

Towards Closer And Mutually Beneficial Economic Ties

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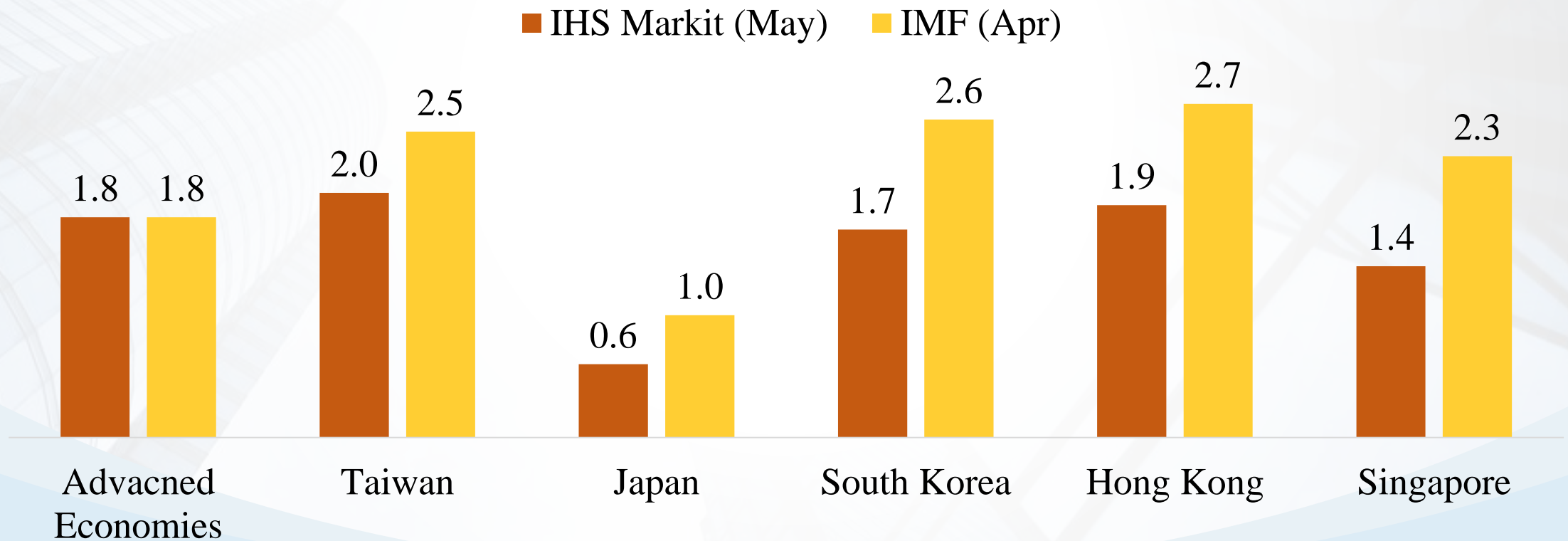
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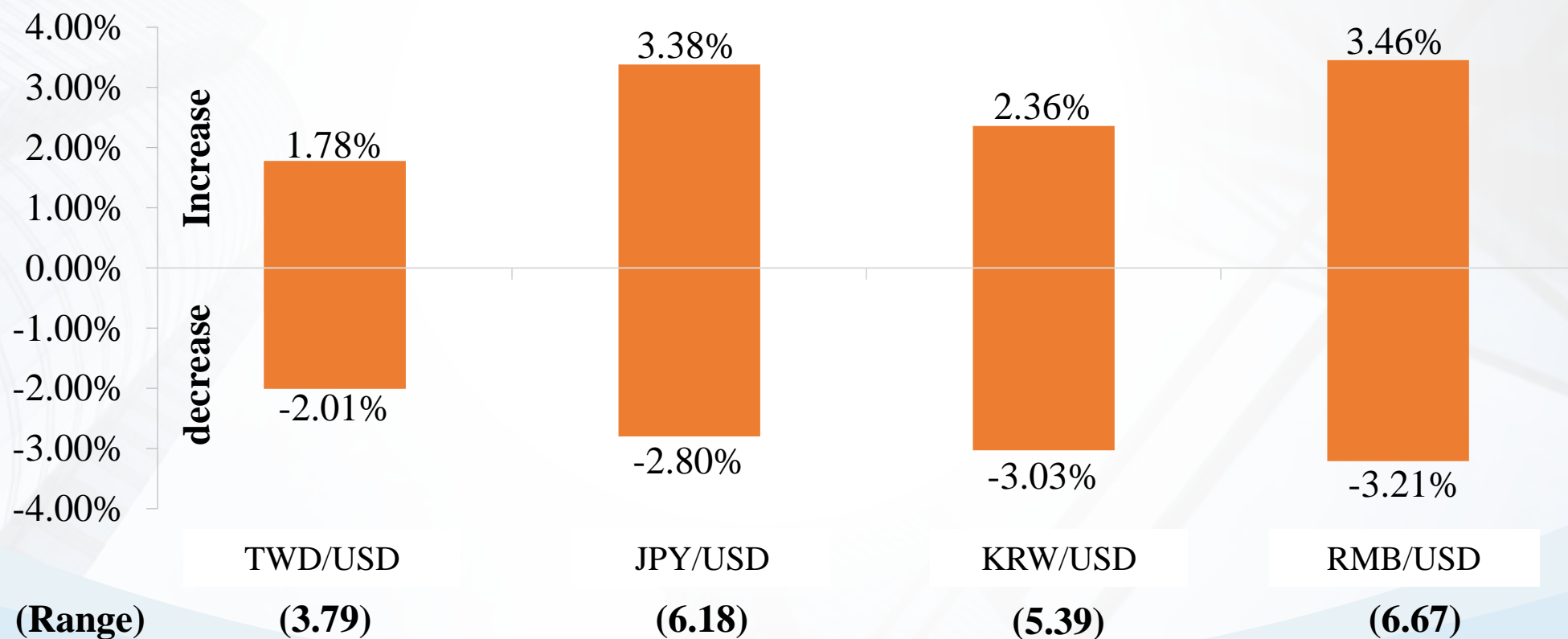
The Robust and Steady Economic Performance of Taiwan

