

Perspectives

Trump and Taiwan: Implications for Australia

December 6 2024



Kevin Magee

Kevin Magee is an Adjunct Fellow at the Australia-China Relations Institute, University of Technology Sydney.

Over the course of the 2024 US presidential campaign as well as during his first term (2017-2021), President-elect Donald Trump evinced a lack of sympathy for Taiwan, making several comments that will no doubt be cause for concern in Taipei as he prepares for a second term in the White House.

In July 2024, Trump [stated](#) that Taiwan should pay the US for its defence. Two months later, he [called on](#) Taiwan to increase its defence spending to 10 percent of its GDP.

Trump has also questioned Taiwan's role as a key producer of high-quality semiconductors, [accusing](#) it of stealing the US' chip business and criticising the subsidies the current administration under Joe Biden had given to Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest semiconductor foundry, under the CHIPS and Science Act. He has [pledged](#) to end these subsidies and 'charge them tariffs'. He has also [demanded](#) that TSMC build more factories in the US to manufacture the most advanced 2-nanometer chips. TSMC is currently completing a factory in Arizona which is [expected](#) to begin production in 2025.

Taipei has sent a message to Trump that it has heard his critique of the island's defence expenditure and is taking steps to address his concerns. It [announced](#) on November 18 2024 that it will spend at least US\$2.2 billion on American-supplied arms in 2025 after Trump takes office. This new expenditure indicates Taiwan's concern to placate Trump and to ensure its ongoing self-defence. It follows billions of dollars expended on defence material over the past few years. This commitment may help to moderate Trump's concern about Taiwan's defence expenditure.

In December 2016, in the lead-up to his first inauguration, Trump agreed to take a [phone call](#) from then-Taiwan President Tsai Ing-wen. This was a significant break from established practice, marking the first time since 1978 that a US president or president-elect had spoken to a president of the Republic of China. The conversation [shocked](#) both Beijing and the US State Department. Following Trump's inauguration in 2017, then-Secretary of State Rex Tillerson decided that Taiwan would have no access to the president or the White House, limiting Taipei's access mainly to officials at the assistant secretary level.

Taiwan officials told the author during discussions in November that for the balance of the first Trump term, the president had little direct input to Taiwan policy and no contact with Taiwan officials or leaders. US State Department and National Security Council officials managed the Taiwan relationship and took steps advantageous to Taiwan such as [restarting](#) the US-Taiwan Trade and Investment Framework Agreement talks and [establishing](#) the US-Taiwan Economic Prosperity Partnership Dialogue. In the second Trump administration, Taiwan officials expect that the State Department and the National Security Council will again take the lead in developing relations with Taiwan and liaising with US allies, such as Australia, about Taiwan issues.

Taiwan officials expressed their confidence that once Trump is aware of Taiwan's defence investment in US arms and is better informed on the threat that the People's Republic of China (PRC) poses to both Taiwan and US interests he may moderate his statements and position on Taiwan. They anticipate that it is likely that after his transition briefing he will have an improved understanding of Taiwan's position and security. Likewise, TSMC management is [hopeful](#) that the production of 2-nanometer chips in Arizona by 2028 might be sufficient for Trump to ease pressure on the company.

Trump's previous critical remarks about foreign nations indicate that strident undertakings are not always followed through. Indeed, much of Trump's talk about Taiwan has been haphazard and driven by the to-and-fro of the election campaign. His rhetoric has been extreme but does not reflect his first administration's action on Taiwan's defence or TSMC.

In contrast to Trump's articulated position, many of his choices for key positions in his second administration are notable for their support for Taiwan. In particular, Secretary of State-designate Marco Rubio, a well-known hawk on the PRC, has a strong record as a steadfast supporter of Taiwan, which may [provide](#) some balance to Trump's views. Rubio and other PRC hawks, such as National Security Advisor-designate Mike Waltz, will likely [expect](#) US allies, including Australia, to follow them closely on Taiwan. That said, Trump's unpredictability and professed lack of interest in Taiwan's security may stymie a supportive approach to Taiwan.

The influence and longevity of such figures' tenure in office is by no means assured either. For example, Trump during his first administration [ignored](#) his advisers and opened discussions with North Korean leader Kim Jong-un. He also discarded many of his highly regarded advisers and staff, including John Bolton, HR McMaster and Rex Tillerson. The unstable nature of Trump's preferred mode of governance could see key members of his staff removed if there emerges a misalignment between their espoused approach and his. The mercurial nature of a President Trump will always make his policy direction and his willingness to accept advice from his advisers on Taiwan policy or dealing with the PRC uncertain.

There is a potential contradiction in in Trump's second administration between the team of 'China hawks' he has selected and his frequent desire to cut a deal, as well as his heavy focus on trade matters, particularly with respect to the PRC.

The uncertainty of Trump's approach to the PRC and to Taiwan creates and instability and could lead to difficulties for Australia in its navigation of cross-Strait relations

Based on his actions in his first term, there are several paths Trump potentially could take.

In one scenario, Trump, influenced by his team of 'China hawks', and seeing an opportunity to gain trade advantage over Beijing, could expand military support to Taiwan and place pressure on the PRC over its claims concerning Taiwan. This could include demands on Taiwan to expend more on its defence but also pressure on US allies such as Australia to provide military and political support of Taiwan and to commit forces to support the US in a potential military confrontation with the PRC.

As an alternative second scenario, based on the unpredictable record of his first term it is also possible that Trump could ignore his team of 'China hawks' – as he did with North Korea in his first term – and try to strike a deal with Beijing using Taiwan as a trading chip. Canberra could be pressured to distance itself from Taiwan to support a Trump deal, which would place Australia in a difficult position given its important trading relations with the island.

A third possibility is that Trump could place tariffs on Taiwan, with a specific focus on its chip exports in order to ramp up pressure on TSMC to move its chip production to the US. This would potentially cause problems for chip production and global supply chains and indirectly affect Australia's interests. Tariffs on Taiwan could also have a flow-on effect, impacting elements of Australia's exports to Taiwan.

It is difficult to know at this time how Trump will approach Taiwan and cross-Strait relations. Trump is unpredictable and we will need to wait and see. What is certain, however, is that the current uncertainty is detrimental for all parties with a stake in Trump's next moves on the matter.

Author

Kevin Magee is an Adjunct Fellow at the Australia-China Relations Institute, University of Technology Sydney.

Mr Magee is a former Australian ambassador and senior Department of Foreign Affairs and Trade (DFAT) official. He had a 34-year career in DFAT during which he was the Australian Representative in Taipei (2011–2014), Ambassador to Saudi Arabia (2008–2011) and Consul-General in Guangzhou (2003–2007). He also served as Deputy Head of Mission in Moscow (2001–2003) and Chargé d'affaires to Russia (2016) and was posted to Singapore as First Secretary (1994–1997) and Beijing as Third Secretary (1990–1992).

During his career with DFAT, among other jobs Mr Magee headed up the areas dealing with both China and with Russia. He also led the Taskforce that established the National Foundation for Australia China Relations and was the interim CEO of that organisation.

He holds B.A. (Hons) and LLB degrees from Monash University and was recognised by Monash University in 2011 as a Monash University Distinguished Alumni. In 2013, he was recognised by the Taipei Language Institute as a TLI Outstanding Alumni. In 1992, he was appointed a United Nations Fellow and spent half a year based in Geneva and New York.