



CIECA News Letter

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Headline News

Taiwan signs economic cooperation pact with New Zealand

Taipei, July 10 (CNA) Taiwan signed an economic cooperation agreement (ECA) with New Zealand Wednesday, a pact it sees as a starting point for its participation in regional economic integration.

The agreement, signed in

Wellington by Taipei Economic and Cultural Office Representative Elliot Charng and New Zealand Commerce and Industry Office in Taipei Director Stephen Payton, is considered to be of great importance to trade-oriented Taiwan's long-term economic development.

It is the first free trade deal that Taiwan has ever signed with a

country with which it does not maintain diplomatic relations.

Taiwan signed an Economic Cooperation Framework Agreement (ECFA) with China in 2010, but that was a broader framework deal seen as a precursor to a comprehensive free trade pact in the future.

The pact is named the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu and Matsu on Economic Cooperation (ANZTEC).

The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is the name under which the nation was admitted to the WTO in 2002.

The Chung-Hua Institution for Economic Research (CIER) estimates that Taiwan is expected to see its GDP increase 0.008 percent as a result of initial tariff reductions under the ANZTEC, a figure that could rise to 0.394

percent after the agreement is fully implemented.

After the pact is signed, Taiwan is expected to see its exports rise by US\$144 million and imports increase by US\$139 million, according to a CIER report.

Taiwan's manufacturing sector is expected to benefit significantly from trade with New Zealand following the signing of the pact.

The petrochemical industry and related chemical, plastic and rubber sectors, along with the electronics industry are expected to be the biggest winners.

The agreement is aimed at cutting tariffs by 1-5 percent on industrial and agricultural products the two countries import from each other, an official familiar with the matter said.

In 2012, Taiwan's exports to New Zealand amounted to US\$524 million and its imports from the country totaled US\$690

million. Taiwan is New Zealand's 12th-largest export market and 15th-largest source of imports.

New Zealand was Taiwan's eighth-largest source of agricultural imports in 2012, and Taiwan ran a US\$600 million agricultural trade deficit with the country last year.

The agreement is expected to lower the cost of agricultural products from New Zealand that are popular in Taiwan, according to the Council of Agriculture.

New Zealand is Taiwan's 43rd-largest agricultural export market. Taiwan mainly exports cakes, vegetable oil and vegetables to the country.

Taiwan has previously signed bilateral free trade agreements (FTAs) with five of its diplomatic allies in Central America that accounted for less than 1 percent of Taiwan's overall external trade in 2012.

The substantive negotiations on the agreement concluded in May. The pact still has to be reviewed by the Legislature. (2013/07/10 Central News Agency)

Special Report

Taiwan, China sign service trade pact

Taiwan and China signed a service trade pact Friday in Shanghai to open the service sectors on both sides, a move designed to deepen ties across the Taiwan Strait.

The pact was signed in Shanghai by Lin Join-sane, chairman of Taiwan's Straits Exchange Foundation (SEF), and Chen Deming, president of the Beijing-based Association for Relations Across the Taiwan Straits (ARATS).

The SEF and ARATS are quasi-official organizations responsible for cross-strait relations in the absence of official ties.

The move is expected to strengthen the Economic Cooperation Framework Agreement (ECFA) signed between the two sides in 2010.

Taiwan is also expected to sign a goods trade pact and a dispute settlement agreement with China in future talks. (2013/06/21 Central News Agency)

Economics minister tries to allay fears over service trade pact

Economics Minister Chang Chia-juch attempted to dispel fears Tuesday that a service trade pact signed with China will allow Chinese workers into Taiwan and hurt the job prospects of local workers.

Chang said that during past rounds of openings to China investment in Taiwan, Chinese-invested projects generally hired Taiwanese workers with the exception of a few executive positions, citing government figures.

He said 398 Chinese investment projects were approved between June 2009, when Taiwan first opened its doors to investment from China, and the end of May, but only 216 Chinese executives or technicians had come to work in Taiwan on those projects.

As of the end of 2012, Chinese investors in Taiwan had hired 6,771 local workers, he added.

Under the cross-strait service trade deal signed in Shanghai on June 21, China has agreed to open 80 service categories to Taiwanese investors, compared with 64 categories being opened by Taiwan to Chinese investment.

The agreement has been harshly criticized by the opposition Democratic Progressive Party (DPP) for the lack of transparency of the negotiations, and DPP spokesman Lin Chun-hsien said it would fight the deal in the Legislature and on the

streets.

Lin said the Economic Cooperation Framework Agreement (ECFA) signed between Taiwan and China in 2010 had not only not upgraded Taiwan's economy but actually locked Taiwan into China.

The service trade pact, as a follow-up agreement to the ECFA, would be just as bad, Lin said, because it would make any future increases in wages impossible.

But Lin warned that the ECFA follow-up pact on trade in goods that government hopes to complete by the end of the year would even be more dangerous to Taiwan's economy.

