

Prospects & Perspectives



The large subsidy income the Want Want has been receiving from China more than makes up for the various fines. The asymmetry of fines versus subsidies suggests that if it were revealed that Want Want is indeed colluding with Chinese UFW elements, current media regulations would be largely insufficient to curtail such practices. Picture source: Public Domain Pictures, *Pixabay*, <https://pixabay.com/photos/achievement-bar-business-chart-18134/>.

An Analysis of Possible Chinese Influence Operations Against Taiwan: The Want-Want Case

By *J. Michael Cole*

The recent disclosure that Want Want China Holdings (中國旺旺控股有限公司) received NT\$15.26 billion (US\$495 million) in subsidies from the People's Republic of China since 2007 has fueled long-held suspicions that the group, which owns television stations and print media in Taiwan, may be engaging in information warfare on Beijing's behalf.

Want Want's latest annual report for 2017-2018 shows that it received C¥624 million (NT\$2.9 billion) in subsidy income from "various government authorities" in China during the January 2017 to March 2018 period. According to the *Nikkei Asian Review*, the group has been receiving subsidy income since 2004 totaling US\$586.7 million through September 2018, with a spike following the election of the Taiwan-centric Democratic Progressive Party in the 2016 elections. The subsidy income accounted for 11 per cent of Want Want's net profit during that period.

According to Want Want China Holdings' listing on the Hong Kong Exchanges and Clearing Ltd (HKEX) for March 2008, Chinese subsidy income included "incentives for contributing to employment and economic development in particular localities, value-added tax and other tax rebates and other incentives."

The group denies that the large subsidies were granted in return for help by the media conglomerate in waging Beijing's propaganda/disinformation campaign against Taiwan, adding that different shareholder structures are involved in Want Want China Holdings — whose business includes snack foods and beverages — and Want Want China Times Media Group (旺旺中時媒體集團), operator of the *China Times* (中國時報), *Commercial Times* (工商時報), CtiTV (中天電視), and China Television (中國電視公司). Want Want also operates hotels in various Chinese cities including Shanghai, Nanjing, Huai'an and Xining.

Circumstantial Evidence

Under Taiwanese laws, the grants are not illegal. Nevertheless, there are fears that the substantial sums involved and the dependencies thus created may



be used as leverage against Taiwanese companies to compel them to reflect Beijing's preferences on cross-strait politics.

The group's contention that different shareholder structures are involved in the matter hardly holds water, for it is unlikely that Want Want China Times media group would do anything that risks compromising the interests of HKEX-listed Want Want China Holdings; in fact, subsidiaries of the former could very well be contingent on the actions of the latter. At the very least, the large sums involved would encourage self-censorship.

What needs to be proven is whether the unwaveringly pro-Beijing stance adopted by Want Want's media outlets, along with their tendency to attack Beijing critics and generate/amplify disinformation, is the result of the said subsidies and, more generally, the group's reliance on the Chinese market for much of its revenue (the group's founder, Tsai Eng-meng [蔡衍明], is one of the wealthiest individuals in Taiwan and China). At this point, this cannot be demonstrated, nor is there concrete evidence that the Chinese Communist Party (CCP) has directly meddled in the editorial decisions of Want Want's media outlets or coordinated those with Beijing-controlled media.

Nevertheless, there exists a body of circumstantial evidence to suggest some linkage between the group's media operations and CCP-linked organizations that are involved in United Front Work (UFW) targeting Taiwan.

Tsai led a delegation to Beijing in 2018, where he reportedly held meetings with several Chinese state-run media outlets and met Chinese People's Political Consultative Conference (CPPCC, 中國人民政治協商會議) Chairman Wang Yang (汪洋). In May 2016, then-chairman of the CPPCC, Yu Zhengsheng (俞正聲), called for more exchanges and cooperation between (heavily censored) Chinese and Taiwanese media while meeting a delegation from Taiwan headed by Tsai in Beijing.

The CPPCC is believed to be the chief organization providing "guidelines" for the conduct of China's political warfare activities. Senior Chinese officials, including CCP Hubei Provincial Committee Secretary Luo Qingquan (羅清泉) in April 2010, are known to have visited TV studios owned by Want Want, and in 2012 Want Want cooperated with the CCP-controlled Fujian Daily Group in



launching *Media Plus* (兩岸傳媒), a magazine whose mission is to focus on “cross-Strait media and cultural affairs.”

Other Activities

Want Want is also known to have co-sponsored a number of events over the years in conjunction with organizations which are actively involved in pro-unification activities and, we have good reason to suspect, UFW. To give just one example, in January 2015 it co-sponsored a forum with the Fo Guang Shan Foundation for Buddhist Culture and Education (佛光山文教基金會) and the China Academy of Culture Ltd (CIOC, 中國文化院), a subsidiary of the now-defunct Hong Kong-based China Energy Fund Committee (CEFC, 中華能源基金委員會), whose head, Patrick Ho Chi-ping (何志平), is currently serving a three-year jail sentence in the U.S. for conspiracy and money laundering. Since its inception, the CIOC, which engages in the “promotion of Chinese culture,” has organized a series of cross-Strait cultural events involving students, academics, entertainers and religious figures from both sides of the Taiwan Strait. In some instances, participants and organizers at such events had ties with the PLA General Political Department Liaison Department (replaced by the Political Work Department of the Central Military Commission [中央軍事委員會政治工作部] in 2016).

Here again, the Want Want group’s interactions with such organizations is not evidence that the conglomerate is willingly engaging in UFW activities against Taiwan; but its willingness to collaborate with such groups certainly raises questions and encourages the view that the subsidies may serve as an incentive to reflect Beijing’s wishes.

Finally, the large subsidy income the group has been receiving from China more than makes up for the various fines — normally in the NT\$1 million range — which Taiwan’s National Communications Commission has imposed on Want Want-controlled media for spreading “fake news” and other violations of broadcasting laws. The asymmetry of fines versus subsidies suggests that if it were revealed that Want Want is indeed colluding with Chinese UFW elements, current media regulations would be largely insufficient to curtail such practices.



(Dr. Cole is Senior Fellow, Global Taiwan Institute,
Senior Fellow, Macdonald-Laurier Institute,
Senior Fellow, Taiwan Studies Program, University of Nottingham, UK)

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Prospect Foundation

No.1, Lane 60, Sec. 3, Tingzhou Rd., Zhongzheng District

Taipei City, 10087, Republic of China (Taiwan)

Tel: 886-2-23654366 Fax: 886-2-23679193

<http://www.pf.org.tw>

