



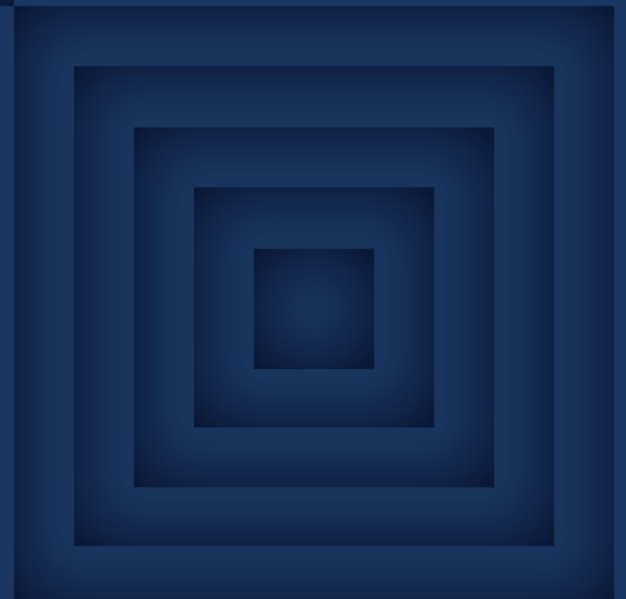
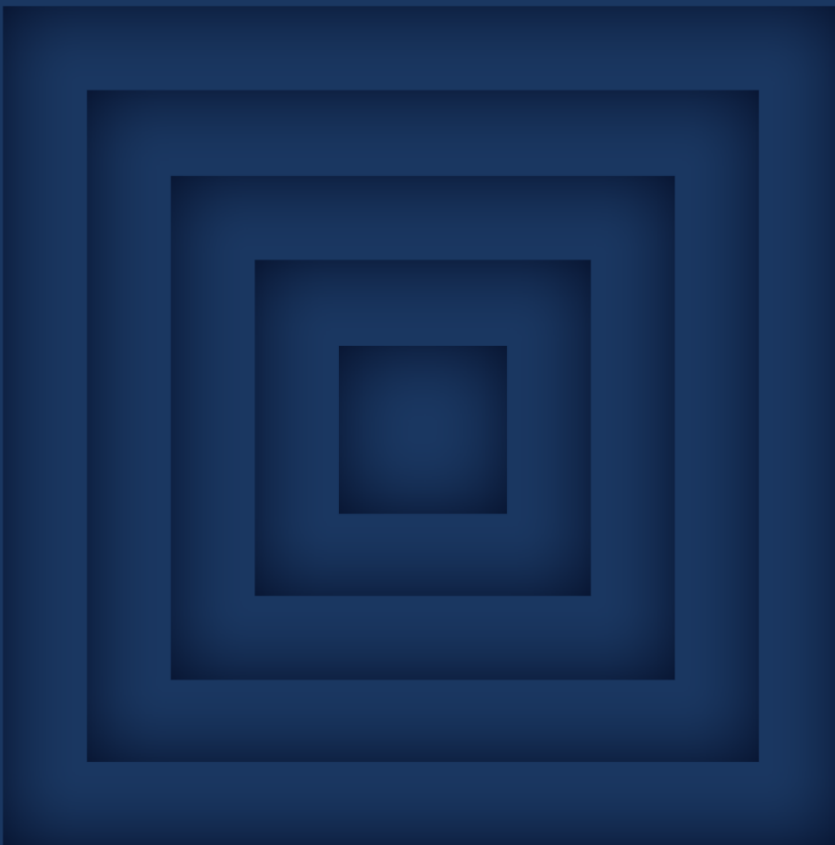
The Hague Centre
for Strategic Studies

Remarks at a luncheon hosted by The Hague Centre for Strategic Studies (HCSS):

Taiwan's Role in the Strategic Reindustrialization of Europe

Dr. Lin Chia-lung
Minister of Foreign Affairs
ROC (Taiwan)

September 15, 2025



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Tim Sweijjs, Director of Research of HCSS; Distinguished guests; Ladies and Gentlemen,

I would like to express my sincere appreciation to HCSS for hosting this meaningful event. It is an honor to be here today to speak on a subject that is both timely and critical—Taiwan's role in the strategic reindustrialization of Europe. In a world increasingly defined by uncertainty and competition, how medium-sized liberal economies such as Taiwan and the Netherlands can work together is truly of great relevance.

