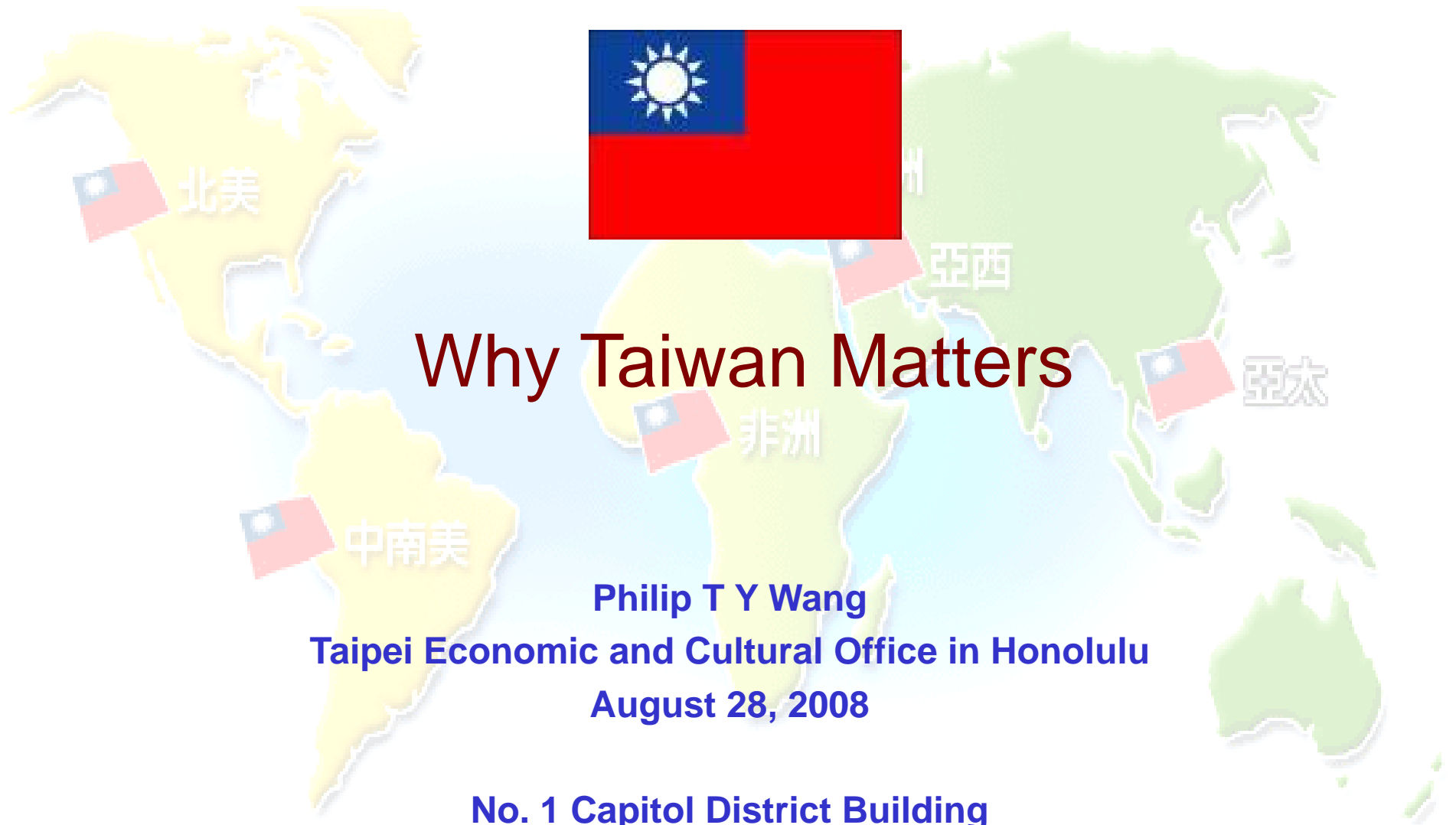


**HAWAII GLOBAL LINKS**



# Why Taiwan Matters

**Philip T Y Wang**  
**Taipei Economic and Cultural Office in Honolulu**  
**August 28, 2008**

**No. 1 Capitol District Building**

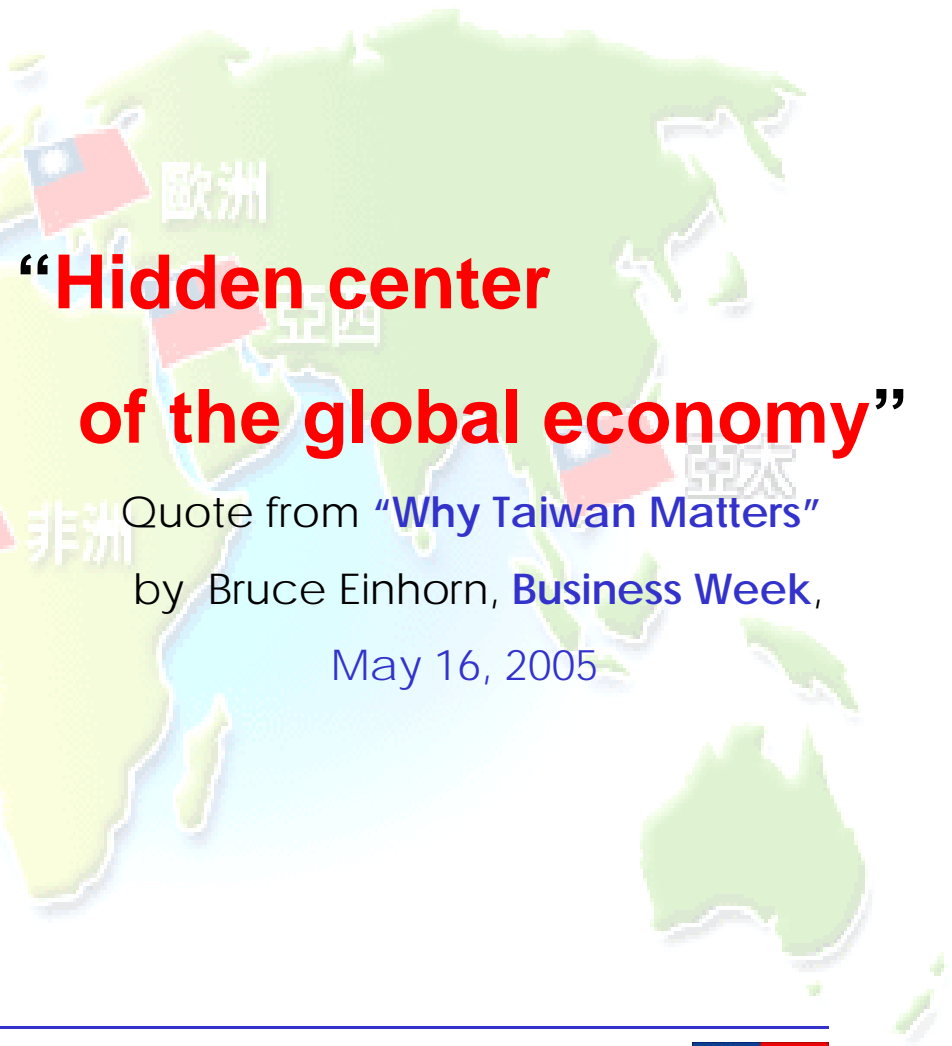
Commonwealth of Dominica

# ROC Agricultural Technical Assistance Mission



BusinessWeek

# Cover Story



“Hidden center  
of the global economy”

