## Premier Su Tseng-chang's oral policy report to 4th session of 10th Legislature

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*The following is a translation of select portions of the premier's report.*

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

In 2020 while the world endured one of its worst crises in recent memory, Taiwan put out one of its best performances. This year as we continue to confront a raft of challenges at home and abroad, we'll to do our utmost to create a better and brighter Taiwan.

Please allow me now to deliver my policy report centered on the four themes of national security, social welfare, peace of mind, and sustainable development.  
 **National security**  
  
Recently, Chinese military aircraft have persisted in harassing the space around Taiwan and imperiling peace and security in the wider region. Our military will continue to respond and chase away these intruders in a demonstration of our unstinting resolve to defend the country. This May, U.K.-based magazine The Economist published an issue covered with a radar chart of Taiwan and called it "the most dangerous place on Earth." This once again underscores China's ambitions and threats toward Taiwan.

Taiwan's only option is to prove how determined we are in defending our nation and endeavor even harder to make ourselves stronger and more united.

To enhance our military's combat capabilities, we will raise the nation's overall defense budget for next year to its highest level ever at over NT$470 billion (US$16.9 billion). Two weeks ago on September 16, the Executive Yuan also forwarded to the Legislature a special draft bill to procure NT$240 billion (US$8.6 billion) worth of arms over five years to enhance our air and sea combat ability. We implore your support for passage of this legislation.

As part of the nation's indigenous shipbuilding program, the Ta Chiang naval warship was officially commissioned on September 9, while in April the Yushan warship set sail and the Chiayi coast guard ship was delivered, all of which added combat power for defending our territorial waters. Additionally, we'll be upgrading all 141 of our F-16A/B Block fighter jets to the F-16V version by the end of 2023. The first F-16V combat wing is slated to be commissioned into the military in November, boosting our air defense barriers.

In response to the growth in enemy threats and natural disasters, on January 1 next year we will establish an All-out Defense Mobilization Agency under the Ministry of National Defense to coordinate the nation's resources for supporting military operations and disaster prevention missions. This will provide for seamless integration between peacetime and wartime.

Taiwan's insistence on the values of freedom and democracy makes it indispensable to the collective security and prosperity of the global community. This May, the French Senate overwhelmingly passed a resolution supporting Taiwan's participation in the activities of international organizations. On June 11 Japan's House of Councillors also passed, with the entire body standing in unanimous vote, a resolution supporting Taiwan's participation in the World Health Assembly (WHA), stating that Taiwan's absence from the WHA is a loss to global efforts to prevent transmittable diseases. Two days later, the Group of Seven industrialized nations at a summit issued a communique highlighting for the first time the importance of maintaining peace and stability in the Taiwan Strait.

Early this September, the European Parliament's Committee on Foreign Affairs approved by a high margin a report titled EU-Taiwan Political Relations and Cooperation. This marks the first time that the European Parliament has taken the initiative to deepen the friendship between Taiwan and the EU and codify it in an official document.

The European Parliament expressed concern over China's military threats to Taiwan, calling on the EU to actively maintain peace in the Taiwan Strait, bolster Taiwan's democracy, and make Taiwan an important partner in the EU's Indo-Pacific cooperation strategy. To improve political relations with Taiwan, the report also recommended making preparations to negotiate a bilateral investment agreement with Taiwan, encouraging official exchanges at the most senior levels, and changing the name of the European Economic and Trade Office in Taiwan to reflect the broad scope of our ties.

On September 14, the Swiss parliament's lower house overwhelmingly passed a motion to improve relations with Taiwan, 14 years since the Swiss parliament last passed Taiwan-friendly legislation. Two days following, the European Union issued a joint communique on the EU Strategy for Cooperation in the Indo-Pacific, which mentioned Taiwan five times, including for strengthening resilience of the semiconductor supply chain and deepening trade and investment relations. The communique even referred to Taiwan as a "partner."

In late June after a hiatus of five years, Taiwan and the U.S. resumed talks under the Trade and Investment Framework Agreement (TIFA). The launch of TIFA talks signifies that cooperation between Taiwan and the U.S. will expand to cover more topics, which in turn will drive negotiations for the signing of a bilateral trade agreement.

