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**SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU**

On behalf of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, it is an honor to attend the Thirteenth Ministerial Conference of the World Trade Organization. As we meet here in Abu Dhabi to discuss the future of the WTO, the world is facing geopolitical tensions, post-pandemic threats to public health, and an impending food crisis brought about by climate change. Along with the upcoming elections to be held in countries around the world, this has introduced unprecedented risk and uncertainty into the international trade system.

Though governments and stakeholders have done their best to ensure that trade continues to flow unimpeded, it remains weighed down by stagnant economic growth, debt dependence, and high inflation. Some Members have also resorted to economic coercion and other non-market practices to further their own interests, threatening the global economy and the security of its supply chains.

As we have done for the last twelve conferences, we gather here today to take on these challenges by facilitating trade in goods and services, raising living standards, ensuring full employment, and achieving sustainable development through the strengthening of the world trade order. Building on MC12's "Geneva Package," let us be guided by the spirit of the Marrakesh Agreement on which the WTO was founded, and work together to lead the world economy towards a more inclusive, resilient, and sustainable future.

**I. OUR CONTRIBUTIONS TO WORLD TRADE**

2024 marks the 22<sup>nd</sup> year since the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu acceded to the WTO, during which time we have continued to maintain an open market while respecting international trade rules and making significant contributions to the development of the global economy. In fact, since the first two years of our accession in 2001 and 2002, our total foreign trade has more than tripled from 487.1 billion to 1.6918 trillion USD, underscoring our close-knit integration into the global trading system. Since joining the WTO, we have also accelerated the pace of economic liberalization and restructured our economy to enhance the competitiveness of our industries.

In addition, as a reliable trade partner and dependable supplier, we have helped other Members strengthen their supply chain resilience and security. With a production value of more than 150 billion USD in 2022, our semiconductor industry, for example, continues to play a crucial role in the global supply chain, occupying around 70% of the world's market share of advanced process semiconductors. And during the COVID-19 pandemic, we made an all-out effort to produce enough semiconductors to maintain supply chain stability in the automotive and computer industries.

Just as other Members have focused on supply chain resilience and security while helping businesses diversity their trade and investment risk, we have promoted the global expansion of our enterprises while introducing the New Southbound Policy to promote investment in ASEAN nations. Our mature semiconductor, ICT, and medical biotech industries have also made us an indispensable supplier of new technologies, which will be essential for helping Members respond to climate change and facilitate their transition to a digital and green economy while ensuring that we play an important role in realizing the benefits of artificial intelligence.

Recognizing the importance of inclusiveness to economic and trade development, we have made a concerted effort to prevent the marginalization of MSMEs, women, Indigenous peoples, and other underrepresented groups, thereby unlocking their economic potential. In 2022, for example, we joined New Zealand, Canada, and Australia in establishing the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA), and the financial resources we have made available to our Aboriginal enterprises have allowed their number to double over the past seven years.

With respect to gender equality, we have the highest ratio of female legislators – 41.6% – in all of Asia, with women accounting for more than 50% of all mayors. And in the private sector, companies led by women currently account for 31.9% of all enterprises. Recognizing the importance of MSME support for carbon reduction, we have also established a five-year plan to invest 3 billion USD into facilitating the digital and green transition of our more than 1.6 million MSMEs.

We look forward to working together to combat climate change and promote inclusiveness at the WTO, and have already developed concrete plans to leverage our mature ICT industry to help narrow the digital divide through capacity building and other measures, thereby ensuring that all Members are in a position to benefit from the digital economy.

In addition to promoting the growth of world trade and strengthening the resilience and inclusiveness of global supply chains, we have also actively engaged with other Members to meet global trade demands by establishing more robust trade rules relevant to our businesses.

Signed in June of last year, the first agreement under the U.S.-Taiwan Initiative on 21<sup>st</sup> Century Trade, for example, establishes rigorous rules on five topics of importance to the global trade community, including customs administration and trade facilitation, good regulatory practices, domestic regulations in the service industry, anti-corruption, and MSMEs.

Last November, we also signed an Enhanced Trade Partnership (ETP) Arrangement with the United Kingdom, which establishes a mechanism for further negotiations over the three key areas of digital trade, investment, and energy and net-zero. And in December, we signed the Foreign Investment Promotion and Protection Arrangement with Canada, which incorporates rules related to social responsibility, environmental protection, and governance goals into an economic and trade framework characterized by inclusiveness, sustainability, and accountability.

