



14 September 2018

Page: 1/3

Trade Policy Review Body

Original: English/anglais/inglés

UNOFFICIAL ROOM DOCUMENT¹

TRADE POLICY REVIEW OF THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU (12 AND 14 SEPTEMBER 2018)

DISCUSSANT'S CLOSING REMARKS

Organe d'examen des politiques commerciales

DOCUMENT DE SÉANCE NON OFFICIEL¹

EXAMEN DES POLITIQUES COMMERCIALES DU TERRITOIRE DOUANIER DISTINCT DE TAIWAN, PENGHU, KINMEN ET MATSU (12 ET 14 SEPTEMBRE 2018)

REMARQUES FINALES DU PRÉSENTATEUR

Órgano de Examen de las Políticas Comerciales

DOCUMENTO DE SALA NO OFICIAL¹

EXAMEN DE LAS POLÍTICAS COMERCIALES DEL TERRITORIO ADUANERO DISTINTO DE TAIWÁN, PENGHU, KINMEN Y MATSU (12 Y 14 DE SEPTIEMBRE DE 2018)

OBSERVACIONES FINALES DEL PONENTE

^{*} In Original language only/En langue originale seulement/En el idioma original solamente.

¹ Documents issued in the RD series are not official WTO documents. They usually appear in their language of submission and will not be translated systematically into the working languages of the WTO. They are intended for use in WTO meeting rooms and are attributed an unofficial symbol for archiving purposes only.

Les documents de la série RD ne sont pas des documents officiels de l'OMC. Ils ne paraissent généralement que dans la langue dans laquelle ils ont été communiqués et ne seront pas systématiquement traduits dans les langues de travail de l'OMC. Ils sont destinés aux salles de réunion de l'OMC et une cote non officielle leur est attribuée à des fins d'archivage.

Los documentos de la serie RD no son documentos oficiales de la OMC. Por lo general se distribuyen en el idioma en que han sido presentados y no se traducen sistemáticamente a los idiomas de trabajo de la Organización. Se distribuyen para su uso en las salas de reunión de la OMC y se les asigna una signatura no oficial a efectos de archivo únicamente.

4th Trade Policy Review of Chinese Taipei 2nd day, 14 September 2018 Remarks of the Discussant, H.E. Mr. Marc Vanheukelen

Thank you, Mr Chairman.

First, I would like to thank Vice-Minister Ms. Wang and the Permanent Representative Dr. Chu and both of their teams for all the hard work you have put into this TPR in providing answers to the over 400 questions by 22 Members you have received. I understand that in meantime you have received some additional and follow-up questions, for which you will provide answers within the timelines foreseen for this exercise.

I would like organise my comments today as the Discussant with a look back to the main messages we heard on the 1^{st} day – both positive as well as some critical – that Chinese Taipei could take back home for further reflection and consideration. These comments probably will not do full justice to the very comprehensive discussion we had and should be therefore regarded more as an "executive summary" of the main recurrent points raised.

Perhaps the first thing to flag is the clear common denominator that all Members in this room shared and specifically mentioned in their statements. It is the <u>constructive role and participation of Chinese Taipei in the WTO's work</u> – both everyday work and negotiations and the new initiatives - and its continued commitment to open and rules-based multilateral trading system.

I also heard praises for Chinese Taipei's strong fundamentals of an <u>outward-looking economy</u>, the resilience of its export-led economy, and its macro-financial stability. It was universally observed that Chinese Taipei is among the world's most competitive and prosperous economies and remains <u>open to international trade</u> and is well integrated into the world economy and global value chains. In this regard it is of great systemic interest to hear the announcement the Vice-Minister of Economic Affairs just made that Chinese Taipei will not claim special and differential treatment granted to developing countries in future WTO negotiations.

Members also took a strong interest in the <u>new initiatives</u> that have been adopted during period under review to boost the economy and improve competitiveness of Chinese Taipei: the Development Plan (2017-2020), the "5+2" Industrial Innovation Plan, the Forward-Looking Infrastructure Development Programme and the ongoing labour market reforms will create more flexible framework conditions, that will be conducive to meeting emerging challenges.

Chinese Taipei's <u>regional connectivity and integration</u> was mentioned too on several occasions, specifically the new Southbound Policy.

We heard appreciation for the non-reciprocal preferences to all least-developed countries and <u>contributions to Aid-for-Trade</u> and other assistance initiatives. Members welcomed that during the review period, <u>trade and trade-related structural</u> reforms in e.g. the areas of trade facilitation, taxation, competition policy and intellectual property rights were undertaken.

However, Trade Policy Review is not only an exercise of praise. Vice-Minister, you said yourself in your opening statement on Wednesday that you "believe that questions and critiques are the best driving force for progress". Most Members mentioned some areas where there is still scope for improvements in terms of balance or diversification or further liberalisation of their trade relations with Chinese Taipei. I would now like to highlight a few of these areas.

The area that stood out is the <u>SPS regime</u>. We heard concerns about the consideration of international standards when establishing restrictions on imports from countries with animal disease; regulatory measures to improve food safety of locally produced food items; delays on issue of sanitary certificate for unprocessed imported foodstuffs; restrictions on certain imports of beef, pork and poultry products and slow processing times for Maximum Residue Levels (MRLs) of pesticides on imports and in some circumstances a zero tolerance level for pesticides on imports. Here as well some new and promising announcements were made this morning by Chinese Taipei.

While Members welcomed the ratification of the WTO Trade Facilitation Agreement in 2015 and several other trade facilitation efforts, we also heard a few expressions of concern about

burdensome $\underline{import\ procedures}$ and $\underline{high\ cost\ or\ delays}$ caused by international or domestic transportation.

Several Members also noted that production of various <u>agricultural products</u> remains protected by high tariffs (up to 1,059.6%), special safeguard measures and various support mechanisms and encouraged Chinese Taipei to consider reducing protection and existing subsidies and support. All Members also strongly encouraged submitting the most recent <u>notification on agricultural domestic support that is still pending</u>.

Ongoing efforts by Chinese Taipei to liberalise its regulatory settings affecting <u>investment environment</u> and the establishment of an online public policy platform were welcomed by many and it is hoped that the post-investment registration mechanism will be soon implemented. As the <u>services industry</u> continues to be the driving force of GDP and employment, Chinese Taipei was also encouraged to consider further liberalising its services trade regime to attract foreign direct investment.

While it was overall positively noted that Chinese Taipei has made an appropriate implementation of TRIPS and strengthened its <u>IPR protection</u>, more efforts were recommended to combat the problems of counterfeiting and piracy. Chinese Taipei was also called on to review its <u>public procurement</u> methods and procedures to ensure transparency and fairness to all WTO parties on a few occasions.

Chair, this TPR has allowed Members to learn about the recent developments in Chinese Taipei as well as given them opportunity improve the understanding of Chinese Taipei's trade policy and express a few suggestions on the practices where they still see possible room for further improvements. This the very purposes of the Trade Policy Review exercise, which has demonstrated once again its usefulness this week.

I trust that Chinese Taipei takes advantage of this exercise and will take some of these remarks back home as "a plan of action" to build upon the success already achieved and guide it in its next steps to further liberalise its trade and investment policy.

I would be amiss if I did not conclude with another Chinese proverb: "A goal without deadline is only a wish. A dream with a deadline becomes a goal." That next deadline is now the 5^{th} Trade Policy Review in 5 years.

Let me close by thanking Chinese Taipei once again to have given me the honour to be the Discussant for this review. Thank you.