



CIECA News Letter

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Headline News

Taiwan ranks 12th in WEF global competitiveness index

Brussels, Sept. 4 (CNA) Taiwan's ranking in the World Economic Forum's (WEF's) global

competitiveness index edged up one notch this year to 12th compared with last year, according to the forum's latest report released Wednesday.

The index is calculated based on three sets of indicators-- basic requirements such as institutions and infrastructure, efficiency enhancers including higher education and training and labor market efficiency, and innovation and sophistication factors including business sophistication and innovation.

Taiwan did well in several sub-indicators of the 12 pillars covered in the survey of 148 economies around the world. For example, with every 100 people having 68.7 fixed telephone lines, Taiwan was ranked first in the fixed telephone lines per 100 members of the population indicator.

Taiwan's annual inflation of just 1.9 percent also ranked No. 1 in that sub-indicator in the macroeconomic environment pillar.

The country's malaria cases per 100,000 population is estimated as the lowest in the world, as is the disease's impact on business.

In terms of business sophistication, Taiwan's state of cluster development

got a top ranking, while its local supplier quantity was ranked third in the world.

Taiwan's "intensity of local competition" was another area that won a high ranking (No. 2) in the "good market efficiency" pillar.

Some of the areas Taiwan was given poor ranking include its 3.6 percent deficit share of GDP that was ranked 91st, the 0.75 women-to-men ratio in the labor force (ranked 87th) and legal rights index in the financial market development pillar, ranked 89th.

There are "most problematic factors" for doing business in Taiwan, too. These include policy instability, inefficient government bureaucracy and insufficient capacity to innovate, according to the report.

Other negative comments on doing business in Taiwan include "restrictive labor regulations," "tax regulations" and "tax rates," the reported noted.

Switzerland was ranked the most competitive country in this year's report, followed by Singapore, Finland, Germany, the United States, Sweden, Hong Kong, the Netherlands, Japan and the United Kingdom.

Ahead of Taiwan at 11th was

Norway, and Qatar came next at 13th. South Korea was ranked 25th and China, 29th.

(2013/09/04 Central News Agency)

CPI down for first time in 3 years in August

Taipei, Sept. 5 (CNA) The consumer price index (CPI) fell year-on-year in August, marking the first time the index has shown negative growth in three years, thanks in part to a relatively high comparison base, government statistics show.

According to the Directorate-General of Budget, Accounting and Statistics (DGBAS) figures released Thursday, the CPI stood at 102.71 in August, a 0.79 percent drop from the same month last year.

However, the number showed a slight increase of 0.12 percent from July.

DGBAS officials attributed the drop of the annual inflation rate in August in part to a jump in vegetable and fruit prices last year caused by Typhoons Saola and Tembin.

By comparison, the two tropical

storms that lashed Taiwan in August of this year left a relatively little impact on the CPI.

Inflation was also driven down by consumer electronics vendors who offered discounts to spur sales, the statistics office said.

(2013/09/05 Central News Agency)

Special Report

BERI: Taiwan's Investment

Environment 2nd Best in Asia, 3rd in the World, Increase Investment

Commitments

According to the second 2013 "Report on the Evaluation of Environmental Risks of Investment," issued in August by Business Environment Risk Assessment (BERI), Taiwan's Profit Opportunity Recommendation (POR) ranks third in the world with a score of 73, the same as in the previous report. Of the 50 countries covered by BERI, Taiwan ranks behind only Singapore and Switzerland.

Taiwan's POR is given a rating of 1B in the latest report, and BERI's recommendation to investors is to

increase their investment commitment. The report noted that Taiwan is continuing to reinforce its external economic relationships, especially through free trade agreements (FTAs), and that relations across the Taiwan Strait will remain amicable for the next five years. Taiwan is expected to maintain its ranking of 3rd in the world in 2014, with its overall score rising to 74. The ranking and score are expected to remain the same in 2018.

Taiwan's performance on the Operations Risk Index is outstanding in the latest report, ranking 2nd in the world (same as the previous report) after Singapore. BERI points out that Taiwan has announced new government plans to increase biotech investment by 25% over the next three years. Domestic banks are working vigorously to expand their overseas markets, and the island's banking industry will continue to expand over the next two years. BERI predicts that Taiwan will tie with Singapore for 1st place in the global operating risk ranking in 2014, and that it will be in 2nd place in 2018.

Taiwan's political risk ranks 8th lowest in the world (compared with 7th-lowest in the previous report) and

2nd-lowest in Asia, higher only than Singapore, Switzerland, Austria, Norway, Holland, Finland, and Germany. BERI believes that Taiwan's political risk rating will continue to improve, reaching 7th-lowest in the world in 2014 and 6th-lowest in 2018.

In terms of BERI's Risk and Repatriation Factor Taiwan is 2nd-best in the world (same as in the last report), after Holland. BERI points out that this outstanding performance is due to Taiwan's strong trade and current account surpluses. In the first half of this year the island's trade surplus amounted to US\$14.611 billion and the current account surplus for the year is forecast to reach US\$53.5 billion, topping 2012's US\$48.882 billion. In BERI's analysis, Taiwan's excellent operating environment helps attract foreign direct investment (FDI); foreign investment in the island reached US\$1.822 billion in the first five months of this year (with the Ministry of Economic Affairs approving 1,220 FDI projects), for a growth of 26.9% compared with the same period of 2012. BERI predicts that in 2014 and 2018, Taiwan's Risk and Repatriation Factor will maintain its position as 2nd-best in

the world.

