

Premier Su Tseng-chang's oral policy report to 1st session of 10th Legislature

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Speaker You, Deputy Speaker Tsai, members of the Legislature:

President Tsai Ing-wen was sworn in to her second term on May 20 of this year, once again taking on the duties of the office. The president has asked me to continue as premier, and I am deeply honored to have this opportunity to labor for the nation and serve the public. Having answered this respected chamber's invitation to bring my executive team to deliver my policy report and field questions, I feel more than ever the great weight of my responsibilities.

Taiwan is a small but tough and resilient country. We have always faced difficulties in the international sphere, ever enduring political isolation and suppression. However, over the past year, my executive team has chalked up strong results and faithfully preserved the fruits of our democracy, thanks to President Tsai's unerring leadership and the united efforts of the nation's 23 million citizens. Our success in curbing the spread of COVID-19 in the face of an overwhelming global pandemic demonstrates to the world that Taiwan is a great nation made strong by a noble people.

At present the coronavirus has brought disease to more than 190 countries and territories around the world. Over 5.7 million confirmed cases have been reported, and deaths exceed 350,000. Many countries have closed borders, shut down cities, suspended school, and restricted people's freedom of movement. In the midst of this chaos, only Taiwan has been able to maintain normal daily routines and ensure that our children attend classes as usual. It is no stretch to say that our nation now stands as the safest and most blessed country on Earth.

The world has seen Taiwan's success in controlling COVID-19, and the "Taiwan model" is now studied by many countries as a new standard. Even more, having helped ourselves we are now able to extend assistance to

many other nations. Our actions have received very positive coverage by international media and serve as a point of pride for Taiwan's people.

The post-pandemic era will inevitably see a reshuffling of the global political and economic order, and international supply chains will necessarily also be restructured. With the recent deterioration of the situation in Hong Kong, there may be geopolitical consequences as well. All of this presents an unavoidable challenge for Taiwan, yet it is also an opportunity for rebirth that offers great prospects for the future.

I will lead my executive team in bolstering institutional structures to serve the needs of the people and achieve long-term stability, peace and prosperity for Taiwan. Please now allow me to make my report.

Overcoming the coronavirus and re-energizing the economy

Taiwan's disease control efforts have proven successful. Having halted the spread of COVID-19, we are shifting from defense to offense with relief and stimulus measures. For affected workers, industries and enterprises, we have expanded relief eligibility and simplified application procedures. This relief is being delivered on three fronts—cash assistance, rescue loans and burden reduction—and is designed to be rapidly responsive and equally accessible to all.

In the little more than one month since the April 21 amendment of the Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens, around NT\$70 billion (US\$2.3 billion) in cash assistance has been distributed. These payments have helped 3.8 million disadvantaged members of the public, prevented the shuttering of over 30,000 businesses, and averted the loss of 340,000 jobs.

Lenders have also approved NT\$760 billion (US\$25.3 billion) worth of loans to help 700,000 individuals and businesses through hard times. In addition, such measures as lowering central bank interest rates, decreasing assessed sales tax amounts for small business entities, reducing lease payments on state-owned properties, and charging less for water and power have lightened the strain on over 5 million individuals,

households and businesses. In roughly over a month, these relief programs have helped a total of 9.5 million people make it through this difficult period.

Now the government is quickening the pace and preparing the next phase of response, aimed at spurring consumption, reviving retailers and promoting domestic tourism, among other areas. Concurrently, the distribution of stimulus vouchers to consumers coupled with promotions and discounts offered by businesses will re-energize the domestic economy in one go. The government is also accelerating and expanding public works, as well as encouraging greater investment in Taiwan by both domestic and foreign enterprises. These efforts will spur domestic demand, promote industrial development, and boost economic growth.

The global economy has been profoundly impacted this year by the COVID-19 pandemic. Nevertheless, Taiwan's economy grew by 1.54 percent in the first quarter of 2020, putting Taiwan at the head of Asia's "four tigers" economies. Furthermore, Business Environment Risk Intelligence, an international risk assessment firm based in the U.S., in May issued its first 2020 report, which ranked the stability of Taiwan's investment environment No. 1 in Asia and third globally behind only Switzerland and Norway.

