

The 3916th Cabinet meeting



National Development Plan

(2025-2028)

(Draft)

National Development Council

August 15, 2024

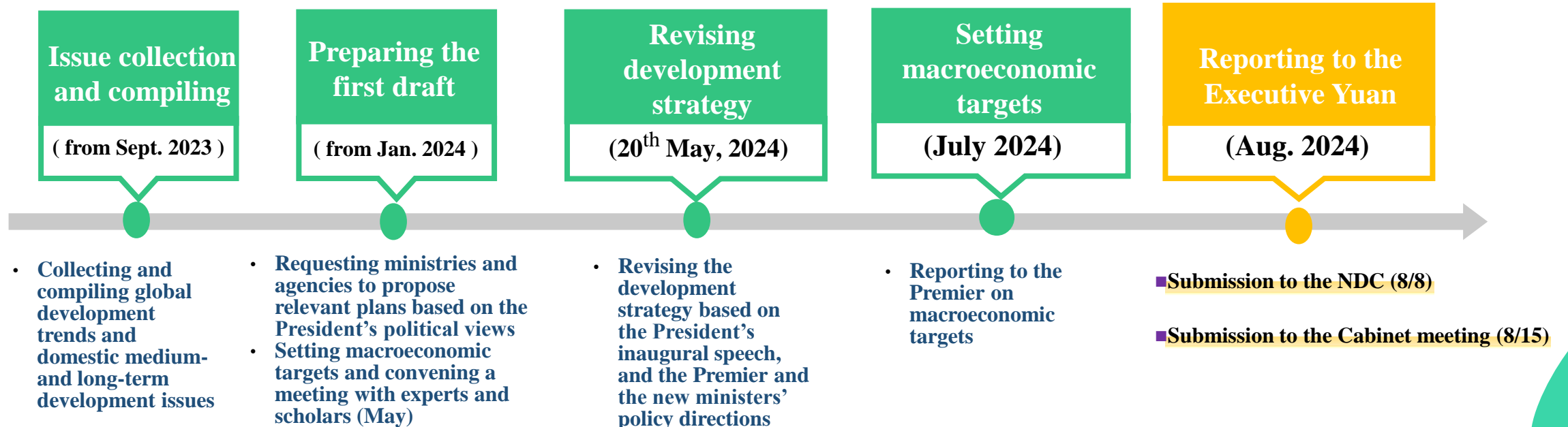
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Preface

- ◆ The National Development Council (NDC) has been formulating national development (construction) plans (NDPs) since 1953. So far, 18 phases have been formulated. **In line with the presidential term, the NDP promulgates the blueprint for national development.** In view of the conclusion of the implementation of the “National Development Plan (2021-2024)” (the 18th Phase NDP), the NDC has formulated the “National Development Plan (2025-2028)” accordingly.
- ◆ By embodying **the President’s vision for this country’s development and the Premier’s administrative policies,** as well as considering the internal and external situations, the NDP formulates overall national development goals, strategies, and policy priorities for the next four years, which will serve as the basis for policy implementation of all ministries and agencies.



2025-2028 National Development Plan



In line with the presidential term, embodying the President's vision for this country's development and implementing the Premier's policy priorities.



**1.
Global Trends**

**2.
Domestic
Medium- and
Long-Term
Issues**

**3.
Macroeconomic
Targets
2025-2028**

**4.
National
Development
Strategies
2025-2028**

Vision for National Development

Realizing President Lai's vision

"National Project of Hope"

An Innovative and Prosperous Taiwan

Pursue an innovation-driven economic growth model and create an innovation ecosystem for inclusive and green growth

A Just and Sustainable Taiwan

Expand social investment, strengthen the social support system, and forge a pluralistic and egalitarian society

A Democratic and Peaceful Taiwan

Build overall national resilience and cultivate the core values of democracy, peace and prosperity



