

CHINA'S RESPONSE TO U.S. ARMS SALES TO TAIWAN FROM 2021 TO 2025

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ABSTRACT

This study examines China's response to U.S. arms sales to Taiwan during the 2021–2025 period. China views these arms sales as a threat to the One-China principle, its sovereignty, territorial integrity, the stability of the Taiwan Strait, and its national strategic interests. This study aims to analyze the forms of China's responses, explain its shift from diplomatic measures to legal and economic instruments, and interpret this pattern through the Balance of Threats framework. Using a descriptive qualitative approach and a literature review method, this study examines official documents, arms sale notifications, Chinese regulations, government statements, and relevant academic literature. The findings indicate that China's responses have intensified in form, intensity, and institutional scope, ranging from diplomatic protests to the enforcement of the Anti-Foreign Sanctions Law, the use of the Unreliable Entities List, and sanctions against U.S. defense companies and their senior executives. These responses reflect China's perception of threat, which is based on U.S. aggregate power, Taiwan's geographical proximity, Taiwan's evolving military capabilities, and U.S. strategic intentions in the Indo-Pacific region. This study contributes to the understanding of China's balancing behavior by demonstrating that its responses are not only diplomatic in nature but are also increasingly legal and economic in nature.

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INTRODUCTION

The dynamics of Taiwan are one of the most sensitive issues in the strategic rivalry between the United States and China because they are directly related to the One China principle, the stability of the Taiwan Strait, and the security configuration of the Indo-Pacific region (Khoirunnisa, 2023b). Since 1979, U.S. policy toward Taiwan has been underpinned by the Taiwan Relations Act, which provides the legal basis for the provision of defense articles and services to ensure Taiwan possesses adequate self-defense capabilities (The Taiwan Relations Act, 1979). In practice, this policy places Taiwan in a paradoxical position: on the one hand, the United States recognizes the People's Republic of China as the sole legitimate government of China, but on the other hand, it maintains unofficial relations with Taiwan and continues arms sales through the Foreign Military Sales mechanism. For Beijing, this policy is not viewed as ordinary defensive support, but rather as an action that touches on China's core national interests, particularly sovereignty, territorial integrity, and the future of reunification.

The significance of this issue has become increasingly prominent during the 2021–2025 period, as the value and types of U.S. arms sales to Taiwan have shown a consistent escalation. According to official notifications from the Defense Security Cooperation Agency (DSCA), the recorded value of sales increased from approximately US\$0.7 billion in 2021 to US\$2.1 billion in 2022, US\$2.6 billion in 2023, US\$5.5 billion in 2024, and reached US\$11.4 billion in 2025

(Defense Security Cooperation Agency, 2021, 2022, 2023, 2024, 2025a). In the early stages, the sales package was still dominated by support systems, spare parts, and maintenance, such as M109A6 medium self-propelled howitzer systems in 2021, as well as Patriot support, radars, ship and aircraft spare parts, and Harpoon Block II and AIM-9X missiles in 2022 (US-Taiwan Business Council, 2021). However, from 2023 to 2025, the scope expanded to include F-16 munitions, infrared search and track systems, command, control, communications, and computers (C4) support, ALTIUS UAVs, Switchblade loitering munitions, NASAMS, AN/TPS-77 and AN/TPS-78 radars, HIMARS, ATACMS, GMLRS-U, M109A7, Javelin, and TOW. These developments indicate that arms sales are not only increasing quantitatively, but also qualitatively toward more integrated, precise, and strategically impactful combat capabilities.

The increase in arms sales has influenced how each actor interprets and responds to the policies adopted by the other side. From the United States' perspective, arms sales to Taiwan are claimed to strengthen Taiwan's credible defensive capabilities and support regional stability without altering the fundamental military balance in the region (Khoirunnisa & Nurhaliza, 2024). Conversely, China views this policy as a move that runs counter to the One-China Policy and the three China-United States joint communiqués, particularly the August 17, 1982, Communiqué, which stated the United States' intention to limit arms sales to Taiwan. China regards the increase in arms sales and security ties between the United States and Taiwan as a breach of these diplomatic commitments (Ministry of Foreign Affairs People's Republic of China, 2024b, 2025). This difference in perception means that U.S. arms sales to Taiwan cannot be viewed merely as a commercial transaction, but rather as a strategic signal that deepens tensions between Washington and Beijing. In the context of great-power rivalry, security support for Taiwan is also linked to efforts to maintain U.S. influence, the credibility of its commitments, and its strategic position in the Indo-Pacific.

