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**Trade Policy Review Body
7 and 9 November 2023**

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TRADE POLICY REVIEW

SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

MINUTES OF THE MEETING

Addendum

Chairperson: H.E. Mr Saqer Abdullah Almoqbel (Kingdom of Saudi Arabia)

This document contains the advance written questions and additional questions by WTO Members, and replies provided by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.¹

**Organe d'examen des politiques commerciales
7 et 9 novembre 2023**

EXAMEN DES POLITIQUES COMMERCIALES

TERRITOIRE DOUANIER DISTINCT DE TAIWAN, PENGHU, KINMEN ET MATSU

COMPTE RENDU DE LA RÉUNION

Addendum

Président: S.E. M. Saqer Abdullah Almoqbel (Royaume d'Arabie saoudite)

Le présent document contient les questions écrites communiquées à l'avance par les Membres de l'OMC, leurs questions additionnelles, et les réponses fournies par le Territoire Douanier Distinct de Taiwan, Penghu, Kinmen et Matsu.¹

**Órgano de Examen de las Políticas Comerciales
7 y 9 de noviembre de 2023**

EXAMEN DE LAS POLÍTICAS COMERCIALES

TERRITORIO ADUANERO DISTINTO DE TAIWÁN, PENGHU, KINMEN Y MATSU

ACTA DE LA REUNIÓN

Addendum

Presidente: Excmo. Sr. Saqer Abdullah Almoqbel (Reino de la Arabia Saudita)

En el presente documento figuran las preguntas presentadas anticipadamente por escrito y las preguntas adicionales de los Miembros de la OMC, así como las respuestas facilitadas por el Territorio Aduanero Distinto de Taiwán, Penghu, Kinmen y Matsu.¹

¹ In original language only/En langue originale seulement/En el idioma original solamente.

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ARGENTINA**Documento WT/TPR/S/448:****Pregunta N° 1**

En el ítem 2.13 el informe indica que, en 2017, el Taipéi Chino puso en marcha su Programa Prospectivo de Desarrollo de Infraestructuras, con un horizonte a 30 años, a fin de desarrollar las infraestructuras necesarias para conseguir los objetivos fijados en los NDP. El Programa proporciona fondos para desarrollar proyectos en ámbitos tales como ferrocarriles, gestión del agua, energía más sustentable, infraestructura digital, infraestructura urbana y rural, inocuidad de los alimentos, guarderías y capital humano. La finalidad de este Programa es promover las asociaciones público-privadas y generar oportunidades de empleo en sectores altamente estratégicos.

Es de interés de la Argentina conocer si, en el marco del programa citado, Taipéi Chino aplica o tiene pensado aplicar programas de incentivos a la producción de bienes orientados hacia la economía más sustentable. En caso afirmativo, sírvase indicar cuales son esos programas o proyectos.

Answer: The Ministry of Economic Affairs has launched the Industrial Promotion of Industry and Upgrade and Transformation of Small and Medium-sized Enterprises. This program seeks to guide our industries towards a sustainable economic development and accelerate the integration of low-carbon and smart-related technologies, equipment and management mechanisms in manufacturing process through expert guidance, supports and talent cultivation. For example, we offer incentives for larger enterprises to mentor smaller companies in upgrading and transformation, including optimizing management and deploying low-carbon technologies.

Pregunta N° 2

En los párrafos 2.17 y 2.19 el informe describe la participación y contribución de Taipéi Chino a las diversas actividades de la OMC. En el ítem 2.20 del informe de la Secretaría se establece que, durante el período examinado, el Taipéi Chino participó activamente en las negociaciones sobre subvenciones a la pesca, comercio y salud pública y la reforma de la OMC.

Es de interés de Argentina conocer en qué instancia se encuentra para Taipéi Chino el proceso de ratificación del Acuerdo sobre Subvenciones a la Pesca de la OMC, acordado en la CM12 de 2022.

Answer: The Agreement is already under the ratification process. The instrument of acceptance will be submitted as soon as the process is completed.

Pregunta N° 3

En el Ítem 3.2, el informe menciona que, para despachar las importaciones (o las exportaciones) en aduana, los importadores (o los exportadores) deben registrarse en la Oficina de Comercio Exterior (BOFT). Sin embargo, las personas físicas o jurídicas cuya actividad habitual no sea la importación (o la exportación) pueden importar (o exportar) determinadas mercancías sin necesidad de registrarse, con arreglo a la normativa de la BOFT.

Es de interés de Argentina saber con mayor detalle el proceso para que las personas físicas o jurídicas cuya actividad habitual no sea la importación (o la exportación) pueden importar (o exportar) determinadas mercancías.

Answer: In accordance with Article 9 of the Regulations Governing Import of Commodities and Article 7 of the Regulations Governing Export of Commodities, those who do not engage in the importation/exportation of commodities as a regular business shall apply for an import/export license. However, import/export licensing shall be exempt under the following circumstances: commodities that are not included on the list of commodities subject to import/export restrictions, but are imported/exported by other importers/exporters via marine shipment, airfreight, or parcel post, at an FOB price less than or equivalent to USD 20,000.

Preguntas N° 4 y N° 5

En el párrafo 3.10 el informe menciona que la Administración de Aduanas recauda un derecho por servicios de promoción del comercio que se basa en el costo de las mercancías importadas (o exportadas), y cuyo tipo no puede superar el 0,0425%. Este derecho se destina a financiar el Fondo de Promoción del Comercio. Algunos productos pueden estar exentos de este derecho.

Es de interés de Argentina conocer el listado de mercaderías a las que se hace referencia.

Es de interés de Argentina conocer los productos que se encuentran exentos del derecho por servicios de promoción del comercio y sobre la base de qué criterios se determina tal exención.

Answer: According to Article 21 of the Trade Act, the following imported and exported goods are exempt from trade promotion service fees:

1. Exported goods by government agencies and diplomatic personnel of embassies and consulates of various countries.
2. Exported relief supplies, various special items for self-use ship fixed equipment, fuel, and personal luggage.
3. Goods that have been confiscated in accordance with the law or that the owner has declared to abandon for customs processing.
4. Imported and exported duty-free (exempt) goods in bonded warehouses, bonded factories, logistics centers, science and technology industrial parks, science parks, agricultural science and technology parks, or duty-free shops. However, this does not apply to applications for out-of-warehouse imports from bonded warehouses, applications for out-of-center imports from logistics centers, or other taxable goods approved for domestic sales.
5. Goods exported by free trade port zone enterprises to foreign countries or bonded zones; goods exported from taxable areas or bonded zones to free trade port zones.
6. Re-export and re-shipment of imported and exported goods.
7. Duty-free imports in accordance with relevant provisions of customs laws and regulations. However, this does not apply to items exempt from customs import tariffs.
8. The amount of promotional trade service fees payable or back-paid does not exceed TWD 100.
9. Triangular trade goods.
10. Others approved by the International Trade Administration of the Ministry of Economic Affairs for exemption.

Pregunta N° 6

En el punto 3.16 se explica que los aranceles que gravan los productos agropecuarios oscilan entre 0% y 500%, o entre 0% y 1.069,9% si se tienen en cuenta los EAV. Al igual que cuando se realizó el último examen, la mayoría de los productos agropecuarios siguen beneficiándose de una protección arancelaria superior al promedio, especialmente los cereales y preparaciones a base de cereales (28,7%). Los productos del arroz están gravados con tipos arancelarios no ad Valorem cuyo EAV es del 467,4% para el arroz con cáscara (arroz "paddy") (partida 1006.10.0000 del SA) y del 284,9% para los demás arroces elaborados (partida 1104.29.2000 del SA). A estos productos les siguen los productos lácteos (20,6%). En cuanto a los productos no agropecuarios, los que mayor protección reciben (19,9%) son el pescado y los productos de la pesca, cuyos aranceles que oscilan entre 0% y 50% (o entre 0% y 83,8%, si se tienen en cuenta los EAV) (cuadro A3.1).

Es de interés de Argentina saber si planea el gobierno de Taipéi Chino reducir los elevados aranceles que se registran en el sector agrícola. Si la respuesta es positiva sírvase indicar cuales son esos planes en detalle.

Answer: At present, we have no plans to adjust the tariff rates for agricultural products.

Pregunta N° 7

En el ítem 3.20 el informe indica que, no obstante, si se comparan los tipos consolidados del Taipéi Chino con el Arancel NMF aplicado en 2023 se observa que, respecto de seis líneas arancelarias (las cuales se describen en el cuadro 3.2 del informe), el arancel NMF aplicado está por encima del arancel consolidado.

Es de interés de Argentina conocer la razón o las razones por las cuáles tiene lugar esta discrepancia y si las mismas son subsanadas al momento de realizar la operación de importación.

Answer:

1. *Upon our accession to the WTO in 2002, the "edible offal of rabbits or hares, fresh, chilled or frozen" was classified under TL0208.90.90 (other edible meat offal, fresh, chilled, or frozen other than edible offal of poultry under heading No. 02.06) with the bound rate of 45%. The applied rate of this item has remained 45% since then. In 2006, this item was reclassified under TL0208.10.20 (edible offal of rabbits or hares, fresh, chilled or frozen) in accordance with the WCO's opinion; however, we incorrectly put 20% as its bound rate. This mistake continued in the HS2007 to HS2012 transposition. Therefore, we do not think that our applied rate (45%) exceeds the bound rate, since the correct bound rate should be 45%. And this technical error will be adjusted in the current CTS2017 transposition process.*
2. *For the rest of the tariff lines, the applied rates exceeding the bound rates mainly resulted from the reclassification of the tariff lines. We confirm that the applied rates for the tariff lines should be the same as their respective bound rates recorded in the CTS database. We will amend them as soon as possible.*

Pregunta N° 8

En el ítem 3.22 se indica qué en otros, no hubo importaciones en el marco de los contingentes arancelarios o las tasas de utilización fueron muy bajas (como también ocurrió en 2018), sobre todo en el caso de los bananos, las nueces de areca, las flores secas de un día, los mangos y los pomelos.

Es de interés de Argentina indicar si el gobierno de Taipéi Chino piensa adoptar alguna medida para fomentar una mayor utilización de los contingentes arancelarios subutilizados o no utilizados.

Answer: Our production of bananas, mangoes, and shaddocks is mainly provided to the domestic market. The output of these products is sufficient to meet consumer needs. In addition, fresh fruits are often perishable and are subject to SPS importation standards. Therefore, the low TRQ fill ratios of the aforementioned fruits were attributed to market mechanisms and relevant quarantine requirements. Besides, our dried day lilies are also mainly sold domestically and sufficiently meet consumer demand. The imports of goods are determined by market mechanisms. Therefore, we have no plans to modify the current administration of TRQ.

Pregunta N° 9

En el párrafo 3.30 se explica que, además, por otro lado, los derechos de aduana y los contingentes arancelarios pueden ajustarse para hacer frente a situaciones económicas especiales, gestionar el suministro de mercancías y proporcionar a las industrias unas condiciones de funcionamiento adecuada

Es de interés de Argentina conocer a que se refiere con la frase "situación económicamente especial".

Answer: "Special domestic and/or international economic situations" refers to some unexpected domestic and/or international situations. For example, in recent years, the COVID-19 pandemic has caused a shortage of anti-epidemic materials, and geopolitical conflicts have triggered increases in international raw material prices, which have caused an imbalance of supply and demand in the domestic market and affected stable commodity prices.

Pregunta N° 10

En el inciso 3.40 del informe se explica que también se aplican restricciones a la importación de productos de arroz que contengan variedades de arroz obtenidas localmente que no cuenten con la autorización de la autoridad competente para su cultivo en el exterior. Su importación no está permitida a menos que haya sido aprobada por la autoridad competente.

Es de interés de Argentina conocer el motivo por el cual se aplican restricciones a la importación de productos de arroz mencionadas y en qué consiste el procedimiento por el cual las empresas pueden llevar a cabo su importación.

Answer: In order to protect the interests of plant varieties, we prohibit the importation of rice consignments that contain rice varieties of native origin that are not approved by the competent authorities for overseas cultivation. Any rice that is not among the varieties of native origin are eligible for importation.

AUSTRALIA

WT/TPR/S/448 – WTO Secretariat Report

1 ECONOMIC ENVIRONMENT

1.1 MAIN FEATURES OF THE ECONOMY

Page 11, Paragraph 1.3

Chinese Taipei experienced a decline in its labour force (employed and actively seeking employment) to 11.85 million in 2021-22 (para. 1.3), and its unemployment rate increased over the same period before returning to pre-COVID levels in 2022 (Table 1.1, para. 1.1).

Question 1:

What labour market policies has Chinese Taipei implemented to address the demographic challenges faced due to declining fertility and ageing population?

Answer:

1. In response to the aging population and the declining trend in the working-age population, the "Middle-aged and Elderly Employment Promotion Act" was enforced in 2020 to enhance the labor participation of elderly and middle-aged individuals and encourage the re-employment of older workers. The government offers one-stop employment services and the Senior Workforce Development Service Center, to provide comprehensive and diversified employment opportunities for middle-aged and elderly individuals. Various measures have been implemented to enhance the re-employment of this demographic, eliminating career obstacles and activating the reuse of human resources. Since the enforcement of this law until August 2023, it has facilitated the employment of 314,887 middle-aged and elderly individuals.
2. In order to assist women who have been out of the labor market for more than 2 years due to family reasons, the government offers personalized employment services, and provides incentives to encourage employers to hire women employees, as well as free entrepreneurship courses, counseling and low-interest entrepreneurship loans.

2 TRADE AND INVESTMENT REGIMES

2.4 Investment regime

Page 27, Paragraph 2.33

We would welcome information on the Investment Commission's goal of 'simplifying the procedures of application, review, and approval of overseas investment, based on the criterion of "free in principle, with deliberation for exceptional cases".'

Question 2:

Does the simplification goal apply to inwards direct and portfolio investments or to direct investments only?

Answer:

During the review period, foreign investments application forms and their explanatory notes for required documents have been revised to simplify the application and screening process and to offer a better investment environment for foreign investors.
This revision applies only to direct investments. It does not apply to portfolio investments.

Question 3:

Does the simplification goal involve screening both existing and proposed investments, or screening proposed investments only before investments are made?

Answer:

The simplified process applies to existing investments. For instance, foreign investors who have not altered their holding structures, and who apply to increase their investments, would be applicable to simplified application and screening procedures.

Question 4:

Does the simplification goal involve applying a negative test to screened investments? (i.e. rejection of a screened investment if conditions cannot be found to mitigate a substantial risk, approved with conditions to mitigate a significant risk, or otherwise approved without conditions.)

Answer:

The simplified process includes a negative test.

Question 5:

Does the simplification goal mean the maintenance of no, or a very minimal, negative list of industries, or activities for prohibition, or restriction of investments? (i.e. rejection or approval with conditions decided through the screening process, not prejudicial to the internal regulation of domestic and foreign investments necessary to achieve regulatory objectives.)

Answer:

The simplified process has not abolished the Negative List.

Question 6:

What are the kinds of risks to be considered in the screening of investments?

Answer:

The MOEA's Department of Investment Review (formerly known as MOEAIC), on a case-by-case basis, conducts comprehensive analyses on the foreign investor's background, the target industry to invest in, and the possible effects such investments might have in the future.

If necessary, the competent authorities of the target industry are consulted during the screening process. Moreover, additional documents and screening procedures are required for cases with unusually large investment amounts or those that involve critical industries. Please refer to Critical and Substantial Investment Proposals (CED16) of the Required Documents and Guidance Notes for Foreign Investments.

(https://dir.moea.gov.tw/businessPub.view?lang=en&op_id_one=1)

Question 7:

What is the expected timeframe for achievement of the simplification goal?

Answer:

To fulfill and maintain the simplified process, we conduct regular review and adjustments of the screening process, such as revising the application forms and explanatory notes.

3. TRADE POLICIES AND PRACTICES BY MEASURE**3.2 Measures directly affecting exports****3.2.5 Export finance, insurance, and guarantees****Page 50, Paragraph 3.72**

The report notes that Chinese Taipei provides various export credit facilities to promote exports of goods, services, and technology, including targeting SMEs.

Question 8:

What proportion of target SMEs are agribusiness SMEs? If support is provided to agribusiness SMEs, are the terms on which support is provided consistent with the Nairobi Decision of 2015?

Answer:

Currently, none of the Export-Import Bank (Eximbank)'s target SMEs are agribusiness SMEs.

Page 50, Paragraph 3.7

The report states that, in general, credit may extend up to 10 years. It also reports that the terms of financing differ for each credit facility, citing the example of Eximbank which provides general export credit for up to 2 years.

