



ROC Plan for National Development in 2012

Briefing

**Council for Economic Planning and Development,
Executive Yuan**

December 15, 2011

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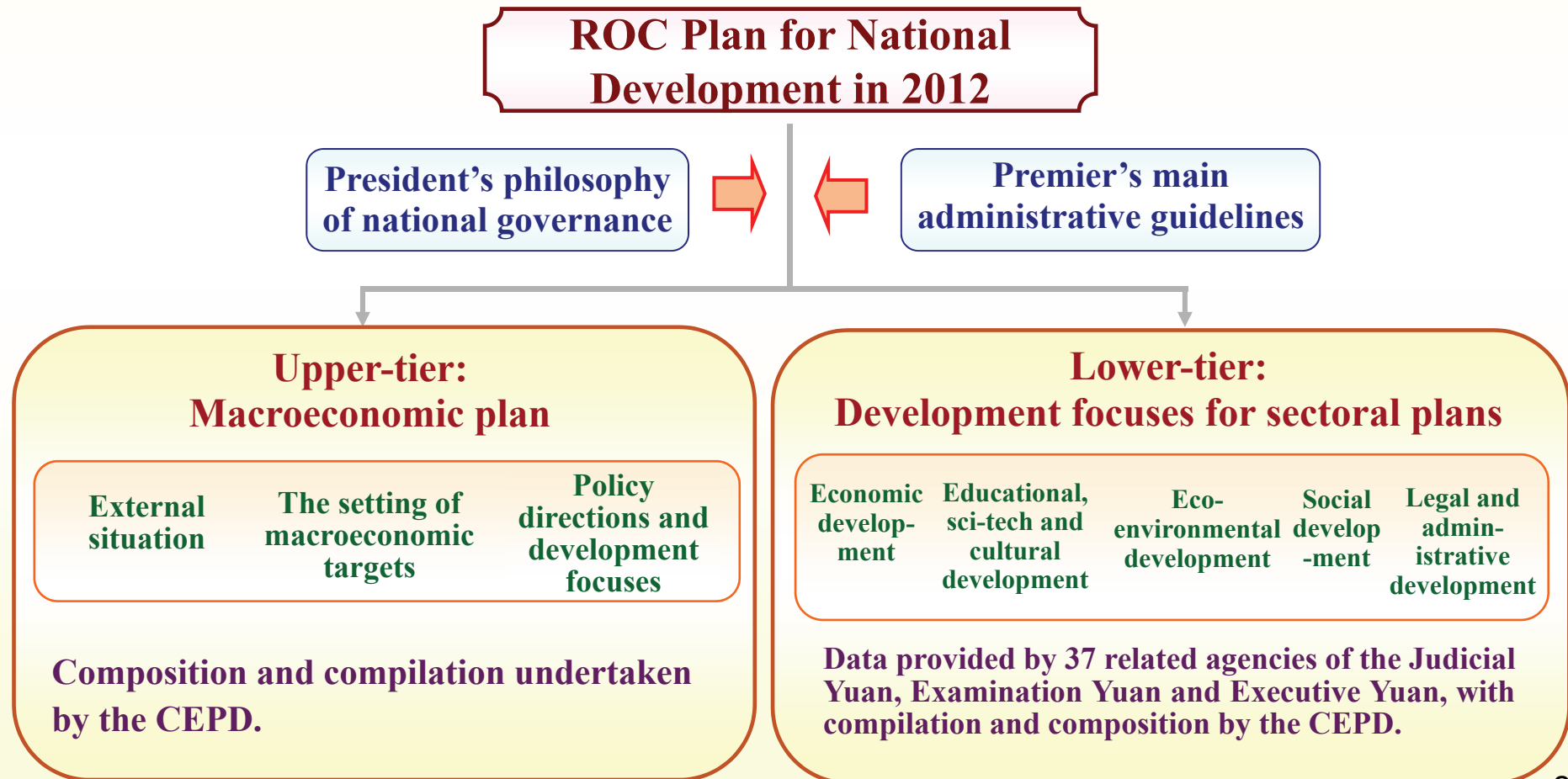
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I. Background

- The ROC Plan for National Development in 2012 is the fourth annual plan for carrying out the Third-Term Plan for National Development in the New Century (2009~2012), which is Taiwan's 15th mid-term national development plan, aimed at guiding the direction of national development and raising overall resource utilization efficiency.
- This plan was passed at the 1,419th council meeting of the CEPD on December 12, 2011, and approved at the 3,278th meeting of the Executive Yuan on December 15, 2011.



II. External Situation

1. Global economic growth slowing

- ❖ In 2012, global economic growth is expected to slow and face downside risk under the impact of the European debt crisis, the US fiscal deficit, and turbulence in international financial markets. Global Insight has projected that the growth rate of the global economy will fall to 2.7%, with a widening disparity of growth between advanced and emerging economies.
- ✚ **Advanced economies will see their growth rate reduced to 1.2% in a difficult economic climate.**
- ✚ **Asia-Pacific emerging economies will achieve a strong growth rate of 6.3%, bolstered by rising domestic demand.**

