

14 September 2018

**TRADE POLICY REVIEW OF THE SEPARATE CUSTOMS TERRITORY OF
TAIWAN, PENGHU, KINMEN AND MATSU**

12 AND 14 SEPTEMBER 2018

*Concluding Remarks by the Chairperson,
Ambassador Mr. Eloi LAOUROU
(Permanent Representative of Benin)*

1. The fourth Trade Policy Review of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) has offered us a good opportunity to deepen our understanding of recent developments in, and challenges to, its trade, economic, and investment policies. Since its last review in 2014, Chinese Taipei's initiatives to further integrate into the multilateral trading system have been greatly appreciated. Indeed, the more than 400 advance written questions submitted by 22 Members and the 29 delegations that took the floor during the two days of the meeting underline the importance attached by Members to Chinese Taipei's trade and investment policies and practices.
2. I would like to thank the Chinese Taipei delegation, led by the Vice Minister, Ministry of Economic Affairs, Ms. Mei-Hua Wang, for its active participation in this exercise. Also, I would like to thank our discussant Ambassador Marc Vanheukelen of the European Union for his insightful remarks, and all the delegations that took the floor for their valuable contributions to this Review.
3. Members commended Chinese Taipei for its macroeconomic management and for the reforms undertaken so far that ensured strong, albeit fluctuating, growth coupled with low inflation and dropping unemployment, as well as the resilience of its outward-oriented competitive economy and high living standards. Members acknowledged Chinese Taipei's integration into the world economy and global value chains as well as the beneficial effects of structural reforms in various areas. Some Members encouraged further reforms to cope with increased competition from emerging economies.
4. Chinese Taipei was commended for its transparent and predictable trade policies as well as its initiatives to create a friendlier business and investment environment including: investment regime liberalization; support to SMEs and entrepreneurs; increased transparency in the process of developing regulations; and reduction of restrictions on the recruitment of overseas professionals. Chinese Taipei was encouraged to: improve the transparency and predictability of its investment review process and/or to move forward with a simpler post-investment registration system; continue removing investment barriers; and, apply a non-discriminatory regime towards overseas investors and traders.
5. Chinese Taipei has remained committed to an open and rules-based multilateral trading system while expanding regional and extra-regional integration through recent RTAs signed with Singapore, New Zealand and Paraguay, and a New Southbound Policy, for which more information was sought. Members highly appreciated Chinese Taipei's active and constructive participation in the WTO's work including in the areas of e-commerce, services domestic regulation, investment facilitation, MSMEs and Environmental Goods Agreement negotiations. They also commended its expanding WTO commitments including through the ratification of the Trade Facilitation Agreement (TFA), the implementation of ITA 2 by 2021 and the acceptance of the revised GPA, as well as for supporting LDCs. Members acknowledged Chinese Taipei's strong record of WTO notification while urging the submission of an up-to-date notification on domestic support in agriculture.
6. Members appreciated Chinese Taipei's trade facilitation initiatives, for example in the areas of legislative amendments, single window, Authorized Economic Operators and certificates of origin, and encouraged continuous improvements. Members noted its comprehensive tariff binding coverage and the slight decrease of the simple average MFN applied tariff rate but also the persisting complexity of the tariff structure. Several concerns were expressed about certain TBT and SPS requirements, and certain Members urged the removal or review of a number of measures on food, medicines and chemicals, including those relating to Maximum Residue Levels

and genetically-modified food, as well as to ensure their scientific basis and alignment to international standards. Chinese Taipei was encouraged to undertake improvements in public procurement, including the expansion of the coverage of its GPA commitments. The persistence of public sector involvement in the economy was noted and further privatization was encouraged. Members appreciated the strengthening and enforcement enhancement of intellectual property rights; nevertheless, due to persisting concerns, they encouraged Chinese Taipei to continue these efforts in certain IPR areas.

7. As at the time of its previous Review, Chinese Taipei was urged to further liberalize its agriculture sector, with concerns being expressed about high tariffs, tariff rate quotas and subsidies. Chinese Taipei was applauded for, and encouraged to continue with, efforts to tackle illegal, unreported and unregulated (IUU) fisheries. Members were interested in hearing more about Chinese Taipei's energy reform programme and any incentives being offered under the Five-Plus-Two Industries Innovation Plan. Members noted reforms undertaken in the banking, securities and the Fintech segments, and considered that there was further scope for financial services liberalization and indeed services liberalization more generally. Chinese Taipei was also asked to remove certain shipping restrictions.

8. The delegation from Chinese Taipei provided answers to several of these issues. It also stated that Chinese Taipei will not claim the special and differential treatment granted to developing country Members in future negotiations in the WTO.

9. The above are some of the key issues that had emerged in our discussion. I hope that the Chinese Taipei delegation will take into account and further reflect on the many constructive comments, both broad and detailed, that it has received during this Review. Finally, I would like to thank all those that participated in our discussion, and I look forward to receiving the answers from Chinese Taipei to any outstanding questions within the next month, at which point the Review will be successfully concluded.