Quote from “Why Taiwan Matters”  
by Bruce Einhorn, *Business Week*,  
May 16, 2005



July 18, 2007

The New York Times

## Silent Hands Behind the iPhone

**TAIPEI, Taiwan — Etched into the back of every iPhone are the words “Designed by Apple in California. Assembled in China.” Apple might as well have added “Made in Taiwan.”** (By Ken Belson)

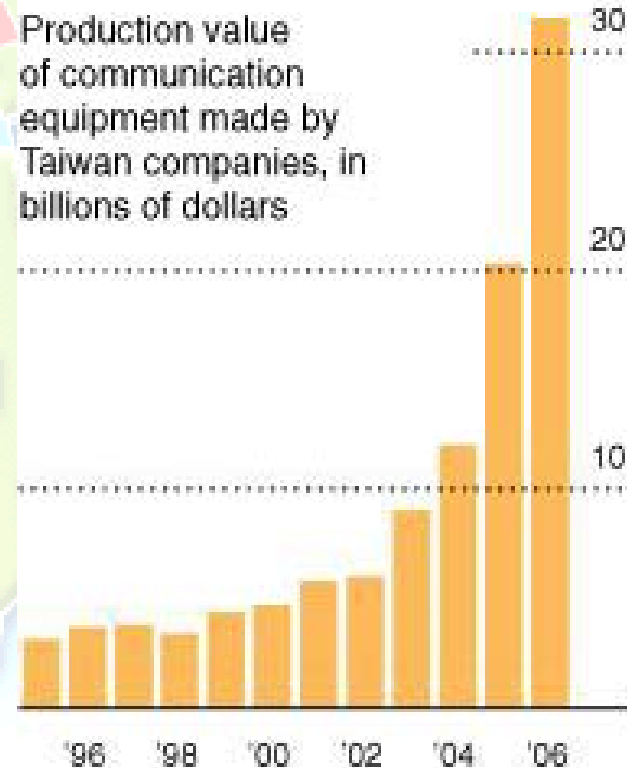


### Assembling Garmin GPS

Chao-Yang Chan for The New York Times

## Rising Production Value

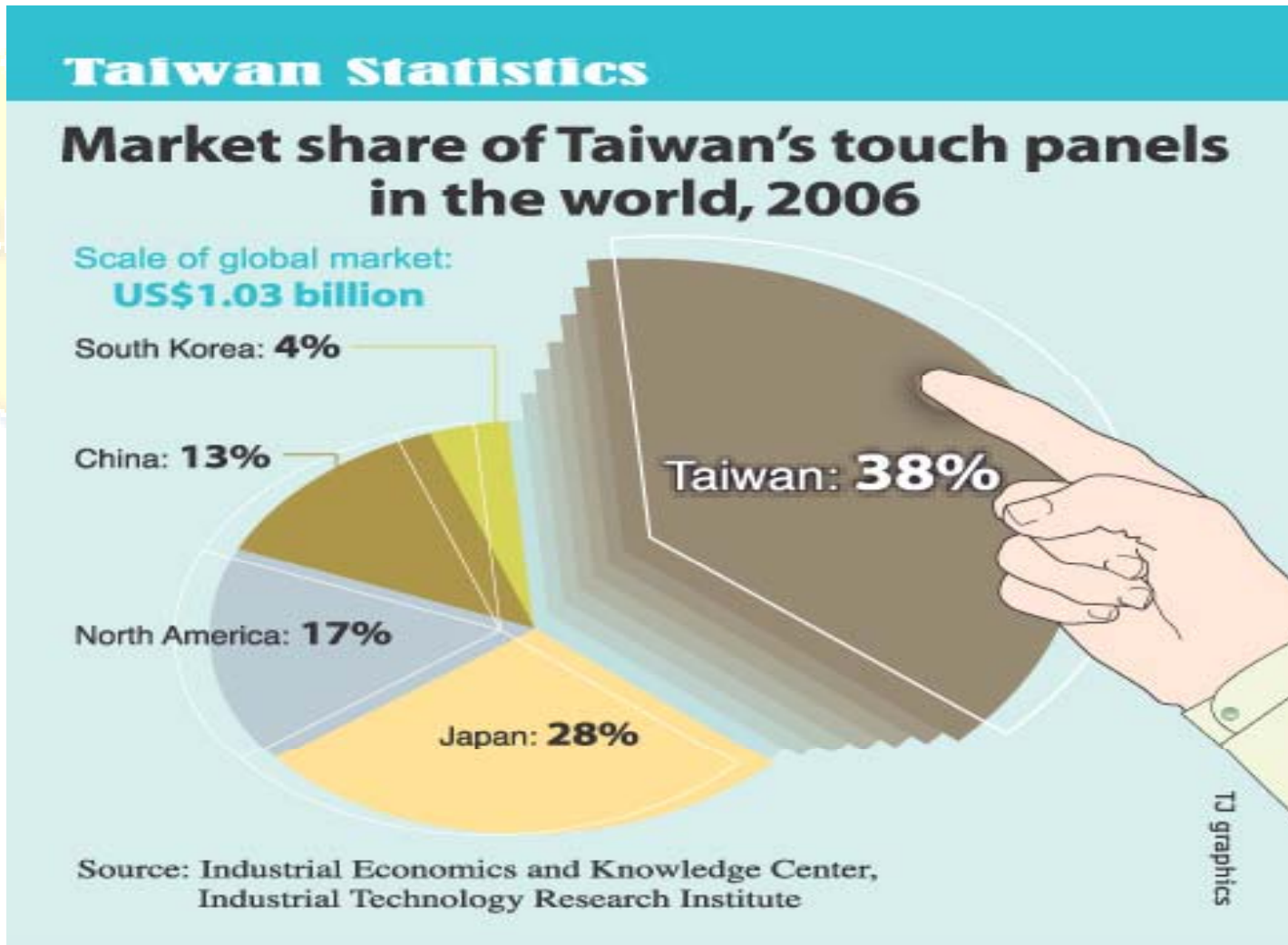
Production value of communication equipment made by Taiwan companies, in billions of dollars