We note the 2015 WTO Nairobi Ministerial Decision on Export Competition provides for export financing support of no longer than 18 months. It contains rules to minimise the possible distorting

impact of export financing support, including export credits, export credit guarantees and insurance programmes. The definition of what export financing support comprises is broad:

- direct credits/financing, refinancing and interest rate support
- export credit insurance or reinsurance and export credit guarantees
- government-to-government credit agreements covering the imports of agricultural products from the creditor under which some or all of the risk is undertaken by the government of the exporter
- any other form of governmental export credit support, direct or indirect, including deferred invoicing and foreign exchange risk hedging.

Question 9:

Can Chinese Taipei provide further assurance that the export credit and insurances provided for agricultural exports is on commercial terms?

Answer:

The Export-Import Bank (Eximbank) doesn't provide specific export credit and insurance programs for agricultural exports.

Question 10:

For agricultural products, can Chinese Taipei provide further details regarding the duration of export credit and compliance with the Nairobi decision?

Answer:

Currently, the Export-Import Bank (Eximbank) doesn't provide agricultural export insurance.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures affecting production and trade

3.3.1 Incentives

Page 52, Paragraph 3.79 and 3.81

The report states (para. 3.79) that SMEs that invest in innovative R&D may get a tax credit of up to 30% of the income tax payable (Article 35 of the Act for Development of Small and Medium Enterprises see footnote 122 of report). Also, the Small Business Innovation Research (SBIR) programme provides grants to encourage SMEs to engage in innovation and R&D, providing grants for: preliminary research and planning; R&D and detailed planning, and; implementation for one year.

The report states (para. 3.81) that "under the Statute for Industrial Innovation (SII), SMEs may also obtain a 10%-15% tax credit against income tax for R&D expenditures. In January 2023, the SII was amended to offer tax credits against income tax to a company that engages in technological innovation, occupies a key position in global supply chains, and invests in innovative R&D (25% tax credit on income tax) and advanced manufacturing processes (5% tax credit on income tax)".

Question 11:

Could Chinese Taipei please provide detail on the January 2023 amendments to the SII, including eligibility criteria for tax credit for each amendment?

Answer:

Article 10-2 of the Statute for Industrial Innovation was announced in January 2023. It provides a 25% deduction on forward-looking innovation research and development investments and a 5% deduction on advanced process equipment investments. Applicants must meet the following criteria:

1. Holding a key position in the global supply chain.
2. Incurring research and development expenses of at least TWD 6 billion.
3. Achieving a research and development density of 6%.
4. Attaining an effective tax rate of 12% by the year 2023 and 15% starting from 2024.
5. Purchasing advanced process equipment with an expenditure exceeding TWD 10 billion.

Question 12:

Could Chinese Taipei please clarify if SMEs can claim multiple tax credits and grants? Is there a maximum threshold for claims?

Answer:

1. According to the Statute for Industrial Innovation (SII) and Small Business Innovation Research Program (SBIR), the enterprise that has already enjoyed other tax credits, incentives, rewards, or subsidies under other laws and regulations is not eligible to receive the incentives or subsidies for the same matter.
2. According to SII, product innovations for promotion of industrial innovation, or R&D, encouraging enterprises to participate in manpower cultivation in schools and ensuring that there is an adequate supply of industrial human resources. The financial support of a company can apply for must not exceed 50% of the total budget of the project.
3. To encourage SMEs to engage more actively in R&D activities and lower the risk, we have promoted the SBIR program. SBIR provides grants of not more than TWD 5 million per year for each R&D project.

Question 13:

What is the difference between the 10%-15% tax credit against income tax for R&D expenditures and innovative R&D may get a tax credit of up to 30% of the income tax payable?

Answer:

1. According to Article 10 of the SII, the government provides deductions for research and development (R&D) investments. Companies can deduct 15% (upon completion of deduction within the current year) or 10% (within three years of completion) of their corporate income tax liability based on their R&D expenses.
2. Despite enjoying the above tax incentives, companies are not exempt from tax obligations. Therefore, the maximum deductible amount for the current year is 30% of the corporate income tax liability.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.6. Government procurement****3.3.6.1 Legal and institutional framework****Page 66, Paragraph 3.128**

The report states that the Government Procurement Act which was amended in 2019, "abolishes the requirement to specify the reasons for choosing the most advantageous tender instead of the bid with the lowest price, and establishes that the most advantageous tender must be selected for the procurement of certain services above the threshold for publication (TWD 1.5 million)"

Question 14:

Can Chinese Taipei advise which services are subject to the requirement to select the most advantageous tender?

Answer:

When conducting procurement with a value reaching the threshold for publication, the entity may take into account the characteristics of the procurement and actual needs to decide whether to use the most advantageous tender, such as procurement of professional service, technical service, information service, social welfare services, or cultural and creative services.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.6. Government procurement****3.3.6.3 Preferences****Page 69, Paragraph 3.142**

The report states that "where an overseas supplier offers the bid with the lowest price, a procuring entity may award the contract to a local supplier at such price, as long as the goods provided contain at least 50% of local value added, or the construction works or services are locally provided."

Question 15:

Can Chinese Taipei please advise whether the overseas tenderer is given an opportunity to deliver the contract by including at least 50% of local value add, or having the construction works or services to be locally provided?

Answer:

Where the entity conducts the procurement covered by the Agreement on Government Procurement (GPA), price preference is not applicable. For procurement not covered by the GPA, price preference applies only to local suppliers.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.6. Government procurement****3.3.6.3 Preferences****Page 70, Paragraph 3.145**

The report states that entities must award a specific percentage of their intended procurement to SMEs, with a non-binding yearly target percentage currently set at 45%. The report further states that in 2022, 86.85% of government procurements were conducted with SMEs.

Question 16:

Can Chinese Taipei please confirm whether the yearly target percentage represents contracts by value or by volume?

Answer:

The target ratio for contracting or subcontracting by small and medium-sized enterprises is calculated based on the contract amount.

Question 17:

Can Chinese Taipei please confirm whether foreign suppliers are included in the SME count/definition?

Answer:

Foreign suppliers having completed company registration or commercial registration in accordance with the Act for Development of Small and Medium Enterprises are the SMEs referred to in this paragraph.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.6. Government procurement****3.3.6.4 Transparency****Page 70, Paragraph 3.147**

The report states that where the value of a procurement reaches the threshold for publication, a supplier may file a written complaint to the relevant institutions.

Question 18:

Can Chinese Taipei confirm whether there is opportunity for suppliers to file a complaint for procurements conducted below the threshold for publication?

Answer:

For procurements below the threshold for publication, suppliers may still file a written complaint, where the dispute arises from Article 31 (not refunding or returning of bid bond, or recovery thereof) or paragraph 1 of Article 101 (the supplier being notified that it will be published on the Government Procurement Gazette so that it is prohibited from participating in tendering, or being awarded or sub-contracted) of the Government Procurement Act.

TRADE POLICIES BY SECTOR**4.2.2 Energy****Page 85, Paragraph 4.33**

Chinese Taipei has a goal of transitioning to net-zero GHG emissions by 2050. Australia plays an important role as an energy supplier for Chinese Taipei and has a legislated commitment to reach net zero by 2050.

Question 19:

Interested in further information from Chinese Taipei on how it plans to engage with energy supply partners as it manages its own objective of transitioning to net-zero GHG emissions by 2050?

Answer:

We have set an energy transition goal of achieving net-zero carbon emissions by 2050. Therefore, on the path to energy transition, we import low-carbon energy, and also develop independent renewable energy. We welcome relevant domestic and foreign manufacturers to participate in our energy transition in renewable energy and infrastructure development.

WT/TPR/G/488 – Government Report**3. ECONOMIC POLICY AND DEVELOPMENTS****3.5 Inclusive and Sustainable Development****3.5.1 Responding to Climate Change****Page 10, Paragraph 3.25****3.5.2 Inclusiveness: SMEs, Women, Labor, and Indigenous Peoples****Page 11, Paragraph 3.30 and 3.31**

Australia notes the positive steps Chinese Taipei is taking on inclusive and sustainable trade, including through initiatives such as its Women Entrepreneurship Program and Green Finance Action Plan.

Question 20:

Could Chinese Taipei elaborate on its progress with these among other, relevant initiatives?

Answer:

1. Since the launch of our Women's Entrepreneurship Flying Geese Program in 2013, we have assisted over 100 women-led businesses in obtaining more than TWD 2 billion investment. Through the Women's Entrepreneurship Excellence Awards, we have recognized outstanding female entrepreneurs, serving as models and inspiration for more women to engage in entrepreneurial activities, thereby generating economic growth momentum.

2. Green Finance Action Plan:

To encourage the financial industry and businesses to prioritize climate change issues and sustainable development, we continue to promote green finance. In September 2022, the Green Finance Action Plan 3.0 was released, which is implemented through five aspects: deployment, funding, data, empowerment and ecosystem, with a total of 26 specific measures. It focuses on encouraging financial institutions to implement GHG inventory and climate risk management, developing Sustainable Taxonomy, integrating ESG and climate-related information, enhancing sustainable finance training, and establishing cooperation mechanisms to build consensus among financial institutions. The aim is to further advance sustainable development and attain the goal of transitioning to a net-zero economy.

Additionally, to assist stakeholders in sustainable finance to gather information and share their experiences, the FSC is currently establishing a sustainable finance website, which will include information such as the implementation results of green finance action plan, investment and financing resources and statistics, and is expected to launch by the end of 2023. We have made several achievements in promoting the Green Finance Action Plan 3.0, including the release of our Sustainable Taxonomy in December 2022, the establishment of a time schedule for the financial industry to disclose and assure Scope 1 and Scope 2 carbon emissions, and a guideline of Scope 3 accounting and reporting for the financial industry. Additionally, we have also integrated data and built a corporate ESG data platform. The measures and achievements

of the Action Plan are published online and updated regularly, and all content can be accessed through the official FSC website (<https://www.fsc.gov.tw/en/home.jsp?id=419&parentpath=0,4>).

3.5 Inclusive and Sustainable Development

3.5.2 Inclusiveness: SMEs, Women, Labor, and Indigenous Peoples

Page 11, Paragraph 3.34 and 3.36

The report states that to facilitate the empowerment of indigenous peoples, the Indigenous Peoples' Economic and Industrial Development 4-Year Plan (2018-2021) was implemented to bolster the development of indigenous agriculture, cultural creativity, and ecotourism. The report also states that in 2022, the Separate Customs Territory of Chinese Taipei, Penghu, Kinmen and Matsu officially joined the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA), as a founding member alongside New Zealand, Canada, and Australia.

Question 21:

Noting the Indigenous Peoples' Economic and Industrial Development 4-Year Plan (2018-2021) and Chinese Taipei joining the Indigenous Peoples Economic and Trade Cooperation Arrangement, what are some specific trade policy measures Chinese Taipei has utilised to support the empowerment of indigenous Peoples?

Answer:

1. Under the framework of the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Cooperation (ANZTEC) both sides have conducted various cooperative projects on indigenous rights, international economic and trade matters, business development, renewable energy, the film and television industry, talent development, and youth exchanges
2. The Council of Indigenous Peoples (CIP) has assisted the establishment of an indigenous peoples business association and supported its participation in the international events on the issues regarding promoting indigenous peoples economic empowerment and cooperation, such as telemedicine, sustainable agricultural technology, in-depth Indigenous tourism, assisting Indigenous peoples and small businesses in expanding international trade, business matchmaking, talent development.

3.6 Multilateral and Regional Economic Cooperation

3.6.1 Participating in WTO

Page 12, Paragraph 3.41

We note Chinese Taipei's responses to climate change, 2050 net-zero emissions target, and engagement on environmental issues at the WTO, including as a Member of the plurilateral Trade and Environmental Sustainability Structured Discussions (TESSD).

Question 22:

Given the importance of trade in addressing plastics pollution, has Chinese Taipei given consideration to joining the Dialogue on Plastics Pollution?

Answer:

We keep track of the development of informal dialogues at the WTO on this issue, but participation is still subject to evaluation.

BRAZIL**WT/TPR/S/488 –WTO Secretariat Report****Paragraph 3.158**

"Geographical indications (GIs) may be registered in Chinese Taipei as certification marks or collective marks under the Trademark Act. GIs are also governed by other acts, such as the Fair Trade Act, the Tobacco and Alcohol Administration Act, the Regulations Governing the Labelling of the Alcohol Products, and the Commodity Labelling Act".

Question 1:

Does Chinese Taipei experience have any study or an intention to update its legislation in order to harmonize this system that protect GIs as certification or collective mark with those of other countries around the world, which protect their products as Geographical Indicators?

Answer:

To fulfill our commitment under the TRIPS Agreement to safeguard Geographical Indications (GIs), like several other economies, we employ a system that entails active protection through the registration of certification marks or collective marks under the Trademark Act. As of now, we don't find the need to make adjustments to our system.

Paragraph 3.160

"Patent protection in Chinese Taipei remains regulated by the Patent Act and secondary legislation, including the Enforcement Rules of the Patent Act.²⁴⁵ During the review period, the Patent Act was amended to, inter alia, (i) extend the term of protection for the design patent from 12 to 15 years; (ii) loosen restrictions on the division of invention and utility model patent applications after approval; and (iii) specify the period for applying for a post-grant amendment to a utility model patent and for a substantive examination".

Question 2:

How Chinese Taipei understands the relevance of utility models in its national legislation, which have a shorter protection period than industrial designs, and their strength in leveraging national innovation?

Answer:

Our Patent Act is formulated to protect three types of patents: invention, utility model and design patents, whose terms of protection are 20, 10 and 15 years, respectively. A utility model patent can be promptly granted after the formality requirements are met. No substantive examination is needed for utility model applications. Their terms of protection are shorter than invention and design patents, because they are designed for businesses seeking to introduce products with shorter life cycles to quickly respond to market demand.

Paragraph 3.160

"At the WTO, Chinese Taipei is an active member of the TRIPS Council, where it plays a key role in discussions on IP and innovation, including MSME growth through IP, women and IP, IP and microfinance, and public-private collaboration in innovation.²³⁵ Apart from the WTO TRIPS Agreement, Chinese Taipei participates in IPR protection and cooperation under the APEC's Intellectual Property Rights Expert Group (IPEG). Chinese Taipei does not participate in WIPO-administered agreements. However, insofar as it implements the WTO TRIPS Agreement, it also complies with substantive obligations of the main WIPO conventions that are incorporated by reference to this Agreement, such as the Paris Convention, the Berne Convention, the Rome Convention, and the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty)."

Question 3:

Does Chinese Taipei have plans to accede to other IP related agreements?

Answer:

Currently, we receive over 70,000 trademark applications from local residents as well as more than 20,000 from abroad per year. For invention patents, we receive nearly 20,000 applications from local residents, and over 30,000 (about 60%) from abroad per year. It is our firm policy to accede to IP-related international agreements.

Extra Question 4:

A point not highlighted in the TPR would be related to Chinese Taipei's participation in the Patent Prosecution Highway (PPH), of which Brazil is already part and is currently considering joining the most advanced modality, the Global PPH. (Source: <https://www.jpo.go.jp/e/toppage/pph-portal/network.html>). The doubt is due to the low deadlines presented by Chinese Taipei. In other words, what are the motivations that lead Chinese Taipei to join the PPH currently considering that its pending periods do not exceed 13 months?

Answer:

Taiwan Intellectual Property Office (TIPO) is committed to expediting patent prosecution processes. As of the end of July 2023, the average time for process completion of invention patents stands at 14.4 months. Through collaboration with the United States, Japan, Spain, the Republic of Korea, Poland, and Canada in implementing the PPH, TIPO has accepted a total of 10,012 cases, the average first-stage notification period was reduced to 1.7 months, and the average time for process completion was further shortened to 4.8 months at the end of July 2023. This streamlined process offers companies a more efficient route to obtain patents and facilitate the development of their global patent portfolios. We look forward to building more PPH partnerships with other patent offices.

Paragraph 3.3.3: Sanitary and phytosanitary requirements**Question 5:**

With the aim of better compliance with the SPS Agreement, what actions has Chinese Taipei taken to ensure that trade initiatives from third countries are not affected by undue delays in approval procedures?

Answer:

The review procedure and principles are conducted in accordance with the WTO's SPS Agreement, the World Organisation for Animal Health (WOAH), and the International Plant Protection Convention (IPPC) standards. One example of a standard is Article 5 of the WTO SPS Agreement entitled "Assessment of Risk and Determination of the Appropriate Level of Sanitary or Phytosanitary Protection". Applications will be reviewed in a timely manner, without undue delays, after confirming that the documents are sufficient for conducting the risk assessment.

We follow the WTO SPS Agreement and has reasonable channels to process applications for market access of animal-based products from third countries. We rely on scientific evidence and evaluate whether the control measures of third countries is of the same level as ours. They shall provide sufficient evidence that their sanitary or phytosanitary measures are effective and in place.

Question 6:

Taking into account Annex C of the SPS Agreement, what is the average period for the completion of an evaluation process within the risk assessment for animal products?