The DPP also opened a complaint hot line (02-2321-5236) to let affected manufacturers and other sectors voice their grievances, adding that the party would help convey their views.

Unhappy with the

government's handling of the service pact negotiations and its keeping lawmakers in the dark during the process, the Legislature has pushed for a role in approving the agreement.

It reached a consensus Tuesday that it would review the pact line by line and that the agreement would not be legally binding until it passed the lawmaking body.

Legislative Speaker Wang Jin-pyng said Tuesday the Mainland Affairs Council -- Taiwan's main China policy planning agency -- will brief the Legislature on the service trade pact Wednesday. (2013/06/25 Central News Agency)

MOEA stands by service trade pact with mainland

TAIPEI -- The Ministry of Economic Affairs (MOEA) said yesterday that the newly signed service trade agreement between Taiwan and China will not open Taiwan's doors to Chinese workers,

despite claims to the contrary by opposition lawmakers.

In the cross-Taiwan Strait trade deal signed June 21, Taiwan has only agreed to open to Chinese investment and Chinese companies' opening business footholds here, officials of the MOEA's Department of Commerce said, rebutting allegations that the pact will open Taiwan's employment market to Chinese workers.

Earlier in the day, Legislators Pan Men-an and Wu Yi-chen, both of the opposition Democratic Progressive Party, publicly blasted the service trade deal as “a poison apple” in the employment market.

The apple will “turn business owners into middle aged or elderly jobless,” “narrow the gap between the average wages in Taiwan and China in the service sector,” and draw Chinese immigrants disguised as investors to Taiwan, they predicted.

The lawmakers argued that under the existing administration directives, each approved Chinese investment project valued at more than US\$200,000 will be allowed to have two Chinese nationals posted in Taiwan.

“The administrative rules can be revised at any time, without the need for legislative review,” they said, expressing concern over the possibility of such a restriction being relaxed.

Pan made note of Taiwan's recent agreement to open the construction and related service sectors to Chinese investors. The category covers “construction waste cleaning services,” meaning that “even the jobs of cleaners are rendered to the mainland,” he said. According to Pan, around 77,000 people in Taiwan work in the building cleaning and waste-handling sectors, which provides services ranging from washing buildings and waxing floors to pest control and waste recycling.

MOFA officials called the possible impact on such workers “exaggerated,” saying that Chinese businesses in Taiwan will be required to hire local people as frontline workers.(2013/06/29 The China Post)

Joint Meetings, Seminar and Trade & Investment Mission

The 15th Joint Meeting of the Taiwan Britain Business Council

The 15th Joint Meeting of the Taiwan Britain Business Council (TBBC) was held on June 4, 2013 in Taipei. The meeting was co-chaired by Mr. Leslie Koo, Chairman, Taiwan Cement Corporation and Sir Thomas Harris, Vice Chairman, Asia, Standard Chartered Bank. Mr. Francis Kuo-Hsin Liang, Deputy Minister of Ministry of Economic Affairs; Mr. Lyushun Shen, Ambassador, Taipei Representative Office in the U.K; Mr. Christopher Wood, Director of British Trade & Cultural Office, and Mr. Nick Baird, Chief Executive Officer, UK Trade & Investment were invited to speak at the opening ceremony.

Approximately 260 participants from Taiwan and UK attended the meeting.

During the plenary session, Mr. SCHIVE Chi, Minister without Portfolio, Executive Yuan delivered a speech on “Why RMB Products Matter?”. Mr. Stephen Green, Chief Researcher, Greater China, Standard Chartered Bank made a presentation on “China and the World Economy in 2013-14“. The signing of two Memorandums of Understanding (MOU) signified the close and solid cooperative relationship between the Railway Industries of the two countries. One is between Funkwerk Information Technologies York Ltd. and China Engineering Consultants, Inc. to collaborate on enhancing railway efficiency, and the other is between the UK Railway Industry Association and Chung-Hwa Railway Industry Development Association on information exchange.

During the sector group discussion sessions, several

experts were invited to elaborate and expand on various issues of mutual concerns. The ICT sector, co-chaired by Mr. Hsiu-Gu Huang, Senior Executive Vice President & CTO, Chunghwa Telecom and Mr. Stephen Pattison, Vice President, Public Affairs of ARM, focused on application of the Cloud Computing, and Green IT. The Rail sector, led by Mr. John Yu, Chairman & CEO of CTCI Corporation and Mr. Jeremy Candfield, Director General, UK Railway Industry Association, explored the issues of smarter planning, optimization of railway operation, and collaborative opportunities. The Financial & Professional Services sector, presided by Mr. Mark Wei, Chairman of KGI Securities and Mr. Lance Browne, Vice Chairman, Standard Chartered Bank, China, featured a forum on the topic of “Emerging RMB Internationalization & Cooperation Opportunities.” The Travel & Tourism sector, conducted by Mr. Emile C.J. Sheng, President, L'Hotel de Chine Group and Mr.