In July, the Central American Bank for Economic Integration (CABEI) officially began operations at its office in Taiwan. Taiwan was the first country in which CABEI established an office outside of Central America, and it marked the first time an international economic organization established a branch institute in Taiwan. The Bank also called Taiwan by its official name, emphasizing Taiwan's sovereign status and helping us develop stronger cooperative relations with allied countries in Central America.

Since the outbreak of the COVID-19 pandemic last year, Taiwan has donated millions of face masks around the world and made pragmatic contributions to the global pandemic response, kicking off a virtuous cycle of friendship and assistance that has seen other countries gift more than 7 million COVID-19 vaccine doses to Taiwan this year. Our close friend and neighbor Japan has to date donated more than 3.9 million doses to Taiwan. The U.S. government, as well, dispatched a bipartisan congressional delegation by military aircraft to Taiwan to announce a donation of 750,000 doses, which later ballooned to 2.5 million doses on actual arrival.

Democratic partners in Central and Eastern Europe—from Lithuania and Slovakia to the Czech Republic and Poland (which donated 400,000 vaccine doses in one fell swoop)—have extended a helping hand to Taiwan at a time when the world suffers from a sharp vaccine shortage. Their friendship and mutual support have warmed the hearts of the Taiwanese people in a true demonstration of the saying, "a friend in need is a friend indeed."

Among these countries, Lithuania, which just two days ago announced an additional donation of 230,000-plus vaccine doses, will set up a representative office in Taiwan before year's end, and Taiwan likewise will set up a representative office in the Lithuanian capital of Vilnius. This will be Taiwan's first such office to be set up in Europe in 18 years, as well as the first in Europe to bear the name "Taiwan."

Virtue does not stand alone and he who practices it will have good neighbors. As long as Taiwan continues to uphold its beliefs and defend universal values, we will receive the recognition and backing of the world community. Taiwan will also vigorously expand our pragmatic relationships with like-minded democracies, continue to act as a force for good, and contribute to the world's causes.  
  
**Social welfare**  
  
The government has launched the largest social welfare program in Taiwan's history. Within next year's central government budget, we've earmarked more than NT$600 billion (US$21.6 billion) in social welfare spending to take care of everyone from young to old.

To encourage people to raise families, we've set aside over NT$86 billion (US$3.1 billion) in next year's child care budget, an amount nearly six times the budget of 2016. Child care subsidies were increased to NT$3,500 (US$126) per month per child this August and will be raised again to NT$5,000 (US$180) August next year. To help couples who want to have children, we're providing support beginning from conception and pregnancy. Starting this July, we've increased subsidies for infertility treatments and prenatal examinations, as well as subsidies to employers for prenatal exam leave pay, and stipends for parental leave without pay. We've also amended laws to expand benefits allowing both parents to apply for simultaneous parental leave without pay, and request stipends during that period. The number of days leave permitted for prenatal examinations have also been increased.

By next March, we expect to reach our goal of air conditioning in every classroom and power generation at every school. This January, lunch ingredient subsidies were also raised at schools nationwide to give remote-area students the same rights to healthy school lunches as their city counterparts. In April we increased subsidies for lunch ingredients at remote schools and introduced a central kitchen policy: central kitchens will be built or expanded and a collective ingredient procurement mechanism established so that most of the meal subsidies can actually be spent on food, allowing freshly cooked nutritious lunches to be served to school children in remote areas.

To lend greater support to families requiring long-term care, we've increased next year's long-term care budget to more than NT$60 billion (US$2.2 billion), which is all of 12 times the amount in 2016. The Long-term Care Services Act has also been amended to allow private universities that have departments of long-term care to establish long-term care institutions on school grounds, which will integrate training and use, nurture talent, and promote the development of long-term care resources.

This July, we approved the second phase of a social safety net strengthening program that will invest more than NT$40 billion (US$1.4 billion) over five years. By adding nearly 10,000 public and private service workers, increasing social worker salaries, encouraging long-term employment and strengthening cross-network transfers, we hope to catch and help every vulnerable person on the margins of the system.

This January we finished setting up four welfare systems for agricultural workers, which include three insurance schemes and one pension system. On September 10, the government officially incorporated occupational disease into the scope of farmers occupational accident insurance benefits, allowing long-time, hardworking farmers who sustain occupational diseases to receive economic compensation as well. On May 1 next year, the Labor Occupational Accident Insurance and Protection Act will come into effect to provide workers with protection from the first day on the job. The government not only guarantees benefits but will also raise benefits across the board, providing a complete occupational accident protection system that covers accident prevention, insurance assistance, and assistance returning to the workplace.  
  
