic institutions or in the reliability of allies, economic inducements or coercion targeted at specific sectors or political factions to sway policy, and the cultivation of narratives that seek to legitimise Beijing’s claims while delegitimising opposing viewpoints. The objective is to weaken collective resolve, sow doubt, and ultimately paralyse effective counter-responses. Vigilance against these multifaceted influence operations, coupled with a concerted effort to bolster societal resilience and maintain alliance cohesion, is therefore indispensable for Taiwan and its international partners in navigating the complex security environment.

Responding to Coercion and Political Warfare in the Strait of Taiwan

Mathieu Duchâtel

China's military activity around Taiwan will only increase in scope and intensity in the lead-up to Taiwan's next general elections in early 2028. The intensity and frequency of Chinese military activity near Taiwan have escalated to levels that demand urgent but nuanced attention from policymakers – attention that must focus not only on the risk of war, but also on the broader consequences of sustained military coercion and cognitive warfare, especially in the next three years.

If military force could swiftly and decisively achieve political unification at an acceptable cost, it is likely that Xi Jinping would view such an option favourably. Admiral Samuel Paparo, Commander of the US Indo-Pacific Command, recently testified before Congress that China's increasingly aggressive actions near Taiwan are not just exercises – they are rehearsals.[44] However, the unpredictable human, political and military costs of an invasion render political unification a deeply uncertain outcome. The Kremlin's catastrophic miscalculation in Ukraine, severely underestimating Ukrainian resilience and becoming embroiled in a grinding war of attrition, stands as a powerful cautionary example. The rational consequence that the military leadership in China's Central Military Commission (CMC) can draw from the Russian decision to launch military operations in February 2022 is that China faces a significant intelligence challenge in gauging Taiwan's societal cohesion and willingness to resist absorption, and that betting on a blitzkrieg leading to surrender before the US can react would be an extremely reckless gamble.

Despite the PLA's growing firepower, Taiwan is unlikely to capitulate quickly to a rapid assault. Like Ukraine, Taiwan would maintain robust defence capabilities, even after a massive initial campaign of missile and air strikes, coupled with cyber attacks and perhaps even special operations on Taiwanese soil. Even if the Taiwanese armed forces lost most of their Navy and Air Force in an initial Chinese assault, and suffered damage to command infrastructure, their extensive land-based air defence systems and anti-ship weaponry would continue to pose a serious threat to Chinese air and naval operations. These assets would still be able to inflict losses on an invading force, denying China air superiority and sea control over the Strait of Taiwan, thus prolonging and intensifying any conflict. In the short term, a military crisis could advance the PRC's agenda if certain conditions are met.

Admiral Paparo has stated his confidence in the current deterrence posture of the US, but has warned that "the trajectory must change". Although much remains unclear regarding the potential direction of a second Trump administration's China policy, early indications from the Department of Defense emphasise the Strait of Taiwan as the **"sole pacing threat"**, necessitating recalibrated US deterrence efforts.

44 Vergun, "China's Military Build-up."

Recent interviews in Washington DC suggest that the key objective in Beijing's current approach to Taiwan and the US appears to be securing a political statement from President Trump that mentions the term 'peaceful reunification'. While it remains unclear what specific language would satisfy Beijing's interests, any formal US reference to peaceful reunification would constitute a significant political win for China. So far, however, the Trump administration's posture has moved in the opposite direction. Notably, the National Security Council successfully pushed for the removal of references to the One-China policy from the G7 communiqué. In the early months of the new administration, the emerging trend has been one of rebalancing rather than accommodation. This reflects the assessment of the administration that China is gradually eroding the status quo in the Strait of Taiwan, and that this erosion warrants a calibrated rhetorical response.

The worst-case scenario is that Beijing deliberately triggers a calibrated military crisis designed to escalate tensions without crossing into full-scale war. This could take the form of crossing the 24 nautical mile line with the People's Liberation Army Navy or the 12 nautical mile line with the Coast Guard, provoking an incident that tests the reactions of Taiwan and the US. For such a move to be seen as strategically viable in Beijing, three key conditions would need to be met:

1. **The ability to blame Taiwan's President Lai Ching-te for destabilising cross-Strait relations, painting him as the provocateur, having triggered a military response**
2. **The assessment that the crisis would erode public confidence within Taiwan and create pressure for softer cross-Strait policies**
3. **The certainty that the outcome of the crisis would be decreased faith in US commitments by probing for hesitation or weakness in Washington's response.**

Indeed, the greatest fear in Taiwan's national security community is that Washington might exert pressure on Taipei to avoid a military response, which would undercut deterrence, encourage further Chinese provocations and undermine trust in US commitments. As a result, the entire defence posture of the Lai administration hinges on convincing Beijing that any violation of Taiwan's territorial lines will be met with a credible military response, regardless of the level of pressure applied by the Trump administration to refrain from reacting, if that were the US response (which is far from certain, but which is the outcome sought by Beijing). Taiwan wants to convince others that it has agency in a crisis situation, and that no alignment on US preferences would be guaranteed. The Taiwanese goal therefore is to project deterrence credibility in order to prevent a PRC miscalculation that could lead to escalation.

Military Coercion Aimed at Shaping the Outcome of the 2028 Elections in Taiwan

The intensifying military coercion, however, should not distract from Beijing's equally important two-pillared political warfare campaign, which rests on military intimidation and 'united front' influence operations. The latter includes disinformation, elite co-optation, and attempts to aggravate political polarisation and ultimately weaken Taiwan's democratic institutions. These efforts are carefully coordinated to maximise impact and weaken Taiwan's social and political cohesion from within.

Beijing’s central strategic objective appears to be shaping conditions for the defeat of the DPP in Taiwan’s 2028 presidential and legislative elections. While President Lai secured a third term for the DPP, the party lost its legislative majority, facing daunting governance challenges amid rising polarisation. **China’s campaign aggressively targets Lai personally**, painting him as a radical pro-independence actor based on his past statements and identity politics, deliberately mischaracterising his actual moderate position, which is committed to maintaining the status quo.

From Beijing’s perspective, all hope is not lost for a more accommodating Taiwanese leadership in 2028. Here also, Beijing bets on provoking a shift in US policy under a second Trump administration to sow doubt in Taiwan about American reliability. As long as President Lai avoids provocative actions that precipitate a crisis in US-Taiwan relations, the decisive factor will be the stance of the US and the extent to which Chinese diplomacy is able to shape it. If China sees an opportunity to convince Washington that Taipei is the source of tensions, it will immediately seize it, seeking to drive a wedge between the two, as it did successfully in 2003–2005 with the Bush administration, in the context of the re-election of Chen Shui-bian in Taiwan. **These two years are likely to serve as a blueprint to guide China’s policy towards the US on Taiwan.**

If Washington’s trade and technology policies, under the ‘America First’ agenda, are perceived as harming Taiwan’s economy, Beijing will exploit these grievances to promote deeper economic integration across the Strait as a strategic alternative. This approach is less likely to succeed than a decade ago, given that supply chain diversification has become a structural trend among Taiwanese businesses. However, a poorly managed trade or technology policy by a Trump administration could still create an opening for Beijing to exploit.

Ultimately, if US-Taiwan alignment remains solid and trade frictions are managed without significantly damaging the image of the US in Taiwan, China can be expected to intensify its coercive measures in the lead-up to the 2028 elections. In this context, efforts by democratic countries to uphold the status quo and support the survival of an open, democratic society in Taiwan should prioritise concrete actions to strengthen Taiwan’s resilience. There is room to expand cooperation on critical infrastructure by creating the conditions for greater private-sector engagement in areas such as low-orbit satellites, undersea cables and energy security. Firm resistance to disinformation campaigns and political warfare is essential to prevent a scenario in which Taiwan’s political will to resist absorption weakens or even collapses. It is equally important to protect foreign businesses from the corrosive effects of political warfare. If foreign businesses were to withdraw prematurely due to a misreading of the actual risk, they could trigger a chain reaction that undermines Taiwan’s broader resilience. Finally, defence diplomacy channels with Beijing should be used to convey the clear assessment that China does not fully control the risks of escalation, and that the decision to provoke a limited military crisis to test and undermine Taiwan’s determination to resist absorption could result in unpredictable and far-reaching consequences.


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中国海警 CHINA COAST GUARD

Implications of PLA Operations Around Taiwan for UK Interests and Military Deployments

K. Tristan Tang

In recent years, there has been a significant increase in the operational activity of the PLA and CCG around Taiwan, raising the likelihood of war or unintended conflict in the Western Pacific. This surge encompasses the PLA's large-scale military operations targeting Taiwan, ongoing joint combat readiness patrols, and CCG harassment of Taiwanese vessels. This article identifies the PLA's enhanced operational readiness and growing confidence in its capabilities as the principal factors driving the increased possibility of war. Crucially, following five large-scale military operations since 2022, China likely perceives itself as possessing sufficient combat capability in the vicinity of Taiwan. Moreover, the expanded scope of joint combat readiness patrols – now extending closer to Japan's Yonaguni Island – and increased CCG harassment of Taiwanese fishermen within the Strait of Taiwan are likely to compel more assertive responses from Taiwan and Japan, thereby increasing the potential for unintended clashes.

This development threatens to disrupt the UK's crucial trade routes and undermine regional security. The recent deployment of the HMS Prince of Wales carrier strike group to the Indo-Pacific, coupled with HMS Spey's passage through the Strait of Taiwan in June, underscores the UK's strong commitment to upholding freedom of navigation and maintaining stability in the region. However, the PLA's expanding control over adjacent air and maritime domains is fostering increasingly assertive behaviour towards foreign forces, particularly those perceived as external actors, such as the UK. This dynamic raises the likelihood of coercive encounters, with limited mitigation from current military communication channels, largely owing to Beijing's conviction of its growing dominance over the regional battlespace.

Main Trends

It is highly likely that the CMC believes the PLA to possess an adequate level of operational readiness for a Taiwan contingency. Since the visit of US Speaker of the House, Nancy Pelosi, to Taiwan in 2022, the PLA has conducted five publicly acknowledged large-scale military operations directed at Taiwan. Three key indicators suggest that by 2025, the PLA's capacity for cross-Strait operations will have received formal endorsement from senior military leadership.[45]

45 This trend can also be observed from the PLA's dual-carrier operations in the Western Pacific in June this year. See Yu-cheng Chen and K. Tristan Tang, "PLA Navy Shifts Training Focus from Near Shore to Blue-water Operations," *China Brief*, July 25, 2025.

Firstly, the five large-scale military operations have shifted in designation from 'drills' emphasising training, to 'formal exercises', before reverting to 'drills' in 2025. According to the PLA Military Terminology (中国人民解放军军语), drills (演练) involve lower complexity and less spontaneity, whereas exercises (演习) denote higher realism and combat readiness. In August 2022, China described its actions as training drills (联合演训) or drills, aimed at testing large-scale operational capacity. The subsequent Joint Sword manoeuvres in 2023 and 2024 were classified as exercises, reflecting increased combat preparedness. Notably, the April 2025 operations were re-designated as drills, suggesting the CMC views the PLA's Taiwan-related capabilities, proven in prior exercises, as sufficiently capable. This shift reduced complexity and spontaneity, focusing instead on maintaining training and proficiency for Taiwan contingencies.[46]

Secondly, despite variations in force size and training objectives across five operations since August 2022, deployment patterns have remained largely consistent, aiding the PLA's operational familiarisation and battlespace conditioning. While the composition of forces varied (see Table 1), naval and air asset locations stayed broadly similar (see Figure 1). Thus, although analysts note differences in each operation, PLA maritime and air deployments for Taiwan contingencies consistently focus on this defined area. Command and control structures, exercise rhythms, air tasking patterns and naval manoeuvres have become standardised, enabling the accumulation of operational experience. These regular deployments allow for testing sea state conditions, communications, and radar blind spots across various maritime and air domains, facilitating continuous improvement of any existing shortcomings.

