



*** * * Euro-Atlantic Bulletin * * ***

*** * * Evro-atlantski Bilten * * ***

Publisher/Izdajatelj: EACS / EASS

Vol. 7 No. 6, 2026

Editor/Urednik: prof. dr. Iztok Prezlj

October 14, 2026

ISSN 2712-5270

<http://www.euroatlantic.org/bilten/>

National Security and Energy Policy: A Cross Taiwan-Strait Comparison

Mark W. Lai and Philipp H. Fluri^a

Abstract^b

Energy security has long been central to national survival, economic development, and military capability. As Harold Lasswell famously suggested, international politics often reduces to the question of “who gets what oil, when and how.”¹ Throughout the twentieth century, access to oil shaped military innovation, determined wartime outcomes, and reconfigured global power hierarchies.² This paper traces the evolution of oil’s strategic role and applies this framework to a comparative analysis of China and Taiwan. Despite profound political differences, both confront the same structural imperative: securing sufficient energy to sustain growth and prepare for potential conflict. The study argues that China has pursued a coherent strategy of diversification and resilience, whereas Taiwan’s energy choices have produced structural vulnerabilities with direct implications for Cross-Strait security. The hybrid academic-policy approach adopted here provides both theoretical grounding and actionable insights for policymakers. The paper provides recommendations for Taiwan, China and foreign actors.

Keywords: energy policy, dependence, conflict, comparative analysis

^a Mark W. Lai, Associate Professor WZU DIA, Kaohsiung and Philipp H. Fluri, Professor WZU DIA, Kaohsiung.

^b Note: The views expressed in this paper are the author's own and are not necessarily those of the EACS and WZU.



I. Introduction

Energy security constitutes one of the most fundamental responsibilities of the modern state.³ The twentieth century demonstrated repeatedly that access to oil determines not only economic performance but also military effectiveness and geopolitical influence. Daniel Yergin's histories show how petroleum became the backbone of industrialization, mechanized warfare, and global logistics.² The transition from coal to oil reshaped naval power, accelerated the mobility of armies, and enabled the emergence of global air forces.⁴

Energy security is therefore not merely an economic concern; it is a structural condition of national survival.⁵ States that fail to secure sufficient energy supplies face constraints on industrial output, reduced military readiness, and heightened vulnerability to external coercion. Conversely, states that successfully diversify their energy sources, build strategic reserves, and protect critical infrastructure can withstand shocks, deter adversaries, and project influence abroad.

This paper applies this logic to a comparative analysis of China and Taiwan. Although the two polities differ profoundly in political systems, strategic cultures, and international alignments, they share the same structural imperative: securing sufficient energy to sustain economic growth and prepare for potential conflict. Their divergent responses illuminate the strategic logic — and strategic miscalculations — embedded in their respective energy policies.

China has pursued a coherent, long-term strategy of diversification, redundancy, and resilience. It has expanded domestic production, secured overseas supplies, built massive strategic reserves, and invested heavily in renewable energy and electrification.⁶ Taiwan, by contrast, has adopted an energy strategy shaped by political polarization, identity politics, and short-term economic pressures. Its heavy dependence on imported fossil fuels, limited strategic reserves, and politically



contentious nuclear policy have produced structural vulnerabilities with direct implications for Cross-Strait security.

The academic-policy approach adopted in this paper serves two purposes. First, it provides a theoretically grounded analysis of how energy security shapes national strategy. Second, it offers policy-relevant insights into how China and Taiwan can mitigate risks, strengthen resilience, and reduce the likelihood of conflict.

II. Theoretical Framework: Energy Security as National Power

Energy security can be understood through four interrelated dimensions: availability, affordability, accessibility, and sustainability.⁷ These dimensions interact to shape a state's economic performance, military readiness, and geopolitical posture.

1. Availability: Physical Supply and Resource Endowment

Availability refers to the physical presence of energy resources, whether domestic or imported. States with abundant domestic resources — such as the United States or Russia — enjoy structural advantages.⁸ States with limited domestic resources — such as Japan or Taiwan — must rely on imports, creating vulnerabilities to market fluctuations, diplomatic tensions, and military blockades.

China occupies an intermediate position. It has substantial coal reserves but limited oil and natural gas.⁹ This mixed endowment has driven Beijing to pursue a diversified strategy combining domestic production, overseas procurement, and renewable expansion.

Taiwan, by contrast, has almost no domestic fossil fuel resources. According to the International Energy Agency, Taiwan imports 94 percent of its energy, including 99 percent of its oil and nearly all of its natural gas.¹⁰ This extreme dependence creates



structural vulnerability. This dependence is further exacerbated by a lagging ‘energy reform’ – the opportunities Taiwan could use to produce solar, wind, and tidal energy have not been developed sufficiently.

