

RESEARCH NOTE

India-Taiwan Economic Ties: Synergies, Challenges, and Strategies

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Taiwan Politics

The evolving economic ties between India and Taiwan over the past two decades have been marked by significant synergies, challenges, and strategic opportunities. This paper explores the growth in trade, investment, and strategic exchanges driven by favourable policies and shared interests. It analyses the attendant challenges, such as geopolitical sensitivities, regulatory barriers, and trade imbalances. The study also examines potential future collaborations in high-tech industries, emphasising the benefits of diversifying supply chains and leveraging technological expertise. It discusses the strategic implications of evolving foreign policies, particularly regarding regional stability and the Indo-Pacific balance of power. The paper provides a comprehensive overview and strategic recommendations for policymakers and stakeholders in both nations.

1. Evolving India-Taiwan Dynamics

Over the past two decades, India and Taiwan have significantly strengthened their economic and cultural ties. Favourable policies and shared interests have driven remarkable growth in trade and investment exchanges, positioning India as one of Taiwan's primary export destinations and making Taiwan a strategic partner for India's manufacturing ambitions.

Since 2016, Taiwan's foreign policy has been significantly reshaped through initiatives like President Tsai Ing-wen's "New Southbound Policy." Although it is seen as an extension of the previous administration's Go South policy, it encompasses a broader geographical and administrative scope (Hashmi 2020). This policy aims to diversify Taiwan's economic dependencies away from China by strengthening ties with South and Southeast Asia and Oceania. India is a focal point of Taiwan's external engagements as it seeks new trade partners. Similarly, India has prioritised commercial relationships with Taiwan since the 1990s after economic liberalisation. India's current Act East Policy (AEP) aims to reinforce strategic, financial, and diplomatic ties throughout Southeast Asia and the Asia-Pacific region, including Taiwan.

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Table 1. India-Taiwan Trade, 2015–2023 (in \$ billion, Indian perspective)

Year	Exports	Imports	Total Trade	Balance of Trade
2015–2016	1.4	3.3	4.7	–1.9
2016–2017	2.2	3.1	5.3	–0.9
2017–2018	2.15	3.9	6.05	–1.75
2018–2019	2.6	4.5	7.1	–1.9
2019–2020	1.7	4.0	5.7	–2.3
2020–2021	1.6	4.0	5.6	–2.4
2021–2022	2.7	6.2	8.9	–3.5
2022–2023	2.6	8.3	10.9	–5.7

Source: [Department of Commerce](#), Ministry of Commerce and Industry, Government of India

The establishment of the Taiwan-India Business Association (TIBA) in 2012 (Huang, n.d.) and the efforts by the Taiwan External Trade Development Council (TAITRA) through its offices in India underscore the structured approach to boosting economic exchanges (Hashmi 2023). Despite promising advancements in economic and trade negotiations, challenges remain due to a sensitive geopolitical landscape and structural barriers. In addressing these challenges, these associations do not function as official bodies and have limited impact on governmental policies.

2. Advancement in Economic Partnerships

Bilateral trade between India and Taiwan has expanded significantly, from \$2 billion in 2006 to \$8.224 billion in 2022–2023. This growth is primarily attributed to shared interests in the information technology, energy, and telecommunications sectors. India's primary exports to Taiwan include chemicals, metals, cotton, and agricultural products, while Taiwan's chief exports to India are electronics, machinery, chemicals, and information and communications technology (ICT) products (Embassy of the Republic of China (Taiwan) 2023).

This growth in bilateral trade is expected to continue due to mutual interests in exploring untapped markets and Taiwan's focus on diversifying its supply chains beyond China, making India a critical partner in high-tech industries like semiconductors and electronics manufacturing. In recent years, the trade imbalance between the two nations has remained skewed towards Taiwan. India's key exports to Taiwan include naphtha, metals and metal products, organic chemicals, and agricultural products. In contrast, Taiwan exports high-end products to India, such as PVC, machinery, electrical machinery, ICT products, and solar cells (Invest India, n.d.).

In 2011, the Indian Council for Research on International Economic Relations (ICRIER) and the Taipei-based Chung-Hua Institution for Economic Research launched a feasibility study to explore a potential free trade agreement (FTA) between India and Taiwan (Ko 2011).



