

2024 Cross-Strait Relations Risk Index Report

May 2024

China Cross-Strait Academy



中国海峡研究院
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1. Summary of the development of cross strait relations in 2023

On May 19, 2021, the China Cross-Strait Academy (Hong Kong) released the 2021 Cross Strait Relations Risk Index. The Academy adopted the method of event data analysis in the field of international relations research, analyzed the changes in the relationship between Chinese Mainland and Taiwan from 1950 to 2020, and plotted the trend through the index model. The index has five first-level indicators, including political relations, military power, economic relations, social exchanges and public opinions, as well as foreign countries' policies and positions on Taiwan. They are subdivided into 16 second-level indicators and 38 third-level indicators. Through the comprehensive analysis of 38 factors in five aspects, the risk of cross-strait relations was calculated and its evolution trend was outlined. The study pointed out that the relationship risk index between Chinese Mainland and Taiwan was at a historical high level, even exceeding that of the period of military confrontation in the 1950s.

After this, the China Cross-Strait Academy (Hong Kong) releases the annual cross strait relations risk index every spring, summarizing the previous year's cross-Straits relations. The Academy found that the cross-strait relations risk index has hit a new high of 7.02. The trend of continuous deterioration of cross-strait relations has not changed.

The first factors affecting the change of the index are political factors. In 2023, there was no change in the official position of the Taiwan's Democratic Progressive Party (DPP) authorities which was against cross-Strait integration. On October 29, Tsai Ing-wen systematically laid out cross-Strait policies in a video interview with The New York Times. On the one hand, Taiwan is "resolute in our commitment to self-defense " and continues to resist reunification. On the other hand, Taiwan should try not to intensify the conflict and maintain the status quo across the Taiwan Strait.¹

Facing the attitude of the Taiwan authorities, on the one hand, the mainland had constantly reaffirmed the policy of "peaceful reunification" and "one country, two systems", on the other hand, steadily advanced the process of reunification and deterred the "Taiwan independence" forces. In November, Xi Jinping, President of the Communist Party of China (CPC) met with U.S. President Joe Biden in San Francisco. Xi Jinping pointed out that peace "all well and good," however, but that China needed to eventually move toward a resolution.² In 2023, Chinese military aircraft crossed the middle line of the Strait 1,717 times, which hit a record high, demonstrating the Chinese mainland's determination.

In 2023, foreign powers led by the United States have not given up supporting "Taiwan independence" forces and continued arms sales to Taiwan. The number of visits by US politicians also hit a new high, with 17. Moreover, the U.S. politicians visiting Taiwan

¹ <https://english.president.gov.tw/NEWS/6652>

² <https://www.nbcnews.com/news/china/xi-warned-biden-summit-beijing-will-reunify-taiwan-china-rcna130087>

showed a multi-layered and diverse trend: there was officials from the executive branch of the federal government, members of Congress from both parties, and state officials. American politicians, whether left or right, central or local, did not want to miss using Taiwan to make headlines.

With political exchanges between the two sides of the Taiwan Strait almost at a standstill, problems had also arisen in the previously hot economic exchanges. The total volume of cross-strait trade had declined year-on-year, and Taiwan people's identity as "Chinese" had declined again and reached a record low.

See the detailed analysis below for the analysis and coding of specific five aspects.

1. Political Factors

First-level	Second-level	Third-level
A Political Relations	A1 Positions on each other	A11 Taiwan authorities' policies concerning the mainland
		A12 NCCPC policies and CPC leaders' statements concerning Taiwan
		A13 Taiwan policies in the mainland's Five-Year Plans
	A2 High-level visits	A21 High-level visits between the two sides

(Table 1: Indicators of political factors)

As shown in Table 1, there are 4 third-level indicators of political factors, which are Taiwan authorities' policies concerning the mainland, NCCPC policies and CPC leaders' statements concerning Taiwan, Taiwan policies in the mainland's Five-Year Plans and High-level visits between the two sides.

1) Taiwan authorities' policies concerning the mainland

The Cross-Strait policy of the Taiwan authorities can be summarized as "resisting reunification and maintaining the status quo." On 2023, the Taiwan authorities had not issued official documents to characterize cross-strait relations. Therefore, Taiwan's policies concerning the mainland need to be judged through the speeches and statements of the leader or senior level of the Taiwan authorities.

On May 20, in a speech marking the 7th anniversary of the inauguration, Tsai Ing-wen, the leader of the Taiwan authorities, expressed opposition to reunification and confrontation with the mainland in terms of cross-strait policy, but did not seek to change the status quo and avoid intensifying contradictions.³ Tsai accused the Chinese mainland of “political and military intimidation” and said Taiwanese people showed “unprecedented commitment to democracy and freedom”, stressing Taiwan's “resilience”. In the overall situation of confronting the mainland, Tsai proposed to adhere to “national defense self-sufficiency” in terms of national defense policy. In terms of foreign policy, she proposed to further strengthen relations with the US, as well as with other ideologically similar countries, and “stand together with democratic countries and communities around the world”. In terms of economy and trade, she reiterated the New Southbound Policy and emphasized further de-Sinicize.⁴

Taiwan's major political parties were preparing for a general election in 2023, and the Democratic Progressive Party's candidate was Lai Ching-te. On July 4, Lai Ching-te published a signed editorial in the Wall Street Journal in which he systematically expounded Cross-Strait policy and proposed the “four-pillar plan” of peace in the Taiwan Strait: building up Taiwan's deterrence, improving economic security, forming partnerships with democracies around the world, and steady and principled Cross-Strait leadership.⁵ In November, Lai Ching-te said that Taiwan “will not follow the old policy of One China”.⁶ Lai reiterated Tsai's “four commitments” that Taiwan should raise its “power of deterrence” while calling himself a “pacifist” who would “make cross-strait peace the cornerstone of regional stability.”⁷ In January 2024, Lai Ching-te was elected leader of the Taiwan Authority. From these statements, the Cross-Strait policy of the Taiwan authorities will “follow established rules” and continue the path of “resisting reunification and maintaining the status quo” in the Tsai Ing-wen era.

In a word, the attitude of the Taiwan authorities toward “Taiwan independence” has not changed, nor has their step-by-step approach changed. This is the primary political reason why the Strait risk cannot be mitigated.

2) Mainland authorities' policies concerning Taiwan

In 2023, Xi Jinping, leader of the Communist Party of China, made several statements on the Taiwan question and continued to emphasize the principle of “peaceful reunification

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<https://www.voachinese.com/a/war-is-not-an-option-taiwan-president-says-amid-china-tensions-20230520/7101863.html>

⁴ <https://www.president.gov.tw/NEWS/27594?DetailNo=>

⁵

<https://www.wsj.com/articles/my-plan-to-preserve-peace-between-china-and-taiwan-candidate-election-race-war-7046ee00>

⁶ <https://news.pts.org.tw/article/667699>

⁷

<https://www.businessweekly.com.tw//focus/blog/3013519?FeatureID=2562#%E5%85%A9%E5%B2%B8%E6%94%BF%E8%A6%8B>

and one country, two systems". At the same time, he warned "Taiwan independence" forces.

