

**Press Review Taiwan**

Trade Office of Swiss Industries, Taipei, 1—28 February 2017

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Switzerland in the local press

The largest "Swiss" presence ever at Taipei International Machine Tool Show (The China Post, 10.02.2017)

Organized by the Trade Office of Swiss Industries (TOSI) and supported by the Swiss Mechanical and Electrical Engineering Industries (Swissmem), the Swiss Pavilion at TIMTOS 2017 presents the latest machine tools and tools technologies of 49 Swiss manufacturers through 17 representatives. The Swiss pavilion in the Nangang Exhibition Hall (4F) comprises 109 standard booths, totaling 981 sqm, making it the largest national pavilion and the largest Swiss pavilion of the last 25 years at the trade show.

Swiss police lead raids, arrest 1 in probe of IS recruiting (Taiwan News, 22.02.2017)

At least one person has been arrested in the Italian-speaking Ticino region Switzerland as part of a criminal probe over suspected recruiting for the Islamic State group or related organizations. The federal probe centers on two men of Swiss-Turkish and Turkish nationality for alleged violation of laws banning extremist organizations such as al-Qaida and the Islamic State group.

Voters reject 2026 Olympic bid for St. Moritz, Davos (Taiwan News, 13.02.2017)

Voters in the Swiss Alps have rejected a second Olympic hosting bid planned for upscale mountain resorts St. Moritz and Davos. The canton (state) of Graubunden says a referendum on financing a candidacy for the 2026 Winter Games was rejected by 60.1 % of voters. In a tighter vote in 2013, the region refused to support a 2022 Winter Games bid. That Swiss project was the likely favorite in a contest won by Beijing.

Swiss voters favor easing citizenship (Taiwan News, 12.02.2017)

Swiss broadcaster SRF said projections showed that the "simplified naturalization of third-generation immigrants" measure passed in a national referendum. It will simplify applications for anyone under 25 whose parents and grandparents have lived in Switzerland for years. The citizenship referendum was the latest installment of Switzerland's direct democracy that gives voters a frequent say on political decisions.

Novartis bullish on CAR-T cancer treatment (Taipei Times, 01.02.2017)

Novartis AG is pushing ahead with one of its most ambitious cancer therapies, a treatment that the Swiss drugmaker has said has blockbuster potential as it extends that technology to a wider pool of tumor-ridden patients. Europe's second-biggest drugmaker is planning to test its CAR-T treatments—which involve extracting immune cells and genetically engineering them to hunt and kill cancer cells before returning them to the patient's body—on lethal cancers of the brain, pancreas, colon, ovary and lung. The company has also doubled its investment in manufacturing for these treatments.

Foreign Policy

Taiwan brushes aside Cambodia's ban of its flag (The China Post, 07.02.2017)

Taiwan was unwilling to call out Cambodian Prime Minister Hun Sen for his recent vow to ban Taiwan's national flag in his country because of Cambodia's "one China" policy. Speaking at a dinner held by the Cambodian-Chinese Association, Hun Sen said Cambodia welcomes Taiwanese businessmen to invest in his country but it will ban Taiwan's flag because Cambodia follows the "one China" policy promoted by Beijing.

China Relation

Beijing defends deportation of Spain suspects to China (The China Post, 23.02.2017)

Beijing insisted that Spain deport 269 suspects, including 218 Taiwanese and 51 Chinese citizens, recently arrested in the country for alleged telecom fraud to China, on the grounds that the victims were all Chinese. Bringing said all the suspects to China would help with the investigation, facilitate the fight against telecom fraud and protect the rights of the victims. However, Taiwan's Mainland Affairs Council (MAC) criticized China for seeking to extradite Taiwanese nationals to China, saying Beijing's "unilateral" decision undermines the foundation of cross-strait cooperation and mutual trust.

Chinese tourists to Taiwan down 33 percent since May 2016 (Focus Taiwan, 11.02.2017)

The number of Chinese tourists arrivals in Taiwan reached 2.73 million in 2016, down 18 % compared to the previous year, but dropping a more severe 33 % since May, when Taiwan President Tsai Ing-wen came into power, according to the Ministry of the Interior. The statistics showed that a total of 3,473,000 Chinese visitors arrived in Taiwan in 2016, 78.8 % of whom, or came for tourism, while others visited for professional exchanges or medical treatment. Besides tourists, Chinese visitor arrivals overall also dropped 16.2 % in 2016.

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**Beijing mass-producing amphibious landing craft (The China Post, 04.02.2017)**

China has begun the mass production of a domestically-developed amphibious landing craft which will enhance the country's amphibious capabilities and enable it to transport heavy military vehicles in the event of war with Taiwan, according to the Chinese news website Guancha.cn. The report said that the new Type 726 LCAC is part of the Chinese navy's South China Sea fleet.