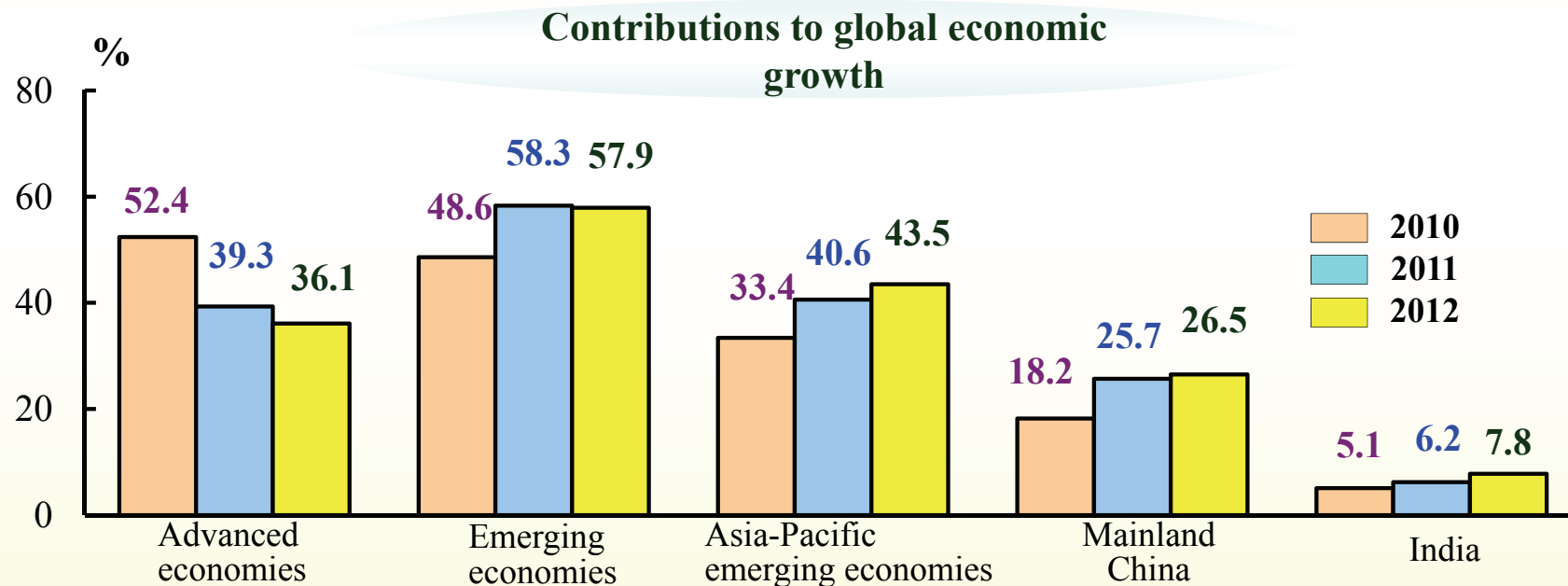


Note: Asia-Pacific emerging economies refers to mainland China, India, the Four Asian Dragons, the ASEAN-4, and Pakistan.

Source: Global Insight Inc., *World Overview*, December 2011.

2. Emerging economies as the main force of support for global economic growth

- ❖ In 2012, emerging economies will continue to be the main driving force of global economic growth, contributing more than 50% of that growth while advanced economies' contribution falls below 40%.
- ❖ Mainland China and India will together contribute more than 30% of global economic growth.



Note: Emerging economies refers to 27 economies in the Asia-Pacific region (mainland China, India, the Four Asian Dragons, the ASEAN-4, and Pakistan), Latin America, Eastern Europe/Middle East, and Africa.

Source: Global Insight Inc., *World Overview*, December 2011.

III. The Setting of Macroeconomic Targets

1. External conditions

Items	2011	2012
Global economic growth rate¹	3.0%	2.7%
World trade expansion²	7.5%	5.8%
Price of OPEC crude oil (US\$/barrel)³	107.2	104.8
Global unemployment rate¹	8.4%	8.4%

Sources:

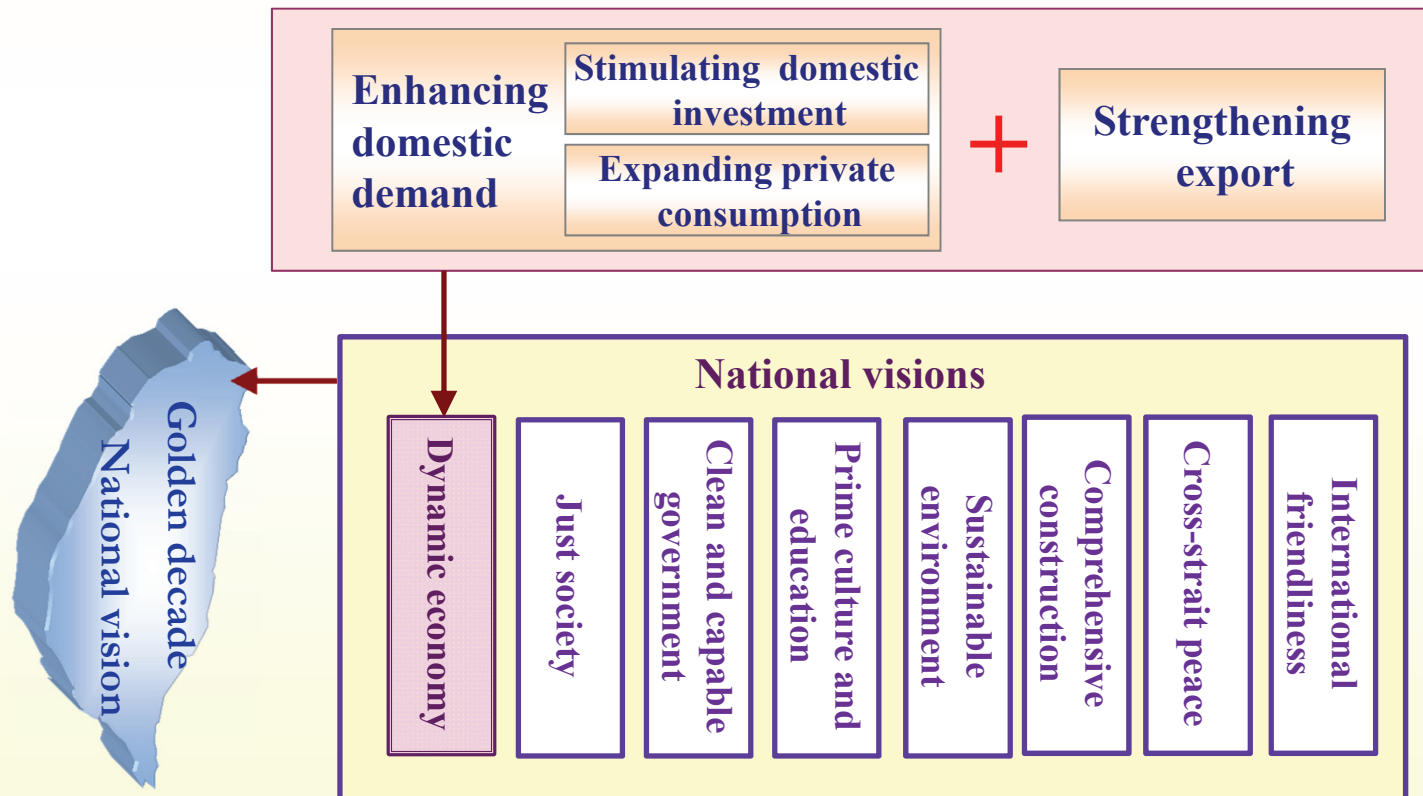
1. Global Insight Inc., *World Overview*, December 2011.

2. IMF, *World Economic Outlook*, September 2011.

3. Directorate-General of Budget, Accounting and Statistics, Executive Yuan, November 24, 2011.

2. Plan concepts

- ◆ In 2012, in face of the severe international economic conditions and issues concerning the structural transformation of the domestic economy, the government will fully carry out the concrete measures of the eight visions for achieving a “Golden Decade” for Taiwan, in conjunction with the implementation of the Economic Climate Response Program, with the goals of maintaining domestic demand and exports as twin engines of economic propulsion, boosting economic growth, and expanding job creation.