Figure 1. India's and Taiwan's Trade with China (in \$ billion)

Source: [Department of Commerce](#), Ministry of Commerce and Industry, Government of India & [Government Portal of the Republic of China \(Taiwan\)](#)

However, Taiwan's Ministry of Economic Affairs was reluctant due to concerns about China's reaction. At a press conference on Thursday, October 17, 2024 China's Foreign Ministry spokesperson, Mao Ning, stated that China firmly opposes all forms of official contact and interaction between Taiwan and countries having diplomatic relations with China, including the establishment of representative offices for each other. Taiwan's ruling Democratic Progressive Party (DPP) has shown more openness to negotiating an FTA with India and initiating similar agreements with other nations, including the U.S. Despite speculation, a formal trade pact has not materialised, partly due to the lack of formal diplomatic ties and concerns that granting Taiwan greater market access could exacerbate India's trade deficit.

Since the launch of Taiwan's "New Southbound Policy" and India's proactive measures to attract Taiwanese investment, their economic partnership has seen renewed momentum. India is emerging as a prime destination for Taiwanese investments, with the potential to attract \$15 billion across sectors such as printed circuit boards (PCBs), electronic components, and electric vehicle (EV) infrastructure, according to a report by the Federation of Indian Chambers of Commerce and Industry (FICCI) (Kundu 2024). This report underscored the mutual benefits of a strengthened partnership between the two nations, illustrating how Taiwanese companies can leverage India's rapid growth while contributing their high-tech expertise. The synergy between Taiwan's technological advancements and India's expanding market creates

a strategic pathway for shared prosperity. India's pro-investment initiatives, including the India Semiconductor Mission (ISM) and the Production-Linked Incentive (PLI) scheme, along with a robust focus on infrastructure and logistics enhancements, position the country as an ideal partner for Taiwanese firms pursuing global expansion. The report indicated that India's rise as a leading destination for investments in electronics manufacturing, green energy, electric vehicles, smart cities, and information and communications technology (ICT) aligns seamlessly with Taiwan's capabilities and strategic priorities. While cumulative Taiwanese foreign direct investment (FDI) in India stood at \$579.5 million as of March 2021, investments have surged recently (Singh 2019). Between 2019–2020 and 2020–2021, Taiwanese FDI rose from \$44 million to \$219 million. However, the actual figure is around \$3 billion, with investments made through third-country channels. Key sectors include rubber goods, electronics, and chemicals, with over 160 Taiwanese businesses now operating in India. (Duchâtel and Hashmi 2022). Efforts like TAITRA's liaison offices and memoranda of understanding (MoUs) with Indian organisations have further bolstered collaboration.

3. Ten Key Commerce-related Projects

A. Double Taxation Avoidance Agreement (DTAA): Signed in 2011, the DTAA prevents double taxation, enhancing clarity regarding tax obligations for cross-border businesses (Ministry of Finance, India 2011). It has attracted Taiwanese companies to India, expanding trade from \$5.34 billion in 2008 to \$7 billion in 2019. Despite achievements, Taiwan's exports to India far surpass India's exports to Taiwan, creating a trade imbalance. Regulatory differences complicate the DTAA's application, but the agreement provides opportunities for leveraging complementary strengths in technology and manufacturing.

B. Customs Mutual Assistance Agreement: This 2011 agreement improves customs cooperation, secure trade, and regulatory compliance by simplifying customs processes and promoting data sharing to prevent fraud. The agreement opens doors for broader economic collaboration in technology and manufacturing (Ministry of Finance, R.O.C. 2019). As of 2021, around 106 Taiwanese companies have set up business operations in India, with a total investment of \$1.5 billion in information and communications technology, automobile components, steel, electronics, machinery, construction, engineering, medical devices, and financial services.

C. ATA Carnet Protocol: Signed in March 2013, this protocol facilitates the temporary import and export of goods for exhibitions and trade shows without customs duties. It simplifies customs clearance and allows goods to be temporarily imported for up to one year (Taipei Customs 2024). Despite administrative differences and regulatory variations, the protocol has contributed to growing trade and economic exchanges.

D. MoU with PHD Chamber of Commerce: The MoU signed in June 2016 promotes collaboration between Indian and Taiwanese businesses, setting a framework for cooperation, facilitating information exchange, and helping companies find potential partners in technology, manufacturing, and agriculture. Progress is evident in expanding trade and business exchanges despite geopolitical concerns impacting cross-border ventures (Taipei Economic and Cultural Center in India 2016).

E. Taiwan-India Agricultural Cooperation Agreement: Signed in September 2016, this agreement leverages Taiwan's agricultural technology to improve India's farming productivity (Ministry of Foreign Affairs, R.O.C. 2016). It facilitates expertise exchange, training, and research in innovative farming practices. Progress includes introducing advanced Taiwanese farming technology in India despite challenges in integrating high-tech solutions with India's diverse agricultural practices.

