

2019 National Development Plan

*Speeding up national development,
achieving excellence in execution*

(Summary)

National Development Council
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Speeding up national development, achieving excellence in execution

The 2019 National Development Plan is designed to meet the new circumstances presented by the shifting global economic and trading order and the rapid development of the digital economy. Balancing pursuit of stability, adaptation and progress as its underlying principles, and echoing the spirit of the UN's Sustainable Development Goals (SDGs), it pragmatically sets macroeconomic targets for the year. Its concrete substance embodies the President's national governance philosophy and the Premier's administrative policies in four main strands of planning, namely: to ensure a secure and prosperous working and living environment, to support sustainable population growth, to promote balanced regional development, and to bolster national security and international participation. By promoting national development under these four banners, grounded in the will of the people and boosting the economy, it aims to continue deeply cultivating national power and strengthening Taiwan. In addition, given that executive ability essentially determines whether or not planning goals can be substantively achieved, and in order to achieve better focus and give people a real sense of policy execution, the 2019 National Development Plan includes key performance indicators (KPIs) and targets set for the 13 cross-agency major policies and 10 implementing agencies. The unified work of these agencies, cohering the executive team's whole fighting force under a unitary planning, execution and performance-tracking process, will be expected to fully demonstrate the government's resolve and force of

effort in “speeding up national development and achieving excellence in execution.”

I. The internal and external economic situations, and the macroeconomic targets

1. The economic situations at home and abroad

(1) The international economic situation: Global economic growth and world trade expansion are slowing, while downside risk for the global economy is on the up.

(2) Potential opportunities and risks in the international sphere

— Potential opportunities: The digital economy is a major driving force of productivity growth and improvement in national welfare. The OECD and IMF suggest that each country should grasp opportunity for promoting digital transformation, to ensure that digitization becomes a critical engine of economic growth. At the same time, it is important to strengthen innovation governance and avoidance of high transformation costs arising from digital economy development (such as a growing wealth gap and rising unemployment), to achieve inclusive digital growth.

— Potential risks and uncertainties: As concerns about US-China trade tensions have not been dispelled, uncertainties of global trade policy are increasing; major countries are proceeding to normalize monetary policy; while the economic and financial risks brewing in Mainland China, and the UK’s

nearing departure from the EU, are sources of geopolitical risk.

(3) The domestic economic situation

- The domestic economy is expanding moderately, with domestic demand acting as the main driver of growth. Within domestic demand, private consumption is growing lukewarmly, while private investment is gaining strength under the spur of public investment and policy effects.
- Export momentum is slowing under the constraining effect of international uncertainty and risk.
- The labor market remains stable and healthy, but change in the population structure is depressing employment expansion.
- Domestic prices remain stable, but disparities in the trends of the CPI and GDP deflators is unfavorable to narrowing the gap between real GDP and real wage growth.

2. Macroeconomic targets

Under comprehensive consideration of the internal and external situations and the government's various active policy initiatives, the main macroeconomic targets have been set as follows:

- Economic growth rate: If the world economy grows moderately as projected, and government policy execution brings synergies into full play, then up to 2.6%; if the global economy's downside risk occurs, but with the government's timely adoption of financial and economic stabilization measures alleviating the impact

of international factors on the domestic situation, then 2.4%.

— Unemployment rate: 3.6% - 3.7%.

— Consumer Price Index increase rate: Kept below 2.0%.

II. Secure and prosperous working and living environment

1. Developing the economy

(1) Promoting investment in Taiwan: Pragmatically solving the “five shortages” (of land, water, power, manpower and talent), implementing the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan, progressing with deregulation, eliminating investment barriers, continuing to refine the environmental impact assessment system, and steering enactment of amendments to the Statute for Industrial Innovation.

(2) Promoting wage growth: Continuing to implement the Action Plan for Raising the Wages of Low Earners, increasing the basic wage, and promoting passage of the Minimum Wage Act.

(3) Developing the digital economy: Carrying out the DIGI+ Program and the AI Action Plan, developing fintech innovations, accelerating the spread of mobile payments, and promoting GDPR adequacy decision.

(4) Building smart government: Completing infrastructure, including the issuance of new generation ID cards (New eID) together with the establishment of secure access control and a comprehensive inquiry record

T-road; promoting openness and transparency, data governance, and innovative services.

