



Contemporary Taiwan

Domestic Politics, External Relations and India's Interests



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The author had the honour and pleasure of heading India's non-official representation in Taiwan for three years from May 2000 to May 2003. The author was a witness to a particularly historic event – the first ever peaceful transfer of power in the millennia-long history of Chinese civilisational realms. The author had arrived in Taipei just five days before the swearing in of Chen Shui-bian as the President of Taiwan, more correctly, of the Republic of China. Chen Shui-bian belonged to the openly pro-independence Democratic Progressive Party (DPP). The Kuomintang (KMT) party had been in power continuously for almost nine decades, first in mainland China from the 1920s to 1949 and then in Taiwan, from 1945 to May 2000. The DPP had been in existence for only fourteen years. This mere 14-year period witnessed the miraculous transformation of Taiwan from a one-party State, ruled autocratically under martial law

for 40 years, into a rather robust and rambunctious democracy. This remarkable political transformation must be considered an even greater achievement than the much acclaimed Taiwanese economic miracle.

The psychological ambience in Taipei was highly charged. There was a pervasive feeling of euphoria and exultation that something totally unexpected and utterly and indescribably dramatic was about to happen; the inhabitants of the island, though overwhelmingly Han Chinese, but who had lived in Taiwan for generations and considered themselves as Taiwanese, had wrested power from the mainlanders who had arrived in 1949, and had finally become masters of their own destiny.

On 14 March, 2000, four days before voting in the presidential election, the Chinese Foreign Ministry Spokesman Sun Yuxi had explicitly warned that China would take firm action if it did not like the outcome of Taiwan's presidential election – i.e. if Chen Shui-bian were elected president. In a press conference on 15 March, Chinese Premier Zhu Rongji stated that "The Chinese people will definitely safeguard the motherland's reunification and national dignity with their own blood and lives (emphasis added).... At present, Taiwan

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people are facing an urgent historic moment. They have to decide what path to follow. They absolutely should not act impulsively. Otherwise, it will be too late for regrets... there are only three days left. It is very hard to predict world affairs. Taiwan compatriots, you must be on your guard!" ("AFP: PRC FM Spokesman Warns Taiwan on Election Result," Hong Kong AFP, March 14, 2000, in FBIS-CHI-2000-0314.)

Bearing in mind such public warnings issued repeatedly by China's leaders over the preceding months, the author also perceived a sense of deep anxiety being clearly evident as the nation was now entering completely uncharted territory – how would China actually react to the new reality? For China, the KMT was a known enemy but was at least committed to unification; but now, dangerous 'separatists' were about to take power. How would the Taiwanese army react? As the army was – in good Chinese tradition, for all practical purposes – a KMT army trained to protect and promote the KMT agenda and treat proclivities towards Taiwanese independence as high treason. In what must surely be the first such occurrence in world history, an official pamphlet was attached to the invitation for the presidential inaugural ceremony containing detailed instructions about what the attendees should do if there was an air raid. In the event, the colorful ceremony took place in balmy weather without incident barring that the KMT top brass boycotted the function – a behavioural pattern they maintained vis-à-vis the DPP government throughout its eight-year rule. The new millennium had ushered in the advent of an absolutely new era in Taiwan's history. Taiwan had changed forever.

Against all odds, Chen Shui-bian was re-elected in 2004, albeit by a razor thin plurality. The KMT returned to power in 2008 not because of any dilution of the strongly nationalist sentiment in Taiwan but as a consequence of the increasingly inept governance and massive corruption of the DPP regime. President Ma Ying-jeou easily won the subsequent election in 2012. However, in the so-called 'nine-in-one-election' on 29 November, 2014, to elect nine categories of local officials, there was an impressive 68 per cent voter turnout, and the result was a crushing defeat for the KMT and a triumph for the opposition DPP, resulting in the resignation of President Ma Ying-jeou as Chairman of the KMT and also the resignation

of the Premier and his cabinet. The DPP won 13 of the 22 counties and cities nationwide, while the KMT took only six compared to 15 in the previous election. In the country's six special municipalities, the KMT managed to hang on to New Taipei in a close race, while the DPP swept Taoyuan, Taichung, Tainan and Kaohsiung. The capital Taipei was wrested from the KMT by an independent candidate. The DPP took 47.5 percent of the vote to 40.7 percent garnered by the ruling KMT. These results mean that the DPP's prospects in the 2016 presidential elections have brightened very significantly.

