



PRIMER: Holding the Line in the Indo-Pacific

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BOTTOM LINE UP FRONT

- The Indo-Pacific is the decisive theater of global competition and is critical in propelling the U.S. economy.
- The People's Republic of China's (PRC) hostile actions are most acutely felt in the Indo-Pacific as it seeks to become the dominant regional power and overhaul the regional balance of power.
- A disruption of the current status quo in the Indo-Pacific, particularly by the PRC seizing control of Taiwan through an invasion or forcing Taiwan to submit through gray zone operations, including information warfare, would be disastrous for U.S. economic and national security.
- A strong American presence in the Indo-Pacific is mandatory; withdrawing from the Indo-Pacific would only feed into Beijing's aggression and signal a lack of American resolve and will to fight. Robust defense relationships with willing and capable allies and partners across the First Island Chain in the Indo-Pacific, including and especially Taiwan, are necessary for deterring further Chinese aggression.

THE INDO-PACIFIC'S IMPORTANCE & CURRENT U.S. POSTURE

The Indo-Pacific is the decisive geopolitical theater of the 21st century. The region has become a hub of economic growth and technological development, including semiconductors and other technology critical for American economic vitality. As the 2025 National Security Strategy [states](#), “The Indo-Pacific is already the source of almost half the world’s GDP based on purchasing power parity (PPP), and one third based on nominal GDP,” and American trade alone in the region [tops](#) \$1.5 trillion. Equally important, the region is home to America’s most dangerous adversary—the People’s Republic of China (PRC). Led by the Chinese Communist Party (CCP), the PRC is determined to displace the United States as the world’s dominant power, and it has been attacking the United States with economic and informational warfare for decades while conducting the [largest peacetime military buildup](#) in modern history.

The United States has always enjoyed a substantial presence in the Indo-Pacific and championed regional prosperity, collaborating with key allies and partners—including Australia, Japan, the Philippines, South Korea, and Taiwan, among others—to advance a shared vision of a [free and open Indo-Pacific](#). This approach is rightly focused on preserving U.S. economic access and preventing revisionist powers like the PRC and North Korea from unilaterally altering the regional balance of power. As the 2026 National Defense Strategy [notes](#), American military presence in the region, particularly along a strategic string of islands known as the First Island Chain that stretch through Japan and the Philippines, is essential for preserving a balance favorable to U.S. interests and those of our allies. The First Island Chain geographically constrains the PRC by restricting its access to the wider Pacific Ocean, making it harder for the PRC to attain regional hegemony or project naval and air power globally—which would be devastating for U.S. economic and security interests.

PRC AGGRESSION IN THE INDO-PACIFIC

The CCP is America’s foremost global adversary and seeks to displace the United States as the world’s central power, including and especially in the Indo-Pacific. The PRC’s rapid military buildup is a testament to the seriousness of this challenge. Beijing [spends](#) nearly as much as the United States in the hopes of building a military capable of defeating the United States in conflict and dominating the Indo-Pacific: The PRC’s navy boasts nearly [400 ships](#), modernized ballistic missiles and nuclear weapons, and a [fleet](#) of AI-powered unmanned systems and cyber capabilities. The PRC has also embarked on artificial island building projects in the South China Sea, transforming reefs and sand deposits into military outposts designed to project Chinese power deeper in the

region. These islands serve the PRC's expansive [claim](#) that it has “indisputable sovereignty over the South China Sea Islands and the adjacent waters,” which Beijing is asserting ever more aggressively through hostile patrolling operations in the South China Sea, including even directly [ramming](#) ships from countries like the Philippines. These are the actions of an aggressive, expansionary power seeking to grab control of the Indo-Pacific—a power that will take every inch that the United States and our partners willingly or unwillingly give it.

TAIWAN'S IMPORTANCE TO U.S. NATIONAL SECURITY

Taiwan lies at the center of both the First Island Chain and Beijing's ambitions in the Indo-Pacific. The CCP's stated [goal](#) is to unify itself with Taiwan, and the regime has not ruled out using force to achieve this aim. Allowing this to happen would be disastrous for the United States. As of [2025](#), Taiwan is America's 5th-largest merchandise trading partner, 9th-largest export market, and 5th-largest source of imports, with a [market](#) capitalization of over \$4 trillion. Driving Taiwan's prominence for the U.S. economy is its semiconductor dominance; it [produces](#) 90 percent of global advanced chips and is essential for design, research and development, materials, and assembly. Given the cost and difficulty of producing chips [elsewhere](#), disruption of trade with Taiwan caused by a PRC-forced unification would significantly cripple U.S. economic growth and perhaps even halt U.S. production of everything from consumer electronics to military equipment.