Taiwan's Official Forecast of 2019 GDP Growth: 2.19%
IHS Markit Forecast: 2.0%, IMF Forecast: 2.5%

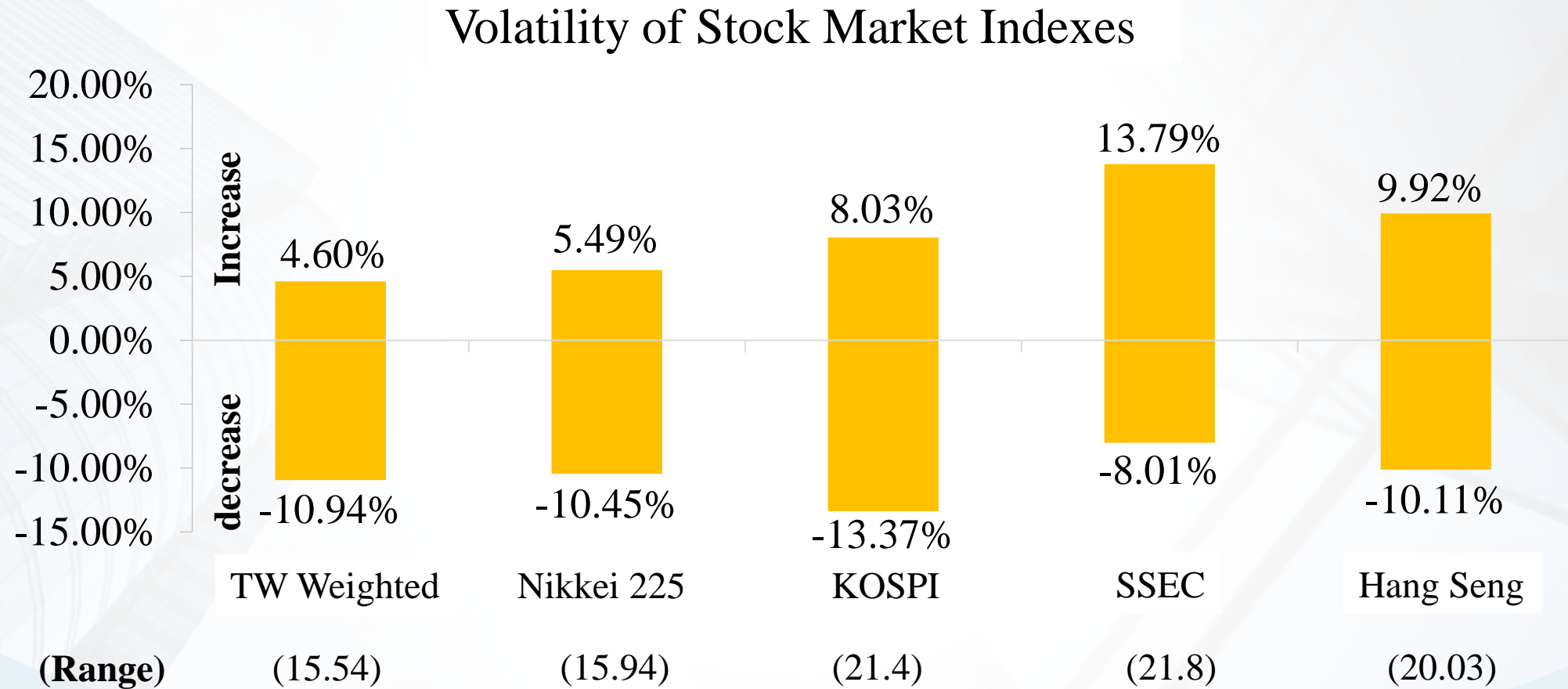


Even Though Inevitably Affected by Global Factors, Taiwan's Financial Market Performance Remains Steady