I

Taiwan's Foreign Relations

Taiwan has only two relationships that really matter politically: the Taiwan-China bilateral and the Taiwan-US bilateral.

Taiwan-China Relations

There were no relations or interaction between China and Taiwan during Chiang Kai-shek's rule or during the Chiang Ching-kuo's presidency. However, an opening was made when he allowed family visits to China in 1987. After a spurt of unexpected and innovative diplomacy propelling exchanges between the two sides in the initial four to five years of Lee Teng-hui's presidency, Cross Strait relations went through a particularly rocky period from 1995 onwards as Lee revealed his true pro-Taiwan political orientations; relations became even more tense during Chen Shui-bian's presidency, though ironically, there was an utterly phenomenal increase in people-to-people interaction between China and Taiwan during this period. Relations have really blossomed under the presidency of Ma Ying-jeou and are at the warmest, since 1949.

Interactions in the Ma period have taken place under the framework of the very controversial '1992 Consensus'. It is extremely important to understand this concept.

As exchanges in trade, economy and other fields across the Taiwan Strait started increasing steadily after 1987, these needed to be regulated; and Taiwan perforce felt the

need to adjust its earlier policy of 'no contact, no concessions and no negotiations'. In 1990-91, then Taiwanese President Lee Ten-hui had secretly sent his protégé Su Chi-cheng as his personal envoy to China to meet Beijing's Director of Taiwan Affairs Office to exchange views on the concept of 'One China', as an understanding thereon would be absolutely and unavoidably necessary to overcome the politico-legal complications of Cross-Strait relations. Taiwan set up a nominally non-government body, the Straits Exchange Foundation (SEF) on 9 March 1991 to deal with all Cross-strait exchanges and China subsequently created a counterpart – the Association for Relations Across the Taiwan Straits (ARATS). These ostensible NGOs were to function under the Mainland Affairs Council in Taiwan and under the Taiwan Affairs Office of the State Council in China respectively, ministerial level entities responsible for policy issues concerning cross strait relations.

On 1 August 1992, Taiwan published the following statement in respect of its interpretation of the meaning of 'One China:' "Both sides of the Taiwan Strait agree that there is only one China. However, the two sides of the Strait have different opinions as to the meaning of "one China." To Peking, "one China" means the "People's Republic of China (PRC)," with Taiwan to become a "Special Administration Region" after unification. Taipei, on the other hand, considers "one China" to mean the Republic of China (ROC), founded in 1911 and with de jure sovereignty over all of China. The ROC, however, currently has jurisdiction only over Taiwan, Penghu, Kinmen, and Matsu. Taiwan is part of China, and the Chinese mainland is part of China as well."

A subsequent press release issued by the SEF stated that "On November 3 1992, a responsible person of the Communist Chinese ARATS said that it is willing to "respect and accept" SEF's proposal that each side "verbally states" its respective principles on 'one China.'" An ARATS statement on November 16 stated that "At this working-level consultation in Hong Kong, SEF representatives suggested that each side use respective verbal announcements to state the one China principle. On 3 November, the SEF sent a letter, formally notifying that "each side will make respective statements through verbal announcements." ARATS fully respects and accepts SEF's suggestion." Thus, the SEF

showed no disagreement in its letter of reply to ARATS on 3 December. However there appears to be no written record of what the SEF verbally stated at that time in respect to the meaning of "One China."

A summary of the Wang-Koo Talks published by the SEF in August 1993 stated that the consensus reached by the ARATS and the SEF was quite clear: both sides had worked hard to seek common points while reserving differences in explaining the political content of 'one China'. Thus, under the 1992 Consensus, the concept of China is of a nation with unified sovereignty but divided jurisdiction. (See Shirley A. Kan 'China/Taiwan: Evolution of the "One China" Policy—Key Statements from Washington, Beijing, and Taipei' Congressional Research Service, 10 October 2014, <https://fas.org/sgp/crs/row/RL30341.pdf>).

Ironically, in later years, President Lee Teng-hui repeatedly said that no such understanding was reached; the DPP has never accepted the validity of the so-called 1992 Consensus. Though the ARATS-SEF meetings were suspended under the DPP rule and despite exchanges of extremely acerbic political rhetoric from both sides precipitating a dangerous escalation of tensions, over a million Taiwanese started living in China on a semi-permanent basis and about five million were traveling back and forth each year; the number of mainland Chinese brides in Taiwan started growing rapidly, becoming the largest group of foreign brides; long forbidden direct flights were episodically permitted; China became Taiwan's largest trade partner in 2003. Despite official discouragement, Taiwan maintained its status as the largest single foreign investor in China with investment flows increasing by the month. In another historical irony, the KMT leaders were permitted to travel to China, where they were received by Communist Party of China's (CPC) top leaders in red carpet welcomes in a blaze of media publicity only granted to favoured foreign dignitaries. The fact was that growing political tension only dimly concealed the reality of a very substantial and growing bilateral socio-economic relationship even as China simultaneously escalated its campaign to further isolate Taiwan internationally.

