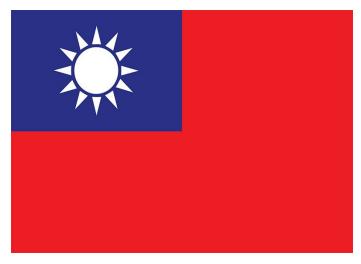
(1) KCS Group Europe

Taiwan: the next Ukraine?

July 2022

The prospect of an invasion from China grows ever more likely as the war rages on in Ukraine and as tensions build between Taipei and Beijing. Recently, the strained relationship is reaching its breaking point, when Speaker of the House, Nancy Pelosi, is allegedly planning a diplomatic trip to Taiwan, to which China has warned of "serious consequences" if Pelosi proceeds with the visit. Naturally, this has sparked fear with Taipei and Washington. "Firm



and resolute measures" would be taken by China which could lead to a military response. The People's Republic has stated repeatedly their wish to "take back" Taiwan, by force if necessary.

Soon after Russian forces entered eastern Ukraine in late February, there was much concern from the West that this would encourage China to enact the same "military operation" in Taiwan. Days after Russia invaded Ukraine, the Biden administration sent a high-level delegation consisting of ex-defence officials to Taiwan to show support, amid the fears of a Chinese invasion. Taiwan is officially a Republic of China but wishes to be an independent, sovereign nation. China objects to this notion and has vowed to take the country "by force, if necessary" to prevent an independent Taiwan. Now, with the botched invasion of Ukraine, China will be looking to change any pre-existing plans for an invasion of Taiwan. China is playing the long game and is learning from the mistakes of Russia. Despite the obvious military superiority of the People's Liberation Army, it does not mean Taiwan would be an easy victory. Taiwan has been consistently improving its military for decades and focuses its military exercises on a Chinese invasion If China has learned anything from the invasion of Ukraine it is that it will have to act swiftly, forcefully and not underestimate the enemy, if it is to be successful in "reunifying" Taiwan. A large assault to capture Taipei and to block any chance of assistance from other nations is key to China's plans. The main obstacle that China faces is direct military conflict with the US.

In late 2021, President Biden stated that the US would "defend" Taiwan if they were invaded by China and reaffirmed this claim in May 2022. However, the White House has backtracked these comments by stating that the US is under no obligation to defend Taiwan in a case of invasion (just like Ukraine). But despite US support, it is more likely than ever that China will invade and retake Taiwan. The guestion now



is not if, but when. However, the threat does not just affect those living on the small island. Chinese firms are told not to do business with firms/governments who acknowledge Taiwan as a sovereign nation. This level of censorship also extends surprisingly to Hollywood and NGOs. Both actors and members of the WHO have had to either apologise for calling Taiwan a country or completely ignore questions regarding its sovereignty. China's rhetoric towards its island neighbour is akin to its Russian's counterpart.

Other than the threat of a Chinese invasion, Taiwan is doing remarkably well as a nation facing a very real threat. An economic powerhouse and a global leader in high tech manufacturing, Taiwan's FDI is also faring nicely due to the Chinese threat reaching an all time high in June 2022. Politically speaking, Taiwan is also looked at positively from foreign commentators and is held in high regard for its democratic process and human rights record. Taiwan remains to be one of the few countries in South East Asia that values freedom and democracy.

KCS Group Europe - Strategic Intelligence & Corporate Security

A leading provider of security and intelligence services, we operate discreetly in some of the world's most difficult environments on complex cases of fraud, theft, corruption, or market dynamics. We gather intelligence through the discreet use of human sources to level the playing field and help our clients identify and deal with any risks, weaknesses and threats which could impact on their business, financially or reputationally.

Our key areas of expertise include:

Corporate Intelligence Services - New market or sector entry research - Know your customer screening

In addition, through our specialist team at KCS IS, we offer a unique service in the areas of Cyber Security and Cyber Risk. This covers penetration testing, vulnerability assessments, intelligence gathering and cyber security audits - providing unparalleled analysis, contingency planning, and implementation.

To find out more or to arrange a meeting to discuss your business needs, please email the team at info@kcsgroupeurope.com or call (00 44) 2072451191.