3. The setting of main macroeconomic targets for 2012

(1) Taiwan's economic outlook in 2012

Unit: %

Forecasters and forecast time		2012			2011		
		Economic growth rate	CPI increase rate	Unemployment rate	Economic growth rate	CPI increase rate	Unemployment rate
Domestic institutions							
Taiwan Research Institute	(Dec. 15th)	4.02	1.28	4.35	4.41	1.40	4.40
NTU-Cathay Financial Holdings Industry-Academia Cooperation	(Dec. 8th)	3.70	—	—	4.30	—	—
Chung-Hua Institution for Economic Research	(Dec. 6th)	4.07	1.48	4.51	4.40	1.37	4.44
DGBAS	(Nov. 24th)	4.19	1.14	—	4.51	1.37	—
Taiwan Institute of Economic Research	(Nov. 8th)	4.22	1.73	—	4.64	1.69	—
Polaris Research Institute	(Sep. 28th)	4.51	1.56	—	4.73	1.50	—
Academia Sinica	(July 19th)	—	—	—	5.52	2.16	—
International Institutions							
Global Insight	(Dec . 15th)	3.9	1.0	4.39	4.5	1.3	4.40
ADB	(Dec. 6th)	4.1	—	—	4.6	—	—
EIU	(Dec. 3rd)	3.1	—	—	4.4	1.5	—
IMF	(Oct. 11th)	5.0	1.8	4.20	5.2	1.8	4.30

Source: The respective institutions.

(2) Main macroeconomic targets

◆ Taking overall account of subjective and objective conditions in the domestic and international economies, and matching these with active policy initiatives by the government, the main macroeconomic targets for 2012 are set as follows:

Items	2012 Projections by DGBAS	Targets of 2012 National Development Plan
Economic growth rate	4.19%	4.3%
Per capita GDP (US\$)	20,472	20,649
CPI increase rate	1.14%	No more than 2%
Unemployment rate	—	4.2%
Employment increase rate	—	1.3%
Labor participation rate	—	58.25%

(3) Demand-side sources of economic growth in 2012

	2012 Projections by DGBAS		2012 Targets of national development plan	
	Real growth rate	Contribution to economic growth rate (% points)	Real growth rate	Contribution to economic growth rate (% points)
GDP	4.19%	4.19	4.30%	4.30
Domestic demand	1.68%	1.37	2.08%	1.70
Private consumption	+2.88%	1.54	+2.92%	1.56
Government consumption	0.17%	0.02	0.15%	0.02
Gross fixed investment	0.18%	0.03	1.90%	0.33
Private investment	2.57%	0.34	+4.82%	0.64
Government investment	-13.96%	-0.38	-13.97%	-0.38
Public enterprise investment	5.99%	0.08	5.98%	0.08
Increase in inventory	—	-0.21	—	-0.20
Net external demand	—	2.82	—	2.60
Exports of goods and services	+5.93%	4.44	+5.86%	4.38
(Less): Imports of goods and services	2.87%	1.62	3.15%	1.78

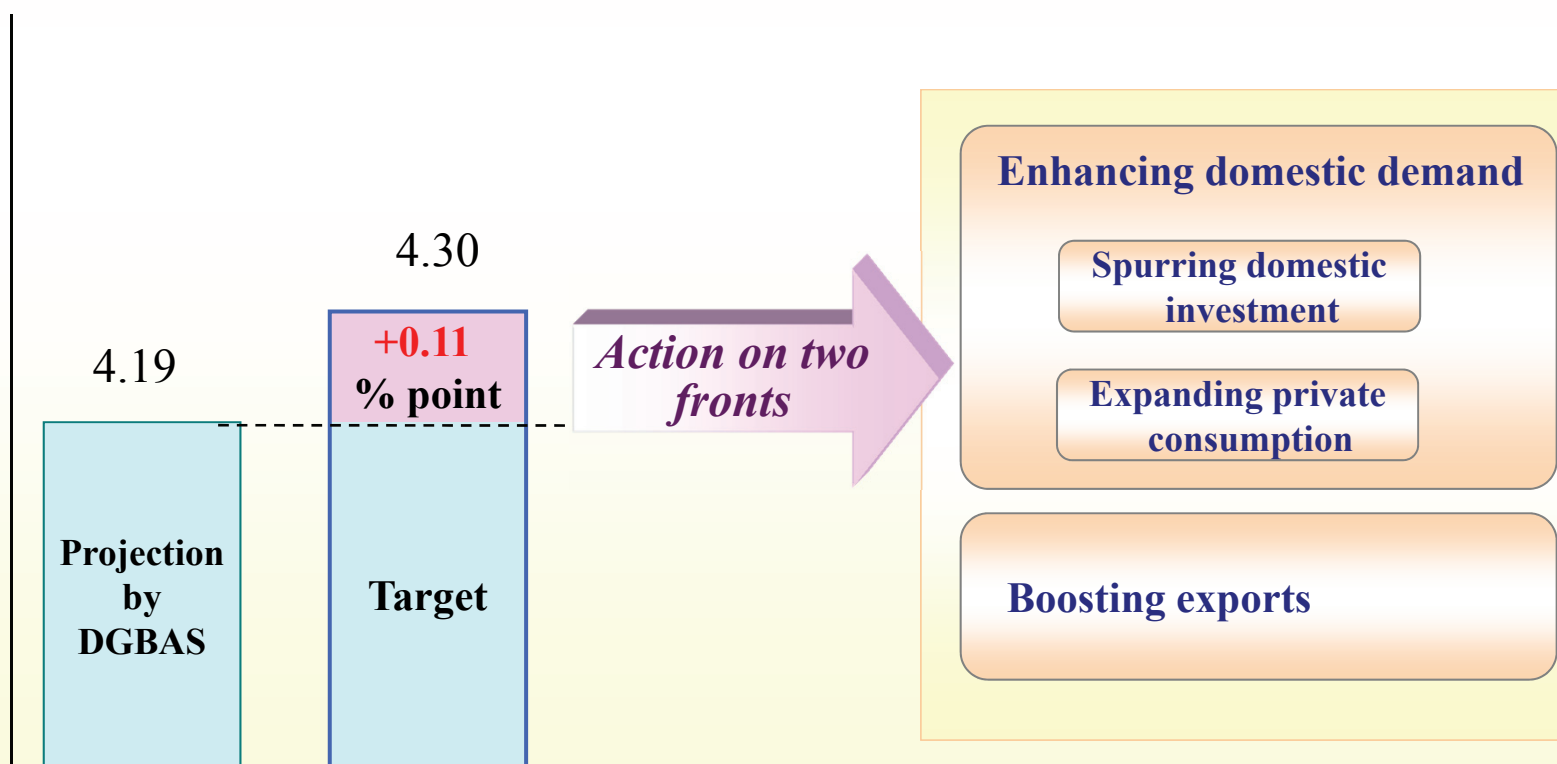
Note: Due to the rounding of numbers, totals may not exactly match the sum of components.