Table 1: Force Size of China's Publicly Announced Large-Scale Military Operations Against Taiwan

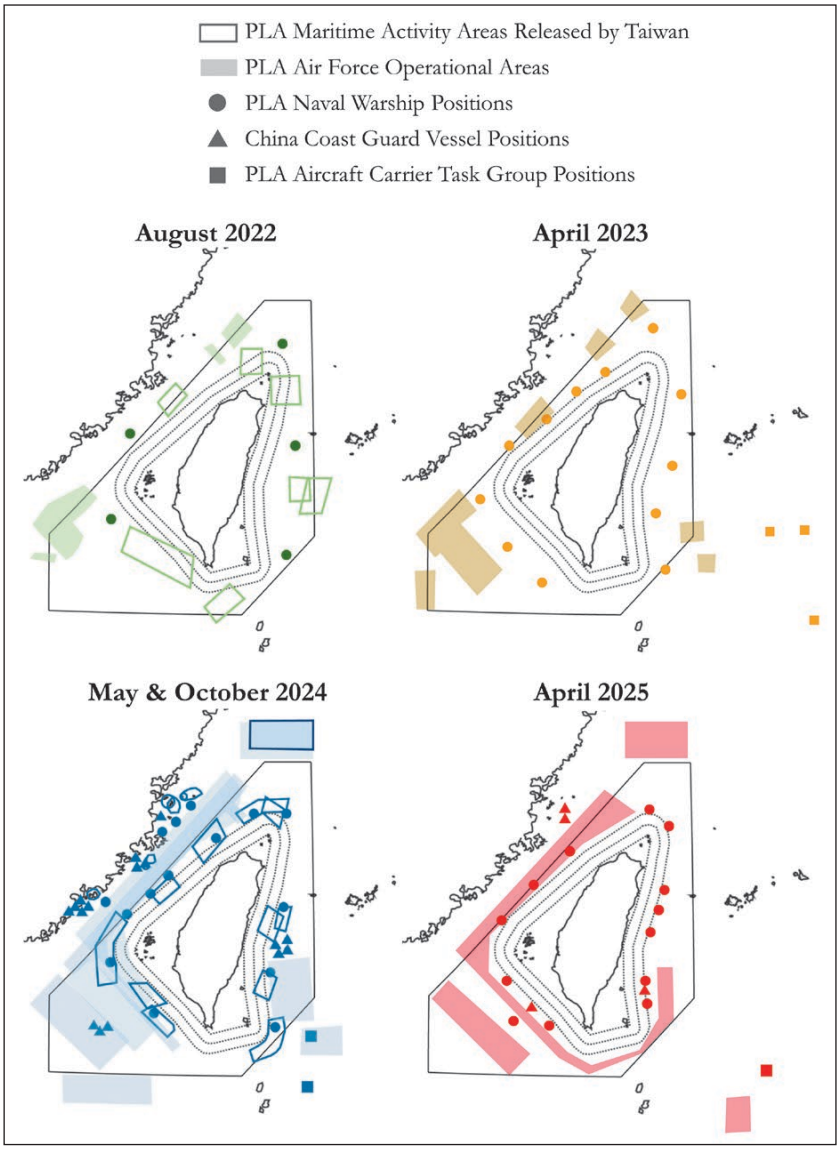
Operations		August 2022	April 2023	May 2024	October 2024	April 2025
Date		Aug 4–10	Apr 8–10	May 23–24	Oct 14	Apr 1–2
Duration (Days)		7	3	2	1	2
Cumulative Totals	Detected Aircraft Sorties	206 (Aug 6–10)	232	111	153	135
	Aircraft Sorties Crossing the Median Line	150	134	82	111	68
	Number of Warships Around Taiwan	61 (Aug 6–10)	32	46	14	12
Daily Averages	Detected Aircraft Sorties	41.2	77.3	55.5	153	67.5
	Aircraft Sorties Crossing the Median Line	21.4	44.7	41.0	111	34.0
	Number of Warships Around Taiwan	12.2	10.7	23.0	14	6.0

Source: Compiled by the author based on ROC MND's press releases

46 Tai-yuan Yang and K. Tristan Tang, "Strait Thunder-2025 A Drill Implies Future Increase in PLA Pressure on Taiwan," *China Brief*, April 11, 2025.

Thirdly, the integration of the CCG into these military operations suggests a firm grasp of regional sea control. The incorporation of the CCG likely reflects operations on how to embed the CCG into wartime operational chains of command and conduct enforcement missions under wartime conditions – markedly distinct from their usual grey-zone incursions and law-enforcement activities. Since 2024, all three major military actions have included the CCG, with operations in April 2025 extending approximately 150 nautical miles east of Taiwan.[47] This indicates that the PLA believes it has achieved sufficient sea control in the waters surrounding Taiwan, such that naval warships are capable of providing cover or support to CCG vessels.

Figure 1: Deployment of Forces in China's Publicly Announced Large-Scale Military Operations Against Taiwan



Source: Compiled by the author based on ROC MND's press releases

47 Cheng-kun Ma and K. Tristan Tang, "Joint Sword-2024B: Quarantining Key Ports and Seizing Comprehensive Superiority," *China Brief*, November 1, 2024; Yang and Tang, "Strait Thunder-2025."

Taken together, these three indicators strongly suggest that China's senior leadership has concluded that the PLA possesses a baseline operational capability in the vicinity of Taiwan.

Increased Intensity of PLA Joint Combat Readiness Patrols Around Taiwan

According to official statements from China, the joint combat readiness patrols are intended to evaluate the integrated operational capabilities of multiple service branches. The preparatory phase preceding the exercise is tantamount to achieving combat readiness, with the patrol itself regarded as being in a state of combat deployment. The term 'joint' explicitly denotes, at a minimum, the participation of both the Air Force and the Navy in these combat readiness patrols.[48]

Compared to previous years, 2025 has witnessed a marked increase in both the scale of forces deployed and the operational scope of activities. Firstly, regarding force size, the number of aircraft sorties, naval vessels deployed, and the frequency of joint combat readiness patrols have all shown an upward trend. During the first half of 2025, the average number of sorties detected, average incursions across the median line, and average number of warships involved were all the highest on record, as detailed in Table 2. Moreover, the volume of activity in the first half of 2025 exceeded that of the corresponding period in 2024, with increases in both the number of aircraft sorties and ships deployed. Significantly, Q1 and Q4 typically mark the commencement and conclusion of the annual training cycle, periods during which military activities are generally less frequent than the heightened exercise tempo observed in Q2 and Q3. However, in 2025, Q1 sustained the high operational tempo observed in Q4 of 2024, with activity levels substantially exceeding those recorded in Q4 2023 and Q1 2024.

Secondly, the operational coverage of joint combat readiness patrols in 2025 has expanded significantly around Taiwan. Notably, the airspace over Taiwan's northeastern approaches saw substantial activity in Q1 and Q2 of 2025, compared to limited activity in 2024 and a single event in Q4 2023 (see Figure 2). This area's strategic value lies in its hosting of two of Taiwan's four main naval bases and in the nearby waters used to preserve naval assets during wartime. It also serves as the closest maritime corridor to Japan, forming a vital maritime lifeline in a cross-Strait conflict. Additionally, 2025 saw more extensive patrols of Taiwan's southwestern maritime approaches, indicating enhanced PLA proficiency in controlling the northern South China Sea and waters west of the Bashi Channel compared to previous years.

48 K. Tristan Tang, "CMSI Note 13: PLA Navy Enhances Realistic Combat Training: Observations of PLA Navy Operations Around Taiwan," *CMSI Notes*, March 13, 2025.

Table 2: Recent Force Size of China's Joint Combat Readiness Patrols Around Taiwan

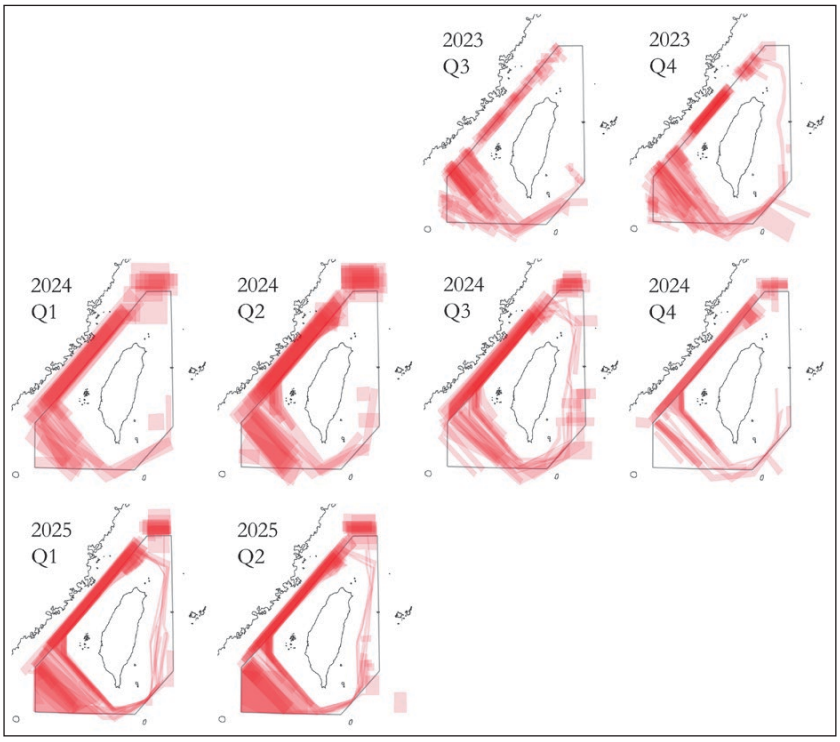
Time Periods		July–December 2023	2024	January–June 2025
All Year	Number of Occurrences	27	40	23
	Total Detected Sorties	856	1337	833
	Total Sorties Crossing Median Line	460	918	555
	Total Number of Warships	205	345	203
	Average Detected Sorties	31.7	33.4	36.2
	Average Sorties Crossing Median Line	17	23	24.1
	Average Number of Warships	7.6	8.6	8.8
Q1	Number of Occurrences		9	11
	Average Detected Sorties		26.8	33.4
	Average Sorties Crossing Median Line		13.2	25.1
	Average Number of Warships		6.7	8.1
Q2	Number of Occurrences		11	12
	Average Detected Sorties		35.2	38.8
	Average Sorties Crossing Median Line		25.5	23.3
	Average Number of Warships		9.9	9.5
Q3	Number of Occurrences	14	12	
	Average Detected Sorties	35.5	31.1	
	Average Sorties Crossing Median Line	17.9	24.3	
	Average Number of Warships	7.6	9.5	
Q4	Number of Occurrences	13	8	
	Average Detected Sorties	27.6	42	
	Average Sorties Crossing Median Line	16.1	28.5	
	Average Number of Warships	7.6	7.8	

Note: The ROC MND has only consistently released information on joint combat readiness patrols since June 2023

Source: Compiled by the author based on ROC MND's press releases

The increased frequency and expanded operational scope of the joint combat readiness patrols are likely to elevate the risk of unintended incidents in the region. Undoubtedly, the PLA's heightened tempo and larger force deployments, coupled with a broader area of operations compared to previous years, will significantly increase the likelihood of encounters with foreign naval and air forces. Simultaneously, the more frequent proximity of PLA joint combat readiness patrols to Japan's Yonaguni Island will compel the Japanese Maritime and Air Self-Defense Forces to enhance their response measures. This closer operational posture between the two militaries correspondingly raises the potential for accidental clashes.