F. MoU on Promotion of Industry Collaboration: This agreement, signed on December 14, 2017, boosts industrial cooperation by promoting mutual investments and technology development in electronics, telecommunications, and renewable energy (Ministry of Foreign Affairs, R.O.C. 2017). Progress includes significant investments by Taiwanese companies in India's electronics manufacturing sector and improved networking among small and midsize enterprises (SMEs).

G. Bilateral Investment Treaty (BIT): Signed on December 18, 2018, this treaty strengthens economic relations by ensuring reciprocal protection and facilitation of investments. It has increased Taiwanese investments in India, contributing to investor confidence (Taipei Economic and Cultural Center in Chennai 2018). Despite regulatory challenges, opportunities remain in the technology and renewable energy sectors.

H. Labour Mobility Agreement: This recent MoU aims to address Taiwan's labour shortages by facilitating the mobility of Indian workers to Taiwan, particularly in manufacturing, construction, agriculture, and fisheries (Taipei Economic and Cultural Office in Thailand 2024). It offers opportunities for India's workforce while addressing Taiwan's demographic challenges. The agreement has geopolitical implications, particularly concerning China. Despite the theoretical genius of the MoU, the plan has hit a roadblock after Taiwan's minister of labour made a controversial remark regarding the potential hiring (Mitra 2024). The minister emphasised wanting to hire workers from particularly the Northeastern states of India, adhering to the fact that their 'skin colour' and food habits are similar to those of the Taiwanese people and that most of them are followers of Christianity. The minister's remarks have been criticised by the ruling as well as the opposition parties in Taiwan, with some even calling them racist. Despite the Indian government not responding to the controversies, the said turn of events has slowed down the implementation of the agreement.

I. MoU on Intellectual Property Rights (IPR): Signed on May 18, 2022, this MoU safeguards the creativity and innovation of businesses in both nations by facilitating information exchange on IPR laws and enhancing cooperation on best practices (Intellectual Property Office, 2022). Despite challenges in harmonising regulatory frameworks, opportunities lie in building a robust ecosystem supporting startups and innovation-driven industries.

J. Semiconductor Hub Discussions: India and Taiwan are exploring the establishment of a semiconductor hub in India, leveraging Taiwan's expertise in semiconductor manufacturing. This strategic alignment aims to diversify supply chains, reduce India's reliance on other nations, and create a robust technological ecosystem. These discussions build upon the existing Bilateral Investment Treaty and aim to strengthen collaboration in critical sectors like electronics and telecommunications (Laskar 2021). However, apart from the finalisation of the agreement between Tata Electronics and Taiwan's Powerchip Semiconductor Manufacturing Corporation (PSMC) to provide technological support to Tata's upcoming wafer fabrication facility in Dholera, India (Swarajya Staff 2024), progress has been relatively slow on this front.

India and Taiwan are increasingly aligned in diversifying supply chains, pursuing joint manufacturing, and leveraging each other's expertise in technology and manufacturing. Taiwan seeks to reduce its dependence on China and views India as a strategic partner, particularly in electronics and semiconductors. Despite the promising opportunities, challenges like regulatory inconsistencies, cultural differences, and geopolitical sensitivities persist.

4. Forging Sustainable Strategic Alliances

Strategically, the unofficial ties between India and Taiwan can be viewed through the prism of China's growing influence in the Indo-Pacific. Despite the absence of formal diplomatic relations due to India's recognition of the People's Republic of China, both countries have found ways to engage meaningfully (Hashmi 2020, 33–47). Although India was among the first countries to adhere to the One-China policy, which resulted in the absence of diplomatic ties with Taiwan, since 2010 New Delhi has ceased mentioning its adherence to the One-China policy in joint statements with China and other official documents. Interestingly, even before 2010, while India acknowledged the One-China policy, it never mentioned Taiwan in joint statements, though Tibet was frequently referenced (Hashmi 2020).