There has been a dramatic change in Beijing-Taipei relations after Taiwanese President Ma Ying-jeou assumed office in May 2008. The

President restarted the dialogue process with mainland China on the basis of the '1992 Consensus'. He added new riders of his own, stating that the two sides "do not recognize each other's sovereignty, but do not deny each other's jurisdiction." Ma also enunciated a policy of Three No's – 'No independence, No reunification and No use of force'.

In a series of unprecedented developments, mainland China's then President Hu Jintao met Taiwanese Vice President-elect Vincent Siew at the Boao Forum in Hainan in April 2008. Since then, senior KMT party personages' visits from Taiwan have been taking place routinely. Meetings between prominent political personalities of Taiwan as leaders of Taiwanese delegations at APEC Summit meetings with China's top leadership have also become a routine occurrence. In February 2014, the heads of Taiwan's Mainland Affairs Council and China's Taiwan Affairs Office held face-to-face talks in Nanjing, representing the first formal meeting between the Ministers of both sides in their official governmental capacities since the end of the Chinese Civil War. The enormous political significance of this must not be underestimated.

The fifth meeting between the ARATS and the SEF Chairmen was held on 29 June, 2010 – symbolically significantly in Chongqing, the last capital of KMT leader Chiang Kai-Shek before he fled – and the landmark Economic Cooperation Framework Agreement (ECFA), a quasi-FTA arrangement, was signed. This was Taiwan's 15th deal with China since 2008, to promote closer economic and social ties; till date, a total of 21 agreements have been signed. Trade across the Taiwan Strait totaled \$197 billion in 2013 – almost five times the 2002 figure, with Taiwan enjoying a large favourable trade balance. The two sides are now linked by 840 flights per week, serving the largest number of Chinese destinations (over 50) – the number is extremely significant because no other country comes close – open to a foreign country. Taiwan has also been granted access to 16 coastal and 4 inland river ports.

Over 3 million Chinese tourists visit Taiwan annually; Chinese visitors to Taiwan's two outlying islands, Kinmen and Matsu, just off the coast of China, can avail of 'visa on arrival' from the beginning of 2015. Rising numbers of students and teachers from either side are

increasingly being welcomed by both sides. The number of Taiwanese nationals living and working in China and traveling to China has been increasing greatly. China has concurred in Taiwan's participation as an observer at the annual meeting of WHO's World Health Assembly since May 2009; last year Taiwan was also allowed to attend the 38th ICAO Assembly in Montreal as a guest of the Council President, both of which the DPP government had unsuccessfully tried very hard for. This expansion in Taiwan's "international space" coincided with a "diplomatic truce" in which Taiwan and the PRC have tacitly agreed not to compete for recognition, leaving Taiwan safe with the 22 countries that still recognise Taiwan as the real China. In a unique gesture of understanding, China did not denounce Taiwan for allowing the Dalai Lama to visit Taiwan to offer "comfort and solace" to the victims of the devastating floods in 2009.

However, this increasingly rosy picture has suddenly begun to lose its sheen through 2014.

The Cross Strait Services Trade Agreement (CSSTA) was signed in Shanghai in June 2013. The ratification of the CSSTA was filibustered for nine months by the opposition DPP, resulting in China becoming increasingly restive and annoyed. The CSSTA was scheduled for a final three-day reading in the Legislative Yuan starting 17 March, but KMT Legislator and CSSTA chair Chang Ching-chung abruptly suspended the review and declared the Agreement ready for a vote for ratification. With the KMT's overwhelming majority in the legislature, the ratification was guaranteed to succeed.

Protesting the lack of transparency by which President Ma and his KMT party were pushing the bill through the Legislative Yuan, Taiwanese students occupied the parliament from 18 March to 14 April; this was the first time such an incident had taken place in the island's history. People of all ages and walks of life came to support the protesters by surrounding the parliament. This was dubbed the Sunflower Student Movement. Three days later, Legislative Speaker Wang Jin-pyng declared that no cross-party caucus meeting on the CSSTA would be called until a new oversight law was enacted, handing the students a memorable victory. With the KMT faring very poorly in the 29 November elections, its final ratification is now unlikely

any time soon, which will be particularly deeply disappointing for China.