Figure 2: Operational Areas of China's Joint Combat Readiness Patrols Around Taiwan



Source: Compiled by the author based on ROC MND's press releases

Continued China Coast Guard Operations East of the Strait of Taiwan Median Line

Another key factor escalating tensions is the increased activity of CCG east of the Strait of Taiwan median line, including harassment of Taiwanese fishermen, raising the risk of clashes with Taiwan's Coast Guard. Since the 'capsized Chinese speedboat incident' near Kinmen in February 2024, CCG operations and harassment have intensified, with at least nine reported incidents in July 2024 alone.[49] In May 2025, CCG vessels from the East and South China Sea branches, alongside Fujian Coast Guard units, conducted intensified patrols east of the median line, actively harassing Taiwanese fishermen.[50] This harassment threatens fishermen's livelihoods, while numerous unregistered Chinese 'three-no' vessels (no vessel name, no ship certificate and no registered home port) have been spotted near the Penghu archipelago.[51] Taiwan's Coast Guard must therefore monitor, patrol and sometimes expel these vessels, increasing the likelihood of coercive encounters and unintended confrontations.

49 Yu-cheng Chen and K. Tristan Tang, "PRC Expands De Facto Jurisdiction in the Taiwan Strait," *China Brief*, September 20, 2024.

50 Secure Taiwan Associate Corporation, "Gray Zone Harassment Intensifies: Chinese Coast Guard's Persistent Encroachments and Sovereignty Erosion through Law Enforcement Claims," *Secure Taiwan Monthly*, June 15, 2025.

51 "The CCP Persistently Condones Illegal Fishing by the 'Three-Noes' Vessels. Taiwan will Continue Responding with Strict, Firm, and Consistent Law Enforcement. The MAC Deeply Regrets the Baseless Accusations by the TAO in Disregard of the Efforts by All Parties to Investigate the Cause and Handle the Follow-up Matters of the Incident," *Mainland Affairs Council, Republic of China (Taiwan)*, MAC Press Release No. 012, February 18, 2024.

Implications

The risk of military conflict in the Western Pacific has grown considerably due to the PLA's heightened operational readiness and increasing confidence in its ability to assert dominance around Taiwan – an eventuality that could disrupt the UK's global trade routes and undermine regional security, both of which are critical to UK strategic interests. The recent deployment of a UK carrier strike group to the Indo-Pacific underscores the UK's commitment to upholding freedom of navigation and supporting regional stability. In this evolving security environment, such deployments are likely to face heightened operational challenges, including the risk of encounters with PLA forces in contested waters near Taiwan and the South China Sea.

Concurrently, the PLA's expanding control over surrounding air and maritime domains is expected to prompt more assertive behaviour towards foreign military vessels, particularly those perceived by China as extra-regional actors, such as the UK. This increases the potential for coercive encounters, while advances in UK-China military-to-military communications may offer limited mitigation of these risks. The principal concern lies not only in the PLA's growing capabilities but also in Beijing's conviction that it now exerts credible control over the regional battlespace.

Are There Game-Changing Capabilities in the Strategic Balance of the Strait of Taiwan?

Kit Perry

The allure of game-changing capabilities to military strategists is self-evident. This notion rests on the belief that future wars can be decisively won, or even averted, using revolutionary weapons generated by operationalising emerging technologies. The impact of these weapons could radically alter strategic balances of power in contested regions. **Yet history tells us that this reality rarely materialises in the way we think it will.** Rather, there are myriad underlying supporting factors which also contribute to one-sided military victories.

Nevertheless, the use of technology remains a central pillar of modern warfare and should not be dismissed entirely. When new technology is considered in relation to the operating environment, powerful military systems can emerge. For instance, the Indo-Pacific's vast maritime-centric geography makes technical advancements that support precision strikes at long ranges especially relevant – from space-based targeting and communications links to one-way-attack uncrewed systems and anti-ship ballistic missiles (ASBM). This fusion of technology and operating context is the kernel of new, formidable capabilities.

In the specific contingency of a Chinese military provocation against Taiwan these capabilities could prove decisive. The question of whether any of these nascent classes of precision strike system could indeed tip the scales in such a conflict becomes more than academic – the answer has very real geopolitical ramifications. Hence, this article explores modern historical precedents of war-winning weapons to assess their relevance as potential game changers in the strategic balance of military power in the Strait of Taiwan.

Revolutions in Military Affairs – An Overarching Framework

The use of emerging technology to craft military power has been analysed in the field of security studies through the lens of revolutions in military affairs (RMA). Although less popular now than it is early 2000s heyday, this concept still helps to codify how big technological leaps can translate into shifts in the fundamental nature of warfare – typically by one side fielding a new capability or doctrine that provides an order of magnitude increase in combat effectiveness compared to the older mechanism of conflict.[52]

52 Andrew F. Krepinevich, Jr., "The Military-Technical Solution: A Preliminary Assessment," *Centre for Strategic and Budgetary Assessments*, 2002.

A canonical example is the stunning German victory during the Battle of France in World War Two using blitzkrieg – which overwhelmed Allied defensive lines with mass armoured divisions supported by aircraft. However, at the onset of war, France not only had a greater qualitative mechanised advantage but also a quantitative one compared to Germany.[53] If technology is at the core of combat power, how then could the combined French and British armies equipped with greater numbers of more advanced tanks be decisively beaten – at least on paper – by an inferior force?

Revolutions in military affairs theory attempts to explain this. Often, a synergy of supporting factors is required to translate new technology into martial dominance; a myopic focus on technology alone is not sufficient to bring about a paradigm change in the conduct of warfare. Blitzkrieg would not have been possible without bold new doctrine and the convergence of other key enabling technologies, including the tactical radio and aircraft capable of close air support.[54] This is an important concept to grasp for military planners searching for game-changing silver bullets – they probably don't exist in isolation.

Today, emerging classes of precision weapons ranging from ASBMs (some of which may be capable of hypersonic flight) to one-way-attack drones could represent the beginning of a new RMA. Much like blitzkrieg, these systems could be the primary arbiter of victory in the first battle of the next major war, especially in a US-China confrontation over Taiwan. Wargaming has already revealed the critical role of precision missiles in these scenarios.[55] Therefore, the first step in any analysis of further potential game changers should involve taking stock of the current Chinese approach to redressing the cross-Strait military balance.

China's LRPS Strategy of Denial

The PLA strategy is primarily focused on countering a US-led intervention from aircraft carriers and overseas-based military aircraft. These are the key enablers for US maritime power projection and air power, and have played significant roles in deterrence and strategic messaging in the three previous Strait of Taiwan crises of the 20th century. In the event of war, these US capabilities would be critical in pushing back a PLA invasion or blockade of Taiwan.

To neutralise these capabilities, the PLA has pursued a 30-year systemic state-led investment in LRPS capability.[56] This has resulted in layered anti-access area denial (A2AD) zones enforced by missiles, creating a maritime defence in depth, which it sees as necessary to win 'local wars' against intervening US forces.[57] This investment has now yielded operational long range ASBMs such as the DF-21D and DF-26,[58] and hypersonic glide vehicles like the

53 Krepinevich, Jr., "The Military-Technical Solution."
54 Andrew F. Krepinevich, Jr., *Origins of Military Disruption: How Disruptive Military Innovation Determines the Fates of Great Powers* (Yale University Press, 2023).
55 Cancian, Cancian, and Heginbotham, "The First Battle of the Next War."
56 Thomas Shugart, "First Strike: China Missile Threat to U.S. Bases in Asia," *Center for a New American Security*, June 2017.
57 Shugart, "First Strike."
58 Naval News, "Exclusive Analysis: Chinese Missiles Threaten U.S. Aircraft Carriers in the Next Era of Naval Warfare," *Global Defense News*, April 14, 2024.

DF-17 and DF-27[59] capable of targeting US aircraft carriers sailing to Taiwan's aid. Of note, the DF-26 missile – dubbed the 'Guam killer' – is reported to be capable of destroying both land and sea targets at ranges out to 4,000km, placing strategically important US bases on the Second Island Chain within reach.[60]

LRPS is therefore central to Chinese A2AD strategy and poses a significant challenge to the US military. These capabilities directly undermine the key enablers of US global power projection – aircraft carriers and overseas airbases – which have formed the backbone of US intervention strategy for the past 80 years. It seems that China's development of LRPS has already begun to alter the balance of power across the Strait of Taiwan by first altering it in the Indo-Pacific.

Furthermore, the efficacy of a maritime LRPS strategy has arguably been substantiated, albeit in the limited context of Houthi missile and drone attacks in the Red Sea, and will be examined in greater detail below. Regardless, it follows that a more mature Chinese incarnation of a similar capability may indeed prove decisive against intervening US warships – especially noting that PLA forces first fielded a nascent ASBM capability as early as 2010 and have been developing it ever since.[61]

Lessons from Recent Wars

Many aspects of blitzkrieg were first trialled in earlier conflicts – the tank was first operationalised in World War One by the British Army but at the time failed to achieve a revolutionary battlefield impact,[62] and close air support was tested during the 1936–1939 Spanish Civil War. Both were essential ingredients for blitzkrieg, and had greater analytical weight been paid to these antecedents, the allied powers may have fared better in the first battle of World War Two.

In this vein, contemporary military analysts can look to recent conflicts to infer what game-changing technologies and doctrines can be read across to the next. Still, it remains difficult to predict with complete certainty which weapons will become game changers – especially noting the complex multi-domain nature of modern warfare. But analysing the performance of candidate systems within conceivable precursor wars enables informed judgements to be made.

The Black Sea

The ongoing Russo-Ukrainian War is primarily a land conflict with an auxiliary maritime dimension**. This makes it even more impressive that during the three years of naval skirmishes in the Black Sea, Ukraine without a formal navy has succeeded in 'functionally defeating' the Russian Black Sea Fleet.**[63] By employing a mixture

59 Sakshi Tiwari, "Nemesis of US Navy, Chinese Hypersonic Missiles Post Massive Threat to its Warships; USN Devices Plan to Counter Them," *The Eurasian Times*, October 27, 2024.
60 A. B. Abrams, "Why Guam's Missile Defense Modernization Matters," *The Diplomat*, August 27, 2022.
61 Gabe Collins and Andrew Erickson, "China Deploys World's First Long-Range, Land-Based 'Carrier Killer': DF-21D Anti-Ship Ballistic Missiles Reaches 'Initial Operational Capability'," *China Signpost*, December 26, 2010.
62 Andrew F. Krepinevich, Jr., "The Military-Technical Revolution: A Preliminary Assessment," *Center for Strategic and Budgetary Assessments*, 2002.
63 Andy Gregory, "Russia Facing 'Functional Defeat' in the Black Sea but Kyiv Allies Warn They Are Running out of Ammunition," *Independent*, October 5, 2023.

of domestically developed novel uncrewed surface vessels and uncrewed air vessels along with conventional cruise missiles, Ukraine has destroyed or disabled roughly a third of the opposing Russian fleet,[64] which as of writing, remains a 'fleet in being' confined to port in the eastern Black Sea.

Ukraine's innovative use of emerging sea denial weapons has prevented the Russian Navy from retaining sea control in the western Black Sea, and in doing so, has robbed it of future opportunities to use its surface fleet for the full range of missions expected of it – such as maritime blockade.[65] Ukraine has used emerging technology to steer the balance of power away from a militarily superior side by developing new sea denial capabilities; in doing so it has given itself a critical economic lifeline to stay in the fight.

The Red Sea

Houthi forces in Yemen – despite not being state actors – have managed to continually strike at both military and commercial shipping in the Red Sea using a mixture of uncrewed air vessels, ASBMs and anti-ship cruise missiles, over an 18-month period.[66] These attacks have significantly disrupted global maritime trade, provoking a joint US-UK response under Operation Prosperity Guardian.

Throughout the conflict, Houthi forces have faced off against two US carrier strike groups, the US Air Force and the Royal Air Force. Only recently has a ceasefire been brokered, but one which still permits attacks on Israeli-linked shipping.[67] Hardly a total victory for Western power projection forces. **The mobility and small logistical footprint of missile and drone launch sites have made them difficult to neutralise, even in the face of near-total Western air supremacy.** As a result, the Houthi sea denial arsenal of long-range precision weapons has likely proven resilient to complete destruction, despite the US allegedly striking more than 1,000 Houthi targets in the first two weeks of Operation Rough Rider in 2025.[68]

The Defence Dominant Paradigm

These case studies demonstrate how emerging weapon systems – ASBMs; one-way attack drones – can empower weaker coastal states to contest stronger maritime powers reliant on establishing sea control to project power ashore. The relevance to Taiwan's defence against a potential PLA invasion or blockading is clear.

