

Cross-border e-Commerce

The New Southbound Policy Prospective Areas—Cross-border E-commerce Work Plan is based on three main strategies: developing markets, cultivating talent, and upgrading the e-commerce infrastructure, in order to attain the digitalization of foreign trade capabilities, the internationalization of SMEs, and the activation of trade momentum.

In market development, the e-commerce platforms of Taiwan and New Southbound Policy partner countries are leveraged to market Taiwanese products and business-matching services. Centering on the national-level e-commerce platform, Taiwantrade.com, in collaboration with a number of well-known online e-commerce platforms including eBay Australia, Blibli of Indonesia, Tiki of Vietnam, and PChome Thai, Taiwanese businesses were assisted in putting a total of nearly 270,000 product items on shelves as of 2018. An e-commerce and startup pavilion was also set up at Taiwan Expos in partner countries. Delegations of e-commerce startup representatives visited potential partners in the region, and executives from eight e-commerce platforms and agencies in New Southbound Policy partner countries were invited to visit vendors in Taiwan. Each year, Taiwantrade.com offers assistance to around 25,000 businesses, creating procurement opportunities with New Southbound Policy markets to the value of at least US\$530 million.

In order to develop New Southbound Policy markets for SMEs and create successful cross-border marketing models, Taiwan encourages SMEs to build up business alliances to develop new markets, adapt digital innovative services





to local markets, employ digital innovative technological marketing, use diversified digital marketing tools, collaborate with local internet celebrities in target markets, embed shopping guides in livestream broadcasts, increase brand exposure, assist vendor groups in building payment and logistics systems for e-commerce platforms, and team up with local partners in overseas markets. Under this plan, at least 60 SMEs enter New Southbound Policy markets each year.

As for talent cultivation, Taiwan has launched several talent incubation initiatives, including industry-academia cooperation to facilitate practical work experience, online and on-site courses to upgrade digital marketing skills, and an international e-commerce forum to engage businesses from partner countries. More than 5,000 professionals from Taiwan's e-commerce sector attend these training programs each year.

E-commerce infrastructure is being upgraded through a cross-border e-commerce portal that makes New Southbound Policy market information available to domestic companies, commissions lawyers and accountants to offer professional consultation services, and assists in eliminating operational barriers. In addition, Taiwan is also shortening delivery times and reducing logistics costs for cross-border operators by bringing together logistics companies at home and abroad to build two warehouses in partner countries each year between 2017 and 2020.



Tourism

Following the launch of the New Southbound Policy, the Ministry of Transportation and Communications (MOTC) introduced two initiatives: Tourism 2020—A Sustainable Tourism Development Strategy for Taiwan, and the New Southbound Policy Prospective Areas—Tourism Plan. A four-pronged strategy was developed to attract, guide, and retain tourists from partner countries, as well as encourage repeat tourists. It promotes firsthand experience of Taiwan’s culture, history, ecology and hospitality, and, through tourism exchanges, seeks to enhance friendship and familiarity between the people of Taiwan and partner countries.

To develop the tourism market, the MOTC has convened meetings for related ministries and agencies, local governments and tourism associations to discuss overseas marketing and resource integration, so as to attract visitors from major cities in target markets. Efforts have been made to raise Taiwan’s international profile, while local internet celebrities in these countries have been invited to help generate interest in Taiwan. In 2018, the Salam Taiwan campaign was launched featuring Malaysian internet celebrities and showcasing Taiwan’s Muslim-friendly environment. According to the 2019 MasterCard-CrescentRating Global Muslim Travel Index, Taiwan ranked third among Muslim-friendly destinations outside of the Organisation of Islamic Cooperation. Such international recognition of its commitment to creating an excellent hospitality environment for Muslims has increased its appeal to Muslim tourists.

Furthermore, measures have been taken to reduce barriers and boost tourism. Trial visa-free entry programs were launched for Brunei and Thai nationals in July of 2016 and for Philippine nationals in November of 2017. Electronic visas are issued to nationals from Cambodia, India, Indonesia, Laos, Myanmar and Vietnam who meet certain criteria. The Civil Aeronautics Administration has also expanded the implementation of differential aircraft landing fees, encouraging airlines to extend their services to airports other than Taipei Songshan Airport and Taiwan Taoyuan International Airport. As of December 2018, the number of weekly flights between Taiwan and New Southbound Policy partner countries had risen to 621. These served about 12.63

Boosting the number of two-way visits to 5 million in 2018

	Inbound travelers from New Southbound Policy partner countries	Outbound travelers to New Southbound Policy partner countries	Mutual visits of Taiwan & New Southbound Policy partner countries
2015	1,551,937	2,096,196	3,648,133
2016	1,789,503	2,233,784	4,023,287
2017	2,284,382	2,474,412	4,758,794
2018	2,594,765	2,791,608	5,386,373



million passengers, representing an increase of 12 percent over 2017, and generating greater interest among travelers from partner countries.

In terms of strategic planning, the Tourism Bureau set up service centers in the New Southbound Policy markets, serving three main categories—Buddhist, Muslim and English-speaking populations. It opened a promotion office in Bangkok, Thailand, in 2017, and a tourism information center in Mumbai, India, in October of 2018, sharing an office with the Taiwan External Trade Development Council. Financial incentives have been increased in order to attract high-spending tourist groups, which include subsidies for fly/cruise programs as well as charter flights from partner countries.

