

**Press Review Taiwan**

Trade Office of Swiss Industries, Taipei, 1—31 May 2019

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Switzerland in the local press

Taiwan signs MOU with Swiss hospital on emergency response, rescue (Taiwan News, 22.05.2019)

Taiwan's Ministry of Health and Welfare (MOHW) and Geneva University Hospitals (HUG) pledged to cooperate on emergency medical response and regional disaster rescue efforts. The memorandum of understanding (MOU) on Disaster and Emergency Medical Collaboration was signed in Geneva. Through cooperation with HUG and organizations in other countries, Taiwan can improve its own disaster response capacity and help save lives throughout the world when disaster strikes, MOHW said.

Swiss voters give green light for tax overhaul (Taipei Times, 21.05.2019)

Voters in Switzerland approved a shake-up of the corporate tax system, heading off what Swiss Minister of Finance Ueli Maurer had called an existential threat to the nation's role as a business hub. Provisional results with all votes counted showed that the measure passed in the binding referendum by a 66-34 % margin. The vote on tax reform and pension finance defuses a long-running row over favorable Swiss tax rates for multinational corporations. Acceptance was vital to prevent the country being branded a low-tax pariah.

Swiss priest receives Taiwanese citizenship (Focus Taiwan, 16.05.2019)

Father Jean-Claude Fournier from Switzerland was granted Taiwanese citizenship by Taiwan's government, in recognition of his promotion of education in rural areas. Born in 1938, the 82-year-old Swiss priest first came to Taiwan in 1965 and settled in the eastern county of Hualien. He helped local residents to improve their lives by establishing savings cooperatives and teaching money management. He is the fourth foreign resident in Hualien to receive Republic of China (ROC) citizenship because of a special contribution to Taiwan.

Swiss Bank Asks for Updates on Chen (Public TV Service News, 01.05.2019)

Former President Chen Shui-bian was released on medical parole four years ago and his bank accounts containing NT\$ 300 million in Switzerland has been frozen for 11 years after Chen was arraigned on multiple counts of corruption. Justice Minister Tsai Ching-hsiang admitted the ministry had received letters from Switzerland asking for a progress report on Chen's cases. The Ministry of Justice merely received a letter from Switzerland asking for an update, and has passed the letter on to the relevant agency for processing.

Foreign Policy

Taiwan, Austria sign MOU on investment cooperation (The China Post, 29.05.2019)

Taiwan and Austria signed a memorandum of understanding (MOU) to encourage investment cooperation between the two countries, according to the Ministry of Economic Affairs (MOEA). The MOU is aimed at promoting industrial business clusters, including integration of the semiconductor, automobile and biotechnology industries between Taiwan and Austria. The MOU will start with conducting information exchanges and other activities, starting with industries in which both Taiwan and Austria are currently interested, including machinery and smart cities.

Taiwan foreign minister to visit 3 Caribbean allies to solidify ties (Focus Taiwan, 28.05.2019)

Foreign Minister Wu departed Taiwan on a visit to three of Taiwan's diplomatic allies in the Caribbean region to enhance relations and build closer cooperation. Wu is scheduled to visit St. Christopher and Nevis, St. Vincent and the Grenadines, and St. Lucia, where he will discuss issues of mutual concern, the Ministry of Foreign Affairs (MOFA) said. More than half Taiwan's 17 diplomatic allies are in the Latin American and Caribbean region.

15 allies, 8 like-minded nations, speak for Taiwan at WHA (Taiwan Today, 23.05.2019)

A total of 15 of Taiwan's 17 diplomatic allies and eight like-minded non-ally countries have spoken up for Taiwan's participation at the World Health Assembly (WHA), as the plenary session of the annual meeting in Geneva. The 15 allies are the Marshall Islands, Kiribati, Palau, St. Lucia, Tuvalu, Haiti, Belize, eSwatini, St. Christopher and Nevis, Nauru, the Solomon Islands, Paraguay, Honduras and St. Vincent and the Grenadines, and Guatemala. The eight like-minded countries that also voiced direct or indirect support for Taiwan's WHA push are the United States, the United Kingdom, Japan, Canada, Australia, France, Germany and New Zealand.

Taiwan, eSwatini set up joint economic committee (Focus Taiwan, 22.05.2019)

Taiwan and eSwatini signed a resolution for the establishment of the joint committee under the Economic Cooperation Agreement (ECA) between Taiwan and eSwatini, which took effect in December 2018 to push for bilateral economic cooperation, the MOEA said. The African ally is expected to serve as a base for Taiwanese companies that have set their sights on the growing African market.