64 Peter Dickinson, "Russia's Black Sea Defeats Get Flushed Down Vladimir Putin's Memory Hole," *Atlantic Council*, August 6, 2024.
65 Sidharth Kaushal, "How Can NATO Overcome Russia's Black Sea Blockade?," *RUSI Commentary*, August 11, 2023.
66 Rayhan Uddin, "What Did Houthis Achieve in 18 months of Attacks on the Red Sea?," *Middle East Eye*, May 10, 2025.
67 Al Jazeera, "Yemen's Houthis Say Attacks on Israel not in US Ceasefire Deal in 'Any Way'," *Al Jazeera*, May 7, 2025.
68 Chris Gordon, "US Has Struck over 1,000 Houthi Targets in Renewed Campaign," *Air & Space Magazine*, April 30, 2025.

Such cases suggest an operational-level, defence-dominant paradigm is taking hold in naval warfare. The growing diversity of sea denial weapons – underpinned by advances in civilian technology – piles ever greater defensive requirements on to warships typically used for sea control missions, which themselves are constrained in the diversity of defensive systems they can integrate onboard for reasons of space and weight. In other words, land-based anti-ship weapon systems tend to scale more rapidly with technological innovation than the defensive capabilities of warships can adopt in response.

Additionally, the rapid advancements in enabling technologies from the civilian sector are becoming easier to access. From the use of spaced-based datalinks such as Starlink to control long-range uncrewed air vessels and uncrewed surface vessels[69], to online maritime vessel trackers for target identification and tracking,[70] and high-resolution satellite imagery for battle damage assessment[71] – capabilities that would have historically been the preserve of a great power's military – are today readily available to the individual.[72] The democratisation[73] of these new technologies creates a foundational basis for groups to innovate and rapidly develop new military systems. This appears to be a key enabler behind Ukraine's and the Houthis' maritime successes.

Opportunities for Taiwan

Taiwan's geographic proximity to the Chinese mainland limits its ability to replicate the same maritime missile defence in-depth paradigm that the PLA can employ against US Forces in the region using ASBMs. Of note is that Taiwan's lack of strategic depth leaves it highly vulnerable to PLA missile, aircraft and artillery strikes. This reduces the survivability of high-end conventional military assets[74] – such as warships, fighter aircraft bases and coastal defence cruise missile launchers, if confronted with a PLA joint firepower strike. Instead, a more nuanced approach should be considered on how to best operationalise this apparent defence-dominant paradigm.

Instead of investing in expensive ASBMs, Taiwan could leverage its unique geographical features to maximise the potential of other new precision weapon systems. Lessons from the Russo-Ukrainian War tell us that electronic warfare is a critical disabler of uncrewed systems.[75] The ability to jam a drone's datalink can render it useless. This is also easier to achieve – in theory at least – against long-range uncrewed systems which are reliant on space-based communications like Starlink, due to the greater distances the signal needs to travel to communicate with a satellite versus a terrestrial ground control station. In this regard, over-the-horizon uncrewed systems are especially susceptible to electronic warfare.

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69 H. I. Sutton, "Uncrewed Platforms Have Been Critical to Ukraine's Success in the Black Sea," *RUSI Commentary*, August 20, 2024.
70 Lauren C. Williams, "The Double-Edged Global Ship Tracking System," *Defense One*, July 2, 2024.
71 H. I. Sutton, "Satellite Image Pinpoints Russian Cruiser Moskva as She Burned", *Naval News*, April 15, 2022.
72 Thomas Hammes, "Technologies Converge and Power Diffuses: The Evolution of the Small, Smart, and Cheap Weapons", *Policy Analysis*, January 27, 2016.
73 Jack Watling and Sidharth Kaushal, "The Democratisation of Precision Strikes in Nagorno-Karabakh," *RUSI Commentary*, October 22, 2020.
74 John D. Maurer, "The Future of Precision-Strike Warfare-Strategic Dynamics of Mature Military Revolutions," *Naval War College Review* 76, no.2 (2003): 15.
75 Jakub Jajcay, "I Fought in Ukraine and Here's Why FPV Drones Kind of Suck," *War on the Rocks*, June 26, 2025.

Taiwan's central mountain range provides an opportunity. Ground control stations positioned at higher mountain elevations could maintain line-of-sight communications with directional antennas – which are more resistant to electronic warfare – at far greater ranges, enabling extended range operations of uncrewed surface vessels and uncrewed air vessels. This would transform Taiwan's mountains into an 'electronic fortress' which could underpin an uncrewed island defence strategy.

The discrete logistical footprint of modern precision strike systems makes them easier to conceal and consequently harder for the PLA to target. This is a critical consideration for Taiwan, as discussed above in relation to the Houthis' highly resilient precision strike capabilities vis-à-vis Operation Rough Rider. Ukraine's Operation Spiderweb and Israel's Operation Rising Lion provide further illustrative examples.

Ukraine, using drones concealed in shipping containers, successfully destroyed 34% of Russia's strategic cruise missile carriers in a single day.[76] Similarly, Israel was able to set up a covert drone base on Iranian soil, which it used to neutralise key air defence sites in the opening phase of the conflict – shaping the trajectory of the war.[77] These operations have irrefutably demonstrated the impact of uncrewed systems at the operational and even strategic echelon of warfare.

Taiwan's unique geography amplifies the opportunities uncrewed systems offer in exploiting asymmetries in cost-effectiveness, scalability and the rapid adoption of emerging civil technologies. The key challenge for Taiwanese capability planners is discerning how to operationalise the aspects that specifically strengthen island defence against the full range of envisaged PLA military campaigns requiring sea control, ranging from naval blockade and outer island seizure to a full-scale amphibious invasion.

Key Takeaways

As China's investment in LRPS shifts the military balance of power across the Strait and beyond, into the Pacific, the prospect of a conflict over Taiwan becomes increasingly likely. At the same time, modern innovation cycles are accelerating the development of military capabilities – setting the stage for new revolutions in warfare. Taiwan must now act with haste to develop systems that leverage the defence-dominant paradigm revealed in recent precursor conflicts, at the very least to buy US forces time to fight their way into theatre.

Therefore, Taiwanese military procurement agencies should be proactively seeking partnerships with entities that have experience in the development and operational employment of uncrewed systems technology. Only by absorbing these hard-fought lessons from recent wars can a credible stockpile of uncrewed systems be developed to meet Taiwan's strategic needs.

76 Artem Mazhulin, Oliver Holmes, Lucy Swan, Laure Boulinier, and Arnel Hecimovic, "Operations Spiderweb: A Visual Guide to Ukraine's Destruction of Russian Aircraft," *The Guardian*, June 2, 2025.
77 Miriam McNabb, "The Silent Invasion: How Israel's Small Drones Infiltrated Iran," *Drone Life*, June 23, 2025.

In this endeavour, history teaches that emerging technology does not automatically translate into game-changing capabilities. How these weapon systems are made bespoke to fit within existing military organisational structures and are adapted to the specific geography of their operating environment is of equal importance.

Thus, if Taiwan can skilfully operationalise emerging uncrewed systems – especially those that enhance sea denial – it may shift the cross-Strait strategic balance and position itself at the frontier of the next revolution in warfare.

The UK's Unique Role in a Taiwan Crisis

Andrew Yeh

The UK's role in an attack on Taiwan is inevitably constrained by a number of factors, most significantly the nature of China's attack, the effectiveness of Taiwan's defence and the US response. As a medium-sized power far from the theatre of conflict, the UK will not play a decisive role in determining the outcome. However, this does not mean that the UK lacks the ability to influence outcomes and secure its interests. The UK has a number of levers with which to apply pressure on Beijing to de-escalate and increase the likelihood of an outcome favourable to the UK's interests. Rather than proscribing exact responses to particular scenarios, this essay maps out the UK's levers across different scenarios and offers recommendations on steps the UK can take now to maximise leverage and minimise vulnerability to Chinese retaliation. Only by taking action now can the UK strengthen its ability to respond effectively to whatever future contingencies arise.

This mapping is based on a number of assumptions about the UK's core interests regarding Taiwan. It assumes the UK's primary interest is to maintain peace and stability, preventing escalation to a conflict with catastrophic humanitarian and economic impacts. A secondary interest is upholding Taiwan's autonomy, which supports UK economic security and helps contain China's challenge to a free and open Indo-Pacific. Taiwan's autonomy also matters as a like-minded partner with shared democratic values. From these core interests flow a number of objectives. In the current grey-zone phase, the UK aims to prevent further escalation through credible deterrence while helping Taiwan maintain autonomy. In the event of a military attack, the UK's primary objective is to contain and de-escalate the conflict, and secondarily to secure an outcome in which Taiwan keeps its autonomy.

Sanctions and Economic Statecraft

The goal of UK sanctions and other forms of economic statecraft varies according to the degree of escalation. At the current stage of grey-zone warfare, the credible threat of sanctions can provide a deterrent mechanism, shifting Beijing's cost-benefit calculus for an attack on Taiwan. Economic statecraft can also play a denial role, constraining the build-up of China's military capabilities for an attack. Should escalations cross the threshold of war, sanctions should be aimed at degrading China's capability to sustain its attacks on Taiwan by imposing economic, military and political costs. However, it is worth noting that in some contingencies, Taiwan may not be able to withstand a full-scale attack for long enough for sanctions to have a meaningful impact on China's war effort. As such, economic statecraft should also be considered in response to grey-zone escalations, particularly those that constrain China's military capabilities.

This section considers the economic statecraft that the UK could deploy in the event of a Taiwan crisis. This is not to say that the UK should act unilaterally. The UK can and should act in close coordination

with the G7 to impose collective trade and financial sanctions on China – options which have been well explored elsewhere.[78] However, this section addresses areas where the contribution of the UK – and its overseas territories – is particularly important. Notably, these actions are also asymmetric: a direct tit-for-tat response from China in these areas is unlikely to cause major harm to UK interests.

- **Sanctions against China's state-linked elites:** In grey-zone or lower-order attacks, sanctions are likely to be targeted against individuals and entities – such as military leaders or defence companies – with direct responsibility for China's escalations against Taiwan. While having an important signalling effect, these are unlikely to have a major impact as such groups are unlikely to hold assets in the UK. In response to a higher-order attack, the UK and its partners should undertake a broader set of sanctions against China's state-linked economic and political elites in order to undermine elite support for the war. For example, sanctions could impose asset freezes and travel bans on business leaders taking part in the National People's Congress or the Chinese People's Political Consultative Conference and their close families. Notably, China's state-linked elites have invested significantly in real estate and other UK assets, as well as visiting for study, work and tourism. Similarly, sanctions should be extended to the British overseas territories and crown dependencies, which have historically been havens for senior CCP officials to store wealth outside China.[79] Aside from individuals, Chinese state-owned entities also have large assets in the UK which could be targeted, with the Chinese Investment Corporation owning at least £580m of real estate in the UK.[80]

- **Restricting RMB currency trading through London:** London is the world's largest offshore RMB market outside the PRC and is a key part of China's drive to internationalise its currency and reduce its dependence on the US dollar, which in turn gives it greater protection from US sanctions. In response to escalations against Taiwan, the UK government could revoke the RMB 350bn swap line agreed between the Bank of England and the People's Bank of China, which acts as a safety net for RMB trading in London. More stringent responses could include placing sanctions on the China Construction Bank, which acts as the sole designated RMB clearing bank in the UK. Such actions would impose tangible economic costs on China's financial industry, while also undermining its attempts to build resilience to international sanctions.

