The China—Taiwan Weekly Update



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The China—Taiwan Weekly Update is a joint product from the Institute for the Study of War and the American Enterprise Institute. The update supports the ISW—AEI Coalition Defense of Taiwan project, which assesses Chinese campaigns against Taiwan, examines alternative strategies for the United States and its allies to deter the Chinese Communist Party's (CCP) aggression, and—if necessary—defeat the People's Liberation Army (PLA). The update focuses on the Chinese Communist Party's paths to controlling Taiwan and cross—Taiwan Strait developments.

Key Takeaways:

- Taiwan's Executive Yuan returned a bill that would expand legislative oversight over the government to the Legislative Yuan for a second vote. The reform bill is very likely to pass the second review and become law.
- A PRC civilian drone dropped flyers and broadcast a video in the airspace over the Taiwanese outlying island of Kinmen
- Taiwanese officials said the PRC could use ROC military veterans who attend the Whampoa Military Academy centennial celebration in the PRC to facilitate espionage and promote pro-unification narratives.
- The United States, Australia, Canada, New Zealand, and the United Kingdom published a joint bulletin detailing how the People's Republic of China's People's Liberation Army is recruiting current and former Western-trained fighter pilots and associated personnel to train its respective counterparts.
- The PRC blamed a Philippine medical evacuation for a Chinese Coast Guard coercive operation at the Second Thomas Shoal.
- The PRC denied Palau President Surangel Whipps Jr's assertion that it would interfere with Palau's general election in November 2024.
- PRC Foreign Minister Wang Yi met separately with acting Iranian Foreign Affairs Minister Ali Bagheri Kani and Russian Foreign Minister Sergei Lavrov at the BRICS foreign ministers meeting in Nizhny Novgorod, Russia on June 10.

• The PRC and Russia are using the BRICS platform to advance alternative financial architecture that aims to insulate their trade from US sanctions.

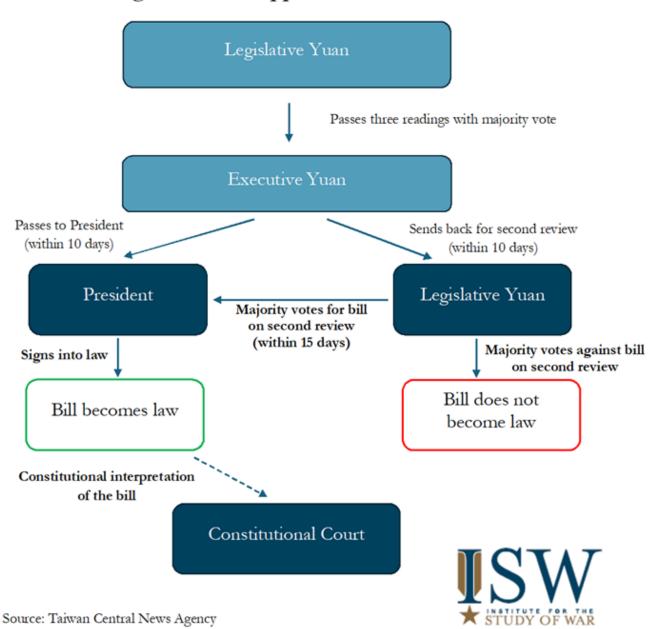
Cross-Strait Relations

Taiwan

Taiwan's Executive Yuan (EY) returned a bill that would expand legislative oversight over the government to the Legislative Yuan (LY) for a second vote. The Legislative Yuan passed the reform bill on May 28. The bill would grant the LY the ability to confirm political appointments, call any official to testify before the LY, and impose fines or criminal charges on anyone it deems to be in "contempt of legislature" for talking back or lying during testimony. The ruling Democratic Progressive Party (DPP), which holds a minority in the LY, opposed the bill. [1] EY President (Premier) Cho Jung-tai with the approval of ROC President Lai Ching-te officially requested on June 11 that the LY conduct a second review of the bill and vote on it again. [2] The EY said elements of the bill were too broad, unconstitutional, or difficult to implement. [3] The LY has 15 days to vote on the bill again. If a majority in the LY votes for the bill, it will become law with no option for the EY or the president to veto it. If they vote against the bill or fail to vote within 15 days, the bill will not become law.