The Fluctuation of Currencies

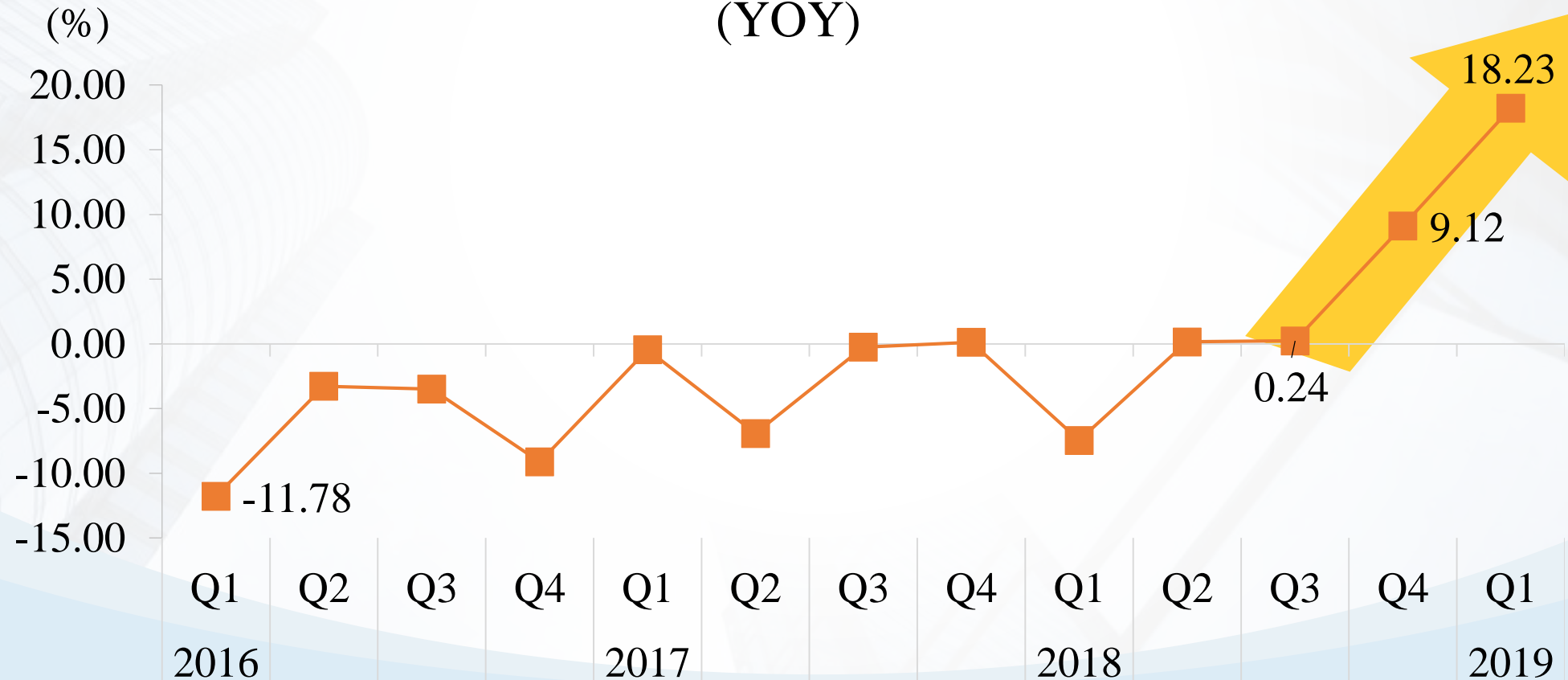


Taiwan's Stock Market Has Been Comparatively Stable



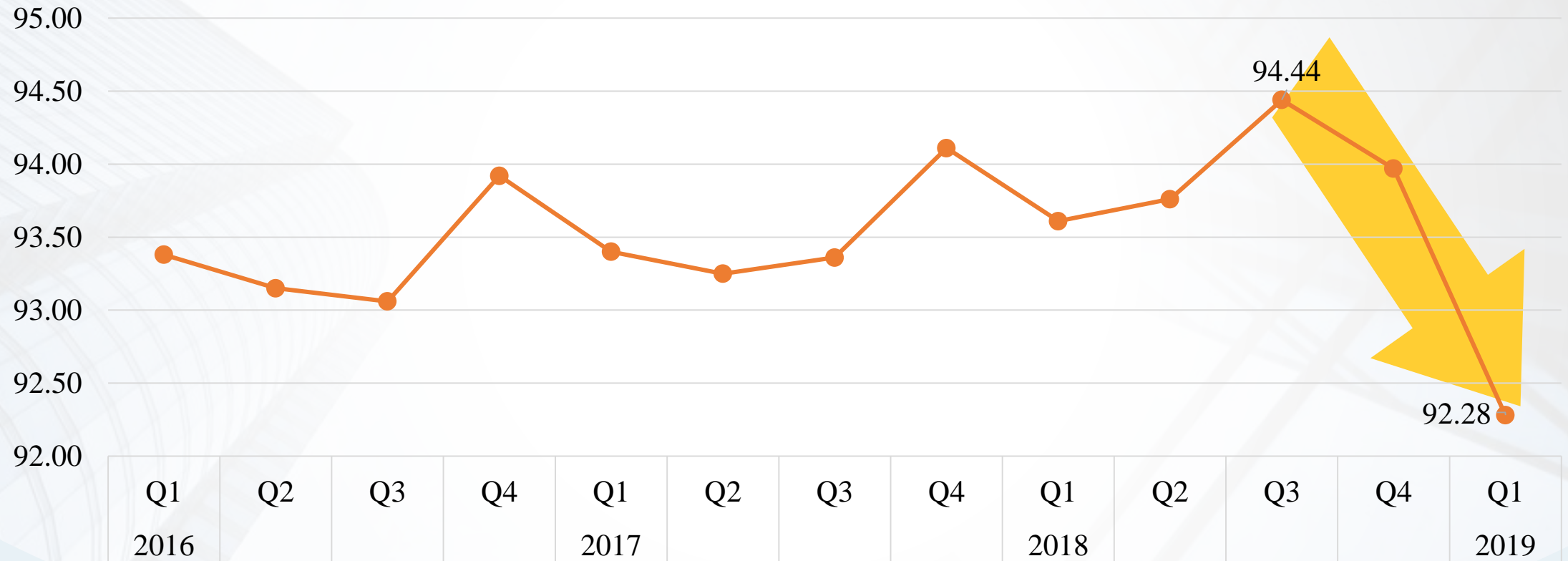
After Almost 20 Years of Manufacturing Sector Outflow, There Has Been Obvious and Significant Relocation Back to Taiwan This Year

Outputs of Electronics, Computer and Optical Manufacturing (YOY)