- **Imposing maritime insurance restrictions:** London is the single biggest hub for marine underwriting and protection and indemnity insurance. This has been used with effect to enforce sanctions against Russia, with UK persons prohibited from providing insurance services for transporting Russian energy exports above G7 price caps. A similar approach could target vessels servicing China's military industrial complex in the event of war,

78 Charlie Vest and Agatha Kratz, "Sanctioning China in a Taiwan Crisis: Scenarios and Risks," *Atlantic Council GeoEconomic Center and Rhodium Group*, June 21, 2023.
79 The Panama Papers revealed that the close family of both Xi Jinping and former President Wen Jiabao hid substantial wealth in the British Virgin Islands. While China has since cracked down on senior officials holding wealth outside of China, broader groups of political and economic elites are still likely to hold significant assets abroad.
80 Rob Davies, "China Owns Vast Network of UK Real Estate, Offshore Records Reveal," *The Guardian*, January 27, 2023.

with the UK blocking insurers' services for vessels transporting weapons and dual-use or other specified critical goods to China. In the current phase of grey-zone attacks, individual vessels, such as those suspected of cutting undersea cables around Taiwan, can be blacklisted.

- **Curtailing access to and development of strategic technologies:** While the UK has upgraded its vetting of academic collaborations with China, UK universities continue to conduct a range of research partnerships with China's military-industrial complex.[81] Efforts to ensure that UK universities are not aiding the development of China's military and dual-use capabilities should continue apace in the current phase of grey-zone threats against Taiwan, and be extended to a much broader set of strategic technologies should China escalate to conflict. The UK should also strengthen transparency measures to ensure that British Overseas Territories are not used to evade export restrictions on China, with British Overseas Territories being a loophole in the UK's sanctions on Russia.[82]

The UK's Role as a Coalition Builder

The UK has strong convening power, and can play an important role in building coalitions to deter and counter a Chinese attack on Taiwan. This reduces the need for the US to act unilaterally, bolstering resources and increasing pressure on China. The UK should aim to be a force multiplier, enabling other countries to act in support of common interests. This section considers the interests of different UK allies and partners, and what role the UK might play in their response to a Taiwan contingency.

The UK will set the bar for the European response. The UK is able to respond faster and more decisively than the EU in a Taiwan crisis. While the European Commission has frequently highlighted the importance of Taiwan to EU interests, this is not reflective of unity across member states. While some, such as Czechia and Lithuania, have expressed strong political support for Taiwan, others, particularly Germany, have strong trade interests in maintaining maximal access to Chinese markets. Hungary, Spain and Slovakia in particular have moved to build closer ties with China in recent years. As a result, achieving consensus on a strong, united EU response will be extremely challenging.

The UK should act now to build European consensus on economic deterrence. A strong EU sanctions package on China in response to a Taiwan contingency is by no means guaranteed. As the trans-Atlantic relationship comes under increased strain, the UK can play an important role in challenging European perceptions that Taiwan is primarily a US concern, and highlighting Europe's own interests. UK diplomacy should aim to build consensus on a common European response to escalations, with a particular focus on member states that may be more reluctant to act. The UK should also work with EU partners to begin identifying sanctions targets proportionate to a range of contingencies.

81 Robert Clark, "Inadvertently Arming China? One Year On: The Chinese Military Complex and Its Exploitation of Scientific Research at UK Universities," *Civitas*, October 2022.

82 A reported $134mn worth of restricted goods has been exported to Russia through the BOTs since the start of the Ukraine war. See: Daria Mosolova and Chris Cook, "Russian Sanction Busting Linked to British Overseas Territories," *Financial Times*, November 19, 2024.

The UK will form the backbone of any European military response. The UK is the European force most capable of projecting force into the Indo-Pacific. The UK's willingness to contribute to any US-led military response could play an important part in encouraging other European states to take action by providing diplomatic cover against Chinese retaliation and reducing perceptions of US unilateralism. Even without engaging in direct confrontation with China, European military assets can still play a role in supplying aid to Taiwan, maintaining freedom of navigation in key corridors, or acting as a deterrent to further escalation of the conflict. Importantly, UK assets can play an enabling role for other European countries with more limited assets to join operations in the Indo-Pacific – as demonstrated by Dutch participation in previous UK carrier strike group deployments. In the event of a Taiwan crisis, the increased focus of US defensive resources on the region may mean a corresponding decrease in resources for European security. Planning for this contingency, including realising the 'Atlantic Bastion' concept set out in the SDR, is critical to deterring Russia from exploiting US distraction from European security.[83] The UK should begin discussions with France, Italy, Germany, the Netherlands and other capable EU partners to coordinate military responses to different Taiwan contingencies, as well as sequence more regular and consistent deployments to the region.

Regional partners will expect, but will not be led by, UK involvement. Key UK partners in the Indo-Pacific, including Japan, Korea, the Philippines and Australia, have too much at stake in the event of an attack on Taiwan to be significantly influenced by the UK position. However, these countries may still expect the UK to play a meaningful role in any allied response. Notably, while the UK does not have a mutual defence pact with Australia, the close security partnerships between the two countries, including Five Eyes, the Defence and Security Cooperation Treaty, and AUKUS, will mean that Canberra will likely push for UK military support in any actions it takes. As a minimum, Australia may expect the UK to place assets in the region to deter China from expanding the theatre of conflict. Canada and New Zealand, as longstanding security partners, may also expect meaningful UK support for their interests in the region. While the Five Powers Defence Arrangements are unlikely to be triggered by a Taiwan contingency, Malaysia and Singapore will still be nervous about a shift in the regional balance of power towards China. Singapore and Malaysia may value greater UK presence to assert freedom of navigation in the region, both during and after a Taiwan crisis. In return, the UK should seek to persuade Singapore, as an important financial centre, to enforce any international sanctions against China.

The UK can build coalitions to counter Taiwan's diplomatic isolation: China has been highly successful at excluding Taiwan from multilateral institutions, thereby undermining its ability to build diplomatic support. By leading coalitions to counter these efforts, the UK can increase the diplomatic costs to Beijing of escalating military action against Taiwan. The UK has already taken steps in this direction, such as publicly clarifying its opposition to China's broad interpretations of UN General Assembly Resolution 2758 (which China uses to justify Taiwan's exclusion from UN bodies), and should encourage its partners to do the same.[84] At the current stage of

83 "The Strategic Defence Review 2025."
84 The UK government clarified its position on UNGA Resolution 2758 in response to a parliamentary debate on the issue in November 2024. See: "Taiwan: International Status," 757, *Hansard*, November 28, 2024.


Analysis
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grey-zone warfare, there are limits to how much diplomatic support the UK and its partners should give to Taiwan. Any actions that are perceived by China to be taking decisive steps towards formal recognition of Taiwan's statehood may encourage it to escalate aggressions against Taiwan. However, there are still meaningful actions that the UK and its partners can take to counter Taiwan's isolation while staying within the framework of their longstanding policies on Taiwan.[85] In addition to continued support for Taiwan's participation at the World Health Assembly and other UN bodies for which statehood is not a prerequisite, the UK should lead efforts to secure Taiwan's engagement with the International Maritime Organisation or the International Civil Aviation Organisation. Even without full membership, Taiwanese officials or industry leaders could still be invited to take part in stakeholder consultations or unofficial side-meetings. This would have the added benefit of providing a platform for Taiwan to highlight concerns posed by China's grey-zone warfare, such as undersea cable sabotage and unilateral re-routing of civilian flight paths.[86] The UK should also lead diplomatic efforts in support of Taiwan's admission to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, with economic engagement being consistent with its longstanding policy on Taiwan.

In a crisis, the UK and its allies should use One-China policies as leverage: The UK and the majority of its allies have placed a range of restrictions on their engagement with the Taiwanese government following their formal recognition of the PRC, often described as One-China policies.[87] This stance has generally been qualified with support for peaceful resolution of cross-Strait issues, with no unilateral change to the status quo. As a means of diplomatic deterrence, the UK should signal to China that it would reconsider its longstanding policies on Taiwan in the event of a clear breach of these conditions – such as a military attack. In the event of a lower-order military attack, the UK could respond by moving beyond the traditional, but not formally acknowledged, confines of its Taiwan policy, for example by holding meetings with the Taiwanese president or foreign minister. These actions should be accompanied by private signalling to China that the UK is willing to return to the traditional confines of its Taiwan policy in the event of de-escalation from Beijing. In the event of a higher-order military attack against Taiwan, in which the threat to Taiwan is imminent and existential, the UK should consider formally reconfiguring its position and establishing diplomatic relations with Taiwan. While this would have the benefit of countering China's narratives that Taiwan is an 'internal affair', and may give greater flexibility to the UK in providing military, economic and diplomatic support to Taiwan, the difficulty of unwinding this move means it should be considered as a last-resort option. As with other responses, the UK should begin discussions now with the G7 and other close allies to ensure coordinated responses, preventing any one single country from being singled out for retaliation.

85 The UK has a self-described "long-standing policy" on Taiwan which includes "a strong unofficial relationship based on dynamic commercial, educational and cultural ties". While this does extend to formal diplomatic ties, this has not precluded advocating for Taiwan's meaningful representation in multilateral institutions. See: "Taiwan," 804, *Hansard*, July 14, 2020.

86 Taiwan has frequently had to rely on other countries to raise concerns at ICAO on its behalf, such as China's unilateral re-routing of the M503 flight route across the Median Line in the Taiwan Strait. See: Reuters, "China Opens Third Extension to Sensitive Taiwan Strait Flight Path," *Reuters*, July 6, 2025.

87 The UK formally recognised the PRC in 1950, concurrently dropping its recognition of the Republic of China (Taiwan). This stance is often described as, though not officially labelled as, the One-China policy, due to its similarity to policies held by the US and other allies.

Recommendations: What Can the UK Do Now?

The UK's strategic warning time has already begun; it must act now to strengthen its capabilities for a range of Taiwan contingencies. Doing so not only increases the UK's optionality and ability to act effectively in the event of an attack, but also contributes to overall deterrence against China from escalating to full-scale conflict.

- **The UK should map out and bolster its economic statecraft toolkit**: The UK should map out its asymmetric economic levers against China, while also strengthening its ability to enforce measures through its overseas territories and crown dependencies.

- **The UK should increase its military capabilities in the Indo-Pacific:** The UK should ensure it has the capability to project power in the Indo-Pacific, and work with European partners to sequence more regular and consistent deployments to the region.

- **The UK should act now to coordinate European economic deterrence:** The UK should be working with EU officials to identify potential sanctions targets proportionate to a range of grey-zone and conflict scenarios, and conduct diplomacy to persuade hesitant member states to align.

- **The UK should use its One-China policy as diplomatic leverage:** The UK should work with its close-partners to signal to China that the continued adherence to so-called One-China policies is conditional upon China not forcing a unilateral change in the status quo, with a range of options for moving beyond the confines of longstanding policies on Taiwan in the event of an attack.

Preventing War in East Asia: A European Action Plan to Strengthen Deterrence

Joris Teer

This is an excerpt of an EUISS-report[88] published in July 2024.
You can find the full report online.[89]

Over the last half century East Asia has become the global economy's manufacturing hub. Powerful trends have made a military conflict in East Asia, especially over Taiwan, more likely since 2016. The most important of these are China's rapid military modernisation and increasing number of hostile acts under the threshold of war. To Beijing's growing frustration, these have not improved the prospects for peaceful "reunification" with the island republic.[90] Use of greater force, namely a maritime blockade or an invasion of Taiwan, would have a severe impact on the EU's prosperity and security. The new EU team should put the bloc in the best possible position to help prevent military conflict in East Asia. This requires a mobilisation of the EU's economic resources to complement the bedrock of deterrence in East Asia: the military commitments of the United States and its allies and partners in the region. This action plan outlines the steps the EU would have to take in order to – as effectively as possible – contribute to preventing military conflict by preparing for an economic one.

