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Washington's Volatility and Taipei's Security

Taiwan's Defence Quandary Creates Openings for Europe

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The Trump-Xi summit in May 2026 highlighted a shift in Washington's posture that introduces deep uncertainty into US-Taiwan relations. While the meeting was no turning-point, it underlined Taipei's predicament: relying heavily on now questionable American promises. If Washington does reduce its security guarantees, Taiwan could strengthen its strategic alignment with Europe. That would present risks for Europe, but also opportunities.

The 15 May summit between US President Donald Trump and Chinese President Xi Jinping produced little clarity on whether the United States will continue to support Taiwan against Chinese aggression. While Washington's stance remains ambiguous, the Chinese position has hardened over the years, making the Taiwan Strait the region's key flashpoint.

As the official read-out confirms, the Chinese see the Taiwan question as the most important issue in China-US relations. In what can be read as a warning to Washington, he went on to say that failure to handle the Taiwan question would place the Sino-American relationship "in great jeopardy".

Xi may have been testing Trump's willingness to soften US language on Taiwanese sovereignty, reduce diplomatic support, or reduce arms sales. Significantly, in mentioning the Taiwan question right at the

beginning of the meeting, Xi was communicating that closer US-China cooperation must not come at the expense of China's core interest: Taiwan.

President Trump subsequently caused consternation with public statements characterising pending US arms packages for Taiwan as "very good negotiating chips" and comments that he was "not looking to have somebody go independent" or to "travel 9,500 miles to fight a war". Trump's remarks also raise questions about whether he is seeking to shift US policy from strategic ambiguity to unpredictability and transactionalism. Taipei may fear being sidelined in a constellation where Washington prioritises conflict avoidance over support for Taiwanese autonomy. As a result, Taipei will have to rely more heavily on its own deterrence and seek alternative partnerships.



US arms sales – or not?

Despite Trump’s comments, Secretary of State Marco Rubio emphasised that “US policy remains unchanged.” Rubio represents the congressional hawks, for whom Taiwan represents a critical outpost for the conflict with China. The isolationist “America First” wing championed by Vice-President J. D. Vance, on the other hand, views foreign military commitments with deep scepticism and argues that Taiwan must fund its own defence. These conflicting positions reflect a growing ideological battle within the Republican Party.

Political division is compounded by material difficulties, in the guise of the massive munitions shortages caused by the war with Iran. US forces expended a staggering 11,294 munitions in the first 16 days of Operation Epic Fury, rapidly burning through critical stockpiles of Tomahawk cruise missiles, Patriot interceptors, and the Army’s new Precision Strike Missiles (PrSM). Defence planners warn that this has triggered a crisis in “command of the reload”. The very long lead times for replenishing these complex systems force the Pentagon into a zero-sum rationing game, even quietly redeploying air defence systems from the Indo-Pacific to the Middle East.

This has direct implications for Taiwan, specifically for the US\$ 11 billion arms deal formally approved by the Trump administration in December 2025, which is the largest to date and includes HIMARS and anti-tank-missiles. Further discussions are under way to authorise another package worth US\$ 14 billion. However, friction arose in May 2026, when Acting US Navy Secretary Hung Cao announced a pause on the latter package, which includes direct commercial military sales and dual use items, in order to secure US stockpiles for the war with Iran. According to Cao, the matter is now in the hands of Secretary of War Hegseth and Secretary of State Rubio.

Although figures like US-Taiwan Business Council President Rupert Hammond-Chambers argued that the conflict in Iran

would be unlikely to impact arms packages already approved by Congress, Taiwan is not the only US partner feeling the impacts. According to the *Financial Times*, Tomahawk missile deliveries to Japan could be delayed by up to two years.

Beijing is capitalising on American political divisions by making reductions in arms deliveries to Taiwan a precondition for any future talks. The risk of being used as a diplomatic bargaining chip creates a dilemma for Taipei, which relies on a US security guarantee that is increasingly difficult to predict or guarantee within the broader US-China framework.

Taiwanese discord on defence

Against this volatile backdrop, Taiwan is racing to secure the hardware it needs, before American stocks run out “leading to a problem of ‘empty bins’”. Taiwan’s defence ministry recently confirmed accelerated delivery of an initial batch of 291 Anduril Altius-600M loitering drones. These will create a low-cost, distributed drone capability that is central to Taipei’s defence doctrine: the “porcupine strategy” seeks to establish asymmetric capabilities to deter a Chinese invasion, concentrating on highly mobile low-cost systems. The strategy is modelled on the methods that the Taiwanese government believe enabled Ukraine to withstand the Russian invasion. In order to maximize deterrence, the Taiwanese military plans to forward-deploy these systems, along with new HIMARS units, to outer islands like Penghu and Dongyin, thus hoping to establish a maritime buffer zone and to deter a Chinese amphibious landing.

