



# Economic Security: The New Frontier of Global Geopolitics in the Digital Age

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**Economic security has rapidly evolved from a niche policy debate into a cornerstone of national strategy. Nowhere is this more evident than in the Indo-Pacific, where Taiwan — critical to global supply chains — is at the center of this complex discourse. Economic security and technological geopolitics has placed supply chain resilience and the Indo-Pacific strategy at the forefront of international discussions.**

## Japan's Leadership and Europe's Awakening

Japan has long been a pioneer in framing economic security in the Indo-Pacific. Its emphasis on strategic autonomy has informed efforts to reduce dependency on countries like China while maintaining Japan's integral role in global supply chains. Meanwhile, Europe has only recently grasped the importance of economic security, following the 2022 EU-Japan Summit. Since then, the EU has adopted a comprehensive

strategy focused on supply chain resilience, critical infrastructure security, and shielding itself from economic coercion.

Despite these initiatives, concrete actions remain ambiguous. However, clear solutions are still lacking, as many countries struggle to implement these strategies effectively. The absence of a universal definition of economic security further complicates matters with interpretations varying widely based on regional, national, and sectoral perspectives.

## Economic Security: A Daily Reality for Taiwan

For Taiwan, economic security is not a theoretical concept but a daily reality. As a key player in global supply chains, particularly in the technology sector, making it both an indispensable player and a potential target amid shifting geopolitical dynamics.

Historically, cost considerations drove Taiwanese manufacturers to relocate to China and, more recently, Southeast Asia. Increasingly, businesses are adopting strategies like "China plus one," moving away from China or implementing dual systems to serve both Chinese and U.S. markets.

Despite this, Taiwan still lacks a comprehensive economic security strategy. Cost-driven relocation has been reactive rather than strategic. With international relations becoming more complex, Taiwan urgently needs a forward-looking framework that anticipates and mitigates potential risks.

## Rethinking Supply Chain Resilience for the Digital Era

Current discussions on economic security and supply chain resilience often feel outdated, focusing heavily on past and present challenges rather than addressing future risks. While crises like the COVID-19 pandemic, the Russia-Ukraine conflict, and semiconductor shortages have brought these issues to the forefront, they represent only a portion of the broader economic security landscape.

Historically, supply chain resilience was primarily centred on the physical exchange of goods, relying on strategies such as export controls, addressing raw material shortages, and factory relocation. While these remain relevant, they overlook emerging challenges in the digital age. Emerging technologies,

such as AI, 5G, and quantum computing, are reshaping supply chains, making data flow and cybersecurity as critical as physical goods movement.

Looking ahead, it is essential to develop an economic security framework that reflects these new realities. Traditional methods—like diversifying suppliers or stockpiling materials—may no longer be sufficient in a world where data is as valuable as physical commodities. The rapid pace of technological advancement is making supply chain resilience increasingly complex, demanding innovative solutions that go beyond past strategies.

While it is impossible to foresee the future with certainty, as researchers and policymakers, we should continuously evaluate potential risks and prepare for the unexpected. The emergence of new technologies will undoubtedly bring unforeseen challenges, and it is our responsibility to anticipate these changes and adapt our strategies accordingly.

## Building a Platform for Global Exchange

The launch of this op-ed series is more than just a narrative; it's a platform for researchers, policymakers, and industry experts to exchange insights on economic security in a rapidly digitalizing world. It addresses a critical question: as emerging technologies such as AI transform global supply chains, how can we, as like-minded partners, collectively build the resilience necessary to secure a competitive position in this dynamic landscape? Our goal is to foster a global exchange of knowledge, drawing on the expertise of these stakeholders. By facilitating this dialogue, we aim to develop a nuanced understanding of the geopolitics surrounding technology and digitalization.

## Taiwan's Strategic Role in a Digitally Transformed Geopolitical Landscape

Geopolitics and technology are becoming inextricably linked, reshaping the global order. Taiwan's leadership in the ICT sector highlights its strategic importance in this new landscape. Through robust research and strategic foresight, Taiwan can help shape a secure, prosperous, and technologically advanced future. As we prepare for the unexpected, fostering a flexible organizational structure and sharing information will be crucial for effective action.

While Taiwan's unique geopolitical perspective differs from larger powers, its practical experience in navigating complexities offers valuable lessons. By adopting a collaborative approach, Taiwan can bolster its own economic security while contributing meaningfully to global discussions to foster global stability.



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Chris Hung is an expert with 20 years of experience in information technology research, focusing on semiconductors, information systems, consumer electronics, macroeconomics, and technological geopolitics. He has led large-scale government projects in areas such as semiconductor System on Chip (SoC), smart electronics, and the digital economy, including policy development and online service platforms. Before joining the MIC, Chris served as a research manager at a leading securities firm, providing investment analysis for Taiwanese companies. He holds a Master's degree in Economics from New York University.



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Yingfen Lin researches in the fields of digital economy and technological geopolitics. Specializing in policy research related to economic security, digital transformation, data governance, and smart and green urban development, she leads multiple collaborative research projects with global institutes, demonstrating expertise in fostering diplomatic alliances and international business collaboration. Yingfen Lin holds a PhD in Labour Economics from the University of Sheffield and an MSc in Statistics and Management Science from the University of the West of England.