





# Charting a Course for Deeper India-Taiwan Cooperation

Sana Hashmi and Kalpit A. Mankikar



FEBRUARY 2025



## Introduction

ndia-Taiwan relations have witnessed remarkable progress in recent years, fuelled by shared interests and aligned policies. Taiwan's New Southbound Policy, launched by then President Tsai Ing-wen in September 2016, was pivotal in deepening this partnership. While India and Taiwan do not have formal diplomatic ties, their relationship has flourished within an unofficial framework through

representative offices established in 1995—the India-Taipei Association (ITA) in Taipei and Taipei Economic and Cultural Centre (TECC) in Delhi.

In recent years, this relationship has crossed milestones once deemed unattainable, revealing challenges and vulnerabilities, while also presenting opportunities. With both India and Taiwan having navigated electoral transitions in 2024, this is an opportune moment to reflect on the achievements and set a forward-looking agenda.

Attribution: Sana Hashmi and Kalpit A. Mankikar, "Charting a Course for Deeper India-Taiwan Cooperation," *ORF Special Report No. 247*, February 2025, Observer Research Foundation.

a Taiwan's New Southbound Policy seeks to increase cooperation with 18 countries across Southeast Asia, South Asia, and Australasia, designating India as a key priority country.



# A Stocktaking

or decades, India-Taiwan ties were characterised by missed opportunities. India's shift of diplomatic recognition to the People's Republic of China (PRC) in 1950 and its failed attempt to seek support from Chiang Kai-shek during the 1962 India-China war highlighted this trend. Later, Taiwan's inability to assist India during its 1991 foreign exchange crisis and Ma Ying-jeou administration's outright rejection of the possibility of a free trade agreement (FTA) in 2011 were other lapses.

India-Taiwan relations received their first boost with the establishment of representative offices in 1995, supported by a series of agreements in various fields. A new chapter has unfolded under a robust policy framework and a clearer strategic and economic vision since Indian Prime Minister Narendra Modi took office in 2014 and Tsai assumed leadership in Taiwan in 2016. There have been subtle yet impactful shifts that have redefined this partnership—driven by a changing geopolitical landscape, evolving threat perceptions, and shared interests and concerns.

Modi's invitation in 2014 to Taiwan's representative at that time, Tien Chung-kwang, to his swearing-in ceremony was a notable gesture. Taiwan's New Southbound Policy has since provided a structured framework for engagement. The policy has four pillars: economic cooperation, talent exchange, resource sharing, and regional connectivity, all of them focused on one or more of three areas:<sup>2</sup>



- Trade: Assisting Taiwanese small and medium enterprises (SMEs) to expand regional operations
- Human Capital: Promoting exchanges for students and professionals
- Soft Power: Highlighting Taiwan's strengths in culture, tourism, and technology.

These have laid a solid foundation for deeper economic and cultural ties, fostering collaboration and mutual growth.

For India's part, its diplomatic pivot to East Asia began with the 'Look East' policy of the 1990s, later evolving into the more dynamic 'Act East' strategy. In his 2018 address at the Shangri-La Dialogue, PM Modi emphasised connectivity, trust, and respect for sovereignty as the cornerstones

of regional engagement. He outlined his vision for the Indo-Pacific, focusing on two domains: trade and regional connectivity.<sup>3</sup> His message was clear: "Connectivity not only enhances regional prosperity but also brings people together." He stressed that connectivity initiatives should extend beyond infrastructure development to build trust, to respect sovereignty and territorial integrity, and prioritise sustainability.

Importantly, he positioned these efforts as tools to strengthen trade linkages, not intensify regional competition. Modi also championed an open trade regime, free from protectionist barriers and supported by resilient supply chains.<sup>4</sup> This vision complements the India-Taiwan partnership, laying a robust foundation for deeper economic ties, strategic collaborations, and mutual growth. These initiatives collectively contribute to building a resilient and interconnected Indo-Pacific region.



# **Overcoming the 'China Factor'**

hina's influence has long shaped India-Taiwan dynamics of relations. While India was among the first countries to endorse the One China Policy, recognising the Tibet Autonomous Region and Xinjiang as parts of China, Taiwan was conspicuously absent from any explicit mention in its joint statements with China or its official documents. Gradually, due to growing tensions with China, India stopped referring to the One China Policy. The last official mention appeared in 2008. In 2014, then External Affairs Minister Sushma Swaraj took a strong stance, telling her Chinese counterpart, Wang Yi,

that there would be no 'One China' policy without a 'One India' policy. Over time, it became clear that engaging with Taiwan for the sake of China was no longer going to be fruitful.