Sources: DGBAS and CEPD.

© *How to reach the targeted growth rate of 4.3%?*

- ◆ The 2012 economic growth rate target is set at 4.3%, of which 1.7 percentage points is to be contributed by domestic demand and 2.6 percentage points contributed by net external demand (trade surplus).
- ◆ More vigorous policy action will be needed to achieve the 2012 economic growth target.

Economic growth rate (%)



◆ Enhancing domestic demand

◎ Spurring private investment

- Speeding up implementation of public works
- Continuing to carry out the “Invest in Taiwan” program and the “Homes for Industries, Industries for Homes” plan.
- Activating public land, expanding the participation of the private sector in public works and urban renewal, and building affordable housing.
- Accelerating the removal of investment barriers and loosening of regulations to improve the economic, trade and investment environment.



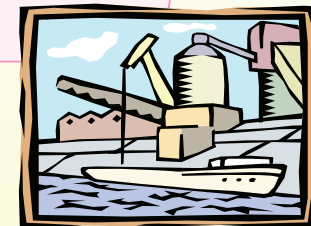
◎ Expanding private consumption

- Utilizing investment to create jobs, raise wages and spur increased consumption.
- Expanding promotion of the MICE and tourism industries
- Subsidizing the general public’s purchase (replacement) of energy-saving home appliances.
- Promoting tourism and high-end products in the agricultural sector.
- Perfecting the social security net.



◆ Boosting exports

- **Striving to diversify export markets and expand economic and trade relations with the Asian region, particularly focusing on increasing activity in Asian emerging consumer markets, to maintain the driving force of export trade.**
- **Attracting international tourists to Taiwan and expanding service exports.**
- **Reinforcing the New Cheng Ho Plan to promote the international image of Taiwan's brands and industries.**
- **Actively promoting economic and trade exchanges with countries that have high growth and have had relatively little business dealing with Taiwan in the past.**



◎ *How to reach the targets in the labor market?*

- ◆ Unemployment rate of 4.2%;
- ◆ Employment increase rate of 1.3%;
- ◆ Labor participation rate of 58.25%.



1. Expanding investment and domestic-demand-led economic growth, to spur increased employment.
2. Continuing to implement the “Invest in Taiwan” initiative and the “Homes for Industries, Industries for Homes” plan, and carrying out the plan to foster and employ local talent in emerging industries, to support emerging industry demand for local manpower, and to increase local job opportunities.
3. Drawing up the 2012 Employment Promotion Implementation Plan, based on the 2009~2012 Employment Promotion Program, to help provide stable employment for workers and promote employment of disadvantaged members of the work force.
4. Promoting the development of six major rising industries, four emerging intelligent industries, and ten key service industries, to improve the structure of industry and create employment opportunities.

IV. Major Policy Measures

An innovative and dynamic economy

- Implementing the Economic Climate Response Program
- Expanding the promotion of global deployment
- Carrying out the Homes for Industries, Industries for Homes plan
- Speeding up the transformation and upgrading of the industrial structure
- Accelerating S&T innovation
- Creating employment opportunities

A sustainable low-carbon environment

- Responding to climate change
- Putting into practice green living and production
- Enhancing national land conservation
- Conducting disaster prevention and reconstruction

A just and stable society

- Reducing the rich-poor gap
- Achieving housing justice
- Expanding care for the disadvantaged
- Raising the fertility rate
- Providing living security for the aged
- Maintaining national health
- Promoting social order

Promoting comprehensive development

- Carrying out the Strategic Plan for National Spatial Development
- Executing the i-Taiwan 12 Projects
- Improving the transportation network
- Enhancing fiscal management and the financial system

Clean and competent government

- Pushing clean government and reform
- Carrying out government re-engineering

Peaceful cross-strait relations

- Deepening cross-strait exchanges
- Consolidating national defense and security

Prime culture and education

- Bolstering cultural and creative activity
- Launching education reform
- Strengthening human resources cultivation

Friendly to international society

- Expanding international engagement
- Providing humanitarian assistance
- Strengthening cultural exchanges
- Upgrading tourism and travel

1. Innovative and dynamic economy { MOI, MOF, MOE, MOJ, MOEA, MOTC, CBC, GIO, DOH, MAC, CEPD, FSC, NYC, NSC, COA, CCA, CLA, FTC, PCC, STAG }

Carrying out the Economic Climate Response Program

Strategies

Concrete measures

Ten focuses

Stabilizing finance

Stabilize financial markets, and implement appropriate monetary policy.

Holding down prices

Dynamically reduce taxes, combat cartels, and crack down on illegal hoarding and price gouging.

Increasing jobs

Carry out the Plan for Local Manpower Training and Employment for Emerging Industries and the Recharge and Restart Training Project, and expand special subsidy schemes for promoting employment of temporary workers.

Promoting investment

Speed up the implementation of benchmark public works, expand green building awards, carry out special projects to promote Taiwanese and Japanese investment in Taiwan, activate public land, and continue to carry out the “Invest in Taiwan” initiative and the “Homes for Industries, Industries for Homes” plan.

Helping industries

Extend measures to strengthen the Credit Guarantee Fund, help enterprises obtain funds for operational needs, install LED road lighting islandwide, and provide anti-dumping relief.

Pepping up consumption

Subsidize the general public’s purchase (replacement) of energy-saving home appliances, expand business opportunities for the MICE industry, promote consumption by the general public through the GO prize draw, and promote tourism and high-end products in the agricultural sector.

Boosting exports

Conduct scheme to help manufacturers vie for year-end export orders, enhance the New Cheng Ho Plan, strengthen support for groups to participate in and vie for orders at international fairs, and actively promote bilateral investment and trade with countries that are achieving high growth and have had relatively little business dealing with Taiwan in the past.

- ◆ LED road lighting islandwide.
- ◆ Energy-saving home appliance rewards.
- ◆ Everyone working together for urban renewal.
- ◆ Rewards to promote green building.
- ◆ Excellent Tourism in Taiwan
- ◆ All-out implementation of benchmark public works.
- ◆ Establish TJ Park (Taiwan-Japan Park) in Southern Taiwan Science Park.
- ◆ The “umbrella for rainy days” initiative to maintain unbroken supply of business funding.
- ◆ The Plan for Local Manpower Training and Employment for Emerging Industries, and the Recharge and Restart Training Project.
- ◆ Vying for year-end orders.

