



Press Review Taiwan

Trade Office of Swiss Industries, Taipei, 1—30 September 2015



Contents

Switzerland in the local press 2
Swiss gov't probes seven banks for price fixing in metals market (The China Post, 29.09.2015).....2
Sister Felder back to Switzerland after more than 50 years in Taiwan (Apply Daily, 27.09.2015)2
China probes the managers of Switzerland's Schindler: firm (The China Post, 26.09.2015)2
Zurich Insurance to face losses over Tianjin disaster, scraps takeover bid (The China Post, 22.09.2015)2
Blankets cover Swiss glacier to slow the melting of rapidly retreating ice (The China Post, 16.09.2015).....2
Using GPUs to Predict Storms and Other Weather Hazards (CTimes, 16.09.2015).....2
Credit Suisse to host 16th Asian Technology Conference (The China Post, 07.09.2015)2
Switzerland remits back US\$6.74 million of ex-president's funds (Focus Taiwan, 04.09.2015).....2
Foreign Policy 3
Paraguay's Cartes praises Taiwan at United Nations (Taipei Times, 30.09.2015)3
Taiwan pushing for establishment of offices in Southeast Asia (The China Post, 29.09.2015).....3
Taiwan confident of continued solid ties with Vatican (Taiwan News, 29.09.2015).....3
Malaysia extends duration of visa-free entry for Taiwanese visitors (Focus Taiwan, 15.09.2015)3
Taiwanese delegation active at APEC finance meeting (The China Post, 14.09.2015)3
China Relation 3
Taiwan aiming to finalize trade pact with China soon (Taiwan News, 29.09.2015)3
China to issue e-travel passes for Taiwanese visitors from Sept. 21 (Focus Taiwan, 20.09.2015)3
Domestic Policy 4
Taiwan committed to cutting carbon emissions: President Ma (Focus Taiwan, 16.09.2015)4
Taiwan to follow US move to ban trans-fat: FDA (Taiwan News, 07.09.2015)4
Economy/Finance 4
Consumer confidence of Taiwan falls in September (The China Post, 30.09.2015)4
Central bank cuts interest rates (Focus Taiwan, 24.09.2015)4
Unemployment up slightly to 3.9% in August (The China Post, 23.09.2015)4
Export orders fall 8.3 % y-o-y (Taipei Times, 22.09.2015).....4
Average monthly earnings in first 7 months of 2015 up 3.53% (Taiwan Today News, 22.09.2015)4
Taiwan sees 3.5 % drop in Q2 investment in manufacturing (Taiwan News, 16.09.2015).....4
ANZ cuts Taiwan growth forecasts for '15, '16 (The China Post, 13.09.2015)5
Local consumer price index down by 0.45% in August (The China Post, 09.09.2015)5
National per capita debt reaches NT\$231,000 at end of August (Taiwan News, 07.09.2015)5
Taiwan's exports slip for the seventh month in a row (Focus Taiwan, 07.09.2015)5
Output of Taiwan's LED component sector down sharply in H1 (Taiwan News, 05.09.2015).....5
Taiwan's foreign exchange reserves reach record high (Focus Taiwan, 04.09.2015).....5
Morgan Stanley slashes Taiwan 2015 GDP forecast to 1% (The China Post, 02.09.2015).....5
Taiwan PMI falls to new low in August (The China Post, 02.09.2015)6
Technology/Innovation 6
Taiwan allocates US\$50 million to boost 5G development (Focus Taiwan, 22.09.2015).....6
Siemens to assist Swancor on offshore wind project (The China Post, 17.09.2015)6
Special Focus 6
MOFA happy with Obama's stance (Taipei Times, 27.09.2015)6
US to stress stable cross-strait ties at Obama-Xi meeting: official (Focus Taiwan, 23.09.2015)6



Switzerland in the local press

Swiss gov't probes seven banks for price fixing in metals market (The China Post, 29.09.2015)

The Swiss Competition Commission (COMCO) said they were investigating UBS and Julius Baer, as well as against the foreign financial institutions Deutsche Bank, HSBC, Barclays, Morgan Stanley and Mitsui on suspicion of price fixing in the precious metals market. It said it had indications that the banks had "possibly concluded illegal competition defying deals" in the trade of precious metals like gold, silver and platinum.