In April 2023, Xi Jinping met with visiting European Commission President Ursula von der Leyen and said that the Taiwan question is the core of China's core interests. China "will never allow" foreign countries to "make an issue" on the One-China issue, and will never compromise on the Taiwan question.⁸ On October 7, he delivered a speech on the 74th anniversary of the founding of the People's Republic of China. When referring to Taiwan, Xi Jinping stressed adherence to the One-China principle and the 1992 Consensus, "promoting the peaceful development of cross-Straits relations and deepening the integrated development of cross-Straits relations."⁹

In November, Xi Jinping met with U.S. President Joe Biden in San Francisco to discuss Taiwan question. Xi Jinping stressed that China needed to eventually move toward a resolution on Taiwan and hoped that the United States would adhere to the One-China principle, stop arms sales to Taiwan, and stop arming Taiwan. At the same time, the Chinese leader also said that there was no plan to invade Taiwan and peace was "all well and good", effectively refuted the conspiracy theory hyped by the US government that China would invade Taiwan by force in recent years. It can be seen that China will continue to steadily promote cross-Straits integration in accordance with the principle of "peaceful reunification and one country, two systems".

3) Summary

First-level	Second-level	Third-level	2022 Coding	2023 Coding
A Political Relations	A1 Positions on each other	A11 Taiwan authorities' policies concerning the mainland	8	8
		A12 NCCPC policies and CPC leaders' statements concerning Taiwan	10	10
		A13 Taiwan policies in the mainland's Five-Year Plans	4	4
	A2 High-level	A21 High-level visits between the	/	/

⁸ http://www.gwytb.gov.cn/topone/202304/t20230407_12524506.htm

⁹ http://www.gwytb.gov.cn/zt/xij Jinping1/202310/t20231007_12572388.htm

	visits	two sides		
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(Table 2: Index coding of political factors.)

In 2023, there has been no major change in the cross-strait policies of both the Chinese mainland and Taiwan. The Taiwan authorities still adhere to the path of "Taiwan independence" and refuse to integrate with the mainland, but there is no move to "de jure Taiwan independence", Tsai Ing-wen and Lai Ching-de have spoken of peace and want to maintain the status quo. The Chinese mainland adheres to the principle of "peaceful reunification" and "one country, two systems" and promotes integration across the Taiwan Straits in an orderly manner.

2. Military factors

First-level	Second-level	Third-level
B Military Power	B1 Defense Strategy	B11 Taiwan's defense emphasis and the mainland factors
		B12 The mainland's defense emphasis and Taiwan factors
		B13 Military expenditures of the two sides each year
	B2 Military Friction	B22 Military frictions between the two sides
	B3 Navy main battle force comparison	B31 Destroyers amount comparison
		B32 Frigates amount comparison
		B33 Conventional Submarines amount comparison
		B34 Nuclear Attack Submarines amount comparison
	B4 Amphibious delivery force comparison	B41 Large Landing Ships amount comparison
		B42 Dock Landing Ships amount comparison
		B43 Amphibious Assault Ships (Helicopter

		Carriers) amount comparison
		B44 Marine Corps building and comparison
	B5 Air force comparison	B51 4th Generation Fighters amount comparison
		B52 5th Generation Fighters amount comparison
		B53 Medium and Long Range Bombers amount comparison
		B54 Airborne troops force comparison
	B6 Standoff Attack force comparison	B61 Medium and Short Range Ballistic Missiles force comparison
		B62 Cruise Missiles force comparison
	B7 Army force comparison	B71 3rd Generation Main Battle Tanks comparison
	B8 Reconnaissance systems comparison	B81 Air Early Warnings comparison

(Table 3: indicators of military power)

As shown in Table 3, there are 8 second-level indicators and 20 third-level indicators of military factors, which are related to the defense policies of the two sides of the Taiwan Strait and the comparison of the main battle forces of the two sides. Starting from the military part, there will be a lot of quantitative indicators with their own data, and the maximum and minimum value method will be adopted to assign value analysis after removing dimension. Since the new data may become the new maximum or minimum over time, subsequent calculations can lead to changes in previous results. This is normal and can also be understood as a retrospective construction of the past by emerging facts.

1) Defense strategy

In 2023, Chinese Mainland did not issue a new national defense white paper, and its defense policy related to Taiwan continued the previous line. In September, the Taiwan authorities released a new issue of the defense report, but they are still implementing the military strategy of “resolute defense and multi-domain deterrence” and still taking the

mainland as an imaginary enemy to “address the PRC’s military threats”.¹⁰

The report said that the Taiwan authorities are committed to strengthening “defense capabilities and resilience,” “building complete asymmetric capabilities”, and “enhancing operational sustainability”. The Taiwan military will utilize “Taiwan Strait and geographical advantages” to “create a layered and in-depth defense”, extend the striking scope, and build robust joint operational capabilities in order to achieve “deterrence”.

Compared to previous statements, the latest report first emphasizes “asymmetric capabilities”. Acknowledging Taiwan’s “insufficient defense in-depth” and other problems, the report emphasizes the development of “asymmetric capabilities” characterized by “mobile, small, portable, and AI-enabled”. It can be seen that the Taiwan authorities are drawing lessons from both sides in the Russian-Ukrainian war and learning the latest military theories in the world.

The report points out that “achieving multi-domain deterrence through applying the thinking of asymmetrical operations”. In combat, there are roughly three elements: preserving combat effectiveness, attacking at the source, and intercepting during strait-crossing phase. The Taiwan military would ensure “command, control, surveillance and reconnaissance functions and fighting capabilities with enhanced mobility, dispersion, concealment, redundant and decentralized command during the course of operation”. The Taiwanese military would “preemptively strike its (enemy’s) mobilizing invasion forces and centers gravity”, to “disrupt its (enemy’s) operational tempo and delay its actions”, and using “mobile, long-range, and precision” means such as sea-tolerant high performance naval vessels, mobile anti-ship missile launchers and unmanned vehicles to launch attacks during the enemy’s strait-crossing phase.

Taiwan’s various branches of the military have undergone corresponding reforms. The army has completed the formation of 5 new infantry brigades by the end of 2023, which are framework units that can be quickly expanded into full-strength units during wartime. Several “multiple launch rocket system batteries” have been established to prepare for receiving American-made M142 High Mobility Artillery Rocket System (HMARS). The army also needs to strengthen field air defense and equip the “Land Sword -2” air defense missile. The Navy has established a ground-to-ship missile unit, preparing to receive American made Harpoon anti-ship missiles and self-developed Hsiung Feng II (HF-2) and Hsiung Feng III (HF-3) missiles; upgraded the combat system of the Kang Ding-Class Frigate (as the French La Fayette class frigate); implemented the “high performance naval vessels replacement”, which aims to accelerate the self-development process of warships, and accelerate the commission of the “Tuo Chiang-class”, and the construction of the new “aegis ships” (which started construction in Kaohsiung on November 17th¹¹); emphasized the tactics of mine deployment.

¹⁰

<https://www.mnd.gov.tw/PublishForReport112.aspx?title=%u8ecd%u4e8b%u520a%u7269&Types=112%u5e74%u570b%u9632%u5831%u544a%u66f8%u5c08%u5340&SelectStyle=112%u5e74%u570b%u9632%u5831%u544a%u66f8%u5c08%u5340>

¹¹ <https://www.gvm.com.tw/article/108025>

The Air Force needs to eliminate old missiles and replace them with new weapons, including the “Tien-Kung III” air defense missile, the “Jianxiang” unmanned aerial vehicle (UAV), the “Hsiung Sheng” land-attack cruise missile, and the “Wan Chien” cluster cruise missile; In order to receive American made F-16V fighters, a new flying squadron (roughly equivalent to one mainland air force division) would be formed. In December 2023, Taiwan completed the Feng Zhan Project to upgrade its old F-16A/Bs to F-16Vs, significantly improving their combat effectiveness. At the same time, all branches of the military emphasized strengthening the integration of C4ISR systems and enhancing the resilience of command and management systems.