Answer:

After confirming that the documents received are sufficient, the application will be reviewed. The review period will depend on whether the information is sufficient and meets the needs for conducting the risk assessment.

The risk assessment period and review of market access for animal-based products from exporting countries depend on the completeness of information provided by the exporting country and this would include evidence to prove that the country's sanitary or phytosanitary measures were in place and effectively implemented.

Question 7:

Within the questionnaire phase present in Chinese Taipei's approval procedures, what is the criterion used to advance this phase without further questioning?

Answer:

No additional information would be required when we confirm that the information on the application complied with our regulations and WOH standards, and meets the requirements of a risk assessment.

The completeness of the answers on the questionnaire used in applications for market access of animal-based products also includes sufficient evidence from the exporting country that their sanitary or phytosanitary measures were in place and effectively implemented.

Question 8:

How does Chinese Taipei act to solve undue delays that may occur during its approval procedures?

Answer:

The principles and review procedure are in accordance with the WTO SPS Agreement, the WOH, and IPPC standards. The risk assessment period and review of market access for animal-based products from exporting countries depend on the completeness of information provided by the exporting country and this would include evidence to prove that the country's sanitary or phytosanitary measures were in place and effectively implemented.

Question 9:

With regard to the Harmonization principle of the SPS Agreement and the consideration of the international standards, guidelines and recommendations, what measures has Chinese Taipei adopted to align its procedures with what is recommended by the relevant international organizations?

Answer:

We recognize the concepts of pest or disease and in accordance with Article 3 (Harmonization) and Article 4 (Equivalence) of the WTO SPS Agreement, adopting measures such epidemic-free areas, risk assessment, and acceptance of alternative measures that meet an importing Member's appropriate level of sanitary and phytosanitary protection.

The principles and review procedure are in line with the WTO SPS Agreement and WOH and IPPC standards. The review is carried out according to international standards guidelines and recommendations.

We adhere to the WTO SPS agreement, and we rely on scientific evidence in the formulation of food safety and sanitation management measures. If a measure we established differs from international standards, this measure will be formulated based on reasonable and relevant literature and objective scientific evidence related to the measure while taking into consideration an appropriate level of protection in line with the dietary habits of our citizens.

Question 10:

What criteria does Chinese Taipei use to suspend importation based on animal disease notifications?

Answer:

When the competent authority of the exporting country publishes the disease case report on the World Animal Health Information System (WAHIS), a disease cases report that we deem harmful, we will suspend the importation of animals and animal products according to the WTO SPS Agreement and WOH standards.

Question 11:

In Chinese Taipei's view, what is the definition of "poultry" in the context of live animals, animal products and genetic material and the guidelines of the World Organisation for Animal Health?

Answer:

The definition of animal products is referring to the WTO SPS Agreement and relevant WOH standards. Birds raised for human consumption, meat and its products derived from poultry are regarded as "poultry".

Live Poultry and Fertilized Eggs are qualified as:

1. Poultry and birds of the Aves class older than 72 hours after hatchery, based on the Quarantine Requirements for the Importation of Poultry and Birds.
2. Day-old poultry and birds of Aves class not older than 72 hours after hatchery based on the Quarantine Requirements for the Importation of Day-old Poultry and Birds and Fertilized Eggs.

CHINA**PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT****Page 8, Paragraph 20**

Although overseas investment in certain manufacturing activities remains prohibited or restricted, Chinese Taipei maintains a range of incentives aimed at encouraging technological upgrading and the creation of industrial clusters.

Question 1:

Please give a detailed introduction to what investment prohibitions or restrictions are imposed on which manufacturing sectors, and the reasons for imposing them.

Answer:

1. Regarding the prohibition or restriction of overseas investment in designated manufacturing sectors and the reasons for such measures, please refer to the Table A2.2 of the Secretariat report.
2. Article 7 of the Statute for Investment by Foreign Nationals stipulates that foreign investors are prohibited from investing in industries that may have adverse effects on essential security, public order, good customs and practices, or public health while certain industries are prohibited or restricted by other laws.

Question 2:

Please introduce the specific incentives including detailed content, aiming at encouraging technological upgrading and the creation of industrial clusters.

Answer:

We provide tax deduction measures through the Statute for Industrial Innovation, such as research and development deductions, smart equipment investment deductions, and investment deductions for forward-looking innovative research and advanced process equipment. When companies invest in innovative R&D, purchase smart equipment, 5G, and so on, a certain amount of expenditure can be deducted from their tax liability.

Page 9, Paragraph 22

Key developments included amendments enabling the market entry of Internet-only banks and insurance companies, giving insurers more flexibility to invest their funds, and expanding securities firms' scope of business. Chinese Taipei also established a regulatory sandbox for thematic financial technology experiments, followed by a business trials mechanism for banking, insurance, securities, and futures businesses. Implementation of an open banking framework is ongoing.

Question 3:

Please elaborate on the regulatory sandbox mechanism and the open banking framework.

Answer:

We established the Fintech regulatory sandbox mechanism in accordance with the Financial Technology Development and Innovative Experimentation Act, which was enacted in April 2018. This mechanism is designed to provide a safe environment for approved Fintech experiments. During the experimental period (up to 3 years), applicants are exempt from relevant financial laws and regulations within a specific scope. Through small-scale testing, the feasibility of applying innovative technology in financial services can be examined.

To facilitate the development of an Open Banking policy, the FSC encourages banks to voluntarily implement open banking in three phases, namely Open Information Inquiry, Consumer Information Inquiry, and Transaction Information.

At present, open banking has progressed to the second phase. The scope of opening under this phase includes financial accounts and other related financial transaction information. As it involves consumers' personal information, stricter regulations are required. Therefore, the FSC has worked with the Bankers Association and the Financial Information Services Co. (FISC) to revise relevant self-discipline standards, as well as technical and information security standards.

Page 25, Paragraph 2.19

Chinese Taipei actively participated in WTO discussions and initiatives during the review period. It participated in the Joint Initiative on Electronic Commerce, and it co-sponsored a communication containing ideas to reinvigorate the Work Programme on Electronic Commerce. It was also involved in the negotiations leading to the adoption of the disciplines contained in the Reference Paper on Services Domestic Regulation and submitted its draft Schedule of Specific Commitments as a contribution to the finalization of the negotiations. Chinese Taipei is a member of the Informal Working Group on MSMEs, and was a co-sponsor of the Communication on Trade and Environmental Sustainability, which aims at organizing structured discussions for interested WTO Members as well as a dialogue with external stakeholders on trade and environmental sustainability.

Question 4:

Please elaborate on the considerations of Chinese Taipei on achieving a multilateral outcome for the investment facilitation. Does it align with Chinese Taipei's long-standing position of active participation in WTO discussions?

Answer:

We have been actively participating in various negotiations under the WTO, and we look forward to WTO Members making progress and achieving outcomes on these issues, including actively participating in Investment Facilitation for Development (IFD) meetings with the approach of valuing participants' opinions and continuously following the development and progress of the negotiations. Given that the IFD participants have announced "the conclusion of the negotiations on the text of the Agreement on Investment Facilitation for Development", we need to further seek clarification on some legal issues concerning the outcomes of the negotiation, such as, first, the legal linkage between the agreement and the "Agreement Establishing The World Trade Organization" and its annexes; second, how the IFD Agreement will be legally incorporated as a multilateral or plurilateral agreement.

Page 27-28, Paragraph 2.35

The main legislation governing overseas investment in Chinese Taipei did not change during the review period and was last amended in 1997. This legislation regulates both portfolio investment and FDI, as well as the provision of loans. According to the legislation, the origin of an overseas legal entity is determined by the law under which that entity was incorporated. During the review period, several amendments to the "Statute for Investment by Foreign Nationals" were proposed to encourage overseas investment by simplifying the reporting and approval process. If passed by the legislature, these amendments would replace the existing approval investment process with an *ex post* reporting mechanism, while the screening procedures for investment in certain industries would be tightened.

Question 5:

Please introduce the specific requirements for overseas investment application, screening and approval procedures as well as the legal and regulatory basis for the above requirements.

Answer:

Relevant requirements are set out in Article 8 of the Statute for Investment by Foreign Nationals. (https://dir.moea.gov.tw/businessPub.view?lang=en&op_id_one=1) Prior application and approval are required for foreign investments and changes to investment plans. Please refer to the website of the Department of Investment Review, MOEA (formerly known as MOEAIC) for the details of relevant application procedures and required documents. (<https://dir.moea.gov.tw/english/index.jsp>)

Question 6:

Please introduce the updates on the discussion of the amendment mentioned in this paragraph, and explain the considerations and factual basis for tightening the screening procedures in certain industries under the framework of relaxing investment access restrictions.

Answer:

The draft amendment to the Statute for Investment by Foreign Nationals has lapsed due to the fact that the review process is incomplete. Currently, there is no plan to submit a new draft proposal.

Page 28, Paragraph 2.36

The legal framework for overseas investment includes other specific regulations, such as regulations on the approval of Chinese investments in Chinese Taipei, which were amended in December 2020 to address the increasingly diversified and complex structure of overseas investments and to ensure that investors do not bypass investment control mechanisms.

Question 7:

Please explain the factual and legal basis of the specific regulations amended in December 2020 on the approval of Chinese investment.

Answer:

In response to the increasingly diverse and complex trends in investment holding structures, and with the aim of reducing concerns and risks associated with investments, amendments to relevant criteria have been made in accordance with domestic laws. These changes, authorized by domestic laws and implemented through transparent procedures such as advance notice of draft proposals, adjust the interpretation of aspects like indirect investments and different scope of investments.

Question 8:

Please explain how the specific regulations on the approval of Chinese investments comply with the MFN treatment.

Answer:

The review on the application of foreign investment is not within the scope of WTO rules, so there is no issue of whether it complies with the MFN treatment.

Page 28-29, Paragraph 2.40

During the review period, new incentive programmes were implemented. In 2019, Chinese Taipei launched three reshoring programmes designed to promote the return of local companies to Chinese Taipei and invest in specific sectors, particularly those covered by the "5+2 Innovative Industries Plan". Under these programmes, companies investing in the latter innovative industries may rent land at concessionary rates and have access to finance at preferential rates. As of January 2023, as a result of these incentives, investments worth TWD 1.9 trillion had been attracted.

Question 9:

Please give a detailed introduction to the three reshoring programmes, including the specific subsidies or preferential treatment for companies as well as the conditions that need to be met. How to ensure that the incentives are given without discrimination against overseas investors?

Answer:

1. In 2019, the administration introduced three major investment incentive programs to attract overseas investments and speed up the transformation of enterprises and boost overall economic growth. These three programs increase the availability of land, water, and electricity, and provide a customized single-window for tax services. The administration also shoulders bank service fees and encourages banks to facilitate capital loans to promote investment.
2. For manufacturing industry, companies whose production lines require smart components or systems qualify for application if they meet any of the following conditions, such as at least engaging in one of the 5+2 innovative industries; producing high-value-added products and key components; occupying a key position in the global supply chain; selling in international markets under its own brand.
3. For services sector, companies who provide services require smart processes, and their investments are in line with a major industrial policy are eligible for application.
4. All applicants need to adopt energy-saving measures, to achieve the goal of Net-zero Emissions by 2050.
5. Companies that meet above mentioned conditions are qualified for the three incentive programs. The same conditions apply to overseas investors.

Page 78, Paragraph 4.3

Vulnerability to adverse climatic conditions constitutes another impediment to the sector's growth and productivity. During the review period, Chinese Taipei experienced several weather-related

disasters, including floods and drought. The total disaster-related agricultural loss for 2018-21 was estimated at TWD 34.9 billion.

Question 10:

What has Chinese Taipei done to compensate farmers for losses caused by weather disasters?

Answer:

The government provides cash relief and low interest loans to farmers who have been determined to have suffered agricultural losses from natural disasters in order to help them resume operations.

In accordance with the Directions for Agricultural Natural Disaster Relief, those who qualify for relief are natural persons who practice farming, forestry, fishery, or husbandry. Farmers who suffer agricultural losses due to natural disasters qualify for relief funding if local officers confirm through onsite inspections that the loss reaches 20% or more.

Page 79, Paragraph 4.5

Inward investment in most agriculture (farming, animal husbandry, forestry, fishing, and aquaculture) activities remains restricted (Section 2.4). A "Small Landlords, Big Tenants" programme, in place since 2009, continues to offer various incentives aimed at rejuvenating the agricultural labour structure, expanding farm scale, and providing retirement relief to elderly farmers.

Question 11:

How is the "Small Landlords, Big Tenants" programme going? What measures does the government take according to the plan?

Answer:

To address the problems of aging farmhands, and small land plots or fallow farmland, the Small Landlords and Big Tenants policy has been implemented since 2009. This policy is aimed at senior farmers, who are either incapable or unavailable to engage in farming themselves, to lease their land to professional agricultural managers to engage in farming on a greater scale. Specifically, it encourages young professional farmers or farmer groups to rent the aforementioned farmland and grow crops. In coordination with the policy framework, various policy approaches are carried out, such as financial supports for purchasing production equipment, alternative (contractual) farming, and interest-free or low-interest loans for operation costs. The objective is to improve overall agricultural production efficiency and competitiveness.

Question 12:

Has Chinese Taipei issued new incentive programmes for the continuous decline and aging of rural labor force?

Answer:

Establishing agricultural manpower teams and providing employment incentives to encourage workers to assist with agricultural work in cities and counties that are deemed labor shortage areas. We launched the Rural Community Green Care Program in 2020 tailored to the needs of elderly residents. For example, diverse green care community models have been developed that take into account the characteristics of local agriculture, lifestyles, culture, and ecological resources in order to promote the healthy aging of the elderly in rural areas.

Page 80, Paragraph 4.8

The Council of Agriculture (COA) remains in charge of the Agricultural Credit Guarantee Fund (ACGF) aimed at assisting farmers and fishers with insufficient collateral to obtain agricultural loans. The COA is also the competent authority managing the Fund for Redressing Damage to Farmers Caused by Agriculture Imports and its sub-fund, the Pig Farming Industry Fund, established in 2021. These Funds finance support measures intended to help farmers to cope with the challenges of trade liberalization, accelerate the agriculture sector's structural transformation, and enhance its competitiveness. In January 2021, Chinese Taipei also established an Agricultural Insurance Fund for the purpose of implementing risk-spreading mechanisms, stabilizing the agricultural insurance system's operations and functions, training loss adjusters, and establishing an agricultural insurance

database. Pursuant to the Agricultural Insurance Act, the COA is to inject up to TWD 10 billion into the Fund. The authorities indicate that TWD 0.6 billion have been injected to date.

Question 13:

Could Chinese Taipei elaborate how the funds mentioned in Paragraph 4.8 work by listing specific support measures and how the government finance is involved?

Answer:

1. The Agricultural Credit Guarantee Fund (ACGF):

- (1) The Agricultural Credit Guarantee Fund (ACGF) has been jointly established by the government and contracted financial institutions. The ACGF's primary purpose is to provide credit guarantees for agricultural loans to farmers, fishermen and agriculture businesses, thereby sharing the financing risks of financial institutions.
- (2) When farmers, fishermen, or agricultural businesses require funding for their operations, they apply for agricultural loans from financial institutions. If they lack sufficient collateral, they can request the ACGF to act as a guarantor, thereby enhancing the borrower's credit guarantee capacity. In the event of a loan default after disbursement, the ACGF will step in to make repayments within the guaranteed amount, and then pursue claims from the borrower. This will reduce lending risks for financial institutions.

2. The Ministry of Agriculture (MOA) uses the Agricultural Product Import Damage Assistance Fund to support necessary projects by adjusting industrial structures and implementing preventive measures. Structural adjustments are conducted in the agricultural and food, livestock, aquaculture, and other related industries to redress damage to domestic agricultural products that have likely been caused by agricultural imports. Adjustments or preventive measures include helping farmers switch to other types of business or crops, improve the classification, packaging, and distribution system of products, implement plant and animal quarantine control and management technology, but not limited to these examples. Measures in accordance with the Agricultural Agreement of World Trade Organization, or in compliance with the Agreement of Food Safety Inspection and of the Vaccination and Inspection of Animals and Plants of World Trade Organization are also included.

3. The Pig Farming Industry Fund is a specific project which provides systematic guidance for the pig industry chain. The main measures include encouraging pig farms to introduce modern integrated facilities/equipment and production management methods, promoting the upgrading of the meat cold chain in slaughterhouses and the introduction of the HACCP, and strengthening the hygiene and safety inspection and verification of pork-related products on the market.

4. The Agricultural Insurance Fund:

- (1) The Agricultural Insurance Fund is established with donations from the MOA in accordance with the Agricultural Insurance Law to implement risk dispersion mechanisms and promote agricultural insurance.
- (2) Insurers cede agricultural insurance risks to the TAIF. The TAIF then allocates these risks, retaining some of the risks itself and allocating some to the international reinsurance market.