The reform bill is very likely to pass the second review and become law. The Kuomintang (KMT) and Taiwan People's Party (TPP) have stated they will support the reform bill on the second review despite opposition from the DPP. The KMT and TPP jointly hold a majority in the LY and were the parties that advanced and passed the reforms the first time. [4] DPP leaders including LY caucus whip Ker Chienming and President Lai Ching-te have stated that they will request a constitutional interpretation of the bill if it becomes law. The Constitutional Court finding the law unconstitutional would prevent its implementation. [5]

Post-Legislature Bill Approval Process in Taiwan



A PRC civilian drone dropped flyers and broadcast a video in the airspace over the Taiwanese outlying island of Kinmen. The Fujian-based PRC firm Zhongli Technology flew a drone into the airspace of the main island of Kinmen on June 8 and filmed a video that it broadcast on its Douyin account.[6] Douyin is the PRC's domestic version of TikTok. The drone flew near the Mashan Observation Post in northeastern Kinmen and dropped leaflets urging Taiwan to "come back" and conveying holiday wishes for the Dragon Boat Festival.[7] Mashan Observation Post is a historic ROC military site that the ROC once used to broadcast propaganda encouraging PRC soldiers to surrender

and join the ROC.[8] The PRC's Taiwan Affairs Office (TAO) said the incident was the "spontaneous action by mainland netizens to express their hope for reunification and opposition to 'Taiwan independence."[9] There have been several past instances of ostensibly civilian drones from the PRC violating Kinmen's airspace and filming videos or dropping flyers over military facilities. The ROC military claimed that some of these past instances were part of the PRC's "cognitive operations" against Taiwan.[10]

Taiwanese officials said the PRC could use ROC military veterans who attend the Whampoa Military Academy centennial celebration in the PRC to facilitate espionage and promote pro-unification narratives. The PRC and ROC are holding rival centennial celebrations for the Whampoa Military Academy on and around June 16. The PRC's Whampoa Military Academy Alumni Association said that it invited 3,000 alumni from Taiwan to attend the celebration in the PRC.[11] ROC Veterans Affairs Council minister Yen Teh-fa said he expects fewer than 100 retired Taiwanese military officers to attend, however, while around 10,000 retired ROC officers will attend the celebration in Taiwan.[12] Defense Minister Wellington Koo urged Taiwanese retired officers not to attend the PRC event due to the risks of leaking personal information.[13] An unnamed ROC official told Taiwanese media that the retired Taiwanese officers who attend the PRC events will be required to get PRC residency documents, driver's licenses, and bank accounts and would be given cellphones with pre-downloaded applications to allow them to access transportation and other services in the PRC. The unnamed official said these measures could enable PRC espionage when the retired officers return to Taiwan, as Taiwan cannot monitor PRC financial institutions or telecommunications. Another unnamed source said the CCP's United Front Work Department arranged the retired officers' itinerary in the PRC to feature World War II memorials, a memorial for the Nanjing Massacre, as well as the Whampoa Academy's former site in Guangzhou to build a narrative that the Taiwan and PRC militaries are one entity and Japan is their common enemy.[14]

The PRC TAO publicized comments by retired Taiwanese general Chi Lin-lien, who spoke in favor of "expelling Taiwan independence and reviving China." Chi will attend the Whampoa Military Academy centennial events in the PRC. Chi is the former chairman of the KMT's veteran-dominated Huang Fuhsing faction, which the KMT disbanded earlier in 2024. The TAO spokesperson claimed that Chi's comments aroused "deep patriotism" and praise from people on both sides of the Taiwan Strait and proved that the DPP's efforts to "de-Sinicize" Taiwan cannot "weaken the Chinese feelings of compatriots on both sides of the Taiwan Strait." [15]

