



| Brief |

Cyber, Military, and Economic Coercion Targeting Taiwan Elections

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Classification: TLP:CLEAR

Criticality: HIGH

Intelligence Requirements: Government, Social Unrest

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Scope Note

ZeroFox Intelligence is derived from a variety of sources, including—but not limited to—curated open-source accesses, vetted social media, proprietary data sources, and direct access to threat actors and groups through covert communication channels. Information relied upon to complete any report cannot always be independently verified. As such, ZeroFox applies rigorous analytic standards and tradecraft in accordance with best practices and includes caveat language and source citations to clearly identify the veracity of our Intelligence reporting and substantiate our assessments and recommendations. All sources used in this particular Intelligence product were **identified prior to 10:00 AM (EST) on January 9, 2024**; per cyber hygiene best practices, caution is advised when clicking on any third-party links.

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Executive Summary

Taiwan holds general elections to determine the composition of its 113-seat national legislature (Yuan) and elect a president on January 13, 2024. Opposition parties will likely win the most votes, but the failure of the two main opposition parties to unify around a joint presidential ticket means the incumbent party could win the presidency. Ahead of the election, China has been escalating its military, economic, and cyber coercion in support of opposition candidates. Military maneuvers, in particular, will increase in the immediate aftermath of the election if the ruling party wins. Regardless of the election results, China is likely to continue its activities, which are designed to push Taiwan away from its military and economic alliances with the United States and closer to mainland China.

Details

Current Taiwanese Vice President Lai Ching-te of the Democratic Progressive Party (DPP) holds a lead in the latest polls with over one-third of all votes. The opposition Kuomintang (KMT) party, led by Hou Yu-ih, closed the gap to a few percentage points after failing to agree to a coalition with the Taiwan People's Party (TPP), led by Ko Wen-je.¹

¹ [hXXps://www.bbc\[.\]com/news/world-asia-67758997](https://www.bbc.com/news/world-asia-67758997)

- If the KMT and TPP united behind one candidate, they would likely win the presidential election, and together they are likely to win the most seats in Yuan.
- Of the three, the DPP is the most anti-China and openly advocates for a more independent Taiwan, although it does not outright call for independence.
- Neither the KMT nor the TPP support reunification with China, but they do advocate for closer relations—especially on economic grounds. Overwhelming support for the opposition parties shows the primary electoral issues are economic as opposed to concerns over China.² This could be reflected in a more divided Yuan, where the opposition is likely to gain a majority.
- China will likely continue its efforts to influence the election by highlighting that tensions with Taiwan will worsen with a DPP victory. This will likely take the form of disinformation campaigns, military drills that encroach on Taiwanese territory, potential cyberattacks, and economic coercion.

If the failure of the opposition to unite means that the DPP wins a second term, it will coincide with marginally worsening relations with mainland China and marginally improving relations with the United States.

- In the event of a DPP victory, expect China to respond with naval maneuvers and airspace intrusions. However, an invasion of Taiwan by China remains extremely unlikely in the short term. Expect an increase in U.S. military aid, particularly for Taiwan's aging air force.
- A DPP victory likely means that Taiwan will continue to abide by U.S. technology restrictions on what can be sold to China, which will impact the revenues of some of the world's largest tech companies that rely on Taiwanese semiconductors to power their products.³
- Semiconductors are arguably the most important commodity in the world and are used in most new technologies ranging from appliances to smartphones to weapons systems. Taiwan has a monopoly on the most sophisticated forms of the chips and has been abiding by U.S. export restrictions on what versions of the technology can be sold to China since 2022.⁴

² [hXXp://teds.nccu\[.\]edu\[.\]tw/main.php](https://teds.nccu.edu.tw/main.php)

³ [hXXps://readwrite\[.\]com/u-s-authorities-guide-taiwan-firms-on-chip-export-restrictions/](https://readwrite[.]com/u-s-authorities-guide-taiwan-firms-on-chip-export-restrictions/)

⁴ [hXXps://www.kroll\[.\]com/en/insights/publications/the-chips-and-science-act](https://www.kroll[.]com/en/insights/publications/the-chips-and-science-act)

- China views the restrictions as an attack on its ambitions to become technologically self-sufficient, develop a military capable of invading Taiwan, and withstand a U.S. economic boycott.
- China is attempting to influence Taiwanese public opinion against the export restrictions, accusing the United States of using Taiwan as a pawn.⁵ Polls consistently show that younger generations in Taiwan want tensions with China to ease, and many accuse the United States of using Taiwan for its own anti-China purposes. The percentage of those in Taiwan who view the United States as a trustworthy ally has dropped from 45 percent to 34 percent since 2021.⁶ Further, 51 percent of those younger than 30 are skeptical of U.S. policy towards China, and 56 percent of the overall population believe U.S. policy in Taiwan is more for the benefit of the United States than Taiwan.⁷

An opposition victory would likely see a reduction in tensions between mainland China and Taiwan and potentially weaken Taiwan-U.S. ties. A divided legislature, even under DPP control, will also likely lead to an improved political landscape for China, despite the hostile Chinese rhetoric towards Taiwan under such an eventuality.