**Peace of mind**  
  
The COVID-19 pandemic has so far led to over 230 million confirmed cases and more than 4.7 million deaths globally. As mutant strains of the virus continue to surface, many countries have experienced recurring waves of outbreaks. Taiwan also experienced an outbreak that at its peak in late May saw 600 to 700 daily new cases. But in just 90 short days, the nation curtailed the daily cases to the single digits, and even had days with zero new cases. In July and August, the U.K. newspaper The Guardian and the Japanese newspaper Asahi Shimbun, lauded Taiwan for a second success in subduing the coronavirus, and called the island's ability to keep the pandemic out of the community a global success story. We owe this achievement to the collective work of our people toward fighting the coronavirus.

As for the vaccine rollout, thanks to the joint efforts of the public and private sectors, Taiwan has obtained over 18 million doses from procurements and donations. In just four short months, Taiwan's vaccination coverage rate jumped from less than 1 percent to 50 percent. Going forward we will accelerate the rollout of both first and second doses to reach the target of having 70 percent of the population receive a first jab by the end of October. We will also continue to implement strict border checks, closely monitor and control community outbreaks, and speed up vaccinations, in order to safeguard the nation's health.

Over the past two-plus years, African swine fever has swept through 14 countries neighboring China while Taiwan has succeeded in its arduous defense against the outbreak. Although illegally smuggled meat products containing the virus were found in local markets in late August, the Council of Agriculture, law enforcement and immigration authorities were able to trace the sources and prevent the spread. The government also launched an array of tougher preventive measures, including immediate checks on all postal packages coming from high-risk regions. To stop the virus from entering pig farms, the practice of feeding food scraps to pigs has been suspended from September onward. After nearly a month of tracking and monitoring domestic hogs, I am pleased to report that the risks have been brought under control.

To improve meat safety and provide better support for hog farmers, the government has earmarked a hog industry fund of approximately NT$13 billion (US$467.9 million) over four years, which will upgrade farm facilities, transportation vehicles, slaughterhouses, cold chains, and meat vendor temperature control facilities. We will continue with needed measures to protect Taiwan's pig farming industry and citizens' health.

If Taiwan is to achieve robust economic growth and stronger foreign trade, it cannot do so in isolation from the world. As such, we officially submitted an application Wednesday (September 22) to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, marking Taiwan's first step toward participation in the regional trade bloc.

Taiwan is an advanced economy that plays an irreplaceable role in the global high-tech industrial supply chain. It also has the ability and the willingness to respect the global marketplace's high standards. The government will continue with all preparatory work as well as proactively seek member countries' support, in order to expand Taiwan's exports, attract more overseas investment, and promote overall competitiveness. It is also our objective to make tangible contributions to the regional economy and create an all-around win for everyone.

Although domestic demand-oriented industries were hard hit by this year's coronavirus outbreaks, the past two years have seen more than NT$320 billion (US$11.5 billion) in overseas funds repatriated to Taiwan. The three programs to boost investment in Taiwan have meanwhile attracted over NT$1.34 trillion (US$48.2 billion) in new investment. These results have driven 14 consecutive months of positive growth in export value and 18 consecutive months of increase in export orders. We may well achieve an 11-year high in economic growth rate this year. We now are also rolling out Quintuple Stimulus Vouchers, which, hopefully as the COVID situation stabilizes, will promote broad spending to spur domestic demand industries.

To ensure that all members of the public can share the fruits of the nation's economic growth, the government has increased the basic living expense allowance per person for income tax purposes for four consecutive years, as well as raised the minimum wage five years in a row. Our goal for the minimum wage is to achieve the maximum benefits for workers while taking into account both the needs of employers and employees. As for the public sector, the government will also take into consideration all objective factors and adjust civil service pay accordingly in a timely manner. This recognizes the hard work and dedication of public sector workers with the hope that the private sector will follow suit with pay raises as well.  
  