The urgency of this research becomes clearer when China's response to these arms sales is examined as an evolving pattern. The enactment of the Anti-Foreign Sanctions Law in 2021 provided a legal basis for China to impose retaliatory measures against foreign entities, including asset freezes, transaction restrictions, and entry bans (China Justice Observer, 2021). Furthermore, China has established a trade sanctions mechanism through the Ministry of Commerce (MOFCOM). One of the instruments used is the Unreliable Entity List (UEL), a trade sanctions mechanism designed to impose restrictions on foreign entities deemed to harm China's national interests, security, and development interests. Through this mechanism, the Chinese government has the authority to place foreign companies or organizations on the list and impose various economic and trade restrictions. On February 16, 2023, this mechanism was used to place U.S. companies, namely Lockheed Martin Corporation and Raytheon Missiles & Defense, on the list of unreliable entities in response to their involvement in U.S. arms sales to Taiwan. (Unreliable Entity List Working Mechanism, 2023). China's response to U.S. arms sales to Taiwan indicates that it does not view such sales merely as a commercial transaction. Rather, China regards these arms sales as a threat to its national security and strategic interests.

Academically, these dynamics are important to study because they demonstrate how a defense policy can shape differing perceptions of threat and drive increasingly institutionalized coercive responses. In international relations studies, arms sales are often discussed as instruments of security support, deterrence, or the strengthening of strategic partners. However, in the case of Taiwan, arms sales are also an issue of political identity, sovereignty, and state legitimacy. This context makes research on China's response to U.S. arms sales to Taiwan relevant not only for understanding the dynamics of the Taiwan Strait but also for explaining how defense policies can transform into a source of escalation in great power rivalry. From a practical perspective, this research is also important because it can help assess the risks of deteriorating regional stability when a policy viewed by one party as defensive is interpreted by the other as a threat to its core national interests.

Several previous studies have addressed the Taiwan issue in the context of China-United States relations, but they have not fully addressed the specific focus of this study. (Hayes, 2024) demonstrates that the One China policy remains the formal framework for Sino-American relations, but China's growing power and political changes in Taiwan have complicated the framework's effectiveness in maintaining stability. (Zhang, 2023) situates foreign arms sales to Taiwan within the broader trajectory of Chinese coercion, while Kagotani and (Kagotani & Wu, 2022) examine how protests against U.S. arms sales might influence domestic political dynamics in Taiwan. In the Indonesian context, (Fadil, 2024) examines China's response to United States-Taiwan military cooperation from 2016 to 2023, (Jaya, 2019) discusses China's response to United States-Taiwan arms trade during the Barack Obama era, and (Diyanto, 2024) highlights United States-Taiwan strategic relations in the context of Taiwan's military buildup. This body of research provides an important foundation, but most studies still focus on military cooperation in general, the period prior to 2021, domestic political effects in Taiwan, or United States-Taiwan strategic relations; thus, they have not specifically addressed how China's

response to U.S. arms sales to Taiwan evolved from 2021 to 2025, a period when Beijing's response mechanisms became more formalized, documented, and targeted.

Based on these developments in the literature, the research gap of this study can be identified in three main aspects. First, there are still few studies that specifically analyze China's response to U.S. arms sales to Taiwan during the 2021–2025 period as a coherent sequence of developments. Second, previous research has generally emphasized the dimensions of military cooperation, deterrence, or strategic relations, rather than the evolution of China's response from diplomatic protests toward the use of legal and economic instruments. Third, few studies have linked the surge in the value and quality of arms sales in 2024–2025 with the intensification of China's countermeasures as an increasingly institutionalized response. This is where the novelty of this study lies: it positions China as the primary responding actor, limits the scope of analysis specifically to U.S. arms sales to Taiwan, and emphasizes the 2021–2025 period as a phase during which empirical escalation and the forms of Beijing's response can be observed more clearly. This position also reflects the state-of-the-art in research, namely the effort to explain the Taiwan issue not merely as a matter of U.S. security policy or the strengthening of Taiwan's defense, but as an arena for the formation of China's increasingly complex threat perceptions and strategic responses.

To explain these dynamics, this study employs Stephen M. Walt's Balance of Threat concept. This concept asserts that states do not merely respond to the distribution of power, but rather to perceived threats through four key indicators: aggregate power, geographic proximity, offensive capability, and offensive intentions (Walt, 1987). In the context of this study, aggregate power refers to the United States' position as a major power with immense military, technological, economic, and defense industrial capacity, making its involvement in the Taiwan issue of high strategic significance. Geographic proximity is evident in Taiwan's closeness to mainland China, making any strengthening of Taiwan's defense capabilities highly sensitive for Beijing. Offensive capability is reflected in the types of weaponry sold, such as missiles, artillery, radar, UAVs, and integrated combat systems that can enhance Taiwan's operational capabilities. Meanwhile, offensive intentions are evident in how China interprets these arms sales as a political and strategic signal from the United States to maintain its influence around Taiwan. Thus, the Balance of Threat concept is relevant because it allows this study to explain that China's response stems not only from the fact of the arms sales, but from Beijing's perception that such sales increase the perceived threat to China's core national interests (Lobell, 2010) (James, 2022).

