

# Taiwan Program on Security and Diplomacy



March 2026

## East Asia and Europe Dual Contingency Simulation

After-action report



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- The **FRS Taiwan Program on Security and Diplomacy** aims to provide a better understanding of the main issues at stake in Taiwan and the Taiwan Strait, as well as the potential for cooperation between France, but also the European Union, and Taiwan, through the organization of conferences and the publication of articles, as well as interviews with policy makers and leading Taiwanese experts.

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# Introduction

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Geopolitical tensions across the Indo-Pacific and European theaters are increasingly interlinked and immediate. In Europe, the People's Republic of China's (PRC) continued support to Russia, along with North Korean military involvement, has enabled Moscow to sustain its war against Ukraine. Meanwhile, in East Asia, Beijing is intensifying its military, hybrid and political pressure on Taiwan and other actors while actively challenging the regional order in broader coordination with Russia. Both revisionist powers are not only aligning their strategic objectives, but also emulating each other's tactics – from submarine warfare to disinformation – at an unprecedented level, posing a growing challenge to Europe, the United States (U.S.), and partners. Yet, the reality of theater linkage is increasingly challenged by the Trump administration, which on contrary to its predecessor's, makes clear separation between the European theaters in which European partners will "take the lead" in addressing threats, and the Indo-Pacific where only the U.S. and regional allies are considered in capacity "to deter China through strength"<sup>1</sup>.

Nonetheless, at the heart of these rising tensions lies the potential for a major crisis in East Asia, whether in the form of a quarantine, a blockade or a full-scale invasion of Taiwan, which would have profound consequences for the global economy and already deteriorating international rules-based order. Despite these stakes, there is currently a lack of comprehensive understanding and preparedness among EU member states. This gap in knowledge and preparedness risks undermining timely and coordinated policy responses in critical areas such as foreign policy, defense, trade, and economic security.

To address this gap, the **Foundation for Strategic Research (FRS)** and the **European Values Center (EVC)** jointly organized a tabletop exercise focused on a crisis scenario in East Asia, on the 24<sup>th</sup> and 25<sup>th</sup> of September, 2025, in Paris. Supported by the FRS Taiwan Program, the event brought together a select group of experts, policymakers, and stakeholders from France, Taiwan, across the EU, and other like-minded partners. The primary objective of this exercise was to foster a shared understanding of the likely developments, stakeholder actions, and cross-domain impacts of a potential East Asia crisis. Through scenario-based discussion and collaboration, the event aimed to improve intra-EU coordination, strengthen France's strategic posture, and support broader cooperation with partners in the Indo-Pacific. Ultimately, this initiative contributes to shaping coherent and effective policy responses in support of regional stability and shared values.

The exercise explored a coordinated crisis triggered by PRC's selective quarantine of Taiwan, occurring in parallel with renewed Russian aggressive moves around NATO's Eastern Flank. The escalation unfolded across two Moves examining strategic signaling, great-power coercion, alliance cohesion & strategic alignment, and multinational crisis coordination.

The present report provides an integrated analytical assessment of the dual-escalation crisis simulation, drawing on the existing literature, roleplay developments, after-action debriefs, and previous simulations. It identifies key patterns in player interactions, structural vulnerabilities, and decision-making processes.

First chapter summarizes overall lines of developments of the exercise, latter chapter follows up with lessons learned, and the report concludes with identified knowledge gaps requiring to be filled by NATO and EU member states and institutions.

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<sup>1</sup> "National Defense Strategy", [U.S. Department of War](#), 2026.

# Executive summary

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The simulation highlighted a set of structural, political, and operational vulnerabilities in Europe's response to a dual crisis involving the Taiwan Strait and NATO's eastern flank. The exercise revealed challenges in early crisis assessment, decision-making speed, alliance coordination, and economic security preparedness. It also underscored the importance of understanding escalation dynamics in East Asia, the constraints faced by Taiwan, and the potential global economic consequences of a disruption around the island.