Martin Barrow, Director, Jardine Matheson Ltd. exchanged information and views on promotion and development of creative & cultural parks, Taiwan brands and its business effects. At the closing session, the sector co-chairs presented their conclusions and made some recommendations for future follow-up and collaboration.



Mr. Francis Kuo-Hsin Liang, Deputy Minister, MOEA, speaks at the 15th TBBC meeting



Mr. Leslie Koo, Co-Chairman, presents a gift to Sir Thomas Harris, Co-Chairman



Funkwerk Information Technologies York Ltd. and China Engineering Consultants, Inc. sign an Memorandums of Understanding (MOU)



UK Railway Industry Association and Chung-Hwa Railway Industry Development Association sign an Memorandums of Understanding (MOU)

The 20th Netherlands – Taiwan Joint Business Council Meeting

The 20th The Netherlands – Taiwan Joint Business Council Meeting was held on June 14, 2013 in the Hague, the Netherlands. The Meeting was co-chaired by Dr. Jan Siemons, Managing Director of Netherlands Council for Trade Promotion(NCH) and Mr. Walter Chang, Chairman of the Taiwan-Dutch Cooperation Committee, Chinese International

Economic Cooperation Association(CEICA). A total of 110 participants from Taiwan and the Netherlands attended the meeting. On behalf of CEICA, Chairman Chang presented a testimonial plaque of appreciation to Mr. Gerard Vaandrager, outgoing Chairman of NCH, for his valuable contributions and outstanding achievements in enhancing economic relations between Taiwan and the Netherlands over the past years. Mr. Renè van Hell, Director, Directorate-General of Foreign Economic Relations, Ministry of Foreign Affairs and Mr. Francis Kuo-Hsin Liang, Deputy Minister, Ministry of Economic Affairs, ROC were invited to make greetings at the opening ceremony. Mr. I-Min Tong, Director General, Dept. of International Cooperation, Ministry of Economic Affairs of ROC made a presentation on “Taiwan: Your Partner in East Asia” at the plenary session. Mr. J. Wintermans, Director of Modint; Mr. Ching-Ming Cho, Chairman of Taiwan Technical Textile

Association; Mr. Haico van der Heijden, Business Development Manager, Wind Energy of ECN; and Mr. Tien-Ting Liu, Construction Section Manager of OWP Preparatory Committee, China Steel Corporation also delivered presentations during the Group Discussion Session. Business Matching was arranged for participants from both sides to exchange views and explore business cooperation between the two business communities. An Executive Committee Meeting was held in the afternoon, so that senior delegates from both sides could review of the results of the 20th JBC meeting and discuss plans for the next meeting. It was agreed that the 21st Joint Business Council Meeting will be held in Taipei in 2014. The 20th JBC meeting was officially adjourned after the signing the Joint Statement by the co-chairmen.



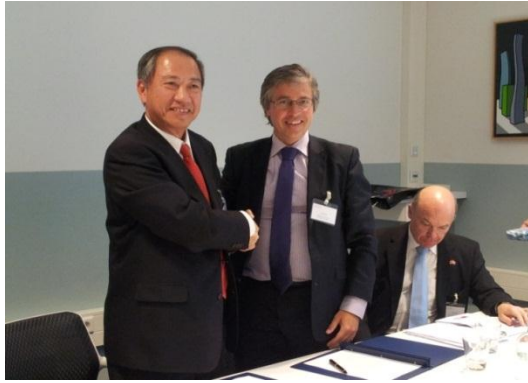
The 20th The Netherlands – Taiwan Joint Business Council Meeting takes place on June 14, 2013 in the Hague, the Netherlands



Mr. Francis Kuo-Hsin Liang, Deputy Minister, Ministry of Economic Affairs, ROC speaks at the opening ceremony



Group Photo of Senior Delegates from both sides

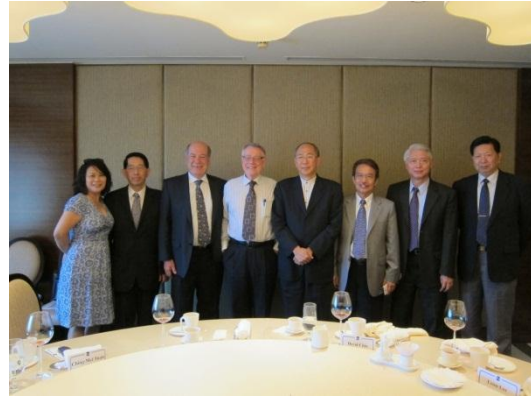


Signing Joint Statement by co-chairmen

Guests From Abroad

Mr. C.Y. Wang, Chairman of CIECA, hosted a luncheon for Mr. Ross Maddock, Chairman of Australia-Taiwan Business Council Ltd. (ATBC)

In honor of the delegation of Australia-Taiwan Business Council Ltd. (ATBC) visiting Taiwan from June 17 to June 20, Chairman C. Y. Wang of CIECA hosted a luncheon at the Taipei World Trade Center Club on June 18. During the visit, CIECA arranged the Australian guests to call on Chairman Chao-Yih Chen of Taiwan Sugar Corp. and Chairman J. C. Tsou of China Steel Corp.