1. The Implication of Geopolitical Shifts on the Global Supply Chain

What we are witnessing is the profound restructuring of global supply chains. The geopolitical tensions—from the Russian illegal invasion of Ukraine to China's growing assertiveness in the Indo-Pacific—have already revealed how vulnerable our supply chains could be. Against this backdrop, the concepts of security, resilience and trust came to replace globalization, efficiency, and mere cost.

Indeed, in recent years, we have seen disruptions in one region reverberate globally across domains. These incidents clearly demonstrated that the security and prosperity of the Indo-Pacific and Euro-Atlantic became more interconnected than before. Notably, China and Russia's strategic cooperation goes beyond a security threat. It is also an economic challenge that not only circumvents Western sanctions, but goes fundamentally against the liberal trade order.

Such authoritarian cooperation must be met with a coordinated response from democracies, particularly in how we structure our economies. For too long has transborder economic interdependence been weaponized by authoritarian countries against democracies without consequences. Building the global supply chain resilience is now an imperative and reindustrialization is the key to its success.

In this regard, Taiwan, albeit small in size, plays a crucial role. As a critical hub of advanced manufacturing, Taiwan stands ready to contribute to global economic prosperity and security and is committed to safeguarding the rules-based order against economic coercion. Most importantly, we believe that only by revitalizing strategic industries can we build true resilience at home—not just for economic growth, but for the competitiveness of democratic systems against authoritarian regimes.

Primarily service economies, democracies are now easily targeted by manufacturing giants like China. Yet through reindustrialization, we can empower our middle-class, mitigate wealth disparity, and enhance social stability. On this basis, we can then secure our industrial strength, a healthy economy, and a thriving democracy.

2. Reindustrialization as an Essential National Security Strategy

In the past, Europe has relied on Russia for energy, China for goods, and the United States for security. Undoubtedly, it is an exceptionally arduous task for Europe to gain strategic autonomy in all these domains at the same time. Yet, according to statistics, only two European countries enjoy a trade surplus with China now. In 2024, the Netherlands even ran the highest trade deficit with China among EU countries. This is why we should see reindustrialization as an essential national security strategy.

Democracies are already seeing steps taken in this direction. For instance, the European Commission has adopted robust derisking policies, including the “European Chips Act,” which aims to double Europe’s share of global chip production by 2030; the “ReArm Europe Plan,” designed to revitalize Europe’s defense industry capacity; and the “EU Competitiveness Compass” introduced to guide investment toward sustainable, digital, and technologically sovereign sectors. These policies attest to the fact that competitiveness and resilience can no longer be measured separately.

Yet while these initiatives are encouraging, democracies face a deeply uneven playing field. China continues to employ unfair trade practices—including state subsidies, non-tariff barriers, and, in some cases, forced labor—to dominate global markets. Foreign firms, even with strong technology and innovation, often find themselves competing with state-backed giants that do not play by the same rules.

For this reason, democracies must act collectively. We need to strengthen our technological sovereignty, reduce dependency in strategic sectors, and address our vulnerabilities. Those include pharmaceuticals, critical minerals, batteries, solar panels, and offshore wind components—sectors where reliance on China could be fundamentally devastating.

3. Resilience Partnerships with Taiwan in Critical Sectors

This brings me to Taiwan. Taiwan is not only willing to be—but capable of being—a reliable partner in Europe’s strategic reindustrialization. In addition to the aforementioned sectors, Taiwan has great strength in semiconductors, electronics, and telecommunications, all of which are essential to the most advanced products in the future. But our role can go further. We can work together in dual-use technologies, advanced manufacturing, and cyber-defense systems—sectors that boost both economic growth and national security.