The Whampoa Military Academy has historic importance to both the ROC and PRC. The ROC founded the academy in 1924 in Guangzhou, which is now part of the PRC, and included both KMT and Communist Party members among its faculty and student body. Many Whampoa faculty and alumni became members of the ROC and CCP militaries who fought in the Chinese Civil War and World War II. The school's first superintendent was Chiang Kai-shek, who later became the president of the ROC. The academy relocated to Kaohsiung, Taiwan after the Chinese Civil War but remains an important historical site in the PRC.[16]

PRC officials "firmly opposed" the US sale of F-16 parts to Taiwan. The US Department of State approved two potential sales of \$300,000 of F-16 parts and related equipment to Taiwan on June 6.[17] Spokesperson for the PRC Ministry of Foreign Affairs (MFA) and Ministry of National Defense

(MOD) both said the PRC is "strongly dissatisfied and firmly opposed to" the sales. They claimed the sale violated the one-China principle, harmed the PRC's sovereignty, and undermined peace in the Taiwan Strait.[18]

China

The United States, Australia, Canada, New Zealand, and the United Kingdom published a joint bulletin detailing how the People's Republic of China's People's Liberation Army (PLA) is recruiting current and former Western-trained fighter pilots and associated personnel to train its respective counterparts.[19] The bulletin warned that the PLA is continuing its efforts to recruit current and former personnel from NATO and Western countries to enhance its air operations while also gaining insight into Western aerial tactics, techniques, and procedures. It noted that while the most sought-after personnel were fighter pilots, the PLA has also targeted flight engineers, air operations center staff, and technical experts for recruitment. The bulletin warned the PLA Air Force (PLAAF) and PLA Navy (PLAN) are actively recruiting Western personnel through private companies across the globe in Africa, the Middle East, and China. It also warned that providing unauthorized training or expertise can face civil or criminal penalties under the US Arms Export Act.

The five countries that published the bulletin have reported cases of PLA efforts to recruit their military aviation personnel during the last two years. In October 2022, the UK Ministry of Defense announced up to 30 former Royal Air Force pilots had trained PLA aviators with compensation reported as high as USD 270,000.[20] In October 2022, New Zealand's Ministry of Defense told the Financial Times that four former pilots were employed by a now US-sanctioned South African flight school that reportedly has trained PLA pilots.[21] The Australian Ministry of Defense also launched an investigation in 2022 into reports that Australian pilots had accepted training roles for the PLA.[22] An unspecified PRC Embassy spokesperson in the United States declined to comment on the bulletin, but stated that "some US officials have been quick to accuse China and smear the normal exchanges and cooperation between China and the US."[23]

Southeast Asia

Philippines

The PRC blamed a Philippine medical evacuation for a Chinese Coast Guard coercive operation at the Second Thomas Shoal. Two Chinese Coast Guard (CCG) ships, two smaller ships, and two rubber vessels harassed a Philippine medical evacuation operation from the grounded *Sierra Madre* on May 19. One CCG ship fired a water cannon and rammed a Philippine rubber boat. [24] The incident did not become public knowledge until Philippine media reported on it during the first week of June. [25] PRC MFA Spokeswoman Mao Ning stated on June 7 that the Philippines did not notify the PRC in advance, which the PRC claims is a necessary prerequisite due to its territorial claim over the Second Thomas Shoal. [26] Philippine Coast Guard (PCG) Spokesman Jay Tarriela stated on June 6 that the PCG informed the CCG via radio and public address system about the "humanitarian nature of our mission for medical evacuation." [27] Philippine National Security Adviser Secretary Eduardo M. Año stated on June 8 that the CCG actions on May 19 were "barbaric and inhumane." [28]