In addition, the report also emphasizes “unity” and “integration”, which are reflected in multiple aspects. Firstly, Taiwan military has to “strengthen the command mechanism for joint operations”, “strengthen the joint C2 efficiency of the services”, and “utilized civilian capacities in related fields and integrated internet data to generate realtime COPs at all levels to sharpen C2 efficiency”. Secondly, “planning for joint capabilities”, which strengthens cooperation among various branches in logistics, intelligence, investigation, command, electronic warfare, air defense operations, and other aspects. Thirdly, integration of cyber warfare capabilities and “psychological strength” (i.e. propaganda and cognitive warfare). Fourthly, it is necessary to join the regional integration of the United States in the Indo Pacific region and “a key strategic role”. Taiwan should strengthen military cooperation with the United States, and carry out military exchanges in 10 areas: policy dialogue, FMS and commercial sales management, arms R&D, defense assessment, professional defense, education and training, intelligence exchange, combat readiness, logistics and maintenance, and C3I. Moreover, the Taiwanese military also needs to engage in exchanges with other countries. Taiwan should complete its existing arms purchase plan, let the United States deliver them at an early date, and broaden the channels for arms purchase, to “speeding up acquisitions for vital capabilities”.

Due to factors such as a low fertility rate, the Taiwanese military has always been plagued by a shortage of personnel. The Taiwan authorities first reformed the military service system and reinstated one-year compulsory service. Secondly, the report proposes to strengthen the reserve service, improve the treatment of soldiers, and implement “diversified recruiting” to attract more young people to join the military.

All in all, although the Taiwan authorities are flaunting the banner of “asymmetrical” warfare, but in fact they are following the road of “total warfare” and want to turn Taiwan into a fighting fortress. This is the implementation of the so-called “porcupine tactics” to “resist reunification by force”.

2) Military expenditures and Frictions

The Chinese mainland defense budget in 2023 is RMB 1.58 trillion, a year-on-year increase of 7.2%, or about 216.4 billion US dollars (exchange rate of 7.3). The defense budget of the Taiwan authorities is NT\$580.3 billion, or about 18.1 billion U.S. dollars

(exchange rate of 32). The difference between the defense budgets of the two sides is 198.3 billion US dollars, a year-on-year decrease of 3.8%¹². It is worth noting that Taiwan's military spending as a percentage of GDP has been expanding year by year, from 2% in 2019 to 2.5% in 2023.

The index continues to select the sorties of Chinese military planes entering Taiwan's ADIZ as a proxy variable for cross-strait military "friction". In the context of the Taiwan authorities, this refers to the fact that the mainland military aircraft "crossed the median line of the Taiwan Strait", and entered Taiwan's southwestern, southeastern, eastern, northeastern, and northern ADIZ of Taiwan.

According to the "PLA activities in the waters and airspace around Taiwan" released by the Taiwan authorities, a total of 1717 sorties were recorded in 2023, continuing to reach new historical high, an increase of 0.4% compared to 1710 sorties in 2022. From the end of March to the beginning of April 2023, Tsai Ing-wen, the leader of the Taiwan authorities, "transited" through New York and San Francisco in the United States. The deployment of mainland military aircraft reached its peak in April, with 54 sorties dispatched on the 11th, marking the highest peak in 2023. This reflected Chinese mainland's serious dissatisfaction with Tsai Ing-wen's "transit" through the United States and was also a deterrent to "Taiwan independence" forces and foreign forces.

There is a new situation in 2023. Since December 8, the Taiwan authorities have begun to record the path of the mainland's balloons, either entering Taiwan's airspace or crossing the skies over the island of Taiwan. At the beginning of 2024, the Chinese State Council Taiwan Affairs Office stated that these balloons were released by private enterprises¹³. The Taiwan authorities were suspected of using the issue to stir up public opinion and arouse panic, so the Academy does not count the balloons together with the military planes.

3) The Change of main battle force

Taiwan:

There had been no change in the number of main combat equipment of the Taiwan Army in 2023, and the changes in the air force and navy are also minimal. In 2023, the Taiwan authorities completed the Air Force's "Feng Zhan Project", and all 141 F-16 fighters were upgraded to the V model, but the number of advanced fighters did not grow.

The Taiwanese authorities' land-attack cruise missiles include the land-based Hsiung

¹² Correction: In the 2022 Index Report, The Academy stated that the defense budget of the Taiwan authorities is NT\$354.7 billion, or about 12 billion U.S. dollars. However, according to the latest version of the report, it should be NT\$515.6 billion, equivalent to approximately 17.19 billion U.S. dollars (exchange rate of 30). The difference between the defense budgets of the two sides should be changed to 206.81 billion US dollars. The Academy apologizes to the readers.

¹³ <https://udn.com/news/story/7331/7749185>

Feng IIE (HF-2E) with a range of about 600 kilometers, and by the end of 2020 it was reported that 250 were produced. The annual production of this missile is about 81. In March 2022, the “Legislative Yuan” of the Taiwan authorities passed the special budget for the Sea-Air Combat Power Improvement Plan Purchase, which would increase the annual production capacity of the “HF-2E” missiles to 131 and the “Wan Chien” missiles to 50 from 2023¹⁴. Based on this calculation, by the end of 2023, Taiwan has 737 missiles of these two types¹⁵. The previous reports of the Academy underestimated the number of cruise missiles in Taiwan, and therefore corrected and apologized to readers. In view of the fact that the Taiwan authorities do not have official data on the stock of missiles, the 737 missiles are also estimated based on media reports, and may be updated in the future if new materials are exposed.

Mainland:

On April 19, 2023, the Type 055 Zunyi (107) was commissioned.

On April 21, 2023, the Type 055 Xianyang (108) was commissioned¹⁶.

In January 2023, the Type 054A Baoji (534) was commissioned.

In January 2023, the Type 054A Yixing (537) was commissioned.

In February 2023, the Type 054A Chenzhou (552) was commissioned.

In July 2023, the Type 054A Huaibei (516) was commissioned.

In August 2023, the Type 054A Quzhou (517) was commissioned.

In November 2023, the Type 054A Dali (553) was commissioned.

In November 2023, the Type 054A Tongliao (554) was commissioned.

As of the end of 2023, the Chinese Navy had 102 active frigates, including models 053H1G, 053H3, 054, 054A, and 056A.

The Chinese Air Force had not released the number of active duty fighter jets of various types, and media and military analysts around the world could only speculate based on various signs. The latest version of the “China Military Power Report” released by the US Department of Defense in October 2023 states that the Chinese Strategic Rocket Force holds 1000 medium and short-range ballistic missiles each, and in this report the total number is set as 2000¹⁷. The number of cruise missiles has not changed. The number of

¹⁴ <https://news.ltn.com.tw/news/politics/paper/1503745>

¹⁵ <https://www.chinatimes.com/newspapers/20201213000362-260118>

¹⁶ Correction: In the 2022 index report, it was stated that the Type 055 Xianyang was commissioned in November 2022. In fact, it should have been in April 2023. Sorry to the readers.

¹⁷

<https://media.defense.gov/2023/Oct/19/2003323409/-1/-1/1/2023-MILITARY-AND-SECURITY-DEVELOPMENTS-I>

conventional submarines in China has increased from 44¹⁸ to 48, while the number of nuclear submarines remains unchanged. The number of other main battle equipment remains unchanged¹⁹.

