

Wang Yu-chi: Taiwanese People are not Afraid of Competition and will Continue to Profit around the World

July 27, 2013

No. 58

Mainland Affairs Council (MAC) Minister Wang Yu-chi stated today (July 27) that, after the signing of the Cross-Strait Trade in Services Agreement, both sides would mutually open some markets and there will indeed be competition. However, the Taiwanese people have long "traveled worldwide with a suitcase in hand, earning money around the world." The Taiwanese people have never been afraid of competition and "naturally we cannot do less than our uncles now."

This afternoon, the MAC held a temple promotional activity at Dajia Zhenlan Temple in Taichung, the second time this year. President Ma Ying-jeou and Minister Wang explained the benefits of the Cross-Strait Trade in Services Agreement to thousands of local people assembled at the square, as well as provided clarification on misunderstandings and misgivings some had about the Agreement.

Minister Wang stated that the Mainland market is very large and offers considerable opportunities. The government must therefore help Taiwanese companies create better conditions to enter the Mainland market. However, in demanding that the Mainland open its market, Taiwan must of course also open its market in tandem. This is what is called "free trade."

Minister Wang indicated that some people worry that as a result of the

Trade in Services Agreement between the two sides Taiwan will be flooded with Mainland capital and labor, making it difficult for Taiwan's local taxi, restaurant, and other service industries to survive, causing Taiwan's "yellow cabs to turn red," or making snack vendors "go bust." In fact, these are distortions of the truth deliberately spread by some parties. Minister Wang clarified that the Trade in Services Agreement will open Taiwan to Mainland capital, but not to Mainland workers. Therefore, not only will the Agreement not have an adverse impact on Taiwan's job market, but will instead create jobs for local people. Moreover, Taiwan's service industry is competitive and could in fact become a beneficiary of cross-strait market opening.

Minister Wang also stated that allowing Mainland capital to invest in Taiwan under the Trade in Services Agreement could improve the currently disproportionate flows of cross-strait investment by attracting both Mainland capital and more foreign investment to Taiwan. That is to say, "Taiwan wants capital both from Mainland China and foreign countries." The greater the investment, the better Taiwan's economic environment will be and the more job opportunities will be created, so that our next generations will not need to go abroad to find work.

Minister Wang said that the Trade in Services Agreement does "more good than harm" for Taiwan overall. As for its potential impact, the government has prepared comprehensive complementary measures, the people therefore do not need to be overly worried.