



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

**Presented by Ross Darrell Feingold to the
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Policy Developments

- Labor:
 - Labor Standards Act revisions: “one fixed day and one flexible day off”.
 - China Airlines, other potential work strikes.
- Energy:
 - Tsai: Nuclear free by 2025 “has never changed and will never change.”
 - Chang Jing-sen: Dept stores, hypermarts can close in afternoon.

Policy Developments

- Pensions Reform Committee began work.
- Tsai tested by military management issues.
- “Asian Silicon Valley” appears to be APROC, Silicon Island by another name.
- FSC “angel fund” ridiculed.
- Minister w/o Portfolio Shih moves to TWSE.
- Business environment issues: (Far Glory, Zurich Life, China investment in MediaTek).

Brexit Risks

- Economic: EU is Taiwan's 5th trading partner, after China, ASEAN, US and Japan and EU is largest investor in Taiwan (25% of total).
- Political: Progress will slow as EU and UK seek China investment.
- Operational: Taiwan companies will need to adjust to new regulatory environment.

Legislative Yuan Developments

- Speaker Su where are you?
- Ideological legislation:
 - Party assets.
 - Transitional justice.
 - Amending Referendum Act.
- Business environment legislation:
 - Working hours, overtime pay.

Cross Straits Relations

- Bilateral communication terminated.
- South China Sea tensions:
 - No good options for Tsai.
- Ma Ying-jeou Hong Kong travel ban.
- Cambodia deports Taiwan nationals to China; no mechanism to resolve this issue.
- Kyrgyzstan bans Taiwan NGO.
- Reduction in students studying in Taiwan.

Taiwan – U.S. Relations

- No pork developments.
- Defense:
 - Defense Review Talks held in June; usually in December.
 - Rim of the Pacific exercise includes China.
 - Patriot Advanced Capability-3 test in US.
- Delegations to party conventions.
- Tsai stop over in June: Risks & rewards.

Taiwan – Japan Relations

- House of Councillors election on 10-July, no interest in Taiwan issues.
- Maritime talks: Fishery cooperation, maritime environmental protection, maritime emergency response, scientific research.
- Sovereignty, fishing concessions risky.
- Chiou Yi-jen & Frank Hsieh dynamics test.
- TransAsia reduces flights to Japan.

Taiwan – Foreign Relations

- Duterte inauguration on 30-June.
- SCS decision on 12-July: No good options for Tsai, may also impact East China Sea.
- Other countries have not signaled an interest in the “go south” policy.
 - Formosa spill in Vietnam.
- South America trip remembered for China (COSCO ship, communications cut off).

Key Political Figures



Feng Shih-kuan



Tsai Ing-wen



Xi Jinping



Lin Chuan



Kin Moy



Shinzo Abe

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