



Press Review Taiwan



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Switzerland in the local press

Landslides, heavy snow block Alpine roads, rail links (Taiwan News, 23.01.2018)

Landslides and heavy snowfall across the Alps have prompted the closure of several rail and road links, including a highway leading to Switzerland's Gotthard tunnel toward Italy. The Swiss ski resorts of Zermatt, Andermatt and Saas-Fee are cut off from the outside world due to the risk of avalanches. Heavy snowfall has also hampered the arrival of participants at the annual World Economic Forum in the Swiss town of Davos.

World Economic Forum Annual Meeting 2018 in Davos Switzerland (United Daily News, 18.01.2018)

The World Economic Forum's Annual Meeting is taking place in Davos on 23 - 26 January. The Annual Meeting in Davos is a global platform unmatched in engaging leaders from business, government, international organizations, academia and civil society in peer-to-peer working sessions. The theme of this year's meeting is "Creating a Shared Future in a Fractured World". This year's opening address is delivered by Narendra Modi, Prime Minister of India. Donald Trump, President of the US, is delivering a keynote address before the close of the meeting.

Swiss journalists launch crowdfunded online magazine (Central News Agency, 14.01.2018)

A team of experienced journalists is launching a new online magazine in Switzerland after reportedly collecting more than 7.7 million Swiss francs (\$8 million) with the help of a crowdfunding campaign. The German-language magazine, called Republik, is intended to provide high-quality, ad-free journalism to paying members. Over 15,700 people paid at least 240 francs for an annual subscription within weeks of the project's announcement in April. Private investors contributed another 3.5 million francs.

Foreign Policy

Nigerian office in Taiwan awaiting Nigerian relocation order (Focus Taiwan, 30.01.2018)

The Nigeria Trade Office in Taipei said that it has received orders from Taiwan's Ministry of Foreign Affairs (MOFA) to relocate out of Taipei. Based on the principle of reciprocity, Taiwan told the Nigeria Trade Office to move out of Taipei after Taiwan was ordered to move its representative office out of Nigeria's capital of Abuja last December and has taken out "Republic of China (Taiwan)" from the name of its de facto embassy to change its name to "Taipei Trade office in Nigeria".

US commitment to Taiwan continues unchanged: official (Taipei Times, 27.01.2018)

The US said that its policy and commitment toward Taiwan remain unchanged, despite the removal of the Republic of China (ROC) national flag from two US government Web sites. US Department of State spokeswoman Heather Nauert said, "We consider Taiwan to be a vital partner, a democratic success story and a force for good in the world. Taiwan shares our values and has earned our respect, and continues to merit our strong support." Despite her words, there was no explanation as to why the US removed the flag from the government Web sites.

Taiwan, Philippines sign agreement on law enforcement cooperation (Eye on Taiwan, 24.01.2018)

Taiwan and the Philippines signed an agreement on cooperation and exchange in criminal investigations and law enforcement talent development. Taiwan's representative to the Philippines Gary Lin, who signed the agreement on behalf of Taipei, said the agreement will serve as a solid foundation and framework for future cooperation between Taiwan and the Philippines to tackle cross-border criminal activity, particularly fraud, drugs and terrorism. It also promotes training and expertise sharing.

Expanded Taiwan-Austria working holiday program goes into effect (Focus Taiwan, 13.01.2018)

A reciprocal working holiday program between Taiwan and Austria has been expanded to include more working holiday visas of longer duration, according to the MOFA. The ministry said that from this year Taiwan will issue 75 working holiday visas each year to Austrians ages 18-30, up from 50, while Austria will reciprocate. Taiwan currently has working holiday agreements with 14 other countries--New Zealand, Japan, Canada, Germany, the UK, Ireland, Belgium, Hungary, Slovakia, Poland, Czech Republic, France and S. Korea.

Taiwan Travel Act clears U.S. House (Eye on Taiwan, 11.01.2018)

The US House of Representatives has unanimously passed the Taiwan Travel Act, a bill that encourages visits by all levels of officials, including high-ranking officials, between the US and Taiwan. The bill, a follow-up to the Taiwan Relations Act, was introduced by House Foreign Affairs Committee in January 2017 and passed by the US House Committee on Foreign Affairs in October 2017 before being submitted for a vote by the full House. The legislation still has to be passed by the Senate to become law.

