



CIECA News Letter

No. 4 / September, 2012

Index

- Joint Meetings, Seminar and Trade & Investment Mission
The 26th Joint Conference of ROC-Australia & Australia-Taiwan
Business Councils.....P.1
- Trade & Investment Opportunities in the Republic of ArgentinaP.4
- CIECA Delegation First Visits Sri LankaP.5
- The 28th Chinese-Swedish Joint Business Council MeetingP.5
- Guests From Abroad
- Botswana GuestP.7
- Peruvian/Chilean GuestP.7
- Guatemalan GuestP.8
- Economic NewsP.8
- Activity ReportP.14

Joint Meetings, Seminar and Trade & Investment Mission

The 26th Joint Conference of ROC-Australia & Australia-Taiwan Business Councils

The 26th Joint Conference of ROC-Australia & Australia-Taiwan Business Councils, co-chaired by Chairman C. Y. Wang of Chinese International Economic Cooperation Association (CIECA) and Chairman Ross Maddock of Australia-Taiwan Business Council (ATBC), was held on September 3, 2012 at International Hall of The Ambassador Kaohsiung.



Chairman C. Y. Wang of CIECA delivering his opening remarks at the 26th Joint Conference of ROCABC & ATBC

VIP guests at Headtable (starting from left): Vice Chairman Anker Hung of ATBC, Vice Chairman Mark Dorney of ATBC, Director General Wei-Ping Lu of Urban Development Bureau of Kaohsiung City Government, Chairman Ross Maddock of ATBC, Mayor Chen Chu of Kaohsiung, Vice Chairman Henry Kao of ROCABC, Vice Chairman Wei Wei of ROCABC

This year's conference with the theme "Competitiveness: Revitalizing Australia-Taiwan Trade and Investment" was attended by some 145 participants from Taiwan and Australia. Among the VIP guests who spoke at the conference were Mayor Chen Chu of Kaohsiung who delivered welcome remarks, Director General Wei Ping Lu of Urban Development Bureau of Kaohsiung City Government who made a presentation highlighting Kaohsiung's infrastructure and star industries, and Vice Chairman & Secretary General Kao Koong-Lian of Straits Exchange Foundation who delivered a keynote speech on SEF-ARATS negotiation progress and cross-strait relations.



Mayor Chen Chu of Kaohsiung delivering her welcome remarks at the 26th Joint Conference of ROCABC & ATBC

Other VIP participants were Representative Siao-Yue Chang of Taipei Economic and Cultural Office

in Australia, Representative Kevin Magee of Australian Office, Margaret Sewell of Clean Energy & Environment Division of Department of Resources and Energy of Australia, and Director-General Chien-Chang Lan of Economic Development Bureau of Kaohsiung City Government.

Other topics also discussed at the conference include "Agribusiness Investment", "Smart Grid", and "Financial Services". Among the speakers were Professor Shwu-En Chen of Department of Agribusiness Management of National Pingtung University of Science and Technology, Corporate Partner Stephen Menzies and Senior Associate Jennifer Fu of Ashurst, Director Pei-Fang Liang of Green Energy & Environment Research Laboratories of Industrial Technology Research Institute, Partner of Energy & Resources Darren Fooks and Co-Head of National China Team Margaret Wang of Clayton Utz, Executive Vice President Chung-Hsing Chen of Mega Financial Holding Company, and Chairman Warwick Smith of

ANZ.



Minister of Economic Affairs Yen-Hsiang Shih presented the Economic Medal to Chairman Ross Maddock of ATBC at conference lunch

Minister of Economic Affairs Yen-Shiang Shih and Minister for Trade and Competitiveness Craig Emerson took part in the conference lunch and made brief remarks. Moreover, in recognition of the contributions made by Chairman Ross Maddock of ATBC to the enhancement of economic and trade relations of Taiwan and Australia, the Ministry of Economic Affairs presented the Economic Medal to Chairman Maddock at this occasion.