Global Trends

Global economic trends

Economic and trade growth trends

- **Geo-economic fragmentation** will intensify, **weakening** the momentum of global economic and **trade growth in the medium term**
- ✓ According to S&P Global and IMF's July 2024 forecast, the global economic growth rate and world trade volume growth rate from 2025 to 2028 will be on average 2.75% and 3.4%, respectively, lower than the long-term trend values of 3.13% and 4.6% for the period from 2010 to 2019

Artificial intelligence revolution

- **Generative AI** has the potential to improve corporate productivity and will **reshape the global growth path**.
- ✓ Goldman Sachs Group research estimates that once global companies use AI technology widely, it is expected to increase productivity by 1.4 percentage points annually within 10 years and increase global GDP by 7%.

Net-zero carbon emission transition

- Countries and major organizations are actively **promoting carbon reduction actions**.
- ✓ As of July 2024, 148 countries have promoted net-zero transformation goals, covering 89% of the world's population and accounting for 92% of global GDP.

Supply chain reorganization

- **Geopolitics** will affect the deployment of **global supply chain strategy**, with major countries vying to deploy and seize key **chips, minerals**, etc.
- Amid the competition between the United States and China, hot spots for global supply chain restructuring include Southeast Asia, India, Mexico and the United States.

Potential global risk factors

● **Heightened geopolitical risks**

● **Continued competition between the United States and China**

● **Unclear economic prospects for China**

● **Worsening global climate change**

● **Uncertainty about the direction of interest rate policies in major economies.**

Medium- and Long-term Domestic Issues

Population and social development

- Taiwan will become a **super-aged society** in 2025, and the **demographic dividend will disappear** by 2028
- **AI technology development and net-zero transition will drive talent demand**, and there is a need to provide sufficient AI and green-collar talents
- **Income distribution still needs to be improved to allow the fruits of growth to be shared by all.**

Balanced industrial development

- The **ratio of ICT manufacturing to manufacturing GDP** in 2022 increased from 43.5% in 2011 to **58.5%**; during the same period, the **added value rate** of the electronic components industry (computer and electronics products and optical products) was 49.7%, 1.7 times that of 2011
- **Development of the service industry and traditional manufacturing industry is relatively sluggish**, and the ratio of the **service industry** to GDP in 2023 dropped from 65.6% in 2011 to **61%**.

Technology R&D capability

- Taiwan's **technology power is highly recognized globally**. According to the IMD evaluation, Taiwan **ranks second in the world in terms of R&D manpower per 1,000 people**; the **ratio of R&D expenditure to GDP and the 15-year-old PISA math and science ability test both rank third in the world**
- Taiwan has a **technical services trade deficit**, and enterprises have relatively **insufficient investment in basic research**. In 2022, enterprises accounted for only 9.4% of the overall basic research ratio, which is **not conducive to innovative growth**

Net-zero sustainable development

- **Net-zero carbon emissions have become an international trend**, and the **EU CBAM** was trialed in October 2023; major **international brands** have announced that they will achieve **zero carbon emissions or carbon neutrality** by 2030
- According to IMD world competitiveness rankings, Taiwan's **energy intensity still needs to be improved**

Enhance homeland resilience

- The **impacts and risks of climate change** are becoming increasingly complex and more difficult to manage, and it is thus necessary to **strengthen the integrated development of homeland management and conservation**
- **Urban and rural area development is uneven**, and it is thus necessary to enhance cross-region, cross-sector cooperation and regional governance
- To cope with the risk of water shortage and flooding, **enhanced water resources construction and flood resilience are required.**

Macroeconomic Targets

Taiwan's economic growth rate 2025-2028

Unit: %; percentage point

	Average Economic Growth Rate 2025-2028(=K+L+TFP)	Capital Investment(K)	Total Factor Productivity(TFP)	Labor Investment(L)
Baseline Plan(A)	3.0	1.62	1.35	0.03
Baseline Plan + Proactive Policy(B)	3.60	1.90	1.61	0.09
Baseline Plan + Proactive Policy - Downside Risk (C)	2.80	1.44	1.29	0.06
Source Of Proactive Policy Benefit[(B)-(A)]	+0.56	+0.28	+0.26	+0.06

Note: Due to rounding, the economic growth rate may not equal the sum of the details.