The government has also introduced measures to further enhance the hospitality environment and related human resources. Travel information has been made available in Southeast Asian languages. To develop tourism professionals, recent immigrants and overseas compatriot students from partner countries are encouraged to become tour guides, with the former receiving assistance in acquiring required certification and the latter in obtaining internships and extending their stays in Taiwan. Local tour guides are encouraged to receive training, while interpretation subsidies are provided to Southeast Asian tourist groups. An accreditation program for quality Taiwan tours was implemented on a trial basis in Thailand in 2018 and a promotional campaign was launched targeting high-spending Thai visitors.

In 2018, visitors from the 18 New Southbound Policy partner countries made a total of 2,594,000 visits to Taiwan, an increase of 310,000, or 13.61 percent, compared to the previous year. Meanwhile, Taiwanese citizens made 2,791,000 trips to partner countries in 2018, marking growth of 317,000, or 12.8 percent, indicating an obvious increase in tourism exchanges.



Infrastructure

Taiwan boasts world-class expertise in infrastructure development, and its businesses are well-versed in international procurement rules. Under the promotion of the New Southbound Policy, we encourage the engineering industry to cooperate with New Southbound Policy partner countries’ governments and/or private enterprises to progress high-quality infrastructure with excellent Taiwan engineering experience, technology and capabilities.

After surveying Taiwan’s export potential and partner countries’ infrastructure needs, six key areas for cooperation have been identified: power plants, petrochemical plants, intelligent transportation systems (ITS) such as electronic toll collection (ETC), urban rail transport, environmental protection, and water resources. In 2018, engineering and construction companies won bids for 37 projects worth NT\$27 billion (US\$900 million) in partner countries, up from NT\$23.9 billion (US\$767 million) in 2016 and NT\$25.2 billion (US\$833 million) in 2017. SMEs continued to make inroads into the region, accounting for a record high of 17 projects. To build on this success, the Public Construction Commission in 2019 pooled interagency resources to assist Taiwanese engineering and construction firms, including SMEs doing business in partner countries.

Power plants

Taiwan’s energy companies have provided Southeast Asian countries, including Indonesia, Malaysia, the Philippines and Thailand, with the benefit of their experience in building solar power plants and cogeneration power plants.

Petrochemical plants

In recent years, Taiwan’s petrochemical industry has used its mature technology and know-how to

Year		2016	2017	2018
No. of projects	Won by SMEs*	3	3	17
	Total**	10	17	37
Value of projects	SMEs*	NT\$2.45 million (US\$81,667)	NT\$152 million (US\$5.07 million)	NT\$763 million (US\$25.43 million)
	Total**	NT\$23.9 billion (US\$767 million)	NT\$25.2 billion (US\$888 million)	NT\$27 billion (US\$900 million)

* Companies other than large engineering and construction firms with previous experience in international bids
** Engineering and construction companies, as well as firms that set up overseas offices under a government incentives scheme, specializing in the six key areas of cooperation



build oil refineries and liquefied natural gas terminals in India, Indonesia, Malaysia, Oman, the Philippines, Thailand and the United States.

ITS and ETC

Taiwan set three world records in its development of a freeway ETC system: It was the first nation to install a comprehensive ETC system on all national freeways, the first to implement full conversion to electronic barrier-free toll collection, and the first to possess an ETC-equipped road network covering a length of nearly a thousand kilometers. Taiwan has also since won contracts to build ETC systems in several Southeast Asian countries.

Rail transport

Taiwan's companies have provided services in metro construction, personnel training and turnkey projects in Indonesia, Malaysia, Singapore and Vietnam.

Environmental protection

To ensure the sustainable use of its land and the health of its people, Taiwan has committed significant resources to building incinerators and implementing soil and groundwater pollution control, with the aim of achieving an optimal balance between economic growth and environmental sustainability. Taiwanese firms have also participated in related projects in Indonesia and Thailand.

Water resources

Taiwan is highly experienced in the development of water resource infrastructure. In order to share this experience, we have consolidated Taiwan's water supply chain to form a top team of upstream and downstream businesses to provide total solutions to Indonesia and other partner countries.



Conclusion

As a responsible member of the region, Taiwan has pushed forward the New Southbound Policy with the core objective of forging stronger relations and cooperation with partner countries to advance regional economic and trade development. The Taiwan government is committed not only to integrating all resources and continuing existing projects, but also to proactively exploring new areas and forms of cooperation, so as to further amplify the policy's impact.

SMEs have long been the driving force behind Taiwan's economic development. In order to assist SMEs with pursuing new business opportunities in partner countries, the government is providing guidance and other services in talent cultivation, business environment information, technological assistance, and financial support aimed at raising their competitiveness. As Taiwan's large innovation-related workforce constitutes an important form of soft power, domestic startups are given support to keep pace with international developments and young innovative entrepreneurs are encouraged to expand their horizons to partner countries and gain more experience. Meanwhile, startups from partner countries are welcome to visit Taiwan and conduct exchanges, so as to infuse vitality into Taiwan's startup sector. In the future, the New Southbound Policy will focus even more on supporting domestic SMEs, startups and youth entrepreneurs.

With their rapid economic growth in recent years, partner countries have gained in strategic importance internationally. Over the past three years, Taiwan and its partner countries have achieved considerable success in joint endeavors across many fields. The Taiwan government seeks to build on this solid foundation by expanding the breadth and depth of cooperation and, through an innovative approach, establishing more extensive and diverse partnerships. The New Southbound Policy will thereby not only serve to develop Taiwan's external trade relations but also create opportunities for collaboration between Taiwan and partner countries to jointly advance regional prosperity.



The New Southbound Policy

A Practical Approach Moving
Full Steam Ahead

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