In addition to attending the 26th Joint Conference, the Australian delegation also participated in the AUSTRADE Investment Workshop on Sept. 3's afternoon, the 18th Australia-Taiwan Joint Energy & Minerals Trade, Investment and

Cooperation Consultations on Sept. 4-5, and site visits to HCPV Qualification Center of the Institute of Nuclear Energy Research (INER) at Kaohsiung Science Park, Yung-An Saline Land PV System, and Yung-An Liquefied Natural Gas (LNG) Receiving Terminal on Sept. 5's afternoon.



Minister of Economic Affairs Yen-Hsiang Shih delivering his remarks at conference lunch



Conference co-Chairs C. Y. Wang of CIECA and Ross Maddock of ATBC exchanged gifts at conference lunch



Minister for Trade and Competitiveness Craig Emerson delivering his remarks at conference lunch

Trade & Investment
Opportunities in the Republic of
Argentina

Mr. Gerardo ZAMORA, Governor of the Province Santiago del Estero, Argentina led a delegation to visit Taiwan from Sep. 5th to 9th, 2012. Members of the delegation included Minister of Production, Mr. Luis Fernando GELID and 5 Argentina companies. In order to strengthen economic cooperation between Taiwan and Argentina, the Chinese International Economic Cooperation Association (CIECA) organized a seminar on “Trade and Investment Opportunities in Argentina” at Regent Taipei Hotel in the morning on Sep. 6th. Dr. Han-Sun Chien, Vice Chairman of CIECA, presided over the seminar, which was attended by about 70 participants

from local business community. The seminar was also honored with the gracious presence of Ms. Florencia Hsie, Deputy Director General of Ministry of Foreign Affairs of ROC, and Director of Argentina Trade and Cultural Office, Mr. Juan Angel Peña. Minister of Production of Santiago del Estero, Mr. Luis Fernando GELID gave a presentation on “Invest in Santiago del Estero”. After the Business Matching Making session, Mr. Henry Kuo, Executive Director of CIECA hosted the luncheon to welcome the Argentina delegation.



Dr. Han-Sun Chien, Vice-Chairman of CIECA delivered his welcome remarks



Ms. Florencia Hsie, Deputy Director General of MOFA, delivered her remarks.

CIECA Delegation First Visits Sri Lanka

Mr. C.Y. Wang, Chairman of CIECA headed a trade and investment delegation to visit Sri Lanka from September 12th to 16th. The delegation is composed of 23 businesspersons from various industries, including environmental protection, industrial consultancy, automobile and plastic machinery etc. Among the delegates are Mr. Richard Wen-Kai Tsai, Advisor of TAITRA; Mr. Ching-Tsai Yang, Senior Vice President/General Manager of Mega International Commercial Bank; Mrs. Susan Wang, General Manager, AFTA Technology; Mr. Ching Cheng,

General Manager, CY Precision and Mr. Chin-Lung Cheng, General Manager, Long Sheng Environmental Management to name just a few.

Besides attending the one on one business meetings organized by Ceylon Chamber of Commerce, CIECA delegation also visited Kandy Industrial Park and Mlesna Tea Center; held a roundtable meeting with Ceylon Chamber of Commerce President Mr. Susantha Ratnayake; paid courtesy calls at Automobile Association of Ceylon, Greenlanka Shipping Ltd, and MAC Holdings.



Roundtable Meeting between CIECA and Ceylon Chamber of Commerce

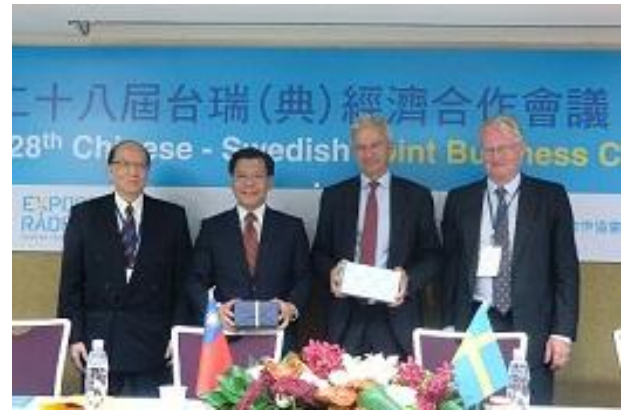
The 28th Chinese-Swedish Joint Business Council Meeting

