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## **China and Taiwan are at odds again whereas they are doing good business together**

Relations between China and Taiwan have always been problematic ever since Chiang Kai-shek's Nationalist government fled to the island in 1949 after losing a civil war with Mao Zedong's revolutionary forces.

The anti-communist regime that took power in Taiwan was able to maintain its independence from Beijing thanks to the military protection of the United States which is sanctioned by an American law which requires Washington to help Taiwan maintain an adequate defense.

China however has never renounced its sovereignty claims over Taiwan and the possible use of force to bring it under its control.

After a period of relative quiet, relations have now deteriorated with Taiwan's Ministry of National Defense arguing that China has more than 1,000 missiles directed at the island and the US Trump administration announcing that it will equip Taiwan with new armaments including advanced rocket systems and anti-ship missiles.

China's Ministry of National Defense, for its part, says it is futile for Taiwan to think it could use arms to prevent unification. Beijing is wary of Taiwanese President Tsai Ing-wen, believing she wants to push the island toward formal independence despite her reassurances that she wants to maintain peace with China.

"Separatist Taiwan independence forces and their activities are the greatest threat to peace and stability in the Taiwan Strait," Chinese Defense Ministry spokesman Wu Qian told a monthly news briefing. "It is futile to use weapons to refuse unification and is doomed to have no way out," he added, without elaborating.

On the economic front, instead, relations are quite good. China is Taiwan's largest trading partner and accounts for 30 percent of the island's total trade. Likewise, Taiwan ranks seventh among China's top ten trading partners. Reciprocal investment is rising steadily and banks, insurers, and other financial services providers are allowed to work in both markets.

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