Furthermore, it should be noted that according to the China Military Power Report, China holds approximately 300 ground-launched cruise missiles, the CJ-10. According to the Center for Strategic and International Studies, a US think tank, China also has the “Hongniao” series (HN-1, HN-2, HN-3) of land attack cruise missiles, but the deployed quantity is unknown. The Academy set the number of those missiles as 300 since 2010²⁰. According to calculations, starting from 2023, the number of cruise missiles on the mainland has been overtaken by Taiwan, which is the only case in which the mainland has fallen behind in the number of main battle equipment in many years.

4) Conclusion

First-level	Second-level	Third-level	2022 Coding	2023 Coding
B Military Power	B1 Defense Strategy	B11 Taiwan's defense emphasis and the mainland factors	9	9
		B12 The mainland's defense emphasis and Taiwan factors	8	8
		B13 Military expenditures of the two sides each year	9	8
	B2 Military Friction	B22 Military frictions between the two sides	9	9
	B3 Navy main battle force comparison	B31 Destroyers amount comparison	9	10
		B32 Frigates amount comparison	8	8

NVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA.PDF

¹⁸ Correction: The 2022 index report records 50 ships. Sorry to the readers.

¹⁹ Correction: In the 2022 index report, it was stated that China has 800 4th generation fighters in space, in fact, this is the total number of 4th generation fighters in Air Force and the Navy Aviation. In the latest report on China's military strength, this number reaches 1300 aircraft. However, the number of Air Force 4th generation fighter needed by the Academy has not been presented, so it will not be used. Sorry.

²⁰ <https://missilethreat.csis.org/missile/hong-niao/>

		B33 Conventional Submarines amount comparison	7	8
		B34 Nuclear Attack Submarines amount comparison	10	10
B4 Amphibious delivery force comparison		B41 Large Landing Ships amount comparison	8	8
		B42 Dock Landing Ships amount comparison	8	8
		B43 Amphibious Assault Ships (Helicopter Carriers) amount comparison	10	10
		B44 Marine Corps building and comparison	10	10
B5 Air force comparison		B51 4th Generation Fighters amount comparison	10	10
		B52 5th Generation Fighters amount comparison	10	10
		B53 Medium and Long Range Bombers amount comparison	10	10
		B54 Airborne troops force comparison	10	10
B6 Standoff Attack force comparison		B61 Medium and Short Range Ballistic Missiles force comparison	5	10

		B62 Cruise Missiles force comparison	2	0
	B7 Army force comparison	B71 3rd Generation Main Battle Tanks comparison	10	10
	B8 Reconnaissance systems comparison	B81 Air Early Warnings comparison	10	10

(Table 4: the coding of military power indicators)

In 2023, the basic pattern of military strength comparison between the two sides of the Taiwan Strait had not changed. After verification, due to changes in the number of equipment, the index coding has changed, which has affected previous coding.

From the changes in these values, in most cases, the military strength of the mainland had been unilaterally increasing. The Taiwan authorities' plans to expand their armaments and warfare have some results in 2023. The most typical example is that Taiwan has a greater number of cruise missiles than has been recorded in previous reports. And after expanding production in 2023, it even exceeded the number of missiles in mainland China, resulting in a decrease in the coding of this indicator. This shows that the Taiwan authorities have been developing a so-called capabilities striking at the source and consistently implementing the plan of "resisting reunification by force".

This change would not alter the situation that the mainland's military strength is stronger than Taiwan's. The achievements of more plans in Taiwan will be demonstrated in the coming years, and the Academy will continue to pay attention.

3. Economic Relations

First-level	Second-level	Third-level
C Economic Relations	C1 Cross-strait trade	C11 Cross-Strait trade value
		C12 Cross-Strait trade value's proportion in the mainland's total foreign trade volume
		C13 Cross-Strait trade value's proportion in Taiwan's total foreign trade volume
		C14 The mainland's trade surplus or deficits

		with Taiwan
	C2Cross-strait investment	C21 Investment across the strait

(Table 5:Indicators of economic relations.)

As shown in Table 5, there are 2 second-level indicators and 5 third-level indicators for economic correlation factors, which are related to cross-strait trade and investment respectively.

1) Cross-strait trade

Time	Exports from mainland Taiwan to	Imports from Taiwan to mainland	Total Trade	Trade Balance
2022	81,586,754	238,091,695	319,678,449	-156,504,941
2023	68,485,924	199,349,772	267,835,695	-130,863,848
change	-16.06%	-16.27%	-16.22%	-16.38%

(Table 6: Trade between Mainland China and Taiwan in 2022 and 2023, in US \$"000.

Source: General Administration of Customs of China²¹.)

In 2023, cross-strait trade encountered heavy setbacks. According to data from the General Administration of Customs in mainland China, the total cross-strait trade in 2023 was approximately \$267.8 billion, a year-on-year decrease of 16.22%. Among them, mainland exports to Taiwan amounted to approximately \$68.5 billion, a year-on-year decrease of 16.06%, and imports from Taiwan amounted to approximately \$199.3 billion, a year-on-year decrease of 16.22%. In 2022, there was still a slight increase in mainland exports to Taiwan, with a small drop in exports and total. But in 2023 it turned into an overall 2-digit decline.

The cross-strait trade slump had serious consequences for Taiwan, which first put it into a technical recession in the 1st quarter of 2023. In the 3rd and 4th quarters due to the lack of recovery in cross-strait trade, Taiwan came out of recession but still did not return to the boom growth rate of previous years. In its 2022 index report, the Academy said that nowadays cross-strait political relations were stagnant, military relations were becoming increasingly antagonistic, and only trade ties remained strong, and it was worried that cracks were beginning to appear in the situation of "political coldness and economic warmth". In 2023, it is surprising to find that the prophecy has come true, and the rift is widening, with a tendency to turn into a "chasm". This will lead to increased risks in

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<http://gdfs.customs.gov.cn/customs/302249/zfxgk/2799825/302274/302277/302276/4807727/index.html>

cross-strait relations.

There are many factors that lead to this situation. Firstly, the mainland's economic growth has come to the convergence stage, unable to reach the high growth rate in the past, which has led to a decline in the demand for Taiwan's products. Secondly, the Taiwan authorities have rejected cross-strait integration and development and set up artificial barriers to cross-strait trade.

Time	Total cross-strait trade	The mainland's total foreign trade	Taiwan's total foreign trade	The mainland's share	Taiwan's share
2022	319,678,449	6,309,600,204	907,498,000	5.07%	35.23%
2023	267,835,695	5,936,826,301	783,873,000	4.51%	34.17%
Change	-16.22%	-5.91%	-13.62%		

(Table 7: Share of Trade between China and Taiwan in 2022 and 2023, in US "\$"000.

Source: China General Administration of Customs and Taiwan authorities "Ministry of Economic Affairs"²².)

According to statistics from the mainland's General Administration of Customs and Taiwan authorities "Ministry of Economic Affairs", cross-straits trade accounted for 4.51% of the mainland's total foreign trade in 2023, compared with 5.07% in the same period of the previous year, and 34.17% of Taiwan's total foreign trade, compared with 35.23% in the same period of the previous year. For the mainland, cross-strait trade accounted for about 1/20, occupying an important share. For Taiwan, cross-strait trade accounted for about 1/3, which was a very important share. It could be seen that the mainland needs Taiwan, Taiwan depends on the mainland cross-strait trade basic pattern in 2023 has not changed. But for both the mainland and Taiwan, this ratio has continued to decline, indicating that cross-strait trade has been becoming less important to each. This is also not a good sign and will lead to elevated risks in cross-strait relations.