The 28th Meeting of the Chinese-Swedish Joint Business Council was held in Taipei on September 19, 2012. The Swedish delegation, comprising of 64

representatives of government agencies, business associations and enterprises from Sweden, was headed by Mr. Kurt Hellström, Chairman, Swedish-Chinese (Taiwan) Economic Cooperation Committee. The Chinese delegation to the Joint Business Council Meeting, consisting of 96 members representing relevant government agencies, public and private enterprises as well as research institutes in Taiwan, was headed by Dr. C. K. Liu, Chairman, Chinese(Taiwan)-Swedish Economic Cooperation Committee and Chairman of Teco Electric & Machinery Co., Ltd. The Meeting was honored with the presence of Mr. Gunnar Oom, State Secretary for Foreign Trade of Sweden and Mr. Francis Kuo-Hsin Liang, Deputy Minister of Ministry of Economic Affairs in the opening ceremony.



Mr. Gunnar Oom, State Secretary for Foreign Trade of Sweden delivers keynote speech



Dr. C. K. Liu, Mr. Francis Kuo-Hsin Liang, Mr. Gunnar Oom, Mr. Kurt Hellström (from left)



Participants tour the exhibition sponsored by Volvo, Ericsson, Chunghwa Telecom, and Taiwan Telematics Industry Association

During the Session, while Taiwan delegation elaborated on the topics of “Development of Taiwan ITS Telematics Industry ” and “ Intelligent Life and Cloud Computing” ,the Swedish delegation gave presentations on: “Eco-friendly Transportation for the Future Enabled by Telematics” and “ How to Realize the Great Opportunities of the Networked Society. ” Both delegations expressed their great appreciation for

the preparations made by the Swedish Trade Council, Economic Division of Taipei Mission in Sweden and the Chinese International Economic Cooperation Association. They shared the profound belief that a meeting of such nature will contribute greatly to the further expansion of economic and trade relations between the two countries.

The two delegations agreed that the next meeting of the Joint Business Council will be held in Sweden in 2013 on a date yet to be decided.



The two Chairmen signed the Joint Statement

Guests From Abroad

Botswana Guest

Mrs. Ontiretse Monagen, Director of Botswana Export Development & Investment Authority (BEDIA) accompanied by Mr. Craig Chow, Chairman of

Gaborone International School and Mr. Mike Hung, Chairman of Taiwan Africa Industry development Association, called on Mr. Ernest Lin, Deputy Secretary General of CIECA on September 4, 2012. Among issues of mutual concerns, they talked about how to work together to promote trade and investment between Taiwan and Botswana.



Call on Peruvian/Chilean Rep.

Mr. Leon C.L. Lee, Secretary General of CIECA called on Mr. Gyys M. Gordon, Director of Commercial Office of Peru in Taipei and Mr. Pablo Balmaceda, Director of Commercial Office of Chile on Sep. 11 to exchange views on how to raise the public awareness of the newly-formed Pacific Alliance composed of Mexico, Peru, Chile and Colombia. With a view to promoting

trade and investment cooperation between Taiwan and the Alliance's member countries, a consensus was reached to jointly organize a seminar in Taipei in late November of this year to expand on the significance, impacts and opportunities brought about by the advent of the Alliance. It was also decided to invite speaker from Colombia to joint this event.

