



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](#)