



## Taiwan Expands Presence in India with TECC in Mumbai

**For Prelims:** [China-Taiwan Conflict](#), India-Taiwan Relations, One China policy

**For Mains:** India-Taiwan relations, Challenges and opportunities in India-Taiwan economic relations, Geopolitical implications

### Why in News?

Recently, Taiwan has announced plans to open its third representative **Taipei Economic and Cultural Centre (TECC)**, in India, specifically in Mumbai.

- The move, which involves establishing a TECC, is aimed at enhancing **economic linkages and strengthening bilateral cooperation** between Taiwan and India.
- The TECC was established in New Delhi, India, in 1995 as the first TECC in South Asia. Taiwan later opened another TECC in Chennai in 2012.



## What are China's Reaction and Geopolitical Implications?

- China opposes any official contact or recognition of Taiwan by other countries, stating that it violates the [One China policy](#).
- China may respond to the opening of the new office by **expressing objections and employing diplomatic or economic measures**.
- The evolving relationship between India and Taiwan has been a sensitive issue for China, given its efforts to **isolate Taiwan diplomatically**.
- However, given the current tensions between China and India along the [Line of Actual Control](#), China may exercise restraint to avoid further escalation.

## How have India's Relations with Taiwan been?

- **Diplomatic Relations:**
  - India and Taiwan **do not have formal diplomatic relations** but since 1995, both sides have maintained representative offices in each other's capitals that function as de facto embassies. India has **backed the "one-China policy"**.
- **Economic Relations:**
  - Trade ties amounted to **USD 7.5 billion in 2019**, up from USD 1 billion in 2000.
  - India and Taiwan **in 2018 signed a bilateral investment agreement**.
  - There are **around 200 Taiwanese companies** in the field of electronics, construction, petrochemicals, machine, Information and Communications Technology, and auto parts operating in India.
  - Collaboration on creating a [semiconductor manufacturing hub in India](#).
- **Cultural Relations:**
  - Both sides have also expanded **educational exchanges** after a mutual degree recognition agreement in higher education was signed in 2010.
- **Opportunities in the Relations:**
  - **Technology and innovation collaboration:**
    - **Taiwan's expertise in R&D** and entrepreneurship can complement **India's talent pool and digital economy**, fostering collaboration in [emerging technologies](#).
      - Taiwan produces over **60% of the world's semiconductors** and over 90% of the most advanced ones.
  - **Regional stability and security:**
    - Taiwan and India share a vision of a **free, open, and inclusive Indo-Pacific region**, providing avenues for cooperation on maritime security, counter terrorism, and disaster management.
- **Challenge in the Relations:**
  - **One China Policy:**
    - India finds it difficult to realize the full potential of its bilateral relationship with Taiwan, as India is adhered to One China policy.
  - **Hurdles in Economic Cooperation:**
    - Taiwan's increased investments have occurred in the face of **cultural challenges, bureaucratic hurdles, and pressure on India from domestic producers**.

[Source: TH](#)