(2013/09/04 Department of Investment Services, MOEA)

Taiwan Business Indicators in July 2013

In July 2013, the Taiwan Business Indicators showed the economic recovery to remain on the slower track. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the trend-adjusted leading index decreased by 0.13%, the trend-adjusted coincident index increased by 0.01% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

1. Leading Indicators: With revised data, the composite leading index stood at 102.85, up by 0.03% from June 2013. Its trend-adjusted index decreased by 0.13% to 100.22. Among the seven indicators making up the trend-adjusted index, real monetary aggregates M1B, the stock price index, and the TIER manufacturing sector composite indicator had positive cyclical movements from the previous month, while the index of export orders, net accession rate of employees on payrolls

of industry and services, SEMI book-to-bill ratio, and building permits had negative cyclical movements.

2. Coincident Indicators: With revised data, the coincident index stood at 101.47, up by 0.16% from June 2013. Its trend-adjusted index increased by 0.01% to 98.87. Among the seven indicators making up the trend-adjusted index, electric power consumption, real machineries and electrical equipments imports, and the index of producer's shipment for manufacturing had positive cyclical movements from the previous month, while nonagricultural employment, sales of trade and food services, real customs-cleared exports, and the industrial production index had negative cyclical movements.

3. Lagging Indicators: With revised data, the lagging index stood at 101.89, down by 0.24% from June 2013. Its trend-adjusted index decreased by 0.39% to 99.29. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index had positive cyclical movement from the previous month, while the inventories to sales ratio for manufacturing, the unemployment rate (inverted), regular employees on

payrolls in industry and services, the interbank overnight call-loan rate, and loans and investments of monetary financial institutions had negative cyclical movements.

4. The Monitoring Indicators: The total score in July dropped by three points to 20, changing the overall light signal from “green” to “yellow-blue”.

(2013/08/27 Council for Economic Planning and Development)

Cross-strait Trade in Services Agreement brings new business opportunities

More than two years of negotiations finally paid off in the signing of a Cross-strait Trade in Services Agreement by Taiwan and mainland China on June 21. The agreement calls for the opening of the market to services in 11 areas, passing a new milestone in the realization of the Economic Cooperation Framework Agreement (ECFA).

The Ministry of Economic Affairs (MOEA) notes that services constitute one of the pillars supporting Taiwan’s economy, and that the expansion of service exports will boost the country’s economic growth. Services now

account for more than 70% of Taiwan’s GDP while for mainland China the ratio is under 50%, reflecting the relative maturity of Taiwan’s market for services. Given the vital influence of culture and localization on services, Taiwan’s service providers have a lot more room to develop in the mainland’s services market than do Western providers.

The signing of the agreement gives Taiwanese providers access to preferential treatment that exceed the conditions for entering the Chinese services market under its WTO commitments, facilitating expansion of their operating scope and economic scale.

After ECFA was implemented, the two sides began follow-up negotiations on investment protection, trade in goods, dispute settlement, and trade in services. Agreements have so far been signed on investment protection, and now, trade in services, reducing restrictions and barriers to trade in this field and further stimulating market opening and cooperation. The negotiations were carried out on the basis of WTO definitions and rules, and the contents of the resulting agreement

include the main text (provisions), a schedule of commitments (market-opening list), and regulations for providers. The market opening agreed by the two sides encompasses 11 industries: business, communications, construction, distribution, environment, health and social services, tourism, recreation, culture and sports, transportation, and finance.

Under the agreement Taiwan is committed to opening 64 items to mainland China, more than half of which are newly added or expanded, and the mainland is committed to opening 80 items, all to an extent that exceeds WTO commitments.

The new services agreement has already brought improvements in this situation. One of the major highlights is the mainland's granting of permission to Taiwanese service providers to set up joint-venture enterprises and operate e-commerce websites in Fujian Province. The Taiwanese participation in such ventures can be as high as 55% of equity—better than China's commitment to any other country—and the ICP licensing process is also more transparent and reasonable.

Following the signing of the Cross-strait Trade in Services Agreement, companies established by Taiwanese investors in mainland China will have access to more business opportunities and will be able to expand the scope and area of operations there. For some industries, application procedures for the establishment of businesses in the mainland have become more convenient. The agreement has benefits for foreign companies too; if they set up businesses bases in Taiwan, they will be able to enjoy the preferential treatment in the mainland Chinese market that the agreement provides once they have operated in Taiwan and paid taxes in the country for five continuous years (for the finance and construction industries) or three continuous years (other industries). (2013/08/13 Council for Economic Planning and Development)

Guests From Abroad

Mr. Jian-gueng Her, Representative, Taipei Economic and Cultural Center, Lisbon, Portugal called on Mr. Han-Sun Chien, Vice Chairman of CIECA



Mr. Jian-gueng Her, Representative, Taipei Economic and Cultural Center, Lisbon, Portugal called on Mr. Han-Sun Chien, Vice Chairman of CIECA, to have further discussion on the planning and arrangements of mission to visit Portugal on November 10-13.

CIECA Delegation to Spain Working Lunch



In order to strengthen the bilateral economic relations, CIECA is going to organize a delegation to Portugal & Spain on November 9-20, 2013. During the trip to Spain on November 13-19, 2013, CIECA will organize a bilateral meeting with Confederation of Employers and Industries of Spain, one

on one business match and courtesy calls.

To ensure a fruitful and successful visit, Mr. Han-Sun Chien, Vice Chairman of CIECA, hosted a working lunch on Wednesday, September 4, 2013 to exchange views on the planning and arrangements of the mission to Spain. Mr. Borja Rengifo, Director General, Spanish Chamber of Commerce; representatives of relevant government agencies; major Spanish companies in Taiwan; and Taiwanese companies doing business with Spain were invited to join the discussion.