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**Canada working holiday quota for Taiwan raised to 1,250 historic high (Taiwan Today, 16.05.2019)**

More Taiwanese will be able to have a working holiday in Canada in 2019 after the country raised its quota for Taiwanese participation in the program from 1,000 to 1,250, the MOFA said. Under the program, people aged 18-35 from the two countries are allowed to travel and work in each other's countries for up to one year. The Canadian government makes adjustments on working holiday quotas each year.

U.S. House passes bill bolstering support for Taiwan (Focus Taiwan, 08.05.2019)

The United States House of Representatives passed the 2019 Taiwan Assurance Act, which calls for regular transfers of defense articles to Taiwan and opening dialogue toward a Taiwan-US free trade agreement. The bill recognizes that Taiwan is an important part of U.S. Indo-Pacific Strategy and urges the government to assist Taiwan in terms of regular arms sales, and developing and integrating asymmetric warfare capabilities, including undersea warfare and air defense capabilities.

China Relation**MAC discourages Taiwanese from attending Straits Forum in China (Central News Agency, 30.05.2019)**

The Mainland Affairs Council (MAC) urged citizen of Taiwan not to attend the upcoming Straits Forum in China, which the council sees as part of Beijing's scheme to ultimately annex Taiwan through its "united front" strategy. The annual Straits Forum, slated for June 15-21 in Fujian's Xiamen City, is being used by China to drum up support among Taiwan's people and create an atmosphere conducive to its "one country, two systems" unification formula. MAC warned that Taiwanese groups and citizens are not permitted to sign agreements or memorandums of understanding, strike illegal deals, or forge alliances with Chinese authorities, in conflict with national interests.

Chinese yuan deposits fall to 5-year low (Focus Taiwan, 18.05.2019)

Chinese yuan deposits held by banks operating in Taiwan fell to the lowest level in five years at the end of April amid volatility of the Chinese currency at a time of rising trade tension between Washington and Beijing, according to Taiwan's central bank. The balance of yuan deposits at banks in Taiwan, including negotiable certificates of deposit, totaled 274.69 billion yuan (US\$39.70 billion) at the end of April, down 7.59 billion yuan from a month earlier.

About 100,000 Taiwanese apply for China residency (Taipei Times, 06.05.2019)

Around 100,000 Taiwanese nationals have applied for Chinese residence since the mainland authorities began in September last year to issue residence permits to Taiwanese people working or living in China, the MAC said. Beijing's issuance of the cards to Taiwanese, who have been legally living, working, or studying in China for more than six months, is seen by some as a political tactic to gain support among Taiwanese.

Domestic Policy**Taiwan imposes stiff penalties on spread of 'fake news' (Taiwan News, 08.05.2019)**

Taiwan's Legislature passed an amendment to the Disaster Prevention and Protection Act that imposes stiff penalties on those who spread fake disaster information. Under Article 41 of the amended Act, anyone who is aware of false information but still reports it to the fire department or police is subject to fines ranging from NT\$300,000 (US\$9,706) to NT\$500,000. Also, anyone who spreads rumors or false messages about disasters and as a result, causes harm to the public, is subject to imprisonment of up to three years, or a fine of up to NT\$1 million.

Travel restriction on officials handling classified data extended (Central News Agency, 08.05.2019)

A three-year travel restriction that applies to government officials who have had access to classified information but have already left their posts has been extended to six years was passed in the Legislature. The Classified National Security Information Protection Act was amended to close a loophole that lawmakers said allowed local government heads, in particular, to travel abroad without requiring permission, after they leave office. Under the Act, government officials or clerks who have handled classified information must seek government permission to travel overseas after their retirement, resignation, or transfer.

Legislature amends treason law to include collusion with China (Taiwan Today, 07.05.2019)

The Legislative Yuan passed an amendment to the Criminal Code to expand the scope of treason to include collusion with mainland China, Hong Kong, Macau, and any overseas enemy force or its agent. The amended law also allows for a prison sentence of up to five years, detention, and/or a maximum fine of NT\$500,000 (US\$16,450) if any person, without government authorization, makes an agreement with a foreign government or its agent. In cases where such an agreement could hurt Taiwan, the prison term is seven years to life.