Overall, twelve key lessons emerged from the simulation:

1. The EU lacks a shared and timely crisis assessment mechanism, which can lead to delayed coordination and decision-making paralysis in the early stages of a fast-moving crisis.
2. European crisis management frameworks remain poorly adapted to the compressed timelines of high-intensity geopolitical crises, revealing a persistent underestimation of the importance of time in escalation scenarios.
3. Institutional decision-making structures, such as the European Council's unanimity requirement, constitute a major structural vulnerability in time-sensitive crises.
4. Europe remains politically fragmented regarding immediate preparations for a potential defensive war with Russia during a simultaneous crisis in another theater.
5. Blockades and quarantines against Taiwan are not sufficiently internalized by European policymakers as acts of war, creating ambiguity in escalation thresholds and response options.
6. Taiwan's domestic political dynamics and institutional constraints significantly shape allied crisis responses and must be integrated into contingency planning.
7. Large-scale evacuations of European citizens from Taiwan could generate major logistical and political challenges that are currently underestimated.
8. Taiwan's dependence on imported liquefied natural gas (LNG) represents a critical, albeit often underestimated, vulnerability with potentially severe consequences for the global economy.
9. The EU demonstrated limited willingness to consider strong sectoral sanctions against China, even in response to economic coercion directed at Europe.
10. Critical raw materials remain a central instrument of Chinese economic coercion, yet the EU response still lacks urgency and strategic coordination.
11. In crisis management, smaller coalitions of willing states or minilateral formats may prove more agile and effective than large institutional frameworks.
12. While the European Commission can act as an agile diplomatic and coordination facilitator, particularly with the United States, it cannot substitute for political consensus among member states, and transatlantic gaps remain visible in areas such as disinformation cooperation.

# 1. Overall strategic development of the exercise

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## 1.1 The U.S. as the key strategic driver in the Indo-Pacific

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At the outset of the exercise (Move 1), the US strongly prioritized engagement with its Indo-Pacific partners – Japan, South Korea, and subsequently Taiwan on multiple levels – well before initiating any substantive coordination with European allies. Consistent with official statements<sup>2</sup>, U.S. actions suggested greater emphasis in addressing the threat posed by China than protecting European allies from Russia. In early negotiations, the U.S. tied security guarantees to its Pacific partners and to energy and trade agreements, linking military assistance and naval protection with strategic support to LNG imports from Alaska and other agriculture export agreements. These measures were framed both as a diversification from Qatari energy sources and as a means to strengthen energy resilience of U.S. partners across Asia-Pacific in response to global geopolitical escalation.

Agricultural exports represented a parallel leverage point. In 2024, the PRC accounted for approximately 14%<sup>3</sup> of total U.S. agricultural exports, equivalent to 24.4 billion USD, acting as its third largest export market. The U.S. therefore pressed Taiwan for increasing purchases of LNG and agricultural commodities (soybeans, corn, wheat), while offering naval protection for supply routes to hedge against potential Chinese retaliation. The U.S. requested clear timelines for these imports and sought preferential access to Taiwan's internal market. Initial hesitations from Taipei resulted in protracted negotiations over trade and energy, instead of substantial and immediate security provisions. Throughout this initial phase, U.S. efforts remained heavily Asia-centric, with minimal coordination with European allies.

Move 2 introduced the decision by the People's Liberation Army to enact a quarantine around Taiwan, coupled with offensive diplomatic actions towards each EU capitals. Beijing offered to secure evacuations of their nationals in Taiwan, as well as preferential access to the Chinese market to European states who would not take hostile actions against China.

By this phase of simulation, the U.S. had mobilized its military assets in the Indo-Pacific and initiated the formation of a Coalition of the Willing (COW) alongside Japan, South Korea, and the United Kingdom (UK) to break PRC's quarantine of Taiwan. Ensuring continued LNG shipments to Taiwan was critical, particularly to ensure sustained microchip production, as the island's reserves could only sustain approximately twelve days of normal consumption<sup>4</sup>.