Notably, a military invasion is not the only way the PRC can try to take Taiwan. The regime is already employing [gray zone operations](#) against the island, including daily cyber operations against Taiwanese civilian and military targets and regular intrusions into Taiwan's air defense identification zone. Beijing also is waging an intense [information warfare](#) campaign against Taiwan, hoping to sow skepticism about the future of Taiwan's democratic project, cast doubt about the durability of U.S. support for Taiwan, and promoting the false narrative that unification is inevitable. The PRC's goal is to [coerce](#) Taiwan into submission, or at a minimum to significantly degrade Taiwan's readiness and will to defend itself in an invasion scenario.

Beijing's takeover of Taiwan would give it access to what General Douglas MacArthur called an “[unsinkable aircraft carrier](#),” allowing it to penetrate the First Island Chain and give the PRC's rapidly expanding navy greater access to the Pacific Ocean. This increases Beijing's global power projection capabilities, allowing it to [exert](#) greater control on shipping in the region to coerce the United States and American allies economically and militarily. Put simply, disruption from our standard access to Taiwan would deal a devastating blow to America's future economic and military security and harm U.S. sovereignty.

HOLD THE LINE: THE IMPORTANCE OF DETERRENCE

A strong American presence in the Indo-Pacific is critical for safeguarding U.S. security, freedom, and prosperity. Suggestions that the United States could still prevent China's regional dominance if Taiwan were to fall are [misguided](#). The CCP's rhetoric and behavior make clear that it will take any U.S. withdrawal as an invitation to become even more aggressive in the region, including potentially taking kinetic or non-kinetic action against Taiwan. Such a development would meaningfully jeopardize future U.S. access to trillions of dollars of trade, principally the semiconductors that are vital to secure future economic growth, weaken America's regional and global national security posture, and devastate the free and open Indo-Pacific alliance system the United States has worked to cultivate—all while encouraging more Chinese belligerence.

Reducing our commitments in the Indo-Pacific signals to Beijing that America lacks the resolve necessary to prevail against the [civilizational threat](#) posed by the CCP. Particularly through its malign influence campaign on apps like TikTok, the PRC clearly is trying to erode Americans' trust in our own principles and institutions, fuel division, and ultimately undermine our will to fight for America's enlightened self-interest. The United States backing down in the Indo-Pacific demonstrates to the PRC that America is not up to the challenge. America cannot afford to retreat and forfeit the balance of power in Beijing's favor. While the cost of building and maintaining an effective deterrent in the Indo-Pacific may seem large, it pales in comparison to the costs that retreat would bring.



POLICY RECOMMENDATIONS

- **Maintain Commitments in the Indo-Pacific:** The United States must continue to uphold our security commitments in the region and maintain a robust military deterrence to prevent aggression by revisionist regional adversaries. This includes opposing any attempt by the PRC to use force to achieve unification with Taiwan.
- **Bolster U.S. Military:** Given the PRC's alarming military buildup, the United States must put our defense industrial base on a wartime footing and align our defense budget to reflect the scale and urgency of the threats America faces.
- **Encourage Partners to Spend More on Defense:** Deterrence in the Indo-Pacific can be greatly amplified if American partners demonstrate a serious commitment to bolster their own defenses. As has been implemented in the European theater to deter Russia from further expansion, the United States must urge regional partners to raise defense spending to at least five percent of their GDP as quickly as possible.
- **Provide Defense Assistance to Frontline Partners:** America has a vested interest in deterring Beijing from encroaching on our frontline regional partners, including and especially Taiwan. The United States should work to provide military assistance and arms sales to the greatest extent possible to these frontline partners, particularly focusing on cost-effective asymmetric capabilities.
- **Secure Critical Regional Assets:** The War in Ukraine and Operation Epic Fury have [exposed](#) serious risks for the security of regional bases within modern warfare. The United States must develop effective ways to mitigate the risks that [drones](#) and other long-range autonomous systems pose to critical regional military assets, particularly in the form of air and missile defenses in U.S. and partner bases across the First Island Chain.
- **Bolster Taiwan's Ability to Withstand the PRC's Information and Gray Zone Warfare:** The United States should give Taiwan more [tools](#) to harden it against the PRC's malign influence and gray zone campaigns, including diversifying Taiwan's energy supply and improving Taiwan's critical infrastructure and cyber defenses. The United States must also work with Taiwan to counter Beijing's information warfare campaign.