2. Affordability: Economic Costs and Market Exposure

Energy affordability affects industrial competitiveness, household welfare, and fiscal stability. States that rely heavily on imported fossil fuels face exposure to price volatility. The 1973 and 1979 oil shocks demonstrated how sudden price increases can destabilize economies, weaken governments, and reshape global politics.²

China’s diversified import portfolio and long-term contracts with Russia and Middle Eastern suppliers help stabilize costs.¹¹ Taiwan’s dependence on spot-market LNG and imported coal exposes it to price fluctuations that can disrupt industrial output and household consumption.¹²

3. Accessibility: Infrastructure, Logistics, and Geopolitical Risk

Accessibility refers to the ability to transport energy from source to destination. This dimension includes pipelines, ports, shipping routes, and chokepoints. States that rely on vulnerable maritime routes — such as the Strait of Malacca or the Taiwan Strait — face heightened geopolitical risk.

China has invested heavily in overland pipelines to reduce maritime dependence. The Power of Siberia pipeline, and the planned Power of Siberia 2 route, deepen China’s energy integration with Russia and reduce exposure to U.S. naval power.¹³ China’s access to the Indian Ocean through Myanmar’s Kyaukpyu port further enhances logistical resilience.¹⁴



Taiwan's energy infrastructure is concentrated in Kaohsiung and other western ports facing the Taiwan Strait.¹⁵ This geographic concentration creates acute vulnerability to blockade or disruption.

4. Sustainability: Long-Term Transition and Strategic Autonomy

Sustainability refers not only to environmental concerns but also to long-term strategic autonomy. States that successfully transition to renewable energy reduce dependence on imported fossil fuels and strengthen resilience.

China has become the world's largest producer of solar panels, wind turbines, and electric vehicles.¹⁶ Taiwan has expanded renewable capacity but remains far behind China in scale, integration, and strategic planning.¹⁷

III. The Oil Century: Historical and Geopolitical Foundations

The twentieth century is often described as the "oil century," a period in which petroleum became the central determinant of military power, industrial growth, and geopolitical influence. Churchill's 1912 decision to convert the Royal Navy from coal to oil propulsion marked a turning point in naval warfare.¹⁸ This shift enabled unprecedented speed, range, and operational flexibility.

Mechanized warfare during World War I and World War II entrenched oil as the lifeblood of modern military operations. Tanks, aircraft, mechanized infantry, and naval fleets all depended on petroleum.¹⁹ Germany's 1942–43 offensive toward Baku, driven by desperation to secure oil fields, illustrates how energy scarcity can shape strategy.²⁰ Japan's decision to attack Pearl Harbor following the U.S. oil embargo further demonstrates how energy scarcity can precipitate conflict.²¹ Oil shaped the rise and fall of empires. Britain's imperial reach depended heavily on securing global



energy routes, particularly through the Suez Canal.²² The Cold War was deeply intertwined with energy politics, with the Soviet Union's vast reserves underpinning its military-industrial complex and the United States leveraging domestic production and Middle Eastern alliances. Germany's early twentieth-century effort to build the Berlin–Baghdad Railway offers a striking parallel to China's Belt and Road Initiative (BRI).²³ Both projects sought to bypass maritime chokepoints and secure overland access to critical resources. BRI represents China's effort to reshape Eurasian connectivity, diversify energy routes, and secure long-term access to resources.²⁴

The Rise of National Oil Companies

The late twentieth and early twenty-first centuries witnessed a shift from Western multinational oil companies to national oil companies (NOCs) such as Saudi Aramco, Gazprom, CNPC, and Petrobras.² This shift reflects a broader trend: energy power has moved from the demand side to the supply side. China's partnerships with NOCs strengthen its energy security, while Taiwan's dependence on spot-market LNG exposes it to volatility. Energy security depends on infrastructure. China's investments in pipelines, ports, and strategic reserves reduce vulnerability to maritime disruption. The Power of Siberia 2 pipeline will further deepen Sino-Russian energy integration.¹³ Taiwan's infrastructure concentration along the western coast creates acute vulnerability to blockade.¹⁵

Renewable energy reduces dependence on imported fossil fuels. China's dominance in solar, wind, and EV production enhances long-term resilience.¹⁶ Taiwan's renewable energy expansion is slower and constrained by geography and political fragmentation.¹⁷



IV. China's Energy Strategy: Diversification, Resilience, and Strategic Autonomy

China's energy strategy reflects a deliberate, long-term effort to reduce vulnerability, diversify supply, and strengthen national resilience.