Against this backdrop, this study examines how China's response to U.S. arms sales to Taiwan from 2021 to 2025. The main research question is: How did China respond to U.S. arms sales to Taiwan during the 2021–2025 period? This study aims to analyze the forms of China's responses, describe the evolution of these responses from the diplomatic sphere toward more systematic legal and economic instruments, and interpret these responses as manifestations of threat perceptions within the Balance of Threat framework. Methodologically, this study employs a descriptive-analytical qualitative approach based on a literature review, examining official documents, arms sale notifications, Chinese regulations, and relevant academic literature. Academically, this study is expected to enrich international relations research on threats, state responses, and great power rivalry in the Asia-Pacific. Practically, this study is expected to contribute to a deeper understanding of the strategic impact of arms sales on the stability of the Taiwan Strait and China–United States relations.

METHOD

This study employs a descriptive qualitative approach using library research (Khoirunnisa, 2023a). This approach was chosen because the study focuses on examining official documents and academic literature to analyze China's response to U.S. arms sales to Taiwan during the 2021–2025 period. This approach is appropriate because the research seeks to describe and interpret China's responses based on documentary evidence, rather than to measure the issue through statistical procedures. The corpus of data was limited to documents directly related to U.S. arms sales to Taiwan, China's official responses, and the strategic dynamics of the Taiwan Strait during the 2021–2025 period. Documents outside this period were used only as legal, historical, or theoretical foundations, such as the Taiwan Relations Act and the Balance of Threat literature.

Primary data sources in this study include the Taiwan Relations Act, arms sale notifications from the Defense Security Cooperation Agency (DSCA), the PRC's Anti-Foreign Sanctions Law, official statements from the Chinese Ministry of Foreign Affairs, and documents from the Unreliable Entities List Working Mechanism. These sources were considered credible because they were issued by official institutions and directly represent formal policies, legal instruments, and official positions related to arms sales and China's responses. Secondary data was obtained from journal

articles, books, and reports from institutions relevant to issues of United States-China relations, Taiwan's security, and the dynamics of the Taiwan Strait. Secondary sources were used to support the interpretation of primary data, provide academic context, and strengthen the theoretical discussion.

Data analysis employed qualitative content analysis to identify patterns, forms, and developments in China's responses, which were subsequently interpreted using the Balance of Threat concept through the elements of aggregate power, geographic proximity, offensive capability, and offensive intentions. The data were classified into several response categories, including diplomatic protests, legal measures, economic restrictions, sanctions against U.S. defense companies, and sanctions against senior executives. These categories were then analyzed chronologically to identify the shift in China's response from diplomatic condemnation toward more institutionalized legal and economic instruments. To ensure the accuracy of the analysis, data was cross-checked between official documents and relevant scholarly literature.

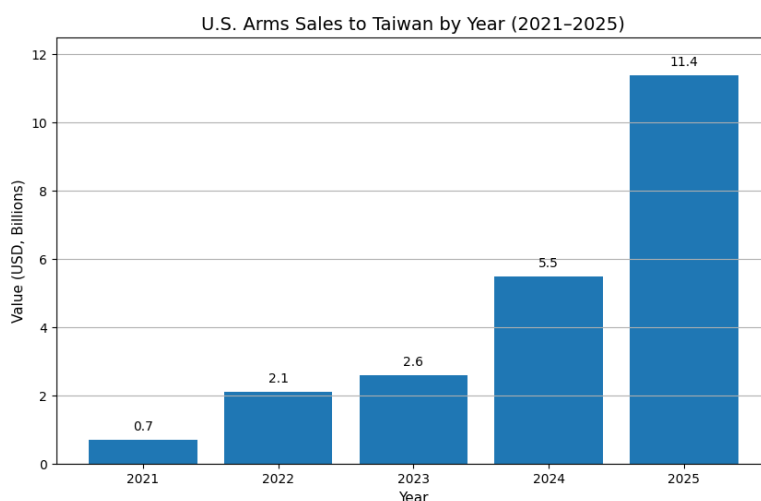
RESULT AND DISCUSSION

U.S. Arms Sales to Taiwan and the Formation of China's Threat Perception

U.S. arms sales to Taiwan for the 2021–2025 period have seen a significant increase, both in terms of value and the types of military capabilities provided. According to data from the Defense Security Cooperation Agency (DSCA), the value of sales has risen from approximately US\$0.7 billion in 2021 to US\$11.4 billion in 2025 (Defense Security Cooperation Agency, 2024, 2025a). This increase indicates that the United States is further strengthening its commitment to Taiwan's security amid growing strategic rivalry with China in the Indo-Pacific region (Mahoney, 2025).