Sources: Industrial Economics and knowledge Center



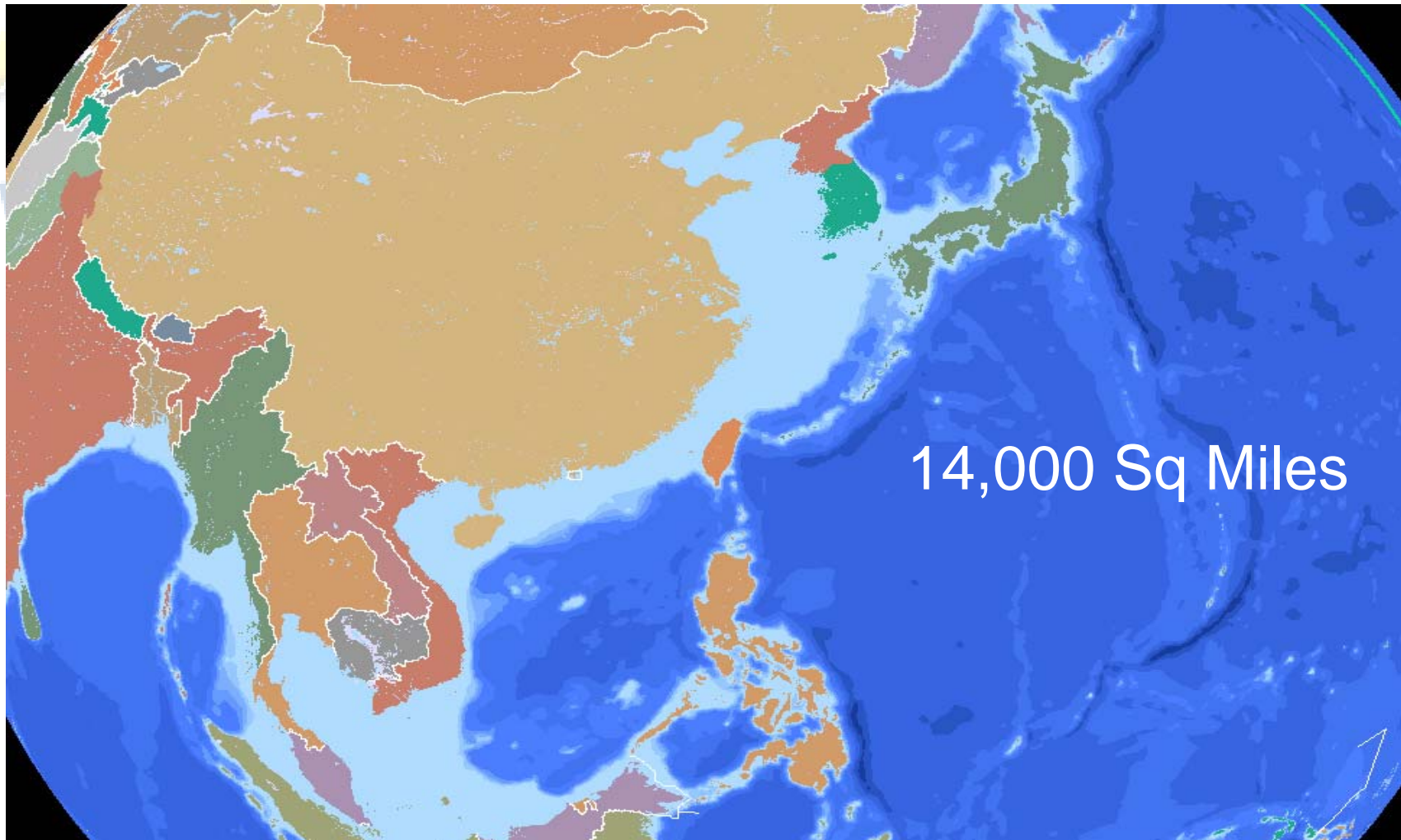
# Taiwan's Touch Panels



Great Location

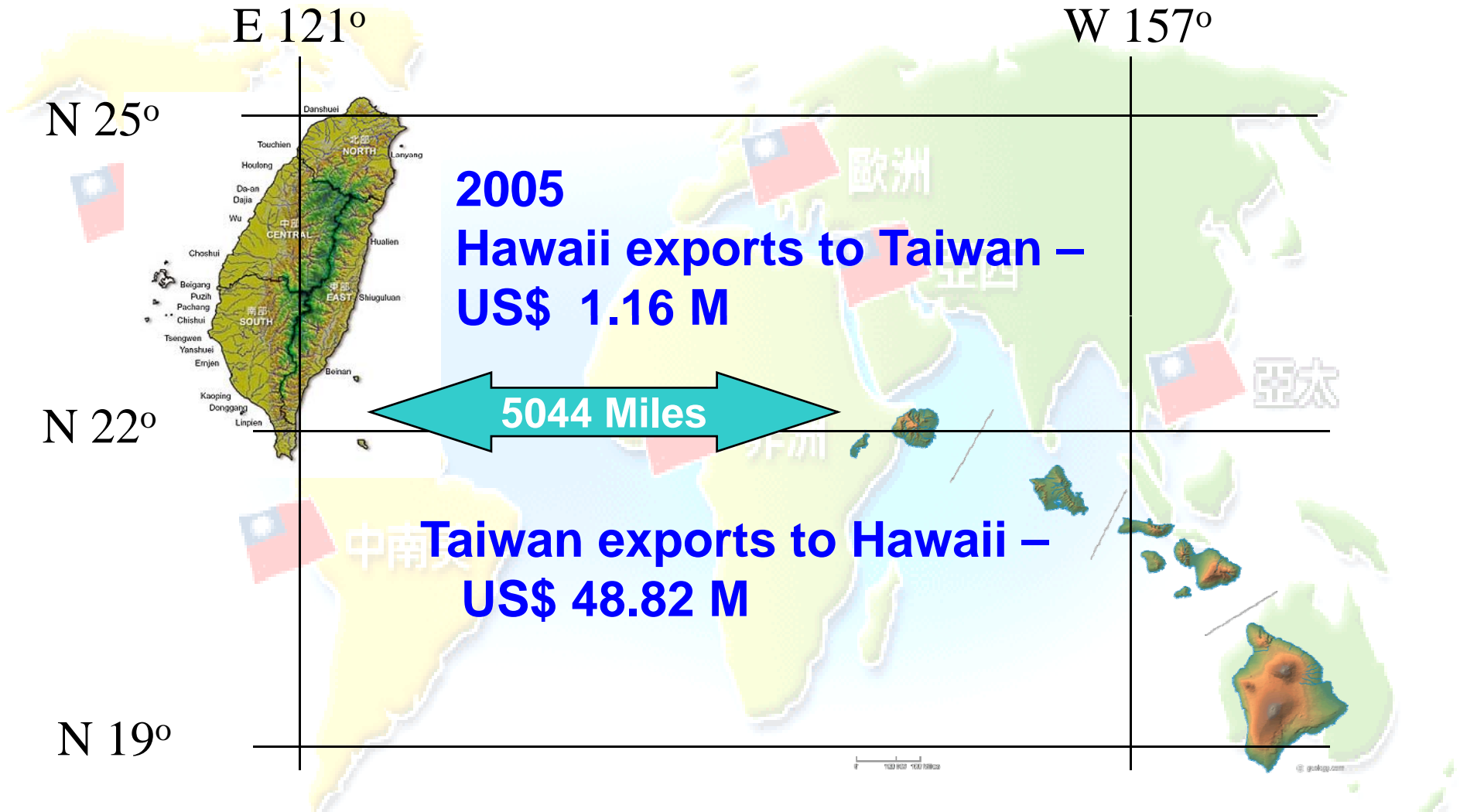
## Republic of China (Taiwan)

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Two Way Trade

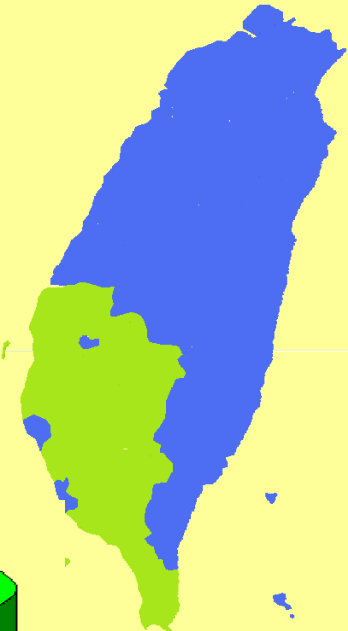
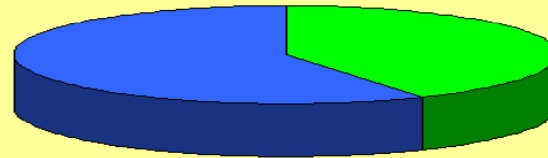
Between Hawaii and Taiwan in 2005



## Mandate

### March 22 Presidential Election

Nominee	Ma Ying-jeou	Frank Hsieh
Party	KMT	DPP
Running mate	Vincent Siew	Su Tseng-chang
Popular vote	7,659,014	5,444,949
Percentage	58.45%	41.55%



January 13, 2008 Election, KMT w/ its alliance were given control 3/4 of the legislature seats.





