

Progress and Prospects of the Program for Promoting Six Core Strategic Industries

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I. Preface

In order to strengthen the resilience of our country's industries in the global supply chain, President Tsai has directed the promotion of six core strategic industries: "information and digital industries", "cybersecurity industry", "precision health industry", "national defense and strategic industries", "green and renewable energy industry" and "strategic stockpile industries". This initiative is expected to position Taiwan as a global leader amidst drastic economic changes and accelerated supply chain reorganization, playing a pivotal role in global economic recovery and industrial supply chains.

II. Promotion Progress

1. Information and Digital Industries

- (1) The establishment of high-end R&D centers in Taiwan by the world's top three semiconductor equipment manufacturers, including ASML, Applied Materials, and Lam Research, has been facilitated, resulting in total investment of NT\$433.7 billion in Taiwan.
- (2) In January 2023, the amended Article 10-2 of the Statute for Industrial Innovation was passed, providing tax credits for companies engaged in technological innovation in Taiwan and occupying a key position in the international supply chain.

- (3) In the realm of the Internet of Things (IoT), 107 international cooperation projects for AIoT application system integration have been facilitated. For instance, Airtree Inc.'s smart agriculture system has been exported to Singapore, and Quadlink Technology Inc.'s smart aquaculture system has been exported to Malaysia.
- (4) In 2021, two international-level 5G testing laboratories were established, certified by the O-RAN Alliance or the Telecom Infra Project (TIP) organizations. These laboratories offer testing and certification services for 5G equipment functionality, cybersecurity, and other aspects. By the end of 2023, 36 manufacturers had been assisted in conducting 5G equipment testing to align with international standards.

2. Cybersecurity Industry

- (1) In January 2022, the amended Article 10-1 of the Statute for Industrial Innovation was passed, adding cybersecurity products or services eligible for investment tax deduction. By the end of 2023, 612 applications had been accepted, totaling an amount of NT\$7.818 billion.
- (2) To enhance cybersecurity standards and foster industry growth, the Financial Supervisory Commission (FSC) mandates that TWSE/TPEX-listed companies disclose cybersecurity-related information and establish information security unit and personnel based on the level of cybersecurity risk. To date, 115 first-tier companies have appointed Chief Information Security Officers (CISO), while 1,449 second-tier companies have established information security units.
- (3) To allocate necessary funds for the cybersecurity industry, the National Development Fund, Executive (NDF), is implementing the "National Development Fund Investment Plan for the Cybersecurity Industry." By the end of 2023, the NDF had invested in 16 cybersecurity-related enterprises, totaling investment of NT\$790 million, stimulating private investment in the cybersecurity industry amounting to NT\$4.92 billion.



3. Precision Health Industry

- (1) In December 2021, the amended Act for the Development of Biotech and Pharmaceutical Industry was passed, extending its validity until the end of 2031. The amendment expanded the scope of incentives to include regenerative medicine, precision medicine, digital medicine, innovative technology platforms dedicated to biotech and pharmaceutical industry, and biotech and pharmaceutical companies contracted for development and manufacture.
- (2) The National Health Research Institutes (NHRI) invested NT\$7.8 billion to construct a second biologics factory, with ground-breaking taking place in October 2023. This facility aims to address the research and development, and production requirements of vaccines, drugs, and other products, spanning the developmental phase to the launch stage. Additionally, it will comprehensively enhance nucleic acid vaccine (mRNA/DNA) technologies.

4. National Defense and Strategic Industries

- (1) Encouraging domestic manufacturers to develop autonomous maintenance and production capabilities for the items needed by the F-16 Maintenance and Support Center. By the end of 2023, more than 100 original factory technology transfers and certifications had been completed.
- (2) The National Science and Technology Council's "Short-Term Sounding Rocket Launch Site" was inaugurated in January 2022 in Xuhai Village, Pingtung County. Teams from National Yang Ming Chiao Tung University, National Cheng Kung University, and Tamkang University have successfully conducted launch activities at this site.
- (3) Taiwan's first self-made weather satellite, TRITON, was launched from the Guiana Space Center (Centre Spatial Guyanais or CSG) in October 2023. Following the launch, TRITON successfully communicated with Taiwan's ground station.

5. Green and Renewable Energy Industry

- (1) Using the offshore wind Industrial Relevance Plan, new investments in offshore wind power plant construction totaled NT\$73.264 billion by the end of December 2023. As of the end of 2023, the cumulative installed capacity of offshore wind power in Taiwan reached 1,763MW, while solar photovoltaics had a cumulative installed capacity of 12,418MW.
- (2) To facilitate the acquisition of funds for green energy construction, the National Development Fund (NDF) and eight banks, including the Bank of Taiwan, have collectively invested NT\$9 billion as national credit guarantee funds. By the end of 2023, 10 projects have been approved, securing a total financing amount of NT\$14.222 billion, with a total guarantee of NT\$8.533 billion. Additionally, the promotion of the "Renewable Energy Certificates (RECs)" system has accelerated direct supply and transfer transactions of renewable energy. By the end of 2023, a total of 4.06 million certificates had been issued for transactions.

6. Strategic Stockpile Industries

- (1) Fostering self-sufficiency in semiconductor materials and equipment, subsidies have been awarded to 39 companies for either semiconductor material research and development or complete equipment verification.
- (2) Establishing a "Drug Supply Management Center" aims to enhance cross-unit collaboration and facilitate the transmission of drug supply information, thereby enabling the joint management of drug shortage incidents.
- (3) Completing the inventory of 15 industrial material items, including current stock levels, availability for daily use, and other related dynamic data, to facilitate combat readiness and stockpiling measures.

III. Outlook

Since the initiation of the Six Core Strategic Industries in 2021, various sectors have achieved significant progress, contributing remarkably to the global economic



advancement and industrial competitiveness of our country. To address substantial shifts in both domestic and international industrial landscapes, such as geopolitical influences on global semiconductor and other supply chains, the moves by major nations to establish autonomous supply chains, and the escalating infrastructure risks stemming from climate change, the National Development Council has collaborated with related ministries to reassess the program's content; this involves incorporating related promotional strategies, such as reinforcing links within the key ICT industry supply chain and enhancing critical infrastructure. Looking ahead, the relevant ministries will not only continue efforts related to the Six Core Strategic Industries but also conduct continuous reviews and enhancements promptly to refine the program, align with industrial development needs, and fortify Taiwan's pivotal role in the global supply chain. This will ensure Taiwan's resilience in facing future challenges. 🌐