Figure 1 illustrates a marked increase in U.S. arms sales to Taiwan from 2021 to 2025

As shown in Figure 1, U.S. arms sales to Taiwan have shown a consistent upward trend during the 2021–2025 period. In 2021, the value of sales was recorded at US\$0.7 billion, then increased to US\$2.1 billion in 2022 and US\$2.6 billion in 2023. A more significant increase occurred in 2024, with the value reaching US\$5.5 billion, before surging to



Source: Data compiled from the U.S. Defense Security Cooperation Agency (DSCA), www.dsca.mil.

US\$11.4 billion in 2025. This trend indicates that the United States' involvement in strengthening Taiwan's defense capabilities is becoming increasingly intensive (Payne et al., 2023). Beyond reflecting the growing security relationship between the United States and Taiwan, this pattern also reveals a shift in U.S. defense policy in the Indo-Pacific, which has become increasingly focused on strengthening Taiwan in response to China's pressure (Majd & Sajjadpour, 2024).

The development of U.S. arms sales to Taiwan is also visible in the types of weaponry and defense systems provided. U.S. support has not only included basic defense assistance such as artillery systems, maintenance, and military spare parts, but has also expanded to include more modern and strategic weapon systems. These include the High Mobility Artillery Rocket System (HIMARS), the Army Tactical Missile System (ATACMS), Switchblade loitering munitions, and the modernization of military command and communication systems. More broadly, Taiwan's defense procurement

has involved systems such as the M109A6, Patriot system support, radars, Harpoon Block II missiles, AIM-9X, F-16 ammunition, infrared search and track systems, command, control, communications, and computers (C4) support, ALTIUS UAVs, NASAMS, AN/TPS-77 and AN/TPS-78 radars, GMLRS-U, M109A7, Javelin, and TOW. These developments indicate that U.S. support is no longer limited to enhancing Taiwan's basic defensive capacity but increasingly aims to strengthen more integrated, precise, and strategically significant military capabilities (Mahoney, 2025).

From China's perspective, this increase is not viewed as a routine arms transaction. Rather, Beijing interprets U.S. arms sales to Taiwan as part of a broader strategic challenge to its sovereignty, territorial integrity, and regional security interests. This perception is closely related to the One China principle, through which Beijing regards Taiwan as an inseparable part of Chinese territory. Therefore, external military support for Taiwan is framed not only as defense cooperation between Washington and Taipei but also as foreign intervention in China's internal affairs (Kagotani & Wu, 2022; Ministry of Foreign Affairs People's Republic of China, 2024b)

U.S. Arms Sales to Taiwan through the Balance of Threat Framework

China's response to U.S. arms sales to Taiwan can be better understood through Stephen M. Walt's Balance of Threat theory. Walt (1987) argues that states do not respond merely to power in general, but to perceived threats. Threat perception is shaped by four main indicators: aggregate power, geographic proximity, offensive capability, and offensive intentions. In the case of United States–Taiwan–China relations, Beijing's response reflects its interpretation that U.S. arms sales to Taiwan increase the level of threat across these four indicators.

Aggregate Power: U.S. Support as an Extension of Major Power Competition

China's response to U.S. arms sales to Taiwan can be better understood through Stephen M. Walt's Balance of Threat theory. Walt (1987) argues that states do not respond merely to power in general, but to perceived threats. Threat perception is shaped by four main indicators: aggregate power, geographic proximity, offensive capability, and offensive intentions. In the case of United States–Taiwan–China relations, Beijing's response reflects its interpretation that U.S. arms sales to Taiwan increase the level of threat across these four indicators.

The increase in U.S. arms sales from approximately US\$0.7 billion in 2021 to US\$11.4 billion in 2025 demonstrates the growing material scale of Washington's support for Taiwan (Defense Security Cooperation Agency, 2025a). For Beijing, this increase indicates that Taiwan's defense modernization is backed by a superpower capable of global power projection. The United States' role is therefore perceived not only as that of an arms supplier but also as a strategic actor capable of altering the regional security configuration.