(5) Accelerating the development of business startups: Continuing to implement the Action Plan for Enhancing Taiwan's Startup Ecosystem; enhancing the capital markets, perfecting the regulatory environment, and activating innovative talent; strengthening international connections.

(6) Concentrating effort on developing the 5+2 innovative industries

a. Asia Silicon Valley Development Plan: Enhancing the innovation and entrepreneurship ecosystem, and employing measures for enhancing capital markets, activating innovative talent, perfecting the regulatory environment, aiding business expansion, and strengthening international connections, to assist penetration of international markets; promoting IoT development, attracting international enterprises to establish innovation, R&D, or test centers in Taiwan, and supporting the establishment of complete IoT supply chains.

b. Promotion Plan for the Smart Machinery Industry: Continuing to promote the Global Smart Machinery Development Center and smart machinery industrial parks; continuing to establish systemic solutions, to raise SMEs' digitization capabilities; and promoting technical cooperation between the industry and major international manufacturers.

- c. Green Energy Technology Industry Innovation and Promotion Action Plan: Using the Shalun Smart Green Energy Science City as the base for promoting the testing and demonstration of smart equipment and other technologies, the formation of joint R&D teams by enterprises, academic institutions and research institutes, and the creation of industry R&D clusters; and tracking and attracting investment in the four major green energy projects for solar energy, wind energy, smart new energy saving, and the Shalun Science City.
- d. Biomedical Industry Innovation Promotion Program: Improving the ecosystem, integrating innovation clusters, and connecting with international market resources; promoting health & well-being and suchlike feature industries, and developing clusters of international-class feature medical institutions.
- e. Implementing the National Defense Industry Development Program, and carrying out the domestic building of military aircraft and ships, to achieve self-sufficiency in national defense; bringing in key technologies and transforming R&D results, to bolster R&D capabilities in national defense technologies.
- f. Continuing to implement the New Agriculture Innovation Promotion Program:
 - (a) Establishing new paradigms for agriculture: Implementing the green environment payment policy for farmland and the Organic Agriculture Promotion Act, utilizing technology to develop

innovative agriculture, and promoting smart agriculture; raising the competitiveness of the livestock and poultry industry, enhancing the quality and safety of domestically produced fresh pork, and strengthening epidemic prevention.

(b) Building agricultural security & safety systems: Carrying out the big granary project, and strengthening control of agricultural chemicals.

(c) Raising agricultural marketing capabilities: Building modernized distribution and marketing channels for agricultural products, raising agricultural value added, constructing a stable export supply system, strengthening international agricultural cooperation, and promoting agricultural cooperation with New Southbound target countries.

g. Continuing to promote the circular economy: Developing circular economy industrial parks, integrating the circular economy and industrial development, assisting key industries to research and develop innovative materials, and promoting the up-valuing of recycled resources.

(7) Optimizing the income tax system: Implementing a new system for taxing stock dividend income, raising the amounts of four individual income tax deductions, and lowering the top tax rate of individual income tax, to lighten the tax burden for salary earners, low- and middle-income earners, and families raising children, as well as for SMEs and business startups; and

pushing passage of amendments to the Income Tax Act, so as to align it more closely to ability to pay while also enabling more streamlined administration and greater public convenience.

- (8) Developing sustainable tourism: Actively marketing to customer sources opening up in Europe, Russia and elsewhere, to boost inbound travel and tourism; developing smart tourism and pepping up domestic tourism, to guide and assist the transformation of the tourism industry.

2. Happy homeland

- (1) Strengthening the fight against crime: Implementing the new-generation anti-drug strategy, preventing cross-border telecom fraud, stepping up anti-crime sweeps, and taking effective action against money-laundering.
- (2) Perfecting social safety nets: Implementing the Plan to Strengthen Social Safety Nets; better safeguarding the economic well-being of vulnerable groups; continuing to enhance employment and various services for women, new immigrants, and the physically and mentally disabled.
- (3) Optimizing long-term care: Continuing to implement the 10-year Long-Term Care Plan 2.0, to establish a high-quality, affordable and universal long-term care services system.
- (4) Strengthening pollution prevention: Promoting greenhouse gas reduction, air pollution controls, and waste

management, and preventing and remediating water pollution.