1. Innovative and dynamic economy (*continued*)

Expanding the promotion of global deployment




- 🌍 **Boosting investment in Taiwan:** The government will continue to **implement the “Invest in Taiwan” initiative**, with the provision of customized consulting and matchmaking services tailored to each investment location, and in conjunction with the **“Homes for Industries, Industries for Homes” plan, to effectively draw investment into local industries, so as to revitalize local economies, create local employment, and promote balanced regional development;** and will also provide land and tax benefits to encourage overseas Taiwanese businesses to invest back in Taiwan.
- 🌍 **Improving the investment environment:** **The Executive Yuan has set up a Committee to Remove Barriers to Investment and Promote Employment, to help remove inter-agency investment barriers;** and the MOEA’s Coordination Office for Investment Promotion (COIP) appoints dedicated personnel to take special responsibility for tracking and assisting important private investment projects. In addition, the government will actively implement the Patent Application Backlog Clearance Plan to reduce the patent review time and aid industrial innovation and R&D, and will **loosen regulatory restrictions on investment from abroad, to build an internationally aligned prime investment environment.**
- 🌍 **Studying and planning the establishment of free economic demonstration zones:** **The Executive Yuan has set up a cross-agency planning committee,** with staff support provided by the MOEA, to exchange opinions with local governments and related groups, **furnish a concrete plan within one year, and complete the requisite legislative enactment work within two years.** The demonstration zones will serve as a pilot scheme for stage-by-stage progress, taking into consideration industrial policy and regional balance, toward the goal of making Taiwan into a free economy.

Implementing the “Homes for Industries, Industries for Homes” plan

- 🌍 **Mapping out regional industrial development visions:** The central government will collaborate with local government, industry, scholars, and research bodies to match objective analysis with subjective wishes in the practicable mapping out of directions for regional industrial development, **to draw up the spatial distribution map of Taiwan’s industries for the next decade.**
- 🌍 **Developing competitively advantaged industries for each region:** **Taking five metropolitan areas as the basis, with the establishment of core cities for the northern, central, southern and eastern regions and the offshore islands to market their respective competitively advantaged industries,** the government will employ a public-private partnership model to set up regional brand creation centers to serve as international windows of each region’s brand products and to establish international marketing channels.
- 🌍 **Promoting cross-regional cooperation:** The government will carry out integrative cross-regional development plans and city-region development plans, to **strengthen cooperation among regions, expand production capacity, optimize synergistic effects, and reduce costs.**

1. Innovative and dynamic economy (*continued*)

Speeding up the transformation and upgrading of the industrial structure

-  **Developing six major rising industries:** The government will continue to carry out its action projects for the biotechnology, green energy, travel & tourism, medical care, high-end agriculture, and cultural & creative industries, to promote adjustment of the industrial structure and consolidate the industrial base. **Under this initiative, the production value of the green energy industry is projected to reach NT\$470 billion in 2012.**
-  **Developing four emerging intelligent industries:** The government will continue to carry out the Cloud Computing Industry Development Project, the Development Strategies and Action Plan for Smart Electric Vehicles, the Intelligent Green Buildings Promotion Project, and the Invention and Patent Industrialization Promotion Project, to shape new competitive advantages for industries. **Under this initiative, in 2012, investment in the cloud computing industry is projected to reach more than NT\$10 billion, while invention and patent industrialization is projected to bring private investment of NT\$3.5 billion, with derivative economic benefit of NT\$15 billion.**
-  **Developing ten key service industries:** The government will continue to carry out the individual action plans for each of the targeted service industries, including cuisine internationalization, international logistics, popular music and digital content, and the MICE industry, to optimally raise living quality and job creation.

1. Innovative and dynamic economy (*continued*)

Accelerating S&T innovation

- **Upgrading S&T R&D efficiency:** The government will promote industry-academia joint venture innovation R&D centers to support innovation and R&D projects in industry, enhance the efficiency of national S&T projects, and encourage the start-up of businesses derived from the results of research by academic and research institutions (“Start-up Taiwan”).
- **Building a prime environment for making the most of each person’s talent:** The government will enhance regulatory planning, loosen wage flexibility, decouple S&T intellectual property from national assets, and create a friendly environment for foreigners to come to Taiwan to work and start businesses.
- **Deepening R&D in basic key technologies:** The government will reinforce R&D and innovation in key and emerging S&T, deeply cultivate the existing level of industrial technology and expand the application of new technologies, set up a mechanism to protect and manage intellectual property, and promote the fostering and recruitment of innovative talent.

Creating employment opportunities

- **Expanding job creation:** The government will fully implement the 2009~2012 Employment Promotion Program, which is projected to enable 50,000 people to gain employment and provide 237,000 training opportunities in 2012. This will be conducted in conjunction with the Invest in Taiwan initiative and the Homes for Industries, Industries for Homes plan, to develop local industries, and to optimize the additive effects in revitalizing the economy and creating employment opportunities.
- **Enhancing career training:** The government will intensively conduct diversified professional training to provide professional training opportunities to the unemployed, and will conduct programs to encourage industry investment in talent and help enterprises upgrade their human resources, to encourage workers in employment to pursue further education and training, and to encourage enterprises to invest in human capital.

2. A just and stable society { MOI, MOF, MOE, MOJ, MOEA, MOH, CEPD, COA, CLA, CIP, CHA }

Reducing the rich-poor gap

- 🌈 **Reducing income inequality:** The government will continue to carry out the seven main sets of strategy formulated by the Executive Yuan's Special Committee on Improving Income Distribution; it will work toward carrying out tax reform, enhancing tax-transfer effects, and reducing the tax burden on low- and middle-income families and salary earners.
- 🌈 **Closing the urban-rural gap:** The government will carry out the Invest in Taiwan initiative and the Homes for Industries, Industries for Homes plan to develop local industries, and will work to improve the farm village environment, foster manpower in farm villages, and close the urban-rural gap.

Achieving housing justice

- 🌈 **Regulating housing supply and demand:** The government will promote the provision of affordable housing, social housing and modern housing, and will continue to carry out the Project to Effect the Integration of Housing Subsidy Resources, to solve the housing problems of low- and middle-income families.
- 🌈 **Improving housing and real estate information:** The government will carry out the establishment and integration of four major information networks, including the e-housing network and the real estate price e-network, and set up a mechanism for recording and increasing the transparency of real estate transaction price information.

