



2015 National Development Plan

National Development Council
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I. Preface



1. The 2015 National Development Plan is the third annual plan for the implementation of the National Development Plan (2013-2016) (the 16th mid-term plan), approved at the 3,430th Meeting of the Executive Yuan on December 22, 2014.
2. Adjustments made to the preparation of the 2015 National Development Plan (2015 NDP)
 - (1) In order to exercise the NDC's function as a "policy-planning and coordinating headquarters to map out national development strategies," the approach for drafting the National Development Plans (NDPs) will be readjusted so as to enhance the policy guidance functions of the NDPs.
 - (2) In accordance with the above-mentioned adjustments, the following preparations were made in advance to prepare for the 2015 NDP:
 - a. The setting of macroeconomic targets were adjusted, moving from single target values to presenting as intervals targets.
 - b. The scope of analysis has been expanded, matching policies more closely to issues.
 - c. The consistency and alignment of indicators between the 2015 NDP and the 2015 Administrative Implementation Plan has been improved.

Adjustments made to the contents of the 2015 NDP



2015 National Development Plan

Abstract

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Sec. 1 Vigorous Economy

I. Openness & Global positioning

II. Sci-tech innovation

⋮

Sec. 2 Just Society

⋮

Expanded scope of analysis, increased exploration of issues

Improved consistency and alignment of indicators between the 2015 NDP and the 2015 Administrative Implementation Plan

Macroeconomic targets have gone from single target values to presenting intervals targets

Improved matching of current issues with coping strategies

II. Key Points of the 2015 National Development Plan



2015 National Development Plan

President's rationale of national governance



Premier's administrative guidelines



Chapter 1

Domestic and International Situations and Outlook

Chapter 2

Current Issues and Challenges

Chapter 3

National Development Objectives and Targets

Chapter 4

Strategies for National Development

1. Domestic and International Situations and Outlook



(1) Economic Issues

a. International Situations

❖ Forecasts by Global Insight

- The global economy will continue to recover in 2015, growing at a rate of 3.0%, an improvement over 2.7% in 2014.
- Advanced economies will grow at a moderate pace, with the rate of economic growth continuing to rise to 2.1% in 2015. The US economy will steadily recover, while economic growth will remain weak in the Eurozone and Japan.
- Emerging economies will expand steadily and their rate of economic growth may be expected to rise to 4.3% in 2015. The slowing of economic growth in Mainland China will become the “new normal.”

b. Domestic Situations

❖ Forecasts by the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan

- Taiwan’s economy grew at a rate of 3.43% in 2014, representing a steady recovery. The CPI increased by 1.18% during the year, a moderate increase.
- In 2015 the international economy will continue to improve, driving a 7.26% growth in Taiwan’s exports and 5.98% and 3.12% growth in private investment and consumption, respectively. The annual rate of economic growth is projected to be 3.78%.

(2) Social Issues



a. International Situations

- ❖ Income inequality has become a growing global trend, with income disparity in Asian countries gradually rising.
- ❖ Birthrates in OECD countries are generally falling as their elderly populations continue to increase.
- ❖ The proportion of education expenditures used for educational institutions is trending downward.

b. Domestic Situations

- ❖ The total fertility rate in 2013 was only 1.065. In addition, the population of elderly people will exceed that of young people in 2016. Aging will result in a widespread social and economic impact.
- ❖ Although the gross enrollment rate in higher education reached 83.9%, due to families having fewer children, school enrollment numbers at every level of education have dropped 14.6% in the past 10 years.
- ❖ Government transfers (including social welfare and taxation) has effectively improved unequal income distribution, with the income quintile share ratio decreasing for four consecutive years since 2010.

(3) Environmental Issues



a. International Situations

- ❖ Global warming has intensified, with atmospheric concentrations of carbon dioxide continually increasing.
- ❖ In 2014, the United Nations Framework Convention on Climate Change (UNFCCC) COP20/CMP10 reaffirmed that an agreement on global greenhouse gas emission reductions after 2020 will be reached by May 2015.
- ❖ At APEC summit in 2014, China and the United States made a joint announcement of measures to reduce carbon dioxide emissions.
- ❖ The United Nations, APEC, and other international organizations have been devoting efforts to promoting green economy.

b. Domestic Situations

- ❖ The industrial structure has been gradually adjusting toward low energy-consumption industries.
- ❖ Environmental quality has been gradually improving, with both the wastewater treatment rate and waste recycling rate increasing.
- ❖ With population and industries relatively concentrating in the metropolitan areas, there is still room for improvement in terms of balancing regional development.
- ❖ With Taiwan being ranked the 54th among 58 countries on climate change performance indicators, there is still room for improvement in adapting to climate change.