Sister Felder back to Switzerland after more than 50 years in Taiwan (Apply Daily, 27.09.2015)

In 1965, Sister Marie-Therese Felder and several other Catholic priests and nuns came to the eastern part of Taiwan to help the sick and the needy. These missionaries from Switzerland saw the lack of medical facilities in Taiwan's mountainous areas and decided to use their medical training to open a clinic in the Guanshan Township of Taitung County. For Felder, using the clinic to help Taiwan's indigenous peoples became her lifelong mission. Now, after more than 50 years in Taiwan, Felder has finally returned home.

China probes the managers of Switzerland's Schindler: firm (The China Post, 26.09.2015)

Chinese authorities are investigating two managers of Swiss lift and escalator maker Schindler over possible embezzlement and bribery, the company said, the latest foreign firm caught up in a corruption crackdown. "The allegations are not known in detail, but could relate to investigations into employees of the Chinese sales organization," the statement said. China-based staff of Schindler declined to comment on the allegations.

Zurich Insurance to face losses over Tianjin disaster, scraps takeover bid (The China Post, 22.09.2015)

Switzerland's Zurich Insurance said it faces losses of some 243 million euros (US\$275 million) following last month's industrial disaster in Tianjin, China. The insurer said it forecast third-quarter losses of US\$200 million in its general insurance business and will conduct a review of the unit. Massive explosions at a hazardous goods storage firm in Tianjin, northeastern China, on Aug. 12 killed 161 people.

[Top of Document](#)

Blankets cover Swiss glacier to slow the melting of rapidly retreating ice (The China Post, 16.09.2015)

From afar, the Rhone glacier looks pristine, but on closer inspection the surface is covered with white blankets to slow the melting of the rapidly retreating ice. But hiding underneath the blankets is a Swiss tourist attraction: a long and winding ice grotto with glistening blue walls and a leaky ceiling that has been carved into the ice here each year since 1870. The blankets reduce the ice melt by as much as 70 %, explaining why the covered cave towers far above the nearby center of the glacier tongue, which slopes lazily into a pine-green lake.

Using GPUs to Predict Storms and Other Weather Hazards (CTimes, 16.09.2015)

The Swiss have made significant advancements in their ability to predict storms and other weather hazards with higher levels of accuracy by using high performance GPUs. The Swiss Federal Office of Meteorology and Climatology, MeteoSwiss, is the first major national weather service to deploy a GPU-accelerated supercomputer to improve its daily weather forecasts. The new system provides 40 times higher performance than the CPU-based system it's replacing. It allows MeteoSwiss to develop weather models with more than two times higher resolution—and at three times higher energy efficiency.

Credit Suisse to host 16th Asian Technology Conference (The China Post, 07.09.2015)

Swiss bank Credit Suisse Group AG opened its annual Asian Technology Conference in Taipei on 9 Sep., corresponding with Apple Inc.'s new product launch and the release of new computers running the Windows 10 system. The 16th Credit Suisse Asian Technology Conference, scheduled for Sept. 9-11, is one of Asia's largest tech conferences. This year's line-up includes 98 companies at the Taipei event, as well as over 20 other companies that will have a presence during its pre-tours. The Swiss bank said it will also host non-Asian tech suppliers, including Amkor, Austria Tech, Dialog Semi and Silicon Motion.

Switzerland remits back US\$6.74 million of ex-president's funds (Focus Taiwan, 04.09.2015)

Taiwan has received around NT\$208.9 million (US\$6.74 million) from Swiss authorities that were illicit gains of former Taiwanese President Chen Shui-bian. The money was laundered to Switzerland by Chen's family members and deposited in Wegelin and Co. Private Bankers in accounts held under the names of the former President's son Chen Chih-chung and his daughter-in-law Huang Jui-ching.