Question 14:

Is Chinese Taipei planning to notify the relevant measures in accordance with the rules of the Agreement on Agriculture?

Answer:

We have notified the relevant measures in accordance with the rules of the Agreement on Agriculture.

Page 81, Paragraph 4.14

The COA, through its Agriculture and Food Agency (AFA), maintains the exclusive right to import rice on behalf of the public sector, namely 65% of the annual brown rice TRQ quantity (Section 3.1.3.3). During 2018-21, imports of brown rice remained relatively stable while local

production declined steadily. Nevertheless, Chinese Taipei was a net exporter of brown rice in 2020-21 (Table 4.4).

Question 15:

What are the procedures and standards of Chinese Taipei for the quota distribution and utilization of rice?

Answer:

As it committed upon accession to the WTO, we would import 144,720 metric tons of equivalent brown rice each year, 65% of which (94,068 metric tons) is imported by the government under the CSQ (Country Specific Quota), allocated as follows: (1) United States: 64,634 metric tons; (2) Australia: 18,634 metric tons; (3) Thailand: 8,300 metric tons; (4) Egypt: 2,500 metric tons. The rest 35% (50,652 metric tons) is private sector quotas, which is allocated through auction for tariff quota rights.

Question 16:

Paragraph 16 on page 8 of the Report mentions that the production of rice has been declining since 2018, but this paragraph suggests that rice imports have remained unchanged and exports increased. Then how does Chinese Taipei make up for its domestic shortage?

Answer:

As the changes of our eating habits, rice consumption has declined. In 2022 for example, the average annual rice consumption per person was 43.0 kilograms, representing a 5% decrease from the 45.5 kilograms in 2018. This has resulted in serious overproduction of rice in recent years and oversupply. Consequently, rice production has declined since 2018, mainly due to production adjustment measures, there is no shortage of rice.

Page 82, Paragraph 4.16

The COA continues to assist farmers in their global market expansion efforts by conducting and facilitating marketing programmes, supporting participation in overseas exhibitions, and building brand images. Export promotion initiatives cover a broad range of beneficiary products, including fish (tuna, grouper, and tilapia), orchids, tea, soya beans, and fruits (bananas and mangos). During 2018-22, the COA hosted 29 agricultural products marketing events and provided support for participation in 51 international exhibitions and 137 sales promotion activities carried out overseas.

Question 17:

What specific measures does the COA have to support participation in overseas exhibitions and building brand images? Does Chinese Taipei subsidize or exempt the expenses borne by farmers or enterprises for participation in exhibitions or sales promotion activities carried out overseas?

Answer:

The MOA assists farmers to explore global markets by conducting and facilitating marketing programmes, supporting participation in overseas exhibitions, and building brand images. Promotion initiatives cover a broad range of beneficial products, including fish, orchids, tea, soya beans, and fruits. The MOA hosts local agricultural product marketing events and provides support for participation in international exhibitions and sales promotion activities abroad. Overseas event incentives include venue rentals, advertising expenses.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT

Page 9, Paragraph 3.17

On the basis of the 5+2 Industrial Innovation Plan, the government further initiated the Program for Promoting Six Core Strategic Industries in May 2020. The Program covers information and digital industries, the cybersecurity industry, the precision health industry, the green and renewable energy industry, the defense industry, as well as strategic industries and strategic stockpile industries.

Question 18:

Please clarify the specific conditions for enjoying the preferential policies from the above industrial innovation plan, and whether overseas investors can benefit from the above policies.

Answer:

The requirements for eligible supports differ from program to program. If foreign investors meet the relevant criteria, they can apply and enjoy preferential treatment. For example:

1. Business Angel Investment Program: An entrepreneur invests in startups registered in accordance with the Company Act or overseas startups mainly operate in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, limited to newly established startups or startups that are carrying out capital increase (in cash) for expansion and have not been publicly offered or have not entered the capital market (including TWSE-listed, TPEx-listed, or emerging-stock company).
2. The Youth Entrepreneurship Loan: Providing better terms and speedy approval process, e.g. loans of less than one million dollars being approved within seven days. Eligibility is open to domestic businesses registered in accordance with the law, including companies, commerce entities, or limited partnerships that have been registered or registered for less than five years in accordance with the domestic law. If the person in charge of the business is a foreigner, he should hold an entrepreneur visa, employment gold card, or valid residence permit issued by the government when applying for the loan on behalf of the business entity.
3. We provide relevant counseling and guidance programs to assist companies in upgrading their industries. Foreign investors can apply such programs if they meet the criteria. For instance, under the Industrial Upgrading Innovation Platform Guidance Program offered by the Industrial Development Administration of the Ministry of Economic Affairs, foreign entities establishing subsidiaries in accordance with the Company Act that meet the program's criteria are eligible to submit an application.
4. To promote industrial development and facilitate upgrading and transformation, we provide tax incentives and R&D support. In terms of tax incentives, companies engaged in innovative research and development are required to meet specific innovation criteria, excluding general process improvements. Once they fulfill the criteria stated above, the amount spent on smart equipment and technology in the current fiscal year must reach a particular threshold to qualify for tax deductions. Regarding R&D support, companies that investing in research and development should demonstrate innovation, optimization, and product technology development to be eligible for support. Foreign entities establishing subsidiaries in accordance with the Company Act, provided they have investment activities, are eligible to apply.

CHINA – FOLLOW-UP QUESTIONS

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

Page 6, Para 4

The Plan emphasizes the importance of cooperating with civil society and of making relevant information available to the public, as required by law.

Question:

1. What are the specific practices of cooperation?

Answer: According to the Open Government Partnership Handbook, the government invites representatives from civil society and stakeholders to form a taskforce to collaboratively work on the planning, coordination, and execution of the Action Plan. Additionally, the government works with civil society to hold capacity-building workshops and online international webinars.

2. Please introduce the channels through which the information is made public. What information is made public and how often is it released?

Answer: The JOIN Online Platform is the main channel for providing government information disclosure. The main functions of this platform and the content of disclosed information include:

1. Consultation: Announce policies, draft laws and draft regulations that are being discussed and solicit public opinions; the public can immediately comment and engage in online discussions.
2. Proposals: The public can make policy suggestions online, and those who agree with a proposal can directly second it.
3. There are other inter-agency or inter-local government cooperation models such as supervision and participatory auditing and participatory budgeting. These models provide information on the implementation progress of government programs.

Page 7, Para 7

In addition, Chinese Taipei maintains a series of incentives to promote local investment and attract overseas investment, consisting mainly of tax deductions and other support measures.

Question:

3. Please specify whether these incentives are equally applied to local investors and overseas investors, and among investors from all WTO Members? What progress has been made in promoting local investment and attracting overseas investment through providing these incentives?

Answer: In general, the investment incentives are applied equally to domestic and overseas investors. Some incentives for long-term industrial development, focus on specific industries or require certain business activities like R&D.

Furthermore, since 2019, we have been promoting three programs to attract more investments. Applicant enterprises should have either (1) been established in accordance with the Company Act, (2) implement energy-saving measures, or (3) use smart processes in their manufacturing or services. As of October 2023, the total investment approved according to these three conditions exceeded TWD 2.15 trillion, creating over 148,000 jobs.

Page 54, Para 3.90

The BSMI may also adopt related international standards or Chinese Taipei's group standards that already exist when these are technically appropriate and applicable.

Question:

4. Do the "relevant international standards" specifically refer to the standards of the three major standardization organizations, ISO/IEC/ITU? Please list the international standard setting organizations that Chinese Taipei have adopted.

Answer: Standards that are developed based on the principles set out in Annex 2 of the Decisions and Recommendations adopted by the TBT Committee since 1 January 1995 (G/TBT/1/Rev.15) are considered to be international standards. They include, but are not limited to, standards developed by ISO, IEC or ITU.

We do not have a list of organizations that set international standards, but most of the international standards we adopted are those developed by ISO, IEC or ITU.

5. Please introduce the standard system.

Answer: We would like to provide further details on the standards development procedure mentioned in Paragraph 3.90.

The entire development procedure involves 26 technical committees and 1 review council. Additional information about the procedure can be found in the relevant regulations. (<https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=J0100046>).

We also encourage the private sector to participate in standardization activities. The BSMI has recognized 7 entities for their valuable recommendations, comments, and attendance at technical committee meetings.

6. Please describe Chinese Taipei's policy on the adoption of association standards.

Answer: When an international standard does not exist, and there is a need to formulate standards, the standards agency may declare them as CNS, if the scope of application, classification, and conditions are suitable for our domestic conditions.

Page 58, Para 3.106

The FDA, the competent authority governing food safety and sanitation in Chinese Taipei, sets food sanitary requirements based on the principle of risk assessment, as well as on scientific evidence and existing international standards. The FDA has a risk assessment and advisory system, as well as a food sanitation and safety monitoring system. If during monitoring an incidence is found that may be harmful to food sanitation and safety, an inspection is conducted, an alert is issued, and other necessary measures are implemented.

Question:

7. Please describe the main functions of the risk assessment and advisory system as well as the food sanitation and safety monitoring system, and how do those systems provide services for trading enterprises.

Answer:

1. We adhere to the WTO SPS agreement. The formulation of food safety and sanitation management measures is based on scientific evidence through risk assessments, and referencing relevant international standards. We also harmonize with international standards by using the Codex and the food safety standards of advanced countries as references.
2. To safeguard human health and address concerns of food safety, imports of food products are subject to inspection at the border based on sanitation standards. Only compliant imports are allowed to enter into the market.
3. In response to the needs of trading enterprises, the authorities of WTO Members and their trading enterprises can apply for the revision of food-related sanitary requirements.

Page 58, Para 3.107

In addition to setting food-related sanitary requirements, the FDA sets standards for pesticides¹⁷³, veterinary drugs¹⁷⁴, food additives residue limits¹⁷⁵, and labelling of food products.

Question:

8. Please brief us on the consistency of residue limits of pesticides, veterinary drugs and food additives formulated by Chinese Taipei with international standards.

Answer: We adhere to the WTO SPS agreement, and the formulation of food safety and sanitation management measures is based on scientific evidence through risk assessments, while referencing relevant international standards.

If a measure we established differed from international standards, it was because this measure was formulated based on reasonable and relevant literature and objective scientific evidence related to that measure. We also considered the dietary habits of our consumers and provided them with an appropriate level of protection.

Page 60, Para 3.111, 3.113

The FTC and Chinese Taipei's specialized regulatory agencies have complementary competence in regulated sectors.

In December 2022, the FTC released a "White Paper on Competition Policy in the Digital Economy", setting out certain guiding principles for enforcement and suggestions for possible regulatory amendments.

Question:

9. Please elaborate on the division of responsibilities between the FTC and other specialized regulatory agencies.

Answer: The division of responsibilities between the FTC and other sector regulators in competition policy is based on Article 46 of the Fair Trade Act. This article specifies that the Fair Trade Act has precedence over other laws with regards to the governance of any enterprise's conduct in respect of competition. However, this stipulation shall not be applied to where other laws provide relevant provisions that do not conflict with the legislative purposes of the Fair Trade Act.

In addition, the FTC also coordinates with other regulators in the division of work and responsibilities. For example, the FTC collaborates with the National Communications Commission on issues related to declarations, channel listing, removal disputes, and false advertising on radio and television programs. They also coordinate to clarify the laws and regulations that apply to different behaviors of the radio and television industry.

10. Has the FTC established or planned to establish special agency responsible for competition regulation in the digital economy?

Answer: The FTC has not yet established, nor does it plan to establish a special agency responsible for competition regulation in the digital economy.

PART II: OTHER QUESTIONS

Questions:

11. Products listed in the local market access system of Chinese Taipei are required to carry out local testing, and the testing and licensing period is relatively long, generally 4-6 weeks. Will Chinese Taipei strengthen mutual recognition of test reports with Chinese Mainland in the future to shorten the testing and licensing period?

Answer: To facilitate trade and avoid repetitive tests, we have been negotiating Mutual Recognition Agreements (MRA) with trade partners regarding the acceptance of conformity assessments for electrical, electronic and chemical products. Currently, we have signed MRAs with 9 WTO Members and welcome discussions with other Members on this matter.

DOMINICAN REPUBLIC**WT/TPR/S/448 – WTO Secretariat Report****PÁGINA 24****Párrafo 2.4**

La rama judicial se encarga de realizar interpretaciones judiciales, de dictar sentencia y de los casos disciplinarios. El sistema judicial está integrado por el Tribunal Supremo, los Tribunales Superiores y los tribunales de distrito, que se ocupan de los casos civiles y penales; el Alto Tribunal Administrativo, el Tribunal Supremo Administrativo y los tribunales de distrito, que se ocupan de las actuaciones administrativas; y el Tribunal de Propiedad Intelectual y Comercial, que se ocupa de los litigios relativos a la propiedad intelectual.

Question 1:

¿Puede el gobierno de Taipei Chino explicar las razones que impulsaron a establecer un Tribunal de Propiedad Intelectual? ¿Tiene el Tribunal de Propiedad intelectual sus propias normas sustantivas y procesales? ¿Cómo funciona?

Answer:

1. To increase the judiciary's professionalism and efficiency in handling intellectual property cases and to protect intellectual property rights, we established the Intellectual Property Court on 1 July 2008. Also, to properly handle commercial cases, optimize the commercial environment, and further the nation's technological and economic development, the Commercial Court was established on 1 July 2021 and was merged with the Intellectual Property Court into the intellectual Property and Commercial Court.
2. The Intellectual Property and Commercial Court established Intellectual Property Courts and Commercial Courts:
 - (1) For civil, criminal or administrative actions governed by the Patent Act, Trademark Act, Copyright Act, and Trade Secrets Act, the trial procedure is regulated by the Intellectual Property Case Adjudication Act.
 - (2) For actions and non-actions regarding businesses governed by the Company Act, Securities and Exchange Act, and Futures Trading Act, the trial procedure is regulated by the Commercial Case Adjudication Act.

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2.12. Durante el período objeto de examen, se aplicaron dos planes de desarrollo (NDP, por sus siglas en inglés), que se centraron en objetivos económicos, comerciales y de inversión: i) el 17º plan de desarrollo (NDP 2017-2020) y ii) el 18º plan de desarrollo (NDP 2021-2024). El Taipei Chino comenzó a implementar su Nuevo Modelo de Desarrollo Económico 2.0 en el marco del NDP 2021-2024, que aboga por que el Taipei Chino aplique varias estrategias, entre ellas i) centrarse activamente en seis industrias estratégicas clave; ii) seguir promoviendo la innovación y transformación industrial; iii) mejorar el entorno económico para las nuevas empresas tecnológicas (start-ups); iv) convertirse en un centro de despliegue de capital para las empresas asiáticas; y v) desarrollar una economía digital.

Question 2:

¿Cuáles serían las medidas concretas que el gobierno de Taipei Chino implementaría para promover las industrias consideradas clave en el Nuevo Modelo de Desarrollo Económico 2.0? ¿Cuáles son la vinculación de estas medidas con las zonas francas, los parques científicos, las ZEE/parques industriales tecnológicos y los parques de tecnología agropecuaria?

Answer:

1. The government introduced the new economic development model 2.0 in 2020, encompassing three key pillars: innovation and growth, investment and employment, and youth distribution. It aims to promote six core strategic industries, which include information and digital industries, cybersecurity industries, health industries, defense and strategic industries, renewable energy industries and livelihood industries.
2. All the parks are established before the National Development Plan (2021-2024) and are not part of the plan. However, in addition to supporting domestic enterprises, each

park is tasked with facilitating the expansion and internationalization of industries in alignment with its designated functions and roles. This role contributes to the fulfillment of the plan's relevant goals.

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3.85. Las zonas francas son zonas bajo control aduanero creadas con el fin de promover el comercio y, por tanto, el desarrollo económico, facilitando la logística y el sistema de gestión, así como el flujo de mercancías, los servicios financieros y la transferencia de tecnología. Las mercancías, la maquinaria y los equipos que entran en una zona franca están exentos de derechos de aduana y otras cargas que afectan a las importaciones, así como de otras tasas (por ejemplo, tasas por servicios de promoción del comercio y derechos por servicios portuarios).¹³⁸ Para promover el empleo, el Taipei Chino exige que al menos el 60% de todos los empleados contratados en las empresas de zonas francas sean personas físicas del Taipei Chino.¹³⁹ En 2023, hay siete zonas francas establecidas, incluidas seis zonas francas portuarias y una aeroportuaria. Cada zona franca tiene su estrategia de desarrollo propia y está posicionada según su ubicación y la principal industria establecida en la zona circundante para poder crear conglomerados y sinergias industriales. En 2022, el valor de los productos comercializados a través de las zonas francas ascendió a TWD 1,8 billones, y su volumen fue de 4,35 millones de toneladas.