(starting from left) CEO Ching-Mei Tuan of ATBC, Chairman Henry Kao of I-Mei Foods, Honorary Treasurer John Kean of ATBC, Chairman Ross Maddock of ATBC, Chairman C. Y. Wang of CIECA, National Executive David Chiu of ATBC, Former President Wei Wei of Taisugar, and Secretary-General Leon Lee of CIECA at the luncheon on June 18

Mr. Leon Lee, Secretary General of CIECA, hosted a working luncheon for Mr. Ahmad Syafri, Representative of Indonesian Economic and Trade Office to Taipei

To discuss about preparations and arrangements for the 19th Joint Economic Cooperation Conference to be held in Taipei on 12th September 2013, Mr. Leon Lee, Secretary General of CIECA hosted a working luncheon for Mr. Ahmad Syafri, Representative of Indonesian Economic and Trade Office to Taipei on 20th June at Taipei World Trade Center Club. Several staff members of Mr. Lee and Mr. Syafri were also invited to join the lunch. Participants from

the Indonesian side are Mme. Dina Setiawati Boediman ,Director of Investment Dept. ; Mr. R. Janu Suryanto , Director of Industry Dept. ; Mr. Arief M. K., Senior Assistant to Investment Dept. ; and Ms. Irene Pan, Assistant to Investment Dept. Participants from CIECA are Mr. Ernest Lin, Deputy Secretary General ; Mrs. Jennifer Liu, Section Director ; and Ms. Wendy Li, Specialist and desk officer for Indonesia. Both sides pledged commitment to working closely to organize the forthcoming 19th Joint Economic Conference in September of this year. They also expressed strong good will and deep interest to join hands and redouble concerted efforts to promote and expand trade and investment cooperation between Taiwan and Indonesia.



Economic News

Summary of Exports and Imports for May 2013

(A) Exports

Taiwan's exports reached US\$ 26.48 billion in June, up 0.5% from the previous month, and also up 8.6% when compared with the same month last year.

(B) Import

Taiwan's imports reached US\$ 23.23 billion in June, up 6.1% from the previous month, and also up 6.8% when compared with the same month last year.

(C) Trade surplus

The trade surplus in June was US\$3.25 billion, an increase of 0.64 billion over the same month last year.

Major Economic Index

%Change	2012	2013		
		Mar	Apr	May
GDP	1.25	-	1.26	
CPI	1.93	1.37	1.05	1.66
Unemployment rate	4.24	4.17	4.07	4.06
Export	-2.32	3.3	-	5.2
Imports	-3.18	0.2	-	-3.9
Export orders	1.1	-6.60	-1.11	-0.4
Industrial production	-0.1	-3.28	-0.88	0.07
Monetary	4.17	3.78	3.71	4.32

aggregate (M2)				
Stock Market*	7,457	7,919	8,094	8,083

(Source: Ministry of Finance & Council for Economic Planning and Development)

Taiwan-Honduras ties remain friendly: foreign ministry

The relationship between Taiwan and diplomatically Honduras remains friendly, foreign ministry officials said Sunday after local media reported that bilateral ties were being hurt by Honduras' tilt toward China.

"Our diplomatic relations with Honduras are friendly and normal," said ministry spokeswoman Anna Kao, downplaying the report earlier in the day by the Chinese-language United Evening News.

The report said Honduras had decided to develop relations with China after Taiwan refused to meet its request for financial assistance and would set up a trade office in China later this year to advance economic ties with Beijing.

Honduras does not have

formal diplomatic ties with China.

Asked about the report, Florencia Hsie -- deputy director-general of the ministry's Department of Latin American and Caribbean Affairs -- said it was off-base.

Honduras has not requested financial assistance from Taiwan, Hsie said, stressing that bilateral cooperation projects were proceeding as planned.

"There is no change in bilateral relations," she stressed.

On the issue of when Honduras will assign a new resident ambassador in Taiwan, Hsie said Taiwan has expressed the hope to Honduras that it will send a new ambassador to Taiwan as soon as possible.

Former Honduran Ambassador to Taiwan Mario Alberto Fortin Midence was called back to his home country for a new assignment earlier this year, and the Honduran government has yet to send a replacement.

The Honduran Embassy's minister plenipotentiary, Alejandro Yang Portillo, has been performing ambassadorial duties since the return of the former ambassador, Hsie said.

Honduras is one of Taiwan's 23 diplomatic allies. Since late last year, there have been concerns that Honduras would open a trade office in China and eventually switch its recognition from Taipei to Beijing. (2013/06/30 Central News Agency)

Shopping festival planned to stimulate consumption

TAIPEI, Taiwan -- The Ministry of Economic Affairs said Saturday that it will hold a "shopping festival" in the second half of the year to stimulate consumption in Taiwan at a time when the local economy shows few signs of picking up steam.