[Top of Document](#)



Foreign Policy

Paraguay's Cartes praises Taiwan at United Nations (Taipei Times, 30.09.2015)

Paraguayan President Horacio Cartes praised Taiwan's efforts to lower tension in the Taiwan Strait, on the day the General Debate of the 70th session of the UN General Assembly opened. Cartes said his nation welcomes the efforts and contributions of the Taiwanese government to reduce tensions in the Taiwan Strait, which he said ensures peace and stability in East Asia. The international community is positive about the improvements in cross-strait relations, calling on both sides of the Taiwan Strait to continue dialogue and exchanges in a pragmatic manner. Paraguay was Taiwan's first diplomatic ally to speak up for the nation at the debate.

Taiwan pushing for establishment of offices in Southeast Asia (The China Post, 29.09.2015)

The Ministry of Foreign Affairs (MOFA) has promoted a "go south" policy in a pragmatic manner and has always wanted to set up representative offices in Southeast Asia, it said amid reports that it could set up an office in Myanmar soon. The ministry has made efforts to strengthen substantive relations with Southeast Asia and India over the years and is pushing to set up offices, and discuss bilateral trade, agricultural and fishery cooperation.

Taiwan confident of continued solid ties with Vatican (Taiwan News, 29.09.2015)

The Taiwan government understands the Vatican's desire for dialogue with China and thinks that it will consider the feelings of the Taiwanese people as it works to develop relations with China, the MOFA said. The Republic of China (Taiwan) has long-term diplomatic relations with the Vatican, which remain solid and are proceeding normally. Vatican commissions and Catholic charities frequently hold activities in Taiwan, which is evidence of the close exchanges and solid friendship between the two sides, MOFA said. The ministry's comments came in the wake of foreign media reports that Pope Francis is eying a visit of China.

Malaysia extends duration of visa-free entry for Taiwanese visitors (Focus Taiwan, 15.09.2015)

Taiwanese passport holders are now allowed to stay in Malaysia visa-free for 30 days, up from the previous 15 days, the Ministry of Foreign Affairs said. The new rule is expected to boost bilateral people-to-people exchanges, creating more convenience for tourists from both countries to each other's country and facilitating short-term business travel, according to the ministry.

Taiwanese delegation active at APEC finance meeting (The China Post, 14.09.2015)

Members of a Taiwanese delegation attending the Asia-Pacific Economic Cooperation (APEC) finance ministers' meeting in Cebu have had fruitful talks with their counterparts over the past two days, delegation members said. Taiwan's delegation met US finance officials and discussed Taiwan's bid to join the US-led Trans-Pacific Partnership, with the US side agreeing to help Taiwan promote its bid. They also discussed the issue of double taxation avoidance. The delegation also held bilateral talks with their counterparts from Vietnam, India and Australia to discuss financial issues and cooperation opportunities.

[Top of Document](#)

China Relation

Taiwan aiming to finalize trade pact with China soon (Taiwan News, 29.09.2015)

Taiwan is hoping to conclude its negotiations with China on a trade in goods agreement by the end of the year to gain the best business opportunities for Taiwanese enterprises and enhance their competitive edge, according to the Mainland Affairs Council (MAC). The council also said the next round of meeting between MAC Minister Hsia Li-yan and his Chinese counterpart, Zhang Zhijun, director of Beijing's Taiwan Affairs Office, is being arranged, and he hopes the meeting could take place soon. The MAC will also push for the establishment of reciprocal representative offices by both sides to protect the rights and interests of Taiwanese in China.

China to issue e-travel passes for Taiwanese visitors from Sept. 21 (Focus Taiwan, 20.09.2015)

China's new policy of issuing electronic travel passes to Taiwan visitors will be fully implemented from 21 Sept. amid concerns that the new card could encroach upon personal privacy, according to a recent notice issued by the Chinese government. In the public notice issued on 15 Sept., the Chinese government said Taiwan residents can apply to its public security departments above the county level to convert their travel passes into basic computer readable cards.