Investment-driven

- ✓ Promote a large-scale investment in Taiwan strategy: focus on large-scale investment in capital, industry, society and talent
- ✓ Expand investment in forward-looking fields such as in the digital, green and medical areas

Innovation-driven

- ✓ Become the leader in the global semiconductor supply chain
- ✓ Apply AI innovation to drive the transformation and upgrading of industries

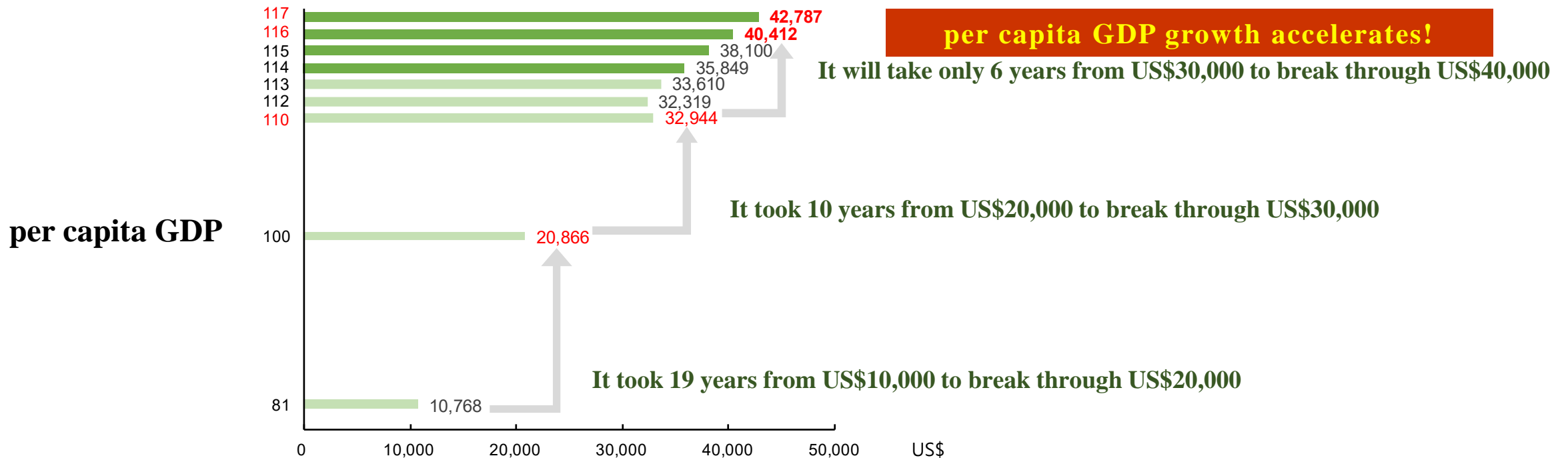
Macroeconomic Targets Setting

After comprehensive assessment of internal and external, subjective and objective conditions and economic situations, as well as the government's proactive policy actions, the macroeconomic targets for 2025-2028 are set as follows:

Item	2024 (Forecast)	Targets 2025-2028
Economic Growth Rate(%)	3.77~3.91 <small>(The Central Bank's forecast of June 13 and the Directorate General of Budget, Accounting and Statistics of July 31)</small>	2.8~3.6
Per Capita GDP (USD)	33,610 <small>(Forecast of the Directorate General of Budget, Accounting and Statistics of May 30)</small>	39,105~42,787 <small>(2028 target value)</small>
Unemployment Rate (%)	3.36 <small>(January-June average)</small>	3.2~3.5
Core CPI Annual Increase Rate(%)	2.00 <small>(Central Bank forecast of June 13)</small>	Maintain below 2

International Comparison of Future GDP

- ★ Taiwan's global per capita GDP ranking is projected to rise from 37th to 34th and is projected to surpass South Korea in 2025, continuing to widen the gap with both Japan and South Korea
- ★ Taiwan's per capita GDP is expected to exceed US\$40,000 in 2027, it will take only 6 years since it reached US\$30,000 in 2021
- ★ Taiwan's nominal GDP will be close to US\$1 trillion in 2028.