Guatemalan Guest



Mr. Andres Castillo, President of Coordinating Committee of Agriculture, Commercial Industrial, and Financing Associations (CACIF), led a high level business delegation to visit Taiwan from September 22 to 28. CIECA organized a luncheon meeting hosted by Board Director Mr. Fred P. C. Huang at Taipei World Trade Center Club on September 25 to welcome all the distinguished guests from Guatemala, including

Mrs. Fanny de Estrada, director of La Asociacion Guatemala de Exportadores (AGEXPORT), Mr. Rodolfo Luna del Pinal, vicepresident of La Camara de Comercio Guatemalteca, and Mr. Pdero Barnoya, vicepresident of the Cooperation and Commerce Chinese Chamber Guatemala and China. Around 30 representatives from local business community were present.

Economic News

Premier Finalizes Taoyuan Aviation City Project

Taipei, Sept. 19, 2012 (CENS)

Premier Sean Chen finalized the Taoyuan aviation city plan yesterday (Sept. 18) and listed it as a national flagship project, for which the government and the private sector will jointly invest NT\$463 billion. After its completion, the project is estimated to create NT\$2.3 trillion of economic benefit.

The project is scheduled for completion in 2030, when Taoyuan International Airport will be able to service 75 million passengers a year, compared with the estimated traffic of 50-60 million passengers. Then, the airport will become an air traffic

hub for East Asia and an A-class international airport. The Executive Yuan (the Cabinet) has listed the project as a major guidepost project in its “program for boosting economic momentum” and Vice Premier Jiang Yi-huah will oversee the implementation of the project.

Mao Chih-kuo, minister of transportation and communications, expressed that Taoyuan aviation city project will boost the capacity and competitiveness of Taoyuan International Airport, bring prosperity to the economy of Taoyuan area, and induce the transformation of Taiwan, serving as an engine for Taiwan’s economic development in the next 20-30 years.

Mao reported that the government will invest NT\$336.6 billion in the aviation city project and the total investment for the project will top NT\$463 billion, after taking into account private investments. The projected aviation city will span 3,200 hectares in space and will generate, after its completion, NT\$2.3 trillion of economic benefit, NT\$84 billion of taxation income, and 260,000 job vacancies.

Taoyuan aviation city project consists of two parts: the core “yolk” area and the peripheral “egg white” area. The “yolk” area includes the third airport terminal, the third runway, free-trade harbor area, and special airport area; the “egg white” area includes peripheral industrial area and residential area. The peripheral industrial area will focus on such businesses as warehousing, logistics, aviation-related industries, commerce, and convention and exhibition.

The third airport terminal will entail investment of NT\$50 billion and will break ground on its construction in 2014 before the inauguration in 2018.

The free-trade harbor area will be expanded to 175 hectares in space and may be upgraded into a free-economy exemplary zone, pending the development of the situation, according to Mao. (by Philip Liu)

Gov’t Aims to Develop
Kaohsiung Into Asia-Pacific
Hub Harbor

Taipei, Sept. 24, 2012 (CENS)

The Executive Yuan (the Cabinet)

will finalize the “major port construction for international harbor” program this week, which calls for NT\$65.975 billion of investments in five years. Sixty-five percent of the budget will be spent in the construction of Kaohsiung Harbor, with the aim of transforming Kaohsiung into a hub harbor of the Asia-Pacific region, according to the program formulated by the Ministry of Transportation and Communications (MOTC).

A ranking official noted that the construction of aviation and marine transportation hubs is a major goal of the government’s “golden 10 years” program. For aviation, the government will develop Taoyuan aviation city and transform Taoyuan International Airport into an aviation hub of East Asia; for marine transportation, the goal is to develop Kaohsiung into an Asia-Pacific hub harbor.

The Kaohsiung harbor development project will be carried out along with the development of “Nanhsing development project,” which spans 100 hectares of land in space. In the first stage, a “free trade

harbor zone,” spanning 64 hectares in space, will be built and may become the first free-economy exemplary zone in Taiwan. The Council for Economic Planning and Development (CEPD) is scheduled to roll out “free-economy exemplary zone” program in November.

