

Wang Yu-chi: Government is Opening the Mainland Chinese Market to Win Business Opportunities for the Taiwanese People and Improve Taiwan's Economy

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Mainland Affairs Council (MAC) Minister Wang Yu-chi today (August 31) said that the Cross-Strait Trade in Services Agreement is beneficial to Taiwan's economic development. It opens the Mainland's huge service market to secure more business opportunities for the Taiwanese people and give Taiwanese companies more opportunities to profit in world markets.

The MAC held a temple promotional activity today at Longfeng Temple in Zhunan Township, Miaoli County. It was the fifth such activity arranged this year. Vice Premier Mao Chi-kuo and Minister Wang explained the government's Mainland policy to more than 400 people. They also elaborated on the policy implications and benefits of the Cross-Strait Trade in Services Agreement and provided clarification about misunderstandings and misgivings some had on this closely-watched issue.

Minister Wang said that the government promoted the signing of the Cross-Strait Trade in Services Agreement for two reasons. The first is that the Mainland market is very large, but when countries do business with

the Mainland, some enjoy zero-tariff treatment while others face relatively high tariffs. It is certainly easier to do business with zero tariffs. Under the Cross-Strait Trade in Services Agreement, the Mainland will open 80 service sectors to Taiwan. In all of these sectors, Taiwanese companies will enjoy treatment favorable to that granted to their counterparts in the United States, Japan and Korea. This will give the Taiwanese people better opportunities in the Mainland market. Secondly, cross-strait investment is highly imbalanced. Over the last four years since Taiwan opened up to investment from the Mainland, such investment has amounted to about US\$700 million, while Taiwanese investment in the Mainland has amounted to about US\$130 billion. Every country hopes to attract capital since more investment means a better economy and more local jobs. By allowing Mainland investment in Taiwan, the Cross-Strait Trade in Services Agreement will improve economic development in Taiwan and help Taiwanese youth to find jobs locally.

Minister Wang indicated that when the Cross-Strait Economic Cooperation Framework Agreement (ECFA) was signed, some of the early harvest list items had already been highly beneficial to Miaoli's development in areas such as plastic materials, auto parts, textiles and tea. The Cross-Strait Trade in Services Agreement is a follow-up agreement under the ECFA and is expected to further benefit Miaoli residents. "Give and take" is essential to talks between the two sides on free trade in the service market. Therefore, since the Mainland has agreed to open 80 sectors under the Trade in Services Agreement, Taiwan to some extent

also must open to the Mainland. Consequently, Taiwan opened 64 sectors to the Mainland. However, 27 of those sectors had previously been opened. The 37 sectors newly opened this time will help the Taiwanese people to develop in the Mainland market.

In response to media doubts that the Cross-Strait Trade in Services Agreement would enable Mainland restaurants to capture the Taiwanese market and make the local snack food industry go bust, Minister Wang clarified that Mainland investment has been allowed in Taiwan's restaurant industry for four years now and it has not led to a flood of Mainland restaurants in the alleys and corners of Taiwan. Minister Wang emphasized that if Mainland-invested restaurants in Taiwan are unable to satisfy Taiwanese tastes, they will not be able to stay in business. Therefore, Taiwan need not fear competition from the Mainland.