This perception is reinforced by the qualitative development of the weapons systems provided to Taiwan. The inclusion of systems such as HIMARS, ATACMS, Harpoon Block II, AIM-9X, F-16 ammunition, NASAMS, ALTIUS UAVs, Switchblade loitering munitions, and C4 support indicates that Taiwan's military capabilities are being strengthened in a more integrated and technologically advanced manner. These systems enhance Taiwan's ability to conduct precision operations, improve command and control, and increase its capacity for asymmetric defense. From China's perspective, such developments reflect the United States' strategic commitment to maintaining its geopolitical influence in the Indo-Pacific while constraining China's rise as a major regional power (Mahoney, 2025)

Thus, the aggregate power indicator explains why China's threat perception is directed not only at Taiwan's military modernization but also at the role of the United States behind it. U.S. arms sales are interpreted as an extension of great-power competition, in which Taiwan becomes a strategic node in Washington's broader Indo-Pacific policy.

Geographic Proximity: Taiwan as a Sensitive Strategic Space

The second indicator is geographic proximity. Walt (1987) argues that threats tend to be perceived as more serious when they are geographically close, because proximity increases the possibility of direct security consequences. In this case, Taiwan's location near China's southeastern coast and along a key maritime route in the Taiwan Strait makes any enhancement of Taiwan's military capabilities highly sensitive for Beijing.

Taiwan's geographic proximity gives the issue a different character from other security challenges in the Indo-Pacific. For China, Taiwan is not merely a neighboring political entity but a territory claimed under the One China framework. As a result, U.S. military support for Taiwan is interpreted as the entry of foreign military influence into a strategic space that Beijing considers central to its sovereignty and national security. This explains why China consistently

states that U.S. arms sales to Taiwan violate the One China principle, interfere in China's internal affairs, and threaten its sovereignty and territorial integrity (Taiwan Affairs Office of the State Council PRC, 2022).

This sensitivity became more visible in May 2024, when the United States and Taiwan reportedly held covert joint military exercises in the Pacific Ocean amid increased Chinese military activity around Taiwan (CNBC Indonesia TV, 2024). The presence of U.S. military forces around Taiwan also appears in freedom of navigation operations in the Taiwan Strait. In 2025, the United States was recorded to have sent military ships through the Taiwan Strait several times, including the USS Ralph Johnson alongside the USNS Bowditch on February 10, 2025, the USS William P. Laurence on April 23, 2025, and the USS Higgins alongside the HMS Richmond on September 12, 2025 (McCartney, 2026).

From Beijing's perspective, these activities reinforce the perception that U.S. support for Taiwan is not limited to arms transfers but also includes a wider military presence around China's immediate strategic environment. Although Washington frames such activities as freedom of navigation operations, China views them as foreign military intrusion into a region closely tied to its territorial integrity and political legitimacy (Gatra, 2025). Therefore, the geographic proximity indicator helps explain why U.S. arms sales to Taiwan generate a stronger reaction from China than arms sales in less sensitive regions.

Offensive Capability: The Military Quality of Taiwan's Acquisitions

The third indicator is offensive capability. In Balance of Threat theory, states are more likely to feel threatened when another actor possesses military capabilities that can be used not only for defense but also for offensive operations (Walt, 1987). In the Taiwan case, China's perception of threat increases because several weapons systems provided or approved by the United States may enhance Taiwan's ability to strike strategic targets in and around the Taiwan Strait.

This concern is reflected in the acquisition of systems such as the M142 HIMARS, which can launch long-range rockets and missiles; ATACMS, which provides precision strike capability against ground targets; Harpoon missiles, which can be used against warships; and AGM-84H/K SLAM-ER missiles, which are designed for long-range strikes against both ground and maritime targets (The Boeing Company, 2018). In addition, loitering munitions such as Switchblade and ALTIUS 600M-V can be used to attack tactical targets directly (AeroVironment, 2024; Defense News Aerospace, 2024; Defense Security Cooperation Agency, 2025b, 2025c).

For Beijing, Taiwan's possession of these systems does not merely strengthen its defensive posture. It also increases Taiwan's potential to target Chinese ships, military installations, logistics routes, and strategic infrastructure around the Taiwan Strait. The combination of HIMARS, ATACMS, Harpoon, SLAM-ER, Switchblade, and ALTIUS 600M-V expands Taiwan's operational options in a potential conflict scenario, particularly through long-range precision strikes and asymmetric operations.

This is why China interprets the modernization of Taiwan's weapons systems as a possible shift in the regional military balance. The concern is not only the quantity of arms sales but also the type and operational function of the systems involved. As Taiwan acquires more precise, mobile, and long-range systems, Beijing perceives a narrowing of its strategic maneuvering space in a potential Taiwan Strait conflict (Yoder, 2025). Therefore, the offensive capability indicator explains why China's response becomes stronger as U.S. arms sales move from basic defense support toward more advanced and strategically consequential systems.

