

'New Southbound Policy' promotion plan launched (September 5, 2016)

The Executive Yuan today unveiled a plan to promote the New Southbound Policy that aims to strengthen Taiwan's trade and economic ties with members of the Association of Southeast Asian Nations (ASEAN), South Asian countries, as well as New Zealand and Australia.

Centered on the values of “settling in for the long haul, seeking comprehensive development, and creating mutual benefits,” the plan is based on policy guidelines approved by President Tsai Ing-wen August 16 during a meeting on international economic and trade strategy.

Under the plan, the government will integrate the resources and strengths of the public and private sectors to forge a new mutually beneficial model of cooperation and a sense of economic community with those countries. The plan consists of four main components:

1. Promote economic collaboration:

Rather than regarding ASEAN and South Asia as contract manufacturing bases for exports, Taiwan will forge new partnerships by integrating with those countries' supply chains, connecting with their domestic demand markets, and cooperating on infrastructure projects.

a. Supply chains:

Based on the capacities and demands of industries in those countries, Taiwan's competitive industries should integrate with their supply chains. For instance, starting with the five major innovative industries (biomedicine, an Asian Silicon Valley, intelligent machinery, green energy technology and national defense), Taiwan can export or help set up internet-of-things systems for electronic toll collection, smart health care and intelligent school campuses. The government will also set up a Taiwan Desk using local resources to help overseas Taiwanese enterprises form business clusters. A single window for southbound economy and trade expansion will serve as the platform for seeking, creating, integrating and promoting bilateral trade opportunities.

b. Domestic demand markets:

Use cross-border electronic and physical distribution channels to sell quality and affordable products. Export new service industries including education, health, medical care and dining. Shape Taiwan's industrial brand image.

c. Infrastructure projects:

Create a collaborative platform for exporting infrastructure construction services and turnkey projects. Form export teams on energy, petrochemical and environmental infrastructure. Build strategic alliances with third-country service providers.

2. Conduct talent exchange:

With a focus on people, deepen bilateral exchange and cultivation of young scholars, students and industry

professionals. Share and complement human resources with partner countries.

a. Education ties:

Expand scholarships to draw more students from ASEAN and South Asia. Depending on domestic industry needs, create courses on academia-industry cooperation and foreign youth technical training, and provide job matching services after their graduation. Encourage universities and colleges to set up campuses or courses abroad or offer preparatory programs. Offer elementary and junior high school language courses for new immigrants, and encourage universities and colleges to cultivate more Southeast Asian language experts and regional trade professionals.

b. Industry talent:

Assess and establish a points-based system allowing residency extensions for eligible foreign professional or technical workers in Taiwan, and encourage them to obtain job skills training and professional certification. Promote exchanges of professional talent by protecting social welfare benefits for workers returning to Taiwan, streamline procedures for foreign workers coming to Taiwan, match workers to employers, and help domestic businesses find talent.

c. New immigrants:

Help first-generation immigrants use their linguistic and cultural advantages to obtain work certification and job opportunities (such as language teaching and tourism-related work). Help second-generation immigrants connect with their ancestral countries by encouraging universities to establish

appropriate departments or curriculums, and give admission priority to students speaking Southeast Asian languages.

3. Share resources:

Capitalize on Taiwan's soft powers to promote bilateral and multilateral cooperation in culture, tourism, medical care, technology, agriculture, and small and medium-sized enterprises. Improve quality of life in partner countries and expand Taiwan's economic footprint.

a. Health care:

Cooperate with ASEAN, South Asia, New Zealand and Australia on bilateral pharmaceutical certifications and new drug and medical equipment development. Help ASEAN and South Asia cultivate medical care and public health workers.

b. Culture:

Use film, broadcasting and online games to market Taiwan's cultural brand. Encourage Taiwan's local governments to engage in exchanges and cooperation with cities in ASEAN, South Asia, New Zealand and Australia.

c. Tourism:

Ease visa requirements for ASEAN and South Asian tourists to Taiwan. Promote Taiwan tourism through different channels, raise the quality and quantity of tour guides, create a Muslim-friendly travel environment.

d. Technology:

Build technology exchange platforms, strengthen international connections at Taiwan's science parks and

research institutes, promote exchanges in smart disaster prevention technologies.

e. Agriculture:

Establish a “Taiwan international agricultural development company” to promote Taiwan’s brand to overseas markets. Provide agricultural technology assistance, expand use of biomaterials and agricultural machinery, improve the business capabilities of partner countries.

4. Forge regional links:

Systematize bilateral and multilateral cooperation with partner countries, strengthen negotiations and dialogue. Change previous patterns of individual effort and draw on the collective strength of private groups, overseas Taiwanese networks and third countries. Advance regional safety and prosperity.

a. Regional integration:

Actively pursue economic cooperation agreements or individual economic cooperation provisions with India and major ASEAN trade partners. Update and strengthen current bilateral investment and taxation treaties, improve risk management by creating major event alert and emergency response mechanisms.

b. Negotiations and dialogue:

Promote multilevel and all-encompassing negotiations and dialogue with ASEAN, South Asia, New Zealand and Australia. Open dialogue and negotiations with China at a suitable time on relevant topics and cooperation matters.

c. Strategic alliances:

Reallocate foreign aid resources, build a comprehensive foreign aid mechanism, encourage more businesses to participate in local development projects of other countries. Join third countries (such as Japan and Singapore) in efforts to tap markets in ASEAN, South Asia, New Zealand and Australia. Strengthen cooperation between private corporations and nongovernmental organizations.

d. Overseas Taiwanese networks:

Create an overseas Taiwanese database and exchange platform (including for foreign graduates of Taiwan universities, Taiwanese businesses operating abroad, and overseas ethnic Chinese). Connect with overseas ethnic Chinese and overseas Taiwanese business networks and strengthen their links with Taiwanese corporations.