The PRC is conducting a campaign to enforce its territorial claims over disputed maritime features in the South China Sea. The PRC deployed research vessels and divers to the Sabina Shoal in early May, potentially as part of a campaign to prevent the Philippines from defending its claim to the Second Thomas Shoal. This is a change from April when the PRC deployed the Chinese Coast Guard to block Philippine ships from reaching Second Thomas Shoal and did not conduct efforts to reclaim Sabina Shoal. [29] The PRC also conducted its largest-ever blockade at Scarborough in an attempt to block a fleet of Philippine civilian ships from resupplying fishermen near Scarborough Shoal. [30] The Chinese Coast Guard also released new law enforcement procedures on May 15, which it could use to justify the arrest and detainment of non-PRC nationals and vessels, such as Philippine resupply ships or Filipino fishermen, within the boundaries of PRC territorial claims. [31]

Oceania

The PRC denied Palau President Surangel Whipps Jr's assertion that it would interfere with Palau's general election in November 2024. Whipps said in a *Reuters* interview that his recognition of Taiwanese sovereignty makes him an enemy of the PRC in the PRC's view.[32] Palau is one of 12 countries that maintain diplomatic relations with the Republic of China (Taiwan).[33] PRC MFA Spokeswoman Mao Ning denied on June 6 that the PRC would interfere in Palau's general election and urged Palau to abandon diplomatic relations with Taiwan.[34]

Palau is part of a sea line of communication (SLOC) that provides a security route connecting American allies and partners, such as the Philippines and Taiwan, to the US territory of Guam and the state of Hawaii. The United States Indo-Pacific Command (USINDOPACOM) defines SLOCs as "the principal maritime routes between ports, as used for trade, military, or other purposes."[35] Palau's relationship with the United States is governed by a Compact of Free Association (COFA). The COFA grants the United States extensive military access throughout Palau's territories.[36]

Russia and Iran

PRC Foreign Minister Wang Yi met separately with acting Iranian Foreign Affairs Minister Ali Bagheri Kani and Russian Foreign Minister Sergei Lavrov at the BRICS foreign ministers meeting in Nizhny Novgorod, Russia on June 10. The Russian Ministry of Foreign Affairs (MFA) and Chinese MFA both stated that Lavrov and Wang discussed diplomatic coordination in international organizations such as the United Nations Security Council.[37] Wang stated China is willing to work with Russia to "maintain strategic focus" and "promote the steady and long-term development of bilateral relations."[38] Wang and Bagheri Kani both emphasized a willingness to build a multilateral world order and enhance the voice of the Global South in international affairs.[39] Wang viewed the purpose of the meeting as strengthening BRICS multilateralism in international affairs, "safeguard[ing] peace and security," as well as enhancing BRICS economic, technological, and cultural exchanges.[40]

The PRC and Russia are using the BRICS platform to advance alternative financial architecture that aims to insulate their trade from US sanctions. Kremlin aide Yury Ushakov announced on March 5 that BRICS will work to create an independent payment system based on digital currencies and blockchain. [41] PRC efforts to de-dollarize international trade have made little progress to date. The PRC created the Cross-Border Interbank Payment System (CIPS) in 2015 as a settlement

and payment clearing system for international transactions that use the yuan. Approximately 30 Russian banks are direct participants in CIPS.[42] Average daily transactions on CIPS increased roughly 50 percent in the 12 months following Russia's invasion of Ukraine in February 2022, albeit from a small base.[43] Despite the increased volume of cross-border payments under CIPS, the system has not gained sufficient traction to make up for Russia's lost access to the international financial system after Western sanctions limited Russian banks' participation in the dominant infrastructure.

The PRC and Russia are branding the new payment system as a BRICS-wide initiative to establish the legitimacy of the system and make their criticisms of US dollar dominance in global trade appear as a shared concern across the international community. Foreign Minister Wang Yi made concerns about economic security a focus during the BRICS summit. Wang criticized the "securitization" of economic issues and increasing unilateral sanctions and urged the world to support BRICS efforts to promote multipolarity and fight anti-globalist and unipolar hegemony. [44] White House National Security Communications Adviser John Kirby told reporters on June 11 that the Group of Seven (G7) summit in Italy would "address the PRC's support for the Russian defense industrial base." [45]



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