Rising Tensions in the World's Manufacturing Hub

Military conflict in East Asia, especially over Taiwan, would have a severe impact on the EU's economy, its critical sectors and European security. Unlike eastern Europe and the Middle East, East Asia is the global economy's manufacturing hub. Over 75 percent of all semiconductors, essential components of vital items ranging from fighter jets, to pacemakers and wind turbines, are produced in China, Taiwan, South Korea, and Japan.[91] China, "the world's sole [remaining] manufacturing superpower", produces 35 percent of all manufactured goods worldwide.[92] This is far more than the EU

88 The views expressed in this publication are solely those of the author and do not necessarily reflect the views of the European Union. The author would like to thank Alice Ekman, Tim Rühlig, Lukas Trakimavičius, Giuseppe Spatafora and Jan Joel Andersson for their insightful comments which helped improve this discussion paper. This paper also benefited from insights from an EUISS closed-door roundtable on *EU Contributions to Avoiding Conflict in East Asia* (which took place on 21 June 2024). The author thanks representatives of the European Commission, European External Action Service (EEAS), European Council, Member States, and various think tanks for participating in the event. Their instructive remarks helped improve the quality of this paper.

89 Joris Teer, 'Preventing War in East Asia: A European action plan to strengthen deterrence', European Union Institute for Security Studies, July 2024. Retrieved from https://www.iss.europa.eu/sites/default/files/2025-04/Report%202024-01%20Preventing%20war%20in%20East%20Asia.pdf

90 John Teer, Davis Ellison, and Abe Ruijter, "How Did We Get Here?," in *The Cost of Conflict: Economic Implications of a Taiwan Military Crisis for the Netherlands and the EU* (The Hague Centre for Strategic Studies, 2024), 7–12; Chun Han Wong, *Party of One: The Rise of Xi Jinping and China's Superpower Future*, (Simon & Schuster, 2024.)

91 Raj Varadarajan, Iacob Koch-Weser, Chris Richard, Joseph Fitzgerald, Jaskaran Singh, Mary Thornton, Robert Casanova, and David Isaacs, "Emerging Resilience in the Semiconductor Supply Chain," *Boston Consulting Group and Semiconductor Industry Association*, May 2024, 11.

92 As of 2020. See: Richard Baldwin, "China Is the World's Sole Manufacturing Superpower: A Line Sketch of the Rise," *VOX EU*, 2024.

and the US combined.[93] Shipping lanes in the South China Sea, East China Sea, and the Strait of Malacca are the arteries of the world economy. Between 20 and 30 percent of global trade travels through each of these waters.[94] Unsurprisingly, an authoritative scenario exercise concluded that an invasion of Taiwan would wipe ten trillion USD off global GDP. This is equal to the combined fall-out of the 2008 financial crisis and the Covid-19 pandemic.[95]

To Beijing's dismay, its hostile acts below the threshold of war have not brought its strategic goal of peaceful "reunification" closer. Since 2016, these have included detention of Taiwan residents in China, influence campaigns, cyberattacks, ever-higher numbers of PLA aircraft entering Taiwan's Air Defence Identification Zone (ADIZ), more regular large-scale military drills around Taiwan, and the severing of subsea cables connecting the Matsu Islands to Taiwan.[96] Yet, the Democratic Progressive Party, according to Beijing the choice for "war" and "recession", once again won Taiwan's presidential elections in 2024.[97] In 2023, a mere 7 percent of Taiwan's population wants "unification as soon as possible" or to "move towards unification", whereas 16 percent was still in favour in 2018.[98]

Beijing may well conclude that achieving "reunification" under these circumstances will require greater military force. Early signs are ominous. The PLA's military drills that encircled Taiwan and its outlying islands following President Lai's inauguration address "looked like an [invasion] rehearsal", said US Indo-Pacific Commander Samuel Paparo. He warned that the PLA is adding "capacity at an alarming rate."[99] The exercises are likely "only the beginning of a military, diplomatic, and economic pressure campaign" to put pressure on the Lai Administration.[100]

In the event of actual military conflict, Europe would face the impact of war-related disruption and economic coercion, meaning (counter) sanctions by China. Both a blockade and an invasion of Taiwan are likely to bring the island republic's world leading semiconductor manufacturing sector to a complete standstill. An invasion may well lead to its downright destruction.[101] Surveyed experts believe a US-China war is the likely outcome of an invasion.[102] This would make sea lanes and aerial routes indefinitely inaccessible. In turn, an inability to move energy, materials, components, and personnel to and around East Asia would disrupt the region's manufacturing of vital goods.[103] Even "just" a maritime blockade is expected to set off a sanction spiral between China and the US, the EU, and their partners in East Asia. As a result of the subsequent moral imperative

93 China's reform and opening-up radically changed the world's manufacturing balance of power. In 1995, the EU and the US still manufactured nine times more than China. See: "Trade in Value-Added, 2023 Edition: Principal Indicators," *Organisation for Economic Co-operation and Development (OECD)*, 2024.
94 Lincoln F. Pratson, "Assessing Impacts to Maritime Shipping from Marine Chokepoint Closures," *Communications in Transportation Research* 3 (December 2023): 5.
95 Jennifer Welch, Jenny Leonard, Maeve Cousin, Gerard DiPippo, and Tom Orlik, "Xi, Biden and the $10 trillion cost of war over Taiwan," *Bloomberg*, January 9, 2024.
96 Teer, Ellison, and de Ruijter, *The Cost of Conflict*, 7–12.
97 Zhang Zhijun, President of the Association for Relations Across the Taiwan Straits, "a quasi-official body that handles ties with Taiwan", cited in: Zhang Yi, "Taiwan Residents Urged to Make Right Choice between Peace, War," *China Daily*, January 2024.
98 Changes in the unification/independence stances of Taiwanese as tracked in surveys by Election Study Center, NCCU (1994 to ~ June 2023), accessed February 22, 2024.
99 Ryo Nakamura and Rintaro Tobita, "China's Drills Appear to Be 'Rehearsal' for Taiwan Invasion: U.S. Admiral," *Nikkei Asia*, May 2024.
100 Glaser and Lin, "The Looming Crisis in the Taiwan Strait," 5.
101 Teer, Ellison, and de Ruijter, *The Cost of Conflict*, 38.
102 Bonny Lin, Brian Hart, Chen Ming-Chi, Shen Ming-Shih, Samantha Lu, Truly Tinsley, and Yu-Jie (Grace) Liao, "Surveying the Experts: U.S. and Taiwan Views on China's Approach to Taiwan in 2024 and Beyond," *CSIS China Power Project*, January 2024, 17.
103 Teer, Ellison, and de Ruijter, *The Cost of Conflict*; Han Wong, *Party of One*.

and intense US pressure to impose severe sanctions, EU-China trade relations could quickly unravel.

Dynamics would be similar to how Russia-EU trade relations fell apart following Putin's invasion of Ukraine.[104] The economic and societal impact, however, would be far more severe. The full extent of EU critical sector reliance on China's unmatched manufacturing base remains unknown. But just the known dependencies are reason for much concern. EU Member States depend on China for the supply of many vital medicines, such as antibiotics.[105] China controls over 50 percent of the mining or refining of the majority (19 out of 34) of the materials the EU deems critical.[106] These are needed in defence, medical, digital, green, and other critical sectors. Telecommunications networks of most Member States still depend on Huawei for servicing of equipment.[107]

Finally, US involvement in a conflict in East Asia is likely to make the EU, especially Central and Northern EU Member States, more vulnerable to Russian military opportunism. In a Taiwan contingency, the US is believed to focus its military means on its main rival in its primary theatre: China in the Indo-Pacific.[108] Reduced stockpiles and production capacity constraints in the US defence economy would force Washington to make difficult trade-offs.[109] This is particularly the case for a range of precision-guided missiles such as HIMARS and ATACMS. These are needed in the Ukraine war and would be needed in a broader European conflict (a land war) as well as to arm Taiwan and in a broader conflict in East Asia (a maritime war). In addition, the US Navy will highly likely shoulder the burden of repelling any Taiwan invasion. This may threaten its ability to fulfil its core function in NATO: ensuring the safe reinforcement of US troops across the Atlantic in times of crisis. Deterrence gaps in Europe may become even greater during a second Trump presidency. Members of his first administration have consistently advocated prioritising Taiwan and the Indo-Pacific over Ukraine and Europe.[110]

Therefore, a Taiwan conflict would weaken deterrence in Europe. In time, this may even open the door for Russian *fait accompli* actions, akin to the seizure of Crimea in 2014, but possibly this time on NATO territory.[111] Analysts fear that Russia, after an end to the war in Ukraine, "can rebuild the readiness of a substantial portion of its army and reconstitute inventories of ballistic and cruise missiles". If Moscow succeeds in this, NATO's current defence posture

104 Joris Teer and Mattia Bertolini, "Reaching Breaking Point: The Semiconductor and Critical Raw Material Ecosystem at a Time of Great Power Rivalry," [Short Version], *The Hague Centre for Strategic Studies*, October 2022, 13.

105 Veronika Blablová, "How to Address Europe's Dependence on Medicine Imports from China," *China Observers in Central and Eastern Europe (CHOICE)*, July 2023.

106 John Seaman, Florian Vidal, and Raphaël Danino-Perraud, "Critical Minerals, Critical Raw Materials: What Chinese Dependencies, What European Strengths?," in "Reverse Dependency: Making Europe's Digital Technological Strengths Indispensable to China," ed. Tim Rühlig, *Digital Power China Report 3*, May 2024, 1; Milan Grohol and Constanze Veeh, "Study on the Critical Raw Materials for the EU," European Commission, DG Grow, 2023.

107 Laurens Cerulus, "Germany Is (Still) a Huawei Hotspot in Europe," *Politico*, December 2022.

108 Antony Blinken, "China is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it," in "The Administration's Approach to the People's Republic of China," *US Department of State, speech*, May 26, 2022; Max Bergmann and Christopher B. Johnstone, "Europe's Security Role in the Indo-Pacific: Making It Meaningful," *CSIS*, June 26, 2024, 12.

109 Alex Velez-Green, "Managing Trade-Offs between Military Aid for Taiwan and Ukraine," *The Heritage Foundation*, August 2023, 3–4; Stacey Pettyjohn and Hannah Dennis, "Production Is Deterrence," *Center for a New American Security (CNA)*, June 2023.

110 Elbridge Colby, "To Avert war with China, the US Must Prioritize Taiwan over Ukraine," *The Washington Post*, May 2023.

111 Joris Teer, Tim Sweijs, Paul van Hooft, Lotje Boswinkel, Juliëtte Eijkelkamp, and Jack Thompson, "China's Military Rise and the Implications for European Security," *The Hague Centre for Strategic Studies*, November 2021, 108.

"will not be adequate to prevent the rapid loss of key territory in the Baltic states" in the event of an invasion.[112] In a worst-case scenario, an attempted land grab, say in Estonia, can lead to a Russia-NATO war."

Preventing Conflict by Preparing for Economic Conflict

To safeguard prosperity and security, the new EU team would have to mobilise European strengths to maximally contribute to US-led military deterrence of China.

Our full action plan[113] looks at how to do this and includes a summary visual.

112 David A. Ochmanek, Anna M. Dowd, Stephen J. Flanagan, Andrew R. Hoehn, Jeffrey W. Hornung, Michael J. Lostumbo, and Michael J. Mazarr, "Inflection Point – How to Reverse the Erosion of U.S. and Allied Military Power and Influence," *RAND Corporation*, 2023, 19–20.

113 Joris Teer, 'Preventing War in East Asia: A European action plan to strengthen deterrence', European Union Institute for Security Studies, July 2024. Retrieved from https://www.iss.europa.eu/sites/default/files/2025-04/Report%202024-01%20Preventing%20war%20in%20East%20Asia.pdf

Prescription

The Implications of a Taiwan Nightmare Scenario for the UK

Oliver Yule-Smith

As this report has already highlighted, there are several Taiwan scenarios that could possibly unfold. The impact for the UK will vary wildly depending on whether China launches a full-scale invasion of Taiwan or the CCG designates a limited customs enforcement zone around the island, for example. So instead of trying to guess the outcomes of any number of contingent scenarios, it is more worthwhile to investigate the worst-case scenario for the UK and to try to gauge its effects.