Domestic Policy**Taiwan Cabinet announces partial reshuffle involving 4 ministries (Taiwan News, 03.02.2017)**

The Cabinet announced its first significant reshuffle since taking office in May 2016 as four major Cabinet-level agencies have new leaders. Minister without Portfolio Lin Mei-chu will take over as labor minister and former Deputy Health Minister Chen Shih-chung will head the Ministry of Health and Welfare. Yilan County Magistrate Lin Tsung-hsien will take over as the head of the Council of Agriculture, and Deputy Education Minister Chen Liang-gee will head the Ministry of Science and Technology. The Cabinet did not give any reason why the incumbent heads of the four agencies were to be let go less than nine months after taking their positions.

Taiwan's Cabinet passes a plan to achieve 3% economic growth rate in 4 years (Taiwan News, 02.02.2017)

Taiwan's Cabinet passed a four-year national development plan that set the goals of achieving 2 % to 2.5 % of economic growth rate for the year 2017 and 2.5 % to 3 % for the years from 2017 to 2020. The National Development Council (NDC) said that the global economy is expected to pick up growth in the next four years but not to the level before the financial crisis. The challenges that might rise up in the next four years include the anti-globalization caused by US President Donald Trump's reforms, the possible unraveling of the EU caused by Brexit, spillover effects of China's reforms, domestic labor shortages, and the country's investment environment that needs improvement. The government's economic priority is to raise investment in innovative industries and infrastructure, including digital industries, green energy, transportation and water resources. In addition, the government will push for a wide range of reforms, including legal reforms and tax reforms, while eyeing an upgrade in labor quality, financial technology and improved land utilization, according to NDC.

Cabinet approves plan to upgrade drug evaluation center (The China Post, 02.02.2017)

The Cabinet approved a draft bill to upgrade the Center for Drug Evaluation into a financially independent national organization, in a bid to create a more efficient system for the review of pharmaceuticals and medical devices. The new organization will handle all such reviews nationwide, taking over the responsibilities of the non-governmental and non-profit Center for Drug Evaluation and several other entities that currently deal with the evaluation of medical devices and drugs. It will also help streamline the process of obtaining licenses to sell medical devices and drugs, shortening the waiting time by one to two months.

Economy/Finance**Unemployment falls to 3.78% in January (DigiTimes, 25.02.2017)**

Taiwan's unemployment figure fell 0.01 percentage points in January to 3.78 %, with 445,000 people out of work, down 1,000 from December, according to the Directorate General of Budget, Accounting and Statistics (DGBAS). The drop was due to an improved economy since the second half of 2016, and because wholesale, retail and other industries hired more people to fill temporary jobs in January -- the month in which many traditional festivals take place.

Retail, food and beverage sales hit new high in January (Focus Taiwan, 25.02.2017)

The monthly sales of the local retail and food & beverage sectors hit new highs of 3.9 % to NT\$377.4 billion in January on heavy consumer spending before and during the six-day Lunar New Year holiday that began on Jan. 27. Wholesale sector sales trended lower 0.8 % y-o-y in January, however, sales of machinery and household appliances and equipment fell because of the reduction in business days caused by the holiday, according to the Ministry of Economic Affairs (MOEA).

Industrial production grows for 6th straight month (Taiwan News, 23.02.2017)

Taiwan's industrial production for January rose 2.77 % from a year earlier to 104.77 on the back of strong global demand for high-tech devices, according to MOEA. In January, the manufacturing sector sub-index, which accounts for more than 90 % of the country's total industrial production, increased 3.80 % from a year earlier after the electronic component industry posted 12.02 % y-o-y production growth.

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**Firms upbeat on Taiwan: AmCham (Taipei Times, 21.02.2017)**

US companies in Taiwan are slightly more confident about their financial prospects this year as the economy improves and the government heeds calls for regulatory reform, a survey by the American Chamber of Commerce in Taipei (AmCham) showed. The poll showed that 56.1 % of US companies with operations in Taiwan expect revenue and profits to increase this year, up from 54 % last year, reflecting a modest improvement. Last year, 67 % of the respondents described their financial performance as "profitable", mainly due to Premier Lin Chuan extending the public comment period for new regulations from 14 days to 60 days.

Taiwan's export orders up 5.2% in January (Focus Taiwan, 20.02.2017)

Taiwan's export orders rose 5.2 % in January from a year earlier to US\$35.97 billion, marking the sixth consecutive month of positive growth, the MOEA said. Export orders for precision equipment in January posted 17.6 % annual growth, due largely to robust demand for flat panels as a result of inventory increases by TV vendors, while orders received by machinery makers jumped 13 %, thanks to increased demand for automation in China and Hong Kong.

Taiwan IC production value rises 8.2% in 2016, say TSIA and IEK (DigiTimes, 20.02.2017)

The production value of the local integrated circuit sector last year was NT\$2.45 trillion (US\$79.58 billion), an 8.2 % annual growth, according to the Taiwan Semiconductor Industry Association and the Industrial Economics & Knowledge Center. The IC design segment's output value last year amounted to NT\$653.1 billion, a 10.2 % annual growth, while the IC manufacturing segment posted NT\$1.33 trillion in production value last year, +8.3 %.

