

JAPAN AND TAIWAN: THE MORE THINGS CHANGE, THE MORE THEY STAY THE SAME

by

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Considering the fluid nature of the global geopolitical environment, together with grave concerns over ruptures of supply chain chokepoints, Tokyo is leveraging its extensive network of friends to safeguard its national security interests and promoting values that are consistent with its vision of a “Free and Open Indo-Pacific.” At present, Japan is on edge over the coercive means by which the People’s Republic of China (PRC) seeks to fully achieve regional ascendancy and the destabilizing effects that its muscularity can pose to the regional balance of power. Despite these bleak power dynamics, one silver lining is that this has opened the window for Japan to deepen exchanges with Taiwan (whose government officially refers to itself as the Republic of China, or the ROC) on its own terms.

Warming Ties: Seeing Is Believing

Once upon a time, it was taboo for Japanese officials to openly express their concerns about China’s military buildup and its predatory economic tactics, particularly regarding Taiwan. But this began to shift a few years ago due to the intensifying nature of strategic competition between Washington and Beijing and the People’s Liberation Army (PLA) accelerating its military activities in and near Japan’s periphery (namely in the East and South China Seas). Given these circumstances, when President Joe Biden invited then-Japanese Prime Minister Suga Yoshihide for the first in-person summit of his presidency in Washington (April 2021), their joint statement [stressed](#) “the importance of peace and stability across the Taiwan Strait” and also called for “the peaceful resolution of cross-Strait issues.” Even this indirect Taiwan reference [garnered](#) significant media attention and reactions from foreign policy analysts and scholars alike. It set the precedent for joint statements out of subsequent [bilateral meetings](#) between the U.S. and Japan; multilateral gatherings such as last year’s [G-7 leadership summit](#) under Japanese chairmanship;

and the [historic trilateral summit](#) that took place between the U.S., Japan, and the Republic of Korea (ROK) at Camp David last August.

Japan is also proactively supporting the status quo in cross-strait relations and Taiwan’s democratic society through its own governmental statements and strategy documents. In Japan’s latest National Security Strategy, which was [published](#) in December 2022, Taiwan was mentioned seven times, and it was deemed “an extremely important and a precious friend of Japan.” Unlike the 2022 edition, the 2023 version of Japan’s [defense white paper](#) dedicated an entire section to illustrate the dangers behind China’s ability to unilaterally alter the status quo in the Taiwan Strait by force, and the spillover effects it would have on Japan’s security interests should conflict take place. It also referenced China’s military exercises around Taiwan in August 2022 in response to then-U.S. House Speaker Nancy Pelosi’s visit to the island, where five missiles penetrated Japan’s exclusive economic zone for the first time ever.

One of the byproducts of China sharpening its military capabilities is that officials from both Tokyo and Taipei see the value-add of increasing legislative exchanges between the two sides, and a few relevant milestones were achieved in 2023. For instance, in June, Cheng Wen-tsan was the [first](#) sitting Taiwanese vice premier to visit Japan in nearly 30 years. In a similar vein, Japan’s Liberal Democratic Party (LDP) Vice President and former Prime Minister Asō Tarō [became](#) the highest-ranking Japanese government official to visit Taiwan since Tokyo terminated diplomatic relations with Taipei and [formalized](#) ties with the PRC in September 1972. Finally, as part of a broader effort to promote tourism between the two democracies, Taiwan Legislative Yuan Speaker You Si-kun [led](#) a 100-person delegation to ride a ferry from Taiwan’s Yilan county to Japan’s Yonaguni island in July (the latter is only 110 km away from Taiwan proper). Once the ferry docked, You was greeted by Japanese lawmaker Furuya Keiji, who chairs the Japan-ROC Diet Members’ Consultative Council, along with other Japanese officials including Yonaguni Mayor Itokazu Kenichi.

In preparation for Taiwan's presidential election, which was held on January 13, two of the three candidates made high-profile trips to Japan to promote their respective campaign agendas. First, Hou Yu-ih of the Kuomintang (KMT) [embarked](#) to Japan a little over a week after his political party formally nominated him as its candidate. While in Tokyo, Hou [attempted](#) to assuage some Japanese lawmakers' trepidations about escalating cross-strait tensions by making it clear that his policy goal is to transition Taiwan into a "risk reducer," which would bring "peace of mind to Japan." Meanwhile, Ko Wen-je, the founder and presidential frontrunner of the Taiwan People's Party (TPP), [asserted](#) that Japan is Taiwan's "most important ally in Asia," while speaking at the Foreign Correspondents' Club of Japan in June 2023. Lastly, while now-President-elect Lai Ching-te of the ruling Democratic Progressive Party (DPP) did not leave Taiwan after his party [nominated](#) him as its presidential candidate in April 2023, he did [make](#) a last-minute visit to Tokyo in a private capacity right after the death of his dear friend, the late Japanese Prime Minister Abe Shinzo in July 2022.

Japanese proactivity was on full display when a parliamentary delegation led by Furuya was the [first](#) to congratulate President-elect Lai and Vice President-elect Hsiao Bi-Khim in person after the DPP won the presidential race. All things considered, seeing is believing, and the cause of building stronger ties between Japan and Taiwan will continue to gain steam – and not just on shared security interests.

