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# THESIS

SOUTHEAST ASIA'S RELATIONS WITH TAIWAN, 2000–2016: AN ASSESSMENT OF VIETNAM AND SINGAPORE

by

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September 2017

Thesis Advisor: Second Reader: Michael Malley Michael Glosny

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## SOUTHEAST ASIA'S RELATIONS WITH TAIWAN, 2000–2016: AN ASSESSMENT OF VIETNAM AND SINGAPORE

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#### ABSTRACT

In Southeast Asia, a unique situation has existed for decades where political, economic, military and cultural relations flourish between Southeast Asian countries and Taiwan in the absence of official diplomatic relations. The Taiwanese economy is very important to Southeast Asia, yet Taiwan's unresolved political unification with the People's Republic of China is a threat to the security of Southeast Asia. In many ways, Taiwan is the elephant in the room; despite their importance, studies on Southeast Asia have largely neglected the existence and the durability of the ties between Southeast Asian countries and Taiwan. To find out what motivates Southeast Asia to maintain relations with Taiwan and vice versa, this thesis investigates the bilateral developments between Taiwan and Southeast Asia by conducting a comparative assessment of Vietnam and Singapore. The focus of the thesis is on the period between 2000 and 2016, as there is scant research on Southeast Asia and Taiwan during the last sixteen years. The thesis examines key dimensions of the bilateral relationships and a number of hypotheses that are found in existing literature. The research found that the hypotheses only partially explain the reasons for changes in relations. For Vietnam and Singapore, economic interests and security concerns are the main reasons for engaging Taiwan. Based on the evidence gathered, this thesis also analyzes Vietnam and Singapore's responses to the new Taiwanese President, Tsai Ing-wen.

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## LIST OF ACRONYMS AND ABBREVIATIONS

ADEC	Asia Desifia Economia Comparation
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASTEP	Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership
BOFT	Board of Foreign Trade (Taiwan)
DOC	Declaration on the Conduct of Parties
DPP	Democratic People's Party
EEZ	Exclusive Economic Zone
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HYSY-981	Haiyang Shiyou 981
KMT	Kuomintang (Nationalist Party of China)
MOFA	Ministry of Foreign Affairs
PAP	People's Action Party
PLA	People's Liberation Army
SAF	Singapore Armed Forces
SG	Singapore
SGX	Singapore Exchange
TW	Taiwan
TWSE	Taiwan Stock Exchange
VCP	Vietnamese Communist Party
VN	Vietnam
WTO	World Trade Organization

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#### I. INTRODUCTION

#### A. MAJOR RESEARCH QUESTION

China has insisted on the "One-China policy" in its diplomatic interactions with all countries and bars any dual recognition of both China and Taiwan. The One-China policy acknowledges that there is only one government representing China, and that government is the People's Republic of China on the mainland instead of the Republic of China on the island of Taiwan. This has resulted in Taiwan's diplomatic isolation because significantly more countries recognize China over Taiwan. In response, Taiwan has tried extensively to cultivate ties with all countries to expand its regional and international space. Taiwan has tried especially hard to establish and maintain ties with Southeast Asian counties that are geographically close and with which it shares strong economic linkages.

Although these Southeast Asia countries acknowledge the One-China policy and recognize only China, they continue to maintain non-diplomatic, informal relations with Taiwan, chiefly because Taiwanese investment is important to their economic development. Nonetheless, Taiwan's relations with Southeast Asian countries have not been consistent. Taiwan–Southeast Asia relations were considered good during Taiwan president Lee Teng-hui's terms (1988–2000) with robust economic ties and *de facto* diplomatic relations. Studies of the post-Lee period have described a state of deteriorated relations between Taiwan and Southeast Asian countries when Chen Shui-bian succeeded Lee (2000–2008) and improvements in relations when Ma Ying-jeou took office (2008–2016). What accounts for these changes in Taiwan's relations with these Southeast Asian countries?

#### **B.** SIGNIFICANCE OF THE RESEARCH QUESTION

Despite not having diplomatic relations with Southeast Asian countries, Taiwan has nonetheless maintained informal ties with many of them. Over the last 16 years, there are signs that Taiwan–Southeast Asia relations have shifted in significant ways, but little has been written on this topic. Most of what has been published about Taiwan–Southeast

Asia has been written from Taiwan's perspective, and Southeast Asia's role in shaping its ties with Taiwan remains poorly understood. Taiwan is in all aspects a *country*, but it does not have the recognition of the world. Its economy is one of the biggest in Asia and well-plugged into regional trade and investment flows. However, Taiwan's unresolved relationship with China has made the island an ever-present risk to the stability and security of Asia because China has not renounced the use of force to achieve reunification with Taiwan. It is therefore worthwhile to study how Taiwan uses its relations with Southeast Asian countries as a tool for survival and how the relations have changed over time. This thesis seeks to contribute to the literature on Taiwan–Southeast Asia relations from a Southeast Asia perspective.

#### C. LITERATURE REVIEW

This literature review organizes existing studies on Taiwan–Southeast Asia relations into three sections. The first section examines scholars' views on the state of Taiwan–Southeast Asia relations in the last three decades. The second section looks at the key explanations for the changes in relations. The third section looks at the gaps in the existing literature.

#### 1. Examining the State of Taiwan–Southeast Asia Relations in the Last Three Decades

Scholars generally agree that when Lee Teng-hui was president from 1988 to 2000, relations between Taiwan and Southeast Asia were generally good, except for the periods when China threatened Taiwan with military force. Taiwan was an economic miracle after undergoing rapid industrialization from the 1950s to 1980s and used its economic prowess as a basis to engage Southeast Asia. Southeast Asian countries, which for the most part are economically poorer than Taiwan, responded to favorable Taiwanese economic deals with quasi-diplomatic concessions such as allowing Taiwanese officials to visit the country, giving diplomatic courtesies to these officials, and upgrading the names of Taiwan's embassies in the country.<sup>1</sup> According to Chen Jie,

<sup>&</sup>lt;sup>1</sup> Chen Jie, "Taiwan's Diplomacy in Southeast Asia: Still Going-South?" in *China and Southeast Asia: Global Changes and Regional Challenges*, eds. Ho Khai Leong and Samuel C. Y. Ku (Singapore: ISEAS–Yusof Ishak Institute, 2005), 241.

during Lee's term, Taiwanese leaders travelled widely in Southeast Asia, including Lee Teng-hui's visit to Singapore, the Philippines, Indonesia, and Thailand in 1989 and 1994; Premier Lien Chan's visit in 1998 to Malaysia and Singapore; and Premier Vincent Siew's visit to Malaysia, the Philippines, and Indonesia in the same year (1998).<sup>2</sup> As a result of Lee Teng-hui's efforts in pushing for name changes, Taiwan's embassies were upgraded from vague-sounding names like "Chinese Chamber of Commerce" and "Far East Trade Office" to "Taipei Economic and Trade Office" and "Taipei Economic and Cultural Office."<sup>3</sup> Taiwan also used the Overseas Economic Cooperation Development Fund, also known as the International Economic Cooperation Development Fund, to provide both financial and technical assistance to developing Southeast Asian countries, which were welcomed by the recipients.<sup>4</sup>

Relations between Taiwan and Southeast Asia generally deteriorated when opposition politician Chen Shui-bian took office in 2000. Over the course of his term, Chen Shui-bian took on an increasingly antagonistic stance toward China and tried to promote Taiwan's independence from mainland China. According to Chen's study of the *Republic of China Foreign Policy Yearbook*, Taipei's "politico-diplomatic profile has stagnated, if not deteriorated."<sup>5</sup> Chen also notes that the number of visits between Taipei and Southeast Asian officials has declined. Chen Shui-bian conducted what has been called "scorched-earth diplomacy," a tactic to "light so many diplomatic fires that Beijing would be deprived of the resources needed to harass Taiwan at regional forums."<sup>6</sup> Chen Shui-bian and his deputy Annette Lu, in their first diplomatic offensive, tried to visit Indonesia under the pretext of taking a vacation but failed badly when Indonesia refused Lu entry into Jakarta. Southeast Asian countries resented being used by Taiwan as an arsenal against Beijing. After the failed visit by Chen Shui-bian in December 2002,

<sup>&</sup>lt;sup>2</sup> Ibid., 239.

<sup>&</sup>lt;sup>3</sup> Jing Bo-jiun, "Taiwan and Southeast Asia: Opportunities and Constraints of Continued Engagement," *Maryland Series in Contemporary Asian Studies*, no. 2 (2016): 26.

<sup>&</sup>lt;sup>4</sup> Ho Khai Leong, "The Changing Political Economy of Taiwan–Southeast Asia Relations," *Pacific Review* 6, no. 1 (1993): 34.

<sup>&</sup>lt;sup>5</sup> Chen, "Taiwan's Diplomacy in Southeast Asia," 249.

<sup>&</sup>lt;sup>6</sup> Jing, "Taiwan and Southeast Asia," 26.

Indonesia's Foreign Ministry Spokesman Marty Natalegawa commented, "We have learned from the past that Taiwanese leaders often take political advantage of their private visits to Indonesia's tourist resorts" and "Chen Shui-bian is not welcomed here."<sup>7</sup> The Philippine government "categorically refused to accept any possible visit by Chen [Shui-bian] regardless of his visiting capacity."<sup>8</sup> In 2004, Singapore leaders explicitly criticized pro-independence sentiments held by some Taiwanese. The Taiwanese government and the public reacted angrily to Singapore Foreign Minister George Yeo's statement to the United Nations General Assembly. Following this incident, Singapore–Taiwan relations plummeted. This will be further discussed in Chapter III.

Ma Ying-jeou's efforts to improve relations with China (hereafter called cross-Strait relations) were welcomed by Southeast Asian countries and contributed to the improvement of Taiwan-Southeast Asia relations. Southeast Asian leaders made it known that they welcomed positive cross-Strait relations by issuing a communique at the 41st Association of Southeast Asian Nations (ASEAN) meeting in 2008: "We welcomed the positive development in relations across the Taiwan Strait. We expressed our hope that cross-Strait relations would continue to improve."9 According to Jing Bo-jiun, "Taiwanese diplomats in Southeast Asia appeared to have had greater access to highranking officials in the region after Ma took office."<sup>10</sup> As for bilateral visits, Ma Yingjeou travelled to Singapore twice, once to pay his respects to the late Lee Kuan Yew after Lee passed away in March 2015 and a second trip to Singapore in November 2015 to meet with Chinese President Xi Jinping in what has been called a "historic meeting." This was followed by a meeting with Singapore Prime Minister Lee Hsien Loong. There were also several high-level exchanges between Taiwanese and Southeast Asian officials, including the visits of Philippines Secretary of Finance, Indonesian Minister of Manpower and Transmigration, and Thai Minister of Labor to Taiwan.<sup>11</sup>

<sup>&</sup>lt;sup>7</sup> Ibid., 27.

<sup>&</sup>lt;sup>8</sup> Chen, "Taiwan's Diplomacy in Southeast Asia," 250.

<sup>&</sup>lt;sup>9</sup> Ibid., 36.

<sup>&</sup>lt;sup>10</sup> Ibid., 37.

<sup>&</sup>lt;sup>11</sup> Jing, "Taiwan and Southeast Asia," 42.

#### a. Key Explanations for the Changes in Taiwan–Southeast Asia Relations

In the academic works surveyed, two themes/explanations that contribute to the improvement or deterioration of Taiwan–Southeast Asia relations were identified, namely, state of cross-Strait relations and changes in economic conditions.

#### (1) Cross-Strait Relations

Because Southeast Asian countries have adopted the One-China policy and have diplomatic relations with China but not Taiwan, maintaining good formal relations with Beijing trumps maintaining relations with Taiwan. Besides diplomatic ties with China, Southeast Asian countries see tense cross-Strait relations as a security risk to the region and have consistently called for peace and stability in the Taiwan Strait. Chen states that the evolution of cross-Strait relations influences regional governments' approaches to Taipei whereby an "improved atmosphere across the Taiwan Strait would make things easier for Southeast Asian governments" when dealing with Taiwan.<sup>12</sup> When cross-Strait relations turn sour, as they did during from 1995 to 1996, "no ASEAN country wants to be seen to be siding with Taipei."<sup>13</sup> In fact, tense cross-Strait relations forced Southeast Asian countries to side with China. ASEAN countries publicly urged Taiwan "not to provoke mainland China by challenging the P.R.C.'s 'One China' principle."<sup>14</sup> In 1999 when Lee Teng-hui insisted that cross-Strait relations were special "state-to-state" ones, China ceased cross-Strait consultations. ASEAN countries reacted to the rise in tensions by jointly issuing a declaration that said, "We expressed our concern over the tension that arose in the Taiwan Strait after 9 July 1999, which could seriously affect regional peace and stability and prospects for economy recovery [after the Asian Financial Crisis in 1997]. We hoped for a quick and peaceful return to normalcy. We reaffirmed our commitment to our One China Policy."15

<sup>&</sup>lt;sup>12</sup> Chen Jie, *Foreign Policy of the New Taiwan: Pragmatic Diplomacy in Southeast Asia* (Cheltenham: Edward Elgar Publishing, 2002), 85.

<sup>13</sup> Ibid.

<sup>&</sup>lt;sup>14</sup> Jing, "Taiwan and Southeast Asia," 19.

<sup>&</sup>lt;sup>15</sup> Ibid., 20.

The state of cross-Strait relations also affects Taiwan–Southeast Asia relations because China tends to put more pressure on Southeast Asian countries when China–Taiwan relations are going badly. China's goal is to prevent Taiwan from achieving *de jure* independence, so Beijing has directly intervened to block any attempts by Taiwan to expand its regional and international space, especially when the Taiwanese president is inclined toward independence. China is a traditional hegemon and a rising power (economically and militarily) and has more political clout than Taiwan.<sup>16</sup> Chinese leaders have spoken out several times to criticize Southeast Asian countries when they take actions such as visiting Taiwan because these actions encourage Taiwanese "separateness" or independence.

In 1996, China attempted to prevent Taiwan from joining the ASEAN Regional Forum by proposing a new rule that requires admission of new members be approved by all existing ones. China succeeded in blocking Taiwanese participation by arguing that Taiwan was not a sovereign state, and hence it could not join the forum as it could not join the United Nations.<sup>17</sup> Despite repeatedly expressing interest, Philippine President Benigno S. Aquino was not able to go to Taiwan in 1993 to receive an honorary doctoral degree from Fu Jen Catholic University because China warned him not to go.<sup>18</sup> In 2004, China heavily criticized Singapore Prime Minister Lee Hsien Loong's visit to Taiwan after Lee went ahead with the trip despite China's request for him to abort it. According to Jing, the Taiwan visit resulted in a cancellation of the Governor of the People's Bank of China's trip to Singapore and a suspension of bilateral free trade agreement negotiations.<sup>19</sup>

#### (2) Changes in Economic Conditions

Many of the studies on Taiwan-Southeast Asia relations are focused on the political economy between Taiwan and Southeast Asia. Chen asserts, "Taiwan's

<sup>&</sup>lt;sup>16</sup> Samuel C. Y. Ku, "Southeast Asia and Cross-Strait Relations: The Policy of Separation of Politics and Economics," *Journal of Contemporary China* 7, no. 19 (1998): 424.

<sup>&</sup>lt;sup>17</sup> Jing, "Taiwan and Southeast Asia," 18.

<sup>&</sup>lt;sup>18</sup> Chen, Foreign Policy of the New Taiwan, 89.

<sup>&</sup>lt;sup>19</sup> Jing, "Taiwan and Southeast Asia," 32.

agreements with the ASEAN countries are almost all about economic and trade issues."<sup>20</sup> Chen also explains that ASEAN countries would not have upgraded the level of bilateral diplomatic representations without economic benefits from Taiwan; in fact, "*ups and downs in politico-diplomatic relations closely coincided with the ups and downs in Taiwan's perceived economic value* as well as the changing China factor in regional politics" (emphasis added).<sup>21</sup> Because Taiwan is economically and technologically more developed than most of the Southeast Asian countries, it can use its economic profile to provide investments, import migrant workers from Southeast Asia, and offer development assistance.<sup>22</sup> For Taiwan, its capital and technical expertise complemented Southeast Asia's natural resources and abundant labor.

Taiwan has been investing in Southeast Asia since 1959, but the most significant expansion of Taiwan's outbound investment began in 1987.<sup>23</sup> Comparing its investment into Southeast Asia from the late 1950s, Chen found that Taiwan's investment in select countries was much higher in the late 1980s than in previous periods. Taiwan's investment in Thailand in 1988 was nearly as much as the total sum Taiwan had invested from 1959 to 1987. A year later in 1989, Taiwan became the largest foreign investor in Malaysia and the Philippines. Because Taiwanese companies based in Southeast Asia induced trade flow between their home country and Southeast Asian countries, by the 1990s Taiwan had become one of the top trading partners for many in the region.<sup>24</sup> Taiwanese investors in Southeast Asia also employed scores of local workers because of the labor-intensive nature of their projects.<sup>25</sup>

In 1993, Lee Teng-hui launched the "Go South" policy to provide all kinds of assistance to Taiwanese enterprises to invest even more in Southeast Asia. Although total investment into Southeast Asia has expanded since the launch, by the end of the 1990s,

- <sup>24</sup> Ibid.
- <sup>25</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Chen, Foreign Policy of the New Taiwan, 101.

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Ibid., 105.

Taiwan was no longer one of the top two investors in Malaysia, Indonesia, Thailand, or the Philippines. One reason for the drop in ranking was because Taiwanese capital had been increasingly diverted to China.

The 1997 Asian Financial Crisis saw Taiwan initiate a number of assistance packages and proposals to help its affected Southeast Asian neighbors. These included encouraging Taiwanese investors to go into the region-even when other foreign investors were pulling out—and injecting U.S. dollars into state banks to ease monetary flow in the countries.<sup>26</sup> However, what Taiwan could offer was not comparable to China. By keeping its currency stable instead of devaluing it to make its exports competitive against now cheaper ASEAN exports, China helped ASEAN countries recover quickly from the crisis by continuing their export-led growth trajectory.<sup>27</sup> China also extended loans to Southeast Asian countries. Since the late 1990s, Taiwan's trade with Southeast Asia did not grow as much as the 1980s and 1990s, and despite attempts by the Taiwanese government to get its enterprises to invest in Southeast Asia, Taiwanese investment declined greatly.<sup>28</sup> In 1998, Taiwan's total investment in Southeast Asia amounted to \$1.4 billion compared to \$4.8 billion in 1997.<sup>29</sup> In contrast, China's trade with Southeast Asia grew in absolute volume and share. In 1996, China's trade with Southeast Asia reached \$19 billion (USD), nearing the Taiwan-ASEAN trade figure of \$26 billion.<sup>30</sup> Since then, China has overtaken Taiwan in trading volume: China–ASEAN trade in 2016 was \$346 billion, and Taiwan–ASEAN trade was \$94 billion.<sup>31</sup>

<sup>29</sup> Ibid., 269.

<sup>&</sup>lt;sup>26</sup> Ibid., 109.

<sup>&</sup>lt;sup>27</sup> Samuel C. Y. Ku, "The Changing Political Economy of Taiwan's and China's Relations with Southeast Asia: A Comparative Perspective," in *China and Southeast Asia: Global Changes and Regional Challenges*, eds. Ho Khai Leong and Samuel C. Y. Ku (Singapore: Institute of Southeast Asia Studies, 2005), 268.

<sup>&</sup>lt;sup>28</sup> Ibid., 267–269.

<sup>&</sup>lt;sup>30</sup> Ku, "The Changing Political Economy," 270; and "Trade Statistics," Bureau of Foreign Trade, Taiwan Ministry of Economic Affairs, accessed September 14, 2017, http://cus93.trade.gov.tw/FSCE030F/ FSCE030F. The U.S. Dollar is used throughout the thesis. Non-U.S. Dollar currency will be distinguished accordingly.

<sup>&</sup>lt;sup>31</sup> "Top Ten ASEAN Trade Partner Countries/Regions, 2015," Association of Southeast Asian Nations, accessed March 25, 2017, http://asean.org/storage/2015/12/table20\_as-of-10-June-2016.pdf.

Trade and investment do not convey the full picture. Employment of migrant workers and tourism also contribute to the political economy between Taiwan–Southeast Asia and China–Southeast Asia. Although Taiwan has been a major employer of Southeast Asian migrant workers, other countries in the region, such as Singapore, also exhibit this aspect of relations with China. Singapore has faced a labor shortage and has been importing massive numbers of Chinese migrant workers to help supplement its workforce. In terms of tourism, the arrival of Chinese tourists into ASEAN has dwarfed all other sources.<sup>32</sup>

#### 2. Gaps in Existing Literature

A main observation from the review of existing literature is the lack of hierarchy between the key explanations provided in the previous section. When Lee Teng-hui was President of Taiwan, cross-Strait relations were not all rosy; in fact, Lee's emphasis on special "state-to-state" relations had angered China so much that relations deteriorated significantly. Why were Southeast Asian countries still relatively friendly to Taiwan during Lee Teng-hui's presidency, compared to Chen Shui-bian's period when cross-Strait relations were badly affected, this time by his emphasis on Taiwan's independence? This thesis examines the various reasons behind the changes to determine which reason is the most significant.

The literature on Taiwan–Southeast Asia relations during the presidencies of Chen Shui-bian (2000–2008) and Ma Ying-jeou (2008–2016) is much more limited compared to the works on Lee Teng-hui's term; this author could only locate a handful of academic writings that focus in some detail on this topic, and the writings are from the Taiwanese perspective. This author found very few writings on this topic from a Southeast Asian perspective. Furthermore, the existing studies do not focus on broad shifts in relations between Taiwan and Southeast Asia.

<sup>&</sup>lt;sup>32</sup> "Top Ten Country/Regional Sources of Visitors to ASEAN as of 30 September 2015," Association of Southeast Asian Nations, accessed March 25, 2017, http://www.asean.org/storage/2015/11/tourism/Table\_30.pdf.

#### D. POTENTIAL EXPLANATIONS AND HYPOTHESES

This thesis examines two key explanations that scholars have offered to explain the changes in Taiwan–Southeast Asia relations. It also proposes another hypothesis that has not surfaced explicitly in existing academic works.

<u>Hypothesis One</u>: Cross-Strait relations are among the main factors contributing to the changes in Taiwan–Southeast Asia relations. This hypothesis proposes that the state of China–Taiwan relations has a mirror effect on the state of Taiwan–Southeast Asia relations. When cross-Strait relations are bad and China increases its assertiveness over the Taiwan issue, relations between Southeast Asia and Taiwan stagnate or decline. Conversely, when cross-Strait relations are stable and China relaxes its pressure over the Taiwan issue, relations between Southeast Asia and Taiwan progress.

<u>Hypothesis Two</u>: The change in importance of Taiwan's economy vis-à-vis China's is one of the main factors that has contributed to the changes in Taiwan– Southeast Asia relations. This hypothesis proposes that when Taiwan's economic value to Southeast Asia is greater than China's, relations between Southeast Asia and Taiwan progress. Conversely, when Taiwan's economic value to Southeast Asia is less than China's, relations between Southeast Asia and Taiwan stagnate or deteriorate.