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China Relation

Convicted Chinese spy loses appeal against extended detention (The China Post, 27.01.2018)

A convicted Chinese spy's appeal against his extended detention was rejected by Taiwan's Supreme Court. The 30-year-old Zhou Hongxu was given a 14-month sentence by the Taipei District Court Sept. 15, 2017 for violating the National Security Act after being found guilty of attempting to develop spy networks in Taiwan. Meanwhile, another case involving several members of the pro-unification New Party who are suspected of colluding with Zhou in establishing spy networks for China in Taiwan is also being investigated by the High Court.

Taiwan's investment in China in 2017 down for 3rd consecutive year (Taiwan News, 23.01.2018)

Investment in China fell 4.8 % y-o-y to US\$8.74 billion in 2017, down for the 3rd consecutive year, but the number of investment projects approved by the commission rose 92.06 % to 484, according to the Investment Commission. In terms of inbound investment from China, the commission approved 140 projects with a total investment commitment of US\$265.7 million in 2017, up 7.3 % y-o-y in terms of capital invested.

Chinese yuan deposits in Taiwan hit 27-month high (Focus Taiwan, 20.01.2018)

The balance of yuan deposits received by Taiwanese banks, including negotiable certificates of deposit (NCDs), at the end of December totaled 322.25 billion yuan (US\$50.35 billion), up 1.38 %, from a month earlier, a 27-month high, on the back of a recovery in the Chinese currency value against the US dollar, according to Taiwan's central bank. For the whole of 2017, yuan deposits held by banks in Taiwan grew 10.84 billion yuan from a year.

Qantas becomes latest business to bow to Chinese pressure over Taiwan (Focus Taiwan, 17.01.2018)

Qantas Airways, Australia's flag carrier, is the latest company to remove references to Taiwan as a country, reportedly as a result of pressure from China. Multiple media outlets have picked up on the story, with Business Insider, listing the airline alongside Zara, Marriott and Delta Air Lines as one of a number of international companies that have in the past week changed the information on their websites to no longer present Taiwan as a country and issued apologies to the Chinese government.

Cross-strait trade picked up in 2017: Chinese customs (Focus Taiwan, 12.01.2018)

Taiwan was China's seventh largest trading partner in 2017, with trade between the two sides growing 14 % from the previous year, according to Chinese customs. Trade across the Taiwan Strait totaled 1.35 trillion yuan (US\$208 billion) last year, a 14 % annual increase, which made up 4.9 % of China's external trade. China's exports to Taiwan were valued at 297.9 billion yuan in 2017, while its imports were 1.05 trillion yuan, an annual growth of 12.2 % and 14.5 %, respectively.

Taiwan calls for talks with China on aviation issues (The China Post, 08.01.2018)

Taiwan is calling for discussions with China on issues related to aviation management in the Taiwan Strait. China reneged on a 2015 cross-strait agreement with Taiwan and unilaterally activated four new aviation routes in the Taiwan Strait--a northbound path on the M503 route and three east-west extension routes called W121, W122 and W123. The M503 at its nearest point is only 7.8 km from the centerline of the strait and close to the Taipei Flight Information Region. China's move to open the four flight routes without prior negotiation with Taiwan has sparked concerns in Taipei about potential intrusions into domestic flight routes to and from Matsu and Kinmen.

Chinese visitor arrivals jump in November (Focus Taiwan, 02.01.2018)

Visitor arrivals from China soared by 41,000 y-o-y in November 2017, increasing for the fourth consecutive month since President Tsai Ing-wen took office in May 2016, according to by the China-based app Dianping. A total of 1,013,637 foreign nationals visited Taiwan last November, a y-o-y increase of 13.74 %, with the number of Chinese tourists increasing by 20.23 %, or 41,000.

Domestic Policy

New plan to tax income on cross-border online transactions issued (Eye on Taiwan, 27.01.2018)

The Ministry of Finance (MOF) announced a new system for collecting corporate income taxes from cross-border online operators that will lower the tax burden of foreign companies that register in Taiwan. Under the new plan, a foreign online business operator formally registered in Taiwan will pay a 20 % corporate tax rate on their presumed profits, which will be calculated as 30 % of their online transactions. That translates to a 6 % tax on their transaction value.