While India has sought to de-hyphenate its Taiwan policy from its relations with China, substantial progress in India-Taiwan relations only became apparent from 2020. Escalating tensions with China, particularly the 2020 Galwan Valley clashes, forced India to re-evaluate its regional strategy and focus more on safeguarding its security and advancing economic interests.



For Taiwan, the deterioration of cross-Strait relations underscored the need to diversify trade partnerships and bolster connections with regional democracies—a key objective of the New Southbound Policy. This shift aligned with India's changing stance, as New Delhi began to move past the constraints of China's so-called 'red lines' that had limited its interactions with Taiwan. Though India's adherence to the One China Policy vis-à-

vis Taiwan had always been ambiguous, the post-2020 landscape has provided a clearer and more actionable framework for cooperation.

India's revised approach signals a commitment to economic resilience, strategic autonomy, and regional stability. In tandem with this recalibration, Taiwan's proactive outreach efforts have showcased a mutual determination to break through traditional constraints, setting the stage for a more robust and enduring partnership.



# **Shedding Hesitation and Shifting Tones**

ivil society has played a crucial role in bridging the gap of unfamiliarity between India and Taiwan. The 2020 Milk Tea Alliance<sup>b</sup> exemplified grassroots solidarity in Southeast Asia and East Asia, symbolically uniting democracies against authoritarian posturing. Actions like a Bharatiya Janata Party (BJP) leader's public display of support for Taiwan's National Day (October 10) in 2020 drew attention to this camaraderie.<sup>5</sup>

Despite China's sharp response, India's Ministry of External Affairs (MEA) upheld media freedom.<sup>6</sup>

A rare high-level interaction took place when Modi acknowledged Taiwan President Lai Chingte's congratulatory message on his re-election in 2024.<sup>7</sup> This marked a subtle yet eloquent shift in the tone of India-Taiwan relations.

b The 'Milk Tea Alliance' is an informal online support movement that emerged in 2020, , to promote human rights and democracy in Southeast Asia and East Asia while opposing authoritarian hegemony, especially that of China. The online movement was primarily supported by netizens from Thailand, Hong Kong, Taiwan, and Myanmar. Some Indian netizens also joined the solidarity movement following the escalation of border tensions with China in 2020.



Table 1: Mutual Footprints: India in Taiwan and Taiwan in India

Country	Office	Cities	Remarks	
India	India-Taipei Association (ITA)	Taipei	ITA was established as a de-facto mission of India in 1995	
Taiwan	Taipei Economic and Cultural Centre (TECC)  Taiwan External Trade Development Council (TAITRA)	New Delhi, Chennai and Mumbai New Delhi, Mumbai, Kolkata, Chennai	The first TECC was established in New Delhi in 1995, followed by the opening of a Chennai office in 2012 and a Mumbai office in 2024  TAITRA has also established an India centre in Taipei	
	Taiwan Tourism Bureau (TTB)	Mumbai	A TTB office was opened in 2018 but since the COVID-19 pandemic, it remains dormant	
	Taiwan Chamber of Commerce	Delhi	Established on 8 August 2010. A pan-India TCC was established on 22 April 2024.	

Source: Authors' own

The COVID-19 pandemic, changing geopolitical dynamics, the possibility of a conflict in the Taiwan Strait, Taiwan's growing economic significance, and India's expanding role in the Indo-Pacific, have all influenced the trajectory of India-Taiwan relations. However, cooperation

remains within the established framework of their relationship, with core objectives focused on advancing mutually beneficial and complementary areas of engagement. This balanced approach has nurtured a more profound familiarity and mutual understanding between India and Taiwan.



In the past four years, India-Taiwan relations have become stronger. Many analysts have attributed India's growing engagement with Taiwan to its heightened tensions with China. With signs of a potential thaw in India-China relations, some observers now predict a slowdown in the momentum of India-Taiwan engagement. While China remains a crucial partner for many countries, including India, this does not diminish the strategic and economic value of a strong partnership with Taiwan. Over a decade ago, a Joint Secretary in India's MEA noted that if China ever objected to India's growing association with

Taiwan, he would retort: "You [China] have had Taiwanese people and industries invest billions of dollars in your country. Why should you protest if they want to invest in my country [India]?"8

Overt engagement between India and Taiwan is likely to remain constrained, especially beyond economic and technological collaboration, given the influence of the China factor. However, India-Taiwan relations are gradually emerging out of China's shadow, as India focuses on initiatives aligned with its interests and the existing framework of their relationship.