Let’s take semiconductors as a prime example. Taiwan and the Netherlands are both leaders in this field. ASML, the Dutch giant in lithography, and TSMC, Taiwan’s leading corporation in chipmaking, are not just trading partners—they are mutually reinforcing. Such synergy should be protected. Together, we must strengthen our resilience against intellectual property theft, reverse engineering, and industrial espionage—all of which China uses to bridge technological gaps.

Faced with advanced chips sanctions, China has in turn doubled down on its efforts to develop legacy chips, which are still indispensable to cars, medical equipment, and daily appliances. Today, China possesses an increasing share of global legacy chip production, causing grave security concerns. The good news is that Taiwan and Europe have joined hands in diversifying supply chains and securing critical inputs. This includes TSMC’s investment in Europe and ASML’s growing presence in Taiwan. These are not just business decisions—they are strategic ones.

In fact, Taiwan is the Netherlands' third-largest trading partner in Asia, while the Netherlands is Taiwan's second-largest trading partner in Europe. Being Taiwan's largest source of foreign direct investment, the Netherlands has invested nearly 40 billion US dollars in Taiwan over the years. Moreover, Taiwan and Europe are also aligned in policymaking. In March 2025, the Netherlands launched the "Semicon Alliance," an initiative to secure Europe's place in the global chip race. In parallel, President Lai proposed the "Global Semiconductor Democratic Supply Chain Initiative"—a commitment to build an ecosystem where innovation is protected, supply is reliable, and values are shared.

Moving forward, Taiwan will soon launch our "Ten Major AI Infrastructure Projects," aiming to position Taiwan as a leader in silicon photonics, quantum computing, and AI-driven robotics. Just as importantly, we will enhance talent cultivation, promote AI application, and build sovereign AI—to ensure our data, algorithms, and computing capacities are properly governed. These projects open up new opportunities for collaboration with Europe—from joint R&D to startup incubation, and from ethical AI governance to cybersecurity standards. Indeed, the future of technology must be democratic. And Taiwan is here to help.

4. Reindustrialization Accelerated Through Democratic Solidarity

Let me now again turn to the broader picture. Peace and stability across the Taiwan Strait are not just regional concerns. Over 50% of global trade passes through the Taiwan Strait. Taiwan itself produces over 60% of the world's semiconductors and 90% of the most advanced chips. Any disruption would be catastrophic. To avoid such future shocks, democracies truly must act proactively across all domains.

For its part, Taiwan has committed itself to self-defense. Next year, Taiwan's military budget will reach a historic high of 3.32% of GDP. And we aim to reach 5% of GDP before 2030. In the meantime, Taiwan will continue to promote what I call the "Strategic Three Chains." First, the "Democratic Value Chain," an alliance based on shared principles of freedom, human rights, and rule-of-law. Second, the "Non-Red Supply Chain," a network of like-minded partners that reduces authoritarian dependencies. Third, the "First Island Chain," a geographic belt that links South Korea, Japan, Taiwan, and the Philippines as a bulwark against authoritarian expansionism.

Of these, the "Non-Red Supply Chain" is the most urgent priority if we were to free our economies of Chinese malign influences. It will impact whether democracies can retain our means of production, maintain control over essential technologies, and create dignified employment without being beholden to non-democratic regimes. Only through resilience-oriented reindustrialization can democracies ensure that growth is not only possible, but stable, sustainable, secure.

To this point, I am glad to witness increased linkages between Taiwan and Europe, not only with R&D partners such as the Interuniversity Microelectronics Centre (IMEC) in Belgium, but also with business partners all across Europe. In Germany, we have TSMC investing in semiconductor manufacturing and design. In the United Kingdom, we have Walsin Lihwa investing in steel and advanced manufacturing. In France, we have ProLogium investing in electric vehicle battery manufacturing, as well as Foxconn investing in semiconductor assembly and satellite technologies. These examples are but a start to the enhanced partnership between Taiwan and Europe on reindustrialization.

5. Conclusion

In closing, the world is watching how democracies respond to this era of uncertainty. Taiwan is ready—ready to stand with Europe, ready to contribute to our reindustrialization, and ready to build supply chains that are resilient, democratic, and trustworthy. I believe through reindustrialization, we will be able to protect the values we believe in. Together, let us turn challenges into opportunities.

Thank you!