Mr. Domagoj Juričić, Acting Managing Director of Croatian Chamber of Economy, visited Taiwan



At the invitation of the Chinese International Economic Cooperation Association (CIECA), Mr. Domagoj Juričić , Acting Managing Director of Croatian Chamber of Economy, visited Taiwan from August 18 to 24, 2013. He called on Mr. Leon Lee, Secretary General of CIECA, to express his thankfulness for CIECA's invitation.



Afterward, Dr. Han-Sun Chien, Vice Chairman of CIECA, hosted a luncheon in his honor. Furthermore, Mr. Domagoj Juričić called on Ms. Kiang, Deputy Director General, Bureau of Foreign Trade, Ministry of Economic Affairs, to exchange views on how to promote bilateral trade and investment relations. He also called on Nanlien International Cooperation; Department of Investment Services, Ministry of Economic Affairs; Transworld Transportation Company Ltd.; PeiKo International Trade Co., Ltd; Importers and Exporters Association of Taipei; Grand Pal International Cooperation; and Tai Fung Trading Co., Ltd. He attended “Seminar on Croatian Market Opportunities” organized by CIECA and made a comprehensive presentation on business environment and opportunities in Croatia, trying to attract and encourage local companies to do business in his country which is the newest EU member. His visit is expected to facilitate mutual

understanding and economic cooperation between Croatia and Taiwan.

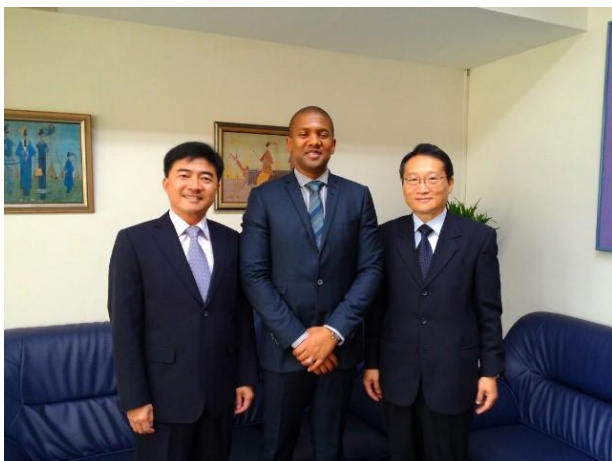
Mr. Mlungisi Clive Manci, Vice President, Business Unity South Africa, visited Taiwan

At the invitation of CIECA, Mr. Mlungisi Clive Manci, Vice President, Business Unity South Africa, visited Taiwan on August 19-24, 2013. He called on Mr. Cheng-Hao Hu, Deputy Director-General of Dept. of West Asian and African Affairs, Ministry of Foreign Affairs and Ms. Cynthia Kiang, Deputy Director General of Bureau of Foreign Trade, Ministry of Economic Affairs, etc. Mr. C. Y. Wang, Chairman of CIECA, hosted a luncheon in honor of Mr. Manci at Taipei World Trade Center Club on August 22, 2013.



Mr. C. Y. Wang (right), Chairman of CIECA, hosts a luncheon in honor of Mr. Mlungisi Clive Manci (left) on August 22, 2013.

Mr. Jacques Teh-Yang Wu, Director-General on Home Assignment of Dept. of West Asian and African Affairs, Ministry of Foreign Affairs (MOFA); Mr. Jerry Chang, Deputy Director-General of Dept. of International Cooperation and Economic Affairs, MOFA; Mr. Alfred Wang, Deputy Director General of International Cooperation Dept., Ministry of Economic Affairs; Mr. Richard Lin, Executive Director of Africa Taiwan Economic Forum; H.E. Musawenkosi Norman Aphane, Representative of Liaison Office of the Republic of South Africa; Mr. Mike Hung, Chairman of Taiwan Africa Industry Development Association; Mr. Walter Yeh, Executive Vice President of TAITRA; Mr. Achilles Yeh, Executive Director of Mozambique Investment and Promotion Center and Mr. Leon Lee, Secretary General of CIECA, were also present at the luncheon.



BUSA Vice Chairman Mr. Mancini calls on Mr. Cheng-Hao Hu (left), Deputy Director-General and Mr. Jacques Teh-Yang Wu (right), Director-General on

Home Assignment, of Dept. of West Asian and African Affairs of MOFA, on August 22, 2013.



BUSA Vice Chairman Mr. Mancini calls on Ms. Cynthia Kiang, Deputy Director General of Bureau of Foreign Trade, Ministry of Economic Affairs, on August 23, 2013.

Mr. Sultan Ahmed DARWISH, Director of Trade Negotiations & World Trade Organization Department, Ministry of Economy of UAE, called on Mr. Leon C.L. Lee, Secretary General of CIECA

Mr. Sultan Ahmed DARWISH, Director of Trade Negotiations & World Trade Organization Department, Ministry of Economy of UAE, called on Mr. Leon C.L. Lee, Secretary General of CIECA, on August 22, 2013. They exchanged views on various issues of mutual concerns, including expansion of bilateral economic relation, promotion of technological cooperation, and facilitation of trade and investment exchange between

business communities of the two countries.