# The Pillars of Trade, Investment, and Technology

conomic engagement is the strongest pillar of India-Taiwan relations. In 2023, bilateral trade surpassed the US\$10-billion mark. India is now Taiwan's 16th largest trading partner and its 12th largest export destination. India's key exports to Taiwan include mineral fuels, aluminium, iron and steel, organic chemicals,

and plastics.<sup>10</sup> Taiwan's major exports to India are plastics, electronic integrated circuits, organic chemicals, electrical machinery, and iron and steel.<sup>11</sup> However, despite these gains, the figures represent less than 1 percent of their overall foreign trade, with India's total trade reaching US\$1,176 billion and Taiwan's, US\$907 billion.

Table 2: India-Taiwan Trade (US\$ billion)

Year	India's Exports	India's Imports	Total	Balance of Trade
2015-16	1.4	3.3	4.7	(-) 1.9
2016-17	2.2	3.1	5.3	(-) 0.9
2017-18	2.1	3.9	6	(-) 1.8
2018-19	2.6	4.6	7.2	(-) 2
2019-20	1.64	4.04	5.68	(-) 2.4
2020-21	1.62	4.03	5.65	(-) 2.4
2021-22	2.76	6.23	8.99	(-) 3.47
2022-23	2.63	8.26	10.89	(-) 5.63
2023-24	1.84	8.28	10.12	(-) 6.44

Source: Authors' own, using data from India's Department of Commerce, Ministry of Commerce and Industry, https://tradestat.commerce.gov.in/eidb/iecnt.asp



Data from the Investment Commission of Taiwan's Ministry of Economic Affairs indicates that as of July 2024, nearly 200 Taiwanese companies had set up operations in India, contributing approximately US\$1.46 billion in investments and creating around 170,000 jobs in the country.<sup>12</sup> They operate across a wide range of industries, including electronics, information and communication technology, petrochemicals, steel, shipping, footwear manufacturing, automotive and motorcycle components, finance, and construction.<sup>13</sup> Prominent Taiwanese companies in India include Hon Hai Precision Industry (Foxconn), Wistron, Apache, Feng Tay, Nan Liu, and Century Development Corporation. Taiwanese businesses have clustered in various states, establishing robust industrial networks. Of the 55 Taiwanese electronics companies in

India, for example, 27 are concentrated in the Karnataka-Tamil Nadu-Andhra region, forming the largest organic cluster of its kind in the country. However, the investment remains below expectations, with total Taiwanese investments in India still falling short of its aggregate investments in other New Southbound Policy countries.

Nonetheless, both India and Taiwan, mindful of their vulnerabilities concerning China, are now actively pursuing strategies to de-risk and diversify their economic ties. Their strengths and aspirations align well, offering a complementary vision for future collaboration. India aims to become the world's third-largest economy by 2030 and achieve developed nation status by 2047, coinciding with the centenary of its independence.<sup>15</sup>

Table 3: Taiwan's Investment in Key Southbound Policy Countries

Country	Cumulative Taiwanese FDI (US\$)		
Singapore	23.05 billion		
Vietnam	13.7 billion		
Thailand	4.4 billion		
Malaysia	3.75 billion		
Indonesia	2.86 billion		
India	1.46 billion		

Source: Ministry of Economic Affairs, Taiwan [Republic of China]



A key element of this vision involves shifting from a focus on sheer production volumes to prioritising value addition in manufacturing. India needs to scale up production of advanced components, facilitating deeper integration into global value chains. The Production-Linked Incentive (PLI) scheme is central to this strategy, aimed at boosting exports, addressing trade deficits, and creating high-quality employment opportunities.<sup>16</sup> By May 2024, the PLI scheme had attracted around US\$15.24 billion in investments and generated more than 850,000 jobs.<sup>17</sup> An economic cooperation framework between India and Taiwan could further this vision by derisking critical supply chains and infrastructure, protecting them from potential exploitation by adversarial actors. Such collaboration would be mutually beneficial. Taiwan's model of exporting critical components instead of finished goods would complement India's industrial landscape without undermining its medium and small-scale industries sector.

