

Taiwan FTA/ECA Roadmap

Brief Summary

I. Vision: building up Taiwan while linking with the Asia-Pacific region and deploying globally by means of FTA/ECA networks

Being an island economy, Taiwan relies heavily on export as its economic lifeline. With shifts in world economy and trade, catching up with other countries in terms of the degree of liberalization, active participation in regional economic integrations, and signing of FTAs/ECAs are no longer “options” but “paths that must be taken” for Taiwan. Hence, the present Roadmap shall serve as a superordinate guideline that the promotion of FTA/ECA signing to achieve the vision of “building up Taiwan while linking with the Asia-Pacific region and deploying globally,” to demonstrate the resolution and ambition with regard to such policy, and to ensure policy coherence, so as to achieve the following policy objectives with regard to FTA/ECA signing:

- Promotion of industry restructuring, enhancement of national fitness in terms of economy and trade
- Attraction of foreign investments to increase job opportunities, deepening of interregional industry links
- Removal of trade barriers, expansion of exports and global marketing

- Strengthening of international economic and trade cooperation, creation of favorable business opportunities

II. Overall objective

With considerations to the status quo in FTA/ECA promotion, the progress in international and regional economic integrations (such as RCEP and China-Japan-South Korea FTA), the signing and participation of Japan, South Korea, and other trade competitors of Taiwan in the Trans-Pacific Partnership (TPP), and the long-term objective of active promotion of economic integration with Southeast Asia countries, in an attempt to take into account both ambition and the principle of being reasonable and pragmatic, the present Roadmap sets active participation in regional economic integrations as the overall objective so that FTAs/ECAs signed may account for 60% of the national trade value by 2020.

III. Selection criteria

As an island economy, Taiwan relies heavily on external trade; hence, maximization of trade benefits shall be attached with the greatest importance when signing FTAs/ECAs. In addition to trade considerations, the present Roadmap takes on a broad perspective and gives comprehensive considerations to factors such as levels of economic development, amount of

negotiation experience, geopolitical relations, and strategic interests. As such, Taiwan shall adhere to the following selection criteria when selecting and determining counterpart countries with which to promote FTA/ECA signing:

- 1. Economic complementarity and industry correlation**
- 2. Level of economic development**
- 3. Market size**
- 4. Degree of trade barriers**
- 5. High degree of liberalization, highly experienced with FTAs, low impact to Taiwan**
- 6. Geopolitical relations**
- 7. Provide strategic interests and ripple effect; positive attitude towards signing**

IV. Approach to Promotion

Impetus for promotion of signing shall be increased by means of comprehensive engagement via the following diversified channels:

1. Intergovernmental dialogue mechanisms of bilateral trade or regional trade platforms, for inquiring the willingness of potential counterparts for signing and for explaining the benefits and interests at stake;
2. Combination of industry efforts and think-tank exchanges for lobbying potential counterparts for signing;
3. Employment of individual research or feasibility assessments, for advocating bilateral interests that can be benefited by

singing and for fostering favorable conditions to open formal negotiations in the future; and,

4. Promotion of industry or institutional cooperation and signing of agreements on individual subject matter (building blocks) for gradual laying of the groundwork for future FTA/ECA signing.

V. Domestic promotion mechanisms

Strengthening of operational mechanisms and the negotiating team: with an elevated level of FTA/ECA decision-making mechanism, the Premier of the Executive Yuan concurrently serves as the convener of the “International Economic and Trade Strategy Group,” which establishes objectives and guidelines for national development, brings various agencies into full cooperation, and has the “Industry-Academia Advisory Council” set up to strengthen channels for industry-academia dialogues. The negotiating team consists of dedicated members assigned by the Ministry of Economic Affairs and by various ministries and agencies, is headed by the Vice Minister of Economic Affairs who serves as the chief negotiator, and is tasked with negotiations with foreign countries.

Expeditious completion of preparatory works: for the purpose of smooth progress of negotiations, inter-agency research resources shall be integrated, review mechanisms of various agencies shall be fully activated to review gaps between

outdated regulatory measures and international best practices, innovative and supportive measures shall be proposed to help boost the fitness of the economy and industry structure, while diversified channels for outreach and communication shall be established with respect to the public and to the legislature.