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**Trade Policy Review Body**

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**UNOFFICIAL ROOM DOCUMENT<sup>1</sup>**

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

OPENING STATEMENT BY THE REPRESENTATIVE OF THE SEPARATE CUSTOMS TERRITORY  
OF TAIWAN, PENGHU, KINMEN AND MATSU

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**Organe d'examen des politiques commerciales**

**DOCUMENT DE SÉANCE NON OFFICIEL<sup>1</sup>**

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

DÉCLARATION LIMINAIRE DE LA REPRESENTANTE DU TERRITOIRE DOUANIER DISTINCT  
DE TAIWAN, PENGHU, KINMEN ET MATSU

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**Órgano de Examen de las Políticas Comerciales**

**DOCUMENTO DE SALA NO OFICIAL<sup>1</sup>**

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

DECLARACION INICIAL DE LA REPRESENTANTE DEL TERRITORIO ADUANERO DISTINTO  
DE TAIWÁN, PENGHU, KINMEN Y MATSU

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\* In Original language only/En langue originale seulement/En el idioma original solamente.

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## **Opening**

1 Good morning everyone. It is an honour for me to have the opportunity to lead this quadrennial delegation to Geneva, and renew our discussions over the past four years with distinguished Members on the economic and trade policies of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

2 Since 1995, the WTO Trade Policy Review has proved to contribute significantly on the transparency function of the WTO. It has served as a great tool for increasing mutual understanding between WTO Members. Members who go through the rigorous preparation process of review benefit the most from it. We would like to thank the WTO Secretariat and Members for all the efforts involved in the process.

3 On behalf of my government, I thank all of you for participating in our fourth Trade Policy Review. We appreciate the distinguished discussant, Ambassador Marc Vanheukelen, for his proactive efforts to enrich our discussions today. Ambassador Eloi Laourou (Chair of the TPRB) has been very kind in advising us on how to prepare for this meeting, and we are very confident of his leadership.

4 When Director Alfaro and his team visited Taipei last May, we arranged for them to meet with about 250 representatives from more than 40 agencies. Their tireless efforts are duly reflected in the detailed and insightful report. However, we have noticed that some descriptions in the report could perhaps be more precise. We will therefore submit our suggestions for modifications to the Secretariat after the meeting.1629

## **The Global Economy and Trading System**

5 Mr. Chairman, the economic situation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu remains robust, particularly with the sustained rebound since 2016. However, numerous challenges still lie ahead. Being a free and open economy, our prosperity relies on the well-functioning of an open and inclusive multilateral trading system. Thus, it is crucial for us that the WTO remains the central pillar to the global trading system.

6 Thus, we as members that drive the WTO should maximize our efforts to make sure that its rules are constantly updated to stay relevant to the evolution of technologies and trade patterns. With growing criticism among trade skeptics, the WTO needs to effectively answer the call to ensure that free trade benefits all.

7 In this context, we are willing to work with all Members to revitalize the WTO. As a first step, we should ensure that the dispute settlement mechanism continues to function properly. We also support the call for more effective WTO supervision of members in implementing their agreement obligations. We worry that lengthy negotiations without progress will make WTO agreements inflexible, obsolete and unproductive. Thus, we stand ready to work with all WTO members to promote necessary reforms, and make concrete contributions towards strengthening WTO functions.

## **Economic and Trade Policies**

8 Now let me turn to our trade policy agenda. First of all, preserving and advancing a rules-based multilateral trading system is the top trade policy priority of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. We continue to support the WTO by actively participating in the regular work of committees and councils. We also firmly support the elimination of subsidies that contribute to IUU fishing, as well as the promotion of e-commerce.

9 On regional trade integration, we are following closely the developments of the (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) CPTPP. We have endeavored to align our laws and regulations with CPTPP provisions, by introducing several legislative amendments. In addition, as a genuine supporter of the concept of "open regionalism," we have played a proactive role in the Asia-Pacific Economic Cooperation (APEC) forum. The latest priorities of our work in APEC range from digital economy, MSME globalization, gender equality, and reducing food losses, etc.

10 To enhance our integration into the South and Southeast Asian region, my government has

started implementing the New Southbound Policy since 2016. This new strategy has consolidated the efforts of all levels of governments, private enterprises and civil society in their regional outreach. It aims to develop a new model of economic development by strengthening cooperation and linkages with members in the region.

11 On industrial policy: We focus on accelerating the development of digital economy and domestic green energy to improve our industrial structure and resilience. The proportion of domestic electricity generated by renewable energy is expected to increase from the current 5% to 20% by 2025. Green energy development will shape the future of our environment and economy by adding new investments and increasing employment.

12 To accommodate the needs for long-term economic development, industrial renovation and balanced regional development, my government launched the Forward-looking Infrastructure Development Program in 2017. The Program focuses on green energy, digital infrastructure, water environment construction, urban and rural projects, railways, human resources, employment, child care, and food safety.

13 In addition to modernizing infrastructures, we conducted several regulatory reforms during the review period to build a business-friendly environment. For example, we have relaxed a number of regulations on insurance and securities, introduced a patent linkage system, reformed the income tax system, and passed the Act for the Recruitment and Employment of Foreign Professionals to attract foreign talents, among other efforts.

14 Our digital economy agenda has gradually come to form. For example, the Fintech regulatory sandbox came into force this year. The application is now open for innovative entrepreneurs who meet the criteria to apply for an experimentation period of up to three years.

15 We have extended the public comment period for new regulations to 60 days as a minimum, and a user-friendly website (<http://join.gov.tw>) was established for tracking proposed regulatory amendments and for submitting comments. We are committed to safeguarding democratic values in our public policy, and are very proud to be ranked number one in the Global Open Data Index, which track the state of open government data.

### **Future Outlook**

16 To become a competitive economy in this world, several areas in our domestic arena are in need of improvement. Agriculture is a one of those areas as well as one of our most sensitive subjects. Nevertheless, our experience of WTO accession 15 years ago has proved that the sky did not fall as many have worried. With the joint efforts of government and farming societies, in areas such as technology innovation, quality improvement, and marketing enforcement, our domestic agricultural output has actually steadily increased. During this time, consumers have also enjoyed a wider choice of quality imported agricultural products. This provides us with confidence to pursue ambitious trade agreements with other agricultural powerhouses, like New Zealand.

17 As I mentioned at the beginning, external trade is highly important to the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. We remain committed to maintaining the core values of the WTO by continuing our support for the development of multilateral trade, and helping other members integrate into the multilateral trade system.

18 As a major beneficiary of economic globalization, we are keen to give back and contribute to the international community. We are always ready and willing to give support to Aid-for-Trade and other types of assistance for developing country members, and work with them to achieve the UN Sustainable Development Goals.

### **Conclusion**

19 We have received over 400 written questions from 22 members, of which the 202 questions submitted before the official deadline have been carefully answered in writing. You are all very welcome to raise additional or follow-up questions during or after this meeting. We would especially like to express our appreciation to the United States and the European Union for raising the most number of questions. We believe that questions and critiques are the best driving force for progress.

20 This concludes my statement. Thank you again for participating in our trade policy review. We very much look forward to your feedback.

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