Concurrently, Washington prepared to freeze all domestic Chinese economic assets and encouraged the EU to follow its lead. Furthermore, Washington created a significant strategic dilemma for Europe: either join U.S. sanctions against Russia or face U.S. sanctions and restricted access to the US market. As an incentive, preferential U.S. LNG deals were offered to compliant EU partners. The US and the UK showed increased coordination on implementing sanctions against the PRC, with Washington pledging economic support to London in case of Chinese economic retaliation.

In parallel, the U.S. deployed a nuclear submarine to the Korean Peninsula to deter North Korean threats and reassure the US-South Korea alliance, while additional two aircraft

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<sup>2</sup> "Hegseth Outlines U.S. Vision for Indo-Pacific, Addresses China Threat", [U.S. Department of War](#), May 30, 2025.

<sup>3</sup> Betty Resnick, "Agricultural Exports 101", [American Farm Bureau Federation](#), February 12, 2025.

<sup>4</sup> "Minister responds to blockade-induced energy apocalypse fears with vow", [Focus Taiwan](#), September 10, 2025.

carrier strike groups were positioned in the Indo-Pacific. At this stage, the U.S. reiterated that the EU must clearly align and focus primarily on Russian activities in the Euro-Atlantic region, emphasizing that additional U.S. military resources could not be deployed to NATO's eastern flank.

Washington combined military deployment, economic leverage, and energy diplomacy to secure regional alliances while pressuring the EU to assume greater responsibility in managing Euro-Atlantic security threats. This approach reflected a consistent strategic calculus aimed at balancing resource allocation between two geographically and politically distinct theaters, while reinforcing coalition partnerships in the Asia-Pacific.

Taiwan's strategic posture remained highly contingent upon Washington's actions. Within the Taiwan team, debates went on questioning the EU's strategic interest in getting involved in a Taiwan Strait crisis, some arguing for not expecting substantial support from EU partners other than rhetorical opposition. In practice, the simulation showed little engagement from French or European participants towards Taiwan, and to some extent Japan and other Asian partners.

## 1.2 Europe as a slow and internally hindered crisis manager

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Persistent deficiencies in coordination among EU member states, as well as between EU institutions and its leadership, were compounded by internal disagreements over foreign policy priorities. These divisions frequently resulted in stalled decision-making processes, delayed consensus, and in some cases unilateral actions by individual member states that disregarded the positions or interests of other members or EU institutions. Such patterns of behavior emerged as clear indicators of internal disunity within the EU and highlighted challenges in the EU's collective role within the European pillar of NATO. This fragmentation not only undermined the EU's credibility as a decisive and unified geopolitical actor but also limited its ability to respond effectively to security challenges posed by Russia and the PRC.

At the onset of the game (Move 1), France initially engaged in extensive internal discussions, before moving negotiations into the broader EU framework. Throughout this period, the EU also maintained an internal focus, engaging only with its member states despite early U.S. calls for G7-level coordination. This resulted in a G7 meeting convened without the presence of France and Germany. During these discussions, the U.S. concentrated primarily on economic issues and freedom of navigation, showing little willingness to engage in disinformation-related matters. This contrasted with EU attention to digital governance and targeted action on the basis of the Digital Services Act (DSA).

The U.S. encouraged its European allies to increase their involvement in maritime security in the Red Sea (Houthi activity) and the Baltic Sea. In response, the EU committed limited naval assets. The U.S. welcomed these efforts, achieving strategic alignment without diverting additional resources from the Indo-Pacific. NATO's focus remained on security in the Baltic Sea, with the U.S. and other member states clearly avoiding engagement of the Alliance in the Asian theater.

At the same time, Hungary reiterated adherence to the One China Principle while simultaneously engaging with the PRC on several practical matters, including requesting that Beijing prioritize repairs of infrastructure malfunctions within Hungary and refrain from targeting Hungarian businesses in the event of retaliatory measures.

The dual-theatre setup highlighted the dependance on the U.S. in the Euro-Atlantic region as well as the limited strategic bandwidth of European states to engage meaningfully in the Indo-Pacific, while simultaneously managing a near-peer threat in Europe.