According to the MOTC plan, the government will invest NT\$42.87 billion for a number of major construction projects in Kaohsiung, including the second-phase project of intercontinental container terminal, renovation of docks 115-117, development of Nanhsing land, elevated roads for external transportation, and rear-end land development for the second container terminal.

In addition to Kaohsiung Harbor, portion construction will also be carried out for other harbors, including Taichung Harbor, Keelung Harbor, Taipei Harbor, Suao Harbor, and Anping Harbor, to boost their capacities and expand economic hinterland.

The program is scheduled for completion in 2016, when the container handling capacity of the

island's harbors will reach 18 million TEU (twenty-foot equivalent units) annually and the annual revenue of Taiwan International Ports Corp. will top NT\$30 billion. In addition, the annual number of marine passengers will reach 1.3 million, greatly enhancing the businesses of international cruise ships and cross-Taiwan Strait ferryboats. (by Philip Liu)

Taiwan tops US, S. Korea with No. 15 in survey of world's freest economies

Taiwan received an economic freedom score of 7.72 in the latest survey by the Cato Institute, putting the island as the No. 15 freest economy in the world.

The figures were impressive considering the score and ranking were both the highest Taiwan has received since 1980.

The survey polled the economic freedom of the world's 144 countries and regions in 2010. Taiwan's ranking jumped from No. 30 in 2009 to No. 15 in 2010, a margin that surprised many in the surveying process, said Robert Lawson, a scholar who helped compiled the

poll.

The No. 15 ranking was even higher than the United States, Japan, Germany and South Korea, which ranked No. 18, 20, 31 and 37, respectively.

Hong Kong and Singapore took the No. 1 and No. 2 positions.

Overall, the global economic freedom index rose from 6.79 in 2009 to 6.83 for 2010, said the Cato Institute, which conducted the survey based on several categories including government size, judicial system, currency stability and degree of regulation.

Summary of Exports and Imports for September 2012

(A) Exports

Taiwan's exports reached US\$ 27.17 billion in September, up 10% from the previous month, and also up 10.4% when compared with the same month last year. Cumulative exports from January-September totaled US\$ 223.56 billion, showing a decline of 3.9% from the same period last year.

(B) Imports

Taiwan's imports reached US\$ 23.09 billion in September, up 8% from the previous month, and also up 1.3%

when compared with the same month last year. Cumulative imports from January-September totaled US\$ 203.99 billion, registering a reduction of 5% from the same period last year.

(C) Trade surplus

The trade surplus in September was US\$ 4.08 billion, an increase of US\$ 2.27 billion over the same month last year. Accumulated trade surplus from January-September amounted to US\$ 19.56 billion, indicating an increase of US\$ 1.61 billion when compared with the same period last year.

Major Economic Index

% Change on previous year	2011	2012			
		Jun.	July	Aug.	Jan.-Aug.
GDP	4.03	--	--	1.99	1.66
CPI	1.42	1.77	2.46	3.42	1.84
Unemployment rate	4.39	4.21	--	4.40	4.22
Export	12.3	-3.2	-11.6	-4.2	-5.6
Imports	12.0	-8.4	-3.2	-7.6	-5.7
Export orders	7.2	-2.6		-1.5	
Industrial production	5.03	-2.23	-0.02	1.89	-1.98
Monetary aggregate (M2)	4.8	4.2	3.4	4.3	--
Stock Market*	7,072	7,296	7,270	7,397	--

CEPD says economy flashes blue light for 10th straight month

Taiwan's economy has for the 10th month in a row flashed the blue signal representing sluggishness, in the midst of a slowdown across various industries, reported the Council for Economic Planning and Development (CEPD) yesterday.

The agency issued an economic soundness score of 15 for August, a decline of 1 point from July. The 15 score was represented by a blue signal in the CEPD's system of using five colors, namely red, yellow-red, green, yellow-blue and blue, to denote an economy that is, respectively: overheating, robust, stable, slowing and sluggish.

This was the 10th month in a row Taiwan has received the blue signal, the second-worst performance since the system was put in place.