Key Economic, Social and Environmental Indicators

The government strives to achieve the goal of “balanced Taiwan” and “inclusive growth” to bring the benefits of economic development to all the people

Society

Maintain the **Gini coefficient** of disposable income per household at **no more than 0.35**

The average annual growth rate of per capita disposable income of the bottom 40% of households over the past five years is targeted to be higher than the **average annual growth rate of per capita** disposable income of all households in the current year

Affordable, high-quality and widespread childcare services, with enrolment rates of children under age 3 in early childhood education and care reaching the OECD standard (36%)

The total number of direct construction of **social housing, rental management and rental subsidies** reaches **one million households** per year

Long-term care service coverage reaches 87%

With the **implementation of the 8-year 888 plan**, 80% of patients with the “three highs” enter care, 80% receive life consultation, and the condition of 80% is effectively controlled

Economy

Develop "**Five Trusted Industries**" (**Semiconductors** output value increase by NT\$2.6578 trillion; **AI** output value exceeds NT\$1 trillion in 2026; **Security and surveillance** output value exceeds NT\$130 billion; **Satellite communications** output value is NT\$30 billion; **Military industry-drone (UAV)** output value is NT\$30 billion)

Achieve an annual **new start-up investment** of NT\$150 billion starting from 2027

Flip weak industries, with at least three industries increasing their output value by 1.5 times

Cultivate more than 450,000 **AI and other human-centered digital talents** and **STEM cross-field talents**

Environment

Implement 140 **infrastructure projects** related to local development to **balance Taiwan’s development**

Implement a **thematic regional governance sandbox** and **participatory public governance platform for the first time**

Integrate for the **first time** to build 4 **regional revitalization corridors** to create diversified employment

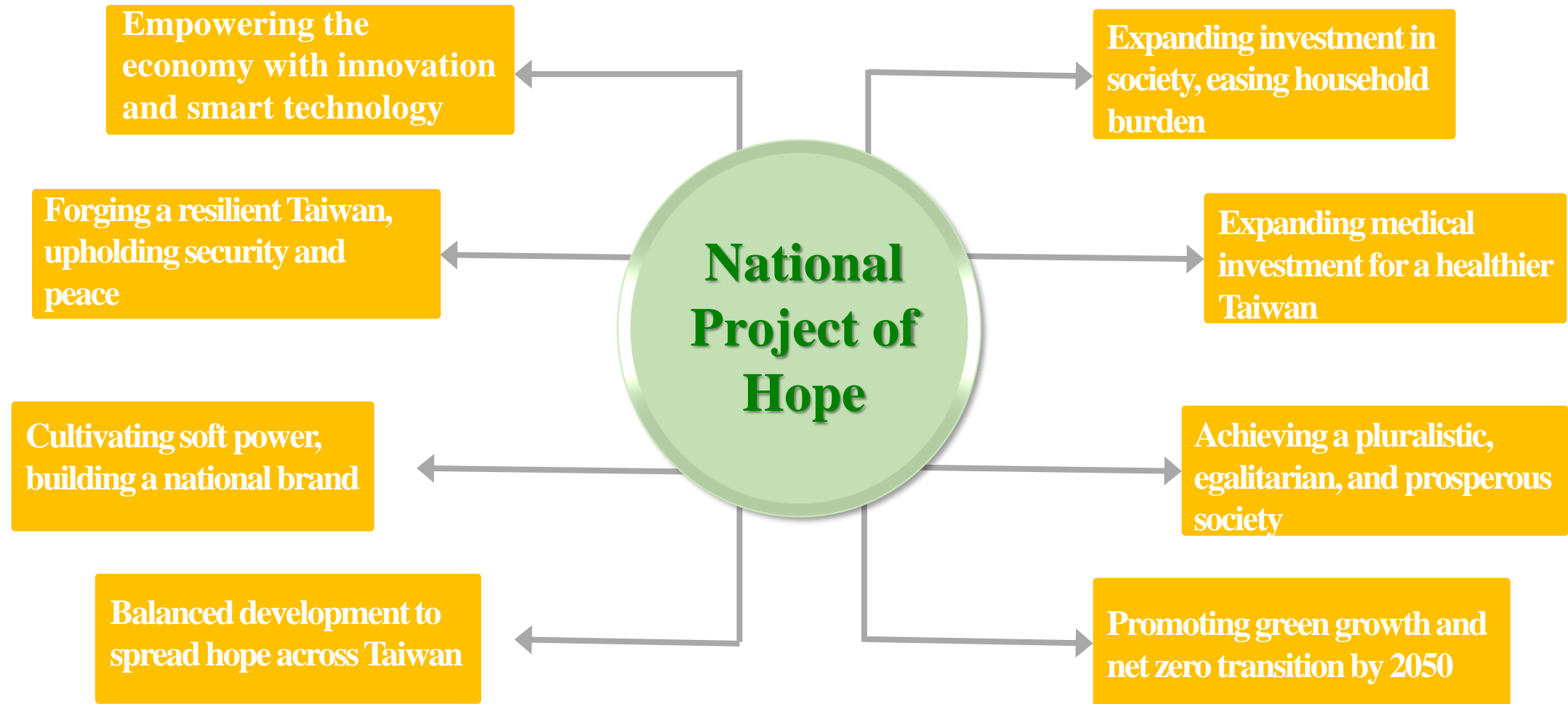
Assist the revitalization and development of 600 **rural regeneration communities**