The festival, which will rely on widespread discounts and promotional activities to get

consumers to spend more, is expected to create about NT\$24 billion (US\$800 million) in commercial opportunities, the ministry said.

The initiative is just one of several the government is taking to revive an economy that has remained stubbornly sluggish this year.

On May 24, the Directorate General of Budget, Accounting and Statistics (DGBAS) cut its forecast for Taiwan's private consumption growth for 2013 to 1.46 percent, from an earlier estimate of 1.86 percent made in February.

The DGBAS also lowered its estimate of Taiwan's gross domestic product (GDP) growth for 2013 to 2.40 percent from 3.59 percent, with 0.22 percentage points of the downward revision attributed to the weaker consumption growth forecast.

During the July to December

festival, 25,000 shops around Taiwan will offer discounts on more than 100,000 products to draw consumers, the ministry said. Stores located in Taiwan's six major metropolitan areas — Taipei, New Taipei, Taoyuan, Taichung, Tainan and Kaohsiung — will offer special promotions that the ministry expects to generate NT\$2.18 billion in sales in retail, wholesale and restaurant businesses.

The campaign hopes to fuel another NT\$20 billion in sales by hooking up with the “MIT Smile” project that promotes quality made-in-Taiwan products, such as electronics goods and garments, the ministry said.

MIT Smile products have been certified by the ministry and given a Taiwan-made Product MIT Smile logo to make them stand out in the market.

Promotions focused on the ministry's “One Town One Product (OTOP)” program, which

promotes the specialties of the country's many distinctive townships, hope to generate an additional NT\$290 million in sales, the ministry said.

In addition, special discounts will be offered to boost spending on factory tourism by NT\$218 million.

The factory tourism project transforms select old economy factories into tourist destinations by exposing visitors to traditional Taiwanese culture and manufacturing techniques. (2013/06/30 The China Post)

Taiwan expects 25% growth in tourism factory revenues

TAIPEI--Rising enthusiasm for tourism factories among both domestic and overseas tourists will help the sector's revenues grow 25 percent in 2013 from a year earlier, the Ministry of Economic Affairs predicted Saturday.

The ministry's central regional office projected tourism factory

sector revenues to rise to NT\$2.5 billion (US\$83.33 million) in 2013, up from NT\$2 billion in revenues last year.

Visits to tourism factories should also rise to 11.5 million this year, from about 10 million in 2012, the office said. The ministry has actively promoted the niche tourism sector since 2003 to provide a new source of income to manufacturers of traditional products that have been losing their competitive edge largely due to higher labor costs.

The project blends Taiwan's industrial culture and tourism by converting select factories into popular tourist destinations, the ministry said.

Under the program, run by the ministry's Industrial Technology Research Institute, the ministry screens existing old economy factories and selects a certain number every year to be transformed into tourist attractions.

The factories newly highlighted in 2013 are the Kuo Yuan Ye Museum of Cake and Pastry, which has branches in Yangmei, Taoyuan County and in Taipei, and the Zhong Xin Rice Castle, located in Changhua County.

Founded in 1867, Kuo Yuan Ye is one of Taiwan's oldest traditional cake and pastry brands. The brand set up the museum in 2001 to give the public a glimpse of its traditional pastry-making process.

The Zhong Xin Rice Castle, set up by Taiwanese rice brand Zhong Xin Rice four years ago, is a European style castle complex that hopes to give visitors a better understanding of the area's rice culture.

The ministry said it has worked with other government agencies to bring more resources to the project and applied information and communications

technology to its promotion efforts to strengthen the quality of the tourism factory experience. (2013/06/30 The China Post)

Taipower considers measures to cut costs of energy

State-run Taiwan Power Co (Taipower, 台電) is considering purchasing natural gas and building a receiving station in Taiwan in an bid to cut energy costs, a top company official said yesterday.

Taipower president Chu Wen-chen (朱文成) said the company might stop purchasing energy through state-run oil refiner CPC Corp, Taiwan (CPC, 台灣中油), as the development of shale gas in the US has contributed to lowering the price of natural gas.

Taipower's losses, as of the end of last year, stood at NT\$193.577 billion (US\$6.39 billion), and this year's figure is expected to reach NT\$250 billion, which will jeopardize its capital of

NT\$330 billion, Chu said.

Seventy percent of the firm's annual revenue of about NT\$500 billion is used to purchase energy, he said, adding that the cost of coal-fired power is approximately NT\$75 billion, while natural gas costs about NT\$300 billion.

Chu said total power generation costs had increased from NT\$1.87 per kilowatt in 2003 to NT\$3.04 last year because of increasing fuel prices. Taipower will reflect these increases by adjusting electricity bills in October, he said. Also, reserves of coal-fuel energy will fall from 45 to 36 days, which is expected to save NT\$200 million as part of efforts to implement an improved financial plan, Chu said.