2) Cross-straits investment

According to the disclosure of the Taiwan Affairs Office of the State Council's, the actual utilization of Taiwan capital in the mainland in 2023 was about \$2.69 billion, an increase of 39.9%²³ year-on-year. According to the "Ministry of Economic Affairs" of Taiwan, the mainland's investment in Taiwan was only about \$29.69 million, a year-on-year decrease of 23.34%, which continues to be a record low²⁴, and plays a weaker role in reducing

²² <https://dmz26.moea.gov.tw/GA/common/Common.aspx?code=C&no=1>

²³ <http://www.news.cn/tw/20240117/8d6a947d52524e1b852e4663bfa48d80/c.html>

²⁴ https://www.moea.gov.tw/Mns/populace/news/News.aspx?kind=1&menu_id=40&news_id=113605

cross-strait risks.

3) Summary

First-level	Second-level	Third-level	2022 Coding	2023 Coding
C Economic Relations	C1 Cross-strait trade	C11 Cross-Strait trade value	-9	-8
		C12 Cross-Strait trade value's proportion in the mainland's total foreign trade volume	-6	-6
		C13 Cross-Strait trade value's proportion in Taiwan's total foreign trade volume	-8	-8
		C14 The mainland's trade surplus or deficits with Taiwan	9	7
	C2Cross-strait investment	C21 Investment across the strait	-2	-7

(Table 8: Index coding of economic correlation.)

In 2023, total cross-strait trade continued to shrink, and the slump deepened. The mainland's trade deficit with Taiwan has decreased, although this is not something to cheer about in the context of declining cross-strait trade. Taiwan continues to rely heavily on cross-strait trade. Cross-Strait investment grew, with Taiwan's investment in the mainland increasing by 39.9%, but mainland investment in Taiwan declined sharply to a record low. However, cross-strait investment as a whole is still on a growth trend as Taiwan's investment in mainland China is two orders of magnitude larger. According to the liberal school of thought on international relations, trade can play the role of a stabilizer in bilateral relations. Weak growth in cross-strait trade and investment would have a diminished effect on easing tensions in cross-Strait relations and reducing cross-Strait risks.

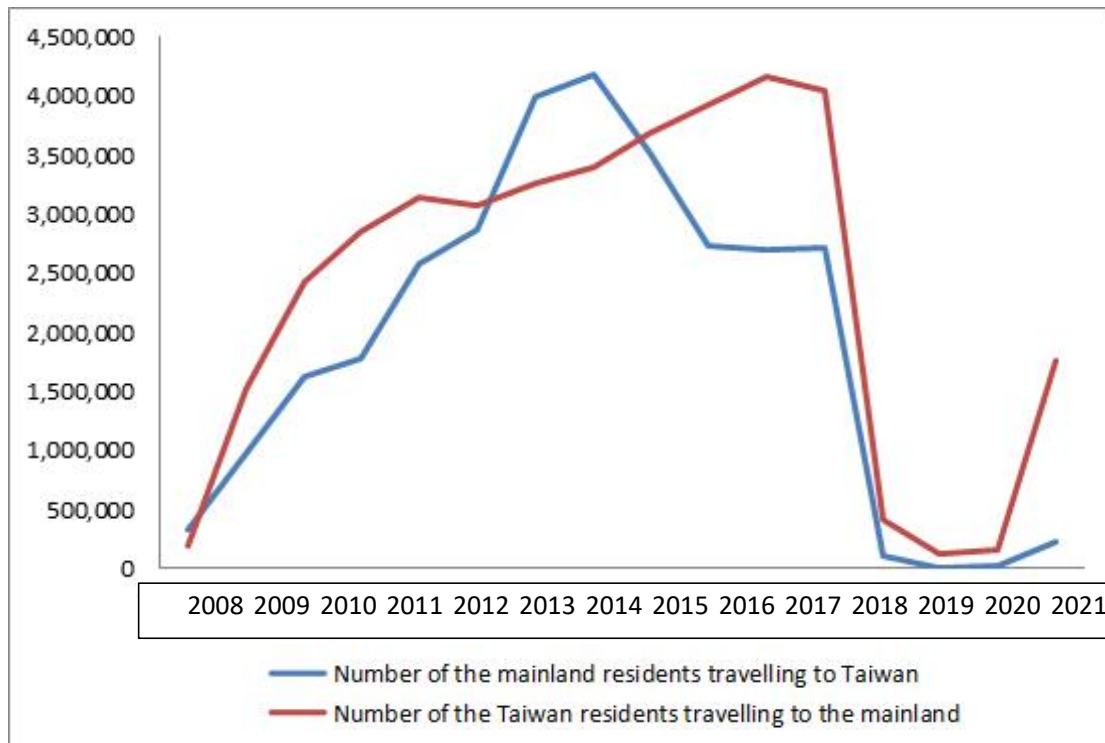
5. Social Exchanges and Public Opinions

First Level indicators	Second Level indicators	Third Level indicators
Social Exchanges and Public Opinions	Civil travels across the strait	Number of the mainland residents travelling to Taiwan
		Number of the Taiwan residents travelling to the mainland
		Number of people married across the strait
	Public opinions across the strait	Popularity of “reunification by force” among the mainland residents
		Taiwan residents' recognition of the identity as “Taiwanese”

(Table 9: Indexes of Social Exchanges and Public Opinions.)

As shown in Table 9, there are two second-level indicators and five third-level indicators for social exchanges and public opinions, which are respectively related to the movement of people across the Taiwan Strait and the change of public opinions across the Taiwan Strait.

1) Civil travels across the Strait



(Figure 1: Number of residents traveling between Taiwan and mainland China, source: Bureau of Tourism, Ministry of Transportation and Communications, Taiwan²⁵.)

According to data from the “Tourism Administration of Taiwan’s Ministry of Transportation and Communications”, cross-strait personnel exchanges have increased significantly in 2023. The number of the mainland residents visiting Taiwan was 226,296, one order of magnitude larger than the 24,378 in 2021. The number of Taiwanese travelling to the mainland was 1,761,134 in 2022, which was more than 10 times the 165,895 in 2022, clearly out of the bottom of the historical data. A rebound in cross-Strait people-to-people exchanges in 2023 could help mitigate risks to cross-Strait relations.