Taiwan's democratic response to the pandemic has emerged as a model for other countries, and international investment confidence in Taiwan has risen even further. These factors are important fundamental advantages for the nation's future economic development. In response to global economic reordering in the post-pandemic era, the government will further propose new industrial strategies and enhance supply chain resilience, in line with international trends, Taiwan's industrial strengths and market conditions. By introducing and popularizing innovative financial services and assisting businesses with the quick acquisition of needed capital, we will lead the public out from under the pandemic's shadow and stimulate the economy.

Prioritizing livelihoods and ensuring a secure and prosperous way of life

The government is committed to realizing cradle-to-grave care for the citizens of Taiwan. This commitment includes child care programs for children up to six years old, further upgrades to the long-term care system, and continuing improvements to quality of life and secure living environments. Efforts will also be made to enhance health and prevent disease, bolster Taiwan's food safety and social safety net, revamp law enforcement and community safety, and crack down on drug crimes.

Over the past four years the overall budget for child care has grown threefold. We will continue to pursue the goals of making childhood education more affordable and reducing the burden of children's care. This will involve further expanding public preschools and other child care services, lowering the cost of preschool institutions, and gradually raising each year subsidies for child care.

Also over the past four years the government's budget for long-term care has increased eightfold. Moving forward, we will continue to extend the system's capacity, establish widespread daytime senior centers and affordable residential care facilities, apply artificial intelligence (AI) in the development of smart long-term care, and raise service quality.

Housing remains a priority. Over the next four years, NT\$40 billion (US\$1.3 billion) will be devoted to accelerating social housing construction, expanding a managed subleasing scheme, and implementing urban renewal, as well as promoting seismic safety inspections and the reinforcement or rebuilding of old and unsafe buildings. Eligibility for rental subsidies will also be broadened to help young singles, newly married couples and families raising minor children.

The government has invested over NT\$10 billion (US\$333 million) in the past four years to block the scourge of drugs, with enhanced counter-narcotics operations, strict drug enforcement, community embedding, source tracking, and stiffer penalties. Drug prevention programs are targeting schools to curb the number of new users, and legislative amendments have been passed to enhance the effectiveness of rehabilitation and reduce recidivism.

In addition to ongoing efforts to cut greenhouse gas emissions and prevent air pollution, the government will pursue a unified climate change strategy that includes slope-land remediation, flood prevention, watershed administration, construction of resilient cities and the sustainable development of ocean resources. This integrated management approach aims to mitigate damage caused by natural disasters and reduce the impact of a changing climate on human ecology and the environment.

Strengthening culture, fostering talent and pursuing balanced development

Fostering critical talent is of utmost importance as Taiwan transforms to meet the challenge of global economic competition in the post-pandemic era. The government will not limit its efforts to nurturing technical talent necessary for such innovative new industries as fifth-generation cellular networks, AI, the internet of things and cyber security; we will also train more workers for strategic traditional sectors, such as producers of mask-making machinery that played such an important role in stemming the outbreak of COVID-19. At the same time the government will guide the application of smart manufacturing and new technologies, enabling traditional industries to pursue continued prosperity and open new horizons.

Informed by trends in digital development, we will integrate information technology, telecommunications, cyber security, networking and broadcasting as we implement policies for digital infrastructure, digital transformation, the digital economy and smart government. This work will benefit the upgrade of industry and improve quality of life for all. In addition, the government will continue to enhance our domestic aviation and satellite manufacturing capabilities, so that Taiwan can shine in the arena of aerospace services. We will also leverage our advantages in industries including semiconductors, information and communications technology, and precision machinery to establish Taiwan as an indispensable link in the global supply chain, thereby creating new commercial opportunities.

To improve the cultural environment, we spent the past four years building up a comprehensive governance framework of regulations, organizations and budgets. With this framework in place, our next step is to provide venues where artists and performers can show off their creative talent. We will also integrate public and private cultural resources to create a support platform for the cultural ecosystem and content industry. Our vision is to hone the soft power abilities of the entire industry and work with the private sector to create a cultural brand unique to Taiwan.