Overseas Production of ICT Products Has Been Decreasing Gradually

Information and Communication Products



Important Economic Policies of Taiwan

Meeting the Fundamental Needs of Business
Operation and Investment



Land Supply



Electricity



Water



Labor

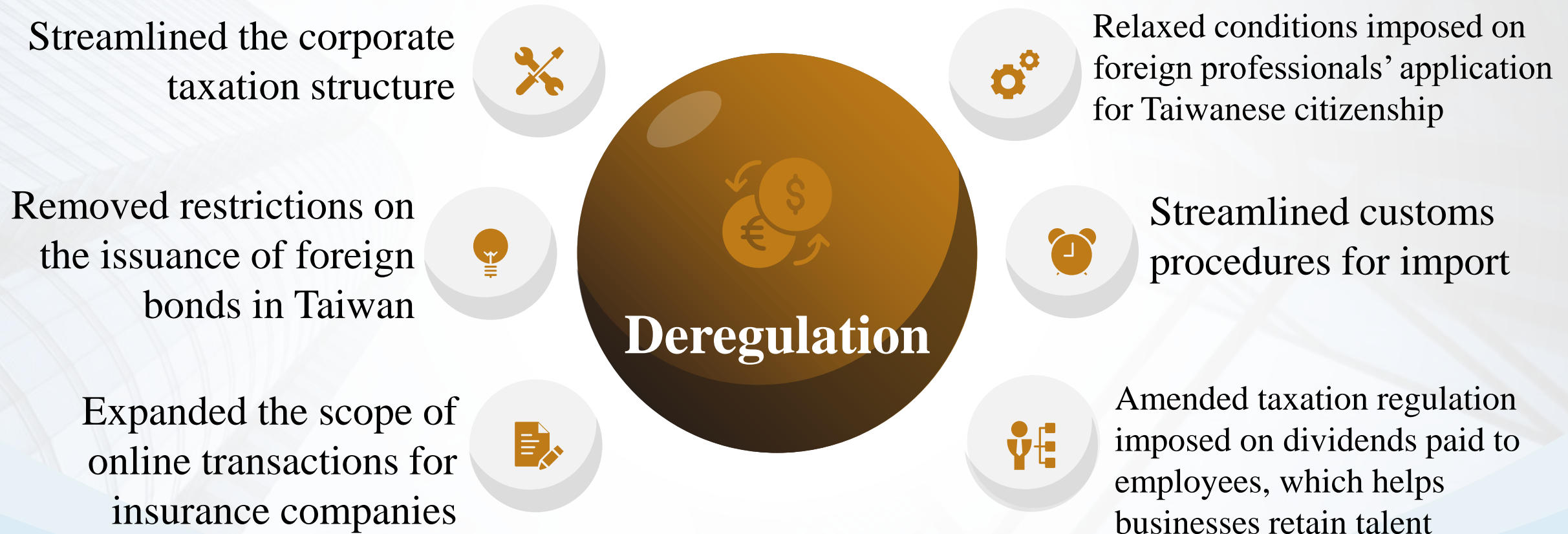


Research Support

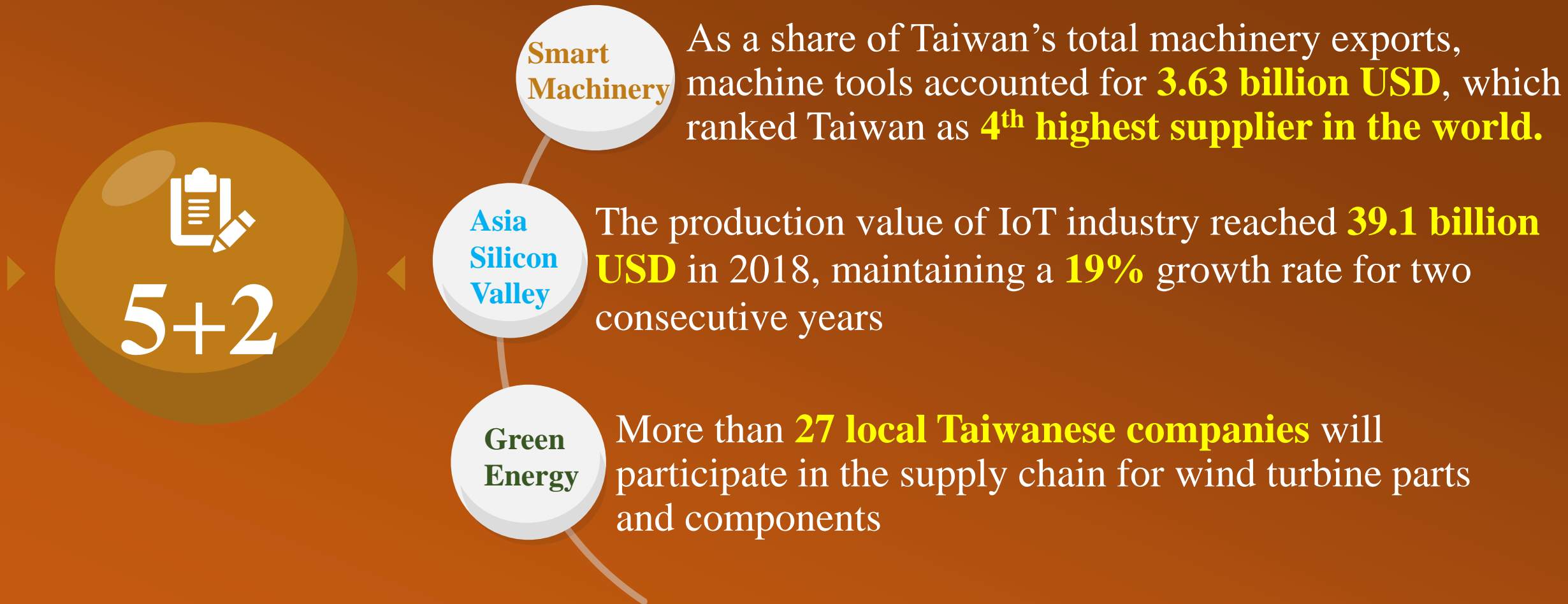


Important Economic Policies of Taiwan

Deregulation: **463** Laws and Regulations Reviewed and Amended



The “5+2” Innovative Industries to Promote Added Value



The “5+2” Innovative Industries to Promote Added Value



New Southbound Policy (NSP)



Trade and Economic Relations with 18 NSP Countries Continue to Grow



The Number of Two-way Students and Internship Exchanges Grew by Double Digits



Tourist Visits and Air Flight Arrivals from NSP Countries Significantly Increased



Taiwan: Participate in the CPTPP

Merge Into A More Open and Liberal Regional Economic and Trade Environment



CPTPP is important to Taiwan's economy: Among the CPTPP members, Japan, Singapore, Malaysia and Vietnam are among Taiwan's top 10 trading partners. Taiwan will be the **5th largest economy** in the group if it accedes to CPTPP.



To prepare for CPTPP membership, Taiwan is continuing its efforts on **regulatory reform and adjustment**.



The liberalization level of Taiwan's FTAs with Singapore and New Zealand is very high (ex. zero tariff coverage is close to 99%). Taiwan is capable of committing itself to a high-standard FTA.

Bilateral Economic and Trade Relations Are Getting Closer



Many U.S. companies have chosen to set up their R&D centers in Taiwan



Cooperation on the Digital Economy has been growing



In the future, Taiwan will continue its procurement from the U.S.:
agricultural products, military goods, government procurement, energy, civil aircraft and semiconductor equipment, among others

Many U.S. Companies Have Set Up Their R&D Centers in Taiwan



Microsoft

Has set up **1 start-up accelerator** and **2 innovation centers** for IoT and AI. The planned investment in two years will reach **32.3 million USD**, creating **750 job opportunities**.



Has set up data center in Taiwan and implemented “Intelligent Taiwan” program for AI human capital and capacity. The program will train **5,000 AI** and **50,000 AI marketing talents**.



Has collaborated with the Taiwanese government to set up a **Joint Innovation Centre**