Each power generating plant will be required to calculate its capacity and material costs to help adjust electricity bills, he added. (2013/06/24 Taipei Times)

Taiwan June Export Growth
Exceeds Expectations

Taiwan' merchandise exports increased at a significantly faster rate in June than expected by economists, latest data showed Monday.

Export of goods grew 8.6 percent year-on-year to \$26.48 billion in June, the Ministry of Finance said. Economists were looking for a markedly slower growth of 1 percent.

Exports to Mainland China, Hong Kong, Japan and Europe recorded increases during the month, while dispatches to the United States declined.

Imports advanced 6.8 percent compared to last year to \$23.23 billion during the month, while the expectations were for a 1.5 percent fall.

Purchases from from Mainland China, Hong Kong, the United States and Europe increased, while arrivals from

from Japan logged a decline, data showed.

The net trade during June resulted in a surplus of \$3.25 billion, which was higher by 24.3 percent than in the same month of 2012. The forecast was for a surplus of \$3.18 billion.

In the January-June period, exports and imports recorded annual growths of 2.4 percent and 0.3 percent respectively, resulting in a surplus of \$14.61 billion. (2013/07/08 RTT News)

HTC aims high to retake world market

Smartphone vendor HTC Corp (宏達電), which saw its earnings fall to a seven-year low last year because of intense competition, yesterday vowed to regain its global standing with a long-term target market share of between 10 and 15 percent.

That is a high goal for the company, which secured just 4 percent of the global smartphone

market last year, but HTC chief executive Peter Chou (周永明) told shareholders the company is confident of making a comeback in the global market.

“Building a globally renowned brand requires time, and we have seen examples like our biggest rivals in the market [Samsung Electronics and Apple Inc], which have more than 20 years of history — far longer than HTC’s,” Chou said.

Chou asked shareholders to be patient and to maintain their confidence in the company because HTC knows its problems and has been making progress on its bid to become a tier-one brand in the world market.

The Taoyuan-based smartphone maker, which once held more than 10 percent of the global smartphone market, has set its sights higher, defining success as achieving a market share of 10 to 15 percent amid the stiff challenges facing global players in

the field, Chou said.

However, several shareholders panned the firm over its product launch and marketing strategies.

“Shareholders expect HTC to adopt more effective strategies in response to the stiff challenges ahead, after feeling frustrated by the company’s deteriorating earnings performance,” a shareholder said.

Several shareholders said Chou should resign if the company failed to achieve a monthly sales growth of 10 percent over the next three months.

Others questioned the company’s business performance, including its shrinking market share, the departure of several key executives, rising research and development expense and a component shortage.

HTC chairwoman Cher Wang (王雪紅) said she continues to have faith in HTC, with the company last year managing to

post a net profit — instead of a loss — despite the many challenges it faced.

The company's net profit dropped 72.99 percent to NT\$16.78 billion (US\$557.85 million) last year from NT\$61.97 billion in 2011.

To appease the about 100 shareholders who attended the meeting, HTC distributed new HTC One smartphones for free.

Wang did not make a comment when shareholders asked the company to buy treasury shares again to boost confidence.

HTC chief financial officer Chang Chia-lin (張嘉臨) said the company might consider a share buyback at the appropriate time. He did not elaborate.

HTC did not directly respond to rumors that it is planning to invite Iron Man movie star Robert Downey Jr to be its major product endorser in a two-year US\$12 million contract, but said it is

working to change its marketing approach.

“The ‘all-metal’ design [of the HTC One] has drawn an overwhelmingly positive feedback from the media and consumers alike. Anyone with a penchant for ‘metal’ should appreciate its appeal,” HTC said in an e-mailed statement.

Even though they were not happy about the company's performance, shareholders approved the company's proposal to distribute a cash dividend of NT\$2 per share, based on last year's earnings of NT\$20.17 per share.

HTC shares closed down 0.6 percent at NT\$248.50 yesterday. (2013/06/22 Taipei Times)

China Steel to invest in Malaysian joint venture to secure raw material supply

China Steel Corp (中鋼) yesterday said it was planning to invest US\$62.46 million to

participate in a joint venture in Malaysia to secure access to ferromanganese — an additive used for manufacturing steel products — and to save costs.

Through the proposed investment, China Steel could acquire 19 percent of the shareholding in the joint venture, Sakura Ferroalloys Sdn Bhd, the nation's only integrated steelmaker said in a statement.

It will also give China Steel access to 30,000 to 32,000 tonnes of ferromanganese a year, securing about one-third of its supply of the raw material, the company said.

Ferromanganese accounts for between 3 percent and 5 percent of China Steel's raw material costs, which reached NT\$220.45 billion (US\$7.4 billion) last year, company vice president Steve Lee (李慶超) said by telephone yesterday.

The new venture is expected to become operational by 2016,

the statement said.

Leading the joint venture is South Africa-based Assmang Ltd, which holds more than 50 percent of Sakura Ferroalloys' shares, while a Japanese company owns about 25 percent to 30 percent, Lee said.

The new investment plan came on the same day that China Steel told its shareholders that the outlook for the industry would remain bleak in the second half of the year because of a persistent oversupply of steel and low product prices.