## Statement by President George W Bush (I)

---

I congratulate the people of Taiwan on the successful conclusion of their March 22 presidential election. Once again, Taiwan has demonstrated the strength and vitality of its democracy. I also congratulate Mr. Ma Ying-jeou on his victory.

Taiwan is a beacon of democracy to Asia and the world. I am confident that the election and the democratic process it represents will advance Taiwan as a prosperous, secure, and well-governed society.



## Statement by President George W Bush (II)

---

It falls to Taiwan and Beijing to build the essential foundations for peace and stability by pursuing dialogue through all available means and refraining from unilateral steps that would alter the cross-Strait situation. I believe the election provides a fresh opportunity for both sides to reach out and engage one another in peacefully resolving their differences.



## Statement by President George W Bush (III)

---

The maintenance of peace and stability in the Taiwan Strait and the welfare of the people on Taiwan remain of profound importance to the United States. We will continue to maintain close unofficial ties with the people on Taiwan through the American Institute in Taiwan in accordance with our longstanding one-China policy, our three Joint Communiques with the People's Republic of China, and the Taiwan Relations Act.



## The Concept of the “Flexible Diplomacy”

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1. Dignity, autonomy, pragmatism and flexibility should be Taiwan's guiding principles when developing foreign relations.
2. To establish basic trust across the Strait.
3. To pursue rapprochement and truce with mainland China in international arena for national interest.



## 1st Poll after May 20 inauguration

---

### I. Cross-strait reconciliation and truce?

88% supports

### II. 3 No policy ? (No Unification, No Independence, No use of force)

81% supports

### III. Based on 1992 consensus (one China, respective interpretation), for cross-strait negotiation & consultation?

74% support    11% against

### IV. Open tourism for mainland Chinese ?

64.7% support    28.2% against



Mutually agreed on June 13 and Starting from July 4, 2008

## Cross Strait Weekend Chartered Flights

---

For 7 weekends in July 4 -- August 25

1. 252 round trips (36 round trips per weekend)
2. 1st Week 6 airports used: CKS, Songshan, Kaoshiung, Taichung, Hualien, Makong.
3. Since 2nd Week on : CKS 19 flights, Songshan 16, Kaoshiung 1  
Shanghai 18 , Beijing 7 , Guangzhou 6, Amoy 4, Nanking 1
4. Total Passengers: 95,765
5. On Board Rate: 87%
6. Other than existing flights, 24 extra round trips will be added to accommodate Mid-Autumn Festival travellers
7. On Board Rate (July 4 – August 19)  
Shanghai 92.3% Amoy 85.4% Guangzhou 82.8%  
Beijing 78.7% Nanking 77.3%



### **To work on the following agreements:**

1. From Non-stop Flights to Direct Flights
2. From Weekend Chartered Flights to Daily Scheduled Flights
3. Air Cargo
4. Maritime Cargo-we plan to open 7 harbors
5. Fifth Freedom of The Air-(aka Beyond Right)

## Future Perspectives

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### **To be discussed:**

1. To reciprocate China's granting landing visa for 12 cities, we are studying to grant landing visas & multiple entry visas for Mainland China visitors to Kinmen & Matsu
2. To study the feasibility of building Kinmen and Xiamen Bridge.  
(8.6 Km costs some US\$0.34B)
3. To establish offices –Kinmen & Xiaman first?