Taiwan and the U.S. Are Trusted Business Partners to Each Other

- Taiwan is **the 9th largest export market** for U.S. agricultural products. Taiwan's per capita consumption of U.S. agricultural goods is **3rd highest in the world**.
- In 2019 and 2020, Taiwan's **semiconductor** companies are expected to purchase facilities of around **12 billion USD** in each year, of which a third (around 4 billion USD) will be from the United States.
- The U.S. is Taiwan's second largest source of FDI, with accumulated investment of **24.3 billion USD**. It is worth noticing that for technology and intellectual property rights, **the U.S. is Taiwan's top supplier**.
- Between the 2018 Select USA and end of April 2019, Taiwanese companies announced **152 new investment projects** in the U.S., The total investment value of these projects is **3.65 billion USD**.

Taiwan-U.S. Economic Cooperation Is Happening on Many Fronts

- **The U.S. Small Business Administration** and **Taiwan's SMBA** will cooperate in the areas such as **women-led start-ups**, **innovation based on new technology**, and assisting SMEs to expand exports to **South East** and **South Asia**. In the future, cooperation will expand to talent development and capacity building for South East Asian governments on SME development.
- Taiwan started its dialogue with the **Overseas Private Investment Corporation (OPIC)**, aiming to assist Indo-Pacific countries on energy, infrastructure, and women's economic empowerment.



Taiwan Is the Best Candidate for a Bilateral Trade Agreement with the United States

- A Taiwan - U.S. BTA will help support U.S. **national interests** in the **Indo-Pacific Region**
- A Taiwan - U.S. BTA will help maintain confidence in Taiwan and its **economic security** and **autonomy**.
- Taiwan stands ready to sign a high-standard BTA with the U.S. This agreement will **create more business opportunities** for both sides.
- Through a bilateral scoping exercise and negotiations on the BTA, both sides will create a framework for **reviewing bilateral trade relations** and solving long-term difference over trade issues.
- A Taiwan-U.S. BTA **will facilitate restructuring the high-tech supply chain**, shielding the U.S. and its allies from China's interference in an emergency.

Thank You for Your Attention



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