The UK's Taiwan Nightmare Scenario

With the initial caveat of this scenario being neither the most likely nor Beijing's preferred scenario, let us assume the most damaging one for the UK (short of a nuclear exchange between the US and China). In this scenario, Western intelligence would begin to pick up the movement of troops and material (irregular movement of PLAN capabilities, and stockpiling of ammunition and medical supplies around logistics depots) that would be consistent with an invasion scenario. The US Pacific Fleet would be put in a high state of readiness and ordered towards the Strait. A justification for a cross-Strait invasion might then be fabricated by Beijing, perhaps with a false-flag operation on one of the offshore islands not covered by the Taiwan Relations Act (Pratas, Taiping Island/Itu Aba, Kinmen or Matsu) which leads to the occupation of one or more of these islands by Beijing and pre-emptive declarations of foreign infiltration into the highest ranks of the Taiwanese government. Next, let us then assume that this is used as justification for a Chinese 'special operation' against the Taiwanese government. A no-fly zone and a no-navigation zone are then declared around Taiwan, and between Taiwan and the mainland, and foreign vessels are barred from 'innocent passage'.

In this particular scenario, the US would make clear its unwavering commitment to Taiwan and affirm its commitment to the defence of Taiwan. Such a declaration would leave Beijing with no off-ramps for their escalatory cycle. They might feel that their only option is to maintain their cordon of the island against what they deem to be external interference. Next, this scenario assumes a staunch American commitment to Taiwan, which means Chinese policymakers feel they then have no other option than to pursue a full invasion of Taiwan or risk losing face. Initial Chinese bombardment of the island destroys much of Taiwan's Navy and Air Force. Chinese troops cross the Strait in a mix of amphibious craft and requisitioned civilian ships aiming for the most plausible amphibious landing sites in the south of the island, while airborne troops land inland providing intelligence, sabotaging defences, crippling critical national infrastructure and disrupting supply lines to coastal defences. The US surface fleet, submarines and bombers would then move to disrupt the cross-Strait invasion, but in this scenario would be unable to prevent it.

American involvement might then prompt Chinese missile strikes on US bases in Japan, drawing Japan into the conflict.

At this point, simulations of this conflict tend to suggest that Chinese invaders get bogged down on the beaches and prove unable to move further inland – repelled by Taiwanese ground forces, while US submarines and bombers, supported by Japanese Self-Defense Forces, degrade the Chinese surface fleet, and sustained losses of Chinese heavy-lift aircrafts lead to rapid shortages of supplies for the invading forces.[114] When this happens, simulations show that the Chinese invasion quickly collapses. But let us assume China successfully counters US and Japanese assistance, which means a Chinese invasion force is able to establish beachheads – and to protect the supply of those beachheads – meaning that what unfolds is a protracted struggle of at least a year between Chinese invaders and Taiwanese defenders.

Independent of how the UK positions itself on Taiwan in such a scenario, the effects would be devastating. But to ensure that the truly worst impacts are investigated, this nightmare scenario assumes the UK adopts a position on Taiwan that China deems to be sufficiently hostile to warrant an adversarial response. This would therefore mean the UK suffers not only the second-order disruption of a conflict in the Strait, but it would also become the subject of coercive measures designed to punish UK's support for Taiwan.

The Effects on the UK

In the event of a scenario of this scale, there would be implications for the global economy that every country would need to respond to. Investors would likely rapidly liquidate investments in countries in the region that require freedom of navigation in the South China Sea. Global financial actors would quickly move into gold, possibly US government bonds, and investments where exposure to the conflict is limited.[115] Expected semiconductor shortages would also send the share prices of major tech companies tumbling. Beyond this, however, there are specific implications of this Taiwan scenario for the UK that are worth exploring.[116]

Disruption to Sea-Borne Trade

In 2017, a CSIS ChinaPower report using International Monetary Fund (IMF) trade statistics estimated that 11.8% of the UK's total trade transited the South China Sea, higher than Germany's 9% and France's 7.77%.[117] This does not include the second-order, indirect effects of trade disruption to other UK trade partners also affected by the disruption of the roughly $2.4 trillion in global trade that passes through the South China Sea. Containerised freight indexes – which provide a composite of spot rates of the price of a one-time shipment of goods in a container from one location to another – were at their second highest level since 2010 in June 2024, owing primarily to Houthi strikes in the

114 Cancian, Cancian, and Heginbotham, "The First Battle of the Next War"; see also: Stacie Pettyjohn, Becca Wasser, and Chris Dougherty, "Dangerous Straits: Wargaming a Future Conflict over Taiwan," *Center for a New American Security*, June 15, 2022.
115 Michael Peck, "Hedge Fund Turned to a Wargame to Plan for a Chinese Invasion of Taiwan," *Business Insider*, September 7, 2024.
116 A good big-picture study of the implications for the UK can be found in: Dan Milmo, Amy Hawkins, Jasper Jolly, and Richard Adams, "How War in Taiwan Could Mean the Wheels Come off the UK Economy," *The Guardian*, April 29, 2023.
117 "How Much Trade Transits the South China Sea?," *CSIS ChinaPower*, October 27, 2017.

Red Sea and disruption in the Panama Canal.[118] Disruption in the Strait of Taiwan would cause shipping costs to skyrocket, as ocean-going journeys lengthened to bypass the South China Sea and marine insurance rates increased to account for the additional risks to ships.

Even if China does not erect trade barriers against UK import and export trade, China is the UK's fourth largest trading partner, meaning disruption along this sea-borne trade route will be acute. The hit to the UK will be unevenly distributed and might exacerbate existing regional tensions. In order of regional goods exports to China, the West Midlands (£2.7bn), the North West (£1.8bn), London (£1,6bn), South East (£1.1bn), East of England (£1.1bn) and Scotland (£1.1bn) would suffer significantly if UK companies were to face Chinese boycotts, or even just disruption to the ordinary shipment of goods.[119] Part of the reason this disruption will be unevenly distributed is because it will affect some sectors worse than others. 25.5% of UK exports to China in the four quarters to the end of 2024 was made up of cars,[120] which can only be shipped via special roll-on/roll-off ships. These cars were overwhelmingly luxury cars from premium manufacturers, like Aston Martin, Bentley, Jaguar, Land Rover, McLaren and Rolls-Royce, production of which is geographically concentrated in sites across the UK like Gaydon, Woking, Solihull and Crewe. Towns and cities that house workers for these factories would be disproportionately hit, likely worse than during the pandemic. As a yardstick for this disruption, in June 2020, Bentley announced it would cut a quarter of its 4,200 jobs as a result of demand disruptions caused by COVID.[121] At the same time, a number of luxury British brands recorded significant revenues by destination from China, including Burberry (23%),[122] Dyson and Whittard of Chelsea, some of which have greatly benefitted from selling their products through Alibaba's Chinese marketplaces.[123] These companies would therefore suffer significant losses.

Semiconductors

In spite of recent global efforts to diversify production of semiconductors, Taiwan still holds a 68% market share of all global chip production and produces at least 90% of the world's most advanced computer chips.[124] If this supply of semiconductors were interrupted, the UK – along with every other country – would be left competing for a dwindling supply of semiconductors for use in smartphones, laptops, sensors, electronic control systems in cars, sensors, routers, switches, green technology and communication infrastructure. For context, the average car alone contains up to 3,000 semiconductors. This would immediately affect the UK's ability to purchase new or replace old medical technologies, ranging from computer tomography scanners used in the diagnosis of chronic conditions to ventilators used to stabilise injured or weak lungs. Interruption of the semiconductor supply chain would also inhibit the delivery of the new *10 Year Health Plan for England*, particularly the ambition to transition from analogue to digital care.[125]

118 "High Freight Rates Strain Global Supply Chains, Threaten Vulnerable Economies," *UN Trade and Development*, October 22, 2024.
119 "Trade and Investment Factsheet – China," *Department for Business and Trade*, May 2, 2025, 8.
120 "Trade and Investment Factsheet – China," 10.
121 "British Luxury Carmaker Bentley to Cut Quarter of Workforce," *Reuters*, June 5, 2020.
122 "Annual Report and Accounts 2023-24," *Burberry*, May 14, 2024, 177.
123 Zarina Kanji, "Why China Is the Next Big Market for British Brands' Post-Pandemic Recovery," *The Grocer*, September 22, 2021.
124 Isabel Hilton, "Taiwan Makes the Majority of the World's Computer Chips. Now it's Running Out of Electricity," *Wired*, October 5, 2024.
125 "Fit for the Future: 10 Year Health Plan for England," *Department of Health and Social Care*, July 3, 2025.

Specific UK growth priorities would be an early victim of a prolonged Taiwan crisis. The UK government's *Invest 2035* industrial strategy identifies eight growth-driving sectors which it will prioritise due to their potentially significant contribution to UK prosperity, which are: advanced manufacturing, creative industries, clean energy industries, defence, digital and technologies, financial services, life sciences, and professional and business services.[126] Every one of these priority areas would be hit if there were a significant shock to the supply of semiconductors from the world's largest producer. On defence in particular, in light of the recent release of the SDR, there would be immediate delays to the construction of flagship capabilities like the SSN-AUKUS class submarines and the 7,000 long-range missiles mentioned in the review,[127] as well as under-construction capabilities like the already-delayed Type 26 frigates. These delays would likely be compounded by China's dominance of rare earth element refinement. Until 2023, China accounted for 99% of the capacity for the processing of global heavy rare earth elements, a number of which are used in the construction of submarines, fighter jets, missiles and warships.[128]

The government has taken steps to address this semiconductor vulnerability with the acquisition of Coherent Inc's Newton Aycliffe gallium arsenide semiconductor factory, and with greater investment in Vishay Newport,[129] which the government forced its previous Chinese owners to sell on national security grounds in 2024,[130] and which produces around 30,000 compound semiconductor wafers per month.[131] These compound semiconductors utilise silicon carbide, gallium nitride and sometimes gallium oxide, which allow semiconductors to operate at higher temperatures, enabling speeds 100 times faster than traditional chips. These compound semiconductor wafers produce high-end, artisanal SiC chips primarily used in electric vehicles, data centres and for rigorous industrial use. But in a supply shock, Vishay Newport would likely be unable to keep pace with demand. Even semiconductor wafers that are produced in Europe are still sent to China for packaging and testing,[132] meaning vulnerabilities in the supply chain can exist even if a domestic manufacturing capacity is achieved in the future. Additionally, if China were to extend a ban on the export of gallium to the US and the UK, these factories would only be able to operate for as long as they had stocks of the critical mineral. A suitably large strategic reserve of gallium – which registered "high criticality" in the 2022 UK critical mineral strategy – would therefore help these semiconductor factories weather the Taiwan scenario outlined above.[133] In a crisis, government might need to work with Vishay Newport as well as Fife-based Clas-SiC, which operates a foundry model fabrication plant producing bespoke designs for primarily international customers,[134] to direct semiconductors to the parts of the UK where they are most needed.

126 "Invest 2035: The UK's Modern Industrial Strategy," *Department for Business and Trade*, November 24, 2024.
127 "The Strategic Defence Review 2025."
128 Gracelin Baskaran and Meredith Schwartz, "The Consequences of China's New Rare Earths Export Restrictions," *CSIS*, April 14, 2025.
129 Reuters, "Britain Buys Semiconductor Factory to Secure Supply for Military," *Reuters*, September 29, 2024.
130 "Acquisition of Neptune 6 Ltd by Siliconix Inc: Notice of Final Order," *Cabinet Office*, March 1, 2024.
131 "Vishay Intertechnology Acquires Nexperia's Newport Wafer Fab for $177 Million," Vishay press release, March 6, 2024.
132 Kana Inagaki, Ryan McMorrow, Barbara Moens, Laura Dubois, "Nexperia faces 'existential threat' after Dutch seizure, Chinese owner warns", *Financial Times*, October 28, 2025.
133 "Resilience for the Future: The UK's Critical Minerals Strategy," *Department for Business, Energy and Industrial Strategy*, July 22, 2022, 11.
134 Peter Gammon, "How the UK's Microchip Industry Is Bouncing Back after a Quarter of a Century," *The Conversation*, April 29, 2025.