However, the Taiwanese polity is deeply divided over these issues. The main political parties – the governing Democratic Progressive Party (DPP) and the opposition Kuomintang (KMT) – disagree on how to best defend the island, with the KMT favouring a symmetrical defence posture relying on heavy artillery. The DPP government may have to come to terms with the KMT’s argu-

ment that Taiwan must be capable of deterring China even without Washington's protection.

Disagreements between the two parties led to protracted negotiations over the defence budget. Taiwan finally passed a Special Defence Budget in early May, amounting to 780 billion New Taiwan Dollars (NTD) (approximately US\$ 25 billion), far less than the initially proposed NTD 1.25 trillion. This will delay a number of critical defence purchases and complicate the procurement of heavy tactical systems like HIMARS. Structural dependency on the United States hinders Taipei's efforts to reduce its reliance on American suppliers and cultivate autonomous domestic defence industries.

Options for Taiwan?

Taiwan has few alternatives to US weaponry, as other countries lack comparable systems and are wary of Chinese retaliation if they engage with Taipei on defence issues. This structural problem has expedited a surprising geopolitical pivot, in which Europe is reconsidering its traditionally restrained arms policy.

Germany and the United Kingdom have contributed to the development of Taiwan's first domestically built submarine, while Poland and Ukraine are planning to cooperate on unmanned aerial vehicle (UAV) development. In 2025, for the first time, four leading German firms attended the Taipei Aerospace and Defence Technology Exhibition. Germany's certification institute DEKRA is also providing testing and compliance support to Taiwan's Telecom Technology Centre, including drone cybersecurity. And in the opposite direction, Taiwan is contributing to the establishment of China-free drone supply chains for Europe. Taiwan's exports of complete drones to Europe have increased sharply, from 2,574 in 2024 to 107,433 in 2025; Poland and the Czech Republic are the main destinations (possibly for transit to Ukraine). That momentum continued into

2026, with exports to Europe reaching 136,010 units in the first quarter alone.

Taiwan is an increasingly relevant factor in Europe's drone supply-chain diversification. In early 2026, the European Parliament called for greater security and defence cooperation with Indo-Pacific partners including Taiwan, specifically focusing on drone integration and hybrid warfare.

While Europe-Taiwan defence cooperation is still modest, especially when measured against cooperation with the United States, it could help bolster Taiwan's deterrence against China.

European risks and interests

Europe's current defence expansion creates an opening for cooperation with Taiwan. In response to Russia's invasion of Ukraine, European countries have sought to rebuild their defence-industrial capacities, secure critical technologies, and expand their use of drones, counter-drone systems, secure communications and resilient supply chains. Taiwan's defence requirements point in a similar direction, prioritising asymmetric and dual-use capabilities. This creates a strategic opportunity for Europe's defence-tech industries. Taiwan's "non-PRC" supply-chain strategy can connect with Europe's demand for semiconductors, AI and drones.

Those opportunities come with risks and challenges. In April 2026, China banned exports of dual-use items to seven European entities, including Germany's Hensoldt, over arms sales to or cooperation with Taiwan. Cooperation with Taiwan could expose European states and businesses to further Chinese economic retaliation.

Yet avoiding cooperation would leave Europe even more underprepared. Given that a Taiwan crisis would endanger global trade, economic security, and the supply of advanced semiconductors, this is not only a question of solidarity with a democratic partner under pressure: it concerns Europe's own security interests and technological resilience. The case for coopera-



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tion rests on two European interests. Firstly, Taiwan's asymmetric defence strategy, including mobile anti-ship missiles, drones, distributed sensors and survivable systems, offers European armed forces and defence industries a real-world model of adaptation under coercive pressure. Cooperation here would support Europe's broader de-risking agenda. Secondly, peace and stability in the Taiwan Strait is of strategic importance to the EU, which has stated its explicit interest in preserving the status quo. Targeted defence-industrial cooperation, especially in dual-use and defensive technologies, would signal that coercion against Taiwan would incur wider costs.

Beijing has responded to intensifying defence ties between Taiwan and Europe. As well as imposing the aforementioned ban on dual-use exports, the Chinese have objected to any deepening of relations and warned that closer cooperation with Taiwan could damage bilateral relations with the PRC. Rather than pursuing symbolic escalation, Europe would be well-advised to seek structured cooperation focused on defensive and dual-use technologies — coordinated among European partners and embedded in a broader de-risking strategy. The aim should be to strengthen deterrence and resilience without abandoning Europe's "One China" policy or unnecessarily provoking a crisis.

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