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**Premier vows to turn Taiwan into AI technology leader (Focus Taiwan, 18.01.2018)**

Premier Lai Ching-te voiced commitment to develop Taiwan into an artificial intelligence (AI) innovation center and global technology innovation hub. The plan will require the Executive Yuan to invest around NT\$10 billion (US\$338.2 million) per year between 2018 and 2021 to develop the AI industry. The funding for the AI plan will be sourced from the government budget for the general science and technology sector and for the Forward-looking Infrastructure Development Program.

Taiwan rated by Freedom House as 2nd freest in Asia, China drops a notch (Taiwan News, 17.01.2018)

In the 2018 edition of its annual report on freedom around the world, Freedom House gave Taiwan a ranking of 93 out of 100, the second highest in Asia after Japan and a two point improvement over last year, while China received a rating of 14, a one point drop from last year. In its report titled "Freedom in the World 2018," Freedom House gave Taiwan top marks for its Freedom Rating, Political Rights, Civil Liberties, which were all the maximum score of 1 (Most Free). It also listed Taiwan's overall freedom status and press freedom status as "Free."

National Development Fund decides to invest in solar alliance (Focus Taiwan 13.01.2018)

The National Development Fund, under the Executive Yuan, has decided to fund a new solar energy alliance in Taiwan as part of the government's efforts to develop renewable energy. After several meetings to study the feasibility of investing in a new company to be formed by the merger of three Taiwanese solar energy firms: Neo Solar Power Corp, Gintech Energy Corp. and Solartech Energy Corp, the fund has decided to go ahead and invest.

Revised Referendum Act to take effect (Eye on Taiwan, 04.01.2018)

The revised Referendum Act, aimed at lowering the thresholds for plebiscites in Taiwan, takes effect after promulgation of the amended rules by President Tsai Ing-wen, according to the Central Election Commission (CEC). In December, the Legislative Yuan passed the amendment to the Referendum Act, lowering the turnout quorum from 50 % to 25 %. The new law also reduces the required number of signatures in the first stage from 0.1 % to 0.01 % of the electorate in the most recent presidential election, and from 5 % to 1.5 % in the second stage.

Economy/Finance**Index signals sluggish growth for Taiwan's economy in December (Focus Taiwan, 26.01.2018)**

Taiwan's economy flashed a "yellow-blue" light in December, signaling sluggish growth, but the steady rise of an index of leading indicators showed the economy was still headed in the right direction, the National Development Council (NDC) said. The NDC said the composite index of monitoring indicators for December fell one point from November to 22, the high end of the 17 to 22 range for the yellow-blue light.

Think tank lifts forecast for Taiwan's economic growth (The China Post, 25.01.2018)

The Taiwan Institute of Economic Research (TIER) raised its forecast for Taiwan's 2018 GDP growth to 2.34 %. The forecast is up 0.04 percentage points from TIER's forecast of 2.3 % made in November 2017, and is lower only than Academia Sinica's forecast of 2.43 % among the country's major think tanks.

Meanwhile, HSBC, the London-headquartered banking group, said that Taiwan is expected to continue to benefit from a global economic recovery and report a 2.3 % increase in its GDP for 2018. HSBC said Taiwan's economy is expected to grow at a "stable" pace in 2018, despite a slower increase from a year earlier.

However, there are still some uncertain factors that could affect economic development at home and abroad, including new policies rolled out by the US and Chinese governments, monetary policies of the world's major economies, and volatile crude oil and raw material prices, TIER said.

Industrial production up for 8th straight month in December (Focus Taiwan, 23.01.2018)

Taiwan's industrial production index rose 1.2 % y-o-y for an eighth consecutive month in December to 113.42, pushing the index for 2017 as a whole to a new high of 109.63, up 2.9 % from a year earlier, the Ministry of Economic Affairs (MOEA) said. The strong performance by Taiwan's industrial sector reflected solid global demand at a time when the world economy is growing steadily.

Jobless rate down in December (The China Post, 23.01.2018)

Data compiled by the Directorate General of Budget, Accounting and Statistics (DGBAS) showed the jobless rate in December stood at 3.66 %, down 0.05 percentage points from a month earlier due to an improvement in the local economy. The December figure also fell 0.13 percentage points from a year earlier. In 2017, Taiwan's jobless rate averaged 3.76 %, the lowest since 2000, when the figure stood at 2.99 %.