The Chips Will Be Falling Where They May

Perhaps the most promising area of cooperation between Japan and Taiwan – at least in the immediate term – is associated with economic opportunities via semiconductor production. Over the past few years, the Taiwan Semiconductor Manufacturing Company (TSMC), which [commands](#) over a 60 percent share of the global foundry revenues as of 2023, has secured deals to construct fabrication factories in three different countries: the U.S., Germany, and Japan. TSMC began to anchor its presence in Japan when it [opened](#) the Japan Design Center in 2019. A little over two years later, it [established](#)

an overseas subsidiary called the Japan Advanced Semiconductor Manufacturing (JASM) in conjunction with Sony Semiconductor Solutions Corporation to produce chips that are between 12-nanometer and 28-nanometers at a plant in Kumamoto Prefecture, and DENSO Corporation [announced](#) its involvement in this joint venture a few months later (to be clear, TSMC holds majority shareholder status). Barring any unexpected delays, this factory will commence operations later this year. The Taiwanese firm then [opened](#) the doors to its R&D facility in Ibaraki Prefecture shortly thereafter in June 2022. And almost two months ago, TSMC [confirmed](#) that it will build a second facility in Kumamoto with investments from Sony, DENSO, and Toyota, and it will be fully operational by 2027. Recently, reports came out that TSMC is also [entertaining](#) the idea of building a third fab in Kumamoto.

Looking back, when my friend Riley Walters and I [interviewed](#) the late Japanese Prime Minister Abe in early 2022 about the state of Japan-Taiwan relations, one of the comments he made regarding the TSMC that truly captured my attention is that it would be "one of the first times the government of Japan would provide assistance to a foreign firm investing in Japan." Although Tokyo no longer has official diplomatic relations with Taipei, it [provided](#) ¥476 billion (\$3.5 billion) to a Taiwanese chip firm as part of its long-term strategy to resurrect Japan's status as one of the primary innovation hubs for the global chip industry.

The TSMC has quietly turned the small countryside town of Kikuyo into the epicenter of a compelling comeback story for Japan's chip industry. The Taiwanese firm [chose](#) to build a factory in Kumamoto Prefecture because of its close geographical proximity to Taiwan; its ample groundwater and electrical supply; and its stellar reputation for water maintenance. On February 24, TSMC [held](#) a ribbon-cutting ceremony for the opening of its first plant in Japan, and attendees included the Japanese Minister of Economy, Trade, and Industry (METI) Saito Ken, TSMC Chairman Mark Liu, and many other thought leaders from Japan's chip industry. During this momentous occasion, Morris Chang, the founder

of TSMC who was also in attendance, [emphasized](#) the importance of the growing ties between Japan and Taiwan, declaring that the new factory in Kumamoto is planting the roots of a “renaissance of semiconductor manufacturing for Japan.” Later that day, Minister Saito [indicated](#) that Tokyo will provide an additional ¥732 billion (\$4.86 billion) towards the construction of the second plant.

There are plenty of reasons to be optimistic about the economic opportunities that will manifest from these developments -- one of which [includes](#) more flights from Taiwan to Kumamoto. Japan’s Fuji TV [spoke](#) with locals from Kikuyo about the economic boom that their small town is currently undergoing, particularly the hospitality industry. Many restaurants in the area find it is becoming difficult for them to take walk-ins, hotels are fully booked, and local grocery stores are dedicating more space to sell Taiwanese goods since there are more Taiwanese workers moving to Kikuyo. That said, there are some logjams that need to be unclogged in order to accommodate these rapid changes in Kikuyo. For example, the aforementioned coverage from Fuji TV began by showcasing a deluge of commuters getting off the train at Kikuyo station, which presently runs under unmanned operations (無人駅 or *mujin-eki* in Japanese). Thus, it would be sensible to increase the manpower at the train station and other transportation hubs near the plant if the town of Kikuyo wants its infrastructure to withstand the sudden surge of people.

Meanwhile, in their coverage of the TSMC plant opening, TaiwanPlus News [highlighted](#) that Kikuyo is already confronting a scarcity of land for housing. The Taiwanese media outlet spoke to the town’s mayor, Yoshimoto Takatoshi, who recognizes there are risks associated with his city turning into an economic beacon, especially since water depletion may become a major issue down the line. Finally, Japan is prone to a multiplicity of natural disasters, and in 2016, Kumamoto [suffered](#) two major earthquakes, killing close to 300 people. But despite these obstacles, it is quite remarkable to see that a small town in Kumamoto is bringing Japan and Taiwan closer together.

Adapting to a New Normal

Japan and Taiwan are adapting to a new normal of deepening ties, albeit in an unofficial capacity, and a lot of ground has already been covered over the past few years to foster bilateral cooperation and promote shared democratic values. In late February, President Tsai [attended](#) a ceremony to celebrate the Japanese Emperor’s birthday and proclaimed that the bond shared between Japan and Taiwan is like that of a family. To state the obvious, the vibrancy of Japan-Taiwan relations hinges on the combination of political stamina across different levels of government in both polities and the continuation of meaningful people-to-people exchanges.

In closing, there is a saying coined by French writer Jean-Baptiste Alphonse Karr which roughly translates to the following: “the more things change, the more they stay the same.” Taiwan and Japan are weathering many geopolitical and geo-economic uncertainties in concert, and it is safe to say that the momentum weaving them closer together will endure for years to come. Thus, this phrase accurately encapsulates the state of their partnership, and that is not likely to change anytime soon.

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