Question 3:

¿Pueden las autoridades de Taipei Chino explicar las medidas llevadas a cabo en las zonas francas para favorecer la formación de conglomerados y sinergias industriales?

Answer:

Free Trade Zones (hereinafter referred to as FTZs) adopt a level of autonomic management and loose administrative controls in order to create niches. There are the following preferential measures and systems provided in the FTZs:

1. Inside the border but outside of customs: goods shall be exempted from relevant duties and taxes and free from the import restrictions set forth in other acts, regulations, or orders.
2. Offering tax preferential:
 - (1) Goods to be transported overseas into a free trade zone by a free-trade-zone enterprise for its operations (including those used to provide warehousing, logistics, assembly, and reassembly services to other enterprises) shall be exempted from customs duty, commodity tax, business tax, tobacco and wine tax, public health and welfare dues on tobacco products, trade promotion service fees, and harbor service dues.
 - (2) Business tax rate is reduced to zero for transactions of commodities, equipment, and services between the FTZs and domestic taxed areas or bonded areas.
 - (3) For profit-seeking enterprises engaged in only preparatory or auxiliary activities and handling procurement, import, storage, or transport in the FTZ area, the sales income shall be 100% exempt from profit-seeking enterprise income tax.
 - (4) Shipping domestic goods into the FTZs shall be deemed exports, and the enterprise concerned may request a duty refund.
3. Allowing in-depth processing: in-depth processing, including assembling, processing, manufacturing, etc., is allowed in the FTZ.
4. Free circulation of goods: Inspection is spared for customs clearance when foreign goods are shipped to or from the FTZs. The same principle also applies to any transfer from one FTZ to another. A monthly consolidated declaration is adopted on the flow of goods between an FTZ and a domestic taxed area or a bonded area to enhance efficiency.

For more information, please refer to <https://taiwan-ftz.com/en/>

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Table 3.11 Principal legislación sanitaria y fitosanitaria, 2022

Reglamento relativo a las Tasas por Servicios de Cuarentena Animal y Vegetal. Las tasas por servicios de cuarentena ascienden al 0,1% del valor f.o.b. de exportación (salvo en el caso de determinados animales, plantas y sus productos) o del valor del derecho de importación.

Question 4:

¿Es viable aplicar tasas advaloren a costos administrativos?

Answer:

Currently, there is no obstacle to collecting quarantine fees based on the FOB value of exported commodities and the duty value of imported commodities. We will continually conduct analyses on the cost of services and an ongoing assessment in accordance with the WTO Agreements and domestic regulations.

PÁGINA 62 (4 Table 3.11, P.56)

Table 3.11 Principal legislación sanitaria y fitosanitaria, 2022

Reglamento de Inspección Sistemática de Alimentos Importados. Define qué es la "inspección sistemática". Enumera los productos sujetos a inspección sistemática.

Question 5:

¿Como funciona en la practica la Inspección sistemática?

Answer:

According to the Regulations for Systematic Inspection of Imported Food, enacted under the Act Governing Food Safety and Sanitation, animal-based products such as meat, fishery, dairy, egg, animal fat, and cervidae origin products are subjected to systematic inspection. The competent authorities of exporting countries shall provide documents in their applications with our inspection authorities. After reviewing the documents, the inspection authorities will do an on-site audit to evaluate the exporting countries' compliance with the food safety management system.

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4.17. En julio de 2017, el COA estableció una ventanilla única agrícola para ayudar a las empresas que se proponen emprender o ampliar actividades en las economías asociadas en el marco de la NSP. La ventanilla única ofrece información y servicios en diversas esferas, con inclusión de los regímenes de inversión, los requisitos de capital, el apoyo técnico, las actividades comerciales, los derechos de propiedad intelectual, la certificación y los mercados laborales. Las autoridades indican que la ventanilla única brindó asistencia a 129 solicitantes en 2020-2022.

Question 6:

¿Implica este servicio algún costo por concepto administrativo para el usuario?

Answer:

The Ministry of Agriculture established a consultation service platform in June 2018 for our agricultural enterprises that want to enter New Southbound markets. The platform provides information on funding sources, market and trade data, and technical support to assist our agricultural enterprises. This service is free of charge.

Question 7:

Cuadro A3. 2 contingentes arancelarios, 2022 y 2023

¿Por qué la tasa de utilización del contingente de banano, mango y pomelos se encuentra en 0%?

Answer:

Our annual production of bananas, mangoes and shaddocks is around 337,000 metric tons, 172,000 metric tons, and 82,000 metric tons, respectively, and mainly provided to the domestic market. The output of these fruits is sufficient to meet consumer needs. In addition, fresh fruits are often perishable and are subject to sanitary and phytosanitary (SPS) importation standards. Therefore, the low TRQ fill ratio of the aforementioned fruits was attributed to market mechanisms and relevant quarantine requirements.

DOMINICAN REPUBLIC – ADDITIONAL QUESTIONS

2. Regímenes de comercio e inversión (página 23)

2.4 Régimen de inversión

"2.33. La Comisión de Inversiones del Ministerio de Asuntos Económicos (MOEAIC) sigue encargándose de filtrar y aprobar las entradas y salidas de flujos de inversión, y de la cooperación técnica. En el desempeño de estas tareas, la Comisión se basa en la política de liberalización económica del Taipéi Chino. El plan de la Comisión incluye objetivos tales como i) simplificar el procedimiento de solicitud, examen y aprobación de la inversión exterior, siguiendo el criterio de "libre ingreso en principio, con deliberación para casos excepcionales"; ii) mejorar los servicios prestados a los inversores del exterior; y iii) asistir a las empresas locales en sus esfuerzos por expandirse e invertir en el exterior". (énfasis agregado)

1. ¿Podrían indicar, con mayores detalles, cuáles son las funciones principales de la Comisión de Inversiones del Ministerio de Asuntos Económicos (MOEAIC) en materia de inversión extranjera?

Answer: The Department of Investment Review, Ministry of Economic Affairs, formerly known as MOEAIC, remains in charge of screening and approving foreign investment. Please refer to the website for more information (<https://dir.moea.gov.tw/about.view?type=atRy&lang=en>).

4. Políticas comerciales, por sectores (página 85)

4.1 Agricultura

4.1.1 Panorama general

"En 2022, la agricultura, la ganadería, la pesca y la silvicultura representaron en conjunto el 1,4% del PIB y el 4,6% del empleo, frente al 1,7% y el 4,9%, respectivamente, en 2018 (cuadro 1.1). Más del 50% de la producción anual del sector durante el período 2018-2021 correspondió al segmento de los cultivos, mientras que la contribución de la silvicultura continuó siendo muy modesta. La importancia relativa de la ganadería en la producción del sector aumentó de forma constante, mientras que la parte correspondiente a la pesca mantuvo en general una tendencia a la baja. Las principales actividades fueron la horticultura y la cría de ganado porcino y de aves de corral (cuadro 4.1). El arroz sigue siendo el alimento básico más importante en el Territorio Aduanero Distinto de Taiwán, Penghu, Kinmen y Matsu (Taipei Chino), aunque tanto la superficie destinada a su cultivo como el volumen de producción han venido disminuyendo de manera constante desde 2018". (énfasis agregado)

2. ¿Cuáles acciones han impedido que se incremente la producción del sector de la pesca al igual que los demás sectores que han aumentado su producción en los últimos años?

Answer: Fluctuating amounts in fishery resources and the varying investments of time and labor put into fisheries, affect the production volume. Weather changes and the overall marine environment are additional factors that affect production volume. So unlike other industries such as livestock or animal husbandry, it is difficult to foresee fisheries production volumes.

3. En sus informes no abordan sobre el Acuerdo sobre Subvenciones a la Pesca adoptado en la Duodécima Conferencia Ministerial (CM12), celebrada del 12 al 17 de junio de 2022. ¿Podrían identificar y proveer un avance o actualización de sus procedimientos internos con respecto a la aceptación e implementación del Acuerdo sobre Subvenciones a la Pesca?

Answer: The Agreement is already under the ratification process. The instrument of acceptance will be submitted as soon as the process is completed.

4. ¿Consideran que este Acuerdo puede fomentar el incremento de la producción del sector de la pesca en forma constante?

Answer: The long-term implementation of Fishery Subsidy Agreement should in the long run, be beneficial for the sustainability of fisheries resources.

EUROPEAN UNION

WT/TPR/G/488 – Government report

1. ECONOMIC AND TRADE ENVIRONMENT

2.1 Economic Overview

2.2 Trends in Foreign Trade

Page 6, Paragraphs 2.8

2.8 [...] Outbound investment was mainly directed to China, ASEAN, and the United States, while inbound investment originated primarily from the European Union and Japan.

Question 1:

Can Chinese Taipei please provide the percentage of FDI originated from the EU and the percentage of outbound investment to the EU, including with respect to which sectors?

Answer:

Please refer to the Table 1.6 of the Secretariat Report which contains the ratio of inward and outward investment flows. The primary sectors of investments from the EU include electronic parts and components, as well as the financial and insurance industries. Investments in the EU are predominantly in the financial and insurance industries, with manufacturing as the second major area of investment.

3.2 Trade and Investment Policy

3.2.1 Trade Policy

3.2.2 Investment Promotion Policy

Page 8, Paragraphs 3.11

3.11 To foster an efficient and supportive investment environment, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has continued to streamline registration requirements for foreign companies, enabling companies to fulfil documentation requirements after registering their branch or representative offices. Concurrently, the approval process for inbound investment has also been simplified, leading to reduced administrative costs for investors.

Question 2:

Can Chinese Taipei please provide further details about the streamlining measures for registration requirements of foreign companies and the revised measures of the approval process for inbound investment?

Answer:

1. Measures to encourage the establishment of foreign branches and representative offices include:
 - (1) Simplifying document requirements: In principle, foreign documents do not require translations, notarization, or certification, and photocopies are acceptable.
 - (2) Photocopies of the ownership document or the letter consent of the owner of the building can be submitted after the approval of the office's registration.
2. We simplified the approval process for inbound foreign investments, such as amending the application forms for foreign investors increasing investments, and the required documents and explanatory notes. We also encouraged the use of online application systems to lower administrative costs.

Page 8-9, Paragraphs 3.13

3.13 On the other hand, the government has intensified its efforts to attract investment from multinational corporations, with a focus on high-tech industries such as critical materials and equipment for the semiconductor sector, as well as renewable energy. Throughout the review period, several corporations from the United States, the European Union, as well as Asia, either made new investments or expanded their existing investments in those areas.

Question 3:

Can Chinese Taipei provide the numbers of EU investment to Chinese Taipei's renewable energy?

Answer:

Take offshore wind power investment as examples, six investment projects were approved by the Committee of Investment Review (formerly known as the MOEAIC Commissioners' Meeting) in 2022, with an investment amount of TWD 91 billion. The major investors were from Denmark and the Netherlands. One investment project from Luxembourg with the amount of TWD 2.04 billion was approved in 2021. In 2020 and 2019, five and four cases with total investment amount to TWD 37.3 billion and TWD 32 billion respectively. The main investment countries were Denmark and Germany. In 2018, one investment case from Denmark had an approximate value of TWD 520 million.

Page 9, Paragraphs 3.17

3.17 On the basis of the 5+2 Industrial Innovation Plan, the government further initiated the Program for Promoting Six Core Strategic Industries in May 2020. The Program covers information and digital industries, the cybersecurity industry, the precision health industry, the green and renewable energy industry, the defence industry, as well as strategic industries and strategic stockpile industries.

Question 4:

Could Chinese Taipei explain how it achieves defence autonomy through government procurement projects?

Answer:

1. According to the 5+2 Industrial Innovation Plan, the government promotes the policy of using defense needs to stimulate civilian development, focusing on key technologies that align with military strategy and industrial advantages, to broaden our capacities to produce Indigenous Aircraft, Indigenous Vessels and submarines independently.
2. For the purpose of carrying out the basic guidelines of defense autonomy, the Defense Industry Development Act is enacted for combining abilities from the government and the private sectors to achieve the prior goal of domestic weapons and equipment research and development (R&D), production, manufacture and logistic support. The development of defense industry shall be accorded to this Act. According to this Act, the government has to consider the procurement of regulated military material in accordance with Government Procurement Act. The article 14 to 18 formulate the procurement of regulated military material and build the defense industry qualified supplier.

Question 5:

Could Chinese Taipei explain why local content requirements, the so-called industrial relevance projects and the forced transformation of technology, have been utilized to develop its renewable energy?

Answer:

1. The goal of the Industrial Relevance Program (IRP) policy is for integrating our local companies into global supply chain and enhancing international cooperation to ensure our energy security.
2. We don't require forced technology transfer. We encourage developers to cooperate with local suppliers.

3.6 Multilateral and Regional Economic Cooperation**Page 12, paragraph 3.38**

3.38. The government also actively engaged in the negotiations before and after the 12th WTO Ministerial Conference (MC12). It supported the Ministerial Declaration on the Emergency Response to Food Insecurity and relevant resolutions to address global food security challenges. It is committed to ongoing participation and cooperation with all Members to promote global food security. It actively participated in related negotiations, aiming to establish resilience for future pandemics while ensuring protection for innovative research and development. The ratification process for the WTO Agreement on Fisheries Subsidies has been set in motion. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is actively engaging in negotiations for the second phase of the Agreement, focusing on addressing subsidies related to overcapacity and overfishing, aiming at advancing sustainable development goals in the fisheries sector. Lastly, in order to support the continued growth of digital trade and global digital economy development, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu supports the extension of the

moratorium on customs duties on electronic transmissions, and expects to reach a resolution for a permanent moratorium to increase stability and predictability in digital trade and integrate global SMEs into international trade supply chains.

Question 6:

Could Chinese Taipei please provide further information on the expected timeframe of its acceptance of the Agreement on Fisheries Subsidies Agreement?

Answer:

The Agreement is already under the ratification process. The instrument of acceptance will be submitted as soon as the process is completed.

Application for CPTPP membership:

Page 13, Paragraph 3.6.3

3.45. Recognizing the significance of accession to the CPTPP, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has placed great importance on this endeavor. In September 2021, a formal request for accession to the CPTPP was submitted to the depositary country, New Zealand, and diligent preparations are currently underway to pursue accession. During the review period, it completed all necessary legislative amendments to meet the high standards of the CPTPP.

Question 7:

Could Chinese Taipei please elaborate on the latest state of play regarding its application to accede to the CPTPP.

Answer:

We are both able and willing to meet the CPTPP's high standards in terms of rules and market access, and has completed all of the necessary preparations for its accession to the CPTPP. We have explained in detail its efforts as well as the reasons why it is the most suitable candidate for the next round of CPTPP expansion to its members. We maintain close contact with every CPTPP member and are currently awaiting further instructions from CPTPP members regarding our application.

3.6.4 Bilateral and Other Regional Economic Participation

Page 13, Paragraphs 3.46

3.46. As of the end of 2022, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu had concluded free trade agreements (FTAs) and economic cooperation agreements (ECAs) with 11 trade partners. In June 2022, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu and the United States jointly announced the US-Taiwan Initiative on 21st-Century Trade, aiming to build a sound regulatory framework to enhance mutual trade relations based on shared common values. The first agreement was signed in June 2023. At present, it has also entered into 32 bilateral investment agreements (BIAs) with various trading partners.

Question 8:

Could Chinese Taipei please explain the benefits for other WTO members from the US-Taiwan Initiative on 21st-Century Trade, notably the Customs procedures?

Answer:

The US-Taiwan Initiative on 21st-Century Trade will help promote fair market competition, enhance the transparency of information, lower transaction costs for businesses, and bring more business opportunities to small- and medium-sized enterprises. This will in turn boost the confidence of the international community in us, strengthen the foundation of trust with like-minded countries, and allow closer ties between supply chains. These are overall improvements to our entire system, and demonstrate that we are not only closely connected to the international community but also quite capable of implementing agreements with high-standard commitments. We are willing to commence negotiations on bilateral agreements with our trading partners, including the European Union.

With respect to customs procedures, the overall enhancement of trade facilitation measures would also systematically improve the efficiency of customs procedures, which is beneficial to all our trading partners.

Question 9:

Could Chinese Taipei offer assurances that the US-Taiwan Initiative on 21st-Century Trade will not lead to any discrimination towards other WTO members?

Answer:

The US-Taiwan Initiative on 21st-Century Trade aims to achieve an agreement with high-standard commitments to support mutually beneficial trade, leading to freer, fairer markets and robust economic growth. It brings benefits to our economic and trade system as a whole. Also, we abide by international trade rules and are willing to commence negotiations on bilateral agreements with our trading partners, including the European Union, in order to achieve reciprocity and mutual prosperity.