## 2. Lessons Learned

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### 2.1 Strategic lessons

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#### 2.1.1 Eroding U.S.-EU security cooperation

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Multiple crisis simulations conducted by EVC indicate that security cooperation between the U.S. and the EU is gradually weakening, particularly in the Indo-Pacific. Europe will, in the medium term, lack the capacity to confront multiple peer competitors simultaneously, whether militarily or in its broader security posture. Europe's strategic bandwidth is narrowing to the Euro-Atlantic, compelling governments to focus on the growing threat posed by Russia. Moscow's shift toward a wartime-economy footing is unlikely to be reversed quickly, even after a potential ceasefire in Ukraine, meaning Russia will remain a persistent challenge along NATO's eastern flank. Under these conditions, the European pillar of NATO must prioritize deterrence, readiness, and the ability to respond to potential Russian aggression, leaving little surplus capacity to shape the security environment in the Indo-Pacific.

By contrast, Washington has for over a decade oriented its strategic attention toward the PRC and the broader Indo-Pacific region. In the medium term, the U.S. will not possess sufficient additional military capacity to substantially reinforce NATO's European flank and is likely to concentrate on critical defensive capabilities that Europe cannot generate in a constrained timeframe. The U.S. does not expect European allies to assume major security roles in the Indo-Pacific, but it does expect them to take greater responsibility for security in Europe's immediate neighborhood.

#### 2.1.2 Weak initial EU crisis assessment

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Across multiple simulations, Europe has consistently lacked a timely, well-informed initial crisis assessment, which is a prerequisite for any effective and coordinated response.

European stakeholders struggle to define their strategic objectives and conceptualize dual-escalation scenarios and to anticipate adversaries' incentives to synchronize crises. In a Taiwan Strait escalation scenario, European leaders could fail to anticipate a coordinated Russian move in Eastern Europe, entering swiftly emerging crisis unprepared. This cognitive gap fuels internal fragmentation, decision-making deadlocks, unilateral responses, and insufficient coordination among EU and NATO member states.

#### 2.1.3 Misreading the time factor

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In the early stages of the crisis, most EU players focused on rhetoric, consultations, and adjustments to general objectives, rather than on concrete governmental measures. Long-term instruments such as higher defense spending or trade diversification cannot compensate once the crisis has started; they must be implemented well in advance. Immediate counter-measures and contingency plans need to be prepared before escalation, so they can be activated rapidly and used credibly as deterrent tools.

#### 2.1.4 Taiwan's LNG vulnerability as global risk

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The energy consumption of Taiwan Semiconductor Manufacturing Corporation (TSMC) accounts for roughly 12 percent of Taiwan's total electricity consumption<sup>5</sup>. This figure does not include other major electronic firms and supply-chain nodes.

The key energy source underpinning Taiwan's chip production is imported LNG, with strategic gas reserves covering only about twelve days of normal consumption. A quarantine or blockade that interrupts LNG shipments would force Taiwan to ration energy almost immediately, with semiconductor production beginning to shut down progressively within seven to ten days of PRC action. The exercise showed that Taiwan and U.S. players are acutely aware of this narrow window and broadly anticipate a need for early U.S. intervention. European decision-makers, by contrast, often fail to grasp the speed of deterioration and therefore struggle to react adequately within the required timeframe.

#### 2.1.5 Ambiguity over blockades and quarantines

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Under international law and many national interpretations, maritime blockades are widely treated as acts of war. European political elites, however, often interpret a maritime quarantine as a less overtly coercive instrument limited to restricting specific vessels in defined areas, even though in practice it may differ little from a blockade. This ambiguity is reinforced by the PRC's claim over Taiwan and the lack of formal recognition of Taiwanese sovereignty by most states. A de facto blockade framed by Beijing as an internal "quarantine within one state" would be difficult for European governments to classify as armed aggression.

Washington, by contrast, can draw on specific legislation and policy documents, including the Taiwan Relations Act and the "Six Assurances," which reserve the right to respond to any forcible change to the status quo in the Taiwan Strait. This legal and doctrinal foundation gives Washington more agility than its European allies in assessing, naming, and responding to a quarantine or blockade of Taiwan.