Taiwan's stance on the pro-democracy protests in Hong Kong has also miffed China. Reversing his usually careful conciliatory tone, supporting Hong Kong's protesters' call for free elections, President Ma Ying-jeou said "China would simply be making good on a pledge made 17 years ago, when they said that for 50 years they would allow rule of Hong Kong by the people of Hong Kong, a high degree of autonomy and election of the chief executive through universal suffrage," adding that "Now that the 1.3 billion people (in mainland China) have become moderately wealthy," Ma said "they will of course wish to enjoy greater democracy and rule of law. Such a desire has never been a monopoly of the West, but is the right of all humankind."

The 'One Country Two Systems' concept was originally developed by China's Paramount Leader Deng Xiaoping in the 1980s to facilitate Taiwan's peaceful integration into China. It was only later adapted for Hong Kong, and still remains Beijing's official plan for Taiwan. "Peaceful unification and 'one country, two systems' are our guiding principles in solving the Taiwan issue," Chinese President Xi Jinping publicly espoused in a speech in September 2014 and repeated to a group of pro-unification Taiwan politicians in Beijing in November 2014. Referring to Taiwan by its official name, President Ma reacted strongly in a media interview published on his official website, stating "We do not accept the one country, two systems. The Republic of China is a sovereign country." Taiwan has consistently rejected this formula.

Despite the enormous increase in interaction and interdependence between Beijing and Taipei, China has increased the number of missiles that it has deployed opposite Taiwan. China continues to formally view Taiwan as a 'renegade province'. Enthusiasm for reunification with China remains particularly low in Taiwan. According to a United Daily News poll, on 15 September 2014, 47 per cent of Taiwanese favour maintenance of current status quo; 19 per cent would like independence soon while 15 per cent prefer keeping status quo while moving to independence later. Only 4 per cent favour immediate reunification with China, while 7 per cent have no opinion.

Additionally, China is very unhappy with the 29 November election results and is deeply concerned about the future. One of President Xi's first statements upon taking office in 2012 related to Taiwan was: "Looking further ahead, the issue of political disagreements that exist between the two sides must reach a final resolution, step by step, and these issues cannot be passed on from generation to generation." Given China's increasing assertiveness, if the DPP wins in 2016, the Taiwan issue could once again become a major flash point.

Taiwan-US Relations

Taiwan's existence separate from China from 1949 until today has been possible entirely and only because US policy has ensured this – despite a huge qualitative change in US-Taiwan relations after the US-China 1979 Joint Communiqué which said "The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China.... Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan". The Communiqué also said that "The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China." It is worth noting however, that the word "China" is used and not the phrase "People's Republic of China" thus leaving open the issue of Taiwan's future status.

The US Congress was very angry with former US President Jimmy Carter for abandoning Taiwan and passed the Taiwan Relations Act (TRA) by overwhelming bipartisan majorities in the Senate and the House of Representatives. – Taiwan has always enjoyed enormous support in Congress and the Taiwan caucus is regarded as the second most effective after that of Israel. Post 1979, US-Taiwan relations have been governed by the TRA, which is an utterly unique law. It is a domestic law which, however, compels the US president to remain mindful of ensuring Taiwan's security.

After China lobbed missiles off the coast of Taiwan in 1995-1996, two US battle carrier groups sailed through the Taiwan Strait for the first time after 1958; bearing this incident in mind, although the TRA does not actually commit U.S. forces to come to Taiwan's aid, it

has continued to provide enough strategic ambiguity to prevent Beijing from attempting to unify Taiwan by force.

The US has remained a major arms supplier to Taiwan. The US-Taiwan relationship, covering the entire spectrum – economic, political, cultural, military, people to people, etc. – is very robust. China has remained extremely unhappy about the TRA and the continued US arms sales to Taiwan.

However, it is also important to note that the US does not support Taiwan's independence. In this context it, merits mention that President Chen Shui-bian's independence-oriented brinkmanship saw US-Taiwan relations dip to their lowest levels despite former US President George Bush's personal particularly strong pro-Taiwan and anti-China policy orientations, especially in his first term.

II

What is Taiwan's Status in the World?

Taiwan is a 36200-square kilometer island (approximately the size of Kerala); has a population of 23.4 million (approximately the population of Haryana); has a GDP of \$ 505 billion; has a PPP per capita GDP of \$ 43600 and a literacy rate close to 100%. It fulfils every single criteria of a sovereign independent country and yet it is not allowed to be so.