1. Resource Diversification

China imports over 70 percent of its oil, drawing from Russia, Saudi Arabia, Iraq, Angola, and Iran.²⁵ The IEA shows China's import portfolio is among the most diverse globally.³ Russia's importance has grown, especially through the Power of Siberia pipelines.¹³

China's natural gas strategy emphasizes pipeline diplomacy. Overland pipelines from Russia, Central Asia, and Myanmar reduce reliance on LNG imports.⁶ The China–Myanmar pipeline system, connecting Kyaukpyu to Yunnan, provides a direct route for oil and gas imports from the Indian Ocean.¹⁴

2. Infrastructure Resilience

China's strategic petroleum reserve (SPR) is among the largest in the world, estimated at 1.3–1.4 billion barrels.⁸ This reserve provides Beijing with the ability to withstand supply disruptions for extended periods.

China has expanded refining capacity and upgraded ports such as Ningbo, Qingdao, and Dalian. Overland pipelines complement maritime imports, reducing vulnerability to naval blockades.

3. Technological Transition

China is the world's largest producer of solar panels (a technology not originally discovered and developed in China), wind turbines, and renewable electricity.¹⁶ Its EV



industry dominates global production and supply chains.¹¹ Investments in smart grids and energy storage enhance resilience.

4. Geopolitical Alignment

China's energy partnerships with Russia, the Middle East, Africa, and Latin America strengthen resilience and global influence.¹³ BRI's infrastructure projects reduce maritime dependence and reshape Eurasian connectivity.²⁴

V. Taiwan's Energy Vulnerabilities: Structural Exposure and Strategic Risk

Taiwan's energy landscape is defined by structural scarcity, geographic exposure, and political fragmentation.

Taiwan imports 94 percent of its energy, including 99 percent of its oil and nearly all of its natural gas.¹⁰ LNG reserves typically last 10–11 days; coal reserves last roughly 30 days.⁴ This dependence creates structural exposure to market volatility and geopolitical risk. Taiwan's energy infrastructure is concentrated along the western coast, particularly in Kaohsiung.⁶ This creates acute vulnerability to blockade, coercion, or missile strikes.⁵ Limited strategic reserves further weaken resilience. Taiwan's nuclear phase-out was driven by political mobilization and identity politics rather than strategic considerations.¹² Renewable expansion is constrained by geography, land scarcity, and political fragmentation.¹⁴

Taiwan's vulnerabilities give China coercive leverage. Maritime interdiction, targeted strikes, economic pressure, and psychological operations could disrupt Taiwan's energy supply without triggering full-scale conflict.⁵ Taiwan's limited reserves constrain operational endurance and weaken deterrence credibility.¹⁵



VI. Cross-Strait Strategic Implications

Energy asymmetry shapes strategic stability in the Taiwan Strait: *China's Resilience vs. Taiwan's Fragility*. China's diversified energy architecture strengthens its ability to sustain prolonged conflict. Taiwan's brittle system increases vulnerability to coercion. China can exploit Taiwan's energy dependence through maritime interdiction, targeted strikes, economic pressure, and psychological operations.⁵ These strategies allow gradual escalation. Taiwan's limited reserves constrain its ability to sustain prolonged military operations. A blockade lasting several weeks could degrade electricity generation, industrial production, logistics, and morale.¹⁵

The United States, Japan, and Europe play critical roles in supporting Taiwan's energy security.¹⁰ Japan shares similar vulnerabilities; Europe's renewable leadership influences global markets.¹¹

VII. Policy Recommendations

The above analysis leads us to the following *policy recommendations*:

For Taiwan

- Expand strategic reserves to strengthen crisis endurance.¹
- Diversify suppliers beyond the Middle East and Southeast Asia.²
- Harden infrastructure in Kaohsiung and the western coast.⁵
- Reassess nuclear policy to restore a stable domestic energy source.¹²
- Accelerate renewable energy expansion to enhance long-term autonomy.¹⁷

For China

- Continue diversifying supply.⁷



- Expand overland pipelines.¹³
- Strengthen renewable energy leadership.¹⁶
- Reduce escalation risks in energy diplomacy.

For External Actors

- The U.S. should support Taiwan's reserve expansion and LNG diversification.¹⁰
- Japan should coordinate energy-security planning with Taiwan.
- Europe should invest in Taiwan's renewable energy sector.¹¹

VIII. Conclusion

Energy security is a foundational determinant of national power. In the context of Cross-Strait relations, it shapes deterrence, coercion, and strategic stability. China's diversified, resilient energy architecture strengthens its ability to withstand shocks and sustain prolonged conflict. Taiwan's vulnerabilities — extreme import dependence, concentrated infrastructure, limited reserves, and politically polarized energy policy — weaken its defense posture and increase Beijing's coercive leverage.

