

NDC Press Release:

JCCI 2020 White Paper Thanks NDC for Promoting Exchanges

Government will Strengthen Cooperation between Taiwan and Japan on Six Core Strategic Industries

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In its “2020 White Paper” the Japanese Chamber of Commerce and Industry Taipei (JCCI) thanks the National Development Council (NDC) for helping to coordinate its meetings with government agencies and resolve many of the issues raised in last year’s white paper. NDC Minister Kung, Ming-hsin was invited to accept the white paper on behalf of Taiwan’s government, and in his speech, he thanked the JCCI for its long-term efforts to promote bilateral exchanges between the two sides and noted that despite the impact of the COVID-19 pandemic on recent opportunities for country-to-country exchanges, Taiwan and Japan have continued to help each other in ways that underscore the close ties between the two countries.

NDC Minister Kung said that although the pandemic continues to impact the world, Taiwan not only acted quickly to prevent the spread of the virus but also provided relief packages to industry and rolled-out economic stimulus measures. According to the latest statistics on import and export trade, the annual growth rate of Taiwan's exports in September was 9.4%, higher than that of 8.3% in August, and a clear indication that the government’s bail out and stimulus measures have been successful. As a result, Taiwan’s economy continues its steady development. Although industry exchanges between Taiwan and Japan have continued, the impact of the pandemic has imposed limits on bilateral tourism exchanges, and people in both countries feel a sense of loss, resulting in the shared hope that the pandemic can be quickly brought under control so travel can return to normal.

The theme of the “2020 white paper” of the JCCI is “Looking Forward to the Post Epidemic Era and Establishing a New Taiwan Japan Relationship”. NDC Minister Kung responded by noting that the two countries have close long-term trading relations and interaction. He also observed that many of the proposals put forward in the white paper, including deepening Taiwan-Japan industry cooperation,

accelerating new industry development and boosting investment are policy objectives and directions shared by the government of Taiwan.

NDC Minister Kung noted that in terms of Taiwan-Japan industry cooperation, Taiwan's government previously promoted the "The 5+2 Industrial Innovation Development Plan" in the hope of transforming local industry from its earlier focus on a "high cost performance ratio" OEM model to an approach wherein innovation stimulates economic growth. In a speech delivered at her inauguration ceremony on May 20, President Tsai Ing-wen said that Taiwan will promote the development of "six core strategic industries" built on the foundation of the existing the 5+2 industrial innovation development policy. Looking to the next generation of industry development, Taiwan and Japan can find new development opportunities in the fields of 5G, cybersecurity, energy, green energy and medical care. Of particular importance is the research, development and manufacture of next-generation semiconductors. Much of the semiconductor equipment and raw materials used in Taiwan come from Japan, and as such it is especially important that relations between the two countries continue to be enhanced.

As Taiwan has already allocated NT\$49 billion of its NT\$510 billion Forward-Looking Infrastructure Plan budget for 5G infrastructure, NDC Minister Kung observed that Japan has much experience expanding the application of 5G that can be used as a reference for further developments in Taiwan. In terms of cybersecurity, both Taiwan and Japan face the threat of hackers and there is ample room for cooperation in this area. Moreover, both countries are highly dependent on imported energy, so energy security is another important area of possible cooperation. In addition, bilateral work will also continue to deepen cooperation in the field of green industry established by the 5+2 industrial innovation development policy. Furthermore, Taiwan and Japan have already established an excellent development foundation in the area of medical devices, with both sides able to use indispensable advances in regenerative medicine to jointly develop commercial opportunities in the Asia Pacific.

NDC Minister Kung said that there will be a restructuring of global supply chains as a result of the US-China trade war and the COVID-19, so how best to effectively establish new supply chains is an important issue and one that offers important opportunities as Taiwan and Japan cooperate to promote integrated regional development. Combining key Japanese technology and component materials, Taiwan's high quality production capabilities, and resources of Southeast Asia such as land and labor to form a new supply chain presents an excellent developmental

direction. Minister Kung pointed out that new Japan Prime Minister Yoshihide Suga has emphasized plans to vigorously promote “freedom and openness in the Indo-Pacific Region,” a policy that dovetails with the New Southbound Policy of Taiwan’s government. Kung made a point of echoing the call of the JCCI that Taiwan will be able to join the CPTPP at the earliest opportunity and called for the signing of a Taiwan-Japan Economic Partnership Agreement (EPA) or Free Trade Agreement (FTA). He also thanked the Japanese, American and European chambers of Commerce to speak for Taiwan and its participation in regional integration, saying that with the full support of Japan government, Taiwan can make an even greater contribution to regional trade integration.

Finally, NDC Minister Kung again thanked the JCCI for its long-term efforts in Taiwan and the many proposals it has submitted to the government. The National Development Council has long facilitated communication between foreign chambers of commerce and Taiwan government and as the government continues its efforts to create a better business environment, it will continue to work closely with the JCCI, so that Taiwan and Japan can share the economic prosperity.

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