2. A just and stable society (*continued*)

Expanding care for the disadvantaged

- **Strengthening social relief:** The government will continue to provide living and other subsidies for low-income households, implement the 2011~2016 Employment-Promotion Program for Low- and Middle-Income Households, and continue to conduct “Immediate Care” emergency hardship relief.
- **Enhancing schooling support:** The government will comprehensively implement the **Plan to Provide Free Education for 5 Year Olds launched in 2011**, will implement the **Project to Provide Free Education for Senior and Vocational High Schools stage by stage**, and will conduct the “Night Angel” program to provide after-school care and learning for children from disadvantaged families.
- **Bolstering care for the disadvantaged:** The government will continue to implement employment programs targeting disadvantaged workers and their families, will continue to administer care and support measures for foreign and mainland spouses, and will help the development of indigenous people’s industries and strengthen care for indigenous people.

Raising the fertility rate

- **Encouraging people to marry and have children:** The government will carry out the “happy to marry, willing to have children, and able to raise them” program, **with the target of at least 130,000 marriages taking place in 2012**, and will provide diverse child-care services to help meet families’ baby-care and child-care needs.
- **Alleviating the child-raising burden:** **The government will carry out a scheme it has drawn up for issuing child-care allowances to families in which both parents are unemployed**, and will introduce special income tax deductions for pre-school children, to reduce the burden of child-raising for low- and middle-income earners.

2. A just and stable society (*continued*)

Providing living security for the aged





- 🌍 **Protecting the economic security of senior citizens:** The government will provide living allowances and caregiver subsidies to low- and middle-income senior citizens, and will actively promote the national pension insurance scheme, to protect the economic security of senior citizens.
- 🌍 **Promoting long-term care services:** The government will provide home care and other services for the disabled, set up community care stations, build a primary care network, augment care service resources, and create sound and comprehensive service delivery systems, to lay the groundwork for the future implementation of the long-term care insurance system.

Maintaining national health

- 🌍 **Improving the medical system:** The government will launch the second-generation national health insurance system, to ensure the sustainable operation of the national health insurance system, and will carry out the long-term care service network plan.
- 🌍 **Lightening the burden of hospitalization:** The government will continue to administer the provision of loans from the National Health Insurance Relief Fund, the provision of hospitalization support for the disadvantaged, and other such measures, to ease the burden of obtaining medical treatment for disadvantaged members of the population, and will bolster medical care and fee subsidies for the treatment of rare diseases.
- 🌍 **Enhancing disease prevention:** The government will monitor and control endemic infectious diseases, set up health security committees in international ports to strengthen international epidemic early warning and response mechanisms, and promote travel medicine, to prevent imported infectious diseases.

2. A just and stable society (*continued*)

Promoting social order

-  **Strengthening crime prevention:** The government will take firm action to maintain the security of financial institutions, actively investigate and prosecute loan sharking, strengthen investigation of violent debt dunning, and continue to promote legislation for cementing the status and authority of Drug Abuse Prevention Centers.
-  **Protecting women and children's safety:** The government will firmly carry out the system for appointing domestic violence prevention officers and community domestic violence prevention officers, and the Implementation Plan to Give Care, Support, and Treatment to High-Risk Families, to reduce the incidence of abuse of children and juveniles.
-  **Promoting gender equality:** The government will set up the Gender Equality Department of the Executive Yuan in January 2012, and will carry out the action measures in the seven key areas set out in the Gender Equality Policy Guidelines, to eliminate gender discrimination and promote gender equality.
-  **Promoting ethnic harmony:** The government will incorporate multi-cultural issues and minority languages into school courses, help develop local cultural features and art creation, promote interchange and popularization of all ethnic cultures, enhance support for Hakka Culture Development Areas, and revitalize indigenous people's culture and languages.

3. Clean and competent government { Judicial Yuan, Examination Yuan, MOI, MOF, MOJ, RDEC }

Pushing clean government and reform

- 🌈 **Strengthening mechanisms for clean government:** The government will carry out special auditing and checking of high-risk public business, **post prosecutors to the MOJ's Agency Against Corruption for prompt and precise investigation of corruption cases**, firmly carry out the Sunshine Law, press for amendment of the Anti-Corruption Information Rewards and Protection Regulations, **study the establishment of a clean governance platform for villages and boroughs**, and conduct propaganda against corruption and for clean public administration, **to build a clean and corruption-free homeland.**
- 🌈 **Judicial reform nationwide:** The government will firmly implement the Judges Act, maintain the independence of judicial proceedings, study the introduction of a jury system, set up justice protection centers, implement a restorative justice dialogue mechanism, **build a fair and friendly judicial environment**, improve the self-regulation mechanisms for judges and prosecutors, implement a case review system, **strengthen judicial ethics, and deal severely with cases that harm the reputation of the judicial system.**

3. Clean and competent government (*continued*)

Carrying out government re-engineering

- ❁ **Carrying out reorganization of the Cabinet: The Executive Yuan will be streamlined from 37 agencies to 29 agencies**, with reorganization of the Executive Yuan itself and 11 central second-level agencies **being implemented successively from January 1, 2012**, and the other agencies undergoing reorganization in steady succession after the requisite legislation and appropriate arrangements have been completed.
- ❁ **Raising government competence: The government will continue to conduct the Project to Raise Efficiency through Service Integration**, study the introduction of service enhancement measures, and **carry out the Implementation Project for Better Internal Controls, to raise administrative competence**. It will also implement proactive services, launch single-window operations, strengthen the openness and transparency of application information, and set up service evaluation and improvement mechanisms.
- ❁ **Reforming the local government system: The government will press for speedy enactment of the draft Administrative Division Act to reset the functions of special municipalities, counties and cities**; encourage local governments to adjust their organization; build the local government system around the local autonomy of special municipalities, counties and cities; and give guidance for the improvement of local fiscal management. It will also **encourage municipalities to cooperate with neighboring counties and cities, to promote balance of development between regions**; strengthen the authority of county and city mayors in personnel affairs; and heighten the administrative autonomy of county and city governments.

4. Prime culture and education { Examination Yuan, MOI, MOFA, MOE, MOEA, MOTC, CPA, DOH, } CEPD, NYC, NSC, COA, CCA, CLA }

Bolstering cultural and creative activity






- 🌈 **Improving the industry environment:** The government will set up a **Research Institute for the Development of Cultural and Creative Industries to provide industry support**, promote inheritance and innovation of artistic works, foster popular appreciation of art and culture, introduce high-quality audio-visual living, and strengthen the competitive advantages of cultural and creative industries.
- 🌈 **Creating professional art spaces:** The government will plan the setting up of the Wei Wu-ying Center for the Arts and other exhibition facilities, to upgrade the level art exhibition venues.

