

Prospects of Taiwan's Economic Security Strategy

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As global economic dynamics shift and geopolitical tensions escalate, "economic security" has become an indispensable part of national security. Economic security policies and strategies vary among countries; while some have clear overarching "economic security strategies," others incorporate these elements within national security strategies, supply chain measures, and other trade policies, such as export controls, investment reviews, or industrial policies, like those seen in the United States.

European Union

The European Union has a defined economic security strategy. In June 2023, the EU released the "European Economic Security Strategy," calling on member states to reassess economic security and undertake "de-risking" measures. The EU strategy aims to enhance economic security through three main approaches: "protect," "promote," and "partnership." Over the following months, the EU further refined the strategy's details.

Japan and South Korea

Japan became aware of the importance of economic security as early as 2010, after facing economic coercion from China due to the territorial dispute over the Senkaku Islands, which led to a rare earth export ban. During the Abe administration, Japan proposed the "Economic Security Strategy" in December 2020, focusing on ensuring the stable supply of specific critical materials and services and enhancing (1) "strategic autonomy" and (2) "strategic indispensability." To achieve these goals, Japan passed the "Economic Security Promotion Act" in May 2022, which aims to prevent domestic and international economic activities from harming national security, to be implemented in phases over two years.

South Korea's economic security strategy focuses on industrial policy and supply chain security. For instance, in October 2022, South Korea launched the "National Strategy for Key Technologies," identifying 12 technologies crucial to national security. Each technology has its strategic roadmap designed to attract investment. Additionally, South Korea has established new administrative bodies to address the rapidly evolving economic security challenges. In 2024, South Korea took further steps by appointing a senior official in the presidential office's National Security Office to manage economic security affairs.

United States

The United States does not have a comprehensive economic security strategy but has implemented a range of economic security policies. These policies are often embedded within national security strategies, supply chain measures, and other trade policies, such as export controls, investment reviews, or industrial policies. Relevant policies include the "CHIPS and Science Act," the "Countering Economic Coercion Act of 2023," the "Inflation Reduction Act," and the "Critical Minerals Agreement (CMA)."

Recommendations for Taiwan's Economic Security Policy

Based on the economic security strategies of major countries, the following recommendations are proposed for Taiwan's economic security policy:

1. Establish a dedicated administrative body to guide economic security, ensuring swift and effective decision-making processes.
2. Conduct a comprehensive inventory and risk assessment of supply chain security to ensure the strategic autonomy of critical industries.
3. Strengthen international cooperation by engaging in information exchanges on economic security issues with various countries.
4. Develop industrial policies to enhance technological autonomy and innovation capabilities.
5. Formulate a comprehensive economic security strategy to address external threats and challenges.

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