- Less tension between mainland China and Taiwan would improve revenues for Taiwanese companies that rely on China for the bulk of their revenues.
- Expect China to celebrate a KMT victory, but the KMT leadership will likely disappoint China by adopting the status quo when it comes to independence.
- Improved relations with China will likely be minimal in the short term.

Military Activities

China's military maneuvers are its most visible attempts to influence the election. Encroachment by Chinese jets and military boats across the median line of the Strait of Taiwan is now a near-daily occurrence; before August 2022, when then-U.S. Speaker of

⁵ [hXXps://www.bbc\[.\]com/news/world-asia-67891869](https://www.bbc.com/news/world-asia-67891869)

⁶ [hXXps://www.american-portrait\[.\]tw/l/2023-survey-results-of-the-american-portrait-press-release/](https://www.american-portrait[.]tw/l/2023-survey-results-of-the-american-portrait-press-release/)

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[hXXps://www.tpof\[.\]org/wp-content/uploads/2023/03/20230321-TPOF-March-2023-Public-Opinion-Poll-%E2%80%93-English-Excerpt.pdf](https://www.tpof[.]org/wp-content/uploads/2023/03/20230321-TPOF-March-2023-Public-Opinion-Poll-%E2%80%93-English-Excerpt.pdf)

the House Nancy Pelosi visited Taiwan, the Chinese military rarely crossed the median line.⁸

- With polls narrowing in the days leading up to the elections, flights by Chinese army jets over the median line have slowed—likely because China fears this will give a last-minute boost to the DPP.
- On January 3, 2024, Taiwan detected four Chinese spy balloons moving across the line separating Taiwan from mainland China, with three flying directly above the island near an air base.⁹
- China has also stepped up military drills in the run-up to the election, including ones that practice direct hits on Taiwan.

If the DPP were to win, it is highly likely that military incursions across the median line would escalate immediately. The military escalation will not reach the level of an invasion; rather, it will be a heightened version of the pressures China is already exerting on Taiwan. It will nevertheless constitute a major security threat, mimicking a blockade of the island.

Economic Coercion

Around 35 percent of voters cited the economy as their biggest concern, which is twice the number that cited the security threat from China.¹⁰ China has used the threat of an economic blockade of the island—either a military one that prevents trade or a series of trade restrictions—to weaken support for the DPP. If the DPP wins, China has promised closer economic relations under a KMT presidency and more trade sanctions.

- On December 27, 2023, China threatened further sanctions¹¹ and, before that, reinstated tariffs on some chemical imports from the island.¹² Despite their

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[hXXps://globaltaiwan\[.\]org/2023/09/one-year-later-how-has-chinas-military-pressure-on-taiwan-changed-since-nancy-pelosis-visit/](https://globaltaiwan[.]org/2023/09/one-year-later-how-has-chinas-military-pressure-on-taiwan-changed-since-nancy-pelosis-visit/)

⁹ [hXXps://www.wsj\[.\]com/world/china/chinas-balloons-are-back-this-time-they-are-over-taiwan-d5fbf0f4](https://www.wsj[.]com/world/china/chinas-balloons-are-back-this-time-they-are-over-taiwan-d5fbf0f4)

¹⁰ [hXXp://teds.nccu\[.\]edu\[.\]tw/main.php](https://teds.nccu[.]edu[.]tw/main.php)

¹¹

[hXXps://www.reuters\[.\]com/world/asia-pacific/china-threatens-more-trade-sanctions-taiwan-election-nears-2023-12-27/](https://www.reuters[.]com/world/asia-pacific/china-threatens-more-trade-sanctions-taiwan-election-nears-2023-12-27/)

¹²

[hXXps://www.reuters\[.\]com/markets/asia/china-keeps-up-pre-election-trade-pressure-taiwan-with-tariff-cut-re-movals-2023-12-21/](https://www.reuters[.]com/markets/asia/china-keeps-up-pre-election-trade-pressure-taiwan-with-tariff-cut-re-movals-2023-12-21/)

geopolitical differences, China is a leading consumer of a host of Taiwanese exports, including food and technology.

- Following Speaker Pelosi's visit in 2022, China announced blocks on imports of over 2,000 of about 3,200 food items from Taiwan, led by restrictions on citrus and fish. Banning frozen fish and citrus is a move to hurt suppliers, who tend to politically support the DPP.¹³
- The prospect of increased tensions between China and Taiwan, whether military or economic, could also limit foreign investment in Taiwan.