Due to the political reality of sharing a border with China, India has had to maintain a cautious distance from Taiwan, both nationally and practically (Karackattu 2019). India's tacit support for Taiwan, as seen in the increasing parliamentary engagements and the growing discourse among Indian strategic

circles on the Taiwan issue, signals a subtle but significant shift in India's foreign policy. The new engagement between India and Taiwan involves more military consultations and deeper commercial engagement. India's assertion of support must stem from its multilateral and strategic diplomatic engagements in the region. India shares a "special strategic partnership" (De and Budd 2024) with South Korea and Japan, facilitating coordinated responses to concerns specifically related to Taiwan. This is part of a broader strategy to maintain a balance of power in the region and safeguard its interests against China's advances. India's commercial relationship with Taiwan should be regarded as a strategic asset. Recent data indicates that foreign direct investment (FDI) inflows are projected to increase eightfold, particularly in the electronics and footwear sectors. This aligns with India's objective of fostering a collaborative semiconductor ecosystem and builds upon its USD 10 billion investment (De and Budd 2024). The anticipated doubling of trade volume, along with Taipei's focus on integrating economic and security diplomacy, strengthens the case for resuming negotiations on a free trade agreement (FTA). Such a potential FTA, while commercially oriented, would not necessarily contradict the "One-China Policy"; instead, it would underscore India's role in facilitating supply-chain realignment and solidifying its long-term interests in collaboration with a *de facto* sovereign Taiwan. This development suggests a natural convergence of shared security interests within the bilateral framework aimed at maintaining and enhancing the supply chains and economic ties that have emerged between the two nations. For Taiwan, India represents a vital partner that can offer strategic depth and support in international forums, enhancing its efforts to resist Beijing's diplomatic isolation tactics.

The Narendra Modi administration's initial tenure sparked speculations about a potential shift in India's policy towards Taiwan, driven by Modi's previous engagements with Taiwanese officials and businesses. Modi visited Taiwan in 1999 as the General Secretary of the Bharatiya Janata Party (BJP), marking a significant diplomatic outreach. Furthering this connection, in 2011, he invited a Taiwanese business delegation to Gujarat while serving as the state's Chief Minister, showcasing his interest in fostering economic ties with Taiwan. In a notable diplomatic gesture, Modi invited Taiwan's former Representative to India to his swearing-in ceremony in 2014. This move was perceived as an indication of Modi's willingness to enhance India's engagement with Taiwan.

Over the following years, several Taiwanese parliamentary delegations visited India, reflecting growing high-level interactions between the two democracies. The last notable visit was an all-woman parliamentary delegation in 2017, conducted under the framework of the India-Taiwan Parliamentary Friendship Forum. China's strong protests against these increasing India-Taiwan interactions highlighted the geopolitical sensitivity of the issue. Beijing's concerns over Taiwan are deeply rooted in its One-China policy,

and any international engagement with Taiwan is viewed with suspicion and opposition. The rising interactions between India and Taiwan drew Beijing's ire, and these tensions coincided with the Doklam military standoff in 2017 with China, lasting 73 days.

Although there was no direct link between the Taiwanese parliamentary delegation's visit and the Doklam standoff, the timing led to a shift in India's focus. The boundary dispute with China took precedence, impacting the consistency and pace of India-Taiwan relations (Hashmi 2020). In 2020, Indian public opinion shifted notably in favour of Taiwan, influenced by media coverage of Taiwan's effective COVID-19 response and early alerts ignored by the WHO. Taiwan's success in curbing infection rates further boosted its image. On October 7, 2020, the Chinese Embassy in New Delhi's directive to not refer to Taiwan as a country on its National Day backfired, leading to extensive media coverage and public support for Taiwan, including National Day wishes from journalists and BJP leaders. This prompted meaningful discussions about Taiwan, with India's Ministry of External Affairs affirming media independence to report freely (Hashmi 2020).

Recent discourse in India reflects a reconsideration of its stance on Taiwan. Key voices within the Indian establishment advocate for a fresh approach towards Taiwan, driven by concerns over potential shifts in the Indo-Pacific geopolitical landscape if Taiwan succumbs to Chinese aggression. There is also recognition that Beijing's focus could shift towards its territorial disputes with India post-Taiwan, indicating a deepening internal debate on India's strategic choices amid China-Taiwan-U.S. dynamics (Vanvari and Tan 2021).

Historically, China has balanced its territorial ambitions with assertive policies in the South and East China Seas and complex relations with India, marked by periodic border tensions like the Doklam standoff in 2017 and the Galwan Valley clashes in 2020. The possibility of China focusing its full military attention on the India-China border, particularly in the strategically sensitive high Himalayas, is a significant concern. A Chinese victory over Taiwan could embolden Beijing to adopt a more assertive posture along the Line of Actual Control (LAC).

