

October 11, 2017

**Premier Lai: Boost investment in Taiwan**

**Create a win-win situation for the government and people**

To call for investment in Taiwan and realize the government's determination to "put the economy first", when chairing the Second Inter-ministerial Meeting on Boosting Investment in Taiwan on October 11, Premier Lai Ching-te stated that the meeting displays the full commitment and determination to solve problems of the current Executive Yuan. He requested that the administrative team continue to work hard, with the aims of increasing the number of private investment cases, providing a complete environment for investment, attracting more investment, and creating a win-win situation for the government and people.

Premier Lai pointed out that President Tsai Ing-wen also stressed that now is the best time to invest in Taiwan when attending the 2017 Taiwan Business Alliance Conference last week; many economic indicators are continuing to go up, including: exports have grown for 12 months in succession and the GDP growth rate has exceeded predictions. Recently, Taiwan Semiconductor Manufacturing Co. Ltd and Winbond Electronics Corp. have both announced massive NT\$100 billion investment projects, showing their faith in Taiwan's economy and, in doing so, endorsing its economic potential.

He emphasized, to revitalize the economy, domestic demand and exports have to be balanced, making investment more important. The aim of the Inter-ministerial Meeting is to solve the problems that enterprises face when investing one by one and build an excellent environment for investment so that enterprises are willing to increase their investment in Taiwan. Premier Lai went on to say that President Tsai really cares about the "five shortages,"

deregulation, and other issues, and the structural problems that businesses are concerned about. The administrative team will pursue and implement solutions with a practical attitude.

An Executive Yuan spokesperson stated that today's meeting focused on the topics "Promoting Private Participation in Infrastructure Projects," "Promoting Deregulation," and "Enhancing Budget of State-owned Enterprise and Nonprofit Special Funds Execution" and reviewed the projects in the Forward-Looking Infrastructure Development Program to identify those that will achieve better results if the private participation mechanism is adopted. Also discussed were financial and economic deregulation, including review and relaxation of enforcement letters that obstruct enterprise development, enhancing state-owned enterprise funds and nonprofit special funds' budgets execution ability, and activation of an early warning and control mechanism for ministries whose execution in this area lags behind.

With regards to stocktaking the projects in the Forward-Looking Infrastructure Development Program to identify ones that can adopt the private participation mechanism, Premier Lai stated that he will request local county/city government leaders to cooperate with the central government in promoting private participation and ask the heads of the Ministry of Economic Affairs (MOEA), Ministry of Transport and Communications (MOTC) and the Ministry of the Interior (MOI) to review which projects can involve private participation in investment, and will call a related press conference to explain and post project details on the website of the relevant ministry to notify the public. Ministries can also proactively contact local governments to discuss cooperation in this area.

Also, Premier Lai tasked various ministries to actively stocktake projects in the Forward-Looking Infrastructure Development Program to which the private participation mechanism can be applied to achieve better results and instructed the Ministry of Finance

(MOF) to make good use of the platforms for PPP projects investment to assist various ministries develop potential investment cases and activate the warning and follow mechanism for projects that do not start on schedule. Also, to improve the private participation regulatory environment, he requested the MOF and other agencies to carry out review in their area of responsibility. The Executive Yuan will also hold a related inter-ministerial meeting that will be convened by vice-premier Shih Chun-chi.

With respect to financial and economic deregulation, Premier Lai pointed out that Taiwan faces fierce international competition, therefore related regulations need to be flexible and mobile, and be improved in the direction of “Regulatory Reform” and “Deregulation.” Financial and economic deregulation is urgently needed. To stimulate economic development and release private investment potential, ministries should cast away their malpractice prevention policy orientation and adopt a positive approach that is good for the people, carrying out review and implementing financial and economic deregulation to build a friendly investment environment.

Premier Lai also instructed the MOF, MOEA, Ministry of Labor, Financial Supervisory Commission and Public Construction Commission etc., with the head or deputy head directly supervising, to relax enforcement letters, administrative rules or regulations that obstruct enterprise development, and to begin immediately with enforcement letters. Results are expected every two weeks and will be passed to the NDC for sorting before being reported to the inter-ministerial meeting. “Bottom-up,” ministries will review related enforcement letters and they will then be reported to the Executive Yuan via the NDC; “outside-in”, a window will be set up so the people can express their opinions to related ministries and review can then be carried out.

In addition, in terms of strengthening of state-owned enterprise funds and nonprofit special funds' execution ability, Premier Lai stated that this year (2017) state-owned enterprise funds and nonprofit special funds' set up fixed assets still had more than NT\$200 billion not executed at August, showing that administrative department execution ability is in urgent need of improvement. With respect to state-owned enterprise funds, he asked the MOEA, MOTC and other ministries to supervise and push the implementation of each project. Each ministry should also establish a mechanism for effective review.

In terms of nonprofit special funds, Premier Lai gave the MOTC and the Ministry of Education the task of supervising and following up the budget execution of major transportation, aviation and public school construction projects. Also, with respect to ministries whose execution lags behind, he asked for a progress report to be sent to the NDC on a monthly basis; the NDC will activate an early warning mechanism to identify problems early on and will assist ministries resolve execution problems, making a big effort to increase the execution rate of government funds.