Offensive Intentions: China's Interpretation of U.S. Strategic Objectives

The fourth indicator is offensive intentions. Walt (1987) emphasizes that threat perception is shaped not only by material capabilities but also by how states interpret the intentions behind those capabilities. In this case, China views U.S. arms sales to Taiwan as part of a broader strategic intention to maintain Washington's influence in the Indo-Pacific and contain China's rise (Hayes, 2024).

This perception is reinforced by several developments. First, the increase in arms sales takes place alongside intensifying United States-Taiwan security cooperation. Second, the reported covert joint military exercises between the U.S. Navy and Taiwan in May 2024 indicate, from Beijing's perspective, a growing readiness for coordinated military operations (CNBC Indonesia TV, 2024). Third, the repeated presence of U.S. warships in the Taiwan Strait in 2025, including the USS Ralph Johnson and USNS Bowditch on February 10, the USS William P. Laurence on April 23, and the USS Higgins alongside the HMS Richmond on September 12, further strengthens China's suspicion that U.S. actions are not neutral (McCartney, 2026).

Although Washington presents these activities as legitimate freedom of navigation operations, China frequently criticizes them as threats to regional stability. Beijing does not view U.S. warship transits as routine navigation, but as the deployment of military vessels capable of projecting power and potentially supporting offensive operations if conflict escalates in the Taiwan Strait (Pratama, 2025). Within China's strategic interpretation, U.S. arms sales and military activities are connected to Washington's broader regional alliance strategy and its intensified military presence in East Asia.

Consequently, Beijing interprets U.S. support for Taiwan not only as an effort to improve Taiwan's self-defense but also as a political signal that Washington seeks to strengthen Taiwan as a strategic partner. This interpretation turns arms sales into a symbol of broader geopolitical competition between the United States and China (Mahoney, 2025). The offensive intentions indicator therefore explains why China's response is driven not merely by the weapons themselves but also by Beijing's assessment of the political objectives behind Washington's actions.

China's Response From Diplomatic Protest to Institutionalized Legal and Economic Balancing

The four Balance of Threat indicators above help explain why China's response to U.S. Arms Sales to Taiwan has become increasingly firm and institutionalized. Initially, Beijing's response primarily took the form of diplomatic protests and official statements condemning U.S. Policy (Kagotani & Wu, 2022). China repeatedly argued that U.S. arms sales violated the One China principle and the China–United States joint communiqués, while also constituting interference in China's domestic affairs (Ministry of Foreign Affairs People's Republic of China, 2024b).

However, as the value and quality of U.S. arms sales increased, China's response evolved from diplomatic condemnation into the systematic use of legal and economic instruments. This shift became visible after the enactment of the Anti-Foreign Sanctions Law of the People's Republic of China on June 10, 2021. This law provides a legal basis for Beijing to take action against foreign individuals, organizations, or entities deemed to undermine China's sovereignty, security, and development interests. In the context of Taiwan, the law strengthens China's capacity to respond to U.S. arms sales through asset freezes, transaction bans, and entry restrictions (China Justice Observer, 2021).

On September 7, 2022, China issued an official rejection of U.S. arms sales to Taiwan. Beijing emphasized that it "firmly opposes U.S. arms sales to Taiwan" and argued that such policies violate the One China principle and interfere in China's internal affairs (Taiwan Affairs Office of the State Council PRC, 2022). This protest shows that diplomacy remained Beijing's primary instrument, but it also served a broader function: constructing political legitimacy for China's claim that U.S. arms sales threaten its sovereignty and territorial integrity.

China's response then moved beyond diplomatic protest. On September 17, 2022, Beijing imposed sanctions on Gregory Hayes, Chairman and CEO of Raytheon Technologies, and Theodore Colbert III, President and CEO of Boeing Defense, Space & Security, because both were considered involved in U.S. arms sales to Taiwan. This marked a shift from general diplomatic condemnation toward direct targeting of individuals within the U.S. defense industry network (Reuters, n.d.). Through this measure, China signaled that its response would not be directed only at the U.S. government but also at corporations and executives supporting Taiwan's military buildup.

The institutionalization of China's response became clearer on February 16, 2023, when Lockheed Martin Corporation and Raytheon Missiles & Defense were added to the Unreliable Entity List. These companies were prohibited from engaging in import and export activities related to China, barred from making new investments in Chinese territory, and subjected to fines tied to the value of arms sales contracts with Taiwan. Senior company executives also faced potential entry restrictions into Chinese territory (Nan, 2023; Unreliable Entity List Working Mechanism, 2023). This measure shows that China's balancing strategy had moved into legal and economic domains.