- (5) Achieving housing justice: Actively conducting the Social Housing Plan, introducing experimental programs for young entrepreneurs, young and elderly people living together, and friendly co-occupation; continuing to perfect the legal regime for urban renewal and to speed up the reconstruction of dangerous and old buildings; continuing to pursue amendment of the three laws governing real transaction price registration, to perfect the system for administering real estate transactions.
- (6) Ensuring food safety: Continuing to implement the Five-point of Food Safety, strengthening source control, reconstructing production management, reinforcing inspection, increasing the liability of unscrupulous manufacturers, and involving the whole population in monitoring food safety, to ensure that people can trust in the safety of food and drink in Taiwan.
- (7) Advancing human rights protection and gender equality: Continuing to thoroughly implement the Gender Equality Policy Guidelines and the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); effectually implementing the UN Convention on the Rights of the Child and the UN Convention on the Rights of Persons with Disabilities; continuing to spread human rights education.

III. Sustainable population growth

1. Creating a friendly child-rearing environment
 - (1) Continuing to increase the public provision of child care and early education services.
 - (2) Promoting the establishment of mechanisms for increasing quasi-public child care services.
 - (3) Expanding the issuance of childcare allowances for children aged 0 to 4.
 - (4) Actively encouraging enterprises to set up nursery facilities.
2. Optimizing talent cultivation & recruitment and immigration policy
 - (1) Continuing to implement the Higher Education Sprout Project.
 - (2) Continuing to implement the Yushan Project.
 - (3) Effectually implementing the Act for the Recruitment and Employment of Foreign Professionals, to create a friendly work and residency environment.
 - (4) Expanding talent recruitment services through the Contact Taiwan talent recruitment platform and InvestTaiwan service center.
 - (5) Pressing for enactment of the New Economic Immigration Bill, to make up sufficiency of manpower needed for economic development.
3. Promoting national health
 - (1) Upgrading medical services: Continuing to establish community-based healthcare networks, and perfecting national vaccination policy.

- (2) Improving sports development: Stepping up the promotion of sports for all, accelerating the industrialization and internationalization of sports, and building an optimal environment for sports industry development.

4. Developing Taiwan into a bilingual nation

- (1) Vision: Developing Taiwan into a bilingual nation by 2030.
- (2) Objectives: Enhancing citizens' English proficiency, and raising national competitiveness.
- (3) Propelling rationale: Strengthening people's English proficiency from the demand side, reducing urban-rural divide with digital technology, running Bilingual policy and native language policy in parallel, and forging competitive advantage for young talents.
- (4) Strategies:
 - a. Establishing an integrated English learning and translation resources platform.
 - b. Common strategies: To be co-implemented by various government agencies, including:
 - (a) Fully bilingualizing official websites.
 - (b) Bilingualizing documents relating to foreigners.
 - (c) Bilingualizing front-line services in public service premises.
 - (d) Bilingualizing laws and regulations relevant to foreigners.
 - (e) Cultivating civil servants' English communication ability.

- c. Individual strategies: To be implemented by each agency in respect of matters within their purview, including:
- (a) Comprehensively launching the education system's bilingual activation.
 - (b) Promoting the establishment of all-English TV channels and encouraging public broadcasting groups to produce and broadcast English programs.
 - (c) Increasing English programs broadcast by radio stations (such as National Education Radio and Police Broadcasting Service).
 - (d) Creating a friendly bilingual tourism environment.
 - (e) Bilingualizing government procurement documents.
 - (f) Establishing a bilingual investment-friendly environment in science parks and industrial parks.
 - (g) Enhancing the English ability of financial institution personnel, to create a friendly bilingual financial services environment, including encouraging industry players to allocate a part of their earnings to use as a budget for English training courses; and pressing for listed (or OTC) companies to provide a proportion of information in English as well as Chinese, for a proportion of financial transaction platforms to be bilingual, and for financial institutions' service locations to be fully bilingualized.
 - (h) Encouraging business enterprises to raise their English capabilities, including assisting them to use English in their product literature, and helping chain businesses to establish

international departments.