The Economic Survey 2023-24 released by the Indian government emphasises the importance of deepening integration into global value chains. It is a goal that requires strategies like those employed

by East Asian tiger economies, which successfully attracted substantial foreign investment.<sup>18</sup> In this context, Taiwan's plan to establish industrial zones abroad offers a strategic opportunity. These zones could facilitate collaboration with India, addressing India's growing trade deficit with China and attracting crucial foreign direct investment.

Collaboration becomes even more urgent as American foreign direct investment (FDI) into India has experienced a sharp decline, dropping to US\$4.99 billion in 2023-24 from US\$6 billion in 2022-23. 19 Overall net FDI inflows into India have also fallen dramatically to US\$26.5 billion in 2023-24 from US\$42 billion the previous year. 20 This shows that India needs to diversify its sources of foreign investment and strengthen ties with partners like Taiwan to sustain economic resilience and growth. As noted earlier, there is substantial potential for growth. The updated bilateral investment treaty signed in 2018 could serve as a valuable framework to unlock it. c

The updated Bilateral Investment Treaty (BIT), signed on 18 December 2018, replaced the 2002 treaty that had been in effect since 2005. The revised agreement covers both direct investments by Taiwanese businesses in India and indirect investments through third-party locations, providing protection for Taiwanese investments in accordance with international standards while safeguarding the rights and interests of Taiwanese investors. Notably, India has signed new BITs with only four countries, one of them Taiwan. See: "Taiwan and India have signed two bilateral agreements on December 18, 2018 to further boost trade and investment between the two countries," Taipei Economic and Cultural Center, https://www.roc-taiwan.org/inmaa\_en/post/5095.html.



## The Future of Cooperation in Semiconductors

pursuing has been actively semiconductor collaboration with Taiwan, viewing it as a key partner in gaining expertise and support to achieve its semiconductor ambitions. India invested billions of dollars into semiconductors but requires technological expertise to accelerate progress. Taiwan, accounting for 60 percent of global chip production and 90 percent of advanced chip manufacturing, stands out as a natural partner in this endeavour. The two are exploring joint semiconductor manufacturing facilities, bolstered by increased Indian engagement with leading Taiwanese companies. Recently, interactions between Modi and Foxconn Chairman Young Liu—recipient of the Padma Bhushan, India's third-highest civilian honour—have intensified,

underscoring the growing recognition of Foxconn's contributions to India's economy and development, with a focus on investment plans in the country.

In this context, Semicon India 2024, organised by US-based industry association, Semiconductor Equipment and Materials International (SEMI) in collaboration with India's Ministry of Electronics and Information Technology under the framework of India's Semiconductor Mission and Digital India, held in September 2024, marked a milestone. It brought together industry leaders from the global semiconductor sector, policymakers, and academics to strategise and enhance India's integration into the international semiconductor ecosystem. Approximately 250 companies, covering the entire semiconductor supply chain from equipment manufacturing to fabrication, participated in the discussions.



India's semiconductor ecosystem is gaining momentum, with big-ticket projects receiving approval. The Tata Group's joint venture with Taiwan's Powerchip Semiconductor Manufacturing Company (PSMC) in Gujarat has been a successful venture, further solidifying India's semiconductor capabilities.<sup>21</sup>

India's efforts to establish semiconductor fabrication facilities ('fabs') would greatly benefit from Taiwan's expertise. Such an endeavour calls for a strong electronics manufacturing ecosystem—an area where Taiwanese companies hold a dominant position. Unlike large multinational corporations with their own brands, most Taiwanese firms function as Original Equipment Manufacturers (OEMs) supplying global companies. For these OEMs, the cost advantages of a manufacturing location often take precedence over market size considerations.

However, without a robust mechanism and a significant boost to domestic manufacturing, India risks continuing its reliance on Chinese imports. A stronger emphasis on commercial collaboration would help unlock bilateral trade potential by reducing trade barriers—an essential step for Small and Medium Enterprises (SMEs), as trade often serves as a precursor to investment. Once Taiwanese SMEs build relationships with new Indian buyers, investments will naturally follow, particularly for those seeking cost-effective production bases and abundant and skilled labour forces. India's commitment to establishing such mechanisms would also send a powerful signal to Taiwanese companies considering a China-plusone production strategy, reassuring them that both governments are dedicated to fostering a secure and business-friendly environment in India. As Taiwanese electronics firms and their suppliers set up manufacturing bases in India, the ecosystem required for semiconductor fabs will start to take shape, paving the way for a comprehensive and self-sustaining semiconductor industry in the country.



