

The Government Safeguards Healthy and Orderly Development of Cross-Strait Economic and Trade Exchanges and Urges Mainland Authorities to not Create Political Obstacles

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The Mainland Affairs Council issued the following statement to criticism made by mainland China's Taiwan Affairs Office that strict review of Mainland investment in Taiwan by the government of the Republic of China creates obstacles to cross-Strait economic and trade exchanges:

The government has and will continue to conduct rolling reviews of regulations on supervision over Mainland investment in Taiwan based on practical management experience and current situations. The latest draft amendments to the Measures Governing Investment Permit to the People of Mainland Area were proposed in light of the increasing diversity of cross-border investment models; there were cases showing growing prevalence of Mainland capital circumventing reviews and making indirect investment in Taiwan illegally. In order to restore the order of exchanges, safeguard domestic business environment, and protect industrial development and key technology, the government is deliberating more appropriate and detailed rules to accommodate Mainland capital in reference to enhanced scrutiny carried out by the United States, Japan, and Germany.

Such effort is best reflected in strengthening the management of over-the-top (OTT) TV operations in Taiwan. Over the years, while the government has

yet allowed mainland Chinese OTT TV service providers to invest in Taiwan, some have skirted the rules by commissioning Taiwanese companies as agent in conducting promotional activities such as advertising and attracting subscribers. The government therefore amended the law to effectively deter OTT TV service providers from illegally operating in Taiwan and rectify the market order. The move will also boost production and broadcast capacity as well as competitiveness of Taiwan's online audiovisual service providers.

Under the premise of risk management and control, the government actively safeguards cross-Strait economic and trade exchanges, cooperation, and development. This is evident in the growth of cross-Strait trade from January to July this year, which proves the cross-Strait decoupling accusation from the Mainland authorities unfounded. Contrarily, since last year, the Mainland has unilaterally suspended independent travel to Taiwan by Mainland tourists and set political preconditions for cross-Strait economic and trade exchanges. It is the Mainland authorities who are in fact harming the welfare of the people on both sides of the Strait and forcing the decoupling of cross-Strait relations under political calculation. The people can see this clearly and will make their own assessment.