# Missiles Perspectives

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Dong-Feng 11

PAC-II Plus

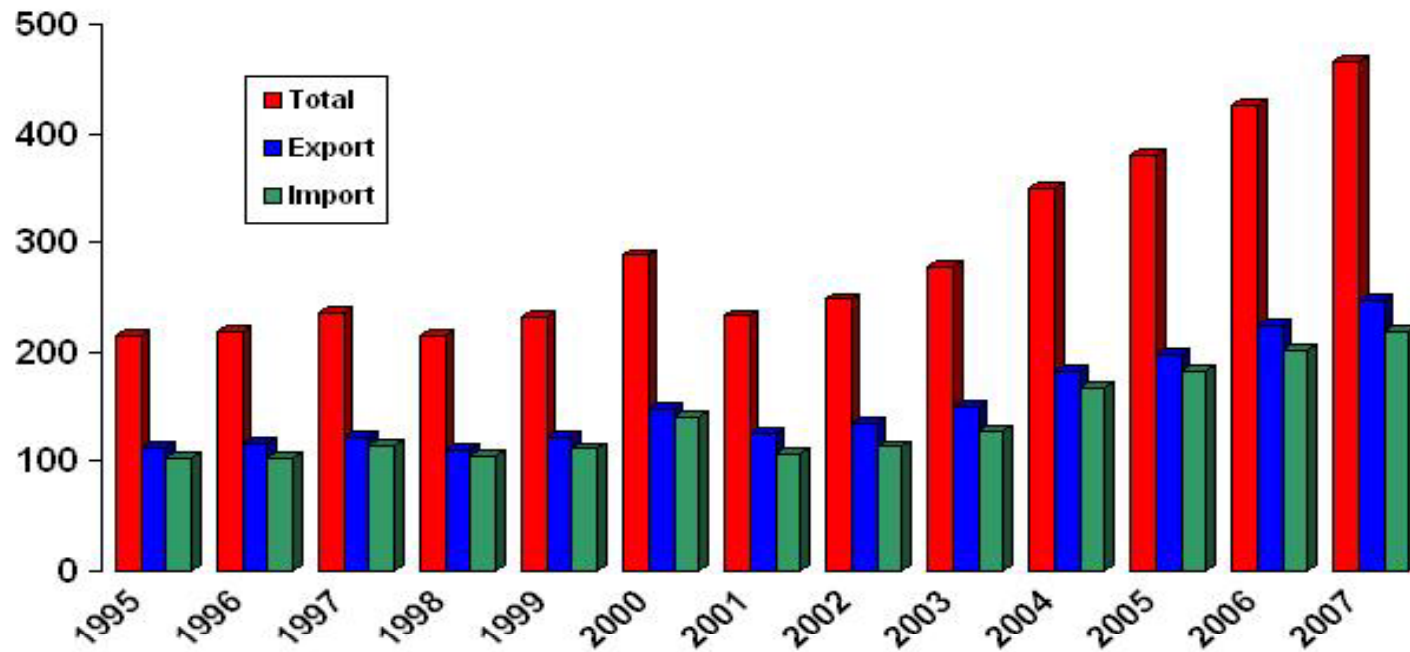
Dong-Feng 15

Washington Times 2008/03/28  
1400 missiles target Taiwan



# TRADE

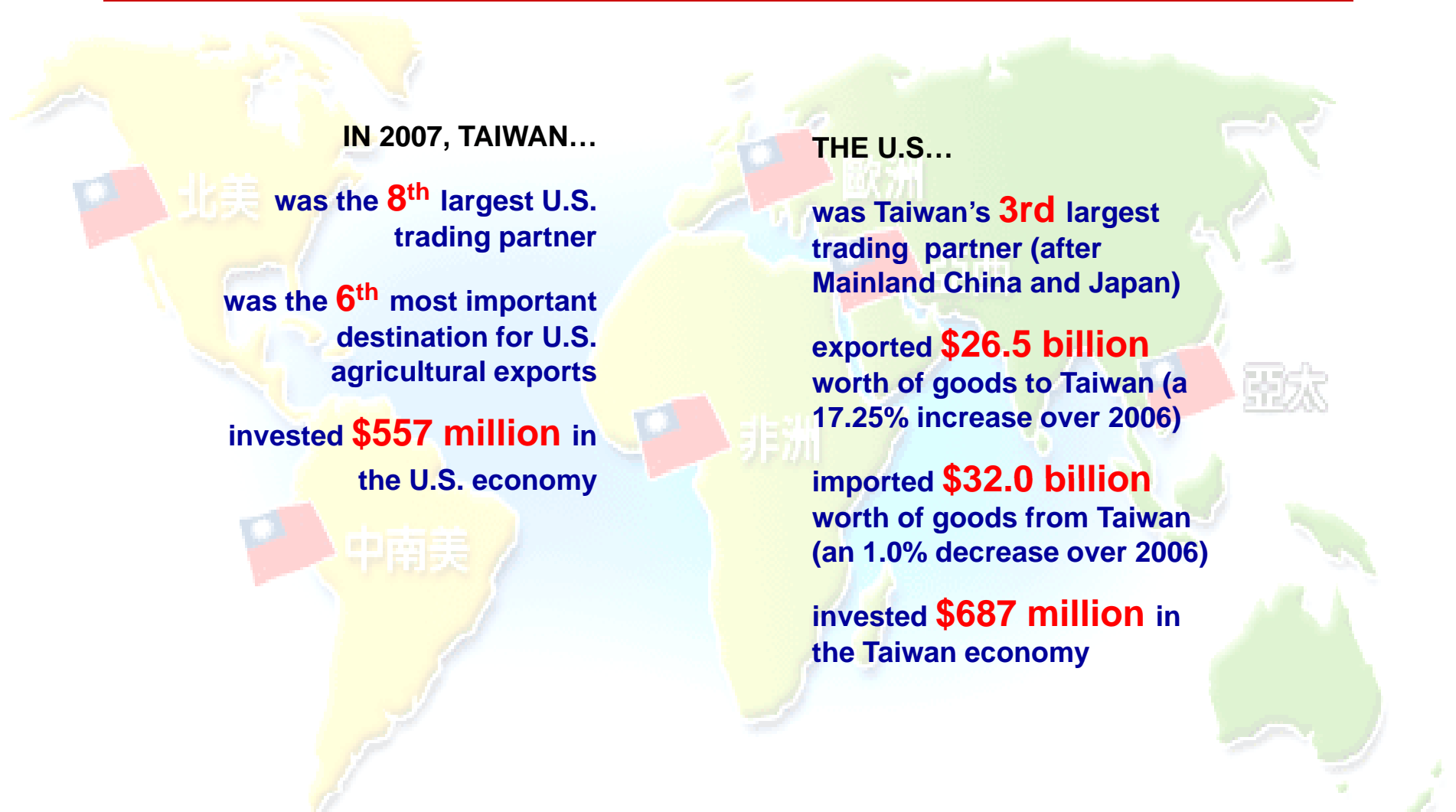
### 1995-2007 Foreign Trade



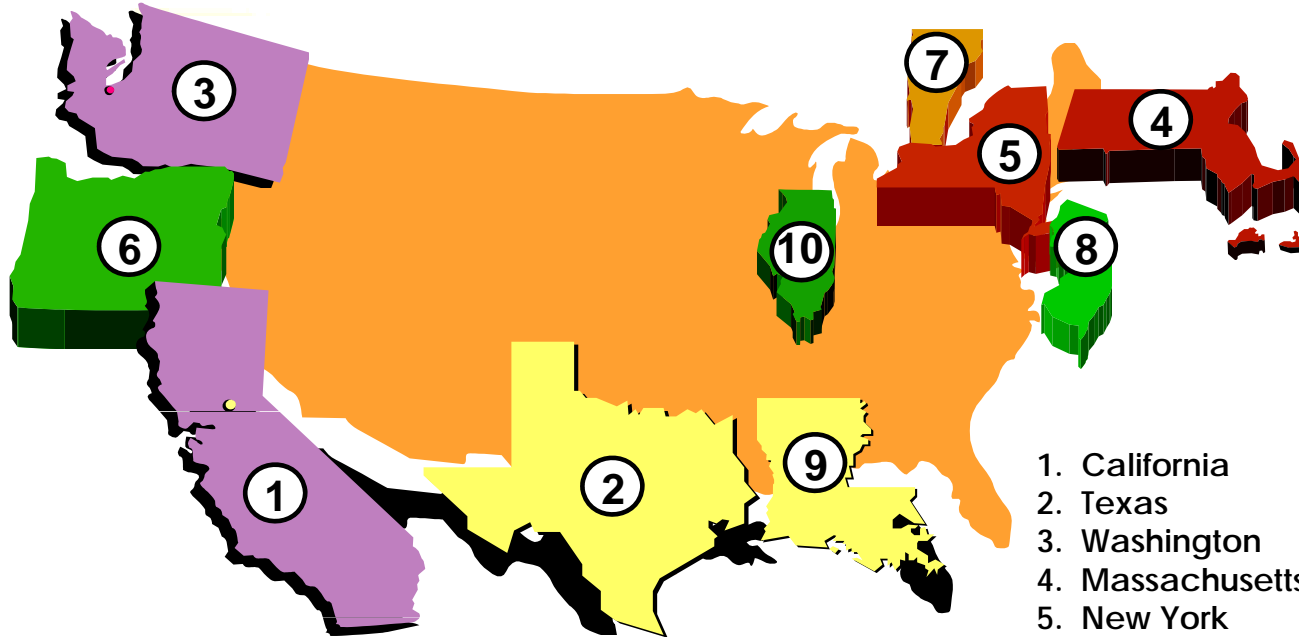
**Two-Way Foreign Trade totaled \$466 billion in 2007**



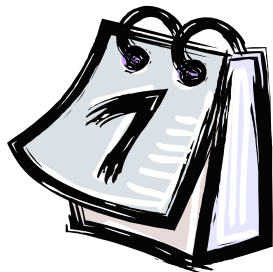
# PARTNERS AND FRIENDS



# MATTERS OF THE STATE



- 1. California
- 2. Texas
- 3. Washington
- 4. Massachusetts
- 5. New York
- 6. Oregon
- 7. Vermont
- 8. New Jersey
- 9. Louisiana
- 10. Illinois



2007

States exported **\$26.5 billion worth of goods** to Taiwan

Taiwan was Vermont's **2<sup>nd</sup>**, Washington's **4<sup>th</sup>** and Texas' **5<sup>th</sup>** most important market for exports

Computers and Electronics, Machinery and Transportation Equipment, Chemicals and Agricultural Products constituted the most important sectors for U.S. exports to Taiwan