Ms. Amina Chi-Chen Lee, Officer, Middle Eastern Affairs Section, Department of West Asian and African Affairs, MOFA; Mr. Sultan Ahmed DARWISH, Director of Trade Negotiations & World Trade Organization Department, Ministry of Economy of UAE; Mr. Leon C.L. Lee, Secretary General of CIECA; and Ms. Flora Chu, Section Chief of CIECA (from left to right)

El Salvador: A Country of Opportunities

At the invitation of Ministry of Foreign Affairs of ROC, Mr. Carlo Giovanni Berti, Executive Director of Export and Investment Promotion Agency of El Salvador, Government of El Salvador (PROESA), led a high level business mission to visit Taiwan from August 26 to 31, 2013

In order to strengthen bilateral economic cooperation between ROC and El Salvador, CIECA organized a Seminar entitled “El Salvador: A Country of Opportunities” on August 29, 2013 at Palais de Chine Hotel. The

seminar was chaired by Mr. C.Y. Wang, Chairman of CIECA and honored with the gracious presence of Mr. Jaime Chin-Mu Wu, Director General, Department of Latin American and Caribbean Affairs and Mrs. Marta Chang de Tsien, Ambassador of Embassy of the Republic of El Salvador, both of whom delivered their special remarks at the opening ceremony.



CIECA Chairman Mr. C. Y. Wang and all the special guests.

Executive Director of PROESA Carlo Giovanni Berti delivered a presentation on “El Salvador: A Country of Opportunities”, in which he introduced El Salvador’s economic profile and investment environment. Mr. Andres C.Y. Liu, Ex-Minister Counselor of the Chinese Embassy in El Salvador, also provided a presentation on Investment Climate in El Salvador. Mr. Randy Liao, Executive Director of NanYang Footwear, shared his own experience on doing business in El Salvador. During the Q&A session, participants showed keen interest in El Salvador and raised several questions. Executive

Director Berti encouraged Taiwanese business people to explore and seize the opportunities that El Salvador has to offer.

Vice Minister of Ministry of Economy of El Salvador visits CIECA



Hon. Francisco Lazo, Vice Minister of Ministry of Economy of El Salvador and his wife called on Mr. C. Y. Wang, Chairman of CIECA, on August 2, 2013 to exchange views on ways to strengthen bilateral economic cooperation and to promote commercial interaction between the two countries.

Hon. Carlos Gunther Lainez, Vice Minister of Ministry of Industry and Trade of Honduras, visits CIECA



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Hon. Carlos Gunther Lainez, Vice Minister of Ministry of Industry and Trade of Honduras, called on Dr. Han-Sun Chien, Vice Chairman of CIECA, on August 7, 2013 to exchange views on ways to strengthen bilateral economic cooperation and to promote commercial interaction between the two countries. Vice Minister Gunther was visiting Taiwan from August 5-9 at the invitation of the Bureau of Foreign Trade, Ministry of Economic Affairs.

Mr. Kevin Magee, Representative of Australian Office; Mr. Martin Walsh, Deputy Representative and Senior Trade Commissioner; and Ms. Serina Huang, Executive Deputy Director of Economic and Policy Section, made a business call on Mr. C. Y. Wang, Chairman of CIECA



Mr. Kevin Magee, Representative of Australian Office; Mr. Martin Walsh, Deputy Representative and Senior Trade Commissioner; and Ms. Serina Huang, Executive Deputy Director of Economic and Policy Section, made a business call on Mr. C. Y. Wang, Chairman of CIECA on August 1, 2013

to learn about the functions of CIECA and the upcoming 27th Joint Conference between ROCABC and ATBC.

Economic News

Summary of Exports and Imports for August 2013

(A) Exports

Taiwan's exports reached US\$25.64 billion in August, up 1.3% from the previous month, and up 3.6% when compared with the same month last year.

(B) Imports

Taiwan's imports reached US\$21.06 billion in August, down 4.7% from the previous month, and also down 1.2% when compared with the same month last year.

(C) Trade surplus

The trade surplus in August was US\$4.59 billion, an increase of 1.15 billion over the same month last year. (2013/09/09 Department of Statistics)

Economic Index

%Change on previous year	2012	2013
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		May	June	July
GDP	1.26	-	2.3	-
CPI	1.93	0.74	0.60	0.08
Unemployment rate	4.24	4.06	4.14	4.25
Export	-2.3	0.9	8.6	-2.9
Imports	-3.8	-8.0	6.8	-7.6
Export orders	1.1	-0.4	-3.5	0.5
Industrial production	-0.1	-0.1	-0.4	2.1
Monetary aggregate(M2)	4.17	4.32	4.82	5.42
Stock Market*	7,468	8,272	7,989	8,102

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

Positive growth in the U.S. and Europe, exports rose 3.6% in August

Taiwan's exports up 3.6 % to US\$25.64 billion in August compared with the same month last year, the second highest to \$25.78 billion in August 2011. Exports growth over last year with several majority markets, especially as the economy stabilized in Europe and America, exports to Europe and America have been growing, subject to reduced demand in the Asian region, exports growth was slightly down, according to Bureau of Foreign Trade, Ministry of Economic Affairs.

Exports to the U.S. grew 0.9% in two consecutive months, to Europe grew 4 % for three consecutive months;

as to ASEAN countries due to U.S. QE exit doubts plus impact of the economic slowdown in mainland China, economic growth have been slowdown generally.

As a result, exports to ASEAN countries grew only 2.9 percent, the lowest growth since May; exports to Japan slightly decreased 0.1%; against mainland China (including Hong Kong) while exports grew only slightly by 2.9%, better than the negative growth of 0.9% in June. The imports to U.S. reached 21.06 billion in August, compared with the same month last year fell 1.2%. Cumulative January-August this year, exports grew 2.5% to U.S. 201.39 billion, while imports edged down 0.9 % to U.S. 179.03 billion, trade surplus reached U.S. 22.36 billion by 41percent growing up.

(2013/09/12 Bureau of Foreign Trade, Ministry of Economic Affairs)

Czech Republic will end feed-in tariff for RES in 2014

The Czech Republic's lower house of Parliament has voted on 16 August 2013 to end support for new renewable projects as from 1 January 2014. The

draft law, which needs to be approved by the Senate and signed by the president, will also extend the tax on existing PV systems installed in 2009 and 2010.