Note : COP : the Conference of the Parties to the UNFCCC

CMP : the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

2. Current Issues and Challenges



Economic Issues

- ❖ Major trade competitors of Taiwan keen on negotiating and signing FTAs
- ❖ Excessive concentration of export products and markets
- ❖ Slowing growth momentum of investments
- ❖ Needed adjustments for inadequate industrial development model as well as low industrial value-added
- ❖ Insufficient industrial upgrading limited domestic wage.
- ❖ Unconducive regulatory environment to the growth of small startups
- ❖ ...

2. Current Issues and Challenges(continued)



Social Issues

- ❖ Overly high home Price-to-income ratios and low proportion of social housing
- ❖ Increasingly heavy burdens of care and dependency
- ❖ Needed improvement in preschool education and 12-year compulsory education
- ❖ Low-income households have become smaller and older, and employee population has decreased. Both result in income level harder to increase.
- ❖ ...

2. Current Issues and Challenges(continued)



Environmental Issues

- ❖ More improvements needed in air and water pollution
- ❖ Lack of actual implementation of national land conservation
- ❖ High costs of the renewable energy development
- ❖ Needed further enhancement in public awareness of energy conservation and carbon reduction
- ❖ High risks of weather-related disasters such as landslides resulting from climate anomalies
- ❖ Rural areas facing problems of marginalized development
- ❖ ...



3. National Development Objectives and Targets

- In accordance with National Development Plan (2013-2016)
- Including 5 macroeconomic targets and 93 important development objectives, the macroeconomic targets are set with consideration of the following factors:

(1) Uncertainties in the international economy

- ❖ The impact of geopolitical disputes on financial markets, oil prices, and raw materials prices
- ❖ The effects of Mainland China's structural adjustments on its economic growth
- ❖ The effects of the tapering of quantitative easing and the raising of the interest rates by the Fed in the United States on yield spreads
- ❖ The challenges of deflation and high unemployment rates in the Eurozone
- ❖ The ripple effects of Abenomics in Japan