3.8 Aid for Trade**Page 15, paragraph 3.55**

3.55. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu actively engages in Aid for Trade initiatives, collaborating with other partner Members to address global development challenges. Leveraging its technological capabilities to support sustainable development, efforts are being made through bilateral and multilateral aid and technical assistance programs. These endeavors are aimed at making a significant contribution to the international community.

Question 10:

Chinese Taipei is a major fishing entity. As it also actively engages in aid for trade initiatives, would Chinese Taipei consider contributing to the WTO fisheries funding mechanism to assist developing Members to implement the Agreement on Fisheries Subsidies?

Answer:

The Agreement on Fisheries Subsidies adopted at the WTOS's MC 12 marked a major step forward for ocean sustainability. This Fisheries Funding Mechanism will provide developing and LDC countries with targeted technical assistance and capacity building to implement the agreement and curb harmful fisheries subsidies. We are willing to work closely with the WTO Members to build a more resilient and sustainable future for our oceans and fisheries.

WT/TPR/S/448 – WTO Secretariat report**1. ECONOMIC ENVIRONMENT****1.3.2 Trends and patterns in inward direct investment****Page 20, Paragraphs 1.24**

1.24 Outward investment flows decreased during the period under review. [...] China was the main investment destination throughout the review period. Other destinations that account for substantial shares of Chinese Taipei's outward investment include the British Overseas Territories in the Caribbean in 2018 and 2019, the United States in 2020, Japan in 2021, and Singapore in 2021 and 2022.

Question 11:

Could Chinese Taipei provide further details about its outbound investments to the EU, notably the sectors in which these investments are being made?

Answer:

From 2018 to 2021, finance and insurance remained the largest investment sectors (mainly in the wind power green energy industry). In 2022, the primary investment sector shifted to basic metals manufacturing, followed by finance and insurance. During the review period, there were investments in sectors such as electronic parts and components, wholesale, and retail trade, among others.

2. TRADE AND INVESTMENT REGIMES**2.1 General framework****Page 22, Paragraphs 2.1**

The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) is governed by the principle of separation of powers, namely, the executive, legislature, judiciary, examination,

and control branches. Their overall structure and functions have remained broadly unchanged since the previous Review conducted in 2018.

Question 12:

During the review period, Chinese Taipei implemented government-restructuring plans involving several government bodies. Could Chinese Taipei explain the changes in the functions of these agencies?

Answer:

1. In response to the latest trends and emerging issues, such as supply chain restructuring, achieving net-zero emissions by 2050, and fostering industrial innovation, our government has undergone significant restructuring since 2022.
2. In August 2022, the Ministry of Digital Affairs was established to integrate the fields of information, cybersecurity, telecommunication, communication, and the internet and to plan the overall digital development policy. The Ministry of Agriculture and the Ministry of Environment was upgraded in August 2023 to address the challenge of climate change and achieve sustainability.

Page 22, Paragraphs 2.1

2.3 [...] All bills and regulations regarding trade, investment, or intellectual property rights (IPRs) are published for public comment prior to being submitted to the legislature. In 2016, the comment period was extended from 14 days to 60 days and, as of 2017, bills and draft regulations must be published on the Public Policy Online Participation Platform. In 2018, to further increase transparency, the Directions for Implementing Online Participation in Public Policy were amended to require all authorities to respond to comments.

Question 13:

Could Chinese Taipei submit additional information about the public communication process regarding offshore wind power policies?

Answer:

During the formulation of offshore wind power policies, we have collected opinions from various stakeholders by organizing public meetings. Foreign investors and relevant stakeholders who are involved in our offshore wind power development have been invited to express their opinions. We also publish information on the website of the Energy Administration and provide single service window for wind power.

Question 14:

Additionally, could Chinese Taipei provide further details on how transparency and fairness to foreign investors are ensured in this process?

Answer:

Regarding public communications on offshore wind power policies, information of public meetings and relevant drafts will be available in advance on the websites of the Energy Administration and the Single Service Window for Wind Power. Investors can directly participate in the discussion or provide opinions.

Page 23, Paragraphs 2.7

2.7 The MOEA [...] deals with issues such as the imposition of safeguard measures and the determination of injury under anti-dumping and countervailing investigations; Export Processing Zones (EPZs) and related incentives; small and medium-sized enterprises (SMEs); standardization, metrology, and product inspection; and IPRs.

Question 15:

Could Chinese Taipei elaborate the incentives it provided to the companies located in Export Processing Zones?

Answer:

In accordance with Article 21 of the Act for the Establishment and Administration of Technology Industrial Parks, import taxes, commodity taxes, business taxes, and deed taxes will be exempted in the park. The customs duty will be exempted for machinery and equipment aged over 5 years and shipping out of the park.

Page 24, Paragraphs 2.13

2.13 In 2017, Chinese Taipei launched its Forward-looking Infrastructure Development Program, with a 30-year horizon, to ensure the development of the infrastructure needed to attain the goals stated in the NDPs. The Program provides funding to develop projects in, *inter alia*, railways, water management, green energy, digital infrastructure, urban and rural infrastructure, food safety, childcare facilities, and human capital. This Program seeks to promote private-public partnerships and create employment opportunities in highly strategic sectors.

Question 16:

Could Chinese Taipei explain the framework of private-public partnerships, notably how does it operate and engage with foreign businesses especially in the sectors of light duty railways and green energy?

Answer:

The private-public partnerships are conducted through open tendering in accordance with the Government Procurement Act. This includes sectors such as railways and green energy.

Our Government Procurement Act stipulates that the participation of foreign suppliers in procurement cases is subject to the requirements of the WTO GPA or ECAs. In other cases, bids are open to foreign suppliers as per the needs of the government entity.

Page 24, Paragraphs 2.14

2.14 The "5+2 Innovative Industries Plan" aims to boost industrial development and enhance the start-up ecosystem. The Plan's purpose is to shift the industrial base away from the production of parts and components towards high-value-added services and total solutions. Launched in 2016, the Plan was designed to complement the New Model for Economic Development. Initially covering five industries (intelligent machinery, Asia Silicon Valley, green energy, biomedicine, and aerospace) of strategic importance for linking local industries to global markets, two other areas (high-value agriculture and the circular economy) were added later.

Question 17:

Could Chinese Taipei provide detailed information about the subsidies offered to companies involved in the 5+2 sectors?

Answer:

The requirements for eligible supports differ from program to program. If foreign investors meet the relevant criteria, they can apply and enjoy preferential treatment. For example:

1. Business Angel Investment Program: An entrepreneur invests in startups registered in accordance with the Company Act or overseas startups mainly operate in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, limited to newly established startups or startups that are carrying out capital increase (in cash) for expansion and have not been publicly offered or have not entered the capital market (including TWSE-listed, TPEx-listed, or emerging-stock company).
2. The Youth Entrepreneurship Loan: Providing better terms and speedy approval process, e.g. loans of less than one million dollars being approved within seven days. Eligibility is open to domestic businesses registered in accordance with the law, including companies, commerce entities, or limited partnerships that have been registered or registered for less than five years in accordance with the domestic law. If the person in charge of the business is a foreigner, he should hold an entrepreneur visa, employment gold card, or valid residence permit issued by the government when applying for the loan on behalf of the business entity.
3. We provide relevant counseling and guidance programs to assist companies in upgrading their industries. Foreign investors can apply such programs if they meet the criteria. For instance, under the Industrial Upgrading Innovation Platform Guidance Program offered by the Industrial Development Administration of the Ministry of Economic Affairs, foreign entities establishing subsidiaries in accordance with the Company Act that meet the program's criteria are eligible to submit an application.
4. To promote industrial development and facilitate upgrading and transformation, we provide tax incentives and R&D support. In terms of tax incentives, companies engaged in innovative research and development are required to meet specific innovation criteria, excluding general process improvements. Once they fulfill the criteria stated above, the

amount spent on smart equipment and technology in the current fiscal year must reach a particular threshold to qualify for tax deductions. Regarding R&D support, companies that investing in research and development should demonstrate innovation, optimization, and product technology development to be eligible for support. Foreign entities establishing subsidiaries in accordance with the Company Act, provided they have investment activities, are eligible to apply.

Question 18:

Additionally, how does Chinese Taipei advance its green energy initiatives by leveraging technology from foreign companies?

Answer:

1. In the field of green energy, we have been actively cooperating with Members on renewable energy technologies. For example, we have established platforms to enhance bilateral cooperation on green energy technologies and forward-looking technologies, such as hydrogen and CCUS.
2. With the potential to develop various types of renewable energy, we set up stable and long-term energy transition policies and renewables development targets. The FIT mechanism with a 20-year guaranteed purchase is adopted to encourage domestic and foreign manufacturers to participate in our green energy development plan. Our policy objectives and incentives effectively draw investments from leading global technology innovators.

Page 24, Paragraphs 2.16

2.16 During the review period, Chinese Taipei drafted for the first time an Action Plan (2021-2024), which aims at promoting transparency, accountability, participation, and inclusion, emphasizing the importance of cooperating with civil society and of making relevant information available to the public, as required by law. In addition to the Public Policy Online Participation Platform, Chinese Taipei implemented a programme under which executive agencies must designate a liaison officer responsible for communicating with stakeholders during all steps of policy development.

Question 19:

Could Chinese Taipei provide specific details on how offshore wind power policies were communicated with the public and foreign investors within the framework of this Action plan?

Answer:

We have established a single service window for wind power to assist in resolving development obstacles and accelerating administrative processes. In addition, we have held meetings to communicate with various stakeholders during the formulation of our policies.

2.3 Trade agreements and arrangements

2.4 Investment regime

Page 28, Paragraphs 2.36

2.36 The legal framework for overseas investment includes other specific regulations, such as regulations on the approval of Chinese investments in Chinese Taipei, which were amended in December 2020 to address the increasingly diversified and complex structure of overseas investments and to ensure that investors do not bypass investment control mechanisms. The amended Regulations introduce stricter criteria for identifying investment made through third-area intermediaries, expand the scope of investment activities subject to regulatory approval, and tighten restrictions on investment with political or military affiliations.

Question 20:

Could Chinese Taipei outline its approach for identifying Chinese investors, who invest in Chinese Taipei via third countries/areas and evaluate the effectiveness of the newly implemented restrictions on such investors operating through third-area channels?

Answer:

We require overseas investors to (1) apply for prior permission/approval, (2) declare their identities according to the regulations, and (3) provide shareholders and directors structure upon request as supporting documents.

Page 28, Paragraphs 2.37

2.37 In accordance with the legislation, all overseas investors require an approval by the MOEAIC to invest in Chinese Taipei, except for investments in EPZs or Science Parks, which must be approved by the relevant specialized agency. For overseas investment in restricted sectors, an approval by the relevant specialized agency, in addition to the MOEAIC approval, is required.

Question 21:

Could Chinese Taipei clarify if foreign investments in Export Processing Zones (EPZs) or Science Parks are subject to different regulations compared to investments approved by MOEAIC?

Answer:

The Statute for Investment by Foreign Nationals applies to all inbound investments, regardless of whether the investments are located inside or outside the technology industrial parks (formerly known as the EPZs) or Science Parks.

Question 22:

Which specific agency is responsible for approving investments in science parks?

Answer:

The competent authorities are the Science Park Bureaus under the National Science and Technology Council.

Question 23:

Are the foreign investments in EPZs and Science Parks included in the investment statistics published by MOEAIC?

Answer:

Foreign investments approved in technology industrial parks (formerly known as the EPZs) and Science Parks are included in the MOEA foreign investments statistics.

Page 28, Paragraphs 2.38

2.38 Banned and restricted activities in Chinese Taipei are specified in Chinese Taipei's negative list (prohibited and restricted industries) for inward investment, which was last amended in 2018. The list is regularly reviewed, and updated if necessary. Overseas investors are banned from investing in certain areas in order to safeguard security, public order, good customs and practices, or public health. Investment in other industries is banned or restricted by specific laws.

Question 24:

Could Chinese Taipei please provide clarification on how frequently the negative list for inward investment is reviewed?

Answer:

The MOEA's Department of Investment Review, (formerly known as MOEAIC) conducts an internal review every year and, when necessary, consults with the relevant competent authorities of the target businesses.

2.40. Chinese Taipei maintains a series of incentives to promote local investment and attract overseas investment, which, in addition to the ones provided under the Free Trade Zones (FTZs), the Science Parks, EPZs/Technology Industrial Parks (TIPs), and the Agricultural Technology Parks (Section 3.3.1), consist mainly of tax deductions and other support measures (Table 2.1). During the review period, new incentive programmes were implemented. In 2019, Chinese Taipei launched three reshoring programmes designed to promote the return of local companies to Chinese Taipei and invest in specific sectors, particularly those covered by the "5+2 Innovative Industries Plan". Under these programmes, companies investing in the latter innovative industries may rent land at concessionary rates and have access to finance at preferential rates. As of January 2023, as a result of these incentives, investments worth TWD 1.9 trillion had been attracted.

Question 25:

Could Chinese Taipei please clarify if foreign companies and foreign investments are subject to the tax incentives in Article 10 of the Statute for Industrial Innovation (SII)?

Answer:

1. Applicants must be companies established in accordance with the Company Act.
2. Foreign entities that have established subsidiaries in accordance with relevant regulations and meet the applicable criteria are also eligible to apply.

3.1.1 Customs procedures, valuation, and requirements**Page 32, Paragraphs 3.2**

3.2. In general, importers (and exporters) must register with the BOFT to clear imports/exports through Customs. However, individuals or organizations whose regular business is not to import (and export) may import (and export) specific goods without registration, following the regulations stipulated by the BOFT. Import (and export) registration may be suspended, for instance, if goods infringe intellectual property rights (IPR) or if trade promotion fees are not paid. Importers/exporters whose registration has been revoked or nullified by the BOFT may reregister two years after such revocation or nullification.

Question 26:

Could Chinese Taipei explain the difference between the "Customs Administration and Trade Facilitation" chapter in the first agreement under the US-Taiwan Initiative on 21st Century Trade and the current customs procedures?

Answer:

The "Customs Administration and Trade Facilitation" chapter in the first agreement under the US-Taiwan Initiative on 21st Century Trade and our current customs procedures include:

1. Advance Rulings: (1) In addition to importers and their agents, exporter, importer, producer, or that has a justifiable cause, or a representative will be allowed to apply for advance rulings on tariff classification, valuation, or country of origin. (2) The decisions for advance rulings will remain effective unless modified or revoked.
2. Express Shipments: the simplified declaration are qualified for express consignments below TWD 75,000 (USD 2,500). In addition, qualified importers of express consignments will be eligible for periodic consolidated payments of duty/tax/fee or the imposition of flat percentage duty rates on express consignments. (2) The aforementioned provisions include a transitional period of at least three years.
3. Limits the use of consular transactions for cross-border shipments.
4. Returned Goods: (1) Notably, domestic or foreign non-perishable goods exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the US, which are later returned from the US for specified reasons and re-imported within three years after exportation, may be eligible for duty exemption. (2) Our Customs has established a mechanism governing the refund of customs duties for goods re-exported due to rejection by the importer or purchase after importation.

Our Customs has promulgated administrative rules to regulate the import/export trade conducted in accordance with the "Customs Administration and Trade Facilitation" chapter of the US-Taiwan Initiative on 21st Century Trade. Both sides will continue to promote electronic customs clearance and simplify border management procedures so as to expedite the customs clearance of goods and reduce time and costs for traders.

Page 32, Paragraphs 3.4

3.4 The CPT Single Window is a paperless electronic window, which has been operational since 2013. As at 2022, there were 31 agencies participating in the CPT Single Window. Documents may be submitted either in electronic or paper format; almost 100% of all customs declarations were processed electronically. All services offered by the CPT Single Window are free of charge. However, there is an access service fee to transmit data, which varies according to the time of transmission. The upper bounded fee rate is regulated by the Ministry of Finance (MOF): TWD 1.72 per KB at peak hours (9:00 a.m. to 5:00 p.m. on weekdays) and TWD 1.07 per KB at off-peak hours.

Question 27:

As per the information from the business representations, a considerable administrative burden remains. Therefore, could the Chinese Taipei explain what further steps are being taken to facilitate the import/customs procedures to a bigger extent?

Answer:

We have facilitated relevant measures through the CPT Single Window, such as online duty payment, newly added contact information for inquiries about import customs procedures, etc. We also continue to conduct opinion surveys and receive positive feedback from system users and related associations. We sincerely welcome suggestions from WTO Members, and we will further facilitate customs procedures to meet business needs and international trends.

3.2.3 Export prohibitions, restrictions, and licensing**Page 46, Paragraphs 3.61**

3.61 The BOFT on a yearly basis compiles a list of restricted export commodities in accordance with export regulations. Chinese Taipei imposes export restrictions on specific trading partners, and on an MFN basis on the same grounds as import prohibitions. During the COVID-19 pandemic, a temporary export ban was imposed on masks with a specific filtering efficiency (HS 6307.90.50) (24 January to 31 May 2020), and on fever thermometers (HS 9025.19.90) (4 March to 31 March 2020).