# **Continuity and Departures**

here is little doubt about the continuity of both governments' commitment to deepening engagement, driven by the recognition that cooperation is mutually beneficial and that relations with China and Taiwan are not mutually exclusive. This understanding has facilitated the growth of India-Taiwan ties.

Under PM Modi's leadership, India-Taiwan relations have reached new heights. Various agreements across multiple sectors have been signed, but Modi has also brought a personal familiarity with Taiwan to his role as prime minister. Having visited Taiwan in 1999 as the BJP's general secretary, it is no coincidence that he later invited the largest-ever Taiwanese business delegation to Gujarat during his tenure as chief minister in 2011. As prime minister, his focus has been on attracting Taiwanese investment and leveraging its technological expertise.

Modi's commitment to deepening ties with Taiwan remains evident. He has openly supported stronger economic engagement, which is taking shape through initiatives such as the labour mobility agreement. This agreement will enable Indian workers to participate in Taiwan's manufacturing sector, increasing the number of Indian workers in Taiwan, particularly in blue-collar roles, thereby fostering greater economic integration between the two economies.



Lai, although not having visited India like his predecessors, Ma and Tsai, recognises India's growing strategic significance in the Indo-Pacific. Taiwan's Foreign Minister, Lin Chia-lung has also emphasised India's crucial role in upholding regional security. India, for its part, has actively pursued closer ties with Taiwan despite the inherent challenges. External Affairs Minister S. Jaishankar has, on a number of occasions, publicly acknowledged Taiwan as a vital economic partner.<sup>22</sup>

Curiously, however, as India pushes for greater economic cooperation, its political and semipolitical engagement with Taiwan has become more restrained. Parliamentary visits between India and Taiwan, for instance, have largely come to a halt. Previously, there were many such exchanges, including an all-women parliamentary delegation from Taiwan visiting India in 2018 under the aegis of the Taiwan-India Parliamentary Friendship Association. The discontinuation of such visits can be attributed to a lack of exposure, familiarity,

and proper channels for facilitating them, along with the MEA's somewhat cautious stance, due to concerns that such visits could affect the progress of India-Taiwan relations and politicise them.

Parliamentary delegations from the US and other Western democracies regularly visit Taiwan, but India has distanced itself from this trend. This measured approach may be prudent, as it allows India to solidify the foundation of its relationship with Taiwan, before treading areas that could potentially disrupt progress. Prioritising enhancement of economic ties, particularly in strategic sectors like semiconductors, is a sensible step to increase mutual stakes. Even so, a gradual reintroduction of parliamentary diplomacy could serve India's interests, offering an avenue to articulate its priorities and strengthen lobbying efforts, especially to attract investments in semiconductor manufacturing.



## **Policy Recommendations**

#### **Embrace De-hyphenation:**

India's relationships with Taiwan and China should be viewed and managed independently, given their distinct nature and scope. Cross-Strait differences are China's business and should not affect the affairs of countries like India. De-hyphenation has already taken place, and the strategic approach should be to maintain it. India-China relations should not hinder India-Taiwan relations. Recognising that India and Taiwan are pursuing advancements in areas that align with the existing mandate of their relationship is crucial. Despite China's likely objections, India must prioritise its economic and technological partnership with Taiwan.

#### Establish Robust Communication, Cooperation, and Institutional Mechanisms:

Given the absence of formal diplomatic relations, it is essential to establish consistent communication channels and cooperation mechanisms. While government initiatives are crucial, it is equally important to diversify stakeholders, ensuring that responsibility and opportunities are shared across various sectors.

The Act East policy has been a most successful framework for regional engagement. Similarly, the New Southbound Policy has strengthened Taiwan's connections with countries to its south. There are complementarities in these policies, and it is vital for the current Taiwanese administration to further bolster them, while India should integrate Taiwan more vigorously into its Act East Policy.



China's territorial claims will not change geographical realities nor facts on the ground. Taiwan—a robust Asian tiger economy and a semiconductor powerhouse—will remain a pivotal partner for India. Existing government-to-government consultations in the economic sphere should be expanded to include areas like technology, cyber security, culture, and education.

The Global Cooperation and Training Framework, a Taiwanese initiative started in 2015 to use Taiwan's expertise to tackle global issues, has emerged as a valuable platform for sharing and learning from Taiwan's best practices. India could explore participating in it through its representative office, and engage in discussions on shared priorities such as climate change, technology, cyber security, commercial interests, and disaster management.