<u>Hypothesis Three</u>: The way that Southeast Asian countries perceive China is one of the main factors that has contributed to the changes in Taiwan–Southeast Asia relations. This hypothesis proposes that when Southeast Asia countries view China negatively, they tend to take balancing actions against it. One of the ways that they balance against China is to forge better relations with Taiwan. Conversely, when Southeast Asia countries view China positively, they tend to ignore Taiwan to court closer relations with China.

#### E. RESEARCH DESIGN

This thesis investigates the hypotheses by comparing bilateral relations between Taiwan and two Southeast Asian countries— Singapore and Vietnam during the presidencies of Chen Shui-bian (2000-2008) and Ma Ying-jeou (2008-2016) respectively. The choice of these two countries is meant to test the hypotheses across two vastly different Southeast Asian countries with different socio-economic profiles and historical circumstances. The choice of Vietnam covers a mainland Southeast Asian country that has historically been closer to China. Singapore is a maritime Southeast Asian country that has historically been friendly to Taiwan. Both countries also have significant trading and investment relations with Taiwan.

Besides relying on academic works, this thesis also makes use of official statements from governments as well as newspaper articles. The table below summarizes the indicators that are investigated to arrive at a conclusion of whether Vietnam–Taiwan and Singapore–Taiwan relations were good or otherwise. This thesis also attempts to look at the reactions of the two countries toward new Taiwan President Tsai Ing-wen's revived Go South policy. It is noteworthy that Tsai has not affirmed the "1992 Consensus" between China and Taiwan.

SEA countries (n)	Presidency of Chen Shui-bian (2000–2008)	Presidency of Ma Ying-jeou (2008–2016)	P	residency of Tsai Ing-wen (ongoing)
Vietnam	<ol> <li>What was the state of bilateral relations between country <i>n</i> and Taiwan?</li> <li>a. Political</li> <li>b. Economic</li> <li>c. Military</li> <li>Were there any political incidents between country <i>n</i> and Taiwan?</li> <li>a. Chinese pressure on interaction between</li> </ol>		1. 2.	What is the state of cross- Strait relations? What is the reaction of country <i>n</i> toward Tsai's new "Go South" policy?
Singapore	<ul> <li>a. Chinese pressure on interaction between country <i>n</i> and Taiwan officials</li> <li>b. Stalling or cancellation of bilateral projects or agreements by the Chinese</li> <li>3. What other factors affected relations between country <i>n</i> and Taiwan, if any?</li> <li>a. How did country <i>n</i> view China? Did it view China positively or negatively?</li> <li>b. South China Sea</li> <li>c. Taiwan's policy regarding independence</li> </ul>			

Table 1.Indicators to Assess Bilateral Relations between Taiwan<br/>and Southeast Asia

#### F. THESIS OVERVIEW

This thesis is organized into four chapters. The second chapter looks at Vietnam– Taiwan relations during the periods of Chen Shui-bian's administration (2000–2008) and Ma Ying-jeou's administration (2008–2016). The third chapter looks at bilateral relations between Singapore and Taiwan over the two administrations. The fourth and final chapter analyzes the data presented in Chapters II and III and assesses the validity of the hypotheses. It also assesses the implications of those findings for the development of Taiwan's relations with Singapore and Vietnam in light of Tsai's position on cross-Strait relations as well as Vietnam and Singapore's responses to Tsai's Go South policy.

#### II. VIETNAM

This chapter analyzes Vietnam's political and economic interactions with Taiwan from 2000 to 2016 to investigate the conventional wisdom that Vietnam's relations with Taiwan deteriorated during Chen Shui-bian's presidency (2000–2008) and improved during Ma Ying-jeou's presidency (2008–2016) because of the decline of Taiwan's economy relative to China as well as Chinese pressure on Southeast Asian countries with regard to conducting relations with Taiwan.

This chapter finds that while Vietnam tried to accommodate China's expectations to limit its interactions with Taiwan when Chen Shui-bian was president, Vietnam also tried to balance that approach with its enduring interest to do business with Taiwan and to maintain an independent foreign policy. Although there were some political incidents between Vietnam and Taiwan due to Chinese pressure on Vietnam, these incidents did not affect economic ties. After Ma Ying-jeou took over the presidency, Vietnam continued to maintain good economic ties with Taiwan, and Vietnam did not have to limit its engagement with Taiwan because of pressure from China. However, competing Vietnamese and Taiwanese claims over South China Sea features resulted in weaker engagement between the two countries, even as Vietnam developed a perception of China as a threat over the last decade.

Relations between Vietnam and Taiwan are predominantly economic in nature, and political developments ultimately affect Taiwanese investment in Vietnam. The first section of this chapter examines Vietnam's relations with Taiwan during the two administrations of Chen Shui-bian and Ma Ying-jeou, focusing on political developments that took place as a result of China's pressure. The second section looks at trade, investment, and labor relations to understand the robustness of Vietnam's and Taiwan's economic ties and whether these were affected by the growing importance of China's economy. The third section examines the South China Sea disputes among Vietnam, China, and Taiwan to gain an understanding of how Vietnam may have developed a critical perception of China and whether it has sought closer relations with Taiwan to balance China.

#### A. POLITICAL RELATIONS BETWEEN VIETNAM AND TAIWAN

Vietnam's relations with Taiwan were defined by economic cooperation in the 1990s.<sup>33</sup> Vietnam was keen on reaping economic benefits in the form of foreign direct investment (FDI), foreign markets, capital imports, and developmental assistance from Taiwan while Taiwan hoped to use its economic diplomacy to gain political concessions such as support for its entry into international organizations.<sup>34</sup> In the 1990s, Taiwan's trade with Vietnam grew substantially after Taiwan lifted trade sanctions from Vietnam in 1986.<sup>35</sup> In 1995, total trade between Vietnam and Taiwan stood at \$1.2 billion.<sup>36</sup> Taiwan was the largest foreign investor in Vietnam from 1987 to 1995, and Vietnam received 43 percent of all Taiwanese FDI going into ASEAN.<sup>37</sup> Although Vietnam recognized only the People's Republic of China politically, there was some progress made when Taiwan set up its *de facto* embassy in Ho Chi Minh City in 1992, and Vietnam set up its own representative office in Taipei in 1993.

Vietnam continued to engage Taiwan economically from 2000 to 2016 and with economic ties come political interactions as well. Throughout this period, Vietnam consistently maintained its commitment to the One-China policy through issuing public statements, some jointly with China. However, away from the public glare, Vietnam kept up official visits to Taiwan and received Taiwanese officials in return. Interestingly, there were more visits between Vietnam and Taiwan during Chen Shui-bian's administration than there were during Ma Ying-jeou's. The likely reasons for this phenomenon are one, Chen Shui-bian's government had aggressively courted the Vietnamese from 2000 to 2008 and two, during Ma Ying-jeou's terms, disputes over the South China Sea prevented the proliferation of visits.

<sup>&</sup>lt;sup>33</sup> See Zachary Abuza, "Vietnam-Taiwan Relations: Convergence and Divergence," in *Issues and Studies* 32, no. 7 (1996): 109–128.

<sup>&</sup>lt;sup>34</sup> Ibid.

<sup>&</sup>lt;sup>35</sup> Ibid., 112.

<sup>&</sup>lt;sup>36</sup> Ibid., 114.

<sup>&</sup>lt;sup>37</sup> Ibid.

#### 1. Chen Shui-bian's Term as President (2000–2008)

In the 2000s, during Chen Shui-bian's presidency, the Vietnamese government publicly signalled that Vietnam was not going to pursue diplomatic engagement with Taiwan while trying to maintain its ties at the same time. This section examines Vietnam's public statements as well as official visits made by Vietnamese officials to Taiwan and vice versa to show that Vietnam was trying to maintain a balancing act between China and Taiwan. Despite tense cross-Strait relations resulting in increased Chinese pressure on Vietnam, Vietnam's reaction was mostly limited to accommodating China's interests in preventing Taiwan's independence. Vietnam did not take issue with the Taiwanese government's policy of pursuing independence, and there was no major negative fallout.

Vietnam issued various public statements on its commitment to the One-China policy and opposition to Taiwan's independence throughout Chen Shui-bian's administration. Many of these statements were made when Vietnamese leaders met Chinese leaders and were clearly publicized to signal Vietnam's deference to China over the Taiwan issue. In 2001, Nong Duc Manh, secretary general of the Vietnamese Communist Party, visited China and a joint communique was issued. The communique stated that Vietnam only conducts "non-official trade" with Taiwan, and there were no official bilateral relations between the two countries. While Taiwan was not a new issue between China and Vietnam in 2001, Taiwan took on added significance after Chen Shuibian and his pro-independence Democratic People's Party (DPP) took power in 2000.<sup>38</sup> China became more concerned about ties between its diplomatic allies and Taiwan, especially when Taiwan was increasing its economic presence in many countries, including Vietnam.<sup>39</sup> Table 2 shows some of the public statements that Vietnam made regarding the One-China policy and Taiwan independence. For a longer listing, see Appendix A.

<sup>&</sup>lt;sup>38</sup> Danny Wong Tze Ken, "A Fine Balancing Act; Vietnam Negotiating between China and Taiwan," in *Ensuring Interests: Dynamics of China–Taiwan Relations and Southeast Asia*, eds. Ho Khai Leong and Hou Kok Chung (Kuala Lumpur: Institute of China Studies, University of Malaya, 2006) 263–264.

<sup>&</sup>lt;sup>39</sup> Ibid.

Table 2.	Vietnam's Public Affirmation of the One-China Policy and
	Opposition to Taiwanese Independence 2000–2008

Date	Subject	Verbatim Extract	Source
December 2001	Vietnam and China issued a joint communique when Vietnamese Communist Party Secretary General Nong Duc Manh visited China.	"Vietnam reiterated that Vietnam recognizes the Government of the People's Republic of China as the sole rightful Government for China, and that Taiwan is an inseparable territory of China. Vietnam only conducts non-official trade with Taiwan and does not develop official bilateral relations with Taiwan." <sup>40</sup>	Danny Wong, "A Fine Balancing Act," 262.
November 2005	Vietnam and China issue a joint communique after Chinese President Hu Jintao visited Vietnam and met Community Party of Vietnam General Secretary Nong Duc Manh, President Tran Duc Luong, Prime Minister Phan Van Khai, and Chairman of the National Assembly Nguyen Van An.	"Vietnam affirmed that it would 'pursue a policy of one China, support China's great unification cause, and resolutely oppose actions to split 'independent Taiwan' in any form, fully understand and back the National People's Congress of China's ratification of the 'Anti- Secession Law,' welcome the detente trend in the relations of the mainland China and Taiwan in recent years. Vietnam does not develop any official relationship with Taiwan. The Chinese side welcomes the Vietnamese side's above-mentioned stand."" <sup>41</sup>	Vietnam News Agency, Nov 3, 2005
July 2007	Vietnam reaffirms its stance on the One China policy.	"The Vietnamese Government affirmed its firm stance on the 'one- China' policy as Foreign Ministry spokesman Le Dung commented on Taiwan's push for a referendum on the island's United Nations membership." <sup>42</sup>	Vietnam News Agency, July 9, 2007.

<sup>&</sup>lt;sup>40</sup> Ibid., 262.

<sup>&</sup>lt;sup>41</sup> "Vietnam, China Issue Joint Communique on Hu Jintao's Visit," *Vietnam News Agency*, November 3, 2005.

<sup>&</sup>lt;sup>42</sup> "Vietnam Restates Stance on 'One-China' Policy," Vietnam News Agency, July 9, 2007.

At times, Vietnam also accommodated China's interests by acceding to China's demands for limiting the presence of Taiwanese officials at international events. In October 2005, Taipei and Kaohsiung City delegates were prevented from attending the opening and closing ceremonies of the Citynet Congress.<sup>43</sup> Next, Vietnam blocked a Taiwanese business delegation from participating in the East Asia Conference on Competition Law and Policy in May 2007. This prompted Taiwan to announce that it would end Taiwanese technical aid for Vietnam.<sup>44</sup> Then in August 2007, Vietnam cancelled a tourist visa for DPP Chairman Yu Shyi-kun shortly after it was issued, which was purportedly done at the behest of China.<sup>45</sup> This issue prompted the DPP to petition the Taiwanese cabinet to "review investment, labour importation and trade ties" with Vietnam; however, economic ties were not greatly affected, as described in Section B of this chapter.

Vietnam did not give in to all of China's demands for severing links with Taiwan. In 2006, Vietnam resisted China and invited Taiwan to the Asia–Pacific Economic Cooperation (APEC), one of the most important forums for Taiwan as it had been barred from most international organizations and only held diplomatic relations with 21 countries. This incident resulted in China withholding its aid to Vietnam in 2007. Vietnam did, however, exclude the Taiwanese delegation from a breakfast meeting on November 16, 2006.<sup>46</sup>

Vietnam quietly continued its engagement of Taiwan by receiving high-level Taiwanese officials as well as sending its own officials to Taiwan. Table 3 shows the high-level visits by Vietnamese and Taiwanese officials from 1999 to 2015, compiled from volumes of Taiwan's *Foreign Policy Yearbook*. The majority of visits were made by Taiwanese officials with economic portfolios to Vietnam. The visits were likely made to

<sup>&</sup>lt;sup>43</sup> "Examples of China's Suppression of Taiwan in the International Arena over Recent Years," Mainland Affairs Council, Executive Yuan, November 1, 2007.

<sup>&</sup>lt;sup>44</sup> "Hanoi Faces Taipei Wrath after Caving in to Beijing - Taiwan Cuts off Technical Aid after Delegation's Visit to Vietnam Is Scrapped," *Straits Times*, May 10, 2007.

<sup>&</sup>lt;sup>45</sup> "Taiwan DPP Urges Reviewing Ties with Thailand, Vietnam after Visa Denials," *Taiwan News*, August 16, 2007.

<sup>&</sup>lt;sup>46</sup> "Taiwan Delegation Protests against Exclusion from APEC Breakfast Meeting," *Taiwan Central News Agency*, November 16, 2006.

promote Chen Shui-bian's revival of the "Southward policy," known also as the Go South policy, first launched by Lee Teng-hui to create more economic opportunities for Taiwan businesses in Southeast Asia.<sup>47</sup>

Bilateral cooperation also continued to take place in the 2000s. In 2004, Vietnam and Taiwan agreed to carry out marine research in coastal waters, and Taiwan offered to let Vietnamese researchers work at a marine center on the Pratas Islands in the South China Sea.<sup>48</sup>

Visitor		Position	Year
Lan Van Gu	(VN)	Director of Prime Minister's Office	1999
Vincent Siew	(TW)	President of the Executive Yuan	2000
Ting Mao Shih	(TW)	Secretary-General of Presidential Office	2000
Rao Yingqi	(TW)	President of Executive Yuan	2000
Lin Hsih-I	(TW)	Minister of Economic Affairs	2001
Pham Quang	(VN)	Vice Minister of Transport	2001
Tuyen			
Chiang Pin-kung	(TW)	Vice President of Executive Yuan	2002
Steve Chen	(TW)	Minister of Economic Affairs	2006
Ho Chih-chin	(TW)	Minister of Finance	2006
Chang Sheng-	(TW)	Minister of Finance	2013
ford			

Table 3.Notable Visits by Vietnamese and Taiwanese Officials<br/>from 1999 to 201549

<sup>&</sup>lt;sup>47</sup> "Go South' Strategy Threatened," *Taipei Times*, September 29, 2004.

<sup>&</sup>lt;sup>48</sup> "Taiwan, Vietnam Boost Research Ties," *Taipei Times*, December 15, 2004.

<sup>&</sup>lt;sup>49</sup> Adapted from author's own compilation from various issues of the *Republic of China Foreign Policy Yearbook* (1997–2015). Missing years indicate no data or no notable visits. There are no data for the period before 1997.

#### 2. Ma Ying-jeou's Term as President (2008–2016)

Vietnam continued to issue public statements on its commitment to the One-China policy after Ma Ying-jeou was elected as the president of Taiwan in March 2008. Similar to its strategy when Chen Shui-bian was the president, Vietnam also attempted to maintain economic ties to Taiwan. The Vietnamese Ministry of Foreign Affairs first responded to the election of Ma Ying-jeou in March 2008 by stating that "Vietnam consistently pursues the 'one China' policy; Taiwan is an inseparable part of China. The Government of the People's Republic of China is the sole legitimate government representing all China."<sup>50</sup> Subsequently, Vietnam continued to express its One-China policy in official statements, as shown in Table 4. As in 2000–2008, Vietnam usually issued these statements after meetings between Vietnamese and Chinese leaders. These statements reflected Vietnam's continued deference to China on Taiwan's status.

<sup>&</sup>lt;sup>50</sup> "Taiwan Is an Inseparable Part of China," Vietnam Ministry of Foreign Affairs, 2008.

Date	Subject	Verbatim Extract	Source
March 2008	In response to questions on the election of Ma Ying- jeou, Vietnam stated that it is committed to the One China policy.	"Vietnam consistently pursues the 'one China' policy; Taiwan is an inseparable part of China. The Government of the People's Republic of China is the sole legitimate government representing all China. Vietnam always supports China's great cause of national unification and welcomes efforts to improve the cross-strait relations, thus contributing to the maintenance of peace and stability in the region." <sup>51</sup>	Vietnam Ministry of Foreign Affairs, March 24, 2008.
June 2008	Vietnam and China on June 1 released a joint statement after General Secretary of the Communist Party of Vietnam Central Committee Nong Duc Manh visited China from May 30 to June 2.	"The Vietnamese side affirmed its consistent one-China policy and its support for the major cause of China unification and resolutely rejected activities targeting an independent Taiwan in any form; Vietnam has never developed and will not develop any official relations with Taiwan. The Chinese side welcomed Vietnam's stand." <sup>52</sup>	Vietnam Ministry of Foreign Affairs, June 9, 2008.
October 2013	Vietnam and China issued a joint statement after Chinese Premier Li Keqiang visited Vietnam from October 13–15, 2013.	"The Vietnamese side affirmed to consistently pursue a one-China policy, support the peaceful development of cross-Taiwan Strait relations and China's great cause of unification, and resolutely oppose actions for the 'independent Taiwan' in any form. Viet Nam does not develop any official ties with Taiwan. Viet Nam's stance was welcomed by the Chinese side." <sup>53</sup>	Vietnam Ministry of Foreign Affairs, October 18, 2013.

Table 4.Vietnam's Public Affirmation of the One-China Policy 2008–2016

<sup>&</sup>lt;sup>51</sup> Ibid.

<sup>&</sup>lt;sup>52</sup> "Vietnam, China Issue Joint Statement," Vietnam Ministry of Foreign Affairs, June 9, 2008.

<sup>&</sup>lt;sup>53</sup> "VN, China issue joint statement," Vietnam Ministry of Foreign Affairs, October 18, 2013.

Although observers generally speak of improved relations between Southeast Asian countries and Taiwan after Ma Ying-jeou became president, in the case of Vietnam there is little information to show that this happened. There were little political incidents documented between Vietnam and Taiwan, which reflects that Vietnam was relatively free of pressure from China to limit its engagement of Taiwan. However, there was only one official visit from 2008 to 2016 between the two countries, which was made by Taiwanese Minister of Finance Chang Sheng-ford in 2013. The lack of ministerial visits during Ma Ying-jeou's administration, compared to Chen Shui-bian's administration, is puzzling and does not corroborate conventional wisdom that there was an uptick in relations. Although improved cross-Strait relations gave rise to a conducive political climate for Vietnam and Taiwan to improve political relations, Ma Ying-jeou and his government's assertions of Taiwan's South China Sea claims were a barrier to bilateral relations. This dynamic is discussed in Section C.

# B. VIETNAM'S ECONOMIC TIES WITH TAIWAN

This section investigates economic relations between Vietnam and Taiwan in three dimensions: trade, investment, and labor flows. To explore whether there was a relative decline in the importance of the Taiwanese economy relative to China, Vietnam's trade and investment with China are also examined for comparison. Because the two countries are at different stages of development, Vietnam and Taiwan have complementary economies. Taiwan is a big manufacturer of consumer goods, such as motorcycles and footwear, and Vietnam is a source of raw material, such as rubber, and cheap labor.<sup>54</sup> Taiwan supplies Vietnam with raw material for its own manufacturing, such as petroleum and materials for the textile industry.<sup>55</sup> Vietnam also supplies a large number of migrant workers for Taiwan's industries, which are facing a shortage of labor. These factors have contributed to the trade between both countries, as well as Taiwanese investments in Vietnam.

<sup>&</sup>lt;sup>54</sup> Vietnam supplies Taiwan with rubber. See "Taiwan Potential Still Untapped," *Vietnam News*, December 21, 2013. Vietnam supplies Taiwan with a significant number of workers. See "Taiwan the Largest Importer of Vietnamese Migrant Workers," *Focus Taiwan*, March 3, 2016.

<sup>&</sup>lt;sup>55</sup> "Taiwan Potential Still Untapped," Vietnam News, December 21, 2013.

Earlier research has suggested that Taiwan's economic relations with Southeast Asia has declined since 1997.<sup>56</sup> The Asian financial crisis and Taiwan's termination of the construction of a fourth nuclear plant contributed to a decline in Taiwan's growth rates.<sup>57</sup> Trade with Southeast Asia did not grow as much as it did in the 1990s, and Taiwanese investment in the region declined.<sup>58</sup> While Vietnam's trade with Taiwan fit into this pattern of decline, unlike other Southeast Asian countries, Vietnam continued to attract an increasing amount of Taiwanese FDI into the country. Hence, Taiwan remained an important economic partner from 2000 up to 2016.

# 1. Rapidly Increasing Trade with China and Relative Decline in Trade with Taiwan from 2000

Vietnam's trade with Taiwan has grown 10–15 percent year to year; however, the growth in trade between Vietnam and China since 2000 has surpassed the value of trade between Vietnam and Taiwan.<sup>59</sup> Table 5 shows that over time, the percentage of Vietnam's trade with Taiwan as a percentage of total trade has gradually decreased. Trade between Vietnam and Taiwan was almost 9.5 percent of total trade in 1995, nearly two percentage points more than Vietnam's trade with China in the same year. However, in 2015, the share of Vietnamese–Taiwanese trade decreased over time to 3.5 percent. Vietnam's trade with China grew significantly; from 2000 to 2005, the value of Vietnam–China trade as a percentage of total trade in 2015. The value is equivalent to 34 percent of Vietnam's gross domestic product (GDP) in 2015, dwarfing the 6 percent equivalent of Vietnam–Taiwan trade.

Table 6 shows the top 10 trading partners to Vietnam in terms of value of goods traded. China was the third largest trading partner to Vietnam in 2000 while Taiwan was the fourth largest. By 2005, China had taken the top position while Taiwan had become

<sup>&</sup>lt;sup>56</sup> Samuel C. Y. Ku, "Political Economy Relations of Taiwan and China with Southeast Asia," in *China and Southeast Asia: Global Changes and Regional Challenges* (Singapore: Institute of Southeast Asian Studies, 2005), 268–269.