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**Referendum decision to abolish nuclear-free deadline finalized (Focus Taiwan, 07.05.2019)**

The Legislative Yuan passed an amendment that will eliminate a requirement that all nuclear power plants in Taiwan cease operations in 2025, fulfilling the will of voters in a November 2018 referendum. The amendment passed by the legislative body scraps the first paragraph of Article 95 of the Electricity Act, which states "the nuclear-energy-based power-generating facilities shall wholly stop running by 2025." The clause was added to the Electricity Act in early 2017, writing into law the nuclear-free homeland policy of the Democratic Progressive Party (DPP) government.

Executive Yuan passes tariff cuts to secure support for CPTPP bid (Taiwan Today, 02.05.2019)

The Executive Yuan passed a draft amendment that seeks to lower tariffs on 15 agricultural and aquatic products, in the government's latest effort to secure membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The government hopes the proposed tariff cuts will demonstrate to the international community Taiwan's determination to push for trade liberalization and help to create an environment favorable to the nation's inclusion in regional economic integration.

Economy/Finance**Taiwan moves up to 16th in IMD competitiveness rankings (Taiwan Today, 29.05.2019)**

Taiwan is ranked 16th in global competitiveness by the Swiss-based International Institute for Management Development (IMD), up one position from last year, in its 2019 IMD World Competitiveness Ranking. Taiwan remains Asia's fourth most competitive economy, behind Singapore, Hong Kong and China. Taiwan was ranked 14th in business efficiency, up 6 places from last year, and 15th in economic performance, down one place. Taiwan's ranking in government efficiency remained the same as last year in 12th place, while its infrastructure performance was up three places to 19th. Taiwan's exports are concentrated with respect to both the range of products exported and the trading partners. Diversifying over these two dimensions reduces the risks associated with fluctuations in the economies of the small number of partners and goods exported, according to IMD report.

Taiwan's economy flashes 4th straight yellow-blue light: NDC (Taiwan Today, 28.05.2019)

Taiwan's economy flashed a yellow-blue light for the fourth consecutive month in April, signaling sluggish growth, the National Development Council (NDC) said. The composite index of monitoring indicators for April rose by 1 point from the previous month to 21, which was still two points shy of the level needed to flash a green light, which would suggest stable growth. The NDC said that in face of the intensifying US-China trade dispute, manufacturers are conservative in terms of confidence, because if the trade friction continues, they will be affected and even foreign trade will face great challenges.

Taiwan posts net fund outflow for 35th straight quarter (Focus Taiwan, 25.05.2019)

Central bank data showed the net fund outflow in Taiwan's financial account, which measures the flow of direct investment and portfolio investments, at US\$14.65 billion in the first quarter. The aggregate net outflow over the past 35 quarters was US\$428.99 billion (NT\$13.22 trillion), which is equivalent to 5.5 years of tax revenue in Taiwan. In the first quarter, Taiwan's current account surplus totaled US\$17.09 billion, down by US\$5.09 billion from a year earlier, as the country's exports dropped due to weakening global demand for information and communications devices, in particular, amid a trade war between the US and China, the central bank said.

Taiwan cuts 2019 GDP growth forecast to 2.19% (Taiwan News, 24.05.2019)

The Directorate General of Budget, Accounting and Statistics (DGBAS) said that it has cut its forecast for Taiwan's gross domestic product (GDP) growth for 2019 to 2.19 % at a time of a weakening global economy. In addition to the unfavorable external factors, the DGBAS also cited falling private consumption, as consumer confidence has been hurt by global financial market volatility amid the ongoing trade dispute. As a result, the DGBAS has lowered its real private consumption growth forecast after inflationary adjustment by 0.16 percentage points to 2.02 %.

Jobless rate down at 3.67%, Export orders drop for 6th straight month in April (The China Post, 23.05.2019)

The jobless rate for April fell slightly from a month earlier to 3.67 %, the DGBAS said. In April, the number of people out of work fell by 0.22 % m-o-m to 437,000, while the number of employed rose 0.02 % m-o-m to 11.48 million. The labor participation rate for April stood at 59.06 %, unchanged from a month earlier, the DGBAS said. Export orders received by Taiwan-based companies fell 3.7 % from a year earlier to US\$37.66 billion, the sixth consecutive month in April because of growing trade friction between the US and China and slower global economic growth, the MOEA said. In the first four months of the year, export orders were down 7.2 % from a year earlier to US\$145.64 billion.