The tax, which was planned to end on 31 December 2013, will be reduced from 26% to 10% in 2014. The new law will also set a ceiling of CZK495/MWh (€1.92/kWh) on the price consumers pay as part of their electricity bill to support renewable energy development, down from a current CZK583/MWh (€2.26/kWh). (2013/08/20 EnergyTrend)

New system cuts delays in customs clearance

A NEW automated customs management system introduced by the South African Revenue Service (SARS) will eliminate lengthy delays and reduce red tape at the country's border posts.

Finance Minister Pravin Gordhan unveiled a new digital system on Thursday that would centralise the clearing of all import and export declarations and would use a single process engine.

The R350m system is estimated to

reduce border turnaround times from two hours to six minutes on average, and inspection processing from eight hours to two hours, with mountains of paper being eliminated.

The new system became fully operational last weekend and dealt with more than 500,000 consignments and close to 100,000 import and export declarations without any glitch.

SARS acting commissioner Ivan Pillay said the system was bound to increase South Africa's competitiveness and decrease the cost of doing business. The Durban Citrus Growers' Association has estimated that border delays in the region during 2010 cost growers \$10m each season. More than 4-million containers with goods worth R2.5-trillion moved across South Africa's borders during the 2012-13 fiscal year, with SARS handling 16-million pieces of paper to process 5.5-million declarations.

Several industry players, including auditing firm Deloitte, the South African Association of Freight Forwarders (SAAFF), Bidvest Panalpinia Logistics and Samsung hailed the system as "world class" and described its introduction as a

milestone in South Africa's customs history.

SAAFF CEO David Logan said the sheer size of the system made collaboration with traders and businesses imperative.

Jed Michaletos, tax director at Deloitte, said the system will help South Africa to truly be the gateway to Africa.

Mr Michaletos said the switch from the previous paper-based system was completely "seamless". Australia has also modernised its customs systems, but caused the country's infrastructure to grind to a halt when its IT-system crashed, he said.

South Africa's customs management system has been operating parallel to the old system for the past six months and has undergone extensive testing. The new risk engine has led to a monthly saving of R1bn on VAT returns claimed for exports that never left South Africa.

(2013/8/ 23 Business Day)

Mexico exports 100% blue agave tequila to China

Mexico's agriculture ministry says drinks firms have shipped their first

load of top quality tequila to China. More than 70,000 bottles of the 100% blue agave tequila were loaded onto a container, due to arrive on the Chinese market in a month.

China banned finest quality tequila over fears of high methanol content. But President Xi Jinping lifted the ban after a visit to Mexico in June.

Tequila firms hope to make China their second biggest market after the US. Mexican officials say they expect to send 10 million litres of tequila to China over the next five years.

Quality juice

Tequila is distilled from the juice of the blue agave plant. A certificate of origin is applied to drinks produced in five Mexican states, including Jalisco, where the town of Tequila is located.

President Xi and his Mexican host, President Enrique Pena Nieto, paved the way for the move during their meetings in June. The head of Mexico's Ministry of Agriculture, Enrique Martinez, then travelled to China to make final arrangements for the lifting of restrictions.

Mexico will also start exporting pork to China, EFE news agency reported. Efforts are continuing aimed

at making produce including lemons, avocados, asparagus and spring onions available to Asian markets, officials said. (2013/8/30 BBC)

Emirates Airlines to open Taipei-Dubai direct flights next year

Dubai-based Emirates Airlines has announced that it will begin offering direct flights next year between Taipei and Dubai, from Feb. 10, 2014, Emirates will operate six Taipei-Dubai flights per week, one of the countries that make up the United Arab Emirates.

The move will make Taiwan Taoyuan International Airport the 16th destination on the Arabian carrier's air services map in the Far East, according to a Wednesday press release from the Commercial Office of the Republic of China to Dubai.

Founded in 1985, Emirates is wholly owned by the government of Dubai. The carrier's more-than 200 aircraft fly people and cargo to over 134 destinations in 76 countries around the world, with over 1,000 flights taking off from Dubai every week.

With the opening of the new air route, Taiwanese travelers will be able to use Dubai as a transit stop on trips to

the Middle East, Europe and Africa.
(2013/08/28 Central News Agency,
CNA)

Taiwan to help Central American farmers deal with coffee disease

Taiwan is planning to work with two Central American organizations to assist farmers in the region's coffee-growing areas in combating coffee rust disease, a Taiwanese official said Tuesday.

The government-funded Taiwan ICDF sent experts in plant pathology to El Salvador and Honduras in late August to learn more about the situation and discuss cooperation with Central American Bank for Economic Integration (CABEI) and Organization for Plant and Animal Health (OIRSA), said Morgan Chao, the deputy secretary-general of the International Cooperation and Development Fund (Taiwan ICDF).

The disease is affecting all of Taiwan's diplomatic allies in Central America, which also include Belize, Panama, Nicaragua, and Guatemala.

(2013/09/03 UDN)

Indonesia unveils emergency fiscal

package to revive confidence

JAKARTA, August 23 – Indonesia's government unveiled an emergency fiscal package on Friday to promote foreign investment, reduce imports and prop up its tumbling rupiah currency, as it struggles to revive confidence in southeast Asia's largest economy.

The intervention follows a punishing week for emerging markets, with currencies from Brazil to India shaken by fears of higher global borrowing costs and a reduction in cheap cash from the US.

Indonesia faces threats on multiple fronts: from rising inflation to falling demand and prices for its top exports – from coal to tin and palm oil. Foreign portfolio investment is shrinking and foreign direct investment is falling, as has Chinese demand for the country's commodities.