<sup>&</sup>lt;sup>57</sup> Ibid.

<sup>&</sup>lt;sup>58</sup> Ibid.

<sup>&</sup>lt;sup>59</sup> Refer to Table 5.

the fifth largest trading partner. In 2010 and 2015, China remained the top trading partner, and constant growth of Vietnam–Taiwan trade ensured that Taiwan remained the fifth largest trading partner.

Trade with <i>n</i> as a Percentage of Total Trade			Trade with <i>n</i> as a Percentage of GDP			ge			
1995	2000	2005	2010	2015	1995	2000	2005	2010	2015
				n = Ta	aiwan				
9.44	7.08	6.86	5.41	3.55	4.69	6.81	8.21	7.31	6.02
	n = China								
7.73	9.75	30.90	17.40	20.17	3.85	9.38	37.01	23.50	34.23

Table 5.	Percentage of Vietnam's Trade with Taiwan and China over
	Total Trade and GDP <sup>60</sup>

Table 6.	Vietnam's Top 10 Trading Partners 2000–2015
	(by Value of Goods Traded) <sup>61</sup>

No.	2000	2005	2010	2015
1	Japan	China	China	China
2	Singapore	Japan	United States	United States
3	China	United States	Japan	South Korea
4	Taiwan	Singapore	South Korea	Japan
5	South Korea	Taiwan	Taiwan	Taiwan
6	Australia	South Korea	Thailand	Thailand
7	Thailand	Thailand	Singapore	Singapore
8	United States	Australia	Malaysia	Germany
9	Germany	Malaysia	Australia	Hong Kong
10	Hong Kong	Germany	Germany	Malaysia

<sup>60</sup>Adapted from ASEAN Secretariat Macroeconomic Database and ASEAN statistics (https://data.aseanstats.org/), National Bureau of Statistics of the People's Republic of China (http://www.stats.gov.cn/), Taiwan Ministry of Economic Affairs (http://cus93.trade.gov.tw/FSCE000F/FSCE000F), United Nations Commodity Trade Statistics (https://comtrade.un.org/), World Bank (https://data.worldbank.org/) and World Trade Organization

<sup>61</sup> Adapted from Taiwan Ministry of Economic Affairs

<sup>(</sup>https://comtrade.un.org/), World Bank (https://data.worldbank.org/) and World Trade Organization (http://stat.wto.org/StatisticalProgram/WSDBStatProgramSeries.aspx?Language=E).

<sup>(</sup>http://cus93.trade.gov.tw/FSCE000F/FSCE000F) and United Nations Commodity Trade Statistics (https://comtrade.un.org/). Data for 1995 is not available.

Vietnam faces trade dependency with both Taiwan and China as it imports more than it exports. Although the value of Taiwan's trade with Vietnam has been less than China's trade with Vietnam since 2000, Taiwan has remained an important trade partner for Vietnam and has been committed to furthering trade and economic relations. For instance, Vietnam regularly receives Taiwanese officials in the country for cooperation opportunities.<sup>62</sup> In 2011, 72 Taiwanese enterprises visited Vietnam to explore trade and investment opportunities.<sup>63</sup> Commenting on the delegation, the Vietnam Chamber of Commerce stated that Vietnam has 500,000 businesses "ready to cooperate with the Taiwanese business community."<sup>64</sup> In 2013 alone, 550 Vietnamese businesses met Taiwanese businessmen from Taipei for talks on business opportunities in Vietnam.<sup>65</sup> One of the reasons behind continued cooperation is the rising cost of labor in China, where many Taiwanese firms have built factories. Taiwanese firms have been relocating to Vietnam, where there is a large supply of labor to keep operating costs low.<sup>66</sup>

# 2. Taiwan as a Major FDI Source in Vietnam since 2000

Taiwan remained one of the top investors in Vietnam in the 2000s and 2010s. Taiwan's investment in Vietnam has been increasing as more and more Taiwanese companies relocate to Vietnam. According to the Foreign Investment Agency in Hanoi, foreign-invested sectors created more than 200,000 jobs in 2008 and employed 1.4 million people.<sup>67</sup> Taiwan is a major contributor to the creation of jobs in Vietnam. To further attract Taiwanese investment, in 2007, the Vietnamese government approved the establishment of an office in Taiwan to promote investment.<sup>68</sup>

<sup>&</sup>lt;sup>62</sup> See Bureau of Foreign Trade, Taiwan Ministry of Economic Affairs, https://www.trade.gov.tw/English/

<sup>&</sup>lt;sup>63</sup> "Taiwanese Courting Vietnamese Business," Taiwan Ministry of Economic Affairs, October 20, 2011.

<sup>&</sup>lt;sup>64</sup> Ibid.

<sup>&</sup>lt;sup>65</sup> "Vietnam Promotes Ties with Taiwan," *Intellinews*, August 1, 2013.

<sup>&</sup>lt;sup>66</sup> "Taiwanese Firms Look South to Vietnam to Beat Costs," Taiwan Ministry of Economic Affairs, October 20, 2011.

<sup>&</sup>lt;sup>67</sup> "Foreign Direct Investment in Vietnam Triples in 2008: Gov't," China Post, December 27, 2008.

<sup>&</sup>lt;sup>68</sup> "Vietnam to Set up Investment Promotion Office in 'China's Taiwan,' *Xinhua News Agency*, May 14, 2007.

In 2008, foreign direct investment tripled in Vietnam, and a big part of the increase came from Taiwan.<sup>69</sup> Vietnam's Ministry of Foreign Affairs reported that Prime Minister Nguyen Tan Dung attended the ground-breaking ceremony for a \$7.8 billion Taiwanese-invested complex in central Ha Tinh province.<sup>70</sup> Dung commented on the scale of the steel-port development: "This is the biggest foreign-invested project in Vietnam in terms of both scale and investment capital. It is of great significance to Ha Tinh province in particular, and to the central region and the country in general in economic restructuring."<sup>71</sup> A year earlier, Vietnam had reported the opening of two factories, with a total investment of \$80 million, by Taiwan's Foxconn Group in Bac Ninh province.<sup>72</sup>

Taiwanese investment jumped by \$583 million over a five-year period from 2005 to 2010. Investment further increased to \$725 million in 2015, making Taiwan the fourth largest investor in Vietnam and contributing 6 percent of total investment in the country.<sup>73</sup> China's FDI has increased rapidly since 2010; however, it has invested only slightly more than half of what Taiwan invested in 2015 (see Table 7). Table 8 shows the top foreign investors in Vietnam in 2010 and 2015; Taiwan was the sixth largest investor in Vietnam in 2010 and the fourth largest investor in 2015. As of 2016, Taiwan has invested in 2,509 projects worth more than \$31 billion in Vietnam.<sup>74</sup>

<sup>&</sup>lt;sup>69</sup> "Foreign Direct Investment in Vietnam Triples," *China Post.* 

<sup>&</sup>lt;sup>70</sup> "PM Launches Taiwan-Invested Steel-Port Complex," Vietnam Ministry of Foreign Affairs, July 9, 2008.

<sup>&</sup>lt;sup>71</sup> Ibid.

<sup>&</sup>lt;sup>72</sup> "Foxconn inaugurates two hi-tech factories," Vietnam Ministry of Foreign Affairs, August 31, 2007.

<sup>&</sup>lt;sup>73</sup> Vietnam's total FDI in 2015 was 11.8 billion, according to the World Bank.

<sup>&</sup>lt;sup>74</sup> "About the Taipei Economic and Cultural Office in Vietnam," Taipei Economic and Cultural Office, Vietnam, May 26, 2016.

Table 7.	Amount of Taiwanese and Chinese Investment in Vietnam
	in Millions, USD <sup>75</sup>

Source Country	2005	2010	2015
China	20.8	115.14	381.01
Taiwan	93.9	677.51	725.04

Table 8.Top 10 Foreign Investors in Vietnam in Millions, USD (Flow)<sup>76</sup>

No.	Investor	2010	Investor	2015
1	Netherlands	1543.41	Republic of Korea	3488.0
2	Republic of Korea	1335.73	Malaysia	1285.0
3	Singapore	1078.31	Japan	954.95
4	Japan	1051.88	Taiwan	725.03
5	United States	927.09	Samoa	723.16
6	Taiwan	677.51	United Kingdom	658.91
7	Cayman Islands	292.19	Singapore	638.47
8	Virgin Islands	264.84	Virgin Islands	632.17
9	[Unknown]	192.45	Hong Kong	620.23
10	Malaysia	131.12	China	381.01

#### 3. Taiwan as a Major Destination for Vietnamese Labor since 2000

In 1999, Taiwan and Vietnam signed an agreement to allow Vietnamese labor into Taiwan.<sup>77</sup> Since then, Vietnamese migrant labor has quickly expanded to one of the major sources of workers for Taiwan.<sup>78</sup> In 1999, there were 131 Vietnamese workers in Taiwan.<sup>79</sup> In 2004, Vietnamese workers totalled 90,241, which made up 28.5 percent of

<sup>&</sup>lt;sup>75</sup> The 2005 data are from APEC (http://statistics.apec.org/index.php/bilateral\_linkage/index); the rest are from ASEAN statistics (https://data.aseanstats.org/). Data for 1995 and 2000 are not available.

<sup>&</sup>lt;sup>76</sup> Adapted from ASEAN statistics (https://data.aseanstats.org/). Data for 1995, 2000 and 2005 are not available.

<sup>&</sup>lt;sup>77</sup> Tran Thi Duyen, "Human Resources Cooperation between Vietnam and Taiwan: Situations, Problems and Solutions," in *Proceedings of ISER 55th International Conference*, Tokyo, Japan, March 2017, 2.

<sup>&</sup>lt;sup>78</sup> Ibid.

<sup>&</sup>lt;sup>79</sup> Ibid.

all foreign workers in Taiwan.<sup>80</sup> In 2005, Taiwan suspended the Vietnamese from working as domestic helpers and caregivers due to the high rate of turnover.<sup>81</sup> In 2008, Vietnam started a pilot project to train its workers for industries with a high demand for foreign workers, such as welding, hotel and restaurant services, health care, and electronics.<sup>82</sup> In 2010, the rate of Vietnamese labor entering Taiwan's market increased again to near 2004 levels; 80,030 Vietnamese workers entered Taiwan and made up 21.1 percent of all foreign workers in Taiwan.<sup>83</sup> In the last 16 years, Taiwan became the top destination for Vietnamese labor. In 2016, Taiwan was the largest importer of Vietnamese workers, employing a total of 184,920.<sup>84</sup> Vietnamese labor has also grown to become the second largest group in Taiwan as of 2016.

Vietnam's attempts to maintain economic relations with Taiwan are apparent. As mentioned earlier, Vietnam risked relations with China by inviting Taiwan for the 2006 APEC meeting to signal that Taiwan was an important member of the group. To keep investors interested in Vietnam, it has regularly invited Taiwanese businesses to the country and set up an investment office in Taiwan to promote the country. Vietnam also promptly apologized to Taiwan when Vietnamese protestors damaged Taiwanese factories during demonstrations targeted at China in May 2014.<sup>85</sup> In the aftermath of the incidents, Vietnam also discussed providing compensation for the affected Taiwanese businesses.<sup>86</sup> Bui Trong Van, head of the Vietnam Economic and Cultural Office in Taipei, noted that Taiwan had approximately \$28 billion worth of investment in Vietnam and that this investment has been important to both Taiwan and Vietnam.<sup>87</sup> Bui said in a

<sup>83</sup> Ibid.

<sup>&</sup>lt;sup>80</sup> Ibid.

<sup>&</sup>lt;sup>81</sup> Ibid.

<sup>&</sup>lt;sup>82</sup> "Pilot Project to Improve Guest Workers' Skills," Vietnam Ministry of Foreign Affairs, August 13, 2008.

<sup>&</sup>lt;sup>84</sup> "Taiwan the Largest Importer of Vietnamese Migrant Workers," *Taiwan Central News Agency*, March 3, 2016; see also Taipei Economic and Cultural Office, Vietnam, May 26, 2016.

<sup>&</sup>lt;sup>85</sup> "Vietnam Envoy to Taiwan Apologizes for Financial Losses Over Anti-China Protests," *Taiwan Central News Agency*, May 19, 2014.

<sup>&</sup>lt;sup>86</sup> Ibid.

<sup>87</sup> Ibid.

press conference that he hoped "Taiwanese businesses will continue to stay and invest in Vietnam."<sup>88</sup> Dependent on Taiwan for foreign capital and a destination for its excess labor, Vietnam hopes Taiwan investors neither pull out of Vietnam nor stop importing Vietnamese laborers after the incidents.<sup>89</sup>

# C. COMPETING CLAIMS OVER SOUTH CHINA SEA FEATURES

The first subsection traces Vietnam's South China Sea disputes with China and foreign policy approaches to deal with the disputes from 2000 to 2016. Prior to the late 2000s, Vietnam did not perceive China as a threat.<sup>90</sup> Since the late 2000s, with the escalation of conflicts in the South China Sea, Vietnam has regarded China's actions in the South China Sea as an increasing threat to its sovereignty. Vietnam has been trying to gain international support for its South China Sea cause by making use of ASEAN to internationalize its cause as well as signing bilateral partnerships with regional countries to cooperate on regional maritime security. Vietnam's actions show that it is increasingly trying to counter China; however, this strategy has not led Vietnam to pursue closer relations with Taiwan because of the latter's own South China Sea claims.

The second subsection looks at Vietnam's South China Sea disputes with Taiwan as well as Vietnam's public statements since 2000 to protest Taiwanese actions. Like China, Taiwan also claims a large swathe of the South China Sea, with parts overlapping Vietnam's claims. One major contention is Taiwan's control over the island of Itu Aba, also known as Taiping Island, to which Vietnam also lays claims. Although Taiwan has been trying to promote dialogue as a mechanism for achieving stability in the South China Sea through what has been called "ecological diplomacy," Taiwan has been undertaking actions to assert its sovereignty, for example, by visiting the islands under its control. In addition to Vietnam not cooperating with Taiwan on this issue, the competing claims between Vietnam and Taiwan were an obstacle to bilateral relations in the late 2000s into the 2010s.

<sup>88</sup> Ibid.

<sup>&</sup>lt;sup>89</sup> "Vietnamese Workers May Be Barred from Taiwan," China Post, May 20, 2014.

<sup>&</sup>lt;sup>90</sup> Evelyn Goh, "Southeast Asian Responses to China's Rise," in *The Rise of China and International Security* (Routledge, 2009), 167–68.

### 1. China

## a. Stable South China Sea Situation from 2000 to 2008

According to Ramses Amer, in the late 1990s, Vietnam and China made some progress in the management of the South China Sea disputes. In 2000, the year that Chen Shui-bian took office, no South China Sea incidents caused tensions between Vietnam and China. Amer attributes this easing to the greater efforts by both countries to manage conflicts in the South China Sea through "continued talks, exploring potential cooperation in certain fields, and by exercising mutual self-restraint."<sup>91</sup> In December 2000, Vietnam and China signed the "Joint Statement on All-Round Cooperation in the New Century," which included a section that affirmed the need to conduct peaceful negotiations to find a solution to the South China Sea disputes. From 2001 to 2008, although there were incidents between the two countries, Amer characterizes these incidents as causing only limited periods of tensions, with the situation remaining relatively stable.<sup>92</sup>

#### b. Increase in South China Sea Conflicts from 2008 to 2014

The intensity of the conflicts increased in the last decade, which also coincided with the period that Ma Ying-jeou was president. Le Hong Hiep details China's "increasing assertiveness" in a 2015 paper, looking at the period from 2007 to 2014 and listing 18 "major actions" carried out by the Chinese, of which five directly confront Vietnam.<sup>93</sup> Of note are the mid-2011 incidents during which Chinese ships cut the cables of Vietnamese survey vessels *Binh Minh 02* and *Viking II* in Vietnam's Exclusive Economic Zone (EEZ).<sup>94</sup> Thayer in a 2011 paper also details the incidents between Vietnam and China in the South China Sea, focusing on fishing disputes.<sup>95</sup> In 2009 alone,

<sup>&</sup>lt;sup>91</sup> Ramses Amer, "China, Vietnam, and the South China Sea: Disputes and Dispute Management," *Ocean Development and International Law* 45, no. 1 (2014): 20.

<sup>&</sup>lt;sup>92</sup> Ibid.

<sup>&</sup>lt;sup>93</sup> Le Hong Hiep, "Vietnam's Alliance Politics in the South China Sea," *Trends in Southeast Asia*, no. 6 (2015): 6–7.

<sup>94</sup> Ibid.

<sup>&</sup>lt;sup>95</sup> Carlyle A. Thayer, "The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011), 358.

China detained or impounded 33 Vietnamese fishing boats and 433 crew members<sup>96</sup>. China continued its "harassment" of the Vietnamese fishermen in 2010 and 2011, which included China seizing the Vietnamese fishermen's catch, fishing tools, and other navigational or maintenance items. In one incident that took place in July 2011, the Chinese navy crew allegedly beat a Vietnamese fishing boat captain after boarding his boat.

During this period, Vietnam sought cooperation with regional countries to gain support in its attempts to seek maritime security, especially against Chinese threats. Vietnam established strategic partnerships with South Korea, Thailand, Indonesia, and Singapore.<sup>97</sup> The strategic partnerships are usually wide-ranging and cover economic, political and military cooperation with the aim of promoting peace, stability and prosperity in the Asia-Pacific region. Vietnam's strategic partnership with Singapore explicitly calls for bilateral cooperation to maintain peace, freedom of navigation, maritime security in South China Sea as well as the resolution of disputes via international law.<sup>98</sup> In 2009 and 2013, Vietnam established comprehensive partnerships with Australia and the United States respectively.<sup>99</sup> As part of the Vietnam-U.S. comprehensive partnership, the U.S. would assist Vietnam in maritime capacity building by providing \$18 million to bolster the capacity of Vietnamese coastal patrol units and giving five fast patrol vessels to the Vietnamese Coast Guard.<sup>100</sup> It is also worth noting that Vietnam had established a strategic partnership with China in 2008.<sup>101</sup>

<sup>&</sup>lt;sup>96</sup> Vietnamese media reports in Thayer, "The Tyranny of Geography," 357.

<sup>&</sup>lt;sup>97</sup> Le Hong Hiep, "Vietnam's Hedging Strategy against China since Normalization," *Contemporary Southeast Asia* 35, no. 3 (2013): 356–359; and Manh Hung Nguyen, "New Context of Vietnam's National Security Challenges," *Trends in Southeast Asia*, no. 17 (2016).

<sup>&</sup>lt;sup>98</sup> "Joint Statement on the Establishment of a Strategic Partnership between the Socialist Republic of Viet Nam and the Republic of Singapore," Singapore Prime Minister's Office, September 12, 2013, http://www.pmo.gov.sg/newsroom/joint-statement-establishment-strategic-partnership-between-socialist-republic-viet-nam

<sup>&</sup>lt;sup>99</sup> Ibid.

<sup>&</sup>lt;sup>100</sup> "Fact Sheet: U.S.-Vietnam Comprehensive Partnership," U.S. Embassy and Consulate in Vietnam, December 16, 2013, https://vn.usembassy.gov/20131216factsheet-us-vietnam-comprehensive-partnership/

<sup>&</sup>lt;sup>101</sup> Le, "Vietnam's Hedging Strategy," 357.

## c. Turning Point in Vietnam's Perception of China in 2014

The conflicts between Vietnam and China culminated in 2014 when China stationed its deep-water drilling rig *Haiyang Shiyou 981* (HYSY-981) in Vietnam's EEZ and deployed more than 100 vessels to protect it.<sup>102</sup> According to Le, the level of aggression that China displayed was a level "unseen since the 1988 Sino-Vietnamese naval clash in the Spratlys."<sup>103</sup> In addition to deploying a huge arsenal of vessels, China also confronted Vietnamese vessels by ramming them and spraying water cannons at them. On May 26, a Vietnamese ship sank near the rig after being rammed by a Chinese vessel.<sup>104</sup> Vietnamese officials attempted repeatedly to contact their Chinese counterparts to no avail; China simply ignored Vietnam's protests on this matter.<sup>105</sup>

This incident was seen as a turning point in Vietnam–China relations. According to Vuving, "Sino–Vietnamese relations passed a point of no return" with the 2014 incident, shifting Vietnam's strategy from pursuing solidarity and engagement with China to a posture more inclined toward balancing.<sup>106</sup> It is hard to overstate the impact of the HYSY-981 incident on Vietnam. The incident sparked massive protests in Vietnam, with protestors setting fire to foreign-owned factories in Binh Duong province in attempts to destroy Chinese property; these demonstrations also destroyed Taiwanese factories, as mentioned previously. Vietnamese officials made frequent public statements to signal their opposition to the oil rig, reached out to ASEAN and the international community to publicize the issue and to garner support for itself, as well as directly confronted China by deploying maritime law enforcement vessels to the conflict sites.<sup>107</sup>

<sup>&</sup>lt;sup>102</sup> Le, "Vietnam's Alliance Politics," 7.

<sup>&</sup>lt;sup>103</sup> Ibid.

<sup>&</sup>lt;sup>104</sup> "Video Shows Vietnam Fishing Boat Sink after Collision with Chinese Vessel," *Reuters*, June 5, 2014.

<sup>&</sup>lt;sup>105</sup> Le, "Vietnam's Alliance Politics," 8.

<sup>&</sup>lt;sup>106</sup> Alexander L. Vuving, "The 2016 Leadership Change in Vietnam and Its Long-Term Implications," *Southeast Asian Affairs* (2017): 431.

<sup>&</sup>lt;sup>107</sup> Nhung T. Bui, "Managing Anti-China Nationalism in Vietnam: Evidence from the Media during the 2014 Oil Rig Crisis," *Pacific Review* 30, no 2 (2017): 174–175.

Vietnam continued to pursue what Hiep describes as "alliance politics."<sup>108</sup> Vietnam announced in 2015 that it would establish a strategic partnership with the Philippines, the only other ASEAN member at that time to take a hard stance against China on South China Sea claims.<sup>109</sup> Vietnam also engaged Japan extensively, and in August 2014 shortly after China removed the oil rig from the area, Japan announced the donation of six patrol boats for Vietnam to boost the latter's maritime defense capability.<sup>110</sup> Vietnam did not attempt to forge closer relations with Taiwan even after 2014. Instead, throughout the late 2000s and 2010s, Vietnam pursued its balancing strategy by reaching out to ASEAN members and regional powers such as Russia, India, Japan, and the United States.<sup>111</sup>

#### 2. Taiwan

# a. Stable South China Sea Situation in the Early 2000s and Escalation of Conflicts in the Late 2000s

Similar to the situation with China in the 2000s, there were very few documented disputes between Taiwan and Vietnam during this period. The first signs of friction showed in 2004 when Vietnam condemned Taiwan for constructing a tower in the Spratly Islands ostensibly for observing birds.<sup>112</sup> In response, Taiwan said it would not "respond militarily" to Vietnam's protest and would seek a peaceful resolution.<sup>113</sup> In 2007 and 2008, Vietnam made several protests against Taiwan for drill exercises, construction activities, and inspection tours on or near the Spratly Islands.<sup>114</sup> Research did not yield any counter protests by Taiwan. Although there were some disputes over the Spratly Islands during the 2000s, the overall situation was fairly stable and peaceful.