3. National Development Objectives and Targets (continued)



(2) Deploying relevant policies to boost economic growth and increase employment

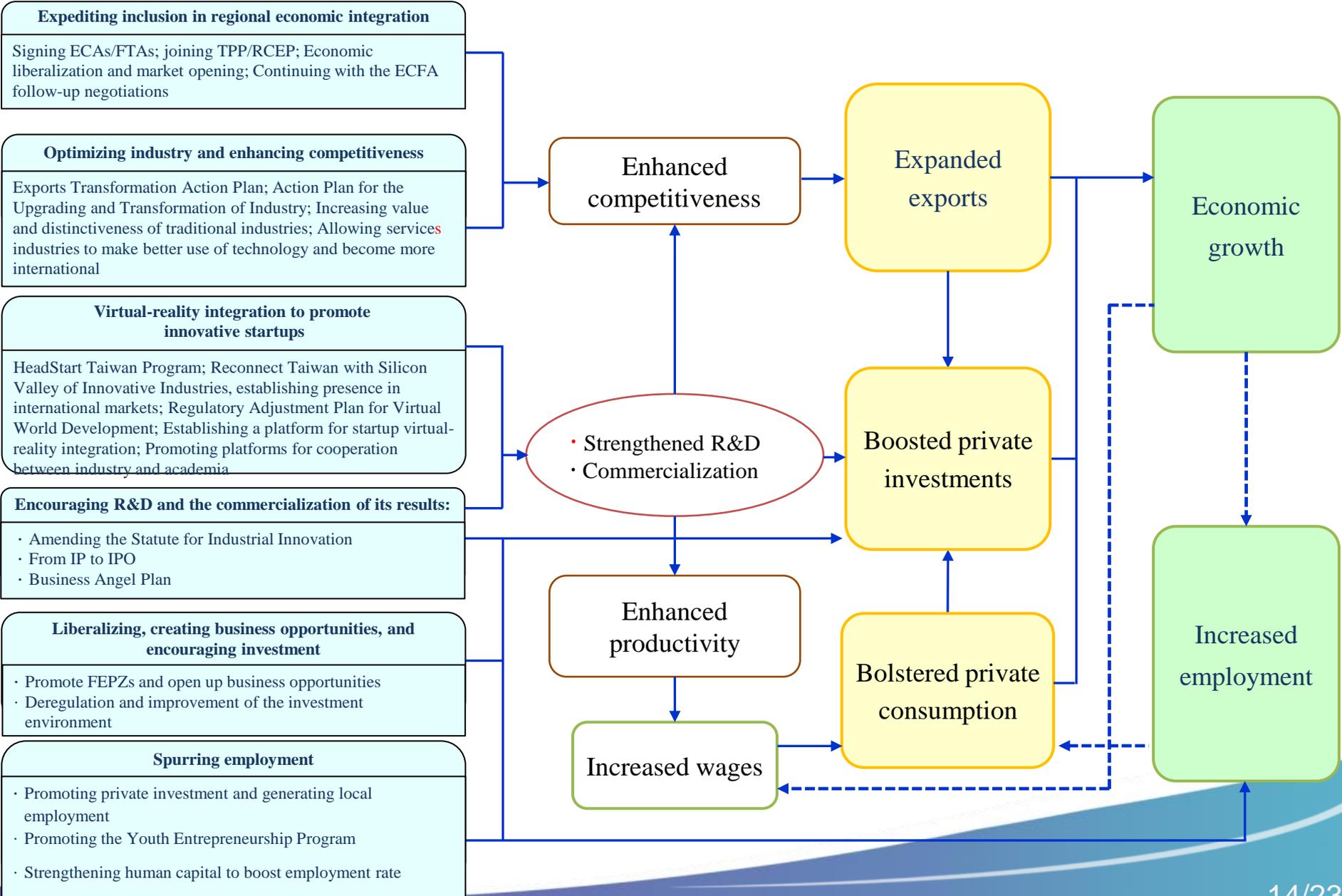
- ❖ Virtual-reality integration to promote innovative startups: implementing the HeadStart Taiwan program to provide a sound innovation ecosystem; promoting the Regulatory Adjustment Plan for Virtual World Development Program, to carry out a thorough review of regulations affecting startups; promoting the Reconnect Taiwan with Silicon Valley of Innovative Industries Program to build international links to global markets; strengthening platforms for cooperation between industry and academia and promoting communications between the two to make up for the gap between education and employment; and establishing a startup virtual-reality integration platform and single-window
- ❖ Amending the Statute for Industrial Innovation to encourage investment in research and development and innovation; implementing the Action Plan for the Upgrading and Transformation of Industry to increase the value-added of industry
- ❖ Continually working to sign Economic Cooperation Agreements (ECA) and Free Trade Agreements (FTA) and cross-strait trade agreements; implementing the Exports Transformation Action Plan, shaping a national brand, and continuing to strengthen the development of services industries, driving investment and exportation of services
- ❖ Continuing to advance deregulation and Free Economic Pilot Zones; implementing the fiscal reform program and promoting public construction
- ❖ Intensifying investment in human capital and developing local employment opportunities

(3) Major policy priorities

Major Policies

Driving Forces of Growth

Targets





(4) Setting macroeconomic targets

Taking into account of uncertain factors in the international economy along with policy initiatives of the government, the following macroeconomic targets have been set for 2015:

Item	2015 Forecasts by the Directorate-General of Budget (DGBAS)	2015 National Development Plan (NDP)
Economic growth rate	3.50%	3.1~3.7%
Per capita GDP	USD 22,753	USD 22,649~22,807
CPI increase rate	0.91%	No more than 2%
Unemployment rate	-	3.8~3.9%
Employment growth rate	-	0.7~1.0%



4. Strategies for National Development

In 2015, the government will devote efforts to create jobs for young people, provide security for the elder, find opportunities for local businesses, and build a dignified environment for the disadvantaged.