Incredible and bizarre as this may seem, there are two Chinas in the world: one is the People's Republic of China, which came into being on 1 October, 1949, after the communists defeated the ruling KMT regime in a protracted 3-decade long civil war. This China covers the Chinese mainland and is Beijing-based. The other is the Republic of China that came into existence in 1911 after the overthrow of the imperial dynasty, and whose government was relocated from Beijing to Taipei by Chiang Kai-Shek, who fled from China to Taiwan in 1949 after the KMT defeat in the civil war. It has been completely self-governing since 1949. Even before 1949, Taiwan was not being governed from Beijing since 1895, Japan having acquired sovereignty over it after defeating China. Thus, for 112 years Beijing has exercised no

authority over Taiwan.

Thus, China has two formal names and two regimes. Since the US continued to recognise the Republic of China as the legitimate China even after 1949, the majority of the world's countries did likewise and the government of the Republic of China in Taiwan was also allowed to occupy China's seat in the UN. However, when the US decided to normalise relations with the People's Republic of China in 1971, the China seat in the UN was given to the PRC; eight years later, in 1979, the US established diplomatic relations with the People's Republic of China. These US actions opened the flood gates to a large number of other countries following suit and today only 22 small countries recognise the Republic of China based in Taiwan. However, over 65 countries, including almost all important countries of the world, have robust interaction with Taiwan with 'unofficial' offices in Taiwan that function as normal embassies do without being called as such. Taiwan is a member of the APEC, the ADB and the WTO, though with some conditions.

Despite the People's Republic of China being the world's second most powerful and influential country politically, economically and militarily, and deeply galling as it must be, it has been unable to prevent the continued existence of this other China, the Republic of China, more commonly referred to as Taiwan. Thus, Taiwan is an absolutely unique entity, the only one of its kind in the international comity of nations. Taiwan's current unique political status in the world can only change if the US formally withdraws its security umbrella over Taiwan paving the way for China to try and absorb it.

Why is Taiwan Important?

The strategic centre of gravity of global geopolitics has been rapidly shifting from the Western world to Asia and what happens in Asia will mould the global strategic scenario in the 21st century. China's rise has made the Asia Pacific region the most dynamic part of Asia, and Beijing seems eager to challenge the erstwhile preeminent US role in this region. In these contexts, Taiwan could be viewed as

the strategic lynchpin of the Asia Pacific region. Taiwan is Asia's 5th and the world's 16th-largest economy. It has the world's 4th-largest foreign reserves, ranks 15th amongst the world trading nations, is the world's 21st-largest foreign investor; is the world's 3rd most attractive destination for foreign investment; and, being a global leader in chip manufacture and the second-largest manufacturer of IT hardware, etc., Taiwan is a 'hi-tech' super power. Given Taiwan's economic, financial and technological strengths and its location in the strategic heart of the Asia Pacific region, if China and Taiwan were reunified, China would take a quantum leap forward economically, financially, technologically, politically, militarily and strategically. This would dramatically narrow the strategically vital gap in all these spheres between China and the US.

An enormous amount of globally significant trade passes through the Taiwan Strait and the South China Sea – which is also believed to contain significant quantities of oil and gas. China claims the South China Sea as part of its territorial waters. It is important to note that like China, Taiwan also claims all the islands in this Sea; but in an important contrast to China, Taiwan is in actual physical possession of Itu Aba, the largest island in the Spratly chain, as well as of Pratas Island, which controls the South China Sea's northeast exit. Therefore, Taiwan's reunification with China would enable China to take control of the South China Sea, ensconce itself within ASEAN's belly, have a vise-like grip over the vitally important sea lanes to Japan, Korea and the Pacific, and make China a maritime power in the Pacific Ocean – to which it has no direct access at present.

In the light of these facts, Taiwan's reunification with China would dramatically transform the strategic geography of the Asia Pacific region. It will enable China to acquire a virtually unchallengeable strategic stranglehold over the entire region and for all practical purposes virtually eliminate all potential future strategic choices of regional countries. US security and strategic leverage in the region would also be gravely jeopardised if not crippled.

For all these compelling reasons, Taiwan's continued separate existence is of vital importance to the entire world to prevent China's acquiring of virtually unchallengeable hegemony over the Asia Pacific region.

What is Taiwan's Future?