<sup>&</sup>lt;sup>108</sup> Le, "Vietnam's Alliance Politics," 1–27.

<sup>&</sup>lt;sup>109</sup> Ibid., 16.

<sup>&</sup>lt;sup>110</sup> Ibid., 17.

<sup>&</sup>lt;sup>111</sup> See Le, "Vietnam's Hedging Strategy," 333–68.

<sup>&</sup>lt;sup>112</sup> "Vietnam Protests to Taiwan over Spratlys' Building," Taipei Times, April 1, 2004.

<sup>&</sup>lt;sup>113</sup> "Taiwan Won't Fight Vietnam over Spratleys," UPI News Track, March 31, 2004.

<sup>&</sup>lt;sup>114</sup> See statements from the Vietnam Ministry of Foreign Affairs on February 14, 2007; September 13, 2007; and June 4, 2008.

# b. Increase in South China Sea Disputes between Vietnam and Taiwan in the 2010s

The 2010s saw a general escalation of tensions in the South China Sea. Table 9 shows the actions taken by Vietnam and Taiwan to assert South China Sea claims from 2007 to 2016. In 2011, Taiwan formed a task force to monitor the situation after Vietnam announced it would hold live-fire exercises on June 13, 2011, following a verbal dispute with China. In 2012, the start of Ma Ying-jeou's second term, there was an increase in Taiwanese actions to assert its sovereignty rights and claims in the South China Sea. In May 2012, Taiwan's Central News Agency reported that Ma Ying-jeou "reaffirmed Taiwan's sovereignty in the South China Sea" and vowed to use peaceful means to resolve the territorial disputes.<sup>115</sup> Following Vietnamese protests over Taiwan's exercise in the Spratly in July 2012, Taiwan reiterated its claim to Itu Aba in August 2012.

The actions, protests, and counter-protests surrounding the South China Sea from Vietnam and Taiwan carried into the mid-2010s. In June 2015, the Taiwanese Coast Guard launched new ships to patrol waters in the South China Sea.<sup>116</sup> Ma Ying-jeou even boarded one of the new ships to observe rescue drills in waters near Kaohsiung.<sup>117</sup> In January 2016, months before Ma Ying-jeou left office, Ma visited Itu Aba to assert Taiwanese sovereignty and promote it as an island capable of sustaining human habitation.<sup>118</sup>

On the one hand, Taiwan contributed to the easing of tensions in the South China Sea by promoting its South China Sea Peace Initiative, which calls for peaceful settlement of disputes through dialogue and consultations as well as freedom of navigation.<sup>119</sup> One the other hand, Taiwan has been a party to disputes and has taken some unilateral actions that escalated tensions. Vietnam did not publicly express interest

<sup>&</sup>lt;sup>115</sup> "Taiwan President Reaffirms Sovereignty over South China Sea Islands," *Taiwan Central News Agency*, May 20, 2012.

<sup>&</sup>lt;sup>116</sup> "Taiwan Coast Guard Launches New Ships as South China Sea Tensions Rise," *Reuters*, June 5, 2015.

<sup>&</sup>lt;sup>117</sup> "Taiwan Launches Ships amid South China Sea Tensions," *Nation*, June 8, 2015.

<sup>&</sup>lt;sup>118</sup> "Taiwan's Ma Ying-jeou Visits Disputed South China Sea island," BBC, January 28, 2016.

<sup>&</sup>lt;sup>119</sup> "Taiwan President Proposes South China Sea Peace Initiative," *Taiwan Central News Agency*, May 26, 2015.

in the peace initiative, however. It is likely that Vietnam sees the cooperation as unfeasible because of two reasons, one, Vietnam sees Taiwan's claims to the South China Sea in an equally bad light as it sees China's, two, Vietnam risks irrevocably angering China if it jumped onboard the initiative.

Date	Subject	Verbatim extract	Source
November 2004	Vietnam protests against Taiwan's construction of a tower in the Spratly islands.	"Any act taken at Truong Sa archipelago without Vietnam's approval is a violation of Vietnam's territorial sovereignty. Vietnam expresses its strong protest and demands Taiwan immediately put an end to its violation of Vietnam's territorial sovereignty, not execute similar activities at Truong Sa archipelago of Vietnam." <sup>120</sup>	Vietnam Ministry of Foreign Affairs, November 16, 2004.
February 2007	Vietnam protests against Taiwan's exercise in the Spratly Islands.	"Vietnam has sufficient historical evidence and a legal basis for asserting its sovereignty over the Paracel and Spratley Archipelagos. All activities undertaken in the Paracel and Spratley Archipelagos without the consent of Vietnam are in violation of Vietnam's sovereignty. Vietnam protests against these activities and demands that Taiwan does not conduct any similar exercises in the Spratley Archipelago of Vietnam." <sup>121</sup>	Vietnam Ministry of Foreign Affairs, February 14, 2007.

Table 9.Actions Taken by Vietnam and Taiwan to Assert South China SeaClaims from 2004 to 2016

<sup>&</sup>lt;sup>120</sup> "Vietnam Expresses Its Strong Protest to Violation of Vietnam's Territorial Sovereignty over Truong Sa," Vietnam Ministry of Foreign Affairs, November 16, 2004.

<sup>&</sup>lt;sup>121</sup> "Vietnamese spokesman decries Taiwan's live fire exercise in Spratleys," Vietnam Ministry of Foreign Affairs, February 14, 2007.

Date	Subject	Verbatim extract	Source
September 2007	Vietnamese protests against Taiwan's construction works in the Spratly Islands.	"Vietnam has protested Taiwan's resumption of its plan to build infrastructure facilities on the Truong Sa [Spratly] archipelago, island of Ba Binh, the Foreign Ministry spokesman Le Dung said on September 12." <sup>122</sup>	<i>Vietnam</i> <i>News</i> <i>Agency</i> , September 13, 2007.
June 2008	Vietnam protests against Taiwanese inspection of Itu Aba island.	"Vietnam strongly protests any activities violating the sovereignty of Vietnam over these archipelagos. We urge Taiwan to immediately cancel their inspection plan in the Truong Sa archipelagos."	Vietnam Ministry of Foreign Affairs, June 4 2008.
May 2011	Taiwan reiterates its claims to the Paracel Islands and the Spratly Islands.	"Ministry of Foreign Affairs of the Republic of China (Taiwan) reiterates that the Nansha Islands, the Shisha Islands, the Chungsha Islands and the Tungsha Islands, as well as their surrounding waters, sea beds and subsoil, are all an inherent part of the territory of the Republic of China (Taiwan)." <sup>123</sup>	Taiwan Ministry of Foreign Affairs, May 10, 2011.
May 2012	Ma Ying-jeou affirms Taiwan's sovereignty over South China Sea features.	"President Ma Ying-jeou on Sunday reaffirmed Taiwan's sovereignty in the South China Sea, vowing to adopt peaceful approaches to resolving territorial disputes amid growing tensions in the region." <sup>124</sup>	Taiwan Central News Agency, May 20, 2012.

<sup>&</sup>lt;sup>122</sup> "Vietnam Rejects Taiwan's Resumption of Building Plan on Spratly Islands," *Vietnam News Agency*, September 13, 2007.

<sup>&</sup>lt;sup>123</sup> "Ministry of Foreign Affairs of the Republic of China (Taiwan) reiterates that the Nansha Islands, the Shisha Islands, the Chungsha Islands and the Tungsha Islands, as well as their surrounding waters, sea beds and subsoil, are all an inherent part of the territory of the Republic of China (Taiwan)," Bureau of Consular Affairs, Ministry of Foreign Affairs, Republic of China (Taiwan), May 10, 2011.

<sup>&</sup>lt;sup>124</sup> "Taiwan President Reaffirms Sovereignty," Taiwan Central News Agency.

Date	Subject	Verbatim extract	Source
July 2012	Vietnam protests Taiwan's activities in the Spratly Islands.	"'Activities of parties in Truong Sa archipelago without Viet Nam's permission violate Viet Nam's sovereignty and international laws, especially the 1982 UN Convention on the Law of the Sea, go against the spirit of the Declaration on the Conduct of Parties in the East Sea (DOC) and cause tension in the East Sea,' the representative stressed. The representative also asked Taiwan to stop similar activities and plans." <sup>125</sup>	Vietnam Ministry of Foreign Affairs, July 21, 2012.
August 2012	Taiwan's releases statement on Itu Aba island.	"The Ministry of Foreign Affairs reiterated Taiwan's claim to Taiping Island yesterday, following a report by Vietnamese media that Taiwan's plan to conduct an exercise there was a violation of Vietnam's sovereignty over the island." <sup>126</sup>	<i>The China</i> <i>Post</i> (Taiwan), August 22, 2012.
January 2013	Taiwan protests Vietnam's claims to the South China Sea.	"The Ministry of Foreign Affairs (MOFA) expresses its serious concern and firm opposition over Vietnam's Law on the Sea, which erroneously places the Shisha (Paracel) Islands and Nansha (Spratly) Islands under Vietnam's sovereignty and jurisdiction." <sup>127</sup>	Taiwan Ministry of Foreign Affairs, Jan 7, 2013.

<sup>&</sup>lt;sup>125</sup> "Viet Nam Affirms Sovereignty over Truong Sa, Hoang Sa," Vietnam Ministry of Foreign Affairs, July 18, 2012.

<sup>&</sup>lt;sup>126</sup> "Taiwan Reiterates Claim over Disputed Island after Vietnam Media Report," China Post, August 22, 2012.

<sup>&</sup>lt;sup>127</sup> "The Republic of China (Taiwan) Protests Vietnam Law Claiming South China Sea Islands," Taiwan Ministry of Foreign Affairs, January 7, 2013, http://www.mofa.gov.tw/en/News\_Content.aspx?n=0E7B91A8FBEC4A94&sms=220E98D761D34A9A&s

<sup>=9</sup>D31DA5243EEFED1

Date	Subject	Verbatim extract	Source
June 2015	Taiwan commissions new ships for duty in the South China Sea.	"Taiwan's coast guard on Saturday commissioned its biggest ships for duty in the form of two 3,000-ton patrol vessels, as the island boosts defences amid concerns about China's growing footprint in the disputed South China Sea. The new vessels will be able to dock at a new port being constructed on Taiping Island, the largest of the naturally occurring Spratly Islands in the South China Sea, before the end of this year." <sup>128</sup>	<i>Reuters</i> , June 5, 2015.
December 2015	Taiwan's interior minister visits Itu Aba island.	"MOFA spokeswoman Eleanor Wang said Interior Minister Chen Wei-zen's visit to Taiping on December 12 was intended to inspect the construction results on the island and a move to exercise the R.O.C.'s sovereignty over it." <sup>129</sup>	Asia News Network, December 15, 2015.
March 2016	Vietnam protests Taiwan's tour of the Spratly Islands.	"Vietnam on Thursday hit back at Taiwan for taking international media on a tour of a disputed island in the South China Sea, saying the 'illegal and worthless' trip had further raised tensions in the hotly contested waters." <sup>130</sup>	Agence France- Presse, March 24, 2016.

<sup>&</sup>lt;sup>128</sup> "Taiwan Coast Guard Launches New Ships," *Reuters*, June 5, 2015.

<sup>&</sup>lt;sup>129</sup> "Taiping Island Taiwan's Territory, Inspection Tour No Other Countries' Business: MOFA," *Asia News Network*, December 15, 2015.

<sup>&</sup>lt;sup>130</sup> "Vietnam Slams 'Illegal' Taiwan Spratlys Tour," Agence France-Presse, March 24, 2016.

## **D. SUMMARY**

Vietnam–Taiwan relations were supported by economic cooperation particularly during Chen Shu-bian's presidency, and the robustness of Vietnam–Taiwan economic relations set the tone for overall relations. While there were political incidents between the two countries because China was pressuring Vietnam to limit its engagement of Taiwan, strong economic ties between Vietnam and Taiwan mitigated a downturn in relations. Although China's trade with Vietnam has surpassed Taiwan's trade with Vietnam, Taiwan has remained a very important economic partner with high levels of Taiwanese FDI in Vietnam and employment of large numbers of Vietnamese migrant workers. South China Sea conflicts between Vietnam and Taiwan were not a major issue obstructing cooperation during this period, and visits by Taiwanese officials to Vietnam to further economic cooperation took place regularly. Vietnam tried to balance its relations with China and Taiwan from 2000 to 2008 and maintained strong economic ties with Taiwan. Political relations diminished slightly as a result of China's pressure on Vietnam.

During Ma Ying-jeou's presidency, economic cooperation between Vietnam and Taiwan continued, with high levels of trade, FDI, and labor flows. There were few documented political incidents between Vietnam and Taiwan; however, relations did not seem to improve substantially. As already mentioned, there was only one ministerial visit made between 2008 and 2016. It was during this period that conflicts in the South China Sea escalated among China, Vietnam, and Taiwan. Despite its attempts to push for dialogue and other peaceful means of resolving the conflicts, Taiwan's assertion of its sovereignty rights prevented improvement in relations with Vietnam, unlike what it achieved with other Southeast Asia countries during this period. Competing claims between Vietnam and Taiwan also hindered progress in bilateral relations although the overall political situation in the region was conducive.

# III. SINGAPORE

This chapter analyzes Singapore's political, economic, and military interactions with Taiwan from 2000 to 2016 to investigate the conventional wisdom that Singapore's relations with Taiwan deteriorated during Chen Shui-bian's presidency (2000–2008) and improved during Ma Ying-jeou's presidency (2008–2016) because of the decline of Taiwan's economy relative to China as well as Chinese pressure on Southeast Asian countries with regard to conducting relations with Taiwan.

This chapter finds that all dimensions of Singapore's relations with Taiwan deteriorated from 2000 to 2008 because of the pro-independence policies taken by the Chen Shui-bian administration that created tense cross-Strait relations and contributed to insecurity in the Asia-Pacific region. From 2008, Singapore's relations with Taiwan improved when Ma Ying-jeou became President because Ma advocated a conciliatory approach toward China and eased cross-Strait tensions by promising a "no independence" stance.

The first section of this chapter examines Singapore's relations with Taiwan during the administrations of Chen Shui-bian and Ma Ying-jeou. It covers political conflicts between Singapore and Taiwan that arose from the two countries' different outlooks on Taiwan's independence and the One-China policy during Chen Shui-bian's administration. The first section also covers how Singapore–Taiwan relations improved from 2008 after Ma Ying-jeou's policies eased cross-Strait tensions, which gave Singapore space to engage Taiwan without invoking harsh criticism from China. The second section examines trade and investment relations between Singapore and Taiwan as compared to Singapore's economic relations with China. The free trade agreement—called the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Partnership (ASTEP)—signed between the two countries in 2013 is discussed as well. The third section looks at developments in military cooperation between Singapore and Taiwan from 2000 to 2016.

## A. POLITICAL RELATIONS BETWEEN SINGAPORE AND TAIWAN

Singapore's relations with Taiwan developed in the late 1960s and grew over the years, exceeding Taiwan's relations with its own diplomatic partners. Singapore and Taiwan enjoyed strong economic relations and unique military cooperation that continued after Singapore officially established diplomatic relations with China in 1990. Bilateral relations in the 1970s and 1980s were cemented by a number of common goals, including anti-communism, as well as a close personal friendship between Singapore's former Prime Minister Lee Kuan Yew and Taiwan's former President Chiang Ching-kuo.<sup>131</sup> Singapore–Taiwan political relations declined to some extent in the mid-1990s because of Lee Teng-hui's pro-independence sensibilities; Singapore was a staunch believer in the One-China policy and did not agree with Lee Teng-hui's "anti-status quo diplomacy."<sup>132</sup> However, economic and military relations remained strong with high levels of trade between the two countries and annual troop deployment in upwards of 15,000 Singaporean soldiers to Taiwan for military training.<sup>133</sup>

## 1. Chen Shui-bian's Term as President (2000–2008)

In Chen Shui-bian's first year of presidency, he articulated a conciliatory rhetoric toward Beijing and undertook a number of goodwill gestures, such as advancing the idea of "political integration" between China and Taiwan as well as lifting the ban on direct transportation, trade and postal links between Taiwan and China.<sup>134</sup> Singapore was encouraged by Chen's approach toward China and saw an opportunity for Singapore and Taiwan relations to continue on their positive trajectory. Noting the handover of power from the Kuomintang (KMT), a party with which Singapore's leadership was familiar, Singapore's Ministry of Foreign Affairs said to the DPP that "Singapore and Taiwan

<sup>&</sup>lt;sup>131</sup> Alan Chong, "Singapore's Relations with Taiwan 1965–2005," in *Ensuring Interests: Dynamics of China–Taiwan Relations and Southeast Asia*, eds. Ho Khai Leong and Hou Kok Chung (Kuala Lumpur: Institute of China Studies, University of Malaya, 2006), 177–200.

<sup>&</sup>lt;sup>132</sup> Ibid., 190.

<sup>&</sup>lt;sup>133</sup> "Fighter Crash Kills Crew, Singaporeans," *Taipei Times*, May 12, 2007.

<sup>&</sup>lt;sup>134</sup> Philip Yang, "Cross-Strait Relations under the First Chen Administration," in *Presidential Politics in Taiwan: The Administration of Chen Shui-bian*, eds. Steven M. Goldstein and Julian Chang (Connecticut: East Bridge, 2008), 206–207.

have enjoyed friendly relations for many years. We are confident that this will continue regardless of changes in the leadership in Taiwan."<sup>135</sup> However, the DPP government did not reciprocate as warmly, perceiving Singapore Senior Minister Lee Kuan Yew's comments about Taiwan as a snub. In June 2000, Senior Minister Lee announced that he would visit Taiwan but said that the visit was not to mediate between Taiwan and China.<sup>136</sup> He said pointedly, "I've had my fingers burnt, or rather my ears seared, trying to play a good Samaritan for Lee Teng-hui, so I'm cautious."<sup>137</sup> Senior Minister Lee also dismissed the possibility of inviting Chen Shui-bian to Singapore as that would have violated the One-China policy.<sup>138</sup> In response, during the process of confirming the senior minister's visit, Taiwan's foreign minister hinted that Lee would still be welcome in Taiwan although he was now "less friendly."<sup>139</sup> Annette Lu, Taiwan's vice president at the time, commented that foreign dignitaries should neither guide nor decide Taiwan's future, indirectly telling Lee Kuan Yew to stay out of cross-Strait matters.<sup>140</sup>

Shortly after Chen Shui-bian took office, Singapore also responded favorably to Taiwan's proposal for a free trade agreement; however, the plan would not come to fruition.<sup>141</sup> In an interview with Taiwanese news outlet *China Times* in October 2000, Senior Minister Lee Kuan Yew responded to a question regarding the future of Singapore–Taiwan relations, saying that relations between the new government in Taiwan and Singapore would exceed the bilateral relations under Lee Teng-hui.<sup>142</sup> Lee Kuan Yew also noted that "in the last six years, economic cooperation between Taiwan and Singapore ha[d] been at a low key."<sup>143</sup> Talks between Singapore and Taiwan on a

<sup>140</sup> Ibid.

<sup>143</sup> Ibid.

<sup>&</sup>lt;sup>135</sup> "Comments by Ministry of Foreign Affairs Spokesman in Response to Press Queries on the Taiwan Presidential Election on 18 March 2000," Singapore Ministry of Foreign Affairs, March 20, 2000.

<sup>&</sup>lt;sup>136</sup> Chong, "Singapore's Relations with Taiwan," 191.

<sup>&</sup>lt;sup>137</sup> Ibid.

<sup>&</sup>lt;sup>138</sup> Ibid.

<sup>&</sup>lt;sup>139</sup> Ibid.

<sup>&</sup>lt;sup>141</sup> "S'pore, Taiwan to 'Follow up' on Trade Plan," Straits Times, October 1, 2000.

<sup>142</sup> Ibid.

free trade agreement took place in early 2002, but by 2003, the talks had broken down.<sup>144</sup> In March 2002, Taiwan and Singapore held preliminary talks on the free trade agreement (FTA) and Taiwan's Board of Foreign Trade director Wayne Wu hoped that "significant progress" would be made by the end of 2002.<sup>145</sup> Ominously, in June 2002, China warned countries with which it had diplomatic ties against signing FTAs with Taiwan: "If such countries sign free-trade agreements with Taiwanese authorities, they are bound to bring political trouble on themselves."<sup>146</sup> Responding to a question by a reporter, Chinese Foreign Trade Minister Shi Guangsheng said that China was paying attention to recent attempts by Taiwan to sign FTAs with major economies. In October 2003, Senior Minister Lee Kuan Yew said that Singapore had welcomed talks on a FTA when Taiwan broached the topic, but the trade deal did not progress because Taiwan wanted to negotiate as a "political entity" instead of an "economic player."<sup>147</sup> Senior Minister Lee said that Singapore would maintain economic ties with Taiwan but would not confer official recognition of Taiwan as a sovereign entity.<sup>148</sup> The DPP government had wanted to use the name "Taiwan" during negotiations instead of a less politically sensitive name.<sup>149</sup> In 2010, when the Ma Ying-jeou administration was negotiating the FTA with Singapore, DPP lawmakers criticized the government's failure to use Taiwan's official name as well as the term "economic cooperation agreement" instead of "free trade agreement."150

The lack of progress toward an FTA reflected the contribution of Taiwan's political aspirations to the deterioration in Singapore–Taiwan relations. Singapore, as an

<sup>&</sup>lt;sup>144</sup> "Taiwan, Singapore Start Talks on FTA; Taipei Conducting Feasibility Study, Hopes for Progress on Deal by Year-End," *Business Times*, March 18, 2002.

<sup>&</sup>lt;sup>145</sup> Ibid.

<sup>&</sup>lt;sup>146</sup> "Beijing Warns against Trade Pacts with Taiwan; Countries Signing Free-Trade Pacts with Taiwan Are Bound to Bring Political Trouble on Themselves, Says Minister," *Straits Times*, June 22, 2002.

<sup>&</sup>lt;sup>147</sup> "S'pore-Taiwan FTA Scuttled by Politics: SM; By Wanting to Be Political Player, Taipei Has Closed Doors, He Says," *Business Times*, October 14, 2003.

<sup>148</sup> Ibid.

 <sup>&</sup>lt;sup>149</sup> Pasha L. Hsieh, "The Quest for Recognition: Taiwan's Military and Trade Agreements with
 Singapore under the One-China Policy," Singapore Management University School of Law, April 24, 2017,
 19.

<sup>&</sup>lt;sup>150</sup> "DPP Criticizes Plans for Taiwan Trade Agreement with Singapore; Deal Will Damage Sovereignty: DPP," *Taiwan News*, August 5, 2010.

adherent of the One-China policy could not accept Taiwan's request to present itself as a sovereign. Although in the 1960s–80s Singapore had pursued *de facto* diplomatic relations with Taiwan and continued to maintain such relations into the 2000s, Singapore was unwilling to go out of its way to accommodate the DPP's rhetoric of Taiwan's independence—because Singapore's leaders believed that this rhetoric would provoke a military reaction from China and threaten the peace and security of Asia.

