



Taiwan's Economic and Political Outlook: New Year, New Fears

**Presented by Ross Darrell Feingold to the
Taiwan Business Leaders Forum**

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Policy Developments

- Inaugural themes: 1) Transforming Economic Structures, 2) Strengthening the Social Safety Net, 3) Social Fairness and Justice, 4) Regional Peace and Stability and Cross Strait Relations and 5) Diplomatic and Global Issues.
- Something for every one.
 - Social policy vs. economic policy.
 - Priorities preview.

Policy Developments

- Inaugural address omissions:
 - Specific economic policies.
 - Energy & nuclear power plants.
 - Parliamentary system
 - Birth rate.
 - Human rights issues: Death penalty, marriage equality.

Policy Developments

- Elder care proposes dramatic tax increase.

新舊政府長照政策比一比

政策內容	行政院版本	民進黨版本
制度體系	保險制	稅收制
法案名稱	長照保險法	長期照顧服務法修正案
長照財源	隨健保費加徵 1.19%	<ul style="list-style-type: none">● 營業稅從5%提高到5.5%● 遺贈稅從10%提高為20%● 房地合一稅
財源規模	1,100億~1,330億元	300億~500億元
實施時程	2018年	執政後立即上路

資料來源：採訪整理

何孟奎 / 製表

Legislative Yuan Developments

- Speaker Su where are you?
- Ideological demands by DPP, NPP:
 - Transitional justice initiatives.
- Business environment legislation:
 - Working hours, overtime pay.
- KMT & NPP protectionism coalition.

Cross Straits Relations

- Tsai's description of cross-straits relations now known.
 - Accept '92 meetings but not consensus.
 - China's bottom line unknown.
- Status of bilateral talks.
- South China Sea tensions:
 - No good options for Tsai.

Taiwan – U.S. Relations

- U.S. inaugural attendees:
 - 2016: Ron Kirk, former USTR.
 - 2012: William Daley, former White House Chief of Staff.
 - 2008: Andrew Card, former White House Chief of Staff.
 - 2004: Rep. James Leach, House Subcommittee on Asia & Pacific chairman.

Taiwan – U.S. Relations

- Pork is the current dominant issue.
- Recent high level visits unlikely to continue.
- Speed of defense policy implementation.
- Taiwan remains irrelevant in U.S. presidential politics but watch for:
 - Convention platform sections on Taiwan.
 - Candidate support for weapons sales.

Taiwan – Japan Relations

- Policy priority for the new government.
- Potential areas for cooperation:
 - Flights, tourism.
 - Trade and investment.
 - Increase number of representative offices.
 - Intellectual property protection.

Taiwan – Japan Relations

Recent Developments in Japan-Taiwan Relations	
August 2005	Japan decides to make the visa waiver for short-term visits by Taiwanese citizens permanent
January 2007	Taiwanese bullet train line opened
April 2008	JAL & ANA begin operating routes to Taiwan
June 2008	SS Lien Ho Incident (in which a Taiwanese fishing boat collided with a Japan Coast Guard patrol boat and sank)
October 2008	Mutual recognition of driving licenses by Japan & Taiwan
June 2009	Reciprocal introduction of working holiday visa program
August 2009	Japan provides ¥10 million of emergency grant aid after Taiwan sustains typhoon damage
December 2009	Taipei Economic & Cultural Representative Office in Japan opens its Sapporo Office
March 2010	Association for Contemporary Japanese Studies established in Taiwan
April 2010	2010 comprehensive memorandum of understanding on cooperation between the Interchange Association, Japan & the Association of East Asian Relations announced
October 2010	Flights between Tokyo Haneda and Taipei Songshan begin
March 2011	Various support received from throughout Taiwan following the Great East Japan Earthquake
May 2011	Yoichi Hatta Memorial Park opened in Taiwan
July 2011	Interchange Association, Japan & Association of East Asian Relations announce the Kizuna (Bond) Project between Japan & Taiwan
September 2011	Japan-Taiwan Investment Arrangement signed
October 2011	NHK's Nodo Jiman program (contest for local amateur singers) broadcast from Taiwan
November 2011	Japan-Taiwan Civil Aviation Arrangement (Japan-Taiwan Open Skies arrangement) signed
April 2012	Japan-Taiwan memorandum of understanding on the Patent Prosecution Highway signed
April 2012	Japan-Taiwan memorandum of understanding on the prevention of money laundering and terrorism financing signed
December 2012	Memorandum of understanding on strengthening industrial cooperation between Japan & Taiwan signed
December 2012	Private sector arrangement on mutual certification and cooperation between Japan & Taiwan signed
April 2013	The Takarazuka Revue performs in Taiwan
April 2013	Japan-Taiwan Fishery Arrangement signed

Taiwan – Foreign Relations

- Philippines inauguration on 30-June:
 - Duterte likely to take a tough stand against overseas foreign worker abuse, a significant risk to bilateral relations.
- India had higher level of representation at inaugural than in the past, but no substantive changes imminent.
- Other countries have not signaled an interest in the “go south” policy.

Key Political Figures



Tsai Ing-wen



Tsao Chi-hung



Chiu Tai-san



Yeh Jiunn-rong



Xi Jinping



Kin Moy

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