Any Chinese military activity will make sea delivery to and from the region difficult. The narrow Taiwan Strait is a critical supply chain for the entire region.

- Most of Taiwan's energy imports arrive on its western border (the side closer to mainland China), and half the world's container ships delivering tech products pass through the narrow Taiwan Strait, making it one of the busiest global shipping corridors.¹⁴
- Taiwan itself accounts for 5 percent of global coal imports, 5 percent of global liquified natural gas (LNG) imports, 2 percent of global crude oil imports, and 2 percent of global clean oil products. Shipping delays will have an impact on energy prices and operations in Taiwan.¹⁵
- None of the major economies in the region are energy producers, so they import most of their energy via ships. They are also leading exporters, and deliveries will be greatly delayed in the event of a military escalation. The delivery delays operate as an effective tariff on Asian imports, and long-term shipping delays will increase costs.

Cyber Activities

To sow division by expanding existing political faultlines in Taiwan, China is likely to leverage media organizations to propagate mis- and disinformation relating to events around the elections. Such campaigns will likely aim to boost support for the candidates

¹³ [hXXps://www.naharnet\[.\]com/stories/en/291597-china-blocks-some-taiwan-imports-but-avoids-chip-disruption](https://www.naharnet.com/stories/en/291597-china-blocks-some-taiwan-imports-but-avoids-chip-disruption)

¹⁴

[hXXps://www.rf\[.\]fr/en/business-and-tech/20220804-china-s-taiwan-war-games-threaten-more-global-supply-chain-disruption](https://www.rf[.]fr/en/business-and-tech/20220804-china-s-taiwan-war-games-threaten-more-global-supply-chain-disruption)

¹⁵ [hXXps://ajot\[.\]com/news/china-hits-taiwan-with-trade-curbs-amid-tensions-over-pelosi](https://ajot.com/news/china-hits-taiwan-with-trade-curbs-amid-tensions-over-pelosi)

with pro-China stances and attack those who are perceived as more hawkish toward China.

- For example, the *Global Times* has exhibited a tendency to downplay acts of Chinese provocation, like in the case of Chinese “weather balloons” in Taiwanese airspace on January 5, 2024.¹⁶
- Pro-China entities are also targeting the Taiwanese youth using TikTok videos,¹⁷ specifically aiming to create a negative view toward Taiwan’s government and military as part of a “cognitive warfare” front.

Self-proclaimed hacktivists are likely to amplify various types of election mis- and disinformation. These groups are unlikely to be directly linked to state actors but have a roughly even chance of receiving tacit support from the state machinery.

- Hactivist groups are likely to predominantly focus on conducting distributed denial-of-service (DDoS) attacks and website defacements targeting election-related sites.
- Phishing and other forms of social engineering using election-related lures are very likely to be prevalent, aided by groups selling ready-to-use phishing pages spoofing Taiwanese candidates, parties, or donation pages.

ZeroFox has already observed attacks and corresponding breach posts directly linked to the upcoming elections. On December 27, 2023, English-speaking actor “Mrhackerbaby” shared images of alleged election-related documents on the English-language hacking forum BreachForums. The actor claimed to have acquired these documents from digital media company hXXps://www.wavenet[.]com[.]tw. ZeroFox Intelligence has not independently verified that the files are indeed related to the Taiwanese elections.

¹⁶ hXXps://globaltimes[.]cn/page/202401/1304811.shtml

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hXXps://www.firstpost[.]com/world/china-using-tiktok-to-influence-young-voters-in-taiwan-presidential-elections-report-13516142.html

**BreachForums user posting files allegedly related to the Taiwanese elections**

Source: ZeroFox Intelligence

Advanced persistent threats (APTs) and other sophisticated attackers linked to China are very likely to continue targeting Taiwanese industries, irrespective of the election results. Even if the election results are positive for China, Chinese-backed threat actors will highly likely continue targeting Taiwanese entities as part of their wide-ranging campaign to destabilize Taiwan and push them closer to China.