Problems between Singapore and Taiwan continued in the subsequent years. In July 2002, Singapore refused to support Taiwan's admission to the World Trade Organization (WTO). According to a Chinese media report, Singapore had blocked Taiwan because China had pressured Singapore to do so.<sup>151</sup> However, Singapore's Ministry of Trade and Industry dismissed the report and said that the objection was due to discriminatory practices on the part of Taiwan.<sup>152</sup> Singapore pointed out that it had once supported Taiwan's bid to join the WTO in the early 1990s, but "blatant discrimination" forced Singapore to exercise its rights as a WTO Government Procurement Agreement member to safeguard its interests.<sup>153</sup> Taiwan had not offered Singapore the same concessions it was offering to the U.S., European Commission, Japan, Korea, Switzerland, Canada, Hong Kong, Norway and Iceland.<sup>154</sup> Singapore also said that Taiwan had not adequately addressed all of Singapore's concerns and requests.<sup>155</sup>

After Chen Shui-bian's first term, deadlock in disagreements with China over what constituted One-China and Chen's rejection of the 1992 Consensus clouded Taiwan's development of relations with mainland China.<sup>156</sup> Chen grew increasingly provocative, and the cross-Strait situation deteriorated with the DPP's unilateral moves to

155 Ibid.

<sup>&</sup>lt;sup>151</sup> "China Not Linked to Move against Chinese Taipei: MTI," Straits Times, June 8, 2002.

<sup>152</sup> Ibid.

<sup>&</sup>lt;sup>153</sup> Ibid.

<sup>&</sup>lt;sup>154</sup> "MTI: Why S'pore blocked Taiwan's bid to join GPA," The Business Times Singapore, June 8, 2002

<sup>&</sup>lt;sup>156</sup> Philip Yang, "Cross-Strait Relations under the First Chen Administration," in *Presidential Politics in Taiwan: The Administration of Chen Shui-bian*, eds. Steven M. Goldstein and Julian Chang (Connecticut: East Bridge, 2008), 203-223.

obtain de jure independence.<sup>157</sup> Disillusioned with the revisionist stance of the DPP government, Singapore increasingly took on a more critical position against Taiwan, especially after Chen Shui-bian launched a nationwide consultative referendum on the status of Taiwan that coincided with the March 2004 presidential election. In June 2004, outgoing Singapore Prime Minister Goh Chok Tong warned Taiwan against declaring independence and said that it would result in a war.<sup>158</sup> In July 2004, Singapore's new Prime Minister Lee Hsien Loong undertook a visit to Taiwan, after the fashion of previous prime ministers, to understand what was taking place domestically.<sup>159</sup> Prime Minister Lee addressed his hosts as "friends and contacts" and said that despite China's stiff rebuke, Singapore would not change its approach to conducting foreign relations.<sup>160</sup> Lee also said that Singapore seeks friendship with all countries, especially immediate neighbors and major powers.<sup>161</sup> While displaying a commitment to maintain relations with Taiwan, Lee nonetheless made it clear that Singapore would not support Taiwan if the latter initiated a conflict with China.<sup>162</sup> In September 2004, Singapore's Foreign Minister George Yeo entreated the United Nations General Assembly not to "allow the deteriorating relationship across the Taiwan Straits to get out of control."<sup>163</sup> Yeo pointedly said, "The push towards independence by certain groups in Taiwan is most dangerous because it will lead to war with mainland China and drag in other countries."<sup>164</sup> Table 10 shows some of the statements Singapore has made regarding Chen Shui-bian's presidency; for a longer listing, see Appendix B.

162 Ibid.

<sup>164</sup> Ibid.

<sup>157</sup> Ibid.

<sup>&</sup>lt;sup>158</sup> "Singapore Highlights Risk of War," South China Morning Post, June 6, 2004.

<sup>&</sup>lt;sup>159</sup> "S'pore Won't Back Taiwan Independence: PM Lee; His Recent Trip Was Aimed at Understanding a Tense Situation," *Business Times*, August 23, 2004.

<sup>&</sup>lt;sup>160</sup> China sharply criticized Lee Hsien Loong's visit publicly, sanctioned Singapore by cancelling officials' visits to Singapore, as well as prevented Singaporean officials from taking part in a number of events in China. "S'pore Won't Back Taiwan Independence," *Business Times*.

<sup>&</sup>lt;sup>161</sup> Ibid.

<sup>&</sup>lt;sup>163</sup> "Statement by Mr. George Yeo, Minister for Foreign Affairs of Singapore, to the 59th Session of the United Nations General Assembly, New York, 24 September 2004," Permanent Mission of the Republic of Singapore to the United Nations, September 27, 2004.

Following Yeo's address, already strained relations between Singapore and Taiwan plummeted further. Taiwan's Foreign Minister Mark Chen accused Singapore of currying favour with China, calling Singapore a country the size of a piece of snot.<sup>165</sup> In response, Singapore's Ministry of Foreign Affairs said other countries also believed Taiwan was "pursuing a dangerous course towards independence" and its "resort to intemperate language [could not] assuage these concerns."<sup>166</sup> The high-level conflict carried over to the Taiwanese society when protestors in Kaohsiung burned the Singapore flag to protest George Yeo's speech to the United Nations General Assembly.<sup>167</sup>

Table 10.Singapore's Public Affirmation of One-China Policy and<br/>Opposition to Taiwanese Independence 2000–2008

Date	Subject	Verbatim Extract	Source
March 2000	On the DPP winning the presidential election in 2000, the first by the opposition	"Singapore last night congratulated Mr Chen Shui-bian for winning the presidential election, which it said reflected the choice of the Taiwanese people. Asked about its impact on Singapore's one-China policy, the spokesman said the policy had been consistent and it remained unchanged. 'Singapore recognises that there is only one China and that Taiwan is part of China. The Government of the Republic of Singapore recognises the Government of the People's Republic of China."" <sup>168</sup>	Straits Times, March 19, 2000.
April 2000	On former Prime Minister Goh Chok Tong visiting China after the DPP won the presidential election in 2000.	"Mr Goh, on his part, has in the past two weeks been expressing concern that cross-Strait tension could destabilise Asia, and mar its hopes of economic recovery. He said yesterday: 'I was concerned that although this is an internal matter, how they handle this	<i>Straits</i> <i>Times</i> , April 18, 2000.

<sup>&</sup>lt;sup>165</sup> "Foreign Minister Slams Singapore," *Taipei Times*, September 28, 2004.

<sup>&</sup>lt;sup>166</sup> Ministry of Foreign Affairs Singapore, "MFA Spokesman's Comments" (press release), September 28, 2004, http://www.nas.gov.sg/archivesonline/speeches/view-html?filename=2004092801.htm.

<sup>&</sup>lt;sup>167</sup> "Singapore Flag Burned in Angry Protest," *Taipei Times*, October 2, 2004.

<sup>&</sup>lt;sup>168</sup> "What S'pore Said of Victory," Straits Times, March 19, 2000.

Date	Subject	Verbatim Extract	Source
		issue will affect the stability and security of Asia. We are in Asia and therefore, as the neighbours of China, are concerned.' He said that Singapore's position was clear: it recognised one China and that Taiwan was part of China." <sup>169</sup>	
June 2004	On deteriorating China–Taiwan relations	"Singapore Prime Minister Goh Chok Tong has issued a warning against Taiwan independence, saying it would result in a war and a permanent rise in Chinese nationalism and hostility." <sup>170</sup>	South China Morning Post, June 6, 2004.
August 2004	Singapore Prime Minister Lee Hsien Loong responds to China's criticism of his visit to Taiwan.	"Prime Minister Lee Hsien Loong yesterday reiterated Singapore's commitment to the One China policy and said that Singapore could not support Taiwan if the latter provoked a cross- Strait conflict. 'If a war breaks out across the straits, we will be forced to choose between the two sides. As a friend of both sides, any decision will be painful. But if the conflict is provoked by Taiwan, then Singapore cannot support Taiwan,' he said during his National Day Rally speech." <sup>171</sup>	Straits Times, August 23, 2004.
December 2007	"Singapore's 'One China' policy is clear and consistent. We remain firmly opposed to any unilateral move to alter the status of Taiwan. The proposal to put Taiwan's UN membership bid under the title 'Taiwan' to a referendum is provocative and irresponsible. It does not further Taiwan's interests in any way. It can only raise cross-strait tensions, reduce Taiwan even more isolated."172		Singapore Ministry of Foreign Affairs, December 24, 2007.

<sup>169</sup> "PM Goh Expects No Violence over Taiwan," Straits Times, April 18, 2000.

<sup>170</sup> "Singapore Highlights Risk of War," South China Morning Post, June 6, 2004.

<sup>171</sup> "S'pore Can't Back Taiwan If It Provokes Conflict; In Rally Speech, PM Outlines Reasons for Taiwan Visit and Reiterates Commitment to One China," *Straits Times*, August 23, 2004.

<sup>172</sup> "MFA Spokesman's Comments to media queries on the recent statements by the P5 opposing the Taiwan referendum, 24 December 2007," Singapore Ministry of Foreign Affairs, December 24, 2007.

Date	Subject	Verbatim Extract	Source
February 2008	Singapore Air Show	"Taiwan's state-run aerospace company has been forbidden from displaying the name 'Taiwan' on its booth or showing the national emblem on its exhibits at an aviation show being held in Singapore, a company official said Tuesday. The organizers of Singapore Airshow 2008 also banned a DVD recording of the March 2007 christening ceremony for the company's upgraded indigenous defence fighters presided over by President Chen Shui-bian, said Aerospace Industrial Development Corp. Vice President Hsu Yen-nien." <sup>173</sup>	Taiwan Central News Agency, February 20, 2008.

Table 11 shows the notable visits that were undertaken by Singaporean and Taiwanese leadership from 1997 to 2015. Singaporean leaders visited Taiwan regularly in the 1990s, and data compiled from Taiwan's *Foreign Ministry Yearbook* shows a continuous trend of such visits from 1997 to 2004, with a break in 2001. However, from 2004 to 2008, there were no visits made by either side. The Taiwanese Foreign Ministry attributed the lack of visits to Singaporean restraint after Beijing's harsh censure, but the suspension of visits was also due to Singapore–Taiwan tensions originating from conflicting views of the status of Taiwan. The aggressive Taiwanese media had also hurt Singapore–Taiwan interactions. Singapore had always advocated for a low-profile engagement of Taiwan to avoid offending China. The 2004 visit by Lee Hsien Loong was reported extensively by the Taiwanese media and caused Singapore discomfort. Commenting in 2008 on his frequent visits to Taiwan from the 1970s to the 1990s and the Taiwanese media, Lee Kuan Yew said, "When such visits are used by Taiwan's media to provoke Beijing, they set back Taiwan-Singapore interactions."<sup>174</sup>

<sup>&</sup>lt;sup>173</sup> "Taiwan' Banned in Singapore Air Show," *Taiwan Central News Agency*, February 20, 2008.

<sup>&</sup>lt;sup>174</sup> "Taiwan-Singapore FTA Hinges on Cross-Strait Ties," China Post, May 9, 2008.

Visitor		Position	Year
Goh Chok Tong	(SG)	Prime Minister	1997 (Transit)
Tony Tan	(SG)	Deputy Prime Minister	1997
Lien Chan	(TW)	Vice President	1998
Goh Chok Tong	(SG)	Prime Minister	1998
Lee Kuan Yew	(SG)	Senior Minister	1998
S.R. Nathan	(SG)	Ambassador-at-Large	1999
Lee Kuan Yew	(SG)	Senior Minister	2000
Chiang Pin-Kung	(TW)	Vice President of Legislative Yuan	2002
Lee Kuan Yew	(SG)	Senior Minister	2002
Mah Bow Tan	(SG)	Minister for National Development	2002
Lee Hsien Loong	(SG)	Deputy Prime Minister	2004
Lien Chan	(TW)	Representative of President	2009
Yiin Chii-Ming	(TW)	Minister of Economic Affairs	2010
Lien Chan	(TW)	Representative of President	2011
Lee Kuan Yew	(SG)	Minister Mentor	2011
Ma Ying-jeou	(TW)	President	2015 (Lee Kuan
			Yew's Funeral)

Table 11.Notable Visits by Singaporean and Taiwanese Officials from 1997<br/>to 2015175

Singapore continued to object to the DPP government's attempts to obtain greater diplomatic recognition and the policy of independence for Taiwan into the late 2000s. According to a Taiwanese online news and commentary website, in 2006 Chen Shui-bian was refused transit by Singapore, and the Taiwanese community in Singapore had to take an hour-long boat ride to Batam, an Indonesian island near Singapore, to meet with Chen. When the DPP government attempted to put Taiwan's United Nations membership bid to a referendum, in December 2007, Singapore condemned the attempt as "provocative and irresponsible."<sup>176</sup> In February 2008, Singapore refused to let Taiwan's state-run aerospace company display the name "Taiwan" in English at the Singapore Airshow and

<sup>&</sup>lt;sup>175</sup> Adapted from author's own compilation from various issues of the *Republic of China Foreign Policy Yearbook* (1997–2015). Missing years indicate no data or no notable visits. There are no data for the period before 1997.

<sup>&</sup>lt;sup>176</sup> MFA Spokesman's Comments to media queries on the recent statements by the P5 opposing the Taiwan referendum, 24 December 2007," Singapore Ministry of Foreign Affairs, December 24, 2007.

only allowed the booth to use the Chinese version.<sup>177</sup> Singapore also banned a DVD recording of an event that Chen Shui-bian had presided over.<sup>178</sup>

## 2. Ma Ying-jeou's Term as President (2008–2016)

Ma Ying-jeou and the KMT had a very different view of Taiwan independence and cross-Strait relations. Ma Ying-jeou and the KMT's One-China position was the basis for cross-Strait negotiations for decades.<sup>179</sup> To ease cross-Strait tensions, Ma expressed that his administration would maintain the status quo by adhering to a "no unification, no independence, and no use of force" framework.<sup>180</sup> China responded favorably, and throughout Ma's first term, important breakthroughs were made in cross-Strait rapprochement such as a transportation agreement that would allow regular weekend charter flights between Taiwan and China. ASEAN countries responded favorably, issuing a statement in 2008 that read, "We welcome the positive development in relations across the Taiwan Strait. We expressed our hope that cross-Strait relations would continue to improve."<sup>181</sup> The Singaporean government also expressed its positive sentiments for Ma's conciliatory cross-Strait policies.<sup>182</sup> Table 12 shows Singapore's congratulatory statements and responses to the resumption of FTA negotiations with the new KMT-led government.

<sup>&</sup>lt;sup>177</sup> "'Taiwan' Banned in Singapore Air Show," *Taiwan Central News Agency*.<sup>178</sup> Ibid.

<sup>&</sup>lt;sup>179</sup> "The Real Reason the Xi-Ma Meeting Was Historic," *Diplomat*, November 9, 2015.

<sup>&</sup>lt;sup>180</sup> Ralph Cossa, "Looking behind Ma's 'Three Noes," *Taipei Times*, January 28, 2008.

<sup>&</sup>lt;sup>181</sup> Jing, "Taiwan and Southeast Asia," 36.

<sup>&</sup>lt;sup>182</sup> "Cross-Strait Development Applauded by Singapore," *China Post*, December 15, 2008.

Date	Subject	Verbatim Extract	Source
March 2008	Ma Ying-jeou's electoral victory	"Singapore last night congratulated Kuomintang candidate Ma Ying-jeou on his election as President and said it looked forward to better cross-Strait relations. 'We welcome the successful conclusion of Taiwan's presidential election on 22 March 2008 and congratulate Dr Ma Ying-jeou on his election,' a Ministry of Foreign Affairs statement said in response to media queries. 'As a long-standing friend of Taiwan, Singapore will continue to maintain good relations with Taiwan based on our 'One China' policy.'" <sup>183</sup>	<i>Straits</i> <i>Times</i> , March 23, 2008.
March 2008	On Ma Ying-jeou's announcement to resume FTA negotiations with Singapore	"FTAs with customs territories such as Taiwan are permissible under WTO rules. There were some preliminary discussions in 2001, but they ceased when the Chen Shui-bian administration tried to go beyond the WTO framework and politicised the issue. There have been no discussions since then. Furthermore, many developments under the Chen Shui-bian administration have since caused serious strains in cross- strait relations. But Dr Ma Ying-jeou has recently proposed that Taiwan and China discuss an FTA. China has not rejected this. If Taiwan and the Mainland are able to make progress on an FTA and cross-strait relations improve, there will be many possibilities for enhanced economic cooperation between Singapore and Taiwan, provided that economic matters are not politicised." <sup>184</sup>	Singapore Ministry of Foreign Affairs, March 28, 2008.

Table 12.	Public Statements by	Singapore on Ma	Ying-jeou's Presidency

<sup>&</sup>lt;sup>183</sup> "Singapore Congratulates Winner Ma," *Straits Times*, March 23, 2008.

<sup>&</sup>lt;sup>184</sup> "MFA Spokesman's Comments on Taiwan President-Elect Dr Ma Ying-Jeou's Announcement to Resume FTA Negotiations with Singapore," Singapore Ministry of Foreign Affairs, March 28, 2008.

Date	Subject	Verbatim Extract	Source
November 2008	Cross-Strait relations	"Singapore on Friday welcomed the successful conclusion of the first-ever cross-Strait talks held in Taiwan and the four agreements signed between the two sides." <sup>185</sup>	<i>Xinhua</i> <i>News</i> <i>Agency</i> , November 7, 2008.

After a four-year hiatus, leadership visits resumed in 2009. That year, Lien Chan, senior KMT politician and former vice president of Taiwan, visited Singapore as a representative of Ma for the APEC summit in November. The meeting was significant for a number of reasons. Unlike the 2006 APEC meeting where China pressured Vietnam to withdraw the invitation to Taiwan, China did not pressure Singapore to limit Taiwanese participation for this event. Not only were Chinese leaders more comfortable interacting with the KMT, which had advocated reunification with China under conditions; China also saw this as an opportunity to show "goodwill" to the KMT government, which was working to ease cross-Strait tensions.<sup>186</sup> Lien Chan had previously met CPC Secretary-General Hu Jintao in 2005 in a high-profile visit to China, the first time a KMT leader had met his CPC counterpart since 1945—when Chiang Kai-shek had met Mao Zedong.<sup>187</sup> At the event, Lien Chan met Hu Jintao at the sidelines of the APEC meeting, the first time that Taiwanese leaders had met Chinese leaders at an international forum. The atmosphere of the meeting was highly positive; acknowledging Lien Chan's efforts in promoting cross-Strait relations, Hu Jintao proposed a "cross-Strait economic cooperation framework agreement" and said that "cross-Strait ties [were] facing an important and historic opportunity for development."188

The easing of cross-Strait tensions during Ma Ying-jeou's presidency and the transition back to a KMT government saw Singapore's leaders engaging Taiwan more,

<sup>&</sup>lt;sup>185</sup> "Singapore Welcomes Cross-Strait Talks in Taiwan," Xinhua News Agency, November 7, 2008.

<sup>&</sup>lt;sup>186</sup> Edward Cody, "Nationalists Return to Chinese Mainland," *Washington Post*, April 27, 2005; and "China, Taiwan Hold Goodwill Meeting at APEC Summit," *Reuters*, November 21, 2008.

<sup>&</sup>lt;sup>187</sup> "Lien Visit Warms Taiwan-China Prospects," BBC, May 3, 2005.

<sup>&</sup>lt;sup>188</sup> "Hu Jintao Meets with Lien Chan in Singapore," Mission of the People's Republic of China to the European Union, November 14, 2009.

both in private and in official capacities. In 2011, Lien Chan visited Singapore as the president's representative—although it was not publicized and the purpose of the visit was not clear. In the same year, Minister Mentor Lee Kuan Yew also visited Taiwan on a "private visit" and met Lien Chan, Ma Ying-jeou, and Vincent Siew (then vice president) on separate occasions. Publicity for the visits were kept to a minimum. Singapore's *Straits Times* wrote that Lee complimented Lien for the latter's contribution to the improvement of cross-Strait ties.<sup>189</sup> Lee also "affirmed Mr Siew's contribution to Taiwan's economic development and the improvement of cross-Strait ties over the past three years."<sup>190</sup>

There was a break in official visits from 2012 to 2014, likely due to Lee Kuan Yew's failing health. The year 2015 saw two significant visits by Ma to the city-state, one for the funeral of Lee Kuan Yew in March and one for the historic meeting with Chinese President Xi Jinping in November. Ma's visit to Singapore for Lee Kuan Yew's funeral was in his capacity as a friend of the family, and he attended the private wake instead of the state funeral. Kept low key because of the significance of the trip—Ma was the first sitting president to visit Singapore in 26 years—the visit was publicized and picked up by Taiwanese news media only after Ma's plane had departed Taiwan. According to several news articles, China did not sound a strong protest and only said that China believed Singapore would "act in accordance with the 'one China' principle."<sup>191</sup> Likely, China did not harshly criticize the visit for a combination of reasons: the low profile of the visit, the fact that it was a funeral event, and the relatively good relations between the Ma and Chinese leaders as compared to Chen Shui-bian's term.

Cross-Strait relations had progressed to a level that Singapore was able to sign a free trade agreement with Taiwan in 2013, after negotiations had been shelved in 2003. The agreement, ASTEP, was widely believed to have been made possible with the tacit

<sup>&</sup>lt;sup>189</sup> "MM Lee Meets Lien Chan on Private Visit," Straits Times, April 2, 2011.

<sup>&</sup>lt;sup>190</sup> "MM Lee Affirms Taiwan V-P's Contributions," Straits Times, April 3, 2011.

<sup>&</sup>lt;sup>191</sup> Faith Hung and Lee Rou Urn, "Taiwan president pays last respects to Singapore's Lee, China shrugs off," *Reuters*, March 23, 2015.

approval of Beijing. In 2010 when talks were beginning between Taiwan and Singapore, Beijing did not protest but said only it believed that Singapore would continue to "apply a One China policy and, based on that, handle economic and trade relations with Taiwan in an appropriate manner." ASTEP is discussed further in a subsequent section.

#### 3. Relations between Singapore's PAP Leadership and Taiwan's KMT

One of the key observations that emerged from studying Singapore–Taiwan relations in the last 16 years is that the upper echelon of Singapore's People's Action Party (PAP) leadership has a good relationship with the KMT, and this relationship is one of the contributing factors to good Singapore–Taiwan relations. In 2005, when Singapore and Taiwan relations were at one of their lowest points following the name-calling incident triggered by Taiwan's Foreign Minister Mark Chen, KMT Chairman Lien Chan visited Singapore and met with Minister Mentor Lee Kuan Yew.<sup>192</sup> The visit was low-profile, and Lien went to Singapore to give a speech at the Lee Kuan Yew School of Public Policy. Lien also met Lee Kuan Yew for dinner, and the two leaders arranged to discuss China–Taiwan relations.<sup>193</sup>

In 2008, a few months after Ma Ying-jeou's inauguration as president, Singapore and Taiwan set up a parliamentary friendship association to promote bilateral relations.<sup>194</sup> The association is made up of 57 Taiwanese legislators and chaired by a KMT legislator.<sup>195</sup> Commenting on the association, then Taiwanese Deputy Foreign Minister Andrew Hsia said that the Taiwan had a "special friendship" with Singapore.<sup>196</sup> Singapore's Trade Representative in Taipei noted that Singapore had a long history of cooperating with Taiwan in the business, economic and cultural spheres and that many Singaporean companies were keen on business opportunities in Taiwan.<sup>197</sup>

<sup>&</sup>lt;sup>192</sup> "Taiwan Opposition Leader Meets Lee Sr. over China," Singapore Window, April 17, 2005.