So far this year, the company has cut its domestic steel prices for this month and next month's shipments by 2.08 percent and 4.66 percent per tonne respectively, due to high production levels in China and the weak economic momentum this year.

“It's like we are walking in a tunnel without seeing any light ahead, but we will try to find a

way out,” China Steel chairman Tsou Juo-chi (鄒若齊) said at the company’s annual general meeting yesterday.

From January through last month, the company posted revenues of NT\$147.28 billion, down 8.91 percent from NT\$161.69 billion a year ago, according to a company filing to the Taiwan Stock Exchange.

Despite the revenue decline, China Steel registered a pretax profit of NT\$10.64 billion in the first five months of the year, which was up from NT\$786.28 million a year ago, because of cost reductions, the company said.

Shareholders yesterday approved the company’s plan to distribute a cash dividend of NT\$0.4 and a stock dividend of 1 percent, based on last year’s earnings of NT\$5.81 billion, or NT\$0.38 per share.

That represented a cash dividend yield of 1.66 percent

based on the company’s closing price of NT\$24.10 yesterday. (2013/06/20 Central News Agency)

Greater Kaohsiung approved as new LME delivery point

Greater Kaohsiung has moved one step closer to its vision of becoming a metals hub after Kaohsiung Port was approved as the delivery point of the London Metals Exchange (LME) in Asia this week, Taiwan International Ports Corp (TIPC, 臺灣港務公司) said yesterday.

The world’s largest non-ferrous metals exchange market chose the city as its ninth location in Asia for primary aluminum, aluminum alloy, copper, lead, nickel, tin and zinc deliveries.

The other locations are Singapore; Nagoya and Yokohama in Japan; Busan, Gwangyang and Incheon in South Korea; and Johor and Port Klang in Malaysia.

Kaohsiung Port first submitted its application to be included in the LME's network in 2011. The bid failed because Taiwan's tax regulations did not meet the LME's standards.

The Ministry of Transportation and Communications then held talks with the Ministry of Finance and managed to have necessary regulations amended by the Legislative Yuan last year.

"In the future, non-ferrous metals can be traded and stored in the free-trade zones of Kaohsiung Port," TIPC said in a statement. "The status of a metals hub would link Kaohsiung to other ports more effectively and make Kaohsiung Port a key in the supply chain and an international warehousing and trans-shipment center."

The LME said that the logistical facilities at Kaohsiung Port ensure that the region, with its high demand for metal, can be well serviced by warehouses

operating there, adding that the location will become active three months after the first warehouse is approved. (2013/06/19 Taipei Times)

Taipei ranks 26th in "Club Sandwich Index" annual poll

Taipei ranked 26th in this year's "Club Sandwich Index," making it one of the most affordable destinations in the world, online reservations service Hotels.com said.

The index uses the cost of a club sandwich in a hotel as a barometer of affordability. It provides travelers with an indication of the cost of living in their destinations, Hotels.com said.

Making its first appearance in the index this year, Taipei was the third-cheapest destination among the world's 28 major cities.

According to the survey, a club sandwich cost an average of US\$11.37 in Taipei, slightly higher than US\$10.54 in Mexico City and

US\$9.11 in New Delhi.

Geneva was the most expensive city, with a club sandwich costing US\$30.45. (2013/06/18 Central News Agency)

Far EasTone prepares to wage 4G supremacy "war"

Far EasTone Telecommunications Co Ltd (遠傳電信) yesterday said it would tender a bid for a fourth-generation (4G) license by the end of the year to speed up its data transmission services with more bandwidth.

The nation's No. 3 telecom operator has set up a "4G war room" in preparation for the deployment of the 4G network as it works toward its goal of being the first local telecoms operator to operate the new services commercially, president Yvonne Li (李彬) told shareholders at an annual gathering.

The company said it also plans

to offer mobile payment services later this year in collaboration with Far Eastern International Bank (遠東國際商銀) and credit card issuer MasterCard Inc.

The company will launch a trial project for mobile payments based on near-field communication (NFC) technology, Li said.

The trial project will initially only target smaller mobile payments of less than NT\$3,000, in accordance with the Financial Supervisory Commission's regulations, she said.

"We will begin with our group's banks and department stores, while seeking external partners such as fast food chains," Li said, adding that more details will be announced at a press conference to be held by the end of this month.

The commission on Tuesday approved Far Eastern International Bank's request to run mobile

payment services through over-the-air downloads that allow users to download virtual credit cards to their NFC-enabled smartphones.

Far EasTone is to become the second carrier in the nation to enter the NFC mobile payment market after Chunghwa Telecom Co (中華電信), the country's largest mobile provider, teamed up with MasterCard and four local banks to launch a trial plan for mobile payment services on May 29.

According to market researcher Gartner Inc, the value of worldwide mobile payment transactions will reach US\$235.4 billion this year, up 44 percent from the US\$163.1 billion recorded last year. The figure is forecast to increase to US\$721 billion in 2017, Gartner said in a report yesterday.