In theory, there are three possibilities – independence, reunification or the continuation of the current status quo. Today's ground realities in terms of China's rising power and influence, the clear US position against Taiwan's making any moves towards seeking independence, and the increasing intertwining of the Chinese and Taiwanese economies, virtually ensure that there is no realistic possibility whatsoever of Taiwan being an independent country. The resonance of this option is declining in Taiwan too. In any case, Beijing would simply not allow it, irrespective of the consequences.

It is highly unlikely that Taiwan would voluntarily decide to reunify with a China that is under an authoritarian, one party rule. It is equally unlikely that Beijing would seek to bring about reunification by force in the foreseeable future. This will greatly damage China's standing in the region and the success would not be certain. China is having great difficulty controlling Tibet and Xinjiang, and now even Hong Kong; Taiwan would be exceedingly difficult to digest.

The best option for the maintenance of peace and stability in the region would be an indefinite continuation of the status quo. This author does not see any possibility of any change in Taiwan's current international status in the foreseeable future.

III

India-Taiwan Relations

India was the second non-Communist country to recognise the new People's Republic of China, and since then, has been one of the strongest and particularly vocal supporters of the 'One China' concept as interpreted by the PRC. By the time the Cold War ended, India lost its only friend of international strategic consequence, the Soviet Union, and found itself marginalised from the global mainstream in both the economic and political domains. Its relations with countries of the dynamically growing and strategically important Asia Pacific region were in tatters.

India was also on the verge of financial and economic collapse. What has been termed as the 'Look East' Policy (LEP) represented

India's efforts to dig itself out of this hole. Amongst other measures, but hardly spoken about, India made overtures to Taiwan in 1990, when the then Indian Prime Minister Chandra Shekhar dispatched a senior official to Taiwan. Since it did not result in success, another former Indian Prime Minister, Narasimha Rao, the architect of the 'Look East Policy', could have discarded this out-of-the-box initiative; but instead, he ordered the initiation of the process that ultimately resulted in the establishment of non-official relations with Taiwan in 1995. It needs to be emphasized that this was not a unilateral decision with intentions of provoking China - New Delhi had held detailed negotiations with Beijing prior to this outcome being finalised.

Though the motivation was and remains economic, this initiative represented an uncharacteristically bold departure from past policies. In doing so, India decided to join the international mainstream vis-à-vis Taiwan, and thus implicitly concurred with the maintenance of the status quo in respect of Taiwan's international status. India became the 45th country to have diplomatic relations with China but maintain informal relations with Taiwan. After this author's tenure in Taiwan ended, the Indian government has been sending serving officers to head its representation in Taiwan. The India-Taipei Association office in Taiwan issues passports as well as visas and functions just as an embassy would, but for the name.

The bilateral relationship got off to a slow start but has finally begun acquiring substantive content. Bilateral trade has grown steadily, rising from \$1.19 billion in 2001 to \$6.1 billion in 2013. India's exports to Taiwan increased from \$0.55 billion in 2001 to \$2.75 billion in 2013. In the same period, India's imports from Taiwan increased from \$0.64 billion to \$3.4 billion. India is now Taiwan's 19th-largest trading partner, with the total trade amounting to \$3.4 billion in the first seven months of 2014.

A civil aviation agreement, an investment protection and promotion agreement, an agreement for cooperation in science and technology, a customs assistance cooperation agreement, an avoidance of

double taxation agreement, an ATA Carnet MoU and an agreement on mutual recognition of degrees have been signed. Direct flights began in April 2002 (three passenger flights weekly and 12 cargo flights weekly), ironically coinciding with the start of direct flights from China – which was in fact China's belated response to their discovery that direct flights between Taiwan and India were imminent. Last year India issued 30,000 visas to Taiwanese, and approximately 12,000 Indians visited Taiwan. Taiwan has extended a visa-free entry to Indians, with some conditions. There is a significant presence of Indian scientists in Taiwan's highly impressive higher education and research institutions. As of 2013, Taiwan's cumulative investment in India stood at \$1.2 billion – including in the Delhi Metro. Taiwan has been allowed to open a second office in Chennai despite Chinese unhappiness. A particularly important development has been the exponential expansion of the Track II dialogue. A Taiwanese business or Track II delegation visits India every month. Taiwanese ministers too have visited India. Very significantly, President Ma visited India at the invitation of Indian Council of World Affairs while he was campaigning for the presidency. He was allowed a transit halt at Mumbai airport on his way to Latin America on a state visit in 2013. Thus the bilateral relationship is making steady progress.