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**Taiwan's 2017 export orders hit new high (Focus Taiwan, 22.01.2018)**

Taiwan's export orders in 2017 hit a new high after orders received by Taiwan-based companies in December posted y-o-y gains for the 17th consecutive month, the MOEA said. Riding the wave of solid global demand, Taiwan's export orders totaled US\$492.81 billion in 2017, up 10.9 % from previous year. In December alone, export orders rose 17.5 % from a year earlier to US\$48.47 billion.

Taiwan generates record-breaking tax revenues in 2017 (Taiwan News, 11.01.2018)

According to the MOF, Taiwan has reportedly collected the highest amount of Tax revenue in its history last year. The total amount of Tax revenue reached NT\$2.23 trillion (US\$75.38 billion). The statistics indicated that annual tax revenue increased by NT\$77.4 billion above the government's estimated budget level, which confirms and marks the fourth consecutive annual increase. In comparison to the previous year, income from the securities exchange tax grew by NT\$19 billion, land value increment tax grew by NT\$10.5 billion, gift tax recorded a rise of NT\$7.5 billion and tobacco and alcohol tax contributed NT\$4 billion in growth.

Exports up for 15th straight month in December (Taipei Times, 09.01.2018)

In December, Taiwan's outbound sales were the highest monthly total ever, at US\$29.51 billion, up 14.8 % from a year earlier and up 2.2 % from the previous month on the back of solid global demand at a time when the world economy is on the road to recovery, according to the MOF. Imports for December gained 12.2 % from a year earlier and rose 2.0 % from the previous month to US\$23.38 billion, representing a trade surplus of US\$6.13 billion, up US\$1.28 billion from a year earlier. In 2017, exports totaled US\$317.39 billion, up 13.2 % y-o-y, while imports hit US\$259.51 billion, up 12.6 % y-o-y, representing a trade surplus of US\$57.88 billion, up US\$8.13 billion y-o-y.

Forex reserves at end-2017 continues to hit high (The China Post, 06.01.2018)

At the end of December, the country's forex reserves totaled US\$451.5 billion, up US\$1.03 billion from the end of November mainly due to the returns on funds managed by the central bank increased from a month earlier, and the appreciation of the euro, which is part of the central bank's portfolio in managing its forex reserves. For the entire year of 2017, Taiwan's forex reserves rose US\$17.3 billion from the end of 2016, marking the highest annual growth in value in five years, the central bank said.

Taiwan's consumer prices up 1.21 percent in December (Taiwan News, 05.01.2018)

Taiwan's consumer price index (CPI) in December rose 1.21 % from a year earlier largely due to a spike in the price of tobacco, fuel and medical care services, as well as fish, dairy and meat products, according to the DGBAS. For the whole year of 2017, Taiwan's CPI increased 0.62 % y-o-y. In December, the wholesale price index (WPI) also rose 0.24 % from a year earlier due to more expensive base metal, crude oil, coal and chemical products, and the whole year of WPI gained 0.90 % y-o-y.

Technology/Innovation**New research ship to go into service in September (Taiwan News, 28.01.2018)**

A new research vessel purchased by the National Applied Research Laboratories (NARLabs) will make its maiden voyage in September and conduct research in the South China Sea or the East China Sea, Taiwan Oceanic Research Institute said. The ship, named the Legend, was purchased from abroad at a cost of NT\$870 million (US\$29.88 million). The Legend will conduct marine research at sea for about 95-105 days per year, and will be leased out to private groups or used for joint projects by public and private institutions the rest of the time.

Special Focus**Amended Labor Standards Act passed (Taipei Times, 11.01.2018)**

Controversial amendments to the Labor Standards Act cleared the legislature, with President Tsai Ing-wen apologizing for the inconvenience caused by her administration's two revisions of the act within a year. Under the amended act, overtime pay is to remain at least 1.33 times a worker's normal hourly wage for the first two hours and at least 1.66 times from the third hour onward on weekdays. The rates are to remain at 2.33 and 2.66 times a worker's normal rates if they are asked to work on their weekly "flexible" day off. However, workers would no longer be paid overtime in blocks of four hours, but by the actual number of hours they work. Employers are allowed to raise the monthly overtime cap from 46 to 54 hours after gaining the consent of unions or their employees during employer-staff meetings and notifying the local labor authorities, with the proviso that employees must not be allowed to work more than 138 hours in three months.

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