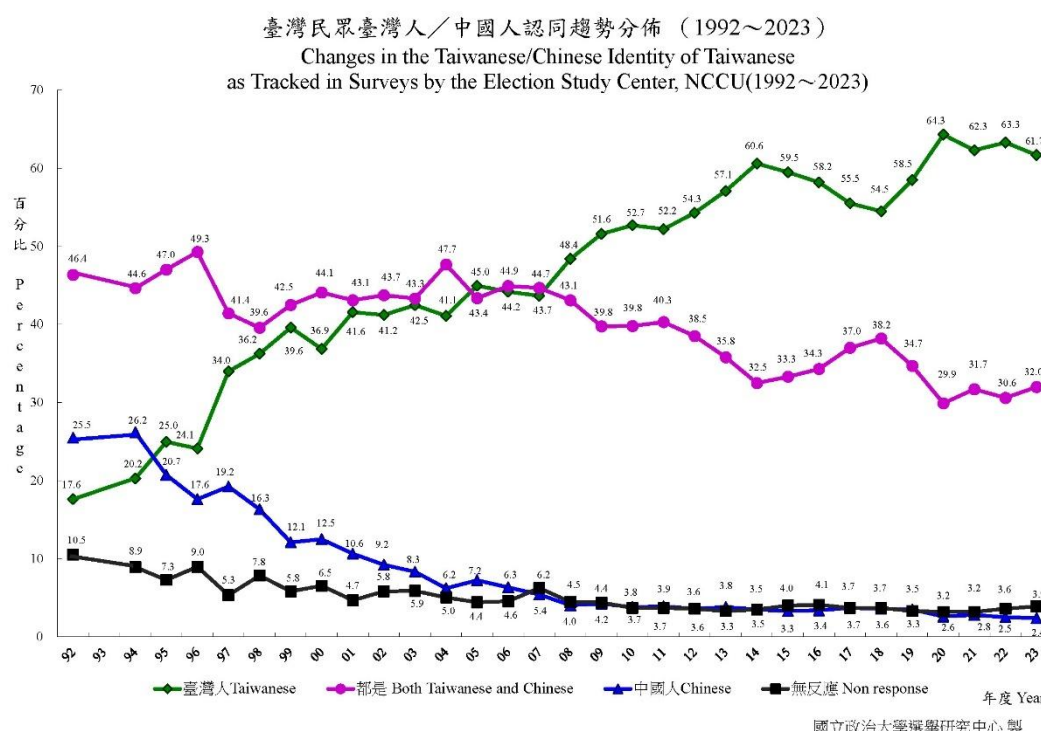
In 2023, travel restrictions were partially relaxed on both sides of the Taiwan Strait. In March, the Taiwan authority “Mainland Affairs Council” announced the resumption of the “Mini Three-Links” for mainland residents to transit. And in May, the Taiwan Affairs Office of the State Council, Taiwan Work Office of the CPC Central Committee announced the resumption of Taiwan people to the mainland China. But free travel and traveling party of the people in Mainland to Taiwan have not resumed. As can be seen from the data, the many political difficulties could not stop exchanges between people on both sides of the Taiwan Strait, and in particular could not offset the huge demand for Taiwanese to go to the mainland.

According to the Statistics Office of Taiwan’s “Ministry of Interior Affairs”, there were 7,530

²⁵ <https://stat.taiwan.net.tw/>

marriages between the two sides of the strait in 2023²⁶. This is an exponential increase relative to 2,935 in 2022, returning to 2017 levels. The continuing downward trend in the number of cross-strait marriages has finally been reversed, proving once again that people on both sides of the Taiwan Strait have a strong need and desire for exchanges. Love can not only break through political obstacles, but also reduce cross-strait risks.

2) Public opinion across the strait

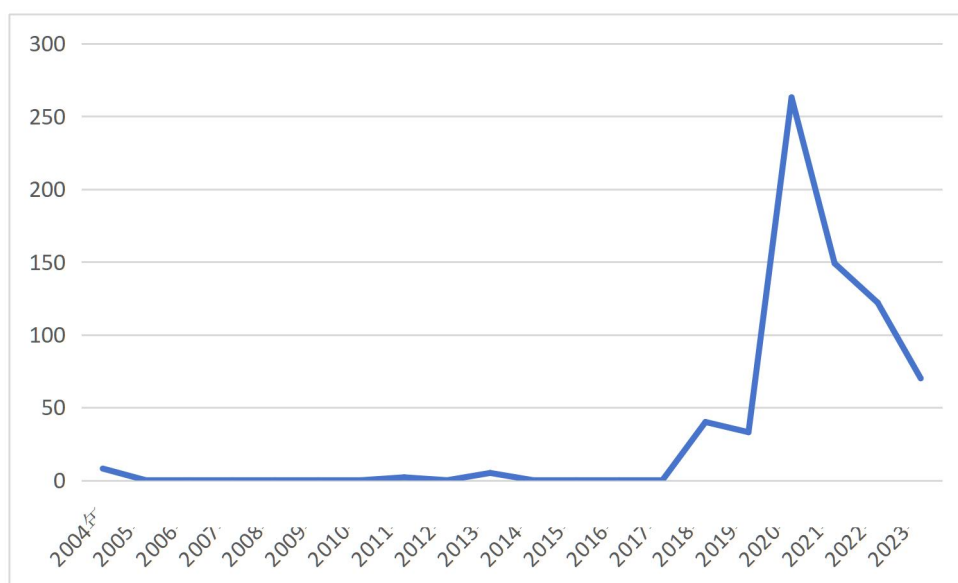


(Figure 2, Data source: Trend of distribution of important political attitudes at the Center for Election Studies, National Chengchi University²⁷)

Since 1992, the Election Study Center of National Chengchi University has conducted a tracking survey on the political identity of Taiwanese, and in February 2024, the university released its latest results, as shown in Figure 2. In 2023, Taiwan residents' recognition of the identity as "Taiwanese" declined from 63.3% in 2022 to 61.7% while identification as "Chinese" decreased, from 2.5% in 2022 to 2.4%, which is at an all-time low. Identification with mixed identity, or "both" increased from 30.6% in 2022 to 32%. Taiwanese's identification with "Chinese" was still at a low level, and their identification with "Taiwanese" was still at a high level. Although the change was not large enough to make a change in the indicator coding, it could be seen as sort of good news for those who support cross-strait reunification.

²⁶ Author: "7530 spouses in mainland China", so the number can be understood as "pairs" source: <https://ws.moi.gov.tw/001/Upload/400/refile/0/4413/4950fd32-36a4-4c99-af23-e6a046f2147f/month.html>.

²⁷ <https://esc.nccu.edu.tw/PageDoc/Detail?fid=7804&id=6960>



(Figure 3: “reunification of Taiwan by force” data on google trend, source: google trend²⁸)

In this report, the Academy continues to use google trend data as a proxy indicator for mainland China’s opinion on Taiwan, because we don’t have polling here as American do. According to Google’s rules, this data cannot be understood as the number of searches. The numbers represent search interest relative to the highest point on the chart for the given region and time. The value of 100 is the peak popularity for the term and 50 means that the term is half as popular. The value of 0 means there was not enough data for this term. Google releases monthly data, adding up data of different months, and the data for a given year may exceed 100.

Google seems to have adopted a new algorithm, and the data has changed every year, but the trend has not changed. If the Academy has the technical conditions in the future, it will collect China’s network popularity data by itself. Or maybe we need our own Gallup, Ipsos, YouGov, ABC News/The Washington Post, and most importantly, the reverend 538. As shown in Figure 3, in 2023, the frequency of the mainland residents using “Wutong Taiwan” (aka., reunification by military force) on the Internet have decreased compared with previous years, but the frequency is still at a high level. Obviously, this topic lacked discussion during the administrations of Chen Shui-bian and Ma Ying-jeou, but has soared since Tsai Ing-wen came to power²⁹. This shows that mainland netizens are seriously dissatisfied with the DPP authority in Taiwan and have a strong desire for “reunification of Taiwan by force”.

²⁸

<https://trends.google.com/trends/explore?date=all&geo=CN&q=%E6%AD%A6%E7%BB%9F%20%E5%8F%B0%E6%B9%BE&hl=en>

²⁹ During Chen Shui-bian’s administration, the Internet had not yet been popularized on the mainland, which was an important factor in the lack of data.

3) Summary

First level	Second level	Third level	2022 coding	2023 coding
Social Exchanges and Public Opinions	Civil travels across the strait	Number of the mainland residents travelling to Taiwan	0	0
		Number of the Taiwan residents travelling to the mainland	0	-4
		Number of people married across the strait	0	-1
	Public opinions across the strait	Popularity of “reunification by force” among the mainland residents	4	2
		Taiwan residents’ recognition of the identity as “Taiwanese”	9	9

(Table 10: Indicator coding for Social Exchanges and Public Opinions.)

Cross-strait public exchanges can effectively alleviate the risks of cross-strait relations. In 2023, cross-strait exchanges had picked up. It was certain helpful for alleviating cross-strait risks.