In 2012, Indonesia had its first trade deficit in modern times, and it will probably have a significantly bigger one this year.

Hatta Rajasa, chief economic minister, said the package aimed to strengthen Indonesia's troubled current account, the sum of its trade balance

and investment income, after a near-record \$9.8bn deficit in the second quarter.

Import taxes on luxury goods such as cars, private planes and yachts will be increased, Mr Rajasa said. Measures will be taken to reduce oil imports and remove export quotas on mineral and metal ores, steps that could help mend the trade balance.

The government will also provide tax incentives for labour-intensive industries. The central bank also unveiled measures on Friday, including an easing in restrictions to ensure banks and exporters have access to ample US dollar liquidity.

Economists said the plan could help narrow a current account deficit that has turned the rupiah into one of Asia's worst-performing currencies and left the country exposed to an expected withdrawal of US super-loose monetary policy. The rupiah is down 11 per cent against the dollar this year.

"We reckon that the policies announced will help the persistent [deficit]" said Bharti Bhargava, a foreign exchange analyst with Forecast Pte in Singapore. "Imports are likely to come down with the increase in import

taxes on luxury products such as cars."

Indonesian markets were not impressed with the steps.

The benchmark index, which was up as much as 1.6 percent early Friday before the announcements, ended the day down 0.04 percent. For the week, it lost 8.7 per cent – making this the worst week since mid-September 2011, when it plunged 10.7 per cent.

The rupiah, which hit a fresh four-year low of 10,830 to the dollar ahead of the announcements, rose 0.3 per cent afterward to 10,770.

The Indonesian currency has fallen 10.6 per cent against the dollar this year with a 3.6 per cent loss this week, according to Thomson Reuters data. Government bonds, meanwhile, ended mostly flat.

Emerging markets have been jolted this week, with the Indian rupee hitting record lows and Indonesia's stock market and currency plunging. Fears that Malaysia and Thailand could join that club have pushed their currencies to multi-month lows in recent days, raising concern market contagion could spread to economically healthier countries in southeast Asia.

In a sign of the difficulties ahead,

Indonesia's central bank projected on Friday that the annual inflation rate could exceed 8.9 per cent in August, the highest since January 2009 and above July's already-bracing 8.61 per cent. Inflation should return to normal in September and consumer prices may fall in October, the government said.

High inflation has made it difficult for President Susilo Bambang Yudhoyono to rely on a growing consumer class to offset weak exports, as prices rise for everything from fuel to beef.

Chatib Basri, finance minister, said the government now expects the economy to grow 5.9-6.0 per cent this year, down from a previous target of 6.3 per cent. Growth in the second quarter of 5.8 per cent was the slowest since 2010.

Chua Hak Bin, economist at Bank of America Merrill Lynch in Singapore, said most of Friday's measures looked more medium- and long-term, such as tax incentives and simplifying permits. "The near-term impact on the current-account deficit from these measures is less clear," he said.

(2013/08/23 CNA)

Taiwan lifts sanctions against Philippines

MOFA Minister David Y. L. Lin announces Aug. 9 in Taipei City the decision to lift sanctions against the Philippines.

The 11 sanctions imposed by Taipei against Manila following the fatal attack on Taiwan fishing boat Guang Da Xing No. 28 by a Philippine government vessel were lifted Aug. 9 by the ROC government in light of the Southeast Asian nation's apology and demonstrated good will.

The sanctions include freezing Filipino labor applications; issuing a red alert on travel to the Philippines; suspending high-level exchanges such as the ministerial meeting under the World Health Assembly, economic and technology exchanges; investment-soliciting activities; agricultural and fishery cooperation; aviation negotiations; and removing the Philippines from Taiwan's visa-waiver program.

"The Philippine government has responded positively to the four demands proposed by the ROC government," Minister of Foreign Affairs David Y. L. Lin said.

“Amadeo R. Perez, chairman of the Manila Economic and Cultural Office, has officially expressed his deep regret and apologized on behalf of President Benigno Aquino III and people of the Philippines to the family of slain fisherman Hung Shih Cheng and people of Taiwan.”

Lin, who made the remarks at a Ministry of Foreign Affairs news conference in Taipei City, said earlier in the day, Perez traveled to Xiaoliuqiu Island in southern Taiwan’s Pingtung County to publicly apologize to the family of Hung.

According to the minister, Manila released its report on the incident Aug. 7, recommending charges of homicide against eight Philippine Coast Guard personnel and obstruction of justice for four others. In addition, it has reached an agreement on compensation with the victim’s family.

Lin said the ROC has further demanded the Philippines promptly prosecute and severely punish the perpetrators and swiftly hold the next round of fisheries talks. “We hope the next round of negotiations can be staged within a month in Taipei,” he added.

Taipei and Manila held a preparatory meeting for fisheries talks June 14 during which the two sides inked an agreement guaranteeing they would “refrain from using force or violence” to prevent a reoccurrence of such incidents as the Guang Da Xing No. 28 attack.

Lin urged Manila to continue enhancing its mechanism for strengthening maritime law enforcement as per the terms of the agreement, and work hand in hand with Taipei to mend bilateral ties, especially in economic and trade exchanges.

Separately, the minister praised the ROC Coast Guard Administration and highlighted its recent humanitarian efforts in rescuing and quickly repatriating three Filipino fishermen adrift in waters south of Taiwan.

“The ROC is a peace-loving country,” Lin said. “We are willing to take concrete actions to strengthen our cordial and cooperative relations with the Philippines and further promote substantive bilateral exchanges.”