NHS Medicines

According to the Department for Business and Trade's China Factsheet for 2024, the top five goods imported to the UK from China were telecomms and sounds equipment (11.3% of total goods imports), other manufactures (consumer) (7.8%), office machinery (capital) (7.7%), cars (6.3%) and miscellaneous electrical goods (5.8%). These might not seem like essential goods, but the statistics mask the UK's exposure to a Taiwan crisis in certain critical goods, particularly non-brand pharmaceuticals. Four out of five NHS prescription medicines are fulfilled by off-patent generics and biosimilars, which compete with originator products when patents expire.[135] Use of these off-patent generics saves the NHS billions of pounds every year. Roughly a quarter of these are manufactured in the UK, but the remainder come from Europe, India and China. Yet even this does not capture China's centrality to the global pharmaceutical supply chain, as roughly 70% of India's active pharmaceutical ingredients (essentially starter ingredients like benzene) come from China.[136]

The effect of a Taiwan crisis could be significant supply chain disruptions, resulting in empty shelves in pharmacies for over-the-counter and prescription-only medications like antibiotics, medicines for the treatment of diabetes and ADHD, and many more.[137] Additionally, 30% of large pharma's licensing deals now involve a Chinese biotech, with UK pharma giants like AstraZeneca engaged in multi-billion-dollar AI-driven partnerships across Beijing, Shanghai and other hubs.[138] It is therefore possible that a marked decline in UK-China relations resulting from a nightmare Taiwan scenario could hit these partnerships and lead to significant delays in the development of breakthrough medicines.

Services Vulnerabilities to Cyber Disruption

In May 2024, the CEO of the National Cyber Security Centre, Felicity Oswald, warned that "cyber is being deployed across multiple fronts to help the Chinese state meet its strategic ends… This should worry all of us concerned with cyber resilience".[139] Indeed, the UK has already faced significant disruption from cyber attacks. In 2019 alone, the UK witnessed a ransomware attack on a private company which left English policing without half of its criminal forensic capabilities, while another attack on Redcar and Cleveland Borough Council crippled the services used to support vulnerable children.[140] A few years later, a vital national institution, the British Library, has still not fully recovered from a cyber attack which took place in October 2023.[141]

In 2023 and 2024, Western intelligence agencies became aware of two large-scale Chinese cyber operations: Salt Typhoon and Volt Typhoon. The former is a large-scale cyber espionage campaign which has penetrated the US telecommunications system, prompting

135 Mark Samuels, "Medicines Security Must Be a Priority in UK's Life Sciences Strategy," *UK in a Changing Europe*, March 17, 2025.
136 "COVID-19: The CIDRAP Viewpoint: Ensuring a Resilient US Prescription Drug Supply," *CIDRAP*, October 21, 2020.
137 These medicines are already subject to shortages. See: Claire Duddy, "Medicine Shortages," *House of Commons Library Research Briefing*, April 9, 2025.
138 Kate Bingham, "The UK Needs to Pick up the Pace on Life Sciences," *Financial Times*, July 21, 2025.
139 "GCHQ and NCSC Heads Warn of Increasing Cyber Risk from China," *GCHQ*, May 14, 2024.
140 Danny Shaw, "Eurofins Scientific: Forensic Services Firm Paid Ransom after Cyber-Attack," *BBC News*, July 5, 2019; Alexander Martin, "British Government Minister Told to Keep Quiet after Ransomware Attack," *The Record*, January 31, 2023.
141 "Cyber-Attack Recovery Update," *British Library*, 2025.

government guidance for officials to move all sensitive communication to end-to-end encrypted messaging services. While the implications of this intelligence-gathering are deeply disturbing, it is not primarily aimed at disruption. It is Volt Typhoon, however, that poses the most acute risk to UK security. Volt Typhoon is a military operation designed to hobble American, and likely Western, critical national infrastructure with digital zero-day exploits. The above incidents already highlight the vulnerability of UK services to cyber attacks, but these were relatively small in scale and aimed primarily at extracting ransoms. If Volt Typhoon has targeted vulnerabilities in UK services and infrastructure, these could be exploited simultaneously or as a pattern of escalation as a means of trying to head off UK support for Taiwan.

The most devastating cyber attacks tend to be the ones that target infrastructure or services that are either unprepared or already stretched to breaking point with their existing tasks. In the UK, there are currently many examples of overburdened services, ranging from the NHS and local councils responsible for delivering social care, to the Legal Aid Agency[142] and British ports that maintain the UK's just-in-time food distribution model, some of which are currently undergoing rapid digital transformation.[143] The UK national security and national defence architecture may well be protected from cyber intrusions, but a cyber attack on the scale of Volt Typhoon could quickly disrupt food supplies, prevent access to desperately needed health and social care, and further grow court backlogs – all disruptions which have the capacity to reach each and every UK citizen.

Banks

UK banks would have significant exposure to Chinese retaliatory pressure. UK banks are the largest foreign lenders to China, with claims on a guarantor basis of about $250bn (29% of the global total) and a foreign direct investment stock of close to £10bn in China.[144] Should China want to hurt UK interests, they could force London-based banks like HSBC and Standard Charter to write off loans made to Chinese partners. HSBC and Standard Charter are both sizeable London-listed companies, so as the London Stock Exchange faces an exodus of companies and 30-year lows in initial public offering fundraising, companies suggesting a London listing will watch how the UK government handles a crisis affecting its second and 26th largest London-listed companies extremely closely.

As was the case in the 1950s in a process known as 'hostage capitalism',[145] foreign workers might also be declared by Chinese authorities to be personally liable for the payment of arbitrary fines levelled against banks, with managers detained in China until payment is made. Such a move by Beijing might be judged unwise for fear of the signals it would send to foreign investors more generally. **But if the UK is judged to be close to the Americans in a Taiwan crisis, China might try to drive wedges between the US and its coalition partners.** To do that, China might target specific European partners with significant Chinese liabilities in the hope that they can coerce these powers into dropping out of any emergent US-led coalition. The exposure of UK banks to China in particular means that the UK would be an obvious candidate for this strategy.

142 "Legal Aid Agency Data Breach," *Legal Aid Agency and Ministry of Justice*, June 4, 2025.
143 "Leading the Way for UK Ports in The Digital Age," *Port of Dover*, accessed July 8, 2025.
144 James Langton, "U.K. Banks Bear Brunt of Exposure to China: BIS," *Investment Executive*, October 27, 2021.
145 Thomas N. Thompson, "China's Nationalization of Foreign Firms: The Politics of Hostage Capitalism, 1949–57," *Occasional Papers/Reprints Series in Contemporary Asian Studies* 27, no. 6 (1979): 1–71.

UK Global Diplomacy

British global strategy and diplomacy do not occur in a vacuum, meaning a downturn of UK-China relations in one part of the world would have implications for the UK's position in other parts of the world. The Labour Government has signalled that British foreign policy will be guided by a 'NATO-first' defence strategy, while also attempting a reset of its relations with the European Union, forging closer relations with the global south, utilising climate diplomacy and ensuring diplomacy helps to better deliver UK growth. Each of these areas of diplomacy would come under pressure in the event of the Taiwan nightmare scenario outlined above.

Countries in the global south that have tended to hedge in the face of US-China strategic competition may be forced to choose sides. China could leverage its position in the BRICS grouping to challenge what it perceives to be an American-dominated global governance architecture. It could supplement this narrative with a charm offensive, much like the tour that Xi Jinping took in Southeast Asia when the US administration launched Liberation Day tariffs in April 2025, directed at specific countries in the global south, using economic inducements and offers of strategic partnership to try to exclude Western influence.[146] China's Belt and Road Initiative tried to bring a number of countries in the region more closely into Beijing's orbit, of which it should be said there were mixed results,[147] but undoubtedly there would be significant interest in a Chinese offer among the countries of the global south – many of which would feel they have more in common in terms of values and systems of government with China than the democratic West.[148] This would mean a Taiwan contingency could quickly fragment any tentative coherence within the global south and undermine the UK's efforts to forge closer relations with the global south in the round.

A Taiwan contingency is likely to open up divisions within Europe around how countries should position themselves towards the conflict, which could then play out within the European Union. In Europe, China is already a divisive issue with longstanding advocates of closer relations with Beijing in countries like Germany and Italy, and more recently with Hungary (signing an 'all-weather' comprehensive strategic partnership in 2024), on the one hand, with more China-sceptic European countries like the Czech Republic, Lithuania and Sweden adopting more aggressive national investment-screening mechanisms and voicing human rights concerns.[149] If the European response to a Taiwan scenario was to divide, this could put the UK at odds with a number of EU member states and might make further moves towards a UK-EU reset more difficult. Beijing may also increase the level of support given to Moscow in its war in Ukraine as a way to divide the attentions of European countries.

146 Rahul Pandey, "Xi Jinping's Tour Highlights Southeast Asia as the Frontline of the Global China-US Competition," *The Diplomat*, April 21, 2025.
147 Nadia Clark, "The Rise and Fall of the BRI," *Asia Unbound Council on Foreign Relations*, April 6, 2023.
148 Niva Yau, "A Global South with Chinese Characteristics," *Atlantic Council*, June 13, 2024.
149 Francesca Ghiretti, Helena Legarda, Grzegorz Stec, and Abigaël Vasselier, "Profiling Relations of European Countries with China," *MERICS*, October 31, 2023.

Key Recommendations

None of this is aimed at dissuading policymakers from taking particular courses of action in the event of a given Taiwan contingency. As outlined in many contributions to this report, there are compelling reasons why the UK should want to see the continued existence of a democratic Taiwan. In highlighting some of the UK's most acute vulnerabilities in the face of a conflict in the Strait, it is hoped that this contribution – and the report as a whole – can help to galvanise greater preparedness and resilience in the UK at large. The following are some specific recommendations:

- **The UK government, through the Cabinet Office, should revive the 'war books' (last used during the Cold War) detailing actions to be taken by government departments, arms-length bodies, critical national infrastructure, important private sector companies and civil society in the event of a Taiwan crisis.** A specific Taiwan contingency plan should be created that assumes a worst-case scenario.
    - Particular attention should be paid to how the local resilience forums would be mobilised in a Taiwan contingency.

- **The UK government should require public sector and critical national infrastructure digital transformation plans to include 'non-digital redundancy', detailing how public service providers would try to operate a normal service if their digital systems were compromised.**

- **The UK government should identify high-priority private sector partners, which would have significant responsibility for helping the UK mitigate the effects of a Taiwan crisis, and start developing contingency plans.** In the case of one already mentioned important private-sector partner, Vishay Newport, this might include government support for surge production of microchips, the secondment of specialist civil servants to provide strategic advice, and the potential emergency redirection of microchips to UK critical national infrastructure.[150]
    - As part of an ongoing resilience measure, the UK government should try to encourage UK-based customers to comprise a greater proportion of Vishay Newport's orders.

150 A precedent here would be the UK government in 2021 ensuring vaccine doses produced by AstraZeneca at Staffordshire and Oxford sites supplied the UK first, before being exported. See: "Second Covid-19 Vaccine Authorised by Medicine Regulator," *Department of Health and Social Care*, press release, December 30, 2020.

CENTRE FOR STATECRAFT & NATIONAL SECURITY

KING'S COLLEGE LONDON

CONTACT DETAILS

For questions and queries, please contact:

Centre for Statecraft and National Security
King's College London
Strand
London WC2R 2LS
United Kingdom

mail@csns.uk

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