Net greenhouse gas emissions are targeted to be reduced by 23% to 25% in 2030 compared with 2005

The average annual improvement rate of **energy efficiency** reaches over 4%

National Development Strategies

To realize President Lai's vision through eight policy goals



National Development Strategy (1/8)

Expanding investment in society, easing household burden



0-22 Investing in future generations

- Promote "National Child Care Policy 2.0 for Ages 0-6"
- Construct diverse and balanced national basic education
- Invest in higher education and technical and vocational education 3+1



Long-term care 3.0

- Strengthen care for the severely disabled and optimize accommodation service institutions
- Increase coverage of long-term care services
- Care without leaving your job, and care with respite
- Create home, community, institution, medical and social welfare integrated services
- Optimize the hospice medical care system



Three Housing Strategies - Support Plan for a Million Rental Households

- ✓ A total of 180,000 social housing units
- ✓ A total of 160,000 housing units of rental management
- ✓ Rental subsidy for 750,000 households in 2026



Social Security System 2.0

- Expand mental health programs for young people
- Build a friendly and self-reliant living environment for the elderly
- Promote Social Safety Net 2.0



Dignified labor, friendly workplace

- Increase the labor force participation rate of women and middle-aged and elderly people



National Development Strategy (2/8)

Empowering the economy with innovation and smart technology

Industrial innovation

- ✓ Develop “**Five Trusted Industries**”
 - Semiconductor, AI, defense, security and surveillance, and communication industry
- ✓ Forge 6 **national-protector industries** and 5 **resilient industries**
- ✓ Diversified revitalization and development plan for **MSMEs**
- ✓ **Flip** the service industry and traditional industries

Innovation and Entrepreneurship

- ✓ Invest NT\$100 billion to cultivate a **vibrant innovation and entrepreneurship ecosystem**—like a rainforest
- ✓ **Virtual and Real Integration** Technology Development Integration Center

Technological innovation

- ✓ Strengthen the “**National Semiconductor Strategy**”
- ✓ Promote “**industrial AI and AI industrialization**”
- ✓ Build a **space industry chain**
- ✓ Build **four major platforms for technological innovation**
- ✓ Establish a database foundation for **evidence-based governance**