<p><u>Section 1</u> Vigorous Economy</p>	<p><u>Section 2</u> Just Society</p>	<p><u>Section 3</u> Clean and Competent Government</p>	<p><u>Section 4</u> Prime Culture and Education</p>
<p>I. Openness & Global positioning II. Sci-tech innovation III. LOHAS agriculture IV. Structural adjustment V. Promoting employment VI. Stabilizing prices</p>	<p>I. Shared affluence II. Peace and health III. Caring for the young and old IV. Ethnic group harmony V. Housing justice VI. Gender equality</p>	<p>I. Clean government reform II. Raising efficiency and competency</p>	<p>I. Cultural and creative activity II. Education reform</p>
<p><u>Section 5</u> Sustainable Environment Sustainable Environment</p>	<p><u>Section 6</u> Comprehensive Development</p>	<p><u>Section 7</u> Cross-Strait Peace</p>	<p><u>Section 8</u> International Amity</p>
<p>I. Green energy and carbon reduction II. Ecological homeland III. Disaster prevention and response</p>	<p>I. Infrastructure II. Sea and air hubs III. Convenient living IV. Regional balance V. Sound public finances VI. Financial services development</p>	<p>I. Cross-strait relations II. National defense and security</p>	<p>I. Expanding participation II. Humanitarian aid III. Cultural exchange IV. Upgrading tourism</p>

(1) Economic Issues



Virtual-reality integration to promote innovative startups

- Promoting the HeadStart Taiwan program to create a vibrant entrepreneurial ecosphere
- Promoting the Program for the Regulatory Adjustment Plan for Virtual World Development
- Promoting the Reconnect Taiwan with Silicon Valley of Innovative Industries and Emerging Industry Incubation-Acceleration Program to build international links to global markets
- Strengthening platforms for cooperation between industry and academia and promoting communications between the two to make up for the gap between education and employment, and establishing indicators and diversion mechanisms for innovative R&D
- Establishing a platform and single-window for startup virtual-reality integration, promoting the Action Plan for Social Enterprises, and establishing an Open Data Roadmap with citizen participation

Inclusion in regional economic integration

- Deepening substantive multilateral, regional, and bilateral relationships through the WTO, OECD, APEC, and other international arenas; working to join TPP and RCEP
- Promoting the Free Economic Pilot Zones, selecting priority projects, easing regulatory restrictions, and institutional innovation

Building momentum for exports

- Providing assistance to enterprises on innovative transformation of products and services
- Adjusting the deployment of priority markets, enhancing enterprises' abilities to expand into overseas markets
- Formulating short-term, mid-term, and long-term strategies to shape a national brand and generate value through Taiwan's national brand

(1)Economic Issues(continued)



Encouraging domestic investment

- Promoting global investment solicitation programs, encouraging overseas Taiwanese businesses to invest in Taiwan
- Implementing the Project for Cross-Field Value-Adding in Public Works Financial Planning
- Allocating funds from the National Development Fund for investment in strategic domestic service industries

Intensifying adjustment of the industrial structure

- Increasing the quality and value of products and building a complete system of industrial supply chains
- Building system solutions capacity, expediting the development of emerging industries
- Integrating utilization of R&D resources and industry-academia cooperation, promoting the industrialization of Sci-tech achievements
- Enhancing the management of industrial intellectual property rights and their circulation and utilization
- Introducing new technological applications to expedite the transformation and upgrading of the commercial services industry
- Promoting greater participation by young people in the agricultural labor force and integrating resources for value-added development

Promoting employment and boosting real wages

- Promoting global solicitation of investment, spurring private sector employment and driving wage growth
- Implementing the Workforce Training Industry Development Program, strengthening the training of key talent and boosting employment
- Reviewing the basic wage as needed to ensure workers a basic living
- Improving collective bargaining and mechanisms for the handling of disputes between labor and management



(2) Social Issues

Improving care for the elderly

- Advancing the completion and enactment of the Long-Term Care Services Act
- Expanding the network of long-term care resources to increase the coverage rate of such services
- Promoting senior citizen learning centers and launching “senior universities,” establishing independent service organizations for senior learning

Perfecting medical and food safety mechanisms

- Formulating an improvement program for inhibiting improper resource consumption so as to improve the efficiency of medical resources allocation
- Promoting the Hospital Hierarchical System for Emergency Care
- Implementing pharmaceutical plant checks and tracking and management of self-use pharmaceutical raw materials
- Implementing food registration and tracking mechanisms, involving the general public in the food safety safeguarding mechanism.

