



UK–Taiwan cultural trade and strategic resilience:

The role of premium consumer goods in bilateral relations

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The role of premium consumer goods in bilateral relations

When discussions about Taiwan focus on security, they are usually about semiconductors or military balance in the Taiwan Strait. That said, these are important, but they do not tell the full story of how Taiwan has been able to build resilience with its partners. More silent is the [UK-Taiwan relations](#), but it's becoming increasingly important as cultural trade between the two friends is developing, especially as [Scotch whisky](#) and [Taiwanese tea](#) are now of high value. Many may see these goods as symbolic, or even secondary to their friendship, but they sit within a widely discussed pattern of their economic and political resilience. As the United Kingdom advances its '[Indo Pacific tilt](#)' and Taiwan pursues its '[New Southbound Policy](#)', commodities of cultural importance have moved beyond consumer lifestyle exports. At present, they are becoming part of a network of strong economic ties that reduces vulnerability to coercion and strengthens democratic cooperation among the two democracies.

The economic logic of cultural trade

The economic data forming the basis of this relationship can be perceived as surprising, despite Taiwan having a relatively small population of [23.5 million](#), and it's the [third-largest global market for Scotch whisky](#) by value, coming after only the United States and France. Data from the [Scotch Whisky Association](#), attests to the fact that exports to Taiwan reached a remarkable £341 million in 2023 alone, pointing to an increase from the previous year. Taiwan has become the leading [consumer of 'ultra premium' single malts](#) per capita, but in this market, volume is not what makes it worthy, it is the significant value of products. The retention as a result of consumption leads to a deeply interconnected dependency that is far more difficult to interrupt than trading in the commodity. As opposed to iron ore or oil, which can be gotten from other places, the Taiwanese demand for Scotch is a certain cultural liking that [consolidates British economic interests](#) strongly in Taipei.

As such, this trade relationship works as a chief defense buffer against the People's Republic of China (PRC) and its history of [weaponizing trade](#) to achieve its end goals. This can be seen in the [2020 to 2022 trade war with Australia](#), where Beijing placed a 218 percent tariffs on wine, and it banned barley and coal exports to the country. Accordingly, nurturing trade of high economic value with the UK shows that Taiwan is taking first steps in diversifying its export partners. This also comes as the signing of the UK-Taiwan [Enhanced Trade Partnership \(ETP\)](#), a strategic framework to deepen economic ties, stands as a [critical moment in their relationship](#), though its success relies on whether cooperation expands beyond semiconductors into non-silicon sectors. In view of this, bilateral trade between the [UK and Taiwan is valued at £8.6 billion](#), still, the [cultural share of this trade](#) including luxury spirits, specialized machinery, and food products, is what's responsible for their local community ties that purely industrial trade cannot reach.

The resilience factor: from the ETP to CPTPP

To better understand the strategic importance of these trade numbers, attention must be given to the legal structure being built around them. For the [ETP](#) entered into force in late 2023, digital trade and renewable energy was given priority, though the Customs and Trade Facilitation system enables the flow of luxury cultural goods. In that capacity, the UK and Taiwan are working effectively together to cut off bureaucratic bottlenecks for spirits and artisanal tea and reduce the [cost of entry for SMEs](#). By bolstering ‘low politics’ trade corridors even when faced with conditions of increased [gray-zone pressure](#), the main economic heartbeat of the two nations will not be affected.

Similarly, as the [UK accedes to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CPTPP), Taiwan’s own aspiration to join then becomes an interest in line with the UK’s. The tough standards of the CPTPP on sanitary and phytosanitary (SPS) interventions has a direct impact on the trade for artisanal tea and spirits. [Taiwan and the UK](#) are pushing forward with regulatory frameworks through the ETP, as it shows that trade must be based on rules, regulatory cooperation and trusted commercial standards. This harmonisation may work as a technical obstacle against the increase of low-quality goods that the PRC commonly uses to destabilize foreign markets.