Big investment in talent

- ✓ Strengthen future national **talent competitiveness**
- ✓ **Global talent recruitment**

Digital new society

- ✓ **Trusted data flow mechanism**
- ✓ Accelerate the promotion of **smart government**
- ✓ **Digital economy and industrial development and international cooperation**
- ✓ **Implement digital equality**

Financial innovation

- ✓ **Trillion NT dollar investment in national development**
- ✓ Develop **green finance**
- ✓ Promote **inclusive finance**
- ✓ Accelerate **financial technology** development for innovative **financial services**
- ✓ Create an **Asian asset management center**

Happy agriculture, happy farmers

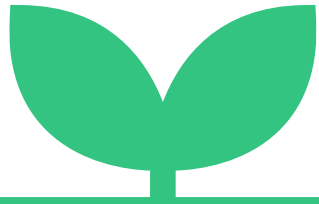
- ✓ Comprehensively promote **rural regeneration**
- ✓ Ensure **food security and self-sufficiency**
- ✓ Promote **agricultural transformation and upgrading** and increase farmers’ income

People-oriented transportation, convenient Taiwan

- ✓ **Create a safe road use environment**
- ✓ Innovatively promotes the **development of the transportation industry** and improve the labor environment
- ✓ Construction of a **Happy Highway Network**
- ✓ Prosperous and convenient **railway living sphere**
- ✓ **Develop international sea and air logistics**

National Development Strategy (3/8)

Promoting green growth and net zero transition by 2050



Construct a green energy strategy for smart sharing

- Develop **diversified green energy**
- **Deep energy saving**
- **Technological energy storage**
- **Resilient grid**
- **Decarbonization of electricity**



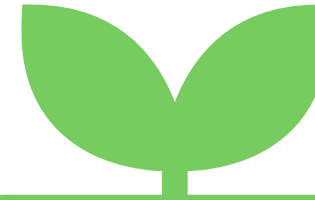
Promote digital and green dual-axis industrial transformation

- Driven by **dual axes of smart and net-zero technology**
- **Green finance** becomes an enabler of net-zero transition
- **Carbon pricing/market mechanism**
- Sustainable **net-zero agriculture** and resilient industrial transformation



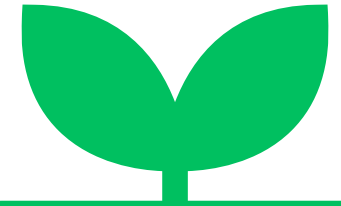
Shape a net-zero and sustainable green life

- Zero waste and **low carb diet**
- Environmentally friendly, **green fashion**
- Healthy, near-zero **carbon building**
- **Low carbon transport network**
- **Public dialogue and communication**



The government establishes a regulatory adjustment guidance team and action guidelines

- Establish **technical service teams** for various industries
- Publish **operational guidelines** regularly
- **Improve the implementation and management review mechanism for adjustment actions**



A just transition that leaves no one behind

- **Ensure personal, industry and group development opportunities**
- Improve the **dispute resolution** mechanism for net-zero transition
- Turn climate change into an opportunity for **regional development**

National Development Strategy(4/8)

Expanding medical investment for a healthier Taiwan

Healthy Taiwan Cultivation Plan



- Optimize working conditions, talent cultivation, smart medical care and social responsibility with 5-year 50 billion scale plan
- Improve the quality of medical services and optimize medical working conditions

Continuously improving the quality of medical services and improve people's health - 8-year 888 Plan

- ✓ 80% of patients with Triple H (hypertension, hyperlipidemia, hyperglycemia) join the care network
- ✓ 80% of participants receive life counseling
- ✓ The control rate of Triple H reaches 80%



Enhancing the National Cancer Control Plan

- ✓ Expand cancer screening and early cancer detection services
- ✓ Establish a "Special Fund for Temporary Payment of New Cancer Drugs", reducing the heavy burden on cancer patients

