India is among the 179 of the 193 member states of the UN that do not maintain formal diplomatic ties with Taiwan. Recent disputes have compelled India to revisit India's 'One China Policy' and there has been a growing sentiment in India that it should establish closer ties with Taiwan. This article briefly throws light on India-Taiwan relations.

Aspiring civil service candidates need to have a firm grip on the latest developments in India's evolving diplomatic relations with various countries, as it is an important part of the IAS Exam.

India - Taiwan Relation - Brief History

Taiwan, officially the Republic of China (ROC), is a country in East Asia. Neighbouring countries include the People's Republic of China (PRC) to the northwest, Japan to the northeast, and the Philippines to the south. The political status of Taiwan remains uncertain. The ROC is no longer a member of the UN, having been replaced by the PRC in 1971. Taiwan is claimed by the People's Republic of China (PRC).

- 1. The bilateral relations between India and Taiwan have improved since the 1990s
- 2. Taiwan established Taipei Economic and Cultural Centre (TECC) in New Delhi in 1995 and India established India Taipei Association (ITA) in Taipei.
- 3. The above 2 establishments have played a significant role in improving the people-to-people contacts, and in expansion of cultural, economic and political relations.
- India and Taiwan have signed bilateral agreements in the field of agriculture, civil aviation, investments, customs cooperation, double taxation avoidance agreement (DTAA) etc.

India - Taiwan : Economic Ties

- 1. In 2018, India and Taiwan had signed an updated bilateral investment agreement to give a boost to economic ties between India and Taiwan.
- More than 80 Taiwanese entities and companies have a presence in India. Some of the companies are Hon Hai Precision Industry Co (FoxConn), MediaTek, Sanyang Corporation, Transcend, etc
- 3. In 2019, India Taiwan trade volume was US\$7 billion, growing at a rate of 20% YoY

Major Exports from India to Taiwan are listed below

- 1. Copper
- 2. Aluminium
- 3. Naphtha
- 4. Cereals
- 5. Waste Oil
- 6. Organic Chemicals
- 7. Food residue

Major exports from Taiwan to India are listed below

- 1. Integrated Circuits
- 2. Machinery and other electronic products

India - Taiwan Relations - Barriers to expansion

- 1. One of the barriers for expansion could be linguistic and cultural.
- 2. The other barrier is Chinese demand that India has to maintain 'One China Policy'. It makes sense to follow this policy if China reciprocates India's concerns regarding its territorial integrity in Kashmir and North East.

India - Taiwan Relations - Way Forward

- 1. Since India has established closer ties with Quad nations US, Japan, Australia; and with changing geo-political scenario in Ladakh and South China Sea, it would not be considered a wrong step if India decides to revisit its 'One China policy'
- 2. In May 2020, two members of the Indian Parliament virtually attended the newly elected Taiwan President Tsai's swearing in ceremony and praised Taiwanese democracy. There is overwhelming consensus among the people and the media in India that India must stand by Taiwan by all means in defending the larger cause of democracy.
- 3. In resolving the current crisis in Taiwan due to Chinese belligerence, India may opt for a multilateral approach to the problem instead of opting for a unilateral approach.
- 4. India has recently imposed lots of restrictions on Chinese companies, the most high-profile one is the ban of Huawei in 5G technology. This could open the doors to the hi-tech Taiwanese companies in the Indian telecom industry.

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