#### **Strengthen Connectivity:**

There is still a lack of direct connectivity between India and Taiwan. Since the COVID-19 pandemic, Taiwan's China Airlines has ceased its only direct flight between Taipei and New Delhi. As a result, travelling between the two capitals takes a minimum of 12 hours. This problem needs to be overcome to ensure mobility for both individuals and government representatives, which could boost tourism between India and Taiwan. The Taiwan Tourism Bureau, which opened an office in Mumbai in 2018, should be actively involved in promoting it.

It is also important to prioritise academic and think tank connectivity. India studies should be taken more seriously in Taiwan, and more exchanges between think tanks should be encouraged. This initiative could fall within the New Southbound Policy framework, helping bridge the knowledge gap and fostering mutual understanding. Taiwan could also facilitate easier visa policies for Indian nationals, promoting people-to-people connectivity.



#### **Attract More Indian Students and Talents:**

The New Southbound Policy is a people-centric initiative. Taiwan currently faces labour challenges with a declining and ageing population. In contrast, India is known for its large and youthful talent pool, possessing a vast population of students and professionals. Taiwan aims to attract more Indian students, particularly in the science and technology fields, through initiatives for language studies and higher education. Scholarships and the visa programmes through the Gold Card programme or the Talent Taiwan programme would be effective ways to achieve this.

#### **Potential for Space Collaboration:**

For Taiwan, communication resilience is a critical aspect of defence preparedness. It is developing an indigenous satellite system which aims to ensure internet connectivity even when undersea data cables are compromised.<sup>23</sup> While national security remains a driving factor in doing so, Taiwan's leadership also seeks to thereby leverage

its technological strengths in semiconductor production. The Tsai administration had committed nearly US\$790 million to Taiwan's space programme.<sup>24</sup> India is a global heavyweight in space technology. In 2017, the Indian Space Research Organisation (ISRO) launched 104 satellites in a single polar satellite launch vehicle (PSLV) mission, of which 101 were from foreign clients;<sup>25</sup> indeed, since 1999, India has launched 432 foreign satellites using its vehicles.<sup>26</sup>

During the 2023 G20 summit in Delhi, Modi proposed a collaborative initiative to develop a satellite for the Global South, emphasising shared resources and cooperation.<sup>27</sup> India and Taiwan can further strengthen their space collaboration through initiatives such as Taiwan's International SpaceTech Start-up Support Programme (ISSSP), which aims to attract global space start-ups to Taiwan, taking their support to enable Taiwanbased start-ups access global markets. In March 2023, Indian start-ups showcased their capabilities before the ISSSP; in September 2023, eight out of 16 start-ups it selected for collaboration were Indian. India can offer Taiwan access to low-cost satellite launch facilities, enhancing cooperation and mutual benefits.



### **Greater Investments and Semiconductor Cooperation:**

Taiwan could become a crucial partner for India by encouraging more investments from its key companies. India's initiatives such as Make in India and Digital India offer momentous opportunities for Taiwanese companies to play a larger role. While semiconductor cooperation is a wellexplored area, it still holds transformative potential.

Strengthening cooperation in this sector could benefit both, enhancing India's manufacturing capabilities and leveraging Taiwan's technological expertise. India should also consider facilitating the establishing of a Taiwanese industrial zone or township, which would attract more companies and investments from Taiwan.



## **Conclusion**

of India-Taiwan he mandate relations remains unchanged, focusing on advancing the existing areas of cooperation established since the inception of their representative offices in 1995. Both Modi and Lai share a commitment to strengthening India-Taiwan ties, and it is evident that this relationship holds potential for mutual benefit across various sectors. Despite the slow realisation of this potential, it remains rich with promise and opportunity, highlighting the need for a renewed focus to unlock its full benefit. It is essential for both sides to maintain this momentum, sustain progress, and find common ground.

For India, it is crucial to stay focused on strengthening ties with Taiwan even while navigating its complicated relationship with China. For Taiwan, implementing an enhanced New Southbound Policy—one that prioritises engagement with the government, civil society, think tanks, academia, and media—will signal a commitment to deepening connections with India, alongside stronger government initiatives.

There is ample scope to bolster interactions across multiple levels, including government-to-government (G2G), business-to-business (B2B), government-to-business (G2B), government to-people (G2P), and people-to-people (P2P). Strengthening these connections across economic, technological, cultural, and social dimensions will lay the foundation for a resilient and enduring partnership between India and Taiwan.