National Development Strategy (5/8)

▲Balanced development to spread hope across Taiwan

◆ 140 infrastructure projects for a balanced Taiwan

Taipei
New Taipei
Keelung

Improve the overall service functions of the Capital Region, including Taipei, New Taipei, and Keelung

Taoyuan
Hsinchu
Miaoli

Create a Taoyuan, Hsinchu, Miaoli industry ecosystem

Taichung,
Changhua
Nantou

Cultural and economic dual driver to promote development

Yunlin,
Chiayi
Tainan

Accelerate the transformation of green energy and health industries

Kaohsiung
Pingtung

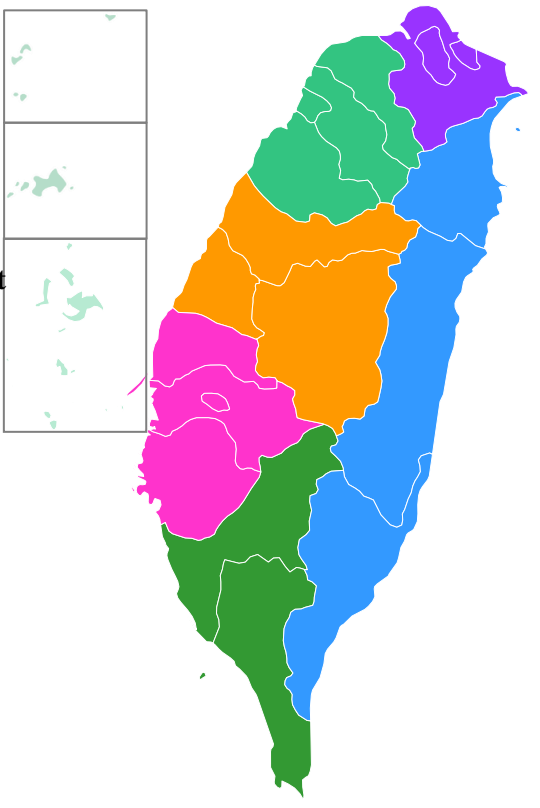
Continue to build the Great South

Yilan
Hualien
Taitung

Develop high-quality urban and rural life

Penghu,
Mazu,
Kinmen

Create a happy, low-carbon and livable island



◆ Regional governance and local diverse vitality

Promote **thematic** regional governance sandbox

- ✓ **Cross-border integration** to establish cross-border task groups
- ✓ **Network collaboration** focused on cross-domain issues

Establish a **participatory** public governance platform

- ✓ **Deepen democracy** and establish a bottom-up participatory governance platform
- ✓ **Diverse empowerment** to develop innovative public governance models

Construct **regional revitalization** corridors

- ✓ **Local hope** to connect local characteristic resources
- ✓ **Sustainable cooperation** to establish a youth training network

National Development Strategy (6/8)

◀ Cultivating soft power, building a national brand ▶

Sustainable Culture Global Taiwan

- Expand Taiwanese cultural content and develop the "Taiwanese trend economy"
- Construct a cultural communication system to bring Taiwanese culture out to the world



Tourism-country Global Taiwan

Develop the tourism industry into a trillion NT dollar industry by 2030

- Tourism brand attracts millions of tourists
- Highlights around the island drive national tourism
- Integrate diverse tourism across domains
- Upgrade the value of smart scenic spots

TAIWAN
WAVES OF WONDER

Image source: Tourism Administration

Sports take root Sports for all

- Golden Plan 3.0- Apply Technology into training
- Diversified development of the sports industry
- Taiwan brand international sports events



