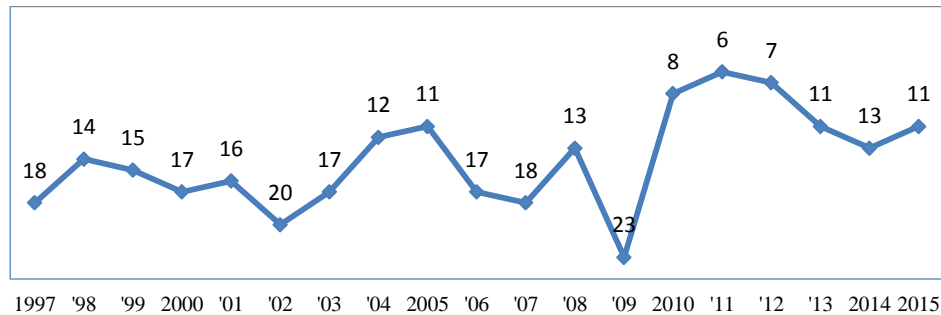


Taiwan moved up to 11th in the 2015 IMD World Competitiveness Rankings

According to the “2015 IMD World Competitiveness Yearbook” from Institute for Management Development (IMD), Taiwan was ranked No.11 out of the 61 evaluated countries, improving by 2 positions as compared to the previous year. In the Asia-Pacific region, Taiwan was ranked No.3, following only Hong Kong and Singapore.



Source : IMD World Competitiveness Yearbook, various editions. (<http://www.imd.ch/wcy>)

Amongst the four main factors of the IMD competitiveness ranking, Taiwan’s “Government Efficiency” in 2015 has attained the best ranking as the 9th in the world, improving by 3 positions as compared to the previous year; “Economic Performance” and “Business Efficiency” also improved by 3 positions, where as “Infrastructure” was slightly down by 1 position.

I. Changes of the Rankings in Four Main Factors

(I) “Economic Performance”: Improved from 14th of the previous year to the 11th

Amongst the sub-factors of the main factor “Economic Performance” , the rankings for “Domestic Economy”, “International Investment” and “Employment” were improved, while “International Trade” remained the same, with “Prices” as the only one that went down.

(II) “Government Efficiency”: Ranked No.9, the best out of the four main factors

The ranking of “Government Efficiency” has improved by 3 positions as compared to last year, the rankings for sub-factors “Public Finance”, “Institutional Framework”, “Business Legislation”

and “Social Framework” were improved, where as “Fiscal Policy” maintained the predominance of No.4 in the world.

(III) “Business Efficiency”: Improved from 17th of the previous year to 14th

The sub-factor “Attitudes and Values” has improved by 4 positions, making it the key factor for the 3-position improvement of “Business Efficiency”. It is worth to be alert since the ranking of “Labor Market” has already moved down for 4 consecutive years. There were no significant changes to “Productivity”, “Finance” and “Management Practice”.

(IV) “Infrastructure”: Ranking was about the same to the previous year

The ranking for this main factor went down by 1 position as compared to the previous year, making it the 3rd successive year of decline. The sub-factor “Basic Infrastructure” and “Technological Infrastructure” moved downward, where as “Health and Environment” and “Education” went up slightly, with “Scientific Infrastructure” remaining the same.

II. Taiwan’s Competitive Strengths

IMD evaluation items comprise 4 main factors, 20 sub-factors, and 342 criteria, amongst these, statistical data and survey data each represent a weight of 2/3 and 1/3 relatively. The targets of the survey were senior business leaders, nationals or expatriates, who are working for domestic and foreign enterprises.

IMD evaluated the competitive strengths for Taiwan, including:

(I) Diversified economy with resilience, maintaining current account surplus in international payments; relative low tax burden, abundant foreign exchange reserves, and relative low cost of capital.

(II) Small and medium enterprises featuring efficiency and flexibility, overall enterprises featuring productivity, large stock market capitalization with excellent fund-raising function, abundant bank assets and easy corporate lending, and vibrant entrepreneurship and outstanding

adaptability to changes.

(III) A lower rate of dependent population as compared to other countries, brilliant hardware or software in technological infrastructure, including: broadband tariffs, hi-tech product exportation, number of patents for inventions, R&D population as well as R&D expenditures, population with higher education, and high school students' mathematics and sciences assessment.

**Taiwan's Rankings in the recent 6 Years of IMD World Competitiveness Yearbook
(4 Main factors / 20 Sub-factors)**

Item	2010	2011	2012	2013	2014	2015	'14-'15 Changes
Overall Ranking	8	6	7	11	13	11	↗2
Economic Performance	16	8	13	16	14	11	↗3
Government Efficiency	6	10	5	8	12	9	↗3
Business Efficiency	3	3	4	10	17	14	↗3
Infrastructure	17	16	12	16	17	18	↘1

Note: 342 criteria were collected, 256 ones ranked and 86 ones as background information. Amongst the ranked criteria, 45 out of 84 collected were under "Economic Performance", 60 out of 71 were under "Government Efficiency", 60 out of 71 were under "Business Efficiency", and 91 out of 116 were under "Infrastructure".

Source: IMD World Competitiveness Yearbook; various editions. (www.imd.ch/wcy)