Far EasTone also said it plans to expand its number of outlets, including those owned by its

retailing subsidiaries Express Infotech Co (德誼數位科技) and Arcoa Communication Co (全虹通信), to 1,000 from 900 last year.

Far EasTone also said it has plans to recruit 1,500 people this year to staff its customer service division or work as application developers.

Shareholders yesterday approved the company's plans to issue NT\$3.5 in regular and special cash dividends per share, the highest dividend yield since 2005.

Last year, Far EasTone issued cash dividends of NT\$3 per common share on profits of NT\$10.6 billion. (2013/06/14 Central News Agency)

Activity News

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General Information

Land Area	36,193 sq. km	Population	23.3million (1/2013)
Capital	Taipei	Population of Capital	2.65 million (04/2013)
National Day	October 10	Country Code	886
Currency	New Taiwan Dollar	Exchange Rate per USD	US\$1=NT\$29.464(1/2013)
Languages	Mandarin, Taiwanese, Hakka, Indigenous languages		
Religions	Buddhism, Taoism, Christianity, Islam		
Participation in IGOs	Member: 1. APEC (Asia-Pacific Economic Cooperation) since 1991 2. WTO (World Trade Organization) since 2002 3. ADB (Asian Development Bank) since 1966 Observer: 1. WHA (World Health Assembly of World Health Organization) since 2009 2. OECD (Organization for Economic Cooperation and Development) – Competition Committee since 2002, Steel Committee since 2005, Fisheries Committee since 2006		

Government

Head of State	President MA Ying-Jeou
Cabinet	Premier Yi-huah JIANG, Minister of Foreign Affairs David Y. L. LIN, Ministry of Economic Affairs Chia-juch CHANG, Minister of Finance Sheng-Ford CHEN
Structure	The ROC government is divided into central, provincial and municipal, as well as county and city levels. The central government is consisted of the Office of the President and 5 branches (called “Yuan”) - the Executive Yuan (Cabinet), the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan. The Cabinet is headed by the Premier, who is appointed by the President of the R.O.C.
Major Political Parties	Kuomintang (KMT), Democratic Progressive Party (DPP), People First Party (PFP)

Economic Statistics of 2013

GDP	US\$483 billion (Est.)	Economic Growth Rate	1.67% (1 st Quarter Est.)
GDP per capita	US\$20,684 (Est.)	Consumer Price Inflation	0.74% (2013 May)

		Unemployment Rate	4.07% (2013 April) 4.18% (2012)
Major Industries	electronics, communications and information technology products, chemicals, textiles, iron and steel, machinery, cement, pharmaceuticals		
Exports	US\$26.3 billion (0.9% of the same period of May 2012)		
Major Export Items	Electronic integrated circuits, Liquid crystal devices, Petroleum oils and oils obtained from bituminous minerals (non-crude), Telephone sets and other apparatus for transmission or reception of voice and images, Diodes, transistors and similar semiconductor devices, Printed circuit		
Major Export Markets	China, Hong Kong, U.S., Japan, Singapore, Korea, Vietnam, Malaysia, Germany, Philippines		
Imports	US\$21.9 billion (-8% of the same period of May 2012)		
Major Import Items	Electronic integrated circuits, Petroleum oils and oils obtained from bituminous minerals (crude and non-crude), Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines, Petroleum gases and other gaseous hydrocarbons, Coal; briquettes, ovoid and similar solid fuels manufactured from coal		
Major Import Markets	Japan, China, U.S., Korea, Saudi Arabia, Australia, Germany, Malaysia, Singapore, Kuwait		
Foreign Reserve	US\$406.62 billion (until 5/2013)		
Outward FDI (Source: Investment Commission, MOEA)	US\$3.7 billion (2011) US\$8.0 billion (2012) US\$1.7 billion (1-5/2013)		
Inward Investment (Source: Investment Commission, MOEA)	US\$4.9 billion (2011) US\$5.5 billion (2012) US\$1.7 billion (1-5/2013)		
Foreign Direct Investment (Source: Investment Commission, MOEA)	Stock: US\$59.8 billion (2012) Inward Foreign Investment: US\$3.68 billion (2012)		
FTAs signed with Trading Partners	<ol style="list-style-type: none"> 1. FTA between the Republic of China (Taiwan) and the Republic of Panama – August 21, 2003 2. FTA between the Republic of China (Taiwan) and the Republic of Guatemala – September 22, 2005 3. FTA between the Republic of China (Taiwan) and the Republic of Nicaragua – June 16, 2006 4. FTA between the Republic of China (Taiwan), the Republic of El Salvador, and the Republic of Honduras – May 7, 2007 5. Economic Cooperation Framework Agreement (ECFA) – June 29, 2010 		

Sources: MOFA; Bureau of Foreign Trade, MOEA; Investment Commission, MOEA; EIU; National Statistics R.O.C; Dept. of Statistics, MOEA