**Sustainable development**  
  
Facing increasingly severe challenges of extreme weather and new diseases, the government is actively engaged in long-term planning related to important energy resources and strategic materials. On the issue of climate change, Taiwan will not be absent. On Earth Day this April, President Tsai Ing-wen announced that Taiwan will move from a policy of energy transformation to net-zero transformation. At the end of last month, I also announced at a meeting of the National Council for Sustainable Development that the government will accelerate the amendment of the Greenhouse Gas Reduction and Management Act into a climate change response act, with the inclusion of a net-zero emissions by 2050 provision. We will also carefully evaluate issues such as the carbon pricing system and dedicated funds for climate change improvement, build social consensus, and seek the best path to transform carbon reduction challenges into new opportunities for industrial development.

To maintain the development of Taiwan's industry and the uninterrupted flow of vital supply chains, the Forward-looking Infrastructure Development Program has invested more than NT$200 billion (US$7.2 billion) in water environments. Nearly 90 percent of this investment has gone toward stabilizing water supply and improving flood control. These efforts have proved timely in reducing the impact of the drought and flooding we saw with this year's severe weather events. To fully ensure the security of water supplies, the government has also formulated a long-term water resources construction strategy to systematically strengthen upstream, midstream and downstream water retainability, and enhance backup systems and tech-assisted water production.

The biomedical industry is a core strategic industry for Taiwan. Over the years, the government has continued to invest in budgets, improve the ecosystem, integrate industrial clusters, and accelerate the development of the biomedical industry by fostering talent, improving the legal system, and assisting in financing channels. Vaccines are precious strategic materials, and Taiwan is one of the few countries that is able to produce vaccines. To encourage the development and manufacture of vaccines and new biotech drugs, and promote Taiwan to a key role in the global biotech medical industry supply chain, my team has also submitted draft amendments to the Act for the Development of Biotech and New Pharmaceuticals Industry to the Legislature for deliberation.

In nation building and economic development, talent is the first priority. The completion of relevant legislation has made it possible for four top universities to establish semiconductor and industrial-academic innovation research institutes. A Taiwan finance international institute is expected to start enrolling students next year to steadily cultivate the high-level personnel required by the country's key industries. The government has also increased its recruitment to boost incentives for international talent to stay in Taiwan, hoping to make Taiwan a place where the world's top stars gather.  
  
**The darkest times and the most glorious of times**  
  
As Taiwan defended itself against outbreaks of COVID-19, world nations came to its assistance. And as threats from China were rapidly growing, Taiwan stepped up without a hint of fear to the front line in defense of freedom, democracy, openness and human rights. Like-minded allies in the international community responded with ever-growing and more forceful support.

In June of this year Switzerland's International Institute for Management Development released its 2021 World Competitiveness Yearbook where Taiwan turned out its best performance in eight years, ranking third among Asia-Pacific nations and first among economies with populations of 20 million or more people. Furthermore, the U.S. firm Business Environmental Risk Intelligence in reports released in April and August judged Taiwan's investment environment the fourth most-stable in the world, with an outlook toward rising to No. 3 next year. In February, April and September, the world's big-three global credit rating agencies—Moody's, S&P Global Ratings and Fitch Ratings—released reports in which all raised Taiwan's sovereign credit ratings and outlooks. This is a 20-year first and marks a new record.

Fitch's report in particular was laudatory. It cited Taiwan's prudent fiscal management and its economic outperformance of other nations at the same credit rating level. It also said that the reshoring of Taiwanese manufacturing and policy efforts to facilitate industrial upgrading and enhance supply-chain resilience with key trading partners will strengthen Taiwan's growth potential. This reflects the government's high governance standards together with an ability to maintain impressive economic performance while under the threat of the pandemic.  
  
A winter of despair yields to the springtime of hope, and in crisis there is opportunity. Thanks to our tech know-how, Taiwan has been able to hold the coronavirus at bay, and as a result maintain normal production capacity and meet the needs of the global supply chain. Whether in terms of strategic geographic location, core strategic industries, success in COVID control or economic achievements, Taiwan occupies the most critical position and plays the role of a quality partner. Thus in the middle of a once-in-a-century pandemic, we find ourselves in the international spotlight and the subject of global affirmation.

It is my hope that we can all redouble our efforts together. Let every person in Taiwan hold dear the honor of Taiwan and stride forward proudly toward the world. Thank you!