

Results and Outlook of the Forward-looking Infrastructure Development Program

Department of National Spatial Planning and Development

I. Introduction

To revitalize the economy and empower the overall economic growth in response to the development of new industries, new technologies, and new lifestyles at home and abroad, the government has undertaken the promotion of the Forward-looking Infrastructure Development Program (hereinafter referred to as the Forward-looking Program) in accordance with the "Special Act for Forward-Looking Infrastructure" promulgated on July 7, 2017. Eight major categories of the program comprise "railway infrastructure," "water environment infrastructure," "green energy infrastructure," "digital infrastructure," "urban-rural infrastructure," "infrastructure for friendly child-rearing space in response to the low birth rate," "food safety infrastructure" and "infrastructure for cultivating talent and promoting employment."

In 2021, the government implemented the second four-year Forward-looking Program (also referred to as Forward-looking Program 2.0) to continuously strengthen critical national infrastructure. In addition to steadily balancing regional development and bolstering rural development, the government has also targeted six core strategic industries, including 5G, digital development, AI, and information security. The infrastructure necessary for industrial revitalization and development shall be undertaken consistently. Furthermore, the government has also expanded the budget for programs related to digital transformation, environmental sustainability, and the construction of a resilient nation.

II. Current State and Results of the Forward-looking Infrastructure Development Program

The government has implemented the Forward-looking Program for more than 5 years (since September 2017). It has created a special budget for phase 1 to 3 (September 2017 to December 2022) totaling NT\$558.9 billion. During the implementation period, the government has proactively reviewed the needs for local development and prioritized cross-municipal or cross-county infrastructure development that supports regional balance and requires joint governance. It has also invested in critical infrastructure for relatively underdeveloped rural areas that did not receive sufficient investments in the past. Furthermore, to give impetus to the national economic transformation, regional integration and balanced development, the government has continuously promoted railway traffic and significantly enhanced the infrastructure for water resources, digitalization, green energy, industry, education and social welfare, and indigenous and Hakka culture to support future international development of the country.

The government has set aside a special budget of NT\$210.2 billion for phase 4 of the Forward-looking Program (from 2023 to 2024). The existing major public construction projects in the first 3 phases will continue. Meanwhile, to achieve the policy goals of net zero emission by 2050, the government has also bolstered the promotion of energy, industrial, lifestyle and social transformations by adding programs that strengthen net zero emissions under the green energy infrastructure of the Forward-looking Program. Moreover, the government has also sought to incorporate sustainable transformation, green revitalization, and ecological assessment in related infrastructure programs to support national sustainable development goals.

III. Macroeconomic Benefits of the Forward-looking Infrastructure Development Program

The Forward-looking Program is an eight-year comprehensive investment program for infrastructure expansion. The total investment amounts to NT\$840 billion, which not only enhances public construction, empowers private investment, stimulates domestic demand, expands employment opportunities and increases income and consumption, but also encourages investments that will create a positive cycle of economic growth. It is estimated that every NT\$1 spent in the Forward-looking Program will increase private investment by approximately NT\$0.78 and real gross domestic product (GDP) growth by NT\$1.62. On average, the size of real GDP increased by 0.71% per year as opposed to without the Program. This has translated to 108,000 additional employment opportunities each year on average.

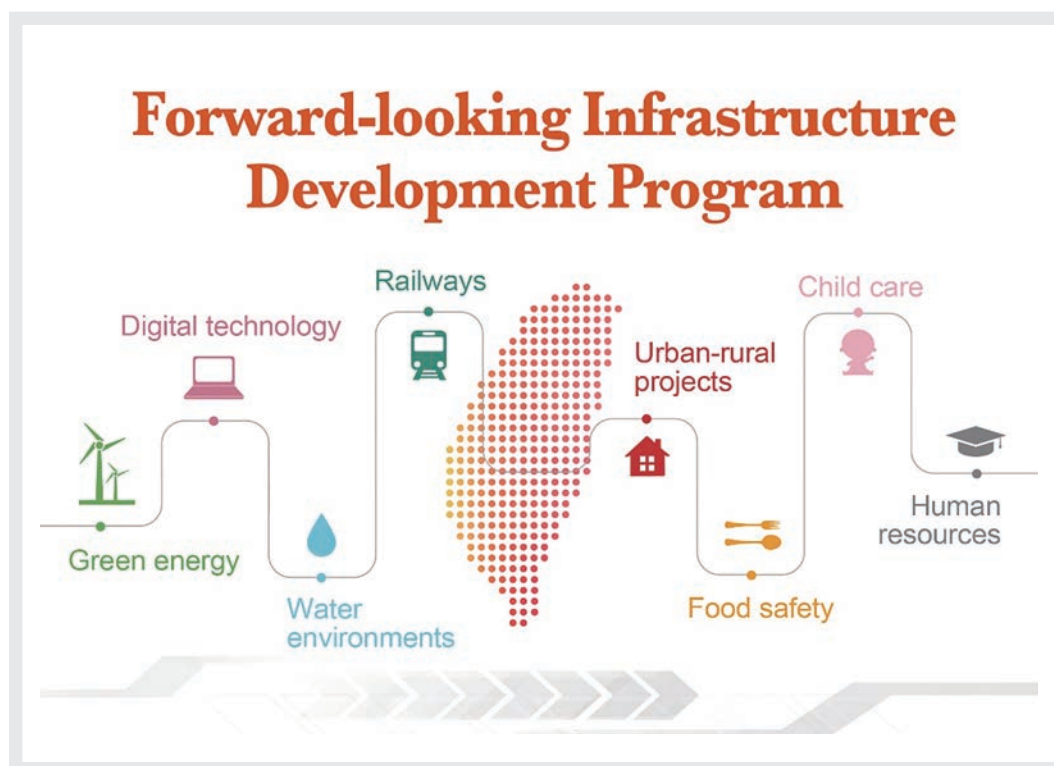


Figure 1 Eight major categories of the Forward-looking Program

IV. Conclusion

The Forward-looking Program is aimed to select forward-looking development programs, prioritizing cross-municipal or cross-county infrastructure development that supports regional balance and requires joint governance, as well as critical infrastructure in underdeveloped areas. Through the implementation of the Forward-looking Program, the government continues to expand comprehensive infrastructure investments. By using the infrastructure for the six core strategic industries and related programs for net zero emission policy, the government creates a solid foundation for national transformation and development. These efforts ensure that Taiwan will continue to make substantial progress in development in the post-pandemic era, thus creating the foundations for national and industrial development for the next 30 years. 🌐