### **Endnotes**

- Observer Research Foundation, "India-Taiwan Tech Rising | PM Modi and President Lai's Vision for Growth," YouTube video, 1:32 hour, July 21, 2024, https://www.youtube.com/watch?v=rYqWYi2JX1g&t=1262s.
- 2 "New Southbound Policy," Executive Yuan, July 4, 2019, https://english.ey.gov.tw/News3/9E5540D592A5FECD/2ec7ef98-ec74-47af-85f2-9624486adf49
- 3 Ministry of External Affairs, Government of India, https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime\_Ministers\_Keynote\_Address\_at\_Shangri\_La\_Dialogue\_June\_01\_2018
- 4 Ministry of External Affairs, "Meeting between Prime Minister Shri Narendra Modi and H.E. Mr. Suga Yoshihide, Prime Minister of Japan," September 23, 2021, https://www.mea.gov.in/outoging-visit-detail.htm?34309/Meeting+between+Prime+Minister+Shri+Narendra+Modi+and+HE+Mr+SUGA+Yoshihide+Prime+Minister+of+Japan
- 5 Jassie Hsi Cheng, "The Taiwan–India 'Milk Tea Alliance'," *Diplomat*, October 20, 2020, https://thediplomat.com/2020/10/the-taiwan-india-milk-tea-alliance/.
- 6 Ministry of External Affairs, "Transcript of Virtual Weekly Media Briefing by the Official Spokesperson," October 9, 2020, https://www.mea.gov.in/media-briefings.htm?dtl/33151/Transcript\_of\_Virtual\_Weekly\_Media\_Briefing\_by\_the\_Official\_Spokesperson 08 October 2020.
- 7 Narendra Modi (@narendramodi), Twitter, June 5, 2023, https://x.com/narendramodi/status/1798339373785911656
- 8 Ko Shu-ling, "Indian Official Optimistic on FTA Deal," *Taipei Times*, March 9, 2011, https://www.taipeitimes.com/News/taiwan/archives/2011/03/09/2003497745
- 9 Department of Commerce, Ministry of Commerce and Industry, https://tradestat.commerce.gov.in/eidb/iecnt.asp
- 10 International Trade Administration, "Taiwan-India Economic Relations," September 21, 2024, https://www.trade.gov.tw/english/BilateralTrade/BilateralTrade.aspx?code=7030&nodeID=4618&areaID=2&country=SW5kaWE=
- 11 International Trade Administration, "Taiwan-India Economic Relations"
- 12 International Trade Administration, "Taiwan-India Economic Relations"
- 13 "ROC Embassies and Missions Abroad," https://www.rotaiwan.org/in\_en/post/39.html#:~:text=As%20of%20the%20end%20of,%2C%20finance%2C%20and%20construction%20industries.
- 14 Invest India, India and Taiwan: A growth led partnership, 2021, Delhi, 2021, https://static.investindia.gov.in/2021-09/InvestIndia\_ TaiwanPlusReportV6.pdf
- 15 K R Srivats, "India will become third largest economy in my third term, says PM Modi," *Hindu Businessline*, February 9, 2024, https://www.thehindubusinessline.com/economy/india-will-become-third-largest-economy-in-my-third-term-says-pm-modi/article67830259.ece#; Prime Minister's Office, Government of India, https://www.pmindia.gov.in/en/news\_updates/pm-launches-viksit-bharat-2047-voice-of-youth/.
- 16 Invest India, Government of India, https://www.investindia.gov.in/production-linked-incentives-schemes-india