# FANTASTIC FOUR

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**Knowledge-Based  
Economy & Innovation**

**Gatekeeper  
Chinese Manufacturing**

**Value-Added  
Manufacturing  
&  
Sourcing Infrastructure**

**Taiwan Spirit  
Entrepreneurial Culture  
&  
Effective Government Involvement**



# GREAT RECORD, EVEN BETTER FUTURE

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Investment  
Climate

Taiwan is a “**low investment risk country**,” offering the **5<sup>th</sup> Best Investment Environment** in the global economy by Business Environment Risk Intelligence (BERI, 2008/9)

Competitiveness  
and  
Innovation

In terms of “**Growth Competitiveness**,” Taiwan ranks **1<sup>st</sup>** in Asia and **5<sup>th</sup>** in the world; In terms of “**Technological Competitiveness**” and “**Innovation**”, Taiwan ranks **3<sup>rd</sup>** in the world (World Economic Forum, WEF, The Global Competitiveness Report 2005-2006)

Environment

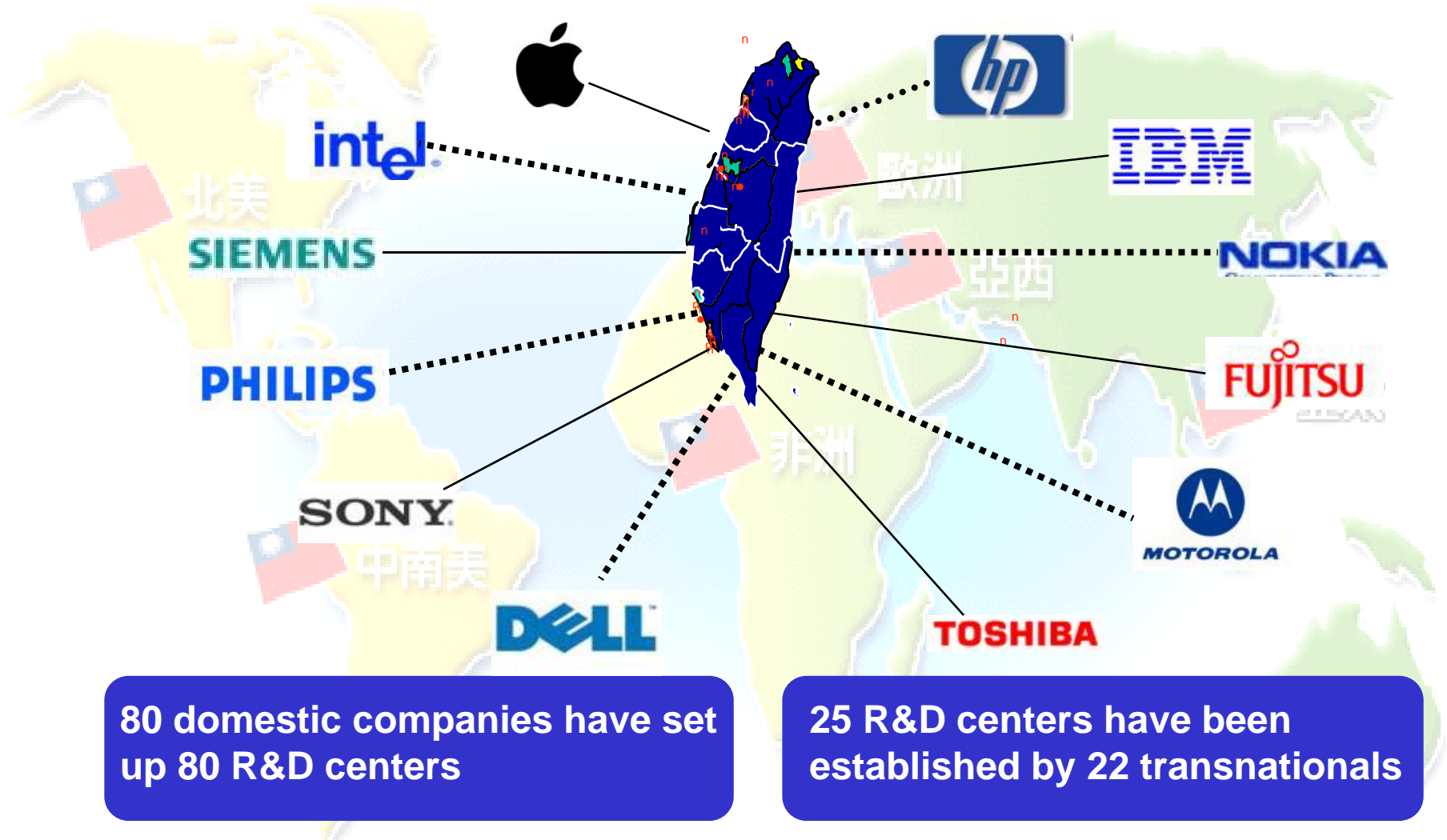
The *Economist* lists Taiwan as 3rd in Asia and 18th in the world for 2004-2008 in its *Business Environment Forecast*



# MANUFACTURING AND OPERATIONS



# LITTLE GIANT



80 domestic companies have set up 80 R&D centers

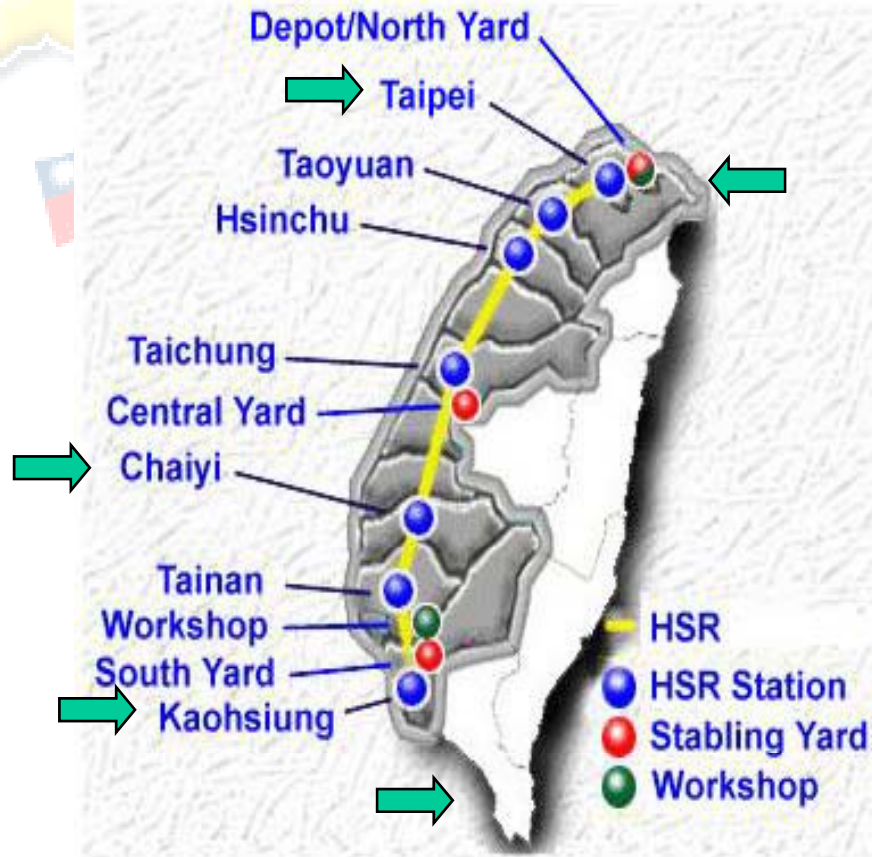
25 R&D centers have been established by 22 transnationals