- (i) Enhancing English capacity in the labor force, including providing subsidies for labor unions to conduct English teaching and training and establishing a database of English-proficient volunteers.
- (j) Enhancing bilingual capabilities in agricultural production and marketing.
- (k) Promoting the conduct of bilingual exchanges in youth and cultural activities.
- (l) Coordinating the cross-service bilingual education policy, to enhance the ability of military personnel to use English relating to military affairs.

IV. Balanced regional development

1. Sustainable land development

- (1) Improving land planning: Thoroughly implementing the Spatial Planning Act and the National Spatial Plan; strengthening land development review procedures.
- (2) Strengthening disaster prevention and rescue: Improving the national disaster prevention and rescue system; perfecting the fire prevention system; implementing a nationwide 3D pipeline integrated database and applications system, to upgrade response efficiency.
- (3) Perfecting water resources management: Employing the four main strategies of expanding water sources, reducing water leakage, improving distribution systems, and strengthening backup, to ensure stability of water supply; strengthening comprehensive

management of river basins, and speeding up sewer construction.

2. Promoting regional revitalization

(1) Carrying out the National Strategic Plan for Regional Revitalization: Adopting a five-point strategy of encouraging businesses to invest in their home locations, bringing in technology, integrating resources of various ministries, rousing community participation, and aiming at brand building, to activate and vitalize regional revitalization, and promote urban stress reduction.

(2) Making 2019 the start of an era of regional revitalization in Taiwan, and using the Executive Yuan's Regional Revitalization Discourse platform to strengthen the integration of public and private resources and coordination between central and local government.

3. Speeding up execution of the Forward-looking Infrastructure Development Program

(1) Railway projects

(2) Water environment projects

(3) Green energy projects

(4) Digital infrastructure projects

(5) Urban and rural infrastructure projects

(6) Projects for building a friendly parenting environment to reverse the decline in the birth rate

(7) Projects to ensure food safety

(8) Projects for nurturing talent and promoting employment

4. Raising the quality of transportation

(1) Optimizing the railway and highway systems.

- (2) Continuing to carry out the construction projects for Taoyuan International Airport's the third terminal and the third runway.
 - (3) Improving sea and air transportation services connecting to New Southbound countries.
 - (4) Ensuring traffic safety.
 - (5) Developing smart transportation.
5. Deeply cultivating Taiwan culture
- (1) Honing cultural governance.
 - (2) Optimizing cultural rooting.
 - (3) Building a cultural industry ecosystem.
 - (4) Shaping Taiwanese cultural brands.
 - (5) Promoting diversified cultural development.
6. Balancing resource distribution
- (1) Raising the efficacy of local governance.
 - (2) Revitalizing Zhongxing New Village.
 - (3) Promoting the development of the Hualien-Taitung region, offshore islands, and small and mid-sized townships.

V. National security and international participation

1. Safeguarding national sovereignty
- (1) Continuing to pursue steadfast diplomacy, maintaining diplomatic relations with current allies, and strengthening the development of diverse ties with the US, Japan, Europe and other ideologically close countries.
 - (2) Striving to upgrade national defense combat capabilities, strengthening capacity for self-defense autonomy, and effectuating secure control of national defense S&T research results and key technologies.

(3) Appropriately conducting cross-strait relations, enhancing communication with each county and city government, coordinating the principles and methods of pursuing cross-strait city-to-city exchanges, and giving assistance to local governments in accordance with the law.

2. Expanding international participation

(1) Accelerating promotion of the New Southbound Policy: Continuing to implement the five flagship programs for agriculture, medicine & public health, talent, industry, and the Yushan Forum, and to forge links in the high-potential realms of cross-border e-commerce, tourism, and public works.

(2) Bolstering international cooperation: Striving for admission to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and to secure the hosting of APEC activities in Taiwan; pursuing the signing and renewal of bilateral economic and trade agreements with other countries; participating in the WHO, UNFCCC and other functional international organizations, and helping NGOs participate in international activities and events.

VI. Fulfilling key performance indicators, to show capability of execution

The setting of KPI and targets for the selected 13 cross-agency major policies and 10 implementing agencies:

1. The cross-agency policies: Anti-drug strategy, the Five-point of Food Safety, air pollution control, long-term care, public child care, Asia Silicon Valley, smart

machinery, green energy industry, biomedical industry, New Agriculture, the New Southbound Policy, regional revitalization, and smart government (the indicators and targets are set out in the schedule below).