#### 2.1.6 Taiwan's domestic constraints

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Taiwan's domestic political dynamics and institutional framework create real constraints on crisis decision-making. A scenario in which the Democratic Progressive Party holds the presidency but lacks a majority in the Legislative Yuan risks partial decision-making paralysis. Even though the president formally retains authority to declare a state of emergency or wartime conditions, legislative approval and partisan opposition may significantly complicate or delay such decision-making processes.

Societal reluctance toward war, limited whole-of-society resilience, and insufficient preparedness in multiple domains further constrain crisis responses. In the simulation, Taiwan's hesitation to declare a state of emergency or initiate mobilization weakened its perceived credibility among partners, who may lose confidence in Taipei's willingness and capability to defend itself. At the same time, many foreign elites lack a nuanced grasp of Taiwan's domestic politics, creating risks of misperception that could inadvertently erode Taiwan's legitimacy among democratic partners.

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<sup>5</sup> Peter Fairley, "TSMC's energy demand drives Taiwan's geopolitical future", [IEEE Spectrum](#), September 3, 2024.

## 2.2 Operational lessons

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### 2.2.1 Chaotic evacuations from Taiwan

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The simulation suggests that most EU member states would pursue largely unilateral evacuations of their nationals from Taiwan as long as airspace remained open to commercial aviation. Taiwan currently hosts close to one million foreign residents<sup>6</sup>, many of whom could seek rapid departure in a crisis. Without robust planning, coordination, and surge capacity, such flows could generate serious disruption, including congestion, chaos, and partial paralysis of civil air traffic if it remains open. Although EU, U.S., and Canadian citizens represent only a small share of Taiwan's foreign population, their evacuation would become more complicated if conducted alongside the departure of hundreds of thousands of nationals from Southeast Asian countries<sup>7</sup>.

### 2.2.2 Fragmented preparations for a Russian war

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During the simulated Russian escalation along NATO's eastern flank, several European states – notably Poland and, to a lesser extent, the Netherlands – quickly adopted concrete deterrent measures and preparations for a potential defensive war. Others, such as Germany, Hungary, and in some respects France, either refrained from substantial steps to strengthen collective defense or limited themselves to largely symbolic gestures. EVC simulations suggest that similar internal divergence is likely to recur along a northeast-southwest axis in Europe, undermining the credibility and cohesion of the overall deterrent posture.

## 2.3 Political and institutional lessons

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### 2.3.1 Unanimity as structural vulnerability

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While designed to protect member-state sovereignty, EU unanimity requirements routinely slow or block collective decisions when rapid and decisive action is essential. This creates a built-in risk of gridlock at precisely the moments when the EU needs clarity, speed, and unity, thereby reducing its ability to respond coherently in a fast-moving crisis and deter its adversaries' hostile actions.

### 2.3.2 Limits of Commission agility

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In this and other simulations, the European Commission demonstrated relatively high agility, moving quickly to propose responses at the EU level. However, persistent difficulties in forging consensus within the European Council repeatedly produced intergovernmental paralysis. The Commission's responsiveness cannot compensate for the absence of political agreement among member states, leaving the EU at risk of failing to react with the speed and coherence required.

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<sup>6</sup> Alex Kunz, "A Look at Taiwan's Foreign Residents: Surprising Insights and Numbers", [Alex Kunz Taipei](#), January 8, 2025.

<sup>7</sup> Simon Menet, "L'Asie du Sud-Est face à un scénario de conflit à Taïwan", [Fondation pour la recherche stratégique](#), avril 2024.

### 2.3.3 Commission as transatlantic broker

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Despite divergent priorities in EU–U.S. negotiations, the Commission ultimately helped forge strategic convergence on several key security, operational, and diplomatic issues. By deprioritizing some contentious questions, especially around information-sharing, it facilitated agreement on a coordinated approach to threats in both theaters. This highlights the Commission’s role as a diplomatic and coordination bridge in Euro-Atlantic crisis management.