Question 28:

Could Chinese Taipei please provide more details on how it control the exports (including the anti-circumvention measures) of the goods listed on the export control list published on 21 September 2023?

Answer:

Our implementation of export controls is based on specific commodities, regions, entities, and the Catch-All Principle.

First, regarding commodities, we have established an Export Control List for Dual-Use Items and Technology and a Common Military List. Both lists referenced the lists of major export control organizations and are updated annually.

Second, we have formulated lists of sensitive commodities for certain countries in response to UN Security Council sanctions.

Moreover, we have established an entity list, which covers the items on the sanction list of the UN Security Council, as well as those on the sanction lists of allied countries. Currently, our list is reviewed quarterly.

Finally, we have adopted the Catch-All Principle. Hence, non-strategic high-tech commodities are also subject to controls if the end-users or end-users could potentially be involved in the proliferation of weapons of mass destruction (WMD).

Regarding anti-circumvention measures, we consistently monitor statistics concerning specific goods exported to regions near certain countries, which enables the competent authorities to detect abnormal bilateral trade patterns. Our authorities also regularly conduct outreach to companies concerning regulatory updates and exchanges on best practices so that they can properly carry out due diligence. As such, we hope to raise the awareness of companies about the importance of complying with regulations and understanding their responsibilities in conducting business.

3.3.2 Standards and other technical requirements**Page 56, Paragraph 3.94**

3.94 The number of products that require mandatory inspection by the BSMI increased from 1,224 in 2018 to 1,356 in 2022. During 2018-22, 165 items were added, and 33 items were removed from the List of Regulated Products. According to the authorities, all of the added products were notified to the WTO TBT Committee. Most of the products that are regulated are mechanical products, electrical and electronics products, and textiles.

Question 29:

Could Chinese Taipei specify the criteria by which BSMI decides what products require mandatory inspection?

Answer:

The criteria for determining whether a product is subject to mandatory inspection are as follows:

- (1) Safety, sanitary, and environmental factors of the products;
- (2) Incidents happened domestically and internationally;
- (3) Alternative management methods apart from mandatory inspection;
- (4) Capabilities and capacities of government and private sectors for conformity assessment;
- (5) Availability of inspection standards for the product;
- (6) Expectations from the public;
- (7) Technical regulations adopted by other WTO members;
- (8) Industry opinion on regulating the products; and
- (9) Impact on industrial development.

Page 56, Paragraph 3.95

3.95. To facilitate conformity assessment procedures for the industry and trading partners, Chinese Taipei has several mutual recognition arrangements (MRAs); these mainly cover electrical and electronic products. Some MRAs only cover the recognition of test reports, while others are more comprehensive, with recognition extending to certificates. Testing laboratories or certification bodies are designated under different MRAs, which allow products for export to the other contracting party to be tested locally.

Question 30:

Could Chinese Taipei explain if there are alternative practical solutions in absence of MRAs for organic products?

Answer:

According to Article 17 of the Organic Agriculture Promotion Act, imported agricultural products shall meet one of the following conditions before they can be sold, labelled or advertised as organic:

1. Certified by a domestic or foreign certification body accredited by us, given that the certification procedures are performed within the territory prescribed on the accreditation certificate.
2. Certified by a certification body accredited by a country or a WTO Member that is in organic equivalence with us, given that the certification procedures are performed within the territory of the accrediting country or a WTO Member, reviewed and qualified by the Central Competent Authority at the request of the importer, and issued with an approval document.

Manufacturers of the EU can also apply for the overseas certification of organic agricultural products from the certification body (within the territory or overseas) approved by us before exporting and selling organic products.

Page 57, Paragraph 3.98

The main institution responsible for developing and implementing SPS measures also remains unchanged since 2018. The Ministry of Health and Welfare (MOHW), through its implementing agency the Food and Drug Administration (FDA), continues to deal with issues related to food safety and sanitation and is responsible for, inter alia, ensuring quality and safety of food, medical products, and cosmetics; SPS inspection and certification procedures; and food labelling. The BAPHIQ, under the COA, safeguards and ensures the quality and safety of imports of agricultural products; manages quarantine services to prevent and control animal and plant diseases and pests; and is the WTO enquiry point/notification authority for SPS issues. Other agencies such as the BSMI, under the MOEA, and the Customs Administration are also involved in the procedures to set and/or implement SPS measures.

Question 31:

EU businesses face considerable burden with regard to food labelling. Could Chinese Taipei specify the regulations that have to be followed, the steps that have to be taken and any possible intentions it has to facilitate this procedure?

Answer:

1. The container or external packaging of food shall be labelled in Traditional Chinese in accordance with Article 22 of the Act Governing Food Safety and Sanitation. The nutrition labeling for prepackaged food shall comply with the Regulations on Nutrition Labeling for Prepackaged Food Products.
2. When food labelling regulations were promulgated, we notified WTO members in accordance with the WTO/TBT Agreement and we provided a 60-day comment period. Moreover, there is generally a transition period between the promulgation and implementation of regulations regarding food products labels.

3.3.3.1 Sanitary and phytosanitary measures**Page 57, Paragraph 3.98**

3.98 The BAPHIQ, under the COA, safeguards and ensures the quality and safety of imports of agricultural products; manages quarantine services to prevent and control animal and plant diseases and pests; and is the WTO enquiry point/notification authority for SPS issues website.

Question 32:

The EU understands that there is a new institution responsible for SPS matters, APHIA. Could Chinese Taipei please explain any difference in the competencies and responsibilities of APHIA with regard to those previously entrusted to BAPHIQ?

Answer:

The Animal and Plant Health Inspection Agency (APHIA), Ministry of Agriculture, is not a new authority. Due to the re-structuring of government agencies, the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), Council of Agriculture, was renamed APHIA. The competencies and responsibilities of APHIA remain the same as BAPHIQ.

Page 57, Paragraph 3.99

3.99 Chinese Taipei sets and amends SPS measures according to international standards, guidelines, or recommendations, and scientific evidence.

Question 33:

Can Chinese Taipei then confirm that it does not set up standards that deviate from international standards without a specific justification in a risk assessment? If yes, is this risk assessment publicly available?

Answer:

The principles applied and the review procedure conducted for the risk assessment of import commodities are in accordance with the WTO SPS Agreement, as well as standards, guidelines and recommendations from the World Organisation for Animal Health (WOAH) and the International Plant Protection Convention (IPPC) standards, guidelines and recommendations.

If some of our regulations were to differ from international standards, we will re-formulate them based on relevant literature and objective scientific evidence, and based on the total dietary intake of our consumers.

We would, as much as possible, and under the confidentiality and privacy permitted by the laws, provide additional information if Members requested other documents used in the formulation of measures, such as risk assessments, relevant studies and expert opinions.

Question 34:

Could Chinese Taipei confirm if it recognizes the WOAH official status granted to its Members on certain diseases, including but not limited to BSE, Classical Swine Fever or Foot and Mouth Disease?

Answer:

The review procedure and principles of recognition of infectious animal disease-free status are conducted in accordance with WTO SPS Agreement and relevant WOAH standards. The procedure will be reviewed and assessed in a timely manner according to international standards.

Page 58, Paragraph 3.105

3.105 To monitor and prevent the entrance and dissemination of plant diseases and pests, the BAPHIQ may publicly notify the types and scope of specific plant diseases and pests, and establish a monitoring or surveying programme accordingly;

Question 35:

Could Chinese Taipei please explain if indeed publishes a list of regulated pests and indicate the website address where this is published?

Answer:

According to published scientific evidence and the results of pests risk assessment, there are currently 1,430 species (website: <https://www.aphia.gov.tw/en/>) of quarantine pests listed. The list conforms with international standards, guidelines and recommendations.

Page 59, Paragraph 3.109

3.109. "Upon arrival, imported products may be subject to different types of inspection [..]"

Question 36:

Could Chinese Taipei clarify if its import approval procedures are equitable and non-discriminatory with regard to domestic products, as per Annex C of the WTO SPS Agreement?

Answer:

The application will be reviewed in a timely manner after confirming that the documents of import commodity are sufficient. The review procedure and principles are conducted in accordance with the WTO SPS Agreement and WOH and IPPC standards, guidelines and recommendations. The risk management measures are adopted based on the pest risk assessment results. All comply with equitable and non-discrimination principles that are applicable to all WTO Members.

Page 59, Paragraphs 3.110

3.110. During 2018-23 (June), Chinese Taipei made 161 regular notifications to the WTO SPS Committee. Most of them (101) were related to food safety or to protect human health, 32 to protect plant health, and 26 to protect animal health. Two of the regular notifications were temporary measures taken as a result of the COVID-19 pandemic; they related to alternative methods to submit food safety and sanitation certificates, and original veterinary and phytosanitary certificates. Five notifications indicated that emergency measures were taken, four of which were taken for plant protection and one for animal protection. Fifty-six of the measures notified by Chinese Taipei were not based on international standards. Four specific trade concerns were raised in relation to the measures adopted by Chinese Taipei regarding new procedures for the recognition of infectious animal disease-free status of a trading partner; import restrictions on poultry and beef; phytosanitary risk assessment procedure on imports of fresh vegetables and fruits; and general import restrictions due to bovine spongiform encephalitis (BSE). This last concern has been raised since 2004 and was last raised in 2020.

Question 37:

Are there plans to take measures to simplify (including improved transparency and length) procedures regarding the recognition of infectious animal disease-free status applied by EU Member States?

Answer:

The review procedure and principles of recognition of infectious animal disease-free status are conducted in accordance with WTO SPS Agreement and relevant WOH standards. The procedure will be reviewed and assessed in a timely manner according to the international standards.

Question 38:

According to the WTO Secretariat's report, Chinese Taipei adopted several measures which are not based on international standards. An example of such an approach is the non-recognition of regionalization in the respective WTO Members. This approach effectively prohibits the import of products that should have been, according to the SPS Agreement, admitted to the Chinese Taipei's market. Therefore, may Chinese Taipei specify its further steps toward recognizing regionalization, especially with regard to avian influenza?

Answer:

The review procedure and principles of recognition of infectious animal disease-free status are conducted in accordance with WTO SPS Agreement and relevant WOH standards.

The procedure will be reviewed and assessed in a timely manner according to international standards. On 23 November 2021, we notified the WTO of its regulations for the recognition of infectious animal disease-free status and zoning (regionalization). The regulations entered into force on 1 December 2021. In addition, the Highly Pathogenic Avian Influenza (HPAI) zoning measures of the US, Canada, Australia and France have been recognized and implemented.

Question 39:

Could Chinese Taipei indicate the timing for the lifting of the current impediments to beef imports from EU Member States free from BSE?

Answer:

1. The review principles applied and the procedure are in accordance with the WTO SPS Agreement and the World Organisation for Animal Health (WOAH) standards. When the exporting countries' infectious animal diseases-free status and the official control of meat inspection are complied with the relevant regulations, the bans will be lifted according to the results of the risk assessment.

2. Meat imports have to go through rigorous review procedures, including documents review, on-site audit and risk assessments. Countries with a history of BSE cases need to submit BSE control measures documents, a food safety questionnaire, and an animal health questionnaire. When the review committee completes the technical evaluation, the review is conducted by a coordination mechanism among relevant ministries.

3.3.6 Government procurement**3.3.6.3 Preferences****Page 69, Paragraphs 3.143**

3.143. "Preferential treatment for local suppliers is granted to the extent that it is not prohibited by the arrangements to which Chinese Taipei is a party. Where an overseas supplier offers the bid with the lowest price for a procurement reaching the threshold for publication, a procuring entity may award the contract to a local supplier at a higher price not exceeding 3% and five years".

Question 40:

Forced Local Content Requirements (LCRs) in the framework of the Taiwanese Offshore Wind Plan entail a heavy burden for developers and high costs for consumers. Does Chinese Taipei intend to introduce flexibility in LCR requirements for the forthcoming rounds of the Offshore Wind Plan?

Answer:

We are currently consulting public opinions and views on our offshore wind power plans. During the policy formulation process, we have incorporated comments from various stakeholders.

4 TRADE POLICIES BY SECTOR**4.1 Agriculture****Page 80, Paragraph 4.9**

4.9. "The main laws governing the sector remain the Agricultural Development Act, the Forestry Act, and the Fisheries Act. During the review period, amendments were made to, inter alia, the Farmer Health Insurance Act and the Fisheries Act. Chinese Taipei also enacted the Organic Agriculture Promotion Act (30 May 2018), the Act for Distant Water Fisheries (20 July 2016), the Agricultural Insurance Act (27 May 2020), the Farmer Pension Act (10 June 2020), and the Irrigation Act (22 July 2020). On 1 October 2020, all irrigation associations operating in Chinese Taipei were formally absorbed by a newly established Irrigation Agency under the COA".

Question 41:

According to the reply provided by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu following the 2018 Trade Policy Review (WT/TPR/M/377/Add.1 of 28 January 2019 – EU

question No 7 – WT/TPR/S/377 – WTO Secretariat Report): "...(2) The producers are authorized by a foreign certification body that obtained accreditation from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. These approaches resemble those of the EU".

According to the relevant provisions of the EU, in order for control authorities and control bodies to be recognised to certify operators in third countries for the import of organic products into the EU, an accreditation body outside the Union, that is a signatory of a multilateral recognition arrangement under the auspices of the International Accreditation Forum, can provide their accreditation (see Article 46(3)(b) of Regulation (EU) 2018/848). Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu explain why it is not accepting such approach for the accreditation of foreign certification bodies to certify operators according to the requirements of the Organic Agriculture Promotion Act?

Answer:

According to Article 11 of the Organic Agriculture Promotion Act, any institution or legal entity shall not engage in the following accreditation activities until submitting the application documents and obtaining permission from the Central Competent Authority. Also, Article 17 of the Organic Agriculture Promotion Act, imported agricultural products certified by a domestic or foreign certification body accredited by us, given that the certification procedures are performed within the territory prescribed on the accreditation certificate can be sold, labelled or advertised as organic.

If the accreditation body or certification body of the EU meets the conditions stipulated in the Regulations for Approving and Supervising Organic Accreditation Bodies, it can also apply to the overseas accreditation body or certification body, and certify organic operators in third countries for the organic products.

4.2.2 Energy

4.2.2.1 Overview

Page 84, Paragraphs 4.29

4.29 The energy sector remains governed mainly by the Energy Administration Act, the Petroleum Administration Act, the Natural Gas Enterprise Act, the Electricity Act, and the Renewable Energy Development Act. Following a referendum carried out in November 2018, the Electricity Act was amended on 22 May 2019 to abolish the provision stipulating the decommissioning of nuclear power generation equipment by 2025.

Question 42:

Could Chinese Taipei provide an update on the current status of its nuclear power plants, including any plans or progress related to decommissioning and share its future decommission plans?

Answer:

We have three nuclear power plants, namely First, Second and Third Nuclear Power Plant. Each power plant has 2 units. The operation licenses of the 2 units of First Nuclear Power Plant were expired on 5 December 2018 and 15 July 2019 respectively, entering the decommissioning stage. The operation licenses of the two units of Second Nuclear Plant were expired on 27 December 2021 and 14 March 2023 respectively, entering the decommissioning stage. The two units of Third nuclear power plant are still in operation.

Page 84, Paragraphs 4.29

"4.30. In May 2019, an amendment of the Renewable Energy Development Act introduced local authorities' competence to support the reviewing process of renewable energy generation equipment (up to 2,000 kW capacity);

Question 43:

Could Chinese Taipei please specify whether the local authorities' competence to support the reviewing process of renewable energy generation equipment (up to 2,000 kW capacity) also includes the possibility to establish Local Content Requirements (LCRs). Could you please provide more ample details on possible LCR rules in place in your jurisdiction and possible future plans in this regard as far as renewables are concerned?

Answer:

In accordance with the Renewable Energy Power Generation Equipment Installation Regulation, we conduct reviews of renewable energy power generation equipment, including energy category, device capacity, certification procedure. Localization requirement is not included.

Page 85, Paragraphs 4.33

4.33 Energy policy continued to be influenced by the Greenhouse Gas Reduction and Management Act (2015), which was superseded by the Climate Change Response Act on 15 February 2023. The new Act upgraded Chinese Taipei's framework for GHG reduction and formalized its goal of transitioning to net-zero GHG emissions by 2050. Key innovations include the introduction of a carbon pricing mechanism and a complementary incentive mechanism for emissions reduction.

Question 44:

The EU noted that Chinese Taipei is implementing its net-zero roadmap, including the introduction of a carbon pricing mechanism. Could Chinese Taipei provide information about the plans of the carbon pricing scheme and the timeframe to introduce the mechanism? Does Chinese Taipei have plans to impose carbon border tax in near future?