2. The 10 agencies: Ministry of the Interior, Ministry of Finance, Ministry of Education, Ministry of Economic Affairs, Ministry of Transportation and Communications, Ministry of Health and Welfare, Ministry of Culture, Ministry of Labor, Ministry of Science and Technology, Financial Supervisory Commission.

Schedule

Cross-Agency Performance Targets

Major Policy	KPI	2019 Target Values
1. Anti-drug strategy	Rate of reduction of number of new drug users	3%
2. Five-point of Food Safety	<p>Strengthening food manufacturers' self-regulation and government checks on high-attention, high-risk products</p> <p>1. Ratio of announced Key Categories of Food Firms that must establish systems for traceability, food safety monitoring plans, compulsory inspection and bringing in specialist personnel, etc.</p> <p>2. Sampling pass rate of high-attention imported foods put on the market</p> <p>3. Sampling pass rate of high-attention domestically produced foods put on the market</p> <p>4. Expansion of monitoring for drug use in high-risk agricultural, husbandry and aquatic products (including sampling of fresh ingredients in school lunches)</p>	<p>90%</p> <p>96%</p> <p>90%</p> <p>51,900 cases</p>
3. Air pollution control	Improving annual average concentration of PM _{2.5} air pollution	18 µg/m ³
	Reducing incidents of PM _{2.5} red alert	Not above 499
4. Long-term care	Ratio of assessed subjects receiving Long-Term Care 2.0 services	45%
	Achievement rate of long-term care A-, B- and C-tier service delivery	90%
5. Public child	Public child care coverage rate	

Major Policy	KPI	2019 Target Values
care	1. (Public child care & education service supply ÷ enrollment of children aged 2-5) x 100%	34.60%
	2. (Public child care service supply ÷ provision to children aged 0-2) x 100%	19.87%
	Situation of urban-rural balance in public child care resources distribution 1. Number of child care classes cumulatively added to public provision by each local government 2. Number of child care resource centers cumulatively established by each local government	800 classes 160 locations
6. Asia Silicon Valley	Promotion of business startup successes or enterprises' establishment of R&D centers in Taiwan	15 cases
7. Smart machinery	Lifting smart machinery industry growth (compound annual growth rate of output value)	2%
8. Green energy industry	Strengthening green energy industry development	
	1. Number of households installing smart meters, output value, and volume of participation in demand response measures	400,000 households, NT\$2.97 billion, and 2,050 MW
	2. Added capacity of wind power generation and output value	33 MW and NT\$2 billion
	3. Solar photovoltaic industry output value and installed capacity	NT\$210 billion and 1,500 MW

Major Policy	KPI	2019 Target Values
9. Biomedical industry	Inducement of private investment 1. Amount of private investment 2. Number of new pharmaceuticals and high-value medical devices on international markets 3. Annual turnover of biomedical firms 4. Number of successful applications to local or overseas medicine and health authorities for approval of Class II medical devices made by domestic manufacturers	NT\$55 billion 2 new pharmaceuticals and 30 high-value medical devices on international markets Growth rate above 3% 330 cases
10. New Agriculture	Professional farm household income	NT\$1.73 million
	Area and coverage of organic farming and traceable production	44,800 hectares, coverage 8%
	Young farmers nurtured	9,000
11. New Southbound Policy	Number of visits to Taiwan by tourists from New Southbound countries	2.6 million visits
	Number of students from New Southbound countries coming to Taiwan for study/research	48,300
	Amount and number of successful bids by Taiwan's engineering firms in New	Amount of successful bids

Major Policy	KPI	2019 Target Values
	Southbound countries	above NT\$20 billion, and at least 22 successful bids
	Number of young people from Taiwan going to New Southbound countries as interns or trainees	2,000
12. Smart government	Completion of preparatory work for issuance of new eID	Completion of 6 specifications
	Interface completion ratio of data exchange platforms	40%
13. Reginal revitalization	Number of locations with central or local government reginal revitalization enterprise proposals completed	Reginal revitalization enterprise proposals presented for 35 townships or districts