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**U.S.-China trade war to push companies back to Taiwan: think tank (Taipei Times, 12.05.2019)**

The ongoing trade dispute between Washington and Beijing will compel more Taiwanese firms operating in China to return to Taiwan to avoid the United States' punitive tariffs on goods made in China, the Taiwan Institute of Economic Research's (TIER) said. Data compiled by the MOEA showed that 52 Taiwanese companies operating abroad have pledged to invest NT\$279.5 billion (US\$9.05 billion) in Taiwan so far this year amid trade worries.

Exports fall for 6th straight month in April (The China Post, 08.05.2019)

Taiwan's exports for April fell 3.3 % from a year earlier to US\$25.83 billion, marking the sixth consecutive monthly y-o-y decline, due to falling demand at a time when the global economy is weakening, the Ministry of Finance (MOF) said. Imports rose 2.6 % from a year earlier to US\$23.15 billion with a trade surplus of US\$2.69 billion, down US\$1.47 billion from a year earlier. In the first four months of this year, Taiwan's exports fell 4.0 % from a year earlier to US\$102.20 billion, and imports totaled US\$90.55 billion, little changed from a year earlier, with the trade surplus down US\$4.26 billion at US\$11.65 billion.

Taiwan forex reserves hit new high for 6th straight month (Taiwan News, 07.05.2019)

Taiwan's foreign exchange reserves at the end of April hit a new high for the sixth consecutive month to US\$464.83 billion, up US\$750 million from March, mainly on the back of an increase in returns from the central bank's investment portfolio. Taiwan's forex reserves were the fifth highest in the world after China's US\$3.99 trillion, Japan's US\$1.23 trillion, Switzerland's US\$759.6 billion and Saudi Arabia's US\$489 billion.

Consumer prices rise 0.66% in April (Focus Taiwan, 07.05.2019)

Consumer prices rose 0.66 % from a year earlier in April on the back of an increase in the price of vegetables, eggs, fuel and travel expenses, according to the DGBAS. However, a decline in the price of fruit, garments and 3C products as well as communications expenses capped the increase in the consumer price index for April. The wholesale price index (WPI) rose 0.58 % from a year earlier in April, reflecting an increase in the price of mineral and fuel products.

Taiwan GDP up 1.72% in Q1; falls short of estimate (Eye on Taiwan, 01.05.2019)

Taiwan's gross domestic product (GDP) rose 1.72 % from a year earlier in the first quarter, falling short of the 1.82 % growth projected in February, the DGBAS said. The lower than expected figure resulted largely from weaker than expected private consumption during the period, when sales posted by cars, motorcycle and information communications device vendors fell, even as revenue posted by online vendors increased. In February, the DGBAS lowered its GDP growth forecast for 2019 as a whole to 2.27 %, from 2.41 % in November.

Special Focus**President cites accomplishments on eve of 3rd anniversary (Central News Agency, 20.05.2019)**

President Tsai Ing-wen cited her accomplishments on the eve of her third anniversary as the country's leader, while urging the voters to give her more time to transform Taiwan for the better. Tsai said she has done things that her predecessors were not able to do and that although some sectors have been affected by reforms, the foundation for the country's development has been laid after three years. She went on to list her accomplishments, among them the indigenous submarine project, investment promotions, tax reductions and the protection of farmers. Tsai is seeking re-election in the 2020 presidential election.

Taiwan becomes first Asian country to legalize gay marriage (Taiwan Today, 18.05.2019)

Taiwan made history as the first country in Asia to legalize same-sex marriage, after most lawmakers from the ruling Democratic Progressive Party (DPP) and a few from the opposition Kuomintang (KMT) voted to pass a Cabinet-sponsored bill that gives gay couples the right to get married. The 27-article bill, titled Enforcement Act of Judicial Yuan Interpretation No. 748, will take effect May 24, allowing two persons of the same gender, aged 18 or older, to register a marriage, with at least two witnesses signing the registration document. Either partner in the marriage will be allowed to adopt the biological children of the other, under the law. However, non-biological children who had been adopted by one partner before the marriage cannot be adopted by the other partner, it states. President Tsai Ing-wen said she was excited to see the Legislature pass a bill that gives same-sex couples the right to get married. Marriage equality was one of Tsai's political platforms during her presidential campaign in 2016. The international community has applauded Taiwan for passage of a same-sex marriage law and its efforts to protect human rights.

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