[Top of Document](#)



Domestic Policy

Taiwan committed to cutting carbon emissions: President Ma (Focus Taiwan, 16.09.2015)

President Ma Ying-jeou said that Taiwan will follow international regulations and join global efforts to combat climate change, although it is not party to the United Nations Framework Convention on Climate Change. The passage of the Greenhouse Gas Reduction Act in June stipulates that Taiwan seek to cut its carbon emissions to half of the 2005 level by 2050, was a big step in the country's effort to combat climate change.

Taiwan to follow US move to ban trans-fat: FDA (Taiwan News, 07.09.2015)

Taiwan's Food and Drug Administration (FDA) said it will follow the US's latest move to remove artificial trans fats from processed foods, giving food manufacturers a compliance period of three years to eliminate the materials from their products. The FDA said it will officially announce a ban in late 2015 or early 2016 on trans-fat, made of partially hydrogenated oils (PHOs), which the US determined in June are not "generally recognized as safe."

[Top of Document](#)

Economy/Finance

Consumer confidence of Taiwan falls in September (The China Post, 30.09.2015)

Taiwan's consumer confidence continued to weaken in September, dropping for five consecutive months, according to a survey released by National Central University. The survey indicated that the consumer confidence index (CCI) for September dropped 0.83 points from a month earlier to 85.32, falling for five months in a row, according to the university's Research Center for Taiwan Economic Development.

Central bank cuts interest rates (Focus Taiwan, 24.09.2015)

The Central Bank of the Republic of China said that it has decided to cut its key interest rates by 0.125 percentage points. It is the first time the central bank has cut interest rates after leaving them unchanged for the past 16 quarters. The interest rate cut has dragged down the discount rate to 1.750 %, the rate of accommodations with collateral to 2.125 %, and the rate of accommodations without collateral to 4.0 %. Market analysts said that the latest decision by the central bank is aimed at boosting the local economy, which has been hurt by weakening global demand.

Unemployment up slightly to 3.9% in August (The China Post, 23.09.2015)

Taiwan's unemployment rate in August was 3.9 %, up 0.08 percentage points from July but down 0.18 points from a year ago, according to the Directorate General of Budget, Accounting and Statistics (DGBAS). The August jobless rate was the lowest recorded for the month since August 2000, when unemployment was 3.16 %. After seasonal adjustments, the jobless rate was 3.74 % in August, the same as in July, statistics showed. Seasonally adjusted unemployment has ranged between 3.74 % and 3.78 % in the first eight months of 2015.

Export orders fall 8.3 % y-o-y (Taipei Times, 22.09.2015)

Export orders fell at a higher-than-expected rate of 8.3 % y-o-y last month on sluggish demand for consumer electronics products primarily in China, which does not bode well for the nation's economic growth this quarter, statistics released by the Ministry of Economic Affairs showed. The outlook for this month is bleak as the decline in export orders is expected to accelerate to a double-digit percentage on an annual basis due to a higher base in September last year and uncertainty over demand for Apple Inc's new iPhone 6S, the ministry said.

Average monthly earnings in first 7 months of 2015 up 3.53% (Taiwan Today News, 22.09.2015)

The monthly earnings of the average worker in Taiwan rose 3.53 % in the first seven months of this year from a year earlier, due largely to an increase in year-end and performance bonuses, according to DGBAS. In the seven-month period, the average employee earned NT\$51,454 (US\$1,575) a month, the highest ever recorded for the same period of the year in the country's history.