In 2024, China's countermeasures expanded further. On April 11, 2024, the Chinese Ministry of Foreign Affairs issued a decision on retaliatory measures against General Atomics Aeronautical Systems and General Dynamics Land Systems. Beijing stated that U.S. arms sales to Taiwan violated the One China principle and the three China–United States joint communiqués, interfered in China's internal affairs, and undermined China's sovereignty and territorial integrity (Ministry of Foreign Affairs People's Republic of China, 2024b). This formulation shows that Beijing framed arms sales as a violation of the political foundation of China–United States relations, rather than merely as commercial defense transactions.

On May 27, 2024, China expanded its countermeasures to target 12 U.S. defense companies and 10 senior executives. This response indicates that Beijing's pressure became increasingly systematic, targeting both defense companies and strategic individuals within them. In China's view, these actors formed part of a network supporting

Taiwan's military buildup and amplifying threats to China's core national interests (Ministry of Foreign Affairs People's Republic of China, 2024d).

On June 21, 2024, China issued a special decision targeting entities and senior executives of Lockheed Martin Corporation. The targeted entities included the Lockheed Martin Missile System Integration Lab, Lockheed Martin Advanced Technology Laboratories, and Lockheed Martin Ventures. Beijing froze movable assets, immovable assets, and other forms of assets belonging to these entities within Chinese territory. Similar measures were imposed on James Donald Taiclet, Frank Andrew St. John, and Jesus Malave (Ministry of Foreign Affairs People's Republic of China, 2024a). This step indicates that China's pressure was increasingly directed at business entities and decision-makers within defense corporations.

On July 12, 2024, China imposed retaliatory measures against six U.S. companies: Anduril Industries, Maritime Tactical Systems, Pacific Rim Defense, AEVEX Aerospace, LKD Aerospace, and Summit Technologies Inc. The measures also targeted five senior executives: Wahid Nawabi, Kevin McDonnell, Brian William Schimpf, Matthew Marley Grimm, and Gregory Michael Kausner. The sanctions included freezing assets within China, banning transactions and cooperation with organizations or individuals in China, and imposing visa and entry bans into China, including Hong Kong and Macau (Ministry of Foreign Affairs People's Republic of China, 2024e). This policy demonstrates that China's legal and economic instruments had evolved into multidimensional pressure against the U.S. defense industrial chain.

On September 18, 2024, China again imposed countermeasures against nine U.S. companies: Sierra Nevada Corporation, Stick Rudder Enterprises LLC, Cubic Corporation, S3 AeroDefense, TCOM Limited Partnership, TextOre, Planate Management Group, ACT1 Federal, and Exovera. Beijing froze the assets of these companies within Chinese territory and prohibited organizations and individuals in China from conducting transactions, cooperation, or other activities with them (Ministry of Foreign Affairs People's Republic of China, 2024c). This pattern indicates an expansion of targets from major defense companies to supporting firms within the U.S. military and defense technology ecosystem.

On October 10, 2024, China issued Decree No. 13 of the Ministry of Foreign Affairs of the People's Republic of China. This decision took effect on the date of issuance and was directed at U.S. military companies and senior executives deemed involved in arms sales to Taiwan. The issuance of this decree further demonstrates that China's retaliatory actions were increasingly institutionalized through official legal mechanisms, rather than expressed only through political statements or diplomatic protests (Ministry of Foreign Affairs People's Republic of China, 2024f).

On December 5, 2024, China issued Decree No. 14 of the Ministry of Foreign Affairs of the People's Republic of China. This decision expanded countermeasures against U.S. military companies and senior executives. The pattern of actions remained consistent: asset freezes, transaction bans, and restrictions on cooperation with targeted parties (Ministry of Foreign Affairs People's Republic of China, 2024g). This consistency indicates that sanctions were no longer used as ad hoc reactions but had become a recurring instrument in China's strategy toward U.S. arms sales to Taiwan.

On December 26, 2025, China issued Decree No. 19 of the Ministry of Foreign Affairs of the People's Republic of China regarding countermeasures against U.S. military-related companies and senior executives in response to large-scale U.S. arms sales to Taiwan. Beijing stated that these arms sales violated the One China principle and the three China–United States joint communiqués, interfered in China's internal affairs, and threatened its sovereignty and territorial integrity. Pursuant to the Law of the People's Republic of China on Countering Foreign Sanctions, China imposed countermeasures against 20 U.S. military-related companies and 10 senior executives through asset freezes within Chinese territory, prohibitions on transactions and cooperation with organizations or individuals in China, and visa or entry bans into China, including Hong Kong and Macau, for sanctioned individuals (Ministry of Foreign Affairs People's Republic of China, 2025).