# Integrated Infrastructure

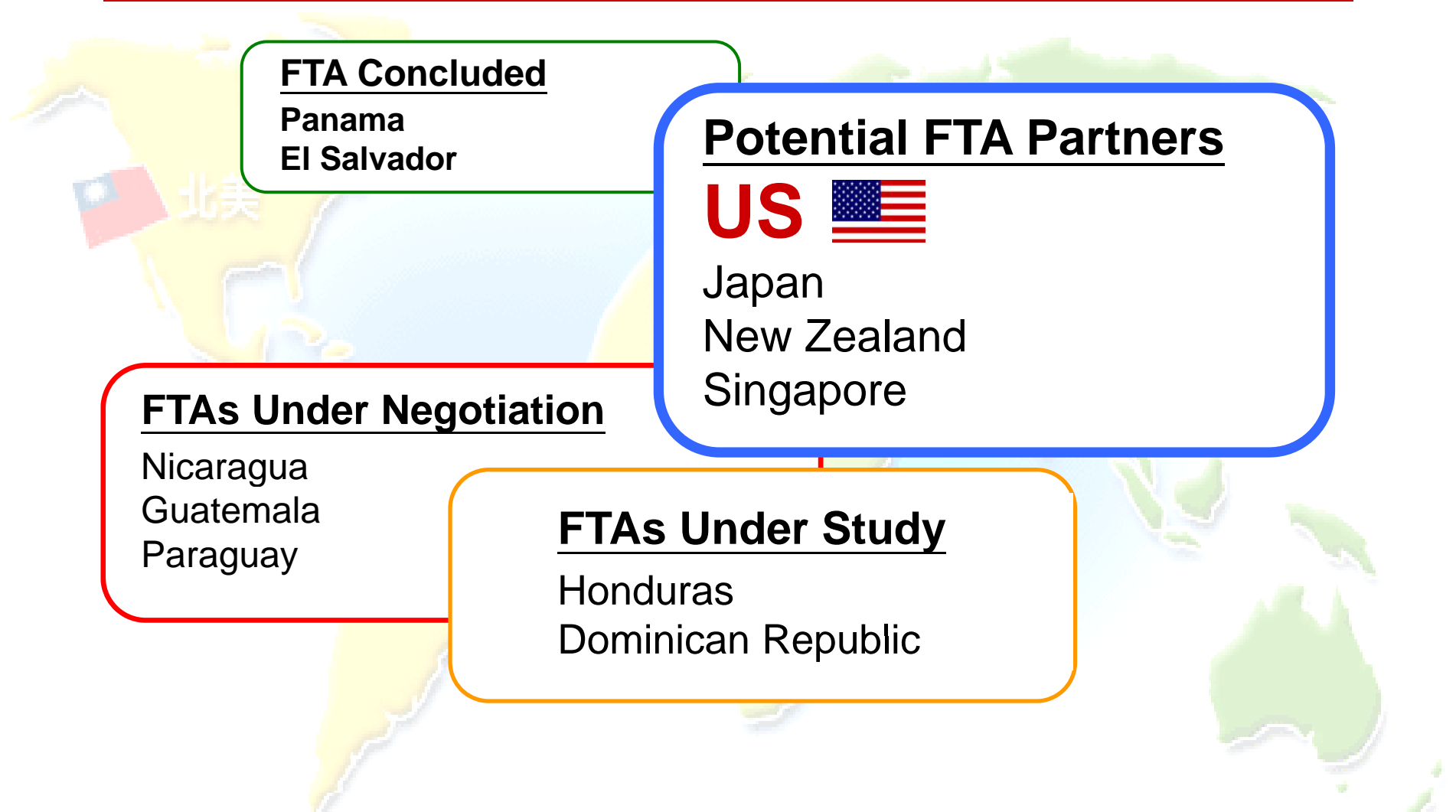
The Taiwan High Speed route.



→ M-Taiwan Cybercity



# PRIORITIZING RELATIONSHIPS



## FTA Concluded

Panama  
El Salvador

## Potential FTA Partners

**US** 

Japan  
New Zealand  
Singapore

## FTAs Under Negotiation

Nicaragua  
Guatemala  
Paraguay

## FTAs Under Study

Honduras  
Dominican Republic



Our Aspiration

## To Join International Organizations

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**Taiwan deserves her voice be heard  
by the World.**



**UN**



**WHO**



**FAO**



**World Bank**

**Need to exam the fundamental rights of 23 million people  
Of the Republic of China (Taiwan) to participate meaningfully  
In the activities of the United Nations Specialized Agencies.**



## Legislature Resolutions & Executive Envoy

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**2007** -- supported Taiwan to join WHO.

**2008** -- supported  
(1) signing USA-Taiwan FTA, and  
(2) extending Visa Waiver Program to Taiwan Citizens.

**May 20, 2008** --

Governor Lingle sent Chief of Staff Barry Fukunaga  
& DBEDT Director Ted Liu to Taiwan to Congratulate  
President Ma's Inauguration.



Hawaiian Products

# Recognized in Taiwan



Taiwan - Hawaii

## Cooperation- 2 arrays of telescopes

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Submillimeter Array Telescope (Smithsonian Observatory & Academia Sinica)



# Assorted Cooperations



# Waste Management- Sorting & Recycle

## Taipei City before 2010 – to reach 0% landfill Target

### Per Capita Daily Garbage Volume Generated:

Taiwan	0.6 Kg	Taipei	0.5 Kg
USA	2.0 Kg	Oahu	3.0 + Kg
		Maui	3.5 + Kg





## We have 23 Million People

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### At the end of 2007, among our people:

**250,160 Mainland China Brides**

**137,353 Foreign Brides (Mainly from E Asia)**

**11,207 Brides from HK & Macao**

**357,937 Foreign Labors**

**28,956 Foreign Professionals**

**587,872 persons visited USA (15,450 persons visited Hawaii in 2006, 12,000 in 2007)**

**397,965 Americans visited Taiwan**

**1,000,000 citizens living in Chinese Mainland (approx.)**

**500,000 citizens living in Shanghai Area (approx.)**

# National Treatment

## Professionals

Japan	8,188	Singapore	587
USA	4,828	Australia	560
Canada	2,539	France	559
Malaysia	1,722	HK	531
UK	1,355	Indonesia	482
S Africa	993	Thailand	293
Philippines	950	N Zealand	270
India	903	Russia	193
S Korea	871	Ukranian	172
Germany	642	Others	2,385

**Total** **28,956**

## Labors

Indonesia	115,490
Philippines	86,423
Thailand	86,948
Vietnam	69,043
Mongolia	22
Malaysia	11