Since the inception of the Forward-looking Infrastructure Development Program, many locales have seen considerable improvements in transportation, education, social welfare, the environment, and other basic infrastructure services. To meet Taiwan's long-term development needs, the central government has a responsibility to maintain this future-oriented mindset and design major infrastructure programs for local governments. With the approval of the Legislature, the Executive Yuan will formulate an appropriate plan for the second phase of the forward-looking infrastructure program, one that will satisfy the needs of tomorrow's generation.

When mapping out infrastructure programs for the nation, the government will be placing greater emphasis on balanced regional development. For regions that have consistently received fewer resources in the past, we will strengthen infrastructure projects to meet local needs and employ technology to shrink the educational, medical and other gaps between rural and urban areas. We want all residents to enjoy equal access to the nation's fine infrastructure along with equal opportunities for a better quality of life. Our aim is to reinvigorate rural communities and bring back young people who will stay and contribute to the growth of innovative industries.

Defending Taiwan and ensuring national security

Even as China has stepped up threats and intimidation tactics against us, Taiwan has endeavored to the best of its ability to maintain cross-strait peace and stability. We will still abide by President Tsai's basic principles of peace, parity, democracy and dialogue for maintaining positive cross-strait interactions. We will not, however, accept Beijing's use of "one country, two

systems" to downgrade Taiwan and undermine the cross-strait status quo.

Our government is keeping a close eye on developments in Hong Kong and any possible impacts on regional peace and security. We will respond appropriately where necessary, including by providing humanitarian assistance to people from Hong Kong, and taking advantage of opportunities to redirect international talent and capital to Taiwan.

Taiwan's success in arresting the spread of COVID-19 has been applauded around the globe, bringing more world leaders and government officials to join the growing chorus of support for Taiwan's participation in the World Health Assembly. Aside from promoting steadfast diplomacy and solidifying relations with diplomatic allies, we are strengthening ties with like-minded nations such as the United States, Japan, and the European Union. We are also working to deepen global partnerships and pushing for participation in international organizations and regional trade blocs like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. As we press on with our New Southbound Policy, we will bolster existing links, develop new and diverse models of cooperation, and create regional prosperity together with our partners.

To maintain security and stability in the Taiwan Strait and the broader region, we are bolstering our defensive combat capabilities and pursuing a policy of self-reliant defense, including the development of indigenous military aircraft and vessels. Private industries are also invited to help upgrade Taiwan's defense sector by participating in the research and development of national defense technology.

The coronavirus pandemic has triggered lockdowns in many countries and altered the way humans live and interact in a globalized society. People and goods can no longer flow freely, raw material supply chains are disrupted, and material and food supplies have come under threat worldwide. These changes have heightened our awareness that Taiwan must become self-sufficient to grow sustainably into the future. Our first task is to ensure and boost the resilience of our supplies of strategic materials, foods and energy resources.

In the immediate future, therefore, the government will establish strategic

stockpile industries that can ensure the sufficiency of critical supplies such as face masks, medical necessities and everyday goods. We can no longer be over-reliant on imports as in the past. During this pandemic, the great people of this country rallied together to form a number of "national teams" that proudly bear the Taiwanese brand. Their selflessness amid challenge is truly commendable. We will continue cultivating these strategic industries to ensure a certain level of production that not only satisfies domestic needs but can supply global markets as well.

To boost Taiwan's food security, we will take early action or introduce response measures to raise the production of soybeans, wheat, corn, and other major import crops for which Taiwan is less self-reliant.

In terms of energy security, the government will continue improving the nation's self-sufficiency by accelerating development of green energy resources and constructing major green energy infrastructure. We will also take a fresh look at key energy supplies including electricity and natural gas, and increase Taiwan's capacity for energy storage. As we do so, our energy supplies will no longer be at the mercy of others or of changes in the external environment.

Uniting for strength and making Taiwan more beautiful

The war on the coronavirus pandemic is not yet over and the Asia-Pacific region is still under threat. We need all political parties to join together and continue working with the people of this nation to build a safer and more beautiful Taiwan.

It is my privilege to lead the Executive Yuan and I am fully aware of what people expect from the government. As we move forward, the Cabinet and I will devote our every effort to the singular goal of laying a lasting foundation for the nation while building long-term prosperity for the next generation. As we grow into a true and mature democracy, Taiwan will be an oasis amid the chaos, a blessed place where all can work in peace and live in contentment. Thank you!