Launching education reform

- 🌈 **Raising the quality of education:** The government will carry out **36 action projects from the ROC Education Report**, the Plan to Implement 12-Year Basic Education, and projects to raise the quality of teacher training and enhance the professional development of teachers.
- 🌈 **Promoting the rationalization of higher education tuition fees:** The government will press for school fees to reflect costs, and for reduction of the gap between the fees of public and private universities.
- 🌈 **Instituting national 12-year basic education:** The government will carry out adaptive counseling and quality raising for junior high school students, and carry out projects for upgrading the teaching quality of senior high school teachers and for establishing a consistent 12-year curriculum system.

4. Prime culture and education (*continued*)



Strengthening human resources cultivation

-  **Cultivating high-quality manpower:** The government will make stage-by-stage adjustments to the allocation of resources to all levels of education, to raise education quality; and will set up mechanisms to regulate the supply and demand of human resources, and foster professional and internationally mobile professionals.
-  **Cultivating talent for emerging industries:** **The government will carry out the recommendations of the Committee on Training and Importing Talent, and focus on cultivating adequate quality and quantity of manpower needed for the operation and development of the Six Major Rising Industries, the Four Emerging Intelligent Industries, the Ten Key Service Industries, and other targeted fields of industry.**
-  **Enhancing public manpower:** The government will set up standard operating procedures to assess the job competence of civil servants, improve the regulatory system for the personnel affairs and training of civil servants, and plan and implement a strategic scheme for controlling the total number of public employees.
-  **Strengthening academia-industry links:** **The government will introduce plans to promote collaboration in training by industry, academia and training institutions, to reduce gaps between training and job needs and fill shortages in manpower supply.**
-  **Deploying global talent:** The government will implement the Action Plan to Expand the Recruitment of Foreign Students for Higher Education in Taiwan and the Program to Subsidize the Setting up of Top-Tier Multinational Research Centers in Taiwan, **to build Taiwan into the first choice for overseas study in East Asia and one of Asia's main magnets for attracting S&T research talent.**




5. A sustainable low-carbon environment

{ MOI, MOEA, MOTC, EPA, CEPD, NSC, COA,
Typhoon Morakot Post-Disaster Reconstruction Committee }

Responding to climate change



-  **Promoting energy saving and carbon reduction:** The government will continue to carry out the Master Plan for National Energy Saving and Carbon Reduction, to build a new green homeland.
-  **Improving national adaptive capacity: The government will complete the approval process for the drafts of Taiwan's Climate Change Adaptation Policy Guidelines and National Adaptation Action Plan, and put these into continuous execution.**

Achieving green living and production



-  **Establishing low-carbon cities:** The government will make plans for turning Taiwan into a low-carbon demonstration island and ecological tourism island, selecting four low-carbon cities to serve as models for this purpose; and will **encourage the use of hybrid electric vehicles (HIVs) and other low-polluting vehicles, with the number of such vehicles on the road projected to reach 21,750 in 2012.**
-  **Promoting clean production:** The government will work to build an environment conducive to green factory production, and establish a certification and labeling system for green production; **it will also improve marketing channels for environmental and carbon-label products, with green sales by institutions and enterprises projected to top NT\$12 billion in 2012.**
-  **Setting up a green taxation system:** The government will study the introduction of an Energy Taxation Act, and will aim to create a taxation environment that is conducive to reducing carbon emissions, and to expand the benefits of energy conservation and carbon reduction.

5. A sustainable low-carbon environment (*continued*)

Enhancing national land conservation

-  **Promoting national land security and restoration:** The government will push through passage of the drafts of the National Land Security and Restoration Strategic Project and the National Land Planning Act, and will firmly carry out the Concrete Solutions Project and Action Plan for Land Subsidence in the Yunlin-Changhua Area, to restore the groundwater environment.
-  **Enhancing river, soil and groundwater management:** The government will prioritize conducting disaster prevention and mitigation works for the Gaoping River, Donggang River, and other higher flood-risk rivers; and **will carry out pollution remediation work for 11 key rivers that have mid to severe levels of pollution over at least half of their length.**

Conducting disaster prevention and reconstruction

-  **Reinforcing disaster prevention:** The government will adjust zoning and land use controls to achieve effective disaster prevention in urban areas; and will carry out the NSC Program on Applying Science and Technology for Disaster Reduction, to enhance R&D in disaster-prevention science and technology, and upgrade government disaster reduction competence.
-  **Speeding up post-disaster reconstruction:** The government will firmly carry out Typhoon Morakot post-disaster reconstruction, **to achieve the completion of 3,434 permanent housing units in 41 locations by the end of August 2012;** and will complete the Typhoon Nanmadol post-disaster reconstruction works for the Gaoping River and other centrally managed river systems.

6. Promoting comprehensive development { MOI, NOF, MOTC, GIO, CEPD, FSC, PCC }

Carrying out the Strategic Plan for National Spatial Development


- Comprehensively reviewing regional planning in pursuit of developing seven regional living circles: The government will comprehensively review regional planning with a view to emphasizing the incorporation of the “three *shengs*” (for example, the *shengtai*/ecology river-basin eco-circle concept), and rebasing it upon the distinct characteristics of seven regional living circles (including the Taipei, New Taipei, Keelung and Ilan Living Circle, the Taoyuan, Hsinchu and Miaoli Living Circle, and the Taichung, Changhua and Nantou Living Circle).
- Strengthening the functions of regional cooperation platforms: The government will actively encourage local governments to co-participate in forming regional development cooperation platforms within the scope of the three major city-regions in the north, center and south, the seven regional living circles, or neighboring counties and cities, for the conduct of cooperation across administrative boundaries.

Implementing the i-Taiwan 12 Projects



- Executing implementation programs: The government will carefully review the allocation of public works budgets, and pursue the effective utilization of private capital, to continue **the execution of the 284 implementation programs of the i-Taiwan 12 projects** (e.g., **the project to develop a fast and convenient transportation network**, and the Kaohsiung Port-City Regeneration Project).
- Firmly conducting control of execution: The government will lay down operational regulations for controlling the execution of the projects, and will compile quarterly reports on the status of execution of the projects for presentation to the Executive Yuan.