At the same time, we have continued our efforts to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) by revising our laws and regulations to comply with the pact's high-standard rules and demonstrating our commitment to maintaining a transparent, fair, and inclusive market economy.

We look forward to further engaging in economic and trade cooperation with other Members in the future, and aspire to join more regional economic organizations so as to contribute to the development of a freer, fairer, and more inclusive world trade regime.

## **II. THOUGHTS ON THE MC13 AGENDA**

This year's gathering of ministers comes at a pivotal time for the WTO and the global community, as it struggles with a number of new and emerging issues which the rule-based system established under the Marrakesh Agreement is not always equipped to handle. As a result, we consider WTO reform to be one of the most important goals of this MC13, and would like to take this opportunity to share our thoughts on the proposed agenda.

For industrial subsidies, we think Members should focus on strengthening the terms of the relevant agreements rather than loosening them. Over the past few years, we have also noted that the tendency of some governments, and non-market economies in particular, to abuse subsidies has led to overcapacity in several sectors, including steel, solar panels, and petrochemicals, and believe that these unfair trade practices must be addressed in any future discussions on the topic.

Recent reports by the IMF, World Bank, OECD, and WTO further indicate that some Members have been less than transparent about the subsidies they have adopted with respect to individual industries, which is why we would like to reach a consensus on the issue of transparency before delving into detailed discussions on the subsidies themselves.

In addition to enhancing transparency, we should also clearly distinguish subsidies that could be construed as beneficial to economic development, such as incentives to encourage technological research, development, and innovation, from those which have the potential to distort trade and lead to unfair competition by propping up domestic industries.

If the widespread use of unfair subsidies continues unabated, it will erode confidence in the global free trade regime and weaken the rule-based system for all Members. We therefore intend to work together with other Members to raise a proposal to address it at MC14.

On trade and the environment, we believe in the importance of environmental protection, provided that such protection is not used as an excuse to engage in unfair trade practices and that all measures are in line with existing WTO rules. As such, we look forward to discussing recent environmental protection measures that Members have adopted unilaterally, and hope to have an opportunity to weigh in on the EU's carbon border adjustment mechanism (CBAM) in particular.

With respect to the Agreement on Fishery Subsidies, we attach great importance to the sustainable development of fishery resources and are committed to adopting policies geared toward controlling the import of illegal, unreported and unregulated (IUU) fish and fishery products. At the same time, however, we think that the volume of marine capture production should be accounted for in the Agreement. This will ensure that the conservation of fishery resources is effective and fair, while allowing Members with larger catch volumes to be subject to the rules as well.

On dispute settlement reform, we consider the WTO dispute settlement mechanism to be indispensable for maintaining the global trade order, and hope that these discussions will yield concrete results by the end of the year so that the mechanism can once again function smoothly and effectively. We also would like to see a system in place for Members to engage in formal consultations, and for the findings of panel reports to be appealed so that they can be enforced going forward.

We further note the ongoing discussions on such important issues as the scope of the Appellate Body's authority, the threshold for appeals, and the standard of review, and agree that an appropriate balance should be reached between "enhancing interim review" and "achieving procedural efficiency." And we have been paying particular attention to the development of new and more flexible rules for ADR, and are pleased to see that they have been incorporated into the proposed text.

On intellectual property, we maintain that innovative ideas should be protected and respected, and welcome the promotion of global economic development and environmental protection through the transfer of technology, provided that such transfers are based on mutually agreed-upon commercial terms and do not involve the theft of intellectual property.

As for agriculture, we recognize the overriding importance of food security and believe that Members should refrain from imposing arbitrary restrictions that may jeopardize the food security of other Members. Given the sensitivity of agricultural issues, negotiations should also take into account individual Members' approaches to environmental protection and other non-trade concerns, and be conducted in a transparent and inclusive manner so as to achieve a balanced outcome.

### **III. CONCLUSION**

In closing, while we understand that WTO reform is not something that can be achieved overnight and that Members' positions will not always align, working together to focus on areas of mutual interest is essential to ensuring that this reform moves forward. Our collective efforts will send a strong signal to the world that multilateral economic and trade organizations are still capable of improving people's lives by promoting economic prosperity, and we look forward to seizing this opportunity to ensure that the WTO remains relevant and effective.

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