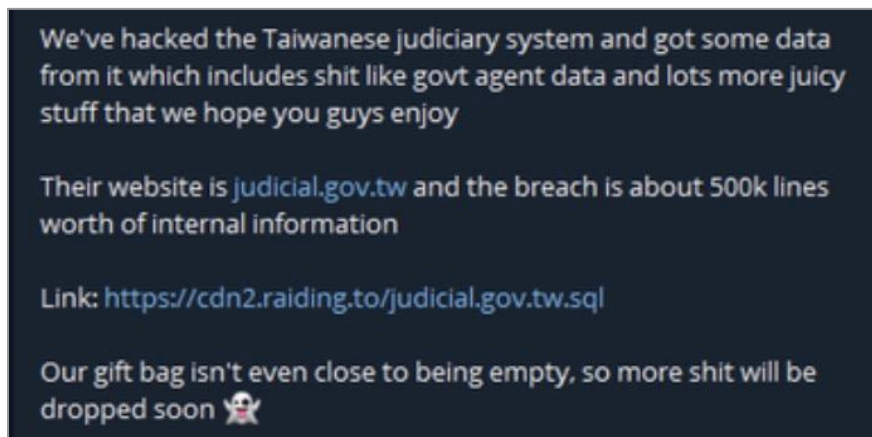
- The high-profile Taiwanese semiconductor industry is and will very likely continue to be threatened by cyberattacks (both direct “hacks” and sophisticated social engineering schemes). Regardless of the election results, Taiwan will likely maintain export restrictions on what semiconductors can be sold to China.
- Entities tangentially linked to the semiconductor industry—such as academic researchers or different parts of the supply chain—will also very likely continue to be targeted.
- Attacks are likely to range from espionage and intellectual property theft to sabotage via the deployment of data-wiping malware, as seen in the Russia-Ukraine war.¹⁸

¹⁸ <https://www.wired.com/story/ukraine-russia-wiper-malware/>

In the past six months, ZeroFox has observed several ransomware groups—including Russia-linked ALPHV and LockBit as well as Hunters International (successor to the erstwhile Hive group)—target entities in Taiwan. Posts claiming to sell data breach packages and web shell access for private and government organizations are also frequently observed in deep and dark web platforms.

- Threat actors are also likely to promote/sell data on Taiwanese citizens and critical organizations from old data breaches (or even publicly available information), marketing it as brand-new data breach packages.
- The frequent posting of Taiwan-related data-breach packages in underground networks highlights the existence of an active market for such information.

ZeroFox Intelligence observed a recent post by a group called ThreatSec (published on December 26, 2023) claiming to have breached Taiwan’s judicial system and threatened more upcoming leak packages.



“Hacktivist” group ThreatSec claims to have breached Taiwan’s judicial system

Source: ZeroFox Intelligence

Such attacks can be considered “business-as-usual” in the current threat landscape and are likely to continue independent of elections. However, Chinese-backed threat actors, even those primarily inspired by financial gain, could also increase their targeting of Taiwanese entities as part of a campaign to influence public opinion in Taiwan.

Conclusion

An incumbent victory in the upcoming Taiwanese elections will likely coincide with an increase in economic maneuvers by China designed to weaken Taiwan and military incursions to instill fear. An opposition victory could see some short-term respite from constant military drills and less harsh economic measures. However, Chinese cyber coercion targeting Taiwan will likely continue unabated. China likely views its current policy mix toward Taiwan as an effective tool to change the calculus of the Taiwanese population. There is already evidence that the younger generations are growing tired of constant tension with China, which they believe is partly fueled by Taiwan's close ties with the United States. Therefore—regardless of election results—Taiwan will remain one of the most targeted regions for cyber threat activity in the world, underscoring how China's constant and escalating military and economic maneuvers will only worsen unless Taiwan adopts a more friendly posture towards the mainland.

| Appendix A: Traffic Light Protocol for Information Dissemination

	Red	Amber
WHEN SHOULD IT BE USED?	Sources may use TLP:RED when information cannot be effectively acted upon by additional parties and could lead to impacts on a party's privacy, reputation, or operations if misused.	Sources may use TLP:AMBER when information requires support to be effectively acted upon but carries risks to privacy, reputation, or operations if shared outside of the organizations involved.
HOW MAY IT BE SHARED?	Recipients may NOT share TLP:RED with any parties outside of the specific exchange, meeting, or conversation in which it is originally disclosed.	Recipients may ONLY share TLP:AMBER information with members of their own organization and its clients, but only on a need-to-know basis to protect their organization and its clients and prevent further harm. Note that TLP:AMBER+STRICT restricts sharing to the organization only.
	Green	Clear
WHEN SHOULD IT BE USED?	Sources may use TLP:GREEN when information is useful for the awareness of all participating organizations, as well as with peers within the broader community or sector.	Sources may use TLP:CLEAR when information carries minimal or no risk of misuse in accordance with applicable rules and procedures for public release.
HOW MAY IT BE SHARED?	Recipients may share TLP:GREEN information with peers and partner organizations within their sector or community but not via publicly accessible channels.	Recipients may share TLP:CLEAR information without restriction, subject to copyright controls.

| Appendix B: ZeroFox Intelligence Probability Scale

All ZeroFox intelligence products leverage probabilistic assessment language in analytic judgments. Qualitative statements used in these judgments refer to associated probability ranges, which state the likelihood of occurrence of an event or development. Ranges are used to avoid a false impression of accuracy. This scale is a standard that aligns with how readers should interpret such terms.

Almost No Chance	Very Unlikely	Unlikely	Roughly Even Chance	Likely	Very Likely	Almost Certain
1-5%	5-20%	20-45%	45-55%	55-80%	80-95%	95-99%