The Indian strategic community recognises that Taiwan's fall would alter the balance of power in the Indo-Pacific and potentially escalate Chinese territorial ambitions elsewhere. India is reassessing its military and strategic postures as part of this evolving discourse. In August 2023, three former chiefs of the Indian armed forces—General M M Naravane (Army), Admiral Karambir Singh (Navy), and Air Chief Marshal R K S Dhanua (Air Force)—visited Taiwan to attend a forum on Indo-Pacific security (Sagar 2023). Their participation underscores Taiwan's growing strategic importance and signals India's intent to engage more deeply with the island nation despite the absence of formal diplomatic ties.

These developments indicate a shift in India's strategic thinking, moving from a historically cautious approach to a more nuanced and assertive stance. India is positioning itself to better respond to potential shifts in Beijing's strategic focus. This evolving discourse highlights the need for India to balance its adherence to the One-China policy with the imperative to safeguard its territorial integrity and national security interests.

5. Leveraging Convergences

Alongside India's Act East Policy, Taiwan's New Southbound Policy provides the framework for enhancing the two countries' respective strategic engagements with Southeast Asia and the wider Indo-Pacific. Despite differing in their historical contexts and geopolitical motivations, these policies exhibit significant convergences and offer frameworks for practicable partnerships between them.

Strategic Diplomacy

Taiwan's New Southbound Policy (NSP) and India's Act East Policy both aim to mitigate China's rise and influence by fostering economic and military ties in their respective regions. The NSP focuses on reducing Taiwan's reliance on China, while the Act East Policy targets the Indo-Pacific, including East and South Asia. Despite their overlapping objectives and geographic focus, the interaction between India and Taiwan still needs to be improved (Vanvari and Tan 2021).

The Act East Policy, evolving from India's Look East Policy, seeks to deepen economic, strategic, and cultural ties with the Indo-Pacific region, particularly Southeast Asia. A critical convergence between these policies lies in their financial objectives and their aim to counterbalance China's growing influence. India's strategic engagements, including defence cooperation and joint maritime exercises with Southeast Asian nations, mirror Taiwan's efforts to strengthen security ties and foster regional stability.

Maritime security is a significant area where India and Taiwan's strategic interests align. Both nations are committed to ensuring freedom of navigation and overflight in the Indo-Pacific, vital for maintaining open sea lanes and regional stability. India's growing naval presence in the region, coupled with Taiwan's strategic location along vital shipping routes, creates potential for cooperative efforts in maritime security. Joint exercises, intelligence sharing, and coordinated efforts in disaster relief and humanitarian assistance are possible avenues for enhancing collaboration in this arena.

While Taiwan's NSP and India's Act East Policy align well in economic integration goals, their congruence could be more evident in defence and strategic areas. India emphasises bolstering defence and strategic ties in the Indo-Pacific (Vanvari and Tan 2021), but Taiwan's NSP lacks specified

objectives or actions in this domain. As a result, defence and strategic priorities are not prominent features of Taiwan's NSP, which distinguishes it from India's more pronounced strategic focus.

India and Taiwan can enhance their security relations within broader multilateral frameworks, focusing on intelligence sharing, cybersecurity operations, defence research and development, and collaboration in the defence industry. India has strengthened intelligence-sharing agreements with regional partners such as Japan and established cybersecurity cooperation frameworks across the Indo-Pacific. Including Taiwan in these arrangements could elevate India's bilateral defence engagement within a multilateral framework (Vanvari and Tan 2021).

India's engagement with Taiwan also fits within its broader strategic partnerships, particularly with the United States, Japan, and Australia through the Quadrilateral Security Dialogue (Quad). Taiwan's alignment with the Quad's vision of a free, open, and inclusive Indo-Pacific further cements its strategic relevance to India.

Cultural Diplomacy

India and Taiwan recognise the importance of cultural diplomacy, educational exchanges, and tourism for building mutual goodwill. Despite their potential, people-to-people linkages have been underutilised due to a lack of awareness about Taiwan's attractions, complex visa procedures, and limited direct flights. Taiwan addresses these issues by promoting halal and vegetarian tourism and launching initiatives like Taiwan 2020. Simplifying visa processes, increasing direct flight options, implementing visa-free entry, and establishing a dedicated tourism promotion office in India could further bolster tourism and effectively promote the "brand Taiwan" (Madan 2019). Enhancing educational and employment ties can significantly strengthen bilateral relations. Taipei's Taiwan Education Centres in India focus on Mandarin and Chinese culture, presenting opportunities under the New Southbound Policy's Talent Development Program. Expanding these centres for student exchanges and offering scholarship programs, especially vocational courses aligned with India's Skill India initiative, could attract more Indian students and deepen bilateral ties.