(2013/08/09 Taiwan Today)

Asean, 6 trading partners eyeing more tariff cuts under new Asia-Pacific FTA

MANILA - Asean and its six free trade agreement (FTA) partners are eyeing more tariff cuts under the Regional Comprehensive Economic Partnership (RCEP), with duties on vehicles possibly to be a "hot topic" in the negotiations, Trade Secretary Gregory L. Domingo said yesterday.

Domingo last Monday attended the First RCEP Ministerial Meeting in Bandar Seri Begawan, Brunei Darussalam, where the trade ministers of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam as well as of its FTA partners Australia, China, India, Japan, New Zealand and South Korea discussed pushing the RCEP forward.

"The ambition is for all 16 countries to follow a single schedule of tariff cuts with very limited exemptions," Domingo told reporters on the sidelines of the "Sikat Pinoy" National Food Fair.

While about 99 percent of the tariffs slapped in goods within Asean have been slashed to zero, Domingo said duties on many products traded with the six FTA partners could be further lowered.

"Whatever [tariff cuts] we have now, RCEP will be more than that," Domingo said, adding that RCEP, which includes China, would not compete with the US-led Trans-Pacific Partnership (TPP) agreement.

The Philippines would even want to pursue as many FTAs as possible to enhance trade with its major partners, Domingo said.

"RCEP will improve our trade with Asians; TPP, with the Americas. Plus we want an FTA with the European Union," he said.

Asean and its six FTA partners are putting up rules on dispute settlement, among other issues, under the RCEP, but it is "too premature" for the 16 countries to set a deadline for completion of negotiations, Domingo said.

He expects tariff cuts on automotive to become a "hot topic" in RCEP negotiations, as China, Japan, South Korea and Thailand are major vehicle manufacturers and exporters.

As for the TPP, the Philippines would be ready to join after the existing 12 negotiating countries conclude their talks, Domingo said.

He told the Office of the US Trade

Representative (USTR) on the sidelines of the Asean Economic Ministers (AEM) meeting held Wednesday also in Bandar Seri Begawan that the Philippines remains "interested" in the TPP.

Besides the US, other countries involved in TPP talks are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The 19th round of TPP negotiations started Thursday also in Brunei's capital, with the aim of completing an agreement within the year.

(2013/08/23 Newtalk)

Activity News

Connecting Taiwan and the World,
CIECA Means Business

The CIECA is proud of making an announcement – a brand-new CIECA's website starts now. For more information, please link the following address to check our new website out.
<http://www.cieca.org.tw/EngNewIndex.aspx>

General Information

Land Area	36,193 sq. km	Population	23.34million (8/2013)
Capital	Taipei	Population of Capital	2.68million (8/2013)
National Day	October 10	Country Code	886
Currency	New Taiwan Dollar	Exchange Rate per USD	US\$1=NT\$30.029(8/2013)
Languages	Mandarin, Taiwanese, Hakka, Indigenous languages		
Religions	Buddhism, Taoism, Christianity, Islam		
Participation in IGOs	<p>Member:</p> <ol style="list-style-type: none"> 1. APEC (Asia-Pacific Economic Cooperation) since 1991 2. WTO (World Trade Organization) since 2002 3. ADB (Asian Development Bank) since 1966 <p>Observer:</p> <ol style="list-style-type: none"> 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	<p>The ROC government is divided into central, provincial and municipal, as well as county and city levels.</p> <p>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.</p> <p>The Cabinet is headed by the Premier, who is appointed by the President of the R.O.C.</p>
Major Political Parties	Kuomintang (KMT), Democratic Progressive Party (DPP), People First Party (PFP)

Economic Statistics of 2013

GDP	US\$485 billion (Est.)	Economic Growth Rate	2.31% (2 nd Quarter Est.)
GDP per capita	US\$20,812 (Est.)	Consumer Price Inflation	-0.79% (August 013) 0.87% (Jan.-Aug. 2013)
		Unemployment Rate	4.25(July 2013) 4.24(2012)

Major Industries	electronics, communications and information technology products, chemicals, textiles, iron and steel, machinery, cement, pharmaceuticals
Exports	US\$25.64 billion (August 2013, up 3.6% of the same month of 2012) US\$284.2 billion (Jan.-Dec., 2012, down 2.6% of the same period of 2011)
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\$21.06 billion (August 2013, down 1.2% of the same month of 2012) US\$ 269.6 billion (Jan.-Dec. 2012, down 3.9% of the same period of 2011)
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 hydro carbons, 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\$409.38 billion (until 8/2013)
Outward FDI (Source: Investment Commission, MOEA)	US\$3.7 billion (2011) US\$8.0 billion (2012) US\$2.7 billion (1-7/2013)
Inward Investment (Source: Investment Commission, MOEA)	US\$4.9 billion (2011) US\$5.5 billion (2012) US\$2.7 billion (1-7/2013)
Foreign Direct Investment (Source: Investment Commission, MOEA)	Stock: US\$59.8 billion (2012 accumulated) FDI: 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