### 2.3.4 Minilateral formats as crisis management accelerators

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The exercise showed that minilateral formats, such as the Weimar Triangle, tailored trilaterals, or other coalitions of the willing, can at times outperform larger institutions. Their smaller membership, more aligned interests and threat perceptions, and streamlined decision-making make them more agile and cohesive, enabling them to fill gaps left by slower, broad consensus-dependent EU structures.

## 2.4 Economic lessons

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### 2.4.1 Reluctance on sectoral sanctions

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During the simulation, European players ultimately refrained from imposing EU-level sectoral sanctions on China, even after Beijing initiated a quarantine of Taiwan, Europe lost access to Taiwanese semiconductors, and China mounted major hybrid operations against the EU, including cyberattacks and supply-chain disruption. Yet economic coercion remains one of the EU’s most powerful levers vis-à-vis China. In a real Taiwan Strait escalation, the U.S. would likely adopt sweeping sanctions on Beijing and China would intensify efforts to reorient trade, making a robust EU sanctions regime a critical component of deterrence and bargaining power.

### 2.4.2 Underreacting to critical raw materials

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Despite Europe’s high dependence on PRC-controlled critical raw material (CRM) supply chains, the EU did not substantively discuss or adopt significant measures to address potential CRM disruptions during the simulation. CRM concerns instead surfaced primarily at the level of large member states, particularly Germany and France. A unified and proactive EU-level approach would likely be more effective in securing access to CRMs, leveraging the bloc’s combined economic weight and regulatory influence.

## 3. Key uncertainties and research priorities

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The simulation highlighted several critical uncertainties that require further analytical attention. These knowledge gaps concern escalation dynamics in a Taiwan contingency, the resilience of Taiwan’s economic ecosystem, the structure of global supply-chain dependencies, and the strategic choices of key actors. Addressing these uncertainties will be essential to improve crisis preparedness, inform policy planning, and support coordinated responses across the Euro-Atlantic and Indo-Pacific theaters. Several priority areas include:

- **Escalation dynamics and crisis thresholds.** Key uncertainties remain regarding the operational and political dynamics of a PRC quarantine of Taiwan. These include Beijing’s potential reactions to attempts by a coalition of partners to penetrate the quarantine, the risk of controlled versus uncontrolled escalation, and the degree to which the U.S. would be willing to incur military risks to break such a measure. At the political level, important divergences persist among European actors regarding whether a quarantine or blockade would be interpreted as an act of war, which would significantly shape response options.
- **Taiwan’s societal and industrial resilience.** The crisis scenario underscored the need for a deeper understanding of Taiwan’s internal constraints in a prolonged crisis. Questions remain regarding the island’s border management in a crisis context, the potential scale of civilian departures, and the implications of large-scale evacuations for key sectors. In particular, Taiwan’s semiconductor ecosystem remains partly dependent on foreign engineering expertise, meaning that the evacuation of Western personnel could have immediate and potentially irreversible effects on advanced chip fabrication capacity.
- **Operational spillovers across theaters.** Simultaneous crises in Europe and the Indo-Pacific introduce additional uncertainty regarding resource allocation and operational bandwidth. The evolution of the war in Ukraine, as well as the plausibility of additional Russian actions such as hybrid or maritime disruption in the Baltic Sea, could significantly affect the capacity of European and transatlantic actors to respond to developments in East Asia.
- **Economic coercion and supply-chain vulnerabilities.** The scenario revealed significant knowledge gaps regarding the economic consequences of a Taiwan crisis for European economies. Europe’s dependency on PRC-controlled CRMs processing and supply chains as well as other key components remains a major vulnerability, particularly for defense-industrial production and broader industrial resilience. The scale and speed of economic disruption resulting from Chinese export restrictions, together with alternative supply arrangements, are still insufficiently understood.
- **Allied economic leverage and sanctions exposure.** Further analysis is required to better assess the scope of Western leverage over China and the distribution of economic risks across allied economies. While export controls related to ASML remain a well-known chokepoint, Europe’s broader regulatory and industrial leverage vis-à-vis Beijing remains underexplored. At the same time, a sudden U.S. sanctions package targeting China could generate significant compliance and exposure challenges also for European companies, which currently appear insufficiently prepared.