

Deputy Minister Chang: The Cross-Strait Trade in Services Agreement expands profit niches for Taiwan's industries, and its ancillary mechanisms safeguard firms' rights and interests

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At a meeting of scholars from the Taichung-Changhua-Nantou region co-hosted by the MAC and Tunghai University this morning (July 19th), MAC Deputy Minister Chang Hsien-Yao said in a speech that the Cross-Strait Trade in Services Agreement was the first free trade agreement concluded between the two sides of the Taiwan Strait on the basis of ECFA and the WTO General Agreement on Trade in Service (GATS). He explained that, once the pact's ancillary mechanisms were in place, it would help Taiwan's firms expand their business in the Mainland market. It would also help build solid foundations for Taiwan's inclusion in the Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP), and other arrangements for regional economic integration.

To give scholars and experts around the country a better understanding of the government's Mainland policy and the results of implementing cross-strait agreements, the MAC annually joins with local universities to co-host meetings with academics in each region of Taiwan. At today's meeting, co-chaired by the MAC's Deputy Minister Chang and Professor Pan Chao-Min, deputy head of Tunghai University's Urban and Regional Development Research Center, Deputy Minister Chang explained the government's Mainland policy position and the main results of institutionalized cross-strait negotiations. He then engaged in a two-way exchange of views with the attending scholars and experts, to take cognizance of their valuable opinions.

Deputy Minister Chang said that the government followed a very clear position and line in promoting its Mainland policy and development of cross-strait relations. It embraced the timely adjustment of laws,

regulations and measures to match progress in all realms of cross-strait exchanges, and engaged in institutionalized cross-strait negotiations to effectively solve problems stemming from cross-strait connections. Exemplification of this could be seen in the signing of the Cross-Strait Trade in Services Agreement on June 21st this year, which further institutionalized the rules and safeguards for protecting service providers' rights and interests on both sides of the Strait, expanded the market scope and increased cooperation among service providers on both sides, and reduced restrictions on cross-strait trade in services. Under the terms of this Agreement, Taiwan opened 64 service sectors and the Mainland opened 80. In particular, the content of the Mainland's opening surpassed the level of its WTO commitments. Many Taiwanese firms would be able to use this Agreement to enter the Mainland market on more favorable terms than firms from other countries, for example, securities firms, banks, online businesses, cultural and creative enterprises, and wholesale and retail vendors are among the service providers that stand to gain significant benefit from this pact.

Deputy Minister Chang stressed that the service sectors opened by Taiwan under the Agreement were ones with the most competitive edge. To take the beauty and hairdressing industry as an example, our service providers in this sector placed a lot of emphasis on quality and skill, and added to their stringent management plus their respectful and thoughtful attentiveness to customer satisfaction, this gave them the strongest competitive edge. At present, Taiwan's large chains of beauty and hairdressing shops have not caused the disappearance of small operators, and our superior service providers in this sector need not be over-worried.

The deputy minister also addressed the concerns expressed in some quarters that the Cross-Strait Trade in Services Agreement could open Taiwan to an influx of Mainland workers, resulting in unemployment of Taiwanese workers. He said that the Agreement did not involve any opening of Taiwan's labor market, and there would not be any problem of Mainland workers coming to take up jobs in Taiwan. On the contrary, by inducing more Mainland investment in Taiwan and luring Mainland firms

to set up business premises here, it would help increase Taiwan's economic output and create additional local job opportunities. In response to Mainland requests for the opening of Taiwan's service industry markets, our respective relevant competent authorities took a rigorous stance in assessing these under the principle of "maximizing benefits and minimizing impacts," to ensure that the overall outcome of the negotiations would result in more advantages than disadvantages for Taiwan. In the future, the MAC will work hard in collaboration with the Ministry of Economic Affairs and other authorities concerned to continue enhancing communication with all sectors of society.

The scholars and experts from Taichung, Changhua and Nantou who attended the meeting took part enthusiastically in the exchange of views, and the atmosphere at the meeting was very lively. The participants felt that this face-to-face mutual communication was helpful in enhancing approval and support for the government's Mainland policy.