<sup>&</sup>lt;sup>193</sup> Ibid.

<sup>&</sup>lt;sup>194</sup> "Taiwan, Singapore set up parliamentary group to boost relations," *Taiwan Central News Agency*, October 3, 2008.

<sup>195</sup> Ibid.

<sup>196</sup> Ibid.

<sup>&</sup>lt;sup>197</sup> Ibid.

The meeting between Ma Ying-jeou and Xi Jinping that took place in Singapore on November 7, 2015, reflected not only the progress made in cross-Strait relations since Ma Ying-jeou took office but also the good relations between Singapore and Taiwan. According to the Singapore Ministry of Foreign Affairs, Singapore was asked by both China and Taiwan to provide the venue for the meeting.<sup>198</sup> Besides pragmatic considerations, Singapore was trusted by the KMT government to arrange the Ma–Xi meeting because the same Singaporean government also facilitated the 1993 meeting between Taiwan's Straits Exchange Foundation chairman Koo Chen-Fu and China's Association for Relations across the Taiwan Straits chairman Wang Daohan.<sup>199</sup> The 1993 meeting was arranged by Ma Ying-jeou when he was deputy chairman of Taiwan's Mainland Affairs Council and significant for establishing direct talks between Taiwan and China since 1949.<sup>200</sup>

The Ma–Xi meeting also revealed the personal friendship between Ma Ying-jeou and Lee Hsien Loong. In a Facebook post by Lee, he addressed Ma as an "old friend," and Ma called Lee the same in a comment made under the post.<sup>201</sup> Ma also said in the comment that "Singapore [had] played a vital role in facilitating and witnessing peaceful development across the Taiwan Strait. Without you [Lee Hsien Loong] and your father [Lee Kuan Yew], none of this could have happened."<sup>202</sup> Earlier, on March 22, 2015, commenting on the passing of Lee Kuan Yew, Ma posted a picture of himself and Lee on his Facebook with a long caption that included a comment about how Taiwan–Singapore relations were based on the close friendship between Chiang Ching-kuo and Lee.<sup>203</sup>

<sup>&</sup>lt;sup>198</sup> "Xi-Ma Meeting in Singapore a 'Milestone' in Ties," *Straits Times*, November 5, 2015.

<sup>&</sup>lt;sup>199</sup> "The Xi-Ma Meeting: Why Singapore?" *Diplomat*, April 2, 2011.

<sup>&</sup>lt;sup>200</sup> Richard C. Bush, "Two Chinese Leaders Walk into a Room: The Singapore Meeting between Ma Ying-Jeou and Xi Jinping," *Brookings Institution*, November 4, 2015, https://www.brookings.edu/blog/order-from-chaos/2015/11/04/two-chinese-leaders-walk-into-a-room-the-

singapore-meeting-between-ma-ying-jeou-and-xi-jinping/

<sup>&</sup>lt;sup>201</sup> See https://www.facebook.com/leehsienloong/posts/997541623641877:0.

<sup>&</sup>lt;sup>202</sup> Ibid.

<sup>&</sup>lt;sup>203</sup> See https://www.facebook.com/MaYingjeou/photos/

a.140389499356524.27404.118250504903757/913491062046360/?type=3&theater.

It is evident that personal affinities played an important role in the establishment and maintenance of relations between Singapore and Taiwan. The "Lee Kuan Yew– Chiang Ching-kuo connection" was broken when Chiang passed away and Lee Teng-hui, the new leader of the KMT-led government, did not share Chiang and Lee Kuan Yew's vision of a unified One-China.<sup>204</sup> Political relations between Singapore and Taiwan deteriorated under Lee, compared to their peak in the 1980s, but the deterioration was insignificant compared to the decline under the DPP government under Chen Shui-bian. Singapore was unable to establish rapport with the DPP government as it had with the KMT. To understand why the PAP was able to establish close ties with the KMT, the analysis of Professor Alan Chong is worth quoting at length:

Neither personal ties, nor closed elite ties for that matter, could dictate foreign policy making behind closed doors in the manner of a Lee Kuan Yew–Chiang Ching-kuo connection. Since independence, closed foreign policy decision-making has been Singapore's style and this has been reinforced by the ruling People's Action Party's hegemonic position within the Republic's guided democracy. The challenges posed by Lee Teng-hui's and Chen Shui-bian's populist foreign policies to the Singaporean political elite exceeded the latter's preferences.<sup>205</sup>

## B. SINGAPORE'S ECONOMIC TIES WITH TAIWAN

In the 1990s, Taiwan's economic relations with Southeast Asia flourished. Taiwan signed an investment protection agreement and double taxation avoidance agreement with Singapore in the 1990s.<sup>206</sup> Over the next two decades, Singapore signed 15 more economic agreements with Taiwan.<sup>207</sup> Singapore was a major destination for Taiwan after the 1997 Asian Financial Crisis; many Taiwanese investors pulled out of countries badly affected and wanted a more secure location for investment.<sup>208</sup> With increased Taiwanese investment in Singapore, Singapore–Taiwan trade also increased.

<sup>&</sup>lt;sup>204</sup> Chong, "Singapore's Relations with Taiwan 1965–2005," 197.

<sup>&</sup>lt;sup>205</sup> Ibid.

<sup>&</sup>lt;sup>206</sup> Hsieh, "The Quest for Recognition," 18.

<sup>&</sup>lt;sup>207</sup> Ibid.

<sup>&</sup>lt;sup>208</sup> Leszek Buszynski, "Taiwan's Economic Diplomacy towards ASEAN" (working paper), IUJ Research Institute, Asia Pacific Series no. 19, http://nirr.lib.niigatau.ac.jp/bitstream/10623/31207/1/2011\_2\_iuj1\_002.pdf

Singapore's trade with Taiwan was often much higher than Singapore–China trade in the 1990s.<sup>209</sup>

# 1. Rapidly Increasing Trade with China and Relative Decline in Trade with Taiwan from 2000

Taiwan was an important trade partner to Singapore in the 1990s, but the booming Chinese economy and manufacturing industry expanded Singapore–China bilateral trade exponentially in the next decade. By 2000, China had overtaken Taiwan in trade volume to become Singapore's fifth largest trading partner. Table 13 shows Singapore's top ten trading partners from 1995 to 2015 in terms of total volume of merchandise goods traded. To provide a comparison over time, statistics for 1995 have been included. In 1995, Taiwan was Singapore's eighth largest trading partner, and China was one place behind Taiwan. At the start of Chen Shui-bian's term, China's trade with Singapore had already surpassed the latter's trade with Taiwan, becoming Singapore's fifth largest trading partner. While Taiwan's trade volume with Singapore hovered between seventh and tenth place, even after the 2013 bilateral free trade agreement, China's trade volume with Singapore grew steadily over the years. In 2015, China became Singapore's largest trade partner. Table 14 shows the percentage of Taiwan's and China's trade with Singapore over total trade. While both Taiwan's and China's contribution to Singapore's total trade has increased since 2000, the percentage of China's trade has increased significantly. As a percentage of Singapore's GDP, the value of Taiwan's trade has been on a downward trend since 2005. In contrast, the value of China's trade grew from 13 percent in 2000 to 30 percent in 2015. These statistics show that although Taiwan's trade with Singapore remained more or less the same across years, the relative position of Taiwan's trade visà-vis China's has declined.

<sup>&</sup>lt;sup>209</sup> Ibid.

No.	1995	2000	2005	2010	2015
1	Malaysia	Malaysia	Malaysia	Malaysia	China
2	USA	USA	USA	China	Malaysia
3	Japan	Japan	China	USA	USA
4	Hong Kong	Hong Kong	Indonesia	Indonesia	Indonesia
5	Thailand	China	Japan	Hong Kong	Hong Kong
6	ROK	Thailand	Hong Kong	Japan	Japan
7	Germany	Taiwan	Thailand	ROK	ROK
8	Taiwan	ROK	ROK	Thailand	Taiwan
9	China	Germany	Taiwan	India	Thailand
10	UK	Philippines	Germany	Taiwan	India

Table 13.Singapore's Top 10 Trading Partners 1995–2015<br/>(by Value of Goods Traded)210

Table 14.Percentage of Singapore's Trade with Taiwan and China over<br/>Total Trade and GDP 211

Trade with <i>n</i> as a Percentage of total trade			Т	rade wit	h <i>n</i> as a I of GDP	Percentag	ge		
1995	<b>1995 2000 2005 2010 2015</b>			1995	2000	2005	2010	2015	
				n = T	aiwan				
3.03	3.84	3.02	2.97	3.78	8.38	10.92	10.20	8.34	8.20
	n = China								
2.8	4.5	9.3	10.5	13.9	7.7	13.0	31.6	29.6	30.26

<sup>210</sup> Adapted from Taiwan Ministry of Economic Affairs

<sup>(</sup>http://cus93.trade.gov.tw/FSCE000F/FSCE000F) and United Nations Commodity Trade Statistics (https://comtrade.un.org/). Data for 1995 are not available.

<sup>&</sup>lt;sup>211</sup> Adapted from ASEAN Secretariat Macroeconomic Database and ASEAN statistics (https://data.aseanstats.org/), National Bureau of Statistics of the People's Republic of China (http://www.stats.gov.cn/), Taiwan Ministry of Economic Affairs (http://cus93.trade.gov.tw/FSCE000F/FSCE000F), United Nations Commodity Trade Statistics

<sup>(</sup>https://comtrade.un.org/), World Bank (https://data.worldbank.org/) and World Trade Organization (http://stat.wto.org/StatisticalProgram/WSDBStatProgramSeries.aspx?Language=E).

Singapore is extremely trade dependent because it has virtually no natural resources. At 407.9 percent, Singapore has the highest trade-to-GDP ratio in the world.<sup>212</sup> As such, Singapore is extremely sensitive to the growth and decline of its major trading partners. Singapore is increasingly reliant on China as an engine of growth as China's economy expands. Comparatively, Taiwan's own economic growth is faltering. Although still an important economy in Asia, Taiwan's growth rate has fallen by half every decade since the 1990s and is behind that of Singapore's and China's.<sup>213</sup> Taiwan started its growth trajectory on the backs of electronics producers (original equipment manufacturers) and continues to export large numbers of electronic products to the world, especially Singapore, where it is the largest electronics exporter with a 30.2 percent market share. However, its manufacturing capacity has declined compared to China's.<sup>214</sup> In the 2000s, China offered cheaper labor as an alternative to Taiwan's, and in the 2010s, China moved up the production ladder to become a production hub to offer its own domestically produced electronic products.<sup>215</sup>

### 2. Singapore's Free Trade Agreement with Taiwan (ASTEP)

Although Taiwan's economic importance to Singapore has declined relative to China, Singapore still sees Taiwan as a major economic partner. In 2013, Singapore and Taiwan signed the ASTEP to boost exports for both economies. The tariff concessions will eventually benefit nearly all of Singapore's exports to Taiwan once the agreement has been fully implemented. As a major exporter of electronics, chemicals, pharmaceuticals, machinery, and processed food products to Taiwan, Singapore-based businesses exporting such goods to Taiwan will benefit from the tariff removal. There have been quick but modest results from the implementation; according to Taiwan's Ministry of Foreign Affairs, two-way trade between Singapore and Taiwan increased by

<sup>&</sup>lt;sup>212</sup> "Singapore Economy," Economy Watch, March 18, 2010,

http://www.economywatch.com/world\_economy/singapore/?page=full.

<sup>&</sup>lt;sup>213</sup> Jason Tan and Sue-Ann Chia, "The Big Read: A Tiger That Lost Its Roar, Taiwan Pays Price for Not Looking Ahead," *Today Singapore*, February 27, 2016.

<sup>&</sup>lt;sup>214</sup> John Liu, "Singapore Imports Most Electronics Products from Taiwan," *China Post*, April 27, 2016.

<sup>&</sup>lt;sup>215</sup> "Tug of More: How Might Global Economic Changes Affect Singapore," Committee on the Future Economy, Singapore Ministry of Communications and Information, July 20, 2016.

5 percent from May 2014 to January 2015 following the implementation of ASTEP.<sup>216</sup> According to Taiwan's Ministry of Economic Affairs, ASTEP has also facilitated more cases of FDI by both Singapore and Taiwan.<sup>217</sup> From May 2014 to February 2015, there were 108 Singapore-initiated cases of FDI, which accounted for \$4.06 billion.<sup>218</sup> The single largest FDI from Singapore was made by DBS Group Holdings Limited, which accounted for \$1.31 billion.<sup>219</sup>

The negotiation and conclusion of ASTEP provides an illuminating example of how political developments have affected economic relations between Singapore and Taiwan. As mentioned earlier, talks for a Singapore–Taiwan FTA started in 2002 but broke down in 2003 when Singapore refused to accommodate Taiwan's demands for political recognition, presumably based on an acceptance of Taiwan's separate status from China. Commenting on the breakdown in talks, then Senior Minister Lee Kuan Yew said that Singapore would maintain economic links with Taiwan but Singapore would not officially recognize Taiwan as a "sovereign entity."<sup>220</sup> Lee also said, "Sometimes [the Taiwanese] government has to reconsider its position and decide let's play economics as economics, and let's play politics as politics," drawing a clear line between the two realms.<sup>221</sup>

Singapore eventually signed the FTA with the KMT government in 2013. The name of the FTA, while a mouthful, allowed Singapore to negotiate with Taiwan as what Lee Kuan Yew called an "economic entity." Usage of the phrase "Separate Customs Territory" in the agreement's name carried no political connotation, nor did it imply that Taiwan was a sovereign country. Circumstances in the early 2010s contributed to the successful conclusion of this agreement. First, Singapore has made it clear that an FTA with Taiwan rested on good cross-Strait relations and that Singapore's relations with

<sup>&</sup>lt;sup>216</sup> "ASTEP Spurs Taiwan-Singapore Trade," *Taiwan Today*, April 28, 2015.

<sup>&</sup>lt;sup>217</sup> Jocylin Fan Chiang, "Singapore and Taiwan Celebrate ASTEP Anniversary," *Taiwan News*, April 14, 2015.

<sup>&</sup>lt;sup>218</sup> Ibid.

<sup>&</sup>lt;sup>219</sup> Ibid.

<sup>&</sup>lt;sup>220</sup> "S'pore-Taiwan FTA Scuttled by politics," *Business Times Singapore*.

<sup>&</sup>lt;sup>221</sup> Ibid.

Taiwan should not develop faster than China–Taiwan ties.<sup>222</sup> Ma Ying-jeou's efforts to bridge the gaping divide between Taiwan and China on the status of Taiwan has mended cross-Strait relations and subsequently allowed the conclusion of the Economic Co-operation Framework Agreement in 2010. Besides improved China–Taiwan relations, the lack of protests from China this time was also a contributing reason to the successful conclusion of ASTEP.<sup>223</sup> Second, Singapore's own relations with Taiwan were improving and the timing was ripe for the two to restart negotiations.

### **3.** Growing Chinese Investment in Singapore

Although Singapore has moved beyond its post-colonial strategy of relying on FDI as an engine of growth to being a major investor in the region, FDI is still very much relevant to Singapore. Singapore was the top destination for Taiwanese investment in Southeast Asia from 1997–1998, but its investment has declined over time.<sup>224</sup> Data compiled from Singapore's Department of Statistics showed that neither Taiwan nor China were in the category of top ten investors in Singapore; Table 15 shows the top foreign investors in Singapore in 2000, 2005, 2010, and 2015, measured by the total level of direct investment in a year. From 2000 to 2015, China's investment hovered around 15th place. While there were more fluctuations for Taiwan, its total investment through 2000–2015 was at 22nd place on average.

<sup>&</sup>lt;sup>222</sup> "Taiwan-Singapore FTA Hinges on Cross-Strait Ties," China Post.

<sup>&</sup>lt;sup>223</sup> Hsieh, "The Quest for Recognition," 18.

<sup>&</sup>lt;sup>224</sup> Buszynski, "Taiwan's Economic Diplomacy towards ASEAN," 9.

No.	2000	No.	2005	No.	2010	No.	2015
1	United States	1	United	1	United States	1	United States
2	Japan	2	Japan	2	British Virgin	2	Japan
3	Netherlands	3	United States	3	Netherlands	3	British Virgin
4	Switzerland	4	Netherlands	4	Japan	4	Cayman Islands
5	British	5	Switzerland	5	United	5	Netherlands
6	United	6	British Virgin	6	Cayman	6	United
7	Cayman	7	Bermuda	7	Bermuda	7	Bermuda
8	Hong Kong	8	Bahamas	8	Switzerland	8	Luxembourg
9	Bermuda	9	Norway	9	India	9	Hong Kong
10	Malaysia	10	Cayman	10	Norway	10	Switzerland
15	China	14	Taiwan	15	China	17	China
17	Taiwan	28	China	22	Taiwan	21	Taiwan

Table 15.Foreign Direct Investment in Singapore by Country/Region(Stock at Year End), Annual

From the 2000s to 2010s, China's investment in Singapore increased. Table 16 shows the amount of Taiwanese and Chinese investment in Singapore in 2005, 2010, and 2015. Chinese investment from 2005 to 2010 increased dramatically while Taiwanese investments increased at a more modest pace. Table 17 shows that for 2010, China's investment in Singapore was the 15th largest while Taiwan's investment was 17th. In 2015, China's investment was the fourth largest while Taiwan's investment was the 10th largest.

Table 16.Amount of Taiwanese and Chinese Investment in Singapore in<br/>Millions, USD226

Source Country	2005	2010	2015
China	147	699.3	3812.7
Taiwan	-348.8*	451.1	1123

<sup>&</sup>lt;sup>225</sup> Adapted from Singapore Department of Statistics, http://www.singstat.gov.sg/statistics/browse-by-theme/investment-tables

<sup>&</sup>lt;sup>226</sup> 2005 data are from APEC (http://statistics.apec.org/index.php/bilateral\_linkage/index); the rest are from ASEAN statistics (https://data.aseanstats.org/). Data for 1995 and 2000 are not available. \*Indicates that at least one of the three components of FDI measured by APEC is negative and not offset by positive amounts of the remaining components. For more information, please refer to http://statistics.apec.org/index.php/apec\_psu/glossary.

No.	Investor	2010	Investor	2015
1	United States	6915.2	United States	18358.7
2	Luxembourg	5732	Netherlands	6353.5
3	United Kingdom	4990	Ireland	4986.2
4	India	3642.5	China	3812.7
5	Australia	3028.6	Japan	2357.3
6	Japan	2816.9	United Kingdom	2054.9
7	Malaysia	2808.7	Malaysia	1736.1
8	Hong Kong	2228.4	Luxembourg	1543.8
9	Thailand	1680.5	Australia	1258.8
10	Germany	1642.4	Taiwan	1123
15	China	699.3	Republic of Korea	1027.2
17	Taiwan	451.1	Denmark	978.8

 Table 17.
 Top 10 Foreign Investors in Singapore in Millions, USD (Flow)<sup>227</sup>

Starting from Chen Shui-bian's administration to the tail end of Ma Ying-jeou's term, the steady growth of trade and investment between China and Singapore overtook that of Taiwan and Singapore. Although Singapore has a very open economy and trades extensively with many other countries, its economy has become increasingly dependent on the Chinese economy. However, despite the declining importance of Taiwan's economy, Singapore–Taiwan economic relations have not been affected, as shown by the signing of the ASTEP in 2013 as well as other economic cooperation. In 2010, a delegation of 85 Taiwanese officials and businessmen visited Singapore to hold an investment seminar at the Shangri-La Hotel.<sup>228</sup> The delegation was the largest ever for Taiwan. In 2016, the Singapore Exchange (SGX) and the Taiwan Stock Exchange (TWSE) established a strategic partnership whereby TWSE member brokers can directly trade SGX-listed securities.<sup>229</sup>

 $<sup>^{227}</sup>$  Adapted from ASEAN statistics (https://data.aseanstats.org/). Data for 1995, 2000, and 2005 are not available.

<sup>&</sup>lt;sup>228</sup> "Largest-Ever Taiwanese Delegation Heads to Singapore," *Straits Times*, November 20, 2010.

<sup>&</sup>lt;sup>229</sup> "SGX-TWSE Tie-up to Let Taiwan Investors Access S'pore-Listed Stocks," *Business Times*, January 27, 2016.

## C. SINGAPORE'S MILITARY TIES WITH TAIWAN

Singapore–Taiwan military relations first developed in the late 1970s when the fledging Singapore military was in need of external help. When Singapore was rejected by Britain, India, and Egypt, Singapore turned to Israel for help to develop its military in 1965 after gaining independence.<sup>230</sup> However, Singapore–Israel ties were geopolitically sensitive and could have worsened Singapore's relations with its Muslim-majority neighbors.<sup>231</sup> To diversify, Singapore thus sought Taiwanese offers to build up its military, first to train Singapore's pilots and subsequently to build up the Singapore navy.<sup>232</sup> After then Prime Minister Lee Kuan Yew signed the "Operation Starlight" agreement with Chiang Ching-kuo's government, Singapore began to send Singapore Armed Forces (SAF) troops to Taiwan for training.<sup>233</sup> In the 1980s, SAF troops sent to Taiwan reached 15,000.<sup>234</sup> With the availability of alternative overseas training bases, among other factors, SAF troops training in Taiwan decreased to approximately 7,000 in the late 2000s and further reduced to around 3,000 in the 2010s. This section examines the developments in Singapore–Taiwan military relations from 2000 to 2016. During this period, especially during the period when Chen Shui-bian took office, negative developments between Singapore and Taiwan affected military relations. Post-Chen, defense relations generally improved. Overall, Singapore has maintained its desire to act according to its interests and continue military training in Taiwan, but its approach toward military cooperation with Taiwan has undergone a subtle shift. While still warm, Singapore–Taiwan military relations in the 2010s were not as immune to Chinese intervention nor as good as they once were in the 1980s and 1990s.

In the 2000s, poor cross-Strait relations and threats of Taiwan independence affected the maintenance of Singapore–Taiwan military relations despite Singapore's commitment to continue military training in Taiwan. While China had tolerated

<sup>&</sup>lt;sup>230</sup> Yossi Melman, "Israel and Singapore: The Ties That Bind," Jerusalem Post, May 1, 2016.

<sup>&</sup>lt;sup>231</sup> Hsieh, "The Quest for Recognition," 12.