Taiwan sees 3.5 % drop in Q2 investment in manufacturing (Taiwan News, 16.09.2015)

Taiwan's fixed asset investment in manufacturing reported a 3.5 % y-o-y drop and saw a total of NT\$229.5 billion in the second quarter of 2015, the Ministry of Economic Affairs said, but added that it was optimistic about investment prospects for the second half of the year. During the first six months of the year, a total of NT\$428.6 billion was invested in fixed assets in the manufacturing sector, a 7.6 % y-o-y decrease. The drop may result from companies' plans to invest at other times of the year and a more conservative attitude toward investments amid a sluggish global economy.

[Top of Document](#)

**ANZ cuts Taiwan growth forecasts for '15, '16 (The China Post, 13.09.2015)**

Australia and New Zealand Banking Group Ltd. (ANZ) has lowered its forecasts of Taiwan's gross domestic product (GDP) growth for 2015 (from 1.94 % to 1.3 %) and 2016 (from 3.8 % to 2.04 %) by taking a weaker-than-expected export performance into account. ANZ said that the global electronics industry is faced with downside risks in the wake of weakening global demand, and as the high-tech sector serves as the backbone of Taiwan's exports, the country has felt the pinch from the falling demand.

Local consumer price index down by 0.45 % in August (The China Post, 09.09.2015)

The consumer price index (CPI) for August fell 0.45 % from a year earlier reflecting a fall in fuel prices, marking the eighth consecutive month in which the local CPI registered a y-o-y decline. In the first eight months of this year, Taiwan's CPI fell 0.62 % from a year earlier, according to the DGBAS. Despite a continued fall in the August CPI, DGBAS said that there are no concerns that Taiwan will face any deflationary pressure any time soon as the core CPI, which excludes vegetables, fruits and energy, remained stable. In the first eight months of this year, Taiwan's WPI fell 9.15 % from a year earlier.

National per capita debt reaches NT\$231,000 at end of August (Taiwan News, 07.09.2015)

The average national debt shouldered by each citizen in Taiwan reached NT\$231,000 (US\$7,046) at the end of August, according to the Ministry of Finance (MOF). At the end of August, Taiwan's outstanding long-term debt with a maturity of more than one year totaled NT\$5.31 trillion, almost unchanged from the previous month's figure, while the country's short-term debt was NT\$108.7 billion, bringing the total national debt at NT\$5.42 trillion. If the "hidden debt" by the central and local governments, which totaled NT\$18 trillion, are included, the national debt will swell to as high as over NT\$25 trillion, or a per capita debt of NT\$1.07 million.

Taiwan's exports slip for the seventh month in a row (Focus Taiwan, 07.09.2015)

Amid a global economic slowdown, slumping oil and industrial raw material prices, Taiwan's exports dropped 14.8 % to US\$23.93 billion in August, marking the seventh consecutive month of declines, according to the MOF. Among the major export products, mineral and plastics products saw the biggest drops in export quantities. Meanwhile, China's burgeoning supply chains for its high-tech manufacturing sector have also posed a threat to local firms, while the outlook for the electronics market is uncertain, it will be difficult to see exports growth for the rest of the year. Taiwan's imports also decreased in August, by an annual 16.7 % to US\$19.97 billion.

[Top of Document](#)

Output of Taiwan's LED component sector down sharply in H1 (Taiwan News, 05.09.2015)

Production value of Taiwan's LED component sector, including LED chips and epitaxy, fell almost 20 % from a year earlier to NT\$19.8 billion (US\$604 million) in the first half of this year in reflection of falling global demand for a wide range of electronic devices such as notebooks and TVs, the Photonics Technology & Industry Development Association (PIDA) said. To grasp a higher share, the PIDA said, many LED lighting suppliers around the world are engaged in a price competition so that a weakening pricing power of LED chip makers has imposed further adverse impact on the LED component industry, sending the sector's production value even lower.

Taiwan's foreign exchange reserves reach record high (Focus Taiwan, 04.09.2015)

Taiwan's foreign exchange reserves increased by US\$2.835 billion to US\$424.79 billion as of the end of August, a record high in history, according to the Central Bank. Foreign funds outflow meanwhile reached US\$3.483 billion, a new high in 47 months, the central bank added. The bank attributed the increase mainly to profits generated by investments made with the nation's foreign exchange reserves and the euro and other reserve currencies appreciating against the US dollar, which caused dollar-denominated foreign exchange reserves to increase.