According to the latest research by National Chengchi University, Taiwanese identification with “Taiwanese” has declined, and their identification with mixed identities has increased. Although the change was not significant, it was somehow a sort of positive sign for cross-strait exchanges.

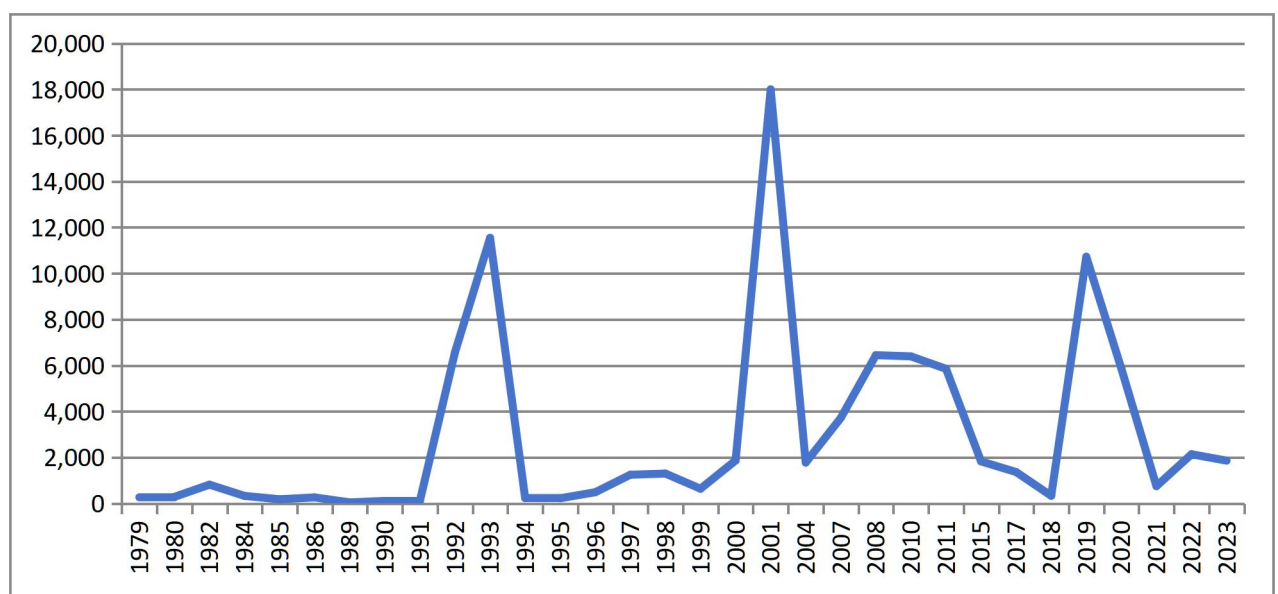
6. Foreign Countries' Policies towards and Statements on Taiwan

First-Level indicators	Second-Level indicators	Third-Level indicators
E Exterritorial Policies and Positions on Taiwan	E1 U.S.	E11 The amount of U.S. arms sales to Taiwan over the years
		E12 Activities of the U.S. Navy in the Taiwan Strait
	E2 U.S. allies	E21 Japan's policy towards and statements on Taiwan
		E22 Australia's policy towards and statements on Taiwan

(Table 11: Indexes of Exterritorial Policies towards and Statements on Taiwan)

As shown in Table 11, there are 2 second level indicators and 4 third level indicators for foreign factors, which respectively involve the Taiwan-related policies of the United States, Japan, and Australia.

1) The United States



(Figure 4: The amount of U.S. arms sales to Taiwan over the years from 1979 to 2023.)

Source: News report.)

In 2023, the United States conducted arms sales to Taiwan totaling \$1.859 billion, marking a decrease from \$2.137 billion in 2022. These sales primarily included spare parts and maintenance for existing equipment, as well as ammunition such as AGM-88B "HARM" anti-radiation missiles, 30mm caliber chain gun ammunition, infrared search and track systems (IRST) for F-16 fighter jets, and maintenance for command, control, communications, computers, and intelligence (C4) systems.

Year	Number
1950	1
1996	1
2015	0
2016	0
2017	0
2018	3
2019	9
2020	13
2021	11
2022	8
2023	6

(Table 12: How Often U.S. Navy Ships Transited the Taiwan Strait, Source: News Reports)

In 2023, the U.S. Navy transited the Taiwan Strait six times, which was lower than the level in 2022 and even below that of 2019. The China Cross-Strait Academy (Hong Kong) hopes that the upward trend since former President Donald Trump took office has been reversed, ideally returning to the level before 2017. The six transits in 2023 are as follows:

On January 5th, the U.S. Navy destroyer "USS Chung-Hoon" (DDG-93) transited the Taiwan Strait.³⁰

On April 16th, the U.S. Navy destroyer "USS Milius" (DDG-69) transited the Taiwan

³⁰ <https://news.usni.org/2023/01/05/destroyer-makes-first-u-s-warship-taiwan-strait-transit-of-2023>

Strait.³¹

On June 4th, the U.S. Navy destroyer "USS Chung-Hoon" (DDG-93) and the Canadian Navy frigate "HMCS Montreal" (FFH-336) transited the Taiwan Strait.³²

On June 20th, the U.S. Coast Guard Cutter "USCGC Stratton" (WMSL-752) transited the Taiwan Strait.

On September 9th, the U.S. Navy destroyer "USS John Finn" (DDG-114) and the Canadian Navy frigate "HMCS Ottawa" (FFH-341) transited the Taiwan Strait.³³

On November 2nd, the U.S. Navy destroyer "USS Paul Hamilton" (DDG-115) and the Canadian Navy Halifax-class frigate "HMCS Ottawa" (FFH-341) transited the Taiwan Strait.³⁴

2) Japan and Australia

In 2023, the government leaders of Australia and Japan did not issue any new official statements regarding Taiwan. However, from the comments made by the leaders of both countries on Taiwan-related matters, it could be observed that Australia and Japan still followed the previous policy of supporting the United States and favoring the "Taiwan independence" forces. And they also avoided using provocative language or actions that could escalate tensions and potentially lead to direct confrontation with mainland China.

On June 7, 2023, according to a report by The Sydney Morning Herald, Australian Prime Minister Anthony Albanese, while attending the Shangri-La Dialogue, "issued a warning to " mainland China not to resort to military force to reunify Taiwan, as it could lead to serious conflict, " far outweigh any potential reward ".³⁵ In November, Albanese visited China and expressed willingness to improve bilateral relations. In May 2023, Japanese Prime Minister Fumio Kishida stated that the Taiwan issue should be resolved peacefully through dialogue.³⁶

³¹ <https://news.usni.org/2023/04/16/u-s-destroyer-transits-taiwan-strait>

³² <https://news.usni.org/2023/06/03/u-s-canadian-warships-transit-taiwan-strait>

³³

https://www.voachinese.com/a/us-canada-warships-transit-taiwan-strait-20230909/7261397.html?utm_medium=proxy&utm_campaign=psiphon-landing-pages&utm_source=psiphon&utm_content=mandarin

³⁴

<https://news.usni.org/2023/11/02/u-s-canadian-warships-sail-through-taiwan-strait-china-says-u-s-hyped-up-transit>

³⁵

<https://www.smh.com.au/national/to-prevent-a-china-war-we-must-bind-ourselves-to-taiwan-20230605-p5de21.html>