Answer:

1. In 2023, a carbon fee scheme was created following the passage of the Climate Change Response Act. The planned schedule is as follows:
 - (1) Relevant regulations of carbon fee imposition are expected to be proposed by the end of 2023;
 - (2) Emissions of carbon fee collection targets in 2024 shall be covered by the pricing scheme.
2. We have not yet planned to start implementation a carbon border tax.

Page 85, Paragraphs 4.34

"4.34. Under its Industrial Energy Technology Programme, the BOE offers subsidies to Chinese Taipei-registered companies that seek to develop innovative energy technologies and enhance energy industries' specialization".

Question 45:

Could Chinese Taipei please provide more ample details on this subsidy programme, how foreign companies can benefit from it and how many European green tech companies have so far already profited from the programme?

Answer:

The Industrial Energy Technology Program offers incentives to registered companies in accordance with the Company Act. The companies who receive incentives can work with foreign companies to bring in advanced international technologies.

4.2.2.2 Electricity**Page 86, Paragraphs 4.36**

4.36 The electricity subsector comprises "Taipower" (TPC), nine independent power producers (IPPs), and 79 producers for own consumption (self-producers). TPC retains the exclusive right for electricity transmission and distribution; the company owns the power grid and is responsible for power system balancing. Meeting the statutory reserve margin (supply capacity exceeding peak demand by at least 15%) is the shared responsibility of all market players that sell electricity to end-users. The authorities indicate that TPC makes continuous efforts to upgrade infrastructure and expand the electricity grid's coverage, with a focus on promoting renewable energy.

Question 46:

Could Chinese Taipei please elaborate on whether there is an existing mechanism, set of guidelines, or transparent business platform that enable private power producer to effectively fulfil their shared responsibility for maintaining the statutory reserve margin especially in the context of offshore wind power production?

Answer:

To ensure a stable and safe power supply, generating and retailing enterprises selling electric energy to end-users must prepare an appropriate reserve margin based on their electricity sales, as per the Electricity Act and Administrative Regulations on Reserve Margin. To meet this requirement, an electricity generating enterprise may utilize its resources or purchase from other electricity generating enterprises, self-use Power Generation Equipment, or demand response providers. Moreover, capacity transactions primarily occur through bilateral arrangements and can be conducted via the power trading platform established by Taipower. Our capacity transactions are still mainly bilateral transactions. The required obligation capacity can be obtained through transactions via the power trading platform established by Taipower.

Page 86, Paragraphs 4.36

4.37 [...] Non-renewable power producers are allowed to sell electricity only to TPC. All businesses that own electricity generation equipment must contribute to the Fund to Facilitate the Development of Electric Power.

Question 47:

Could Chinese Taipei please provide a comprehensive explanation of the purpose behind toll collection for the "Fund to Facilitate the Development of Electric Power"?

Answer:

The purpose of the Fund to Facilitate the Development of Electric Power is to facilitate the development and operation of electric power, to develop the areas in the proximity of the electricity generation, and to bring welfare to the residents.

Question 48:

Additionally, could Chinese Taipei specify the mandated contribution amount from companies and detail how the funds collected through this initiative have been utilized thus far?

Answer:

According to the Fund to Facilitate the Development of Electric Power, different fuel types have corresponding contribution rate, ranging from TWD 0.006 to 0.024 /kWh. The fund is used to support various matter, including residents' health, cultural activities and social welfare, promotion of regional development and employment, and integration of marine ecological environments.

Page 87, Paragraphs 4.38

4.38 Chinese Taipei has implemented a two-stage tendering system for the allocation of envisaged offshore wind energy generation capacity with a view to ensuring economic efficiency and minimizing the fiscal burden of guaranteed power purchase schemes. In the first stage, project developers must meet a score threshold, based on their technical and financial capabilities and their plans to integrate into local supply chains by implementing an industrial relevance programme. The second stage is a price-based competitive auction. In case of identical price bids, project developers are ranked according to their scores on the optional industrial relevance criteria.

Question 49:

Could Chinese Taipei kindly provide an explanation how it implements the industrial relevance programme on offshore wind power? Does the industrial relevance programme involve with forced transformation of technology or forced localization?

Answer:

We don't force the developers to transfer their technology. We take stock what we can offer, and provide platform for matchmaking. We encourage developers to work with local suppliers.

4.3.1 Maritime transport

"4.103. All vessels entering Chinese Taipei's international commercial ports must use towage assistance. The use of pilotage services is compulsory in six of the seven such ports, except for exempted vessels.⁶⁸ The authorities indicate that towage assistance and bunkering services are, in principle, open to competition. Expatriates are not admitted to examinations for the licensing of pilots".

Question 50:

Could Chinese Taipei clarify what types of vessels are exempted from the compulsory use of pilotage services or which conditions do a vessel need to fulfil to be exempted from the compulsory use of pilotage services. Can they also indicate the approximate costs related to these pilotage services?

Answer:

1. According to Article 16 of the Pilotage Law, any domestic vessel of 1,000 tons and above and any foreign vessel of 500 tons and above navigating on any compulsory pilotage district, or entering or leaving any port where compulsory pilotage is required shall hire a pilot. The principles for vessels are exempt from the compulsory use of pilotage services as set in Article 6 of the Pilotage Law, are limited to domestic vessels.
2. The costs or tariffs for pilotage services for each port are formulated by the competent authority in accordance with Article 10 of the Pilotage Law. The tariffs consist of draft costs, tonnage costs, respective surcharges, and other special condition costs. The pilotage tariffs are published on website (<https://www.motcmpb.gov.tw/Article?siteId=1&nodeId=498>).

Page 99, Paragraphs 4.104

4.104 The main legislation governing maritime transport comprises the Shipping Act, the Law of Ships, the Ship Registration Law, the Commercial Port Law, the Pilotage Law, the Seafarer Act, and the Aids to Navigation Act. The Law of Ships was amended in November 2018, with a view to strengthening ship safety management and reassigning relevant inspection responsibilities to the MPB.

Question 51:

Could Chinese Taipei elaborate on the regulations in place for the entry of foreign vessels, such as offshore wind power construction vessels, into its waters?

Answer:

The application procedures for foreign work vessels entering national waters can be found in the Operation Directions for Foreign Flag Ships Apply to Stay in Any Harbor or Port Other Than Those Announced as International Ports. For more details, please refer to the website: <https://www.motcmpb.gov.tw/En/Information?SiteId=2&NodeId=10088>.

Page 100, Paragraphs 4.107

4.107 [...]The main port infrastructure projects launched in Chinese Taipei during 2018-23 include new container and cruise passenger terminals in the Port of Kaohsiung, embankment construction and land reclamation in the Port of Taipei, and construction of wind power wharves in the Port of Taichung.

Question 52:

Could Chinese Taipei kindly provide details about the construction plan for ports aimed at enhancing offshore wind power infrastructure?

Answer:

We have collaborated among the relevant agencies to promote the upgrading of port infrastructure for offshore wind power. This includes offshore wind power underwater foundation, offshore wind power wind turbine pre-assembly/turbine manufacturing area, and offshore wind power operation and maintenance ports.

"4.109. The conditions and requirements for performing commercial air transport services, as well as Chinese Taipei's applied regime on overseas investment in air transport, remained unchanged during the review period.⁷² Carrying passengers, cargo, and mail between two points in Chinese Taipei remains prohibited for overseas air transport operators and overseas aircraft. Domestic passenger and cargo air fares, and airport fees are regulated. Overseas investment in Chinese Taipei-incorporated airlines and airport ground handling (including refuelling) and catering service providers must not exceed 50% of total equity and no individual overseas investor can hold more than 25%.⁷³ Civil air carriers may seek CAA authorization to concurrently operate an airport ground handling service; overseas air carriers are also eligible on a reciprocity basis".

Question 53:

Could Chinese Taipei clarify which specific services they consider to constitute airport ground handling services" and in particular whether these include cargo-handling services?

Answer:

According to Article 2 of the Civil Aviation Act, Airport Ground Handling Service means a service that performs towing and guiding of aircraft on the ramp, loading and unloading of baggage, cargo and meals, and cleaning of aircraft cabins, and operating airbridges, and other associated tasks.

Question 54:

If so, could they also clarify how the 50% foreign equity cap and the 25% equity cap for an individual overseas investor on airport ground handling services are compatible with their trade commitments for cargo handling services under GATS?

Answer:

The Airport Ground Handling Service has been excluded from the commitments and included in our MFN exemptions. The exempted item is Supporting and auxiliary air transport services. Therefore, it is not inconsistent with our GATS commitments.

According to Article 75 of the Civil Aviation Act, a foreign civil air transport enterprise may be permitted to operate airport ground handling services only when the government of the other party grants equal rights to our enterprises under a treaty or agreement, or based on an equal and reciprocal principle. Currently, there are foreign civil air transport enterprises operating their own airport ground handling services at our airports.

EUROPEAN UNION – FOLLOW-UP QUESTIONS

EU Question 8: Could Chinese Taipei please explain the benefits for other WTO members from the U.S.-Taiwan Initiative on 21st-Century Trade, notably the Customs procedures?

Answer:

The US-Taiwan Initiative on 21st-Century Trade will help promote fair market competition, enhance the transparency of information, lower transaction costs for businesses, and bring more business opportunities to small- and medium-sized enterprises. This will in turn boost the confidence of the international community in us, strengthen the foundation of trust with like-minded countries, and allow closer ties between supply chains. These are overall improvements to our entire system, and demonstrate that we are not only closely connected to the international community but also quite capable of implementing agreements with high-standard commitments. We are willing to commence negotiations on bilateral agreements with our trading partners, including the European Union.

With respect to customs procedures, the overall enhancement of trade facilitation measures would also systematically improve the efficiency of customs procedures, which is beneficial to all our trading partners.

EU Question 9: Could Chinese Taipei offer assurances that the U.S.-Taiwan Initiative on 21st-Century Trade will not lead to any discrimination towards other WTO members?

Answer:

The US-Taiwan Initiative on 21st-Century Trade aims to achieve an agreement with high-standard commitments to support mutually beneficial trade, leading to freer, fairer markets and robust economic growth. It brings benefits to our economic and trade system as a whole. Also, we abide by international trade rules and are willing to commence negotiations on bilateral agreements with our trading partners, including the European Union, in order to achieve reciprocity and mutual prosperity.

Follow-up to questions 8 and 9: Could Chinese Taipei be more concrete with respect to the foreseen benefits and please confirm that the enumerated benefits ("will help promote fair market competition, enhance the transparency of information, lower transaction costs for businesses, and bring more business opportunities to small- and medium-sized enterprises"), will also apply for firms not involved in trade with the United States?

Answer: The concrete benefits of the U.S.-Taiwan Initiative on 21st-Century Trade include the streamlining and expediting of customs clearance procedures, bolstering regulatory transparency and encouraging public participation, enhancing transparency in approval processes for service providers, curbing corruption and thereby reducing trade costs and promoting fair market access, and prioritizing support for small- and medium-sized enterprises (SMEs), particularly those of women, disadvantaged groups, and other underserved communities, by facilitating their participation in trade opportunities.

Through mutual commitments with significant economic and trade partners, we are able to continuously enhance our systemic framework, enabling us to meet high-standard commitments. We are willing to negotiate bilateral agreements with trading partners, including the EU, as well as promote bilateral economic and trade exchanges in a mutually beneficial manner.

EU question 33: Can Chinese Taipei then confirm that it does not set up standards that deviate from international standards without a specific justification in a risk assessment? If yes, is this risk assessment publicly available?

Answer:

The principles applied and the review procedure conducted for the risk assessment of import commodities are in accordance with the WTO SPS Agreement, as well as standards, guidelines and recommendations from the World Organisation for Animal Health (WOAH) and the International Plant Protection Convention (IPPC) standards, guidelines and recommendations.

If some of our regulations were to differ from international standards, we will re-formulate them based on relevant literature and objective scientific evidence, and based on the total dietary intake of our consumers.

We would, as much as possible, and under the confidentiality and privacy permitted by the laws, provide additional information if Members requested other documents used in the formulation of measures, such as risk assessments, relevant studies and expert opinions.

EU question 34: Could Chinese Taipei confirm if it recognizes the WOAHP official status granted to its Members on certain diseases, including but not limited to BSE, Classical Swine Fever or Foot and Mouth Disease?

Answer:

The review procedure and principles of recognition of infectious animal disease-free status are conducted in accordance with WTO SPS Agreement and relevant WOAHP standards. The procedure will be reviewed and assessed in a timely manner according to international standards.

EU question 36: Could Chinese Taipei clarify if its import approval procedures are equitable and non-discriminatory with regard to domestic products, as per Annex C of the WTO SPS Agreement?

Answer:

The application will be reviewed in a timely manner after confirming that the documents of import commodity are sufficient. The review procedure and principles are conducted in accordance with the WTO SPS Agreement and WOAHP and IPPC standards, guidelines and recommendations. The risk management measures are adopted based on the pest risk assessment results. All comply with equitable and non-discrimination principles that are applicable to all WTO Members.

Follow-up to questions 33, 34, and 36: Could Chinese Taipei confirm that as stated in its reply, it is ready to ensure that it will follow international standards by automatically recognising the WOAHP official status granted to WOAHP Members, without additional inspections and procedures being necessary?

Answer:

1. Our review procedures and principles for recognition of infectious animal disease-free status are conducted in accordance with the WTO SPS Agreement and relevant WOAHP standards. The procedures are reviewed and assessed in a timely manner according to international standards.
2. We follow the WTO SPS agreement in the formulation of various management measures regarding food safety and sanitation. In conducting risk assessments, we rely on scientific evidence, and use international standards (such as Codex) as references.

If a measure we established differed from international standards, it was because this measure was formulated based on reasonable and relevant literature and objective scientific evidence related to that measure, including the dietary habits of our consumers.

If Members request the relevant documents such as risk assessments, studies and expert opinions used in our formulation of measures, we would provide such information, following the laws regarding confidentiality and privacy.

EU question 37: Are there plans to take measures to simplify (including improved transparency and length) procedures regarding the recognition of infectious animal disease-free status applied by EU Member States?

Answer:

The review procedure and principles of recognition of infectious animal disease-free status are conducted in accordance with WTO SPS Agreement and relevant WOAHP standards. The procedure will be reviewed and assessed in a timely manner according to the international standards.

Follow-up to question 37: Could Chinese Taipei when it will review its procedures to ensure they are based on international standards?

Answer: We do constant reviews of the procedures and principles for recognition of infectious animal disease-free status according to the WTO SPS Agreement and WOAHA standards.

EU question 39: Could Chinese Taipei indicate the timing for the lifting of the current impediments to beef imports from EU Member States free from BSE?

Answer:

1. The review principles applied and the procedure are in accordance with the WTO SPS Agreement and the World Organisation for Animal Health (WOAH) standards. When the exporting countries' infectious animal diseases-free status and the official control of meat inspection are complied with the relevant regulations, the bans will be lifted according to the results of the risk assessment.

2. Meat imports have to go through rigorous review procedures, including documents review, on-site audit and risk assessments. Countries with a history of BSE cases need to submit BSE control measures documents, a food safety questionnaire, and an animal health questionnaire. When the review committee completes the technical evaluation, the review is conducted by a coordination mechanism among relevant ministries.

Follow-up to question 39: Could Chinese Taipei clarify whether it will start to accept the disease status issued by the WOAHA to its Members without the need for additional controls conducted by Chinese Taipei?

Answer: In accordance with the WTO SPS agreement, we have set up reasonable channels for market access applications of animal-origin products from any other country. We also use scientific evidence to evaluate whether the control measures of a country had the same level of effectiveness as ours. We ask countries to provide sufficient evidence that their sanitary or phytosanitary measures were effective and in place.

EU question 45: Could Chinese Taipei please provide more ample details on this subsidy programme, how foreign companies can benefit from it and how many European green tech companies have so far already profited from the programme?

Answer:

The Industrial Energy Technology Program offers incentives to registered companies in accordance with the Company Act. The companies who receive incentives can work with foreign companies to bring in advanced international technologies.

Follow-up to question 45: Could Chinese Taipei confirm that the programme is only open to Chinese Taipei domestic firms and that no foreign or EU companies have thus benefited from this programme?

Answer:

The Industrial Energy Technology Programme provides companies with the opportunity to develop or introduce new energy technologies to assist them in reducing the carbon emissions. Foreign companies can benefit from the Industrial Energy Technology Programme provided that they cooperate with domestic firms. We welcome foreign companies to exchange views and collaborate with domestic firms.

EU question 49: Could Chinese Taipei kindly provide an explanation how it implements the industrial relevance programme on offshore wind power? Does the industrial relevance programme involve with forced transformation of technology or forced localization?