- 17 Harsh V Pant and Kalpit A Mankikar, "India begins a rebalance of security concerns over China and economic aspirations," East Asia Forum, October 13, 2024, https://eastasiaforum.org/2024/10/13/india-begins-a-rebalance-of-security-concerns-over-china-and-economic-aspirations/.
- 18 Ministry of Finance, "Economic Survey 2023-2024," https://www.indiabudget.gov.in/economicsurvey/
- 19 "India receives highest FDI from Singapore in 2023-24; Mauritius second biggest investor: Government data," *The Hindu*, June 2, 2024, https://www.thehindu.com/business/Economy/india-receives-highest-fdi-from-singapore-in-2023-24-mauritius-second-biggest-investor-government-data/article68242434.ece#:~:text=The%20U.S.%20is%20the%20 third,%246%20billion%20in%202022%2D23.
- 20 Riya R Alex, "Economic Survey 2024: India's FDI inflow weakens due to geopolitical conflicts, high borrowing costs, says FM Sitharaman," Mint, July 22, 2024, https://www.livemint.com/economy/economic-survey-2024-indias-fdi-inflows-slows-down/amp-11721632363987.html.
- 21 Ministry of Electronics & IT, Government of India, https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2053280
- 22 The Times of India, "EAM Jaishankar Delves into India's Ties with Taiwan, Stressing a Substantial Economic alliance," YouTube video, 3:35 min, November 16, 2023, https://www.youtube.com/watch?v=3MT6yKldRME.
- 23 Kalpit A Mankikar and Satyam Singh, "China threat spurs Taiwan's space ambitions," Observer Research Foundation, May 13, 2024, https://www.orfonline.org/expert-speak/china-threat-spurs-taiwans-space-ambitions.
- 24 Taiwan Space Agency, Government of Taiwan (Republic of China,) https://www.tasa.org.tw/news\_view.php?c=230119002&ln=en
- 25 Indian Space Research Organisation, "PSLV-C37 Successfully Launches 104 Satellites in a Single Flight," https://www.isro.gov.in/SuccessfullyLaunches104.html
- 26 Indian Space Research Organisation, "Mission accomplished," https://www.isro.gov.in/Mission.html
- 27 Ministry of External Affairs, Government of India, https://www.mea.gov.in/Speeches-Statements.htm?dtl/37083/ English+translation+of++Prime+Ministers+remarks+at+the+G20+Summit+Session+1#:~:text=Our%20global%20 conduct%20is%20rooted,responsibility%20of%20'One%20Earth'



#### **About the Authors**

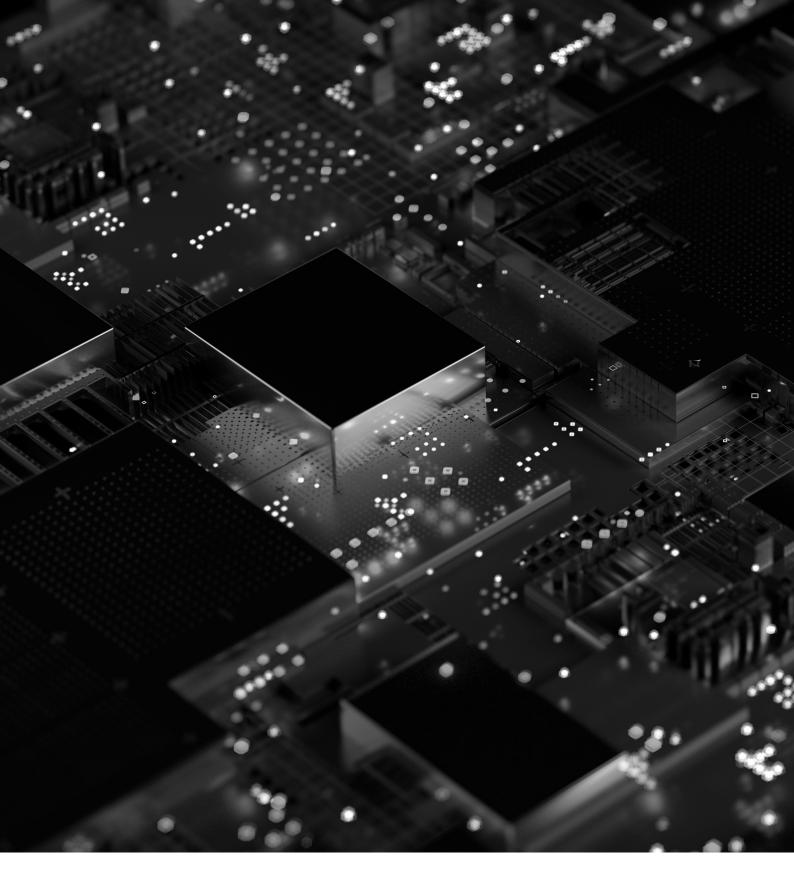
Sana Hashmi is Fellow, Taiwan-Asia Exchange Foundation.

Kalpit A Mankikar is Fellow, Strategic Studies Programme, ORF.

This report is an outcome of an MoU signed between ORF and the Taiwan-Asia Exchange Foundation in May 2023. The views expressed are personal.

Cover photo: Getty Images/DorSteffen

Back cover image: Getty Images/Andriy Onufriyenko





Ideas . Forums . Leadership . Impact

20, Rouse Avenue Institutional Area, New Delhi - 110 002, INDIA

**Ph.**: +91-11-35332000. **Fax**: +91-11-35332005

**E-mail:** contactus@orfonline.org **Website:** www.orfonline.org