<sup>&</sup>lt;sup>232</sup> Ibid.

<sup>&</sup>lt;sup>233</sup> Ibid., 13.

<sup>&</sup>lt;sup>234</sup> "S'pore Military Juggles Ties with Taiwan and China," *Singapore Window*, August 27, 2006.

Singapore's defense ties with Taiwan in the past, Beijing was less inclined to condone this relationship with the deteriorating cross-Strait relations under Chen Shui-bian.<sup>235</sup> In the early 2000s, China offered to let SAF troops train on Hainan Island, but Singapore declined, citing opposition from the United States—as Singapore uses U.S. weapon systems—and the possibility of apprehension from its neighbors.<sup>236</sup> Singapore also sees maintaining its training bases in Taiwan as critical to its national interests, and being a sovereign state, Singapore does not want to succumb to China's pressure.<sup>237</sup> The offer from China caused unease in Taiwan and led to a DPP lawmaker calling Singapore-Taiwan military ties a threat and requesting a review of the training arrangement.<sup>238</sup> The legislator of the ruling DPP government said that if Singapore did send its troops to China, Taiwan should cut defense ties as there would be a risk of Singaporean troops leaking secrets about Taiwan's military to China.<sup>239</sup> There was no evidence that Singapore responded to the legislator's comments. In June 2001, Senior Minister Lee Kuan Yew said that Singapore's position on military training in Taiwan remained unchanged, in response to a question about Singapore balancing its ties with the U.S. and China.<sup>240</sup> Lee also made it clear that Singapore had an abiding interest in its access to training bases in Taiwan: "I discussed it once in 1990 when we established relations and I made our position clear: We are going to train in Taiwan. We are going to have the U.S. given access to our bases. That position is unchanged. That is in our interests."241

Although Singapore did persist in continuing Operation Starlight, a combination of factors likely drove Singapore to scale down its military engagement of Taiwan. Apparently at China's insistence, Singapore in March 2005 abruptly cancelled a port call

<sup>238</sup> "Singapore Military Ties Now a 'Threat," *Taipei Times*, April 23, 2002.

<sup>239</sup> Ibid.

<sup>&</sup>lt;sup>235</sup> Ian Storey, "Singapore and China," in *Southeast Asia and the Rise of China: The Search for Security* (Routledge, 2011), 247.

<sup>&</sup>lt;sup>236</sup> Andrew T. H. Tan, "Punching above Its Weight: Singapore's Armed Forces and Its Contribution to Foreign Policy," in *Defence Studies* 11, no. 4, 688; and Minnie Chan, "How Singapore's Military Vehicles Became Beijing's Diplomatic Weapon," *South China Morning Post*, December 3, 2016.

<sup>&</sup>lt;sup>237</sup> Hsieh, "The Quest for Recognition," 12.

<sup>&</sup>lt;sup>240</sup> "No Change in S'pore Policy on Taiwan Military Training, U.S. Bases," *Straits Times*, June 14, 2001.

<sup>&</sup>lt;sup>241</sup> Ibid.

by Taiwanese naval ships at China's insistence, and the naval vessels were asked to anchor off the shores of Singapore.<sup>242</sup> According to the *South China Morning Post*, Taiwanese Defense Minister Lee Jye said that Singapore was acting on Chinese protests, which came after the media found out about the visit and reported it.<sup>243</sup> The cancellation angered Taiwanese from both the KMT and the DPP; KMT legislator Chen Chieh said the refusal to let the ships dock was a "humiliation to . . . national dignity and insulting to all the nationals of the Republic of China" while Taiwan Premier wanted to know the impact of the incident on Singapore–Taiwan relations.<sup>244</sup> Taiwan Foreign Minister Mark Chen said that Singapore spoke "whatever the Chinese communists love[d] to hear" because Singapore placed more emphasis on its ties with China.<sup>245</sup> In view of the friction between Singapore and Taiwan after the Singapore Foreign Minister's speech at the United Nations General Assembly, the cancellation of the naval visit was also likely a sign of cooling defense relations between the two countries.

In 2010, Taiwan Defense Minister Kao Hua-chu attended the Singapore Air Show and met Singapore Deputy Prime Minister Teo Chee Hean, who was also the defense minister.<sup>246</sup> Kao's visit was the first to Singapore since 1989, when former Defense Minister Cheng Wei-yuan accompanied former President Lee Teng-hui to the country.<sup>247</sup> During the visit, Kao reportedly met the Singaporean commander of the units that were sent to Taiwan as part of Operation Starlight.<sup>248</sup> The Taiwanese news report that covered this story cited "unnamed high-ranking Taiwan officials" as categorizing Singapore– Taiwan relations as "excellent," but care had to be taken because of Singapore's close relations with China.<sup>249</sup> Kao's visit was significant and likely made possible by both the

<sup>&</sup>lt;sup>242</sup> Dana Dillon and John J. Tkacik Jr., "China's Quest for Asia; Tsunami," *Policy Review*, no. 134 (2005), 7; and Chong, "Singapore's Relations with Taiwan," 193.

<sup>&</sup>lt;sup>243</sup> "Taiwanese Navy Ships Denied Entry to Singapore; Taipei's Defence Minister Says Pressure from the Mainland Was the Main Reason," *South China Morning Post*, March 23, 2005.

<sup>&</sup>lt;sup>244</sup> Ibid.

<sup>&</sup>lt;sup>245</sup> Ibid.

<sup>&</sup>lt;sup>246</sup> "ROC Defense Minister Visits Singapore," *Taiwan Today*, February 8, 2010.

<sup>&</sup>lt;sup>247</sup> Ibid.

<sup>&</sup>lt;sup>248</sup> Ibid.

<sup>&</sup>lt;sup>249</sup> Ibid.

ease in cross-Strait tensions during that period as well as the mending of Singapore– Taiwan relations.

In 2012, Taiwanese media reported on Singapore's unhappiness over the leak of Taiwan Defense Minister Kao Hua-chu's visit to Singapore. Not publicized in Singapore—only one Singapore news outlet carried the news—the article labelled the visit as "rare" and quoted Taiwan's official statement that Kao had visited Singapore to attend the air show. However, according to *China Post*, Taiwan's local news outlet *United Daily News* had reported that Singapore was unhappy about media coverage, mostly from Taiwan, over the visit and had "delayed" visits of high ranking Taiwanese military officials to Singapore.<sup>250</sup> *China Post* reported that a Taiwan Defense Ministry spokesman dismissed the *United Daily News* report as false, but said that bilateral military cooperation programs were changing because of new requirements from both Singapore and Taiwan.<sup>251</sup> Two years later in 2014, Defense Minister Yen Ming visited Singapore. Media reports assessed that the visit was to improve bilateral relations after the 2012 visit had damaged ties.<sup>252</sup>

Singapore has also cooperated with China militarily in the last decade. Although Singapore declined the offer to use Hainan Island, SAF troops have been participating in joint exercises with the People's Liberation Army (PLA). In November 2005, Singapore and China agreed to establish high-level annual defense policy dialogues as well as increase military visits and port calls.<sup>253</sup> In 2009, the Singapore Armed Forces conducted a joint counter-terrorism training exercise in Guilin, China. This was the first time that the SAF had conducted a joint exercise with the PLA.<sup>254</sup> The same exercise was repeated

<sup>&</sup>lt;sup>250</sup> Camaron Kao, "MND Refutes Report over Suspension of Military Exchanges with Singapore," *China Post*, February 28, 2012.

<sup>&</sup>lt;sup>251</sup> Ibid.

<sup>&</sup>lt;sup>252</sup> "Taiwan Defence Minister Visiting Singapore, Says Military Source," *South China Morning Post*, February 11, 2014.

<sup>&</sup>lt;sup>253</sup> Medeiros et al., "Singapore," in *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise* (RAND Corporation, 2008), 185.

<sup>&</sup>lt;sup>254</sup> "SAF and PLA to Conduct Joint Counter-Terrorism Training Exercise" (official release), Singapore Ministry of Defense, June 18, 2009.

in 2010 and 2014.<sup>255</sup> The *Taipei Times* ran an article on the SAF's military cooperation and provided a number of interesting facts about Singapore's military cooperation with China. First, Taipei Times reported that the 70 SAF troops sent to China for the joint exercise were from "Project Starlight" (Operation Starlight).<sup>256</sup> The report also quoted Taiwan's Defense Ministry officials' assessment of the nature of recent exercises between SAF and the PLA; the Singapore army had apparently increased dialogue with the PLA and conducted a series of joint exercises one after another in 2014.257 The Singapore Navy had also reached out to the PLA's Navy, including sending ships for exercises in China, according to the same report.<sup>258</sup> Taiwan's own concerns about the PLA gaining "familiarity" through its interactions with SAF since the Taiwanese Navy operates similar frigates, for example, meant that Taiwan had to consider whether it would persist in its "current upgrade plans or seek alternatives."<sup>259</sup> The shift from resisting defense cooperation with China to engagement of the PLA cannot be seen as merely Singapore's desire to seek deeper engagement with China. This thesis assesses that Singapore has weighed the benefits of cooperating with China against potential negative fallout with Taiwan and has decided to pursue engagement with China. Singapore may have developed a new outlook on the importance of engaging China militarily, or perhaps Singapore is now placing less emphasis on its military ties with Taiwan.

### D. SUMMARY

Singapore's relations with Taiwan preceded Singapore's establishment of diplomatic relations with China, but since 1990, Singapore's commitment to the One-China policy has formed the basis for relations with Taiwan. Although Singapore–

<sup>&</sup>lt;sup>255</sup> "SAF and PLA to Conduct Joint Counter-Terrorism Training Exercise" (official release), Singapore Ministry of Defense, November 10, 2010; and "SAF and PLA Conduct Bilateral Training Exercise" (official release), Singapore Ministry of Defense, November 2, 2014.

<sup>&</sup>lt;sup>256</sup> "Singapore Troops in China Cast Cloud on Taiwan Military Ties," *Taipei Times*, November 6, 2014.

<sup>257</sup> Ibid.

<sup>&</sup>lt;sup>258</sup> Ibid.

<sup>259</sup> Ibid.

Taiwan ties are some of the best bilateral relations in Asia, Singapore maintains clear lines between purely economic linkages, military interactions, and political relations. From 2000 to 2008, because the DPP government threatened to gain *de jure* independence for Taiwan, Singapore distanced itself from Taiwan so as not to violate its One-China commitment as well as out of fears that China may attack Taiwan. The DPP government tried to politicize all interactions with Singapore, one example being the negotiations for an FTA, and Singapore resisted. Political, economic, and military links thus suffered as a result of tensions between an independence-seeking DPP government and a Singapore that wants to maintain its relations between the PAP and KMT leadership, in particular Lee Kuan Yew and Chiang Ching-kuo. Both parties believed in One-China and had a good understanding of each other's views of the status of Taiwan. PAP leadership neither agreed with the DPP's views on Taiwan nor built any rapport with the party.

From 2008 to 2016, Singapore and Taiwan's economic and political relations greatly improved. With better cross-Strait relations under Ma Ying-jeou's conciliatory policies toward the mainland, Singapore could engage Taiwan more without strong protests from China. Singapore concluded the ASTEP with Taiwan in 2013 and facilitated the Ma–Xi meeting in Singapore in 2015. A convergence of views on the status of Taiwan and pragmatism from Ma Ying-jeou's government allowed bilateral relations to develop without gridlocks on issues related to Taiwan's sovereignty, such as using Taiwan's official name in negotiations. Furthermore, familiarity between the PAP and KMT politicians was conducive to interactions between the two governments. In the realm of military relations, Singapore continues to maintain good relations with the Taiwanese military because of an abiding interest in securing land for training as well as the desire to pursue Singapore's interest without interference from China. However, the number of SAF troops sent to Taiwan for training has been declining since the 2000s, and several incidents have caused problems for Singapore and Taiwan—including a widely reported fighter jet crash that killed three Singaporean soldiers and two Taiwanese

pilots.<sup>260</sup> Singapore also started defense cooperation with China in the mid-2000s and held a joint exercise in 2009. The scale-down in troop deployment to Taiwan and the developing military relations with China signaled a subtle shift in Singapore's approach to managing military relations with Taiwan. While still keen on continuing decades-old ties, Singapore is also expanding its military partners in the region at the risk of alienating Taiwan.

<sup>&</sup>lt;sup>260</sup> "Severely Hurt NSF Shows Signs of Recovery; 23-Year-Old out of Intensive Care, Said to Be Able to Open His Eyes but Cannot Speak Yet," *Straits Times*, June 23, 2007.

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# **IV. CONCLUSION**

The comparative analysis of Vietnam's and Singapore's relations with Taiwan during the administrations of Taiwan President Chen Shui-bian and President Ma Yingjeou reveals that a variety of factors were responsible for the changes in relations over the last 16 years. This chapter first summarizes the findings from the analysis of Vietnam– Taiwan and Singapore–Taiwan relations from 2000 to 2016 to answer the research question. Next, it evaluates the three hypotheses laid out in Chapter I. Finally, it briefly discusses President Tsai Ing-wen's term since she was elected to office in May 2016 and its implications for Vietnam–Taiwan and Singapore–Taiwan and Singapore–Taiwan relations in the future.

### A. FINDINGS

Chapter II and III examined Vietnam–Taiwan and Singapore–Taiwan relations and found a number of reasons for changes in relations during each Taiwanese administration. While the hypotheses presented in Chapter I were generally true for Southeast Asia, the analysis yielded more factors that affected relations. Some of the factors featured more prominently than others. The factors are more or less unique to each country, so the explanations are organized by country in the following subsections.

### 1. Vietnam

The basis for relations between Vietnam and Taiwan is economic cooperation. High levels of Taiwanese investment in Vietnam and employment of Vietnamese workers by Taiwanese businesses have been motivating factors for Vietnam to maintain amicable relations with Taiwan. Economic relations between the two countries have improved from 2000 to 2016 as Taiwanese investments into Vietnam expanded. Although Vietnam's trade with Taiwan declined compared to its trade with China, Taiwan remained an important trade partner from 2000 to 2016.

Political incidents took place from 2000 to 2008 between Vietnam and Taiwan because China had pressured Vietnam not to allow Taiwanese participation in 2006 for the APEC meeting as well as to limit the bilateral engagement of Taiwan. While the political incidents resulted in verbal criticism from Taiwan, the strong economic ties between Vietnam and Taiwan mitigated a downturn in relations.

From 2008 onward, although economic relations continued strongly and cross-Strait rapprochement allowed for increased interactions between Vietnam and Taiwan without backlash from China, South China Sea disputes between the two prevented positive developments in bilateral relations. While Vietnam has been prepared to endure a certain amount of risk of being punished by China for engaging Taiwan, when it comes to territorial disputes in the South China Sea, Vietnam has not allowed its economic interests to stand in the way of asserting its own claims and preventing Taiwanese encroachment.

#### 2. Singapore

Singapore's relations with Taiwan are underpinned by its conception of the international system and its own place within the system. Singapore first sought relations with Taiwan in the late 1960s because it needed a partner that would provide military assistance for the fledging Singapore military. Since then, Singapore has sought to maintain its military, political, and economic ties with Taiwan for its own national interests.

The pro-Taiwan independence policies of the DPP government from 2000 to 2008 drove Singapore to distance itself from Taiwan because Singapore committed to the One-China policy and did not support Taiwanese independence. Leadership visits declined after 2004 as a result of Chinese criticism following Singapore Prime Minister Lee Hsien Loong's visit to Taiwan and as a result of tensions between Singapore and Taiwan after Foreign Minister George Yeo's United Nations speech. Singapore refused to further negotiate with Taiwan on the proposed free trade agreement because Taiwan wanted its name on the agreement to convey its political separateness from China. Singapore continued to send its soldiers to Taiwan for military training, but the number of troops was reduced by half in the late 2000s. In March 2005, Singapore abruptly cancelled a port call by Taiwanese naval ships and asked the ships to anchor off the shores of Singapore.

The administration of Ma Ying-jeou from 2008 to 2016 generally saw better Singapore–Taiwan relations in all dimensions. The KMT government's views on the status of Taiwan were consistent with the One China policy and dovetailed Singapore's own outlook on Taiwan. The Ma Ying-jeou administration was also pragmatic, bothered less with gaining political concessions from Singapore, and focused on substantial bilateral cooperation. Singapore was also on familiar terms with the KMT government, having built rapport with the party in the past. Thus, Ma Ying-jeou's term saw the conclusion of ASTEP, a high-quality FTA between Singapore and Taiwan, only the second agreement for Taiwan to sign with non-diplomatic partners, the first being with New Zealand. Taiwan's defense ministers have visited Singapore on a few occasions, and the visits have gone without incident save for one, which was leaked prematurely to the press.

However, although relations between Singapore and Taiwan have improved since 2008, this thesis also notes that Singapore's attitude toward military engagement with Taiwan has undergone a subtle shift. Singapore no longer takes an exclusive view to training with Taiwan while avoiding the PLA. Since 2005, Singapore has slowly stepped up its engagement of the PLA in both bilateral and multilateral exercises. It remains to be seen how this will affect Singapore–Taiwan military relations.

## B. ADDRESSING THE HYPOTHESES AND THE RESEARCH QUESTION

# (1) Cross-Strait Relations Was One of the Main Factors that Contributed to the Changes in Taiwan–Southeast Asia Relations

The state of cross-Strait relations affected the way Vietnam and Singapore interacted with Taiwan from 2000 to 2016, since all Southeast Asian countries have diplomatic relations with China. However, there were varying degrees of influence of cross-Strait relations on bilateral relations for Vietnam and Singapore. Tense cross-Strait relations did not directly influence Vietnam or Singapore to pull back from their engagement of Taiwan, when relations between Taiwan and China were at their worst from 2000 to 2008. It was only when China exerted pressure on the countries that Vietnam and Singapore took action to placate China. Easing of cross-Strait tensions and

improving Taiwan-China relations did not automatically push Vietnam or Singapore to seek closer cooperation with Taiwan.

Vietnam was pressed by China to limit its engagement of Taiwan during Chen Shui-bian's presidency, such as in 2006 when China wanted Vietnam to withdraw its APEC invitation to Taiwan. While on some occasions Vietnam tried to accommodate China, Vietnam persisted in inviting Taiwan to APEC in 2006. Vietnam's own economic interests compelled it to achieve a balanced relationship with both China and Taiwan. During the same period, Singapore, whose own security interests drove it to establish and maintain political and military relations with Taiwan, tried to maintain a consistent approach toward its bilateral relations with Taiwan. The tense cross-Strait relations compelled Singapore to publicly condemn Taiwan's provocative actions, but it was Singapore's disagreement with the DPP's pro-independence stance that was most responsible for the decline in relations during Chen's administration. Singapore eventually distanced itself from Taiwan when it became clear that Chen Shui-bian was going down the path of obtaining *de jure* independence for Taiwan.

When cross-Strait relations eased under Ma Ying-jeou's conciliatory policies toward China, Vietnam did not initiate more political interaction with Taiwan, as evident from the dearth of high-level visits between Vietnam and Taiwan from 2007 to 2013. This was likely due to the rise in tensions over competing claims to South China Sea features. Like China and other Southeast Asian countries, both Vietnam and Taiwan took unilateral actions to assert their own claims, which resulted in strained political relations. Economic relations continued unabated, however, and in 2010, Taiwan even considered an FTA with Vietnam. In the more conducive political climate from 2008 to 2016, Singapore reconnected with the new Taiwanese government. This was largely because both the Singapore and Taiwan governments were willing to put aside political issues to work on pragmatic cooperation. Overall, Singapore's relations with the KMT-led government greatly improved from 2008 to 2016.

(2) The Change in Importance of Taiwan's Economy vis-à-vis China's Was One of the Main Factors that Contributed to the Changes in Taiwan– Southeast Asia Relations

Taiwan's economy has not grown very much since the 1990s, and this has resulted in a general decline in its economic links with Southeast Asia, especially against the spectacular growth of the Chinese economy. However, Taiwan remains an important economic partner to both Vietnam and Singapore. For both of these countries, the general decline of Taiwan's economy did not have a perceptible effect on bilateral relations.

From 2000 to 2016, Vietnam proactively sought economic cooperation with Taiwan to boost its own economic development. Vietnam's invitation to Taiwan for the APEC summit reflected Vietnam's view of Taiwan as an important member of APEC. Vietnam has also consistently invited Taiwanese businesses to the country to promote FDI. The May 2014 protests in Vietnam that damaged Taiwanese factories were quickly followed by official apologies from the Vietnamese government and assurances that Vietnam would look into compensating the affected businesses. In 2016, Taiwan remained one of the top investors in Vietnam with 2,509 projects worth over \$31 billion.

Being extremely trade dependent, Singapore seeks better trade relations with all trade partners, including Taiwan, as the latter is one of Singapore's largest trading partners. Similar to Vietnam's experience, even though Taiwan's economic power has declined relative to China, Singapore still sees a high value in cooperating with Taiwan. The most apparent manifestation of this is the signing of the ASTEP in 2013 to boost exports and FDI for both countries.

# (3) The Way that Southeast Asia Countries Perceived China Was One of the Main Factors that Contributed to the Changes in Taiwan–Southeast Asia Relations

This hypothesis originated from two general observations about Southeast Asian concerns over the rise of China and its behavior in the South China Sea. First, China's development as an economic and military power has been met with a degree of trepidation because Southeast Asian countries have not known how a powerful China will behave. Second, China's assertiveness in the South China Sea has threatened the national

interests of claimant countries. Southeast Asian countries have thus viewed China as potentially threatening.

For Vietnam, a country that has a long history with China as well as disputes with China over South China Sea features, its perception of China is rooted in real anxiety and uncertainty. Because the South China Sea is the most intense conflict between Vietnam and China, it was used as part of the case study to examine Vietnam's perception of China from 2000 to 2016. Chapter II found that Vietnam increasingly sees China as threatening, especially after 2014 when a major clash over a Chinese-registered deep-water drilling rig in Vietnam's Exclusive Economic Zone took place. To deal with China, Vietnam has been pursuing cooperation with regional powers such as the United States and Japan as well as with ASEAN. However, this balancing strategy does not include closer cooperation with Taiwan because Taiwan has also been asserting its claims to the South China Sea features.

Singapore sees the rise of China as both beneficial as well as potentially threatening. The lack of bilateral disputes between the two countries has meant that Singapore has been able to cultivate good relations with China since the establishment of diplomatic ties in 1990 while also trying to promote a balance of power in the region. Not only did Singapore engage the United States actively; Singapore also continues to maintain its overseas military training arrangement with Taiwan primarily to compensate for its own scarcity of land as well as exercises its rights to pursue national interests without interference from China. Singapore's new strategic calculations in the post-Cold War period has been responsible for driving Singapore–Taiwan relations, which started as a partnership between two anti-communist countries. This outlook has not changed very much in the last 16 years, and there have been no major changes to Singapore's foreign policy with regard to Taiwan.

However, this thesis also notes that since 2016, Singapore has started to see China's pursuit of sovereignty rights in the South China Sea as aggressive and threatening. Singapore has spoken out on the South China Sea disputes and urged countries to respect international law.<sup>261</sup> While not pointing fingers, Singapore is definitely entreating China to stop behaving unilaterally and aggressively in the South China Sea and to use international mechanisms to resolve the disputes.