³⁶

<https://www.rfi.fr/cn/%E5%9B%BD%E9%99%85/20230510-%E6%97%A5%E7%9B%B8%E5%B2%B8%E7%94%B0-%E5%8F%B0%E6%B9%BE%E5%AE%89%E5%85%A8%E6%98%AF%E5%85%A8%E7%90%83%E9%97%AE%E9%A2%98>

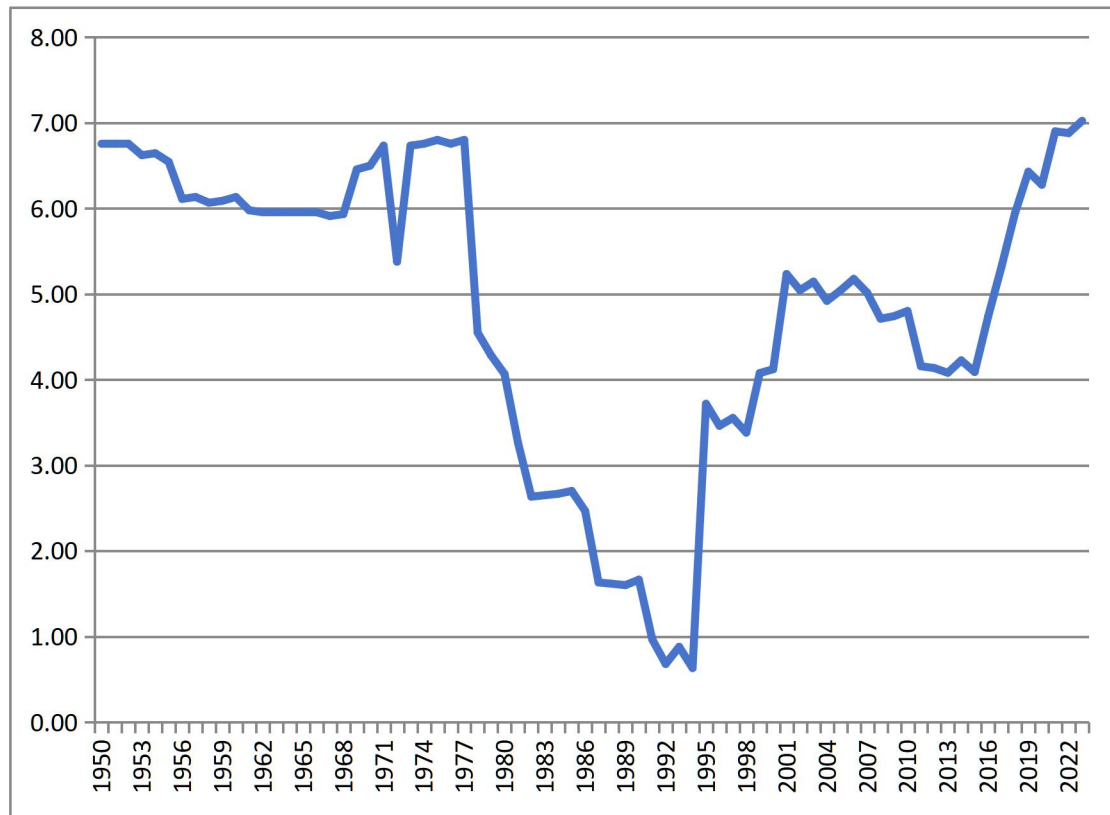
3) Summary

First-Level indicators	Second-Level indicators	Third-Level indicators	2022 Coding	2023 Coding
E Exterritorial Policies and Positions on Taiwan	E1 U.S.	E11 The amount of U.S. arms sales to Taiwan over the years	8	8
		E12 Activities of the U.S. Navy in the Taiwan Strait	8	7
	E2 U.S. allies	E21 Japan's policy towards and statements on Taiwan	7	7
		E22 Australia's policy towards and statements on Taiwan	7	7

(Table 14: Indicator Coding That Reflects Foreign Countries' Taiwan Policy and Stance.)

The Taiwan issue is an internal issue of China, though it is influenced by international relations. Among foreign countries, the United States, Australia and Japan have the greatest influence on Taiwan issue. In 2023, the United States continued its previous policies towards mainland China and Taiwan, namely, supporting "Taiwan independence" forces. Meanwhile, the United States continued to sell weapons and equipment to Taiwan. The U.S. Navy continued its regular transits through the Taiwan Strait, with a decrease in frequency compared to 2022. And the political leaders of Australia and Japan did not formally take a stance on the Taiwan issue in 2023, continuing their previous policy according to their Taiwan-related statements.

7. Coding and Trends of Indices



(Figure 5: Index coding)

On May 19, 2021, the China Cross-Strait Academy (Hong Kong) released the "2021 Cross-Strait Relations Risk Index", which indicated an assigned value of 6.59 for 2020. Three years later, the data had been updated. According to the model, the value for 2020 was revised to 6.28. While the changes in the data were minor, the overall trend remained unchanged, indirectly affirming the effectiveness of the model in reflecting shifts in cross-strait relations.

As shown in Figure 5, the Cross-Strait Relations Risk Index for 2023 reached a historical high of 7.02. This demonstrated a continuing trend of risks rising in cross-strait relations, particularly in political and military areas. In terms of politics, the Taiwan authorities ignored the goodwill of mainland China and continued to explore the "Taiwan independence" path. Both Tsai Ing-wen from the Democratic Progressive Party (DPP) and the incoming Lai Ching-te expressed their intentions to confront mainland China. Besides, during this period, there was a lack of communication between cross-strait leaders, making it challenging to mitigate risks.

In 2023, a new edition of the defense report was released by the Taiwanese authorities, where they still maintained their military strategy of "resolute defense and multi-domain deterrence." This strategy remained focused on enhancing "defense capabilities and

resilience," "building complete asymmetric capabilities," and "enhancing operational sustainability." Throughout 2023, some of Taiwan's military expansion policies began to yield results, such as the launch of Taiwan's first domestically manufactured submarine, the Hai Kun (SS-711), and the completion of "Feng Zhan Project " for upgrading F-16 fighter jets. The China Cross-Strait Academy (Hong Kong) found that Taiwan even possessed a greater number of cruise missiles compared to the mainland.

Economically, the cross-strait development was still characterized by political stagnation and economic prosperity, but cracks in the economic field had widened into a substantial divide. In 2023, there was a marked downturn in overall trade volume between the two sides, with both imports and exports seeing declines. In this situation, the fragile economic bonds had weakened their counteracting effects against the risks in cross-strait relations.

In terms of cross-strait public opinion, recent research from Taiwan's National Chengchi University has revealed that there has been a continuous decline in Taiwanese identification with "Taiwanese" and a modest increase in identification with mixed identity.

The highlight of cross-strait relations in 2023 was the substantial resumption of exchanges between the two sides. To a certain extent, both the mainland and Taiwanese people managed to overcome policy barriers set by the Taiwanese authorities, making remarkable contributions to reducing cross-strait risks.

In terms of foreign relations, the United States continued to actively support the Taiwanese authorities. The Biden administration persisted in arms sales to Taiwan, leading to continued tension in the Taiwan Strait. The US Navy's transit through the Taiwan Strait decreased for the third consecutive year, with six transits in total. The China Cross-Strait Academy (Hong Kong) hopes for further reductions in 2024.

In summary, the risks across the Taiwan Strait was still significant, reaching a new high in 2023. The China Cross-Strait Academy (Hong Kong), as a civil think tank supporting cross-strait peace, while objectively presenting the changes in cross-strait relationship risks, hoped for a "bottoming out" of cross-strait relations. It hoped that people from both sides of the strait would redouble their efforts, compelling the Taiwan authorities to make more concessions.