(2) Social Issues(continued)



Optimizing education policy

- Promoting the improvement and making public of education and childcare services for preschool-aged children
- Providing measures for tuition-free kindergarten to increase kindergarten enrollment rates
- Implementing normalization of primary and secondary education, increasing the proportion of high-quality senior and vocational high schools, and implementing school attendance subsidy measures
- Implementing the Aim for the Top University Project and the Program for Promoting Teaching Excellence in Universities, and encouraging students to go abroad for further study and exchanges

Expanding assistance to low-income households

- Implementing social assistance, helping members of disadvantaged households to find employment and attend school
- Continuing to advance tax reform, implementing taxation based on ability to pay

Showing commitment to housing justice

- Providing the disadvantaged with housing subsidies and intensifying efforts to promote social housing
- Advancing the rationalization of the real estate tax system
- Continuing to promote the Actual Price Registration system, creating a more sound rental housing market

(3) Environmental Issues



Protecting the environment and ecology

- Intensifying work to reduce ozone precursors and particulate matter pollution
- Introducing stricter emission standards for stationary and mobile sources of air pollution
- Advancing the completion and enactment of the draft National Land Planning Act
- Integrating authorities over conservation of national land resources, enhancing the capabilities of nature reserves
- Strengthening forestation and ecological rehabilitation efforts in order to further the work of conserving and nurturing forests

Furthering the cause of green energy and low carbon emissions

- Promoting the Million Rooftop PVs and Thousand Wind Turbines programs
- Promoting the Green Energy Industry Advancement Program to develop the green energy and low carbon industries
- Promoting the National Energy-Saving Campaign and advancing the construction of model low-carbon communities
- Building a regulatory framework for greenhouse gases reduction and establishing a green tax system

Increasing adaptability to climate change

- Implementing the Adaptation Strategy to Climate Change in Taiwan
- Advancing the integrated planning and construction of river, drainage canal, and ocean banks and walls.
- Setting up a regional weather radar network and expanding the Earthquake Early Warning System

Improving the balance of regional development

- Implementing the Hualien-Taitung Six-Level Industries Development Program
- Implementing the Phase IV (2015-2018) Offshore Islands Comprehensive Development Plan
- Encouraging interdepartmental and interregional cooperation in the advancement of construction plans

(4) Cross-Strait and International Affairs



Promoting peaceful cross-strait development

- Institutionalizing cross-strait consultation mechanisms and advancing cooperation and exchange on trade
- Continuing to study the amendment of regulations governing cross-strait relations, carrying out the ECFA follow-up negotiations in an orderly fashion, and steadily advancing the normalization of official cross-strait interactions
- Creating a complete safety management mechanism for cross-strait trade interaction, advancing cross-strait trade cooperation
- Deepening cross-strait exchanges between nongovernmental organizations and students and reciprocal flows of information in order to promote Taiwan's core values of liberal democracy and its diverse and creative cultural soft power

Expanding international participation and exchanges

- Advancing the policy of flexible diplomacy, strengthening diplomatic ties, and advancing international exchanges and cooperation
- Promoting participation in international professional organizations and international nongovernmental organizations, expanding international space
- Advising businesses on planning strategies to add value to cultural and creative products, intensifying brand management and operation, improving quality of the tourism industry, and advancing the Inter-regional Highlight Preparatory Pilot Plan to develop distinctive characteristics and features of tourism

III. Conclusions



1. Faced with major challenges in the domestic and international environment in 2015, the government upholds the principles of “pursuing economic prosperity, standing for social justice, and ensuring environmental sustainability” as it works to advance various programs. The plan intends to lay a solid foundation for national development and to achieve the goals of creating jobs for young people, providing security for the elder, finding opportunities for local businesses, and building a dignified environment for the disadvantaged.
2. The implementation and advancement of various policy measures is expected to greatly improve the well-being of Taiwan’s people and achieve the set national development objectives and targets, including an economic growth rate between 3.1% and 3.7% and an unemployment rate of 3.8% to 3.9%.