DGBAS raises forecast for Taiwan's 2017 economic growth to 1.92% (Taiwan News, 15.02.2017)

The DGBAS upgraded its forecast for Taiwan's 2017 GDP growth to 1.92 % from previous forecast of 1.87 % in last November, citing recovering exports and government stimulus measures. The DGBAS also raised its 2017 growth forecast for Taiwan's exports and imports to 4.01 % and 4.07 %, respectively, however, private consumption is expected to grow only 1.75 % and the CPI by 1.08 %. Meanwhile, private investment this year was lowered by 0.15 percentage points to 1.85 % due to a relatively high comparison base last year.

Inflation in January hits 11-month high (Focus Taiwan, 08.02.2017)

Taiwan's consumer price index (CPI) rose 2.25 % in January from a year earlier, the highest y-o-y growth level in 11 months, the DGBAS said. The faster-paced inflation reflected more expensive meat, fish, fruit and gasoline during the month and higher prices for services such as taxi and group tour fares leading into the Lunar New Year holiday period. The wholesale price index rose 2.72 % in January, the highest monthly rise in five years, mainly because of higher crude oil, natural gas and chemical prices.

Data shows expansion in manufacturing, non-manufacturing: CIER (The China Post, 07.02.2017)

Although the purchasing managers index (PMI) fell 2.5 points in January from the previous month to 53.4 points, it remained above the 50 point threshold, indicating expansion in the manufacturing sector, said the Chung-Hua Institution for Economic Research (CIER). The decline in the PMI was due to fewer working days in January with the Lunar New Year holiday falling in that month. The non-manufacturing sector also expanded for the second consecutive month in January, with the non-manufacturing index (NMI) rising 2.8 points to 54.1.

Taiwan's exports grow for 4th straight month in January (Taiwan News, 07.02.2017)

Taiwan's exports for January rose 7 % from a year earlier to US\$23.74 billion on the back of solid global demand, in particular electronic devices, marking the fourth consecutive month that the country's outbound sales increased on a year-on-year basis, the Ministry of Finance (MOF) said. In January, Taiwan's imports rose 8.4 % from a year earlier to US\$20.25 billion, marking the fifth consecutive month in which inbound sales posted a y-o-y increase. Looking ahead, with the global economy on the road to recovery, MOF is upbeat about Taiwan's export performance for the first quarter of this year.

Foreign institutional investors resume net fund inflows in January (Focus Taiwan, 06.02.2017)

Foreign institutional investors resumed net fund inflows into Taiwan in December after three months of net outflows, at a time when global financial markets showed signs of stabilizing and diminishing fear over an interest rate hike in the US, according to the Financial Supervisory Commission (FSC). There was US\$2.65 billion in net fund inflows into the country from foreign institutional investors in December after about US\$7.15 billion in net fund outflows over the previous three months.

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**Consumer confidence falls to four-year low (The China Post, 02.02.2017)**

Taiwan's consumer confidence index (CCI) in January fell to its lowest level in four years amid a stagnation of the domestic economy, according to the National Central University (NCU). The CCI for January was 74.35, down 2.87 points from a month earlier and the lowest level since February 2013, when the CCI was 75.24. In January, all six sub-indexes fell, with the sub-index for confidence in the job market seeing the biggest decline, dropping 4.90 points to 100.9.

Housing transactions down 16% in 2016 (Focus Taiwan, 02.02.2017)

Transactions of residential and commercial housing in Taiwan for 2016 fell 16.1 % from a year earlier in the face of a cautious property market, the Ministry of the Interior said. Market analysts said that the slower property market in Taiwan reflected in part government efforts to rein in soaring home prices, including a tax reform to increase the tax burden on property investors. Taipei, the capital city, recorded 21,500 unit sales in 2016, down 28.1 % from a year earlier, the steepest decline among major cities.

Technology/Innovation**Introducing the Acer-developed smart parking system (The China Post, 22.02.2017)**

Taiwanese computer manufacturer Acer Inc., the Tainan City government and Tainan University of Applied Sciences unveiled a new smart parking management system that allows drivers to easily find parking lots in the southern Taiwanese city. Under the system developed by Acer, users can find real-time information on parking availability through a cloud-based smart roadside parking service app and reduce time spent looking for a parking space. The system will gradually expand to other cities and counties in Taiwan.

Taiwanese technology can help India fight pollution: official (Focus Taiwan, 20.02.2017)

Taiwanese technology can help improve India's air quality by recycling its agricultural waste into bioethanol or pellets that can be used as fuels, according to Dr. Henry H. Chen, a counselor in the Taipei Economic and Cultural Center in India and a professor of food science at National Pingtung University of Science and Technology. Instead of letting farmers and landowners burn agricultural waste like straws, stalks, pasture and woody chips and pollute the air, Taiwan has second-generation bioethanol technology to manufacture cellulosic ethanol from a wide range of those waste products, Chen said.

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