This asymmetry does not make conflict inevitable, but it does shape the strategic environment. Taiwan must strengthen its energy resilience to enhance deterrence, reduce coercive vulnerability, and maintain strategic autonomy. China must manage its energy strategy responsibly to avoid escalation. External actors must integrate energy security into their support for Taiwan.

Energy security is not merely an economic issue; it is a strategic imperative. Strengthening Taiwan's energy resilience is essential for maintaining peace and stability in the Taiwan Strait.



EVRO–ATLANTSKI SVET SLOVENIJE

EURO–ATLANTIC COUNCIL OF SLOVENIA

Kardeljeva ploščad 5, 1000 Ljubljana, Slovenija, t. +386 (0)1 5805 327, e-mail: info@euroatlantic.org, www.euroatlantic.org

Footnotes

1. Harold Lasswell, *passim*
2. Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Free Press, 1991).
3. Aleh Cherp and Jessica Jewell, “The Concept of Energy Security: Beyond the Four As,” *Energy Policy* 75 (2014): 415–421.
4. Daniel Yergin, *The Quest: Energy, Security, and the Remaking of the Modern World* (New York: Penguin Press, 2011).
5. Jeff D. Colgan, *Petro-Aggression: When Oil Causes War* (Cambridge: Cambridge University Press, 2013).
6. Paul M. Dabbar, “Potential Energy Challenges from a China–Taiwan Conflict Scenario,” Center on Global Energy Policy, Columbia University, 2023.
7. Aleh Cherp and Jessica Jewell, “The Concept of Energy Security,” *Energy Policy* 75 (2014).
8. Caleb Silver, “10 Countries With the Most Natural Resources,” *Investopedia*, March 25, 2025.
9. U.S. Energy Information Administration (EIA), “China,” International Analysis, May 19, 2025.
10. International Energy Agency (IEA), “Chinese Taipei: Energy Mix,” accessed June 2, 2026.
11. International Energy Agency (IEA), *Oil Market Report – May 2026* (Paris: IEA, 2026).
12. Steven M. Goldstein, *Taiwan’s Troubled Energy Transition* (Cambridge: Harvard University Asia Center, 2022).
13. Nils Adler, “What Is the Power of Siberia 2 Pipeline?” *Al Jazeera*, May 20, 2026.
14. Gregory B. Poling, “Kyaukpyu: Connecting China to the Indian Ocean,” CSIS Briefs, April 2, 2018.
15. Clément Violot, “Taiwan’s Energy Strategy,” Sciences Po PSIA, 2024.
16. European Commission, “Renewable Energy,” Directorate-General for Energy, accessed June 2, 2026.
17. Tadeusz Józef Rudek, “Constructing Energy Futures,” *Energy Research & Social Science* 125 (2025).
18. Roger Chickering, Dennis E. Showalter, and Hans van de Ven, eds., *The Cambridge History of War, Vol. 4: War and the Modern World* (Cambridge: Cambridge University Press, 2012).
19. F. William Engdahl, *A Century of War: Anglo-American Oil Politics and the New World Order* (London: Pluto Press, 2004).
20. Robert Forczyk, *The Caucasus 1942–43: Kleist’s Race for Oil* (Oxford: Osprey Publishing, 2015).
21. Gregg Huff, *World War II and Southeast Asia* (Cambridge: Cambridge University Press, 2020).
22. Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Penguin Books, 2004).
23. Murat Özyüksel, *The Berlin-Baghdad Railway and the Ottoman Empire* (London: I.B. Tauris, 2016).
24. Yu Cheng and Lilei Song, eds., *Rethinking the Silk Road* (Singapore: Palgrave Macmillan, 2018).
25. International Energy Agency (IEA), “Global Oil Supply, 2024–2026,” updated October 16, 2025.



EVRO-ATLANTSKI SVET SLOVENIJE EURO-ATLANTIC COUNCIL OF SLOVENIA

Kardeljeva ploščad 5, 1000 Ljubljana, Slovenija, t. +386 (0)1 5805 327, e-mail: info@euroatlantic.org, www.euroatlantic.org



EVRO-ATLANTSKI SVET SLOVENIJE
EURO-ATLANTIC COUNCIL OF SLOVENIA

Si želite izvedeti več o dejavnostih Evro-atlantskega sveta Slovenije? Vas zanima področje mednarodne varnosti? Pridružite se nam.

Za več informacij obiščite našo spletno stran www.euroatlantic.org ali pošljite sporočilo na info@euroatlantic.org.