

Taiwan's Bid for CPTPP Membership

CPTPP members recognize Taiwan's interest in accession

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1. Our Vision

The U.S.-China trade conflict and the COVID-19 pandemic have drastically altered the global trade and economic landscape. In order to gain a competitive advantage, increase economic output and create jobs, we need to consider how and with whom we do business in the future.

Taiwan has performed well in the Global Competitiveness Report of the WEF as well as the IMD's World Competitiveness Ranking, and is ranked among the world's top 10 countries in Cushman & Wakefield's Manufacturing Risk Index and Deloitte's Global Manufacturing Competitiveness Index. At this crucial juncture of the re-adjustment of global supply chains, the world needs worthy partners like Taiwan more than ever, and Taiwan needs the world.

This is why Taiwan is pursuing accession, and we hope to achieve the following goals:

(1). Secure trade and investment opportunities

Although Taiwan is one of the top-20 trading nations in the world, we are just a medium-sized, open economy that is highly influenced by global demand, and international markets are especially important to Taiwan. While our trading partners can increase their competitive

advantage through FTAs, we must seek out every opportunity available.

(2). Diversify our trade links

The Asia-Pacific countries and markets under the CPTPP are diverse and at various levels of development. As such, joining the CPTPP will allow us to diversify our trade, avoid overconcentration in a few markets, and increase our economic security at a time of heightened uncertainty and disruption in the world.

(3). Integrate with the world and improve economic efficiency

Taiwan needs the CPTPP to upgrade its economy. The CPTPP is one of the most modern trade agreements, establishing new rules that address the needs of the business community. Taiwan's trade regime will be more in line with international standards, and our domestic industries will be able to adjust themselves more efficiently and effectively.

(4). Secure our place in the global supply chain

The COVID-19 pandemic has forced us all to think about restructuring supply chains and allocation of resources. Joining the CPTPP will secure a place for our exports in these turbulent times and avoid marginalization.

(5). Fight protectionism

Taiwan has always been a strong proponent of the rules-based, free, and open multi-lateral trading system embodied by the WTO. Taiwan's accession to the CPTPP

would demonstrate our commitment to free trade by removing trade barriers and promoting common prosperity for all.

2. Our Accomplishments

The CPTPP offers a great opportunity for Taiwan to participate in the Asia-Pacific market. In the past three years, the total GDP of CPTPP members has reached US\$2.5 trillion. Taiwan has close economic and trade ties with all of them, with the 11 members accounting for more than one-fifth of Taiwan's total exports. Among the CPTPP members, Japan, Singapore, Malaysia and Vietnam are among Taiwan's top 10 trading partners. Obviously, it is important for Taiwan to further develop CPTPP markets as a bloc.

(1).Through existing bilateral mechanisms and APEC, we have actively engaged with and sought support from all CPTPP members in accordance with the Accession Process introduced in the first CPTPP Ministerial Meeting in January of 2019.

- Reducing job loss caused by production relocation;
- Creating a better business environment to attract foreign direct investment.
- Assisting SMEs to integrate into the global market through transparency of regulations, trade facilitation and e-commerce;
- Promoting fair competition between the public and private sectors; and
- Expanding environmental and labor protection.

(2).Ministries across all sectors in agriculture, manufacturing, and services, as well as other government entities, have consulted with interest groups and stakeholders, and garnered huge support for Taiwan's accession to the CPTPP. As such,

the government is actively revamping our legal system in order to meet the CPTPP's requirements, including:

- making regulations more transparent;
- enhancing protection of the intellectual property rights of new pesticides;
- redefining the scope of the postal monopoly;
- amending the Plant Variety and Plant Seed Act to expand the scope of protection to be in line with the UPOV;
- simplifying the regulations on the labeling of cosmetic hygiene and safety; and
- enhancing IPR protection for medicines by providing data exclusivity and patent linkage, etc.

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3. Next Steps

We have actively engaged with all CPTPP members at various levels to explain our preparations for accession to the CPTPP, and we are ready to meet the requirements of the CPTPP Agreement. CPTPP members recognize our efforts, and welcome any trade partners who can meet the requirements of the CPTPP to join.

Our approach follows the process outlined by the CPTPP Commission in early 2019, which encourages countries to engage informally with every CPTPP member, addressing any concerns and questions before submitting the formal application.

All of our engagement with CPTPP members takes into account both the progress of bilateral talks with CPTPP members as well as Taiwan's broader interests and domestic priorities. Taiwan sees significant advantages in joining the CPTPP, and believes that our accession can show that the CPTPP is a superior model for the uncertain international environment that now exists.

In the meantime, our government will continue public outreach on Taiwan's accession to the CPTPP, which will form a basis for our dialogue with CPTPP Members.

For more information, please see the CPTPP Q&A (<https://www.ey.gov.tw/otn/47E95C7DA961C934>) or visit our website (<https://cptpp.trade.gov.tw/>)

In addition to our liberalization efforts to bring our trade regime in line with CPTPP standards, examples of recent achievements in 2020 are listed below:

- *Resolve longstanding issues in market access and observing our commitment to international rules*

At the end of August 2020, Taiwan announced the easing of restrictions on beef from U.S. cattle aged 30 months or older, and the removal of restrictions on the use of ractopamine as a feed additive for imported pork, to take effect on January 1st, 2021. Our maximum residue limit (MRL) for ractopamine will be in line with the standards set by the UN's Codex Alimentarius Commission in 2012.

- *Facilitating Trade during the Pandemic*

In response to the Covid-19 pandemic, we simplified the procedures for the application of imported blueberries, replacing document review with on-site inspections. The first shipment of blueberries from Peru will arrive early November 2020.

- *Good news for foreign professional license holders*

Taiwan also amended its examination rules for foreign professionals, and a valid foreign license holder can participate in our professionals examinations on a reciprocal basis. Australian and New Zealander architects will be the first beneficiaries in the pilot project.

- *A step towards liberalization of legal services*

A foreign attorney can now practice foreign law without a permit granted by the Ministry of Justice or admission to a bar association, as long as he/she is dealing with legal affairs related to foreign authorities, such as foreign courts, prosecutors, administrative authorities, arbitral tribunals and mediation agencies. These foreign professionals can practice law for a maximum of 30 days each time, for a maximum of 90 days in a year. We have received interest from Australia on this subject.

- *Next, engineering services*

For professional engineers, Taiwan is drafting an amendment to allow the recognition of foreign professional engineering licenses/practice.