

**Deputy Minister Lin: Trade in Services Agreement creates conditions for internationalization of Taiwan's economy and service sector, and will help add driving energy to Taiwan's whole economy**

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MAC Deputy Minister Lin Chu-chia this morning (July 12<sup>th</sup>) attended a meeting of scholars from the Kaohsiung-Pingtung region, where he explained the benefits of the signing of the Cross-Strait Trade in Services Agreement. The deputy minister said that, besides attracting foreign investment in Taiwan's service industries, the pact could create an internationalized environment for Taiwan's economy and service sector, and could strengthen the message of Taiwan's trade liberalization conveyed abroad. He cited as examples the ANZTEC Economic Cooperation Agreement that Taiwan signed with New Zealand on July 10<sup>th</sup>, and the ongoing negotiation of economic cooperation agreements with Singapore and other countries, which had already reached the flowering and fruition stage. Such progress clearly showed that Taiwan's signing of economic cooperation related agreements with the Mainland was helpful to the international alignment of Taiwan's economy and trade.

To give academics in universities and colleges around Taiwan a better understanding of the government's Mainland policy and the results of implementing cross-strait agreements, and to listen to suggestions from local scholars on government policy, the MAC has in recent years conducted annual series of meetings with academics on a region-by-region basis. Today's meeting, co-chaired by the MAC's Deputy Minister Lin and Professor David Wu, who heads Shu-Te University's Research Center for Cross-Strait Peace, was conducted as a two-way exchange of views with scholars from the Kaohsiung-Pingtung area. The majority of scholars who attended the meeting approved of the MAC going to different localities to explain its policies, as a means of enhancing communication and interaction. They also hoped that the government would continue to strengthen its grass-roots efforts to publicize and explain the Cross-Strait Trade in Services Agreement, to ensure that an accurate message was conveyed to the general public.

Deputy Minister Lin stressed that, in view of the difference in level of liberalization between the markets in Taiwan and the Mainland, the Trade in Services Agreement contained special provision for Taiwan's retention of a mechanism to review Mainland investments in Taiwan. Deputy Minister Lin also said that, to deal with the problem of "hidden rules" that Taiwanese-invested businesses might encounter in the Mainland in the future, we particularly sought the strengthening of mechanisms for liaising and ensuring the effectiveness of the Agreement's enforcement; furthermore, if in the course of carrying out the Agreement we find that it is creating difficulties for our industries, we may demand emergency consultations, and can actively seek solutions to those difficulties.

In response to concerns raised by attending scholars as to adverse effects of the agreement on job opportunities for basic-level workers in Taiwan, Deputy Minister Lin stated that the Agreement would not open the door for Mainland labor to come and work in Taiwan; only as a part of the investment process would it allow Mainland investors and high-level managers to come to Taiwan. This would be controlled according to the amount of the investment, and the number of people approved for entry would be strictly limited. Rather than taking away jobs from Taiwanese workers, the investment induced by the Agreement would create new job opportunities for our own work force, and would certainly not adversely impact Taiwan's employment market.

The Cross-Strait Trade in Services Agreement is a piece of the jigsaw for the completion of ECFA. It will provide a better and more facilitative platform for Taiwan's service industries to penetrate the Mainland market. Taiwan's service enterprises can gain stronger muscle in their industries by combining their specialist advantages with the benefits of access to the Mainland's vast market, and this will help add driving energy to Taiwan's whole economy.