Using soft power to counter coercion

That process is important in present realities, so is the reverse flow of cultural trade. At present, [Taiwan’s ‘Bilingual 2030’ policy](#) which seeks to elevate English proficiency amongst its population, has been creating a massive market for UK educational services. At the same time, Taiwan’s soft power is making clear penetration into the UK through the boutique tea industry. Taiwan produces some of the world’s most expensive teas, such as good tasty [Oriental Beauty Oolong](#), which can sell for more than £700 per kilogram. Trade between these friends maps onto the [whisky exchange](#), as it is much about quality, stressing on democratic craftsmanship over mass production often used by authoritarian states like the PRC. In [London](#), Taiwanese tea houses are, beyond viable businesses that they are, exist as places of cultural diplomacy that can provide counter-narrative to the state-funded Confucius Institutes, which the [UK government has been critical](#) of for their academic influence.

If a Global South lens is utilized here, much will be revealed about this UK-Taiwan tie as a necessary cue for emerging markets. In my observations of trade dynamics throughout Africa and Southeast Asia, countries are becoming increasingly aware of the debt trap infrastructure projects linked to China’s Belt and Road Initiative. It is possible to say that London and Taipei can offer a Third Way trade model so as to lift the arrangement of high value imports and exports and protection of intellectual property. When the UK supports Taiwan’s entry into the CPTPP, it is acting that way in defense of a global system where small, democratic nations can flourish by means of specialized excellence.

Recommendations

The policy implications for the Foreign, Commonwealth and Development Office (FCDO) and the Department for Business and Trade (DBT) are clear: rather than treat cultural trade as a minor issue, it should be [merged into the Integrated Review's](#) focus on resilience. A useful example that can be cited here is [Lithuania in 2021](#), when the PRC blocked imports of rum and laser products from Lithuania after Taiwan opened a representative office there. In response, Taiwan's state-owned tobacco and liquor company [bought 20,400 bottles of rum](#) to make up for the losses. On this basis, the UK should consider putting in place 'Coercion Mitigation Funds' ahead of time. These would support quick purchases of Taiwanese cultural goods if the PRC places trade restrictions or blockade.

Conclusion

In conclusion, the resilience of Taiwan can be understood as reaching beyond conventional security to the social conditions that preserve an open society, and virtues like freedom of association, protection of artisanal production, and openness to trade. Strengthening the common ground between the UK-Taiwan commercial and cultural ties, brings significance outside of trade volumes alone. It bolsters the economic pattern that is rooted in high value, sectors reliant on trust, where regulatory standards, brand reputation, and consumer preferences play an important part of this. In this situation, the strategy of Westminster is less focussed on growing exports on its own than about connecting economic linkages within networks of democratic cooperation covering the Atlantic and Indo-Pacific regions.

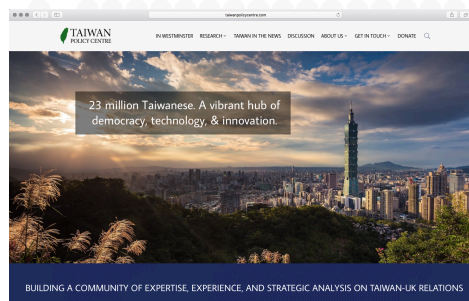
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We further aim to highlight the threats and injustices that Taiwan faces at the hands of the Chinese Communist Party and lobby the UK Government to take a stronger and more proactive stand in support of Taiwan on the global stage.

Too often, media coverage and understanding of Taiwan is shaped by the language and claims of the Chinese Communist Party, a governing authority which does not, and never has, governed Taiwan. The Taiwan Policy Centre aims to correct these misconceptions and ensure that the UK's policies towards Taiwan and media coverage of Taiwanese affairs is rooted in research and law.



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COVER IMAGE: EMPTY OAK BARRELS WAITING TO BE FILLED WITH WHISKY AT THE WHITE AND MACKAY DISTILLERY AT ONE OF SCOTLAND'S LARGEST DISTILLERIES. IMAGE BY [JOHN HASLAM](#).

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