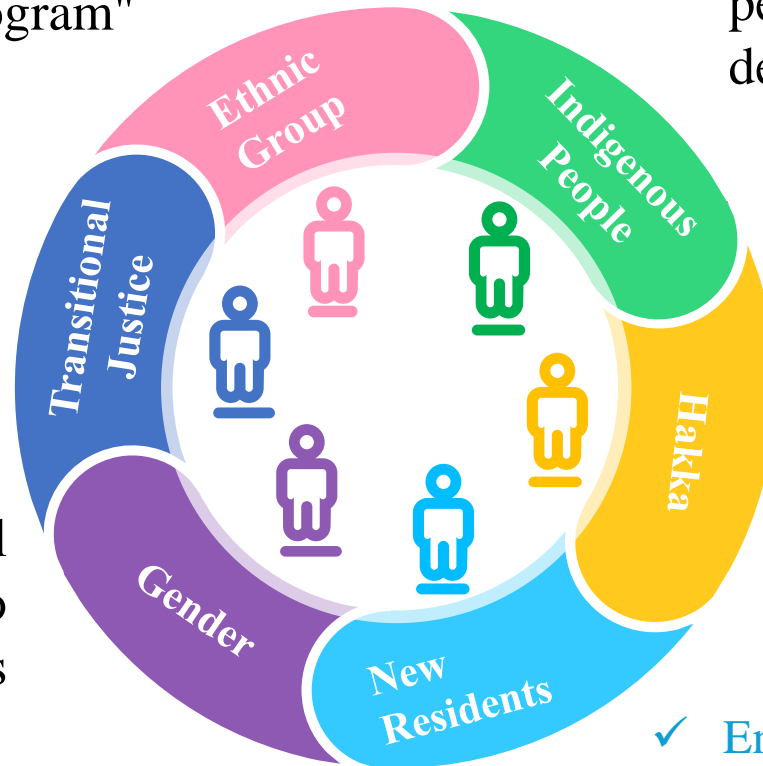
National Development Strategy (7/8)

▲ Achieving a pluralistic, egalitarian and prosperous society

- ✓ Implement specific plans for ethnic group mainstreaming - Propose the "Ethnic Group Mainstreaming Policy Program"

- ✓ Deepen transitional justice and consolidate democratic systems and human rights values

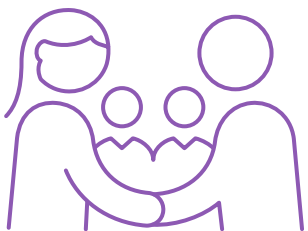
- ✓ A friendly workplace with "dual employment and dual care" to enhance the value of women's labor



- ✓ Deepen the autonomy of indigenous people and promote the sustainable development of indigenous townships

- ✓ Continue to promote the "Hakka Regional Development Plan"

- ✓ Enhance the agency responsible for new residents and construct a comprehensive new resident development policy



National Development Strategy (8/8)

▲Forging a resilient Taiwan, upholding security and peace



Homeland Security
Strengthen whole society defense

- Strengthen the training and utilization of civilian power
- Improve the material preparation and life-sustaining distribution system
- Improve energy and critical infrastructure security
- Complete social welfare and medical network and evacuation facilities
- Improve information, communication and transportation and financial network security



Marine Security
Explore the ocean and enrich people's marine life

- Maintain maritime security
- Strengthen environmental conservation
- Promote culture and education
- Foster industrial development
- Complete the ocean legal system
- Explore the rich ocean



Digital Security
Expand the development of resilient communications and information security industries

- Strengthen digital and communications resilience to protect security and democracy
- Public-private collaboration to strengthen joint defense of information security, develop the information security industry, and build an information security brand
- Promote digital alliances, ensure digital sovereignty and extend digital territory
- Promote Taiwan to become a global citizen science and technology development field



Improve Taiwan's deterrence and defense capabilities



Strengthen economic resilience and ensure supply chain security



Build stronger partnerships with the world's democracies



Maintain pragmatic and stable cross-Strait policies

Conclusion

After approved by the Executive Yuan,

- This Plan is to be reported to the President, and sent to ministries for implementation.
- In order to monitor the progress and effectiveness of the "National Project of Hope," key projects will be selected for regular management and assessment to demonstrate the government's policy ambition and execution ability, and meet the people's expectations.