Morgan Stanley slashes Taiwan 2015 GDP forecast to 1% (The China Post, 02.09.2015)

Morgan Stanley slashed its forecasts for Taiwan's economic growth this year and next year to 1.0 % (from 3.7 %) and 1.7 % (from 4.0 %) due to worsening exports and a slowdown in domestic consumption. "The revision is mainly on softer-than-expected exports that may later spill over to domestic consumption in 2016," according to Morgan Stanley. Along with the GDP cut, the institute also trimmed her end-2015 target for the Taixex from 9,000 to 8,300 to reflect soft fundamentals in Taiwan's economy.

[Top of Document](#)

**Taiwan PMI falls to new low in August (The China Post, 02.09.2015)**

Taiwan's manufacturing activity continued to contract in August with the purchasing managers index (PMI) falling 3.6 points to 45, a new low at a time when the global economy showed signs of slowing in July 2012, the Chung-Hua Institution for Economic Research (CIER) said. It was the second consecutive month for the local PMI to fall below the 50 mark. In July, Taiwan's PMI fell 2.2 points from June to 48.6. A PMI reading of above 50 indicates expansion in manufacturing activity, while a figure below 50 signals contraction.

Technology/Innovation**Taiwan allocates US\$50 million to boost 5G development (Focus Taiwan, 22.09.2015)**

The government has earmarked US\$50 million for the development of fifth-generation (5G) technology, given that Taiwan is a pioneer in the 5G area and is committed to the development of 5G technology, according to the Department of Industrial Technology, MOEA. The International Telecommunication Union (ITU) has defined 5G network speeds as being 10 Gigabits per second (Gbps), with peak speeds of 20 Gbps, according to the executive secretary of the Executive Yuan's Science and Technology Advisory Group, who said 5G technology is expected to usher in a new era for wireless technology.

Siemens to assist Swancor on offshore wind project (The China Post, 17.09.2015)

Siemens Wind Power and Renewables has signed a turbine supply agreement for the Formosa Phase 1 offshore wind project with the power provider Formosa I Wind Power Co., Ltd., the subsidiary of Swancor IND. Co., Ltd. The project will be implemented around 6 kilometers off the west coast of the Miaoli district in the Taiwan Strait with water depths around 15 to 30 meters. Siemens model SWT-4.0-120 wind turbines of the G4 product platform, each with a capacity of 4 megawatts, will be used in the project.

[Top of Document](#)

Special Focus**MOFA happy with Obama's stance (Taipei Times, 27.09.2015)**

US President Barack Obama's mention of the Taiwan Relations Act (TRA) during a joint news conference with Chinese President Xi Jinping reaffirmed Washington's commitment to Taiwan's security, the Ministry of Foreign Affairs (MOFA) said. The ministry welcomed Obama's remarks. It demonstrated the US commitment to Taiwan's security, following on his mention of the TRA on Nov. 12 last year in Beijing, when he also encouraged the two sides of the Taiwan Strait to establish mutual trust based on dignity and respect," the ministry said. "Their statements indicate that the US fully understands Taiwan's position and show active support of Taiwan," it said.

US to stress stable cross-strait ties at Obama-Xi meeting: official (Focus Taiwan, 23.09.2015)

The US stresses that stable cross-Taiwan Strait relations are in its fundamental interest at the summit meeting between US President Barack Obama and his Chinese counterpart Xi Jinping, according to Daniel Kritenbrink, senior director for Asian Affairs on the National Security Council. "The US one-China policy based on both the three Joint Communiqués and the Taiwan Relations Act remains unchanged," Kritenbrink said. "Our fundamental interest is in cross-strait stability." He referred to them as "key elements" and "our bottom lines."

[Top of Document](#)