### C. TSAI ING-WEN'S PRESIDENCY

New Taiwanese President Tsai Ing-wen came to office following the January elections and is the second DPP politician to hold this position. Two of her policies are of major interest and importance to Southeast Asia. The first is Tsai's take on China–Taiwan relations, and the second is her "New Go South Policy," which aims to strengthen relations with Southeast Asia and South Asia.<sup>262</sup>

Tsai Ing-wen has not accepted the 1992 Consensus, which includes the One-China principle, since she took office but has said that she wants to preserve the status quo of cross-Strait relations—meaning she will neither undo the cross-Strait breakthroughs achieved during Ma Ying-jeou's term nor attempt to realize Taiwan's independence.<sup>263</sup> Tsai's refusal to accept the 1992 Consensus has resulted in a stalemate between Taiwan and China, with the latter refusing to hold talks with Taiwan.<sup>264</sup> Aware of the tensions that arose from the last DPP government, Southeast Asian countries are carefully observing developments across the Taiwan Strait. There have already been problems from Tsai's refusal to accept the 1992 Consensus, either because China has applied pressure on Southeast Asian countries to steer clear of engaging the DPP government or because the countries have imposed some distance themselves.

In January 2017, Taiwan protested Vietnam's deportation of four Taiwanese criminal suspects to China instead of Taiwan.<sup>265</sup> The four suspects were handed over to China in part because China wanted to try the suspects because of the severity of their

<sup>&</sup>lt;sup>261</sup> "Singapore Urges Respect for Court Ruling on South China Sea," *Today*, July 12, 2016.

<sup>&</sup>lt;sup>262</sup> Ngeow Chow Bing, "Taiwan's Go South Policy: Déjà vu All over Again?" *Contemporary Southeast Asia* 39, no. 1 (2017): 96–126.

<sup>&</sup>lt;sup>263</sup> Michael Mazza, "Tsai Ing-wen and Cross-Strait Tensions," *Diplomat*, January 29, 2016.

<sup>&</sup>lt;sup>264</sup> "Ball in Beijing's court': Taiwan's Tsai Repeats Call for Cross-Strait Talks," *South China Morning Post*, October 11, 2016.

<sup>&</sup>lt;sup>265</sup> "Taiwan Protests Vietnam Deporting Fraud Suspects to China," *Jakarta Post*, January 5, 2017.

alleged crimes against Chinese citizens.<sup>266</sup> The Taiwan Foreign Ministry said that Vietnam has "forcibly sent the suspects to the Chinese mainland under intense pressure [from China]" and has gone against the principle of national governments having jurisdiction over their overseas citizens.<sup>267</sup>

In November 2016, nine of the Singapore Armed Forces' Terrex infantry carrier vehicles were detained by Hong Kong customs while en route to Singapore from Taiwan.<sup>268</sup> Although the official reason given by the Hong Kong authorities was a licensing breach by shipping company APL, China took the opportunity to remind Singapore to "keep its promise to the One China principle."<sup>269</sup> In response to Singapore's assertion that the vehicles were protected by diplomatic immunity after the detainment stretched to two months, China again told Singapore to "earnestly respect the One China policy" and "be cautious with their words and actions."<sup>270</sup> The long detainment led to observers saying that China was "punishing" Singapore for its continued military training in Taiwan.<sup>271</sup> It is likely that Hong Kong was following Beijing's orders by detaining the Terrex vehicles for an extended period, and this incident, as well as the aforementioned deportation incident, is a reflection of China's strong-arm tactics when it comes to the Taiwan issue.

Tsai Ing-wen was not reinventing the wheel when she announced the launch of the New Go South Policy since former Taiwanese Presidents Lee Teng-hui and Chen Shui-bian had previously embarked on programs to build more and deeper economic linkages with Southeast Asia, with varying degrees of success. While Southeast Asian countries, especially Vietnam, may have received news of this policy keenly because of the economic benefits, these countries are also aware that this policy has "always been

<sup>&</sup>lt;sup>266</sup> Ibid.

<sup>&</sup>lt;sup>267</sup> Ibid.

<sup>&</sup>lt;sup>268</sup> "Singapore Armored Vehicles Seized by Hong Kong Customs," Japan Times, November 24, 2016.

<sup>&</sup>lt;sup>269</sup> Katie Hunt, "Troop Carriers Seized: Is China Sending Singapore a Message?" *CNN*, November 29, 2016.

<sup>&</sup>lt;sup>270</sup> "China Urges Caution with Words, Actions on Terrex Issue," *Channel News Asia*, January 9, 2017.

<sup>&</sup>lt;sup>271</sup> Lieke Bos, "Like Swatting a Fly? China Confronts Singapore," *Rusi*, December 21, 2016, https://rusi.org/commentary/swatting-fly-china-confronts-singapore; and Chan, "How Singapore's Military Vehicles Became Beijing's Diplomatic Weapon."

associated as a policy tool to counterbalance China-Taiwan economic integration, along with other strategic benefits, such as enlarging Taiwan's 'international space' and increasing Taiwan's relevance and leverage in Southeast Asia."<sup>272</sup> Although it is too early to tell, memories of Chen Shui-bian's attempts to politicize all aspects of Southeast Asian relations for the cause of Taiwanese independence may hinder cooperation between Southeast Asia and Taiwan. In May 2017, Tsai Ing-wen held a press conference to publicize the government's interest in Southeast Asia and South Asia.<sup>273</sup> Tsai also singled out Singapore as a possible partner to help Taiwan realize this policy: "If Singapore is prepared to be in the position to help, we will be very happy to build a platform of some sort so we can make use of the Singapore experience in developing relationships with Southeast Asia."<sup>274</sup> Singapore did not respond publicly to Tsai's proposal. Also noteworthy is the lack of Singapore is putting some distance between itself and Taiwan to avoid a repeat of the 2004 incident.

The refusal of the DPP government to accept the 1992 Consensus as well as the geopolitical implications of the New Go South Policy cast an air of uncertainty over the development of Southeast Asia's relations with Taiwan. Economic cooperation may continue and even progress between Vietnam and Taiwan, but political relations may stagnate given China's pressuring tactics. Singapore is exhibiting a more cautious approach to managing its relations with Taiwan since its bitter experience dealing with the last DPP government, and it seems unlikely that ties will progress during Tsai's presidency.

### **D.** CONCLUSION

The analysis of the two sets of bilateral relations in this thesis found that there are a number of factors that affect ties between them and Taiwan. Both Vietnam and Singapore see their relations with Taiwan through a multitude of lenses covering

<sup>&</sup>lt;sup>272</sup> Ngeow, "Taiwan's Go South Policy," 97.

<sup>&</sup>lt;sup>273</sup> "Taiwan's 'Pivot South' on Track, Says President Tsai Ing-wen," *Straits Times*, May 6, 2017.
<sup>274</sup> Ibid.

economic, political, and military dimensions. At the same time, national interests and strategic considerations have led to different approaches to managing the bilateral relations at different points in time.

While the general atmosphere across the Taiwan Strait matters, Vietnam and Singapore have both strived to act according to their national interests. Vietnam emphasizes economic cooperation with Taiwan because it is still making the transition from a developing economy to a developed one. Of equal or higher priority is Vietnam's sovereignty rights in the South China Sea, and Vietnam is prepared to fight tooth and nail to defend its claims. Although Vietnam knows that Taiwan is a rival to China, Vietnam has so far abided by the One-China principle. Taiwan's own South China Sea claims are a hindrance to progress in Vietnam–Taiwan relations. Singapore's geopolitical disadvantages have compelled it to seek close cooperation with Taiwan politically, economically, and militarily. However, the strong and cordial relations that both countries have enjoyed for decades have been challenged by the Taiwanese independence cause and new Chinese leaders who are less tolerant of Singapore's friendship with Taiwan.

While Tsai Ing-wen has tried to avoid escalating cross-Strait tensions, she has also made it clear that she would not give in to China. The development of Vietnam– Taiwan and Singapore–Taiwan relations is uncertain and is contingent on the ability of Tsai to achieve breakthroughs in the cross-Strait stalemate, grow Taiwan's economy, as well as realize the New Go South Policy in a manner that does not politicize economic cooperation. China's tolerance for Vietnam's and Singapore's engagement of Taiwan will be a main determinant in the extent of these ties into the future. Vietnam's and Singapore's own national interests are the other major determinants in the development of relations with Taiwan. The analysis of two countries was intended to provide a more nuanced study of Southeast Asia's relations of Taiwan, and the author hopes that the study reflects a microcosm of the larger regional trend. This thesis did not study domestic politics in Vietnam and Singapore and the effects on the countries' international relations. During the period of the study, both Vietnam and Singapore experienced stable political regimes under the Vietnam Communist Party and the People's Action Party, which have contributed to long-term strategic considerations and foreign policy approaches. However, this thesis acknowledges that changes in the domestic political situation in the two countries, as in any other Southeast Asian country, can significantly affect their attitude toward engaging Taiwan, whether for better or for worse. THIS PAGE INTENTIONALLY LEFT BLANK

# APPENDIX A. VIETNAM'S PUBLIC AFFIRMATION OF THE ONE-CHINA POLICY AND OPPOSITION TO TAIWANESE INDEPENDENCE 2000–2008

Date	Subject	Verbatim Extract	Source
December 2001	Vietnam and China issued a joint communique when Vietnamese Communist Party Secretary General Nong Duc Manh visited China	"Vietnam reiterated that Vietnam recognizes the Government of the People's Republic of China as the sole rightful Government for China, and that Taiwan is an inseparable territory of China. Vietnam only conducts non- official trade with Taiwan and does not develop official bilateral relations with Taiwan." <sup>275</sup>	Danny Wong, "A Fine Balancing Act," 262.
November 2005	Vietnam and China issue joint communique after Chinese President Hu Jintao visited Vietnam and met Community Party of Vietnam General Secretary Nong Duc Manh, President Tran Duc Luong, Prime Minister Phan Van Khai and Chairman of the National Assembly Nguyen Van An	"Vietnam affirmed that it would 'pursue a policy of one China, support China's great unification cause, and resolutely oppose actions to split "independent Taiwan" in any form, fully understand and back the National People's Congress of China's ratification of the "Anti- Secession Law", welcome the detente trend in the relations of the mainland China and Taiwan in recent years. Vietnam does not develop any official relationship with Taiwan. The Chinese side welcomes the Vietnamese side's above-mentioned stand."" <sup>276</sup>	Vietnam News Agency website, Nov 3, 2005.

<sup>&</sup>lt;sup>275</sup> Danny Wong Tze Ken, "A Fine Balancing Act; Vietnam Negotiating between China and Taiwan," in Ensuring Interests: Dynamics of China–Taiwan Relations and Southeast Asia, eds. Ho Khai Leong and Hou Kok Chung (Kuala Lumpur: Institute of China Studies, University of Malaya, 2006) 262.

<sup>&</sup>lt;sup>276</sup> "Vietnam, China Issue Joint Communique on Hu Jintao's Visit," *Vietnam News Agency*, November 3, 2005.

Date	Subject	Verbatim Extract	Source
March 2006	Vietnam reaffirms its stance on "One-China" policy	"Vietnam persists in its one- China stance and resolutely opposes moves towards an "independent Taiwan" in any form, reaffirmed a spokesman on 3 March. Vietnamese Foreign Ministry's Spokesman Le Dung reiterated Vietnam's policy when answering correspondents' questions about Taiwanese Chen Shui- bian's decision on 27 February 'to cease the function of the National Unification Council and the application Guidelines.' "277	Vietnam News Agency, March 5, 2006.
May 2007	Visiting Vietnamese State President Nguyen Minh Triet met with Chinese President Hu Jintao and Chairmen of the Standing Committee of the National People's Congress Wu Bangguo.	"China's state news agency Xinhua quoted Triet as saying that "ties with Beijing was a 'priority', and he opposed Taiwan independence separatist activities in any form." <sup>278</sup>	Straits Times, May 18, 2007.
July 2007	Vietnam reaffirms its stance on "One-China" policy	"The Vietnamese Government affirmed its firm stance on the 'one-China' policy as Foreign Ministry spokesman Le Dung commented on Taiwan's push for a referendum on the island's United Nations membership." <sup>279</sup>	Vietnam News Agency, July 9, 2007.

<sup>&</sup>lt;sup>277</sup> "Vietnam Restates One-China Policy, Opposes 'Independent Taiwan'," *Vietnam News Agency*, March 5, 2006.

<sup>&</sup>lt;sup>278</sup> "Beijing, Hanoi Hail Old Friendship - Hu and Visiting Vietnamese President Set Aside Spats Over Taiwan And Territory - For Now," *The Straits Times*, May 18, 2007.

<sup>&</sup>lt;sup>279</sup> "Vietnam Restates Stance on 'One-China' Policy," Vietnam News Agency, July 9, 2007.

Date	Subject	Verbatim Extract	Source
February 2008	Vietnam reaffirms its stance on "One China" policy	"Vietnam consistently pursues an 'one-China' policy and opposes all attempts at an independent Taiwan in any form, Foreign Ministry spokesman Le Dung said on February 14." <sup>280</sup>	Vietnam News Agency, February 15, 2008.
March 2008	Vietnam reaffirms its stance on "One China" policy	"Foreign Ministry spokesperson Le Dung reaffirmed the nation's one- China policy which puts Taiwan as an integral part of the world's most populated country. Questioned about Viet Nam's reaction to the March 22 election in Taiwan where Ma Ying-jeou was elected as its head, the spokesman said, 'Viet Nam persists in the one-China policy."" <sup>281</sup>	Vietnam News, March 24, 2008.

<sup>&</sup>lt;sup>280</sup> "Vietnam Spokesman Reaffirms Support For 'One-China' Policy," *Vietnam News Agency*, February 15, 2008.

<sup>&</sup>lt;sup>281</sup> "Ministry Reiterates One-China Policy," Vietnam News, March 24, 2008.

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# APPENDIX B. SINGAPORE'S PUBLIC AFFIRMATION OF THE ONE-CHINA POLICY AND OPPOSITION TO TAIWANESE INDEPENDENCE 2000–2008

Date	Subject	Verbatim Extract	Source
March 2000	On the DPP winning the Presidential Election in 2000, the first by the opposition	"Singapore last night congratulated Mr Chen Shui-bian for winning the presidential election, which it said reflected the choice of the Taiwanese people. Asked about its impact on Singapore's one-China policy, the spokesman said the policy had been consistent and it remained unchanged. 'Singapore recognises that there is only one China and that Taiwan is part of China. The Government of the Republic of Singapore recognises the Government of the People's Republic of China." <sup>282</sup>	Straits Times, March 19, 2000.
April 2000	On former Prime Minister Goh Chok Tong visiting China after the DPP won the Presidential Election in 2000.	"Mr Goh, on his part, has in the past two weeks been expressing concern that cross-Strait tension could destabilise Asia, and mar its hopes of economic recovery. He said yesterday: "I was concerned that although this is an internal matter, how they handle this issue will affect the stability and security of Asia. We are in Asia and therefore, as the neighbours of China, are concerned." He said that Singapore's position was clear: it recognised one China and that Taiwan was part of China." <sup>283</sup>	Straits Times, April 18, 2000.
October 2000	On Singapore and Taiwan relations after Chen's victory and possibility of a trade plan	"Singapore will respond positively to Taiwan's proposal for a free trade area, cooperation in the financial sector and alliances in telecommunications, IT and the Internet. (Senior Minister Lee	Straits Times, October 1 2000.

<sup>&</sup>lt;sup>282</sup> "What S'pore Said of Victory," Straits Times, March 19, 2000.

<sup>&</sup>lt;sup>283</sup> "PM Goh Expects No Violence Over Taiwan," Straits Times, April 18, 2000.

Date	Subject	Verbatim Extract	Source
		Kuan Yew) said that relations between the new government in Taiwan and Singapore would be better than they had been while ex-President Lee Teng-hui was in charge. 'In the last six years, economic cooperation between Taiwan and Singapore has been at a low key, he noted.'" <sup>284</sup>	
June 2001	On Singapore Armed Forces (SAF) training in Taiwan	"Singapore remains unchanged in its position to continue military training in Taiwan and to allow US military access to bases in Singapore, said Senior Minister Lee Kuan Yew. "We have our interests, China has its interests, America has its interests," he said. The Senior Minister made the comments when he was asked how the Republic would balance its ties with the US and China, in particular, whether US military access to Singapore was a concern given the current tension between Beijing and Washington." <sup>285</sup>	Business Times, June 14, 2001.
March 2002	On negotiations for Singapore-Taiwan FTA	"TAIWAN'S Board of Foreign Trade (BOFT) held talks recently with its Singapore counterpart with a view towards establishing a Free Trade Agreement. Although the talks are preliminary, BOFT director Wayne Wu told BT he hopes significant progress will be made by the end of this year. 'Singapore has expressed significant interest in moving forward with the agreement,' Mr Wu said, adding that 'we still need to conduct a feasibility study to understand what aspects Taiwan needs from the agreement.'" <sup>286</sup>	Business Times, March 18, 2002.

<sup>&</sup>lt;sup>284</sup> "S'pore, Taiwan to "Follow Up' on Trade Plan," *Straits Times*, October 1, 2000.

<sup>&</sup>lt;sup>285</sup> "No Change in S'pore Policy on Taiwan Military Training, US bases," *Straits Times*, June 14, 2001.

<sup>&</sup>lt;sup>286</sup> "Taiwan, Singapore Start Talks on FTA; Taipei Conducting Feasibility Study, Hopes for Progress on Deal by Year-end," *Business Times*, March 18, 2002.

Date	Subject	Verbatim Extract	Source
October 2003	On negotiations for Singapore-Taiwan FTA	"Senior Minister Lee Kuan Yew revealed last night that Singapore welcomed talks on a free trade agreement with Taiwan as a major economic player when it was approached by the latter. But the talks got bogged down when Taiwan wanted to negotiate as a political entity. Mr Lee said Singapore continues to have economic ties with Taiwan, but there will be no official recognition of Taiwan as a sovereign entity." <sup>287</sup>	Business Times, October 14, 2003.
June 2004	Deteriorating China- Taiwan relations	"Singapore Prime Minister Goh Chok Tong has issued a warning against Taiwan independence, saying it would result in a war and a permanent rise in Chinese nationalism and hostility." <sup>288</sup>	South China Morning Post, June 6, 2004.
July 2004	Singapore then Prime Minister-elect Lee Hsien Loong visited Taiwan	"A Singaporean government statement said Mr Lee's 'private visit to Taiwan reflects Singapore's concern over the current tense cross-Strait situation'. Mr Lee would share his views on the issue in private meetings with 'friends' on the island, it said." <sup>289</sup>	South China Morning Post July 12, 2004.
August 2004	Singapore Prime Minister Lee Hsien Loong responds to China's criticism of his visit to Taiwan	"Prime Minister Lee Hsien Loong yesterday reiterated Singapore's commitment to the One China policy and said that Singapore could not support Taiwan if the latter provoked a cross-Strait conflict. 'If a war breaks out across the straits, we will be forced to choose between the two sides. As a friend of both sides, any decision will be painful. But if the	Straits Times, August 23, 2004.

<sup>&</sup>lt;sup>287</sup> "S'pore-Taiwan FTA Scuttled by Politics: SM; By Wanting to be Political Player, Taipei has Closed Doors, he says," *Business Times*, October 14, 2003.

<sup>&</sup>lt;sup>288</sup> "Singapore Highlights Risk of War," South China Morning Post, June 6, 2004.

<sup>&</sup>lt;sup>289</sup> "Singapore PM-elect Meets Taiwan Premier; Beijing Attacks Lee Hsien Loong for Making his Visit Despite Its Concerns," *South China Morning Post*, July 12, 2004.

Date	Subject	Verbatim Extract	Source
		conflict is provoked by Taiwan, then Singapore cannot support Taiwan,' he said during his National Day Rally speech." <sup>290</sup>	
October 2004	Difficulties in Singapore-Taiwan relations	"Ties between Singapore and Taiwan soured recently after Mr Chen on Monday called the Republic a country no bigger than 'a piece of dried nasal mucus' and used a Hokkien expletive to insult Singapore for currying favor with China. His remarks came after a speech by Singapore's Foreign Minister George Yeo at the United Nations General Assembly last week, saying that activities by some pro-independence groups in Taiwan could spark a war with China and drag in other countries." <sup>291</sup>	Straits Times, October 2, 2004.
March 2007	On Chen Shui-bian seeking independence for Taiwan	"Singapore yesterday said Taiwan President Chen Shui-bian's recent remarks that Taiwan 'must be independent' were unhelpful and could increase the risk of instability in cross- Strait relations. Yesterday, the MFA reiterated that Singapore has a clear 'one China' policy and is opposed to Taiwan independence and any unilateral moves to change the status quo." <sup>292</sup>	Straits Times, March 9, 2007.
December 2007	On Taiwan's attempt to call for a referendum on Taiwan's UN membership bid	"Singapore on Monday reiterated that it opposes Taiwan authority's attempt to put Taiwan's UN membership bid to a referendum, saying the move is provocative and irresponsible. Singapore's Foreign Ministry said in a	Singapore Ministry of Foreign Affairs, December 24, 2007.

<sup>&</sup>lt;sup>290</sup> "S'pore Won't Back Taiwan Independence: PM Lee; His Recent Trip was Aimed at Understanding a Tense Situation," *Straits Times*, August 23, 2004.

<sup>&</sup>lt;sup>291</sup> "Demonstrators in Taiwan Burn Singapore flag; Protesters Claim to Back Foreign Minister's Use of Taiwanese Slang Regarding Singapore and Want Review of Relations with Country," *Straits Times*, October 2, 2004.

<sup>&</sup>lt;sup>292</sup> "Chen's Remarks Unhelpful: Singapore," *Straits Times*, March 9, 2007.

Date	Subject	Verbatim Extract	Source
		statement Monday night that its "One China" policy is clear and consistent, and it remains firmly opposed to any unilateral move to alter the status of Taiwan." <sup>293</sup>	
February 2008	Singapore Air Show	"Taiwan's state-run aerospace company has been forbidden from displaying the name "Taiwan" on its booth or showing the national emblem on its exhibits at an aviation show being held in Singapore, a company official said Tuesday. The organizers of Singapore Airshow 2008 also banned a DVD recording of the March 2007 christening ceremony for the company's upgraded indigenous defence fighters presided over by President Chen Shui-bian, said Aerospace Industrial Development Corp. Vice President Hsu Yen- nien." <sup>294</sup>	Taiwan Central News Agency, February 20, 2008.

<sup>&</sup>lt;sup>293</sup> "MFA Spokesman's Comments to Media Queries on the Recent Statements by the P5 Opposing the Taiwan Referendum, 24 December 2007," Singapore Ministry of Foreign Affairs, December 24, 2007.

<sup>&</sup>lt;sup>294</sup> "'Taiwan' Banned in Singapore Air Show," *Taiwan Central News Agency*, February 20, 2008.

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