Back in 2000, Taiwan flashed the blue signal for 15 months in a row, due to the bursting of the Internet bubble. In 1995 and 2008, Taiwan gave the blue signal for nine months in a row.

However, Hung Jui-pin, a CEPD researcher, said things aren't as bad as they look.

“During the 2008 losing streak,

the average monthly score was 10.7. This time around, the average score is 14.7,” he said.

Of the various categories that make up the composite index, the M1b monetary supply, total lending and investment by banks, stocks and industrial output stayed in the yellow-blue signal range. Exports, wholesale/retail and manufacturing stayed in the blue signal range.

Yet employment in the non-agricultural sector was knocked down one notch from green to yellow-blue, bringing the whole composite index down.

Experts predicted that August may be the last month a blue signal is issued. Given an export increase in the first half of September, the signal for this month may turn yellow-blue. Such a view was shared by Hung, who said during the CEPD's news conference yesterday that various positive factors, including moves by the European Central Bank to buy bonds and quantitative easing measures by the U.S., may translate into more orders for Taiwan manufacturers, whose exports will then increase.

Yet domestic demand remains a concern, Hung said, as enterprises' lack of willingness to invest is expected to keep wages at a low level. People will then be less willing to spend, causing consumption to drop. A country's gross domestic product is the sum of its consumption, private investment, government spending and exports minus imports.
20120927China Post

Premier seeks broad support for economic revival plan

Taipei, Sept. 22 (CNA)

Premier Sean Chen called for broad support for his economic revival program on Saturday, saying that it lays out detailed strategies for fixing the economy but would require the backing of the Legislative Yuan in order to succeed.

The main issues are a problematic economic structure and the fact that Taiwan has been unable to gain access to the international economic and trade system, Chen said at the Legislative Yuan after a no-confidence motion against him was defeated.

The premier said the economic

revival program he proposed last week gives detailed measures to boost Taiwan's economy and fix the problems that are hampering the country's development.

"We need your support. We need everyone's support," Chen told lawmakers after the no-confidence motion, brought by the opposition Democratic Progressive Party and Taiwan Solidarity Union caucuses, was voted down 66-46 in the 113-seat Legislature.

He thanked the lawmakers of the ruling Kuomintang, who hold a 64-seat majority in the legislature, for voting against the no-confidence motion.

Chen said Taiwan, an export-oriented country, has some serious economic problems that the Cabinet would like to resolve as soon as possible. But to achieve that goal, the Cabinet would need the Legislature's support, he added.

In a Cabinet statement released after the vote, Chen said the economic revival program includes plans to channel capital to strategic service sectors and speed up major infrastructure projects such as the

Taoyuan Aerotropolis in northern Taiwan and port expansion in Keelung and Kaohsiung.

The Cabinet is also drafting measures to attract talent and more Taiwanese and foreign investment, he said.

In the statement, Chen said the government has decided to postpone the second phase of an electricity rate hike from December this year to Oct. 1, 2013.

After the increase is implemented, Taiwan Power Co., which is operating at a huge deficit, will be required to improve its efficiency and to introduce a floating electricity rate system that would reflect fuel costs, he said.

The premier has been invited to deliver an administrative report to the legislature Sept. 28.

(By Tseng Ying-yu, Chen Ting-wei, Chen Shun-hsien, Justin Su and Elizabeth Hsu)

Activity Reports

National Day in September

September 15th marked the 191th Anniversary of Independence of Central America. CIECA had

already sent the congratulatory message to its counterparts in Central America. The Embassies of Nicaragua, Guatemala, Honduras and El Salvador, jointly organized a Reception Party to celebrate the auspicious event at the Grand Hotel on the 14th of September.

Furthermore, CIECA had already sent congratulatory message to several counterparts on their respective national days, namely, Slovakia National Day on September 1, Vietnam National Day on September 2, Brazil National Day on September 7, Costa Rica National Day on September 15, Mexico National Day on September 16, Chile National Day on September 18, and Saudi Arabia National Day on September 23.