2013 Conference Schedule

Revised on 2013/09/14

Date	Conference	Place
Jan. 9	The 13 th Taiwan-India Joint Business Councils Meeting	Taipei
Jan. 21-25	CACCI Presidential Visit to Myanmar	Yangon, Myanmar
Mar.2-10	2013 Taiwan Economics and Trade Delegation to Italy and Greece	Italy and Greece
Mar.13-16	The 27 th Confederation of Asia-Pacific Chambers of Commerce and Industry Conference	Cebu, Philippine
Mar. 12	Seminar on Lighting and Photo voltaic Business Opportunities in Turkey	Taipei
Mar. 19	Seminar on Portugal Trade and Investment Opportunities	Taipei
Apr. 5	The 11 th Taiwan-Brazil Joint Business Councils Meeting	San Paulo, Brazil
Apr. 9	The 11 th Taiwan-Peru Joint Business Councils Meeting	Lima, Peru
Apr. 10	Seminar on Trade and Investment Opportunities in Nicaragua	Taipei
Apr. 11	The 18 th Taiwan-Mexico Joint Business Councils Meeting	Mexico City, Mexico
Apr. 16	The 2 nd Taiwan(ROC)-El Salvador Joint Business Councils Meeting	San Salvador, El Salvador
Apr.18	Seminar on “Trade and Investment Opportunities in Kingdom of Swaziland”	Mbaban, Kingdom of Swaziland
Apr. 22	Seminar on “Trade and Investment Opportunities in Mozambique”	Maputo, Mozambique
Apr. 26	Business Matching in South Africa	Johannesburg, South Africa
Apr. 24	Trade and Investment Opportunities in Dominican Republic	Taipei
May 7	The 13 Taiwanese-German Joint Business Councils Meeting	Taipei
May 7	Seminar on “Trade and Investment Opportunities in Guatemala”	Taipei
May 7	Seminar on “Trade and Investment Opportunities in Haiti”	Taipei
May 17	The 2 nd Georgia-Taiwan Joint Business Councils Meeting	Tbilisi, Georgia

May 21	The 4 th Joint Meeting of Turkey –Taiwan Business Councils	Istanbul, Turkey
June 4	The 15 th Joint Meeting of Taiwan Britain Business Councils	Taipei
June 14	The 20 th Meeting of Taiwanese-Dutch Joint Business Councils	The Hague, The Netherlands
July 16-19	Mr. Leonardo Vingiani, Secretary General of Italian Association for the Development of Biotechnology, Assobiotec, visited Taiwan	Taipei
Aug. 18-24	Mr. Domagoj Juričić, Acting Managing Director of Croatian Chamber of Economy, visited Taiwan	Taipei
Aug. 20-23	Mr. Mlungisi Clive Manci, Vice President, Business Unity South Africa, visited Taiwan	Taipei
Aug. 23	Seminar on “Trade and Investment Opportunities in Croatia”	Taipei
Aug. 29	Seminar on “Trade and Investment Opportunities in El Salvador”	Taipei
Sept.10	The 29 th Chinese-Swedish Joint Business Councils Meeting	Stockholm, Sweden
Sept. 12	The 4 th Chinese-Latvia Economic Cooperation Conference	Riga, Latvia
Sept. 26	The 19 th Joint Economic Cooperation Conference between Indonesia & Taiwan (postpone)	Taipei
Sept. 29-Oct. 3	Mr. Constantine Michalos, Chairman of Union of Hellenic Chambers of Commerce, visited Taiwan	Taipei
Oct. 3	The 11 th Taiwan-Poland Economic Cooperation Conference	Warsaw, Poland
Oct. 4	The 7 th Chinese-Austrian Economic Cooperation Conference	Vienna, Austria
Oct. 8	The 3 rd Joint Business Forum Sofia-Taipei	Sofia, Bulgaria
Oct. 6-8	The 6 th Taiwan-Israel Joint Business Councils Meeting	Taipei
Oct. 9	The 10 th Taiwan-Hungary Joint Business Councils Meeting	Budapest, Hungary
Oct. 9	Seminar on ANZTEC (tentative)	Taipei
Oct. 15	The 20 th Joint Business Council Meeting between CIECA and VCCI (Vietnam)	Hanoi, Huchi Minh
Oct. 23	The 38th Joint Conference of ROC-Korea and Korea-Taiwan Business Councils	Seoul, Korea
Oct. 26-30	The 27 th Joint Conference of ROC-Australia & Australia-Taiwan Business Councils	Sydney, Australia
Oct. 28	The 12 th Joint Meeting between CIECA and MNCCI	Taipei

Oct. 29	The 2nd Joint Meeting of Taiwan-Norway Business Councils	Taipei
Oct. 31	The 3 rd Taiwan-Finland Joint Business councils Meeting	Taipei
Nov. 4	The 1st Joint Meeting between CIECA & UMFCCI (Myanmar)	Yangon, Myanmar
Nov. 7	The 24 th Joint Conference between CIECA and FTI (pending)	Bangkok, Thailand
Nov. 7-8	The 23 nd Joint Meeting of the CPBC & PCBC (Philippine)	Manila, Philippine
Nov. 8	The 5 th Chinese-Russian Business Forum	Moscow, Russia
Nov. 11	The 1 st Chinese-Portugal Joint Business councils Meeting	Lisbon, Portugal
Nov. 11-14	「Taiwan Business Leaders Forum」	Auckland, New Zealand
Nov. 12	The 6 th Taiwanese-Luxembourg Joint Business Councils Meeting	Taipei
Nov. 14	The 18 th Joint Conference of the Spain-Taiwan Economic & Business Cooperation Committee	Madrid, Spain
Nov. 26	The 12 th Session of Taiwan -Czech Joint Business Council	Taipei
November	The 1st Taiwan-Haiti Joint Business Councils Meeting	Port-of-Prince, Haiti
Nov.-Dec.	The 3rd Taiwan-Republic Dominican Joint Business Councils Meeting	Santo Domingo, Republic Dominican
Nov.-Dec.	The 1st Taiwan-St. Kitts Joint Business Council Meeting	Basseterre, St. Kitts and Nevis
Nov.-Dec.	The 4th Taiwan-Honduras Joint Business Council Meeting	Tegucigalpa, Honduras
Dec.	The 14 th Taiwan-Malaysia Joint Business Councils Meeting	Kuala Lumpur, Malaysia
Dec.	The 12 th Joint Conference Between CIECA & SBF	Singapore
Dec.	The 5 th Israel-Taiwan JBC Meeting	Taipei