**Total** **357,937**

### **Minimun wage:**

**Professional:** NT\$ 47,971 = US\$1,550

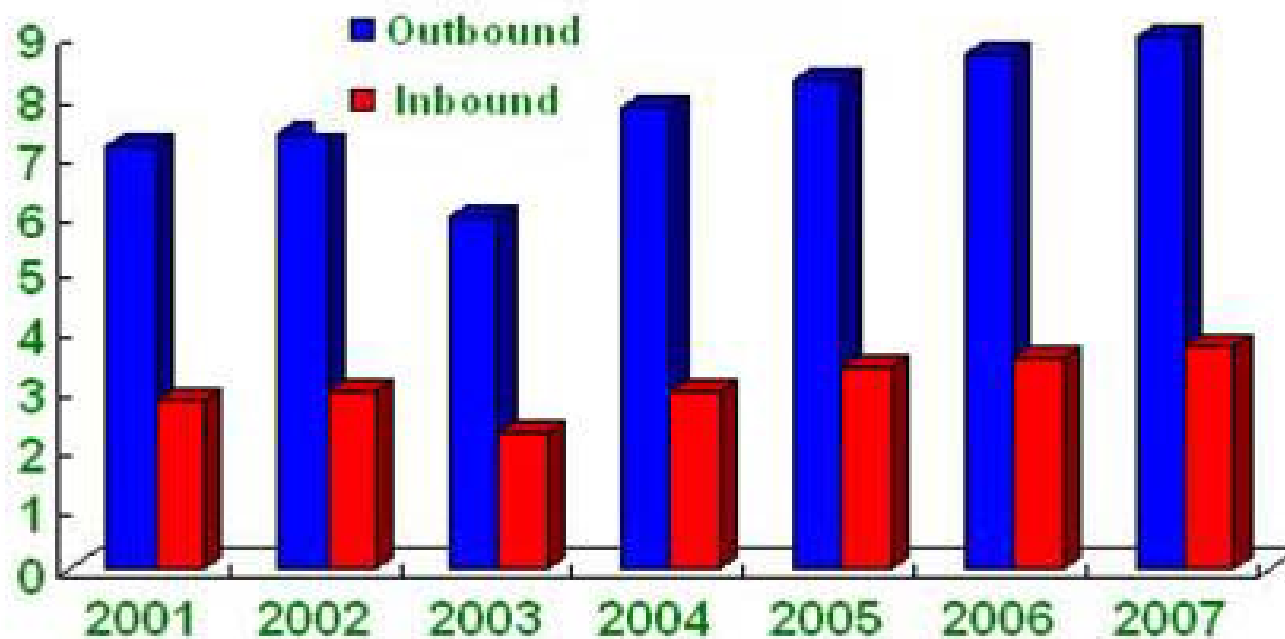
**Labor:** NT\$ 15,840 = US\$ 511

**Employers are responsible  
for National Health  
Insurance Premium**



# Rapidly developing

## Annual Outbound Citizens & Inbound Visitors



In 2007, 3,716,063 visitors visited Taiwan,  
8,963,712 citizens visited overseas.



Taiwan's

## **Overseas and Chinese Mainland Investment**

---

### **1952-2007 Foreign Investment**

Taiwan has US\$94.05 B inbound investment from Overseas Chinese and Foreigners

Taiwan has US\$55.30 B outbound investment to foreign countries

**1991-2007 Approved Investment to Chinese Mainland**  
**US\$64.86 Billion**  
**With 36,538 cases**



Taiwan's

## Overseas and Chinese Mainland Investment

---

Unofficial figure for Investment from Taiwan to Chinese Mainland

**Close to US\$300 B**



# 3 Major Taiwan Invested Distribution Channels in China



4796



210



## Tried to Sell Hawaii Products in Taiwan's 7-ELEVEN

1. 68 items suggested, only 7 qualified
2. Space Consciousness
3. Price Consciousness
4. Consistent Supply



24/7



## What do they sell and serve?



- Driver License Renewal
- E-Fortunetelling
- Cell related Downloads
- Film Development Collect
- Local Parcel & Int'l Mail
- Grocery Delivery

- Accept Payments of Traffic Violation Fines, Utility Bills, Tuition, Car Insurance Premium, magazine and newspaper subscriptions, Charity Donation, Classified Ad, Credit Cards
- Sale of Bus IC Ticket, Phone Cards, Postal Stamp, Post Card, Tickets for Ball Game, Movie, Recreation, Exhibition & Theme Park
- Best Seller Books, Video Game CDs, Magazines, Newspapers, meal boxes
- E-Mail, Fax & Scanning service. Online & Catalog sale shop and its delivery





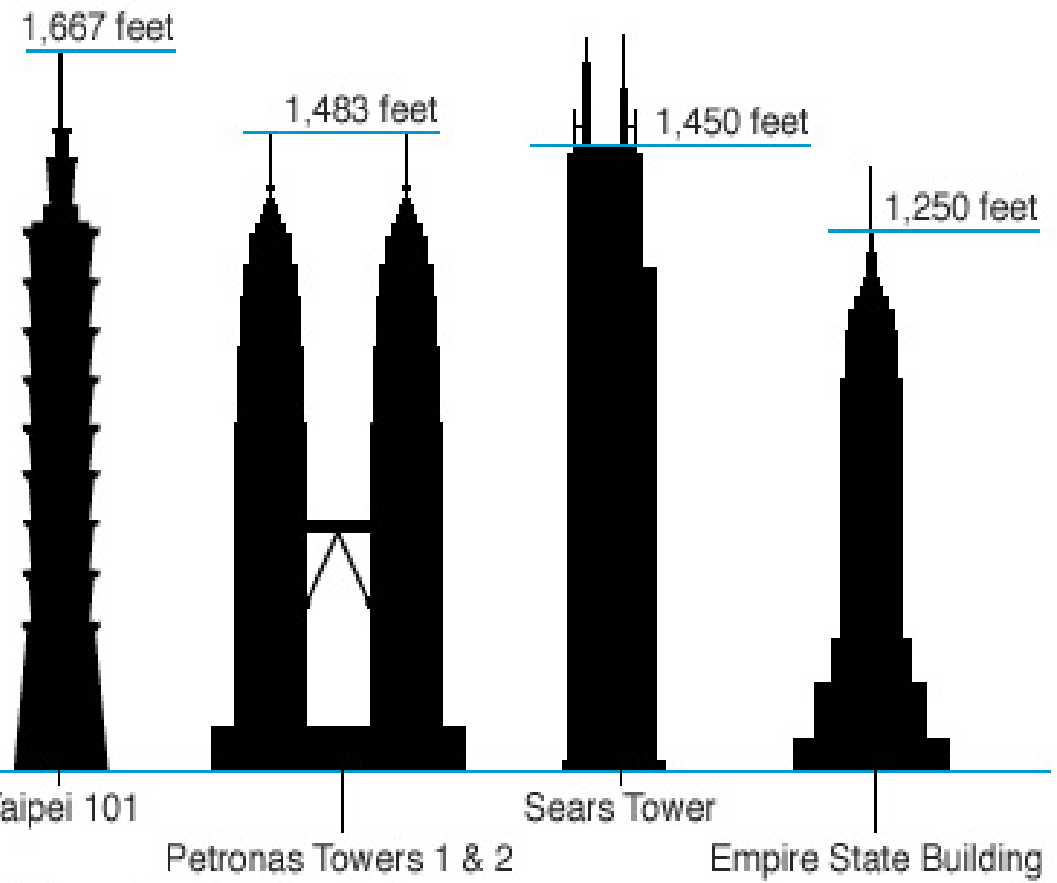
Taipei 101

# World's Tallest Building

Oops!  
TAIPEI 101  
is  
the 2nd  
tallest  
one  
now!!



BurjDubai



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WE'RE ROLLING OUT THE RED CARPET  
**SEE YOU IN TAIWAN!**

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