

Taiwan's embassy in El Salvador, which broke ties with Taiwan in favour of China last month, leaving the island with just 17 diplomatic allies. PHOTO: AGENCE FRANCE-PRESSE



The decisions by Panama, Dominican Republic and El Salvador to switch sides add a new dimension to Washington's perception of China's intent – China is making strategic inroads in the Western Hemisphere that potentially threaten the security of the US homeland. A Chinese military presence in Latin America would complicate regional efforts to address non-traditional security threats on its periphery such as narcotics and human trafficking, and in the worst-case scenario, a conflict between China and the US in the Pacific could spill over into the Atlantic.

of "debt trap diplomacy" that has played out elsewhere in Asia and Africa, where countries accept Chinese loans for infrastructure projects, are unable to repay debts, and end up transferring critical assets and sovereignty to China.

Latin American states have not yet been forced to trade territory for debt like Sri Lanka, but the vulnerability of several countries has already materialised. Since 2005, China has committed more than US\$150 billion (S\$207 billion) in loans to Latin America, with Venezuela the largest recipient at US\$62.2 billion. Venezuela reportedly cannot make payments on maturing debt, and has sought to defer cash payments and reduce the quantity of equity-oil shipments to China. A low point was reached in December 2014 when China's Foreign Ministry was forced to deny speculation that Venezuela had offered Beijing a 64 sq km offshore island to clear its debts.

The Taipei Act is a good start, but it will have little impact on Beijing's wooing of Taiwan's remaining allies, nor will it alone deter countries seeking to switch sides in return for largesse from Beijing.

Further steps to dissuade countries from becoming dependent on China are needed and could include prioritising new resources for Taiwan's allies through existing development finance mechanisms, or new preferential trade and investment policies.

New mechanisms could include a multilateral conference and coordination of funds. To effectively compete with China, the US and Taiwan must work together, be more effective and more innovative if they hope to prevent China from further expanding its influence into the Western Hemisphere and Pacific Islands.

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Taiwan and the emerging Great Game in Latin America and the Pacific

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For *The Straits Times*

Since 2016, Taiwan has seen its international space shrink in the face of Chinese pressure. In recent weeks, however, there are signs that the United States is pushing back, spurred in part by growing concern over China's rising influence in its own backyard.

The response has come from both Congress and the executive branch. Four senators, two Democrat and two Republican, last week sponsored a Bill, the Taiwan Allies International Protection and Enhancement Initiative (Taipei) Act, seeking to galvanise the US

government to dissuade Taiwan's remaining allies from switching sides.

Among other things, the Bill would authorise the State Department to downgrade relations or suspend foreign aid funds to countries that abandon Taiwan under Chinese pressure. Senator Cory Gardner, chairman of the Foreign Relations Committee's Asia sub-committee, announced: "This bipartisan legislation demands a whole-of-government approach to stand up to China's bullying tactics against Taiwan, and will send a strong message to those nations considering siding with China over Taiwan that there will be consequences for such actions."

Separately, the US last Friday recalled three chiefs of mission from

three Latin American nations that switched ties from Taipei to Beijing for discussions on ways in which the United States "can support strong, independent, democratic institutions throughout Central America and the Caribbean", said the State Department. El Salvador switched ties last month, the Dominican Republic in May, and Panama last year.

Preserving Taiwan's international space has taken on added urgency for US officials as China makes inroads into the strategically important regions of the Pacific Islands and America's backyard of Latin America.

As Senator Gardner explains: "El Salvador is important because of Taiwan but also because of Chinese intentions in the Americas. We make it clear that a decision on Taiwan doesn't just affect your relationship with Taiwan, but it affects your relationship with the United States."

The United States itself switched recognition to Beijing in 1979 but retains strong unofficial ties with Taiwan.

China, which regards Taiwan as a breakaway province, has steadily drawn away Taiwan's remaining allies since President Tsai Ing-wen was inaugurated in May 2016. Beijing distrusts Ms Tsai and her ruling party which, it believes, wants to declare Taiwan an independent state.

China has induced five of Taiwan's diplomatic allies since 2016 to switch recognition, leaving it with just 17. Nine of Taiwan's remaining diplomatic allies are in Latin America, and six are in the Pacific. The fear among US officials is that this attrition will accelerate, with four Central American countries – Belize, Guatemala, Honduras and Nicaragua – potentially joining the ranks of those ditching Taiwan for China.

China's actions have touched raw nerves in Washington for a number of reasons. China's military

pressure in the form of increased operations around Taiwan affirms fears that Beijing does seek regional hegemony and will eventually be emboldened to use force to achieve its political objectives.

The People's Liberation Army has publicised training missions directly targeting Taiwan, including army assaults on a mock-up of Taiwan's presidential palace, H-6 bomber missions encircling Taiwan, and patrols by China's aircraft carrier off Taiwan's east and west coasts.

Unease about China's assertiveness and willingness to use economic coercion only increases Washington's apprehension. Last month the White House warned: "Around the world, governments are waking up to the fact that China's economic inducements facilitate economic dependency and domination, not partnership."

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Highly politicised marketing of the Belt and Road programme confirms China's economic development programmes are a strategic effort to deepen economic dependency and strengthen political ties that serve Beijing's interests, creating a new global order centred on China.

A key concern in Washington is that Latin American and Pacific Island countries will end up victims