

**TAIWAN AND SOUTHEAST ASIA SINCE
MA YING-JEOU'S PRESIDENCY**

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Executive Summary

1. Taiwan has gone through four stages in its relations with Southeast Asia since the mid-1980s: before 1987, from 1988 to 1997, from 1998 to 2007, and from 2008 when Ma Ying-jeou was sworn in as the 12th-term, or the sixth, President of the Republic of China (ROC) on 20 May 2008.
2. Taiwan's relations with Southeast Asia have experienced ups and downs since the mid-1980s, which are dependent upon four variables, i.e. (1) global political economy, (2) regional political economy, (3) China's political economy, and (4) development of cross-Strait relations.
3. The first stage (before 1987) marked a low period of political and economic relations between Taiwan and Southeast Asia mainly because global and regional environments were not favorable toward Taiwan after the ROC lost its two final diplomatic partners (i.e. Thailand and the Philippines) in Southeast Asia in 1975.
4. The second stage (from 1988 to 1997) was a golden age of Taiwan's relations with Southeast Asia due to favorable global and regional environments towards Taiwan, including the end of the Cold War, appreciation of Taiwan's currency, China's good-neighbor policy to Southeast Asia, and the change in cross-Strait relations.
5. The third stage (1998 – 2007) registered a decline in Taiwan's relations with Southeast Asia because of unfavorable global and regional environments and the crisis across the Taiwan Strait. Taiwan's investments in Southeast Asia remained low, roughly between US\$1.2 billion and US\$1.8 billion from 1998 to 2006, in spite of the island's expanding trade with Southeast Asia from US\$24.5 billion in 1998 to US\$60 billion in 2007.
6. When Ma became the sixth President of the ROC on May 20, 2008, Taiwan's relations with Southeast Asia have turned a new page. Although global and regional political economy remains unfavorable to Taiwan, cross-Strait

relations have greatly improved due to President Ma's initiative to maintain a diplomatic truce with China. This has been well received by Chinese President Hu Jintao.

7. The Straits Exchange Foundation and the Association of Relations Across the Taiwan Straits have accomplished three high-level talks by the end of April 2009, reaching one consensus and signed nine agreements. The fourth Chiang-Chen talk is scheduled for December 2009 with more agreements expected to be signed.
8. Taiwan has already improved its relations with Singapore with a number of ongoing cooperation projects; it is expected to improve relations with other Southeast Asian countries in the years to come.
9. As China continues to respect Taiwan's foreign moves in Southeast Asia, Taiwan may have the opportunity to participate in multilateral activities in the area, for example, as an observer in ASEAN where the island has long desired for participation.
10. Taiwan may also engage in more cooperation with Southeast Asian countries on a number of non-traditional security issues in the coming years, such as transnational crime, illegal drug, human trafficking, money laundering, piracy in the public sea, etc.
11. If Taiwan successfully signs the Economic Cooperation Framework Agreement with China in 2010, this will be helpful to Taiwan for the signing of similar bilateral agreements with individual countries in Southeast Asia. This will contribute to Taiwan's economic development in the years ahead.
12. Should a diplomatic truce fail to develop across the Taiwan Strait, challenges would surface in Taiwan's relations with Southeast Asia. Also, if Taiwan's economy does not recover in the next one or two years, voters may switch allegiance to the opposing Democratic Progressive Party in the next presidential election. This will change and challenge the current relations across the Taiwan Strait.