6. Promoting comprehensive development (*continued*)

Improving the transportation network

-  **Building Taiwan into an East Asian sea and air hub:** To build a Northeast Asia Golden Aviation Circle, Taiwan and South Korea have agreed to open a flight route between Songshan Airport and Gimpo Airport at the end of March 2012, to add to the Songshan-Hongqiao and Songshan-Haneda routes that were opened in 2010. **In addition, the government will carry out a project to improve Terminal 1 of Taoyuan International Airport, and will push on with Phases 1 and 2 of the project to build an Intercontinental Container Center in Kaohsiung Port.**
-  **Promoting fast and convenient transportation:** The government will continue the construction of three new stations for Taiwan High Speed Rail (THSR), in Miaoli, Changhua, and Yunlin, plus the **double tracking of bottleneck sections of the Hualien-Taitung rail line and electrification of the whole line; continue expansion of the Taipei MRT system;** continue carrying out plans to augment and improve the east-west expressway network; and **step up the construction of harbors and airports on offshore islands.**

Enhancing fiscal management and the financial system



-  **Pursuing better fiscal management:** The government will employ five main strategies, including the **diversification of fiscal resources and the adoption of enterprise practices for the management of public finances, in conducting overall planning to utilize available national fiscal resources, with a view to reducing the budget deficit,** lightening the tax burden on wage earners, and erecting an energy taxation system.
-  **Speeding up financial industry development:** The government will **expand the business scope of financial institutions, strengthen the capital adequacy and risk management of financial institutions, develop financial services with special cross-strait features, and promote the international alignment of Taiwan's financial markets.**

7. Peaceful cross-strait relations { MOI, MOND, MOE, MOEA, MAC, FSC, NSC }

Deepening cross-strait exchanges

-  **Promoting the institutionalization of cross-strait economic and trade relations:** The government will continue the orderly conduct of follow-up negotiations on goods and services trade, investment, and dispute resolution, under the framework of ECFA; and will review and loosen cross-strait economic and financial regulation, to promote benign cross-strait interaction in economic and trade activities.
-  **Carrying out the cross-strait Bridge-Building Project:** The government will encourage Taiwanese business people to integrate and utilize cross-strait industry development niches, to deepen the cross-strait division of labor in industry; strengthen information platforms for investment back in Taiwan by overseas Taiwanese businesses; promote a two-way flow of cross-strait investment; expand cross-strait talent and academic exchanges; and strive to attract mainland Chinese to visit Taiwan as tourists.

Consolidating national defense and security

-  **Strengthening defensive capability:** The government will institute a shift to an all-volunteer military recruitment system, continue the downsizing of the armed forces, and adjust the structure and organization of the armed forces. It will also conduct major military investment projects, upgrade joint command and control capabilities, enhance military logistics support systems, and sharpen combat capabilities.
-  **Conducting disaster prevention and relief work:** The government will adopt a joint forces mode of integrated mobilization, and ensure that advance preparations are fully in place for mobilizing army forces and providing prompt cross-district army support for disaster relief. It will also continue to prepare and procure disaster-relief equipment; improve information, communication, medical and backup capabilities; and strengthen disaster-prevention capabilities.

8. Friendly to international society { MOFA, MOEA, MOTC, OCAC, MOH, NYC, CCA, SAC }

Expanding international engagement

- 🌍 **Raising Taiwan's international dignity and standing:** The government will bolster substantive ties with all friendly countries, continuing to carry out cooperation projects that benefit the economies of friendly countries and the livelihoods of their people, pursuing the signing of cooperation agreements with friendly countries that are not our diplomatic allies, and upgrading the official nature and contact level of bilateral relations. The government will also strive to ensure that the United States adheres to the Taiwan Relations Act and the "Six Assurances" to strengthen Taiwan-US security cooperation, and safeguard peaceful and stable development in the Taiwan Strait.
- 🌍 **Pursuing participation in regional economic integration:** The government will actively assess the impact that joining the Trans-Pacific Partnership (TPP) would have on Taiwan's economy and industries, continue to review and ease regulation, study responsive strategies, and work to achieve the goal of joining the TPP within ten years; pursue the negotiation and signing of FTAs with Singapore and other countries; seek to join the US Visa Waiver Program (VWP); and set up a cross-cabinet taskforce on promoting the negotiation and signing of an economic cooperation agreement (ECA) with the EU, to lay the foundations for the signing of a Taiwan-EU ECA.
- 🌍 **Actively participating in international economic and trade organizations:** The government will use the WTO framework to expand bilateral and multilateral relations; actively participate in the Doha Round of WTO Negotiations to strive to gain economic and trade benefits for Taiwan; actively participate in the APEC regional economic integration process, and carry out economic and trade liberalization and market opening; and actively participate in OECD meetings and activities, to strengthen interactive and cooperative relations.

Providing humanitarian assistance

- 🌍 **Expanding international relief and aid work:** The government will combine its forces with those of private enterprises and charitable organizations to expand international relief and aid work, and support participation by domestic volunteer groups in international cooperation and aid, to establish a positive image for Taiwan in international society as a giver of humanitarian assistance.
- 🌍 **Helping friendly countries:** The government will assist the development of friends and allies in such areas as food security, medicine and health care, environmental sustainability, and infrastructure building; and will conduct international medical and sanitary assistance and cooperation, and the training of international medical and health personnel.

8. Friendly to international society (*continued*)

Strengthening cultural exchanges

- **Encouraging cultural and artistic exchanges:** The government will encourage arts groups, cultural institutions, art galleries, museums, foundations, and non-profit organizations to **engage in international exchanges and cooperation and to participate in international shows**; set up various scholarships **to encourage outstandingly talented foreigners to come to study in Taiwan, to introduce and promote Chinese culture with Taiwanese features**; and conduct such events as the French-Taiwanese Cultural Prize and the Malraux Lectures.
- **Strengthening sports exchanges:** The government will assist young people to take part in various high school student world championships and international youth games, **to promote international sports exchanges for pre-adults**; and will cultivate personnel with expertise in international sports affairs, and build up capabilities to apply for the hosting of international sports events.

Upgrading tourism and travel

- **Promoting the transformation of the tourism industry:** The government will conduct advertising and promotional campaigns under the slogan “Taiwan - the Heart of Asia,” to lure international tourists to come and experience Taiwan’s heart-touching appeal, and under the slogan “Time for Taiwan,” to convey the message of the advent of a new era of Taiwan tourism.
- **Developing tourist attractions with unique features:** The government will devise travel products that **feature the distinctive attractions of each area**, to increase the breadth and depth of travel options; **promote customized services**, to cater to the market for diverse travel experiences; **and strengthen international exchanges, to introduce Taiwan’s distinctive tourism products around the world** and heighten Taiwan’s visibility on the international tourism map.

V. Conclusion



In 2012, we face challenges from the spread of the European debt crisis, the slowdown in the global economy, and other severe external conditions, as well as from the transformation of the domestic economic structure. To meet these challenges, the government will put full effort into implementing the concrete measures for the eight major visions of the Golden Decade. Toward this end, the government will launch across-the-board development initiatives to upgrade Taiwan's soft and hard power, and at the same time will carry out the Economic Climate Response Program and related measures aimed at strengthening domestic demand and exports as twin engines of growth. The undertakings of this plan will be carried out with the targets of achieving an economic growth rate of 4.3%, reducing the unemployment rate to 4.2%, and capping inflation at a CPI increase of no more than 2%.

End of Briefing