The pattern of China's response from 2021 to 2025 shows a gradual transformation. In 2021–2022, China's response was dominated by diplomatic protests and the establishment of a legal framework. In 2023, the response escalated into legal and economic sanctions against major U.S. defense companies. In 2024, retaliatory measures expanded to target more companies, executives, supporting firms, and defense-related entities. By 2025, these measures had become increasingly institutionalized through formal decrees, asset freezes, transaction bans, cooperation restrictions, and entry bans. This pattern indicates that Beijing sought to transform its opposition to U.S. arms sales to Taiwan into a policy with tangible legal and economic consequences.

The findings above show that China's response to U.S. arms sales to Taiwan cannot be understood merely as a series of separate diplomatic protests or sanctions. Instead, it reflects a balancing strategy shaped by Beijing's perception of increasing threat. Through the Balance of Threat framework, U.S. arms sales are interpreted by China as threatening

because they involve U.S. aggregate power, occur in a geographically sensitive area, enhance Taiwan's offensive capabilities, and are associated with U.S. strategic intentions in the Indo-Pacific.

This interpretation also explains why China's response has moved from symbolic opposition to institutionalized legal and economic pressure. The enactment of the Anti-Foreign Sanctions Law in 2021 provided the legal foundation for Beijing to impose countermeasures against foreign actors considered harmful to China's national interests. The use of the Unreliable Entity List against companies such as Lockheed Martin and Raytheon further indicates that Beijing has begun to target defense industry actors involved in arms sales to Taiwan (Unreliable Entity List Working Mechanism, 2023). The subsequent expansion of sanctions in 2024 and 2025 shows that China's response has become broader, more systematic, and more multidimensional.

This finding strengthens previous studies that view Taiwan as a central arena in United States–China strategic rivalry. However, the analysis also adds an important point: China's response is not only military or diplomatic, but increasingly legal and economic. By freezing assets, banning transactions, restricting cooperation, and imposing entry bans, Beijing seeks to impose costs on companies and individuals involved in strengthening Taiwan's military capabilities. In this sense, China's balancing behavior is conducted not only through traditional military instruments but also through legal, economic, and technological domains (DeLisle, 2022; Kuo et al., 2023; Liao, 2025).

Therefore, China's response to U.S. arms sales to Taiwan during the 2021–2025 period represents an effort to protect its strategic interests and territorial integrity while balancing U.S. influence in the Indo-Pacific region. The case also demonstrates that security dynamics in the Taiwan Strait are no longer shaped solely by conventional military factors. They are increasingly influenced by the interaction of military modernization, sovereignty claims, legal countermeasures, economic sanctions, and great-power competition between China and the United States (McKinney & Peter, 2024).

CONCLUSION

This study concludes that U.S. arms sales to Taiwan during the 2021–2025 period are viewed by China as an escalating threat to its sovereignty, territorial integrity, the stability of the Taiwan Strait, and its national strategic interests. This perception is shaped by the United States' status as a major power with dominant military, technological, economic, and defense industrial capabilities; Taiwan's geographical proximity to mainland China; Taiwan's strategic position under the One-China principle; and Beijing's interpretation that Washington seeks to maintain its influence in the Indo-Pacific region by strengthening security ties with Taiwan. Therefore, China does not view these arms sales as ordinary defense transactions, but rather as strategic signals that strengthen Taiwan's military capabilities and challenge China's core interests. Consequently, China's response has evolved from diplomatic protests to increasingly institutionalized legal and economic measures, including the Anti-Foreign Sanctions Law, the Unreliable Entities List, sanctions against U.S. defense companies and their senior executives, asset freezes, transaction bans, investment restrictions, and entry bans into China, Hong Kong, and Macau. This pattern indicates that China's balancing behavior is driven by a combination of U.S. power, Taiwan's strategic position, Taiwan's growing military capabilities, and Beijing's interpretation of Washington's strategic objectives in the region.

Academically, this study reinforces the relevance of the "Balance of Threat" framework in explaining China's response to U.S. arms sales to Taiwan, particularly by demonstrating that balancing efforts are expressed not only through military instruments but also through legal and economic tools. Practically, these findings indicate that arms sales to Taiwan have broader implications for stability in the Taiwan Strait and United States–China strategic competition in the Indo-Pacific region.

Future research should extend the study period beyond 2025 to examine whether China's response will continue, change, or intensify. Follow-up studies should also draw on more official sources, including government documents, statements from state agencies, and defense reports; compare China's responses under different U.S. administrations; compare the Taiwan case with other Indo-Pacific security issues; and incorporate the perspectives of Taiwan, the United States, and other regional countries to produce a more comprehensive analysis.

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