On its part, India has strengthened ties with Taiwan through cultural diplomacy by organizing Indian cultural festivals, yoga events, and film screenings in Taiwan, promoting Buddhist heritage to attract Taiwanese tourists, and supporting translations of Taiwanese literary works. Educational exchanges are bolstered by scholarships for Taiwanese students under the Indian Council for Cultural Relations (ICCR) program, Mandarin language education in Indian universities, and collaborations like the 2010 India-Taiwan Education Cooperation MoU for joint research and faculty exchange. Tourism initiatives include simplified visa processes, promotion of India's

spiritual and Buddhist heritage, and encouraging Indian travel to Taiwan. People-to-people ties are enhanced through youth exchange programs, Taiwan-funded scholarships, and the active role of the Indian diaspora in promoting cultural connections.

Nonetheless, cultural and language barriers pose challenges for Indian students in Taiwan, despite efforts on the part of both. Recognising degrees and academic credits between the countries can also be problematic, requiring streamlined processes for smoother transitions. Collaboration between Taiwanese companies and Indian universities for internships would benefit both sides but have failed to generate traction. To attract more Indian students, New Delhi and Taipei should promote educational opportunities through Taipei Economic and Cultural Center (TECC) offices and ensure degree recognition.

Visa and work permit regulations remain cumbersome, limiting professional mobility. Cultural and language differences impact workplace integration and productivity, and Taiwanese companies often lack awareness of the Indian business environment, hindering effective collaboration and investment. To strengthen employment ties, easing regulatory barriers and providing comprehensive support for professionals working abroad is crucial. Industry-specific skill development programs and intercultural training can enhance workforce readiness. Like the U.S. Optional Practical Training (OPT) program, facilitating work permits for students post-graduation could attract skilled Indian workers (Madan 2019). Increased bilateral dialogue and business exchanges can foster better economic understanding, paving the way for sustainable employment ties.

6. Imperatives for the Future

The absence of official diplomatic recognition limits the potential for bilateral cooperation. Though increasingly nuanced, India's adherence to the One-China policy restricts open engagement with Taiwan. Going forward, India's reluctance to explicitly reference Taiwan in its broader Indo-Pacific strategy may prove to be a roadblock as it stems from adherence to the "One China Policy," avoiding escalation with China and maintaining strategic autonomy. Typically, India has shied away from acknowledging Taiwan in official documents as it could strain already tense India-China relations, particularly amidst border disputes and regional competition. Indeed, Taiwanese diplomats often express frustration over India's cautious approach, describing it as marked by missed opportunities and a "one step forward, two steps backwards" tendency (Kumar 2024). Additionally, China's economic and military leverage necessitates a careful balancing act for India while advancing its strategic interests with Taiwan.

Therefore, Taiwan's role in Indian strategy continues to focus more on economic and technological collaboration, such as in semiconductors, rather than a direct strategic partnership. India aligns its Indo-Pacific strategy with ASEAN centrality, mirroring regional norms that avoid explicit references to Taiwan. Despite this, it must also be noted that India has quietly strengthened ties with Taiwan in several areas, recognizing its economic value while avoiding overt political implications. This approach allows India to engage Taiwan constructively without jeopardizing its diplomatic flexibility or provoking Beijing, reflecting a calibrated and pragmatic foreign policy stance.

India must adopt a pragmatic approach, balancing the One-China policy with the desire to foster a more normalised relationship with Taipei. Taiwanese officials have encouraged India to strengthen ties without compromising the One-China policy (Hashmi 2020). One way to achieve this is for New Delhi and Taipei to avoid overemphasising government-to-government relations (Karackattu 2019).

The dynamic geopolitical landscape of the Indo-Pacific region presents both opportunities and challenges for India and Taiwan. Both countries can navigate these complexities to build a resilient, mutually beneficial relationship. They can leverage shared democratic values and mutual interest in regional stability to deepen cooperation. Strengthening people-to-people connections through academic exchanges, cultural programs, and tourism fosters mutual understanding and informal diplomacy.

Economic collaboration remains a cornerstone of this relationship, enabling both countries to bolster their strategic autonomy. Strategically, India and Taiwan can deepen engagement through dialogues and collaborations within regional and multilateral frameworks. Platforms like the Quad, ASEAN, and other Indo-Pacific initiatives offer avenues to address common security challenges, promote maritime security, and advocate for a rules-based international order. Despite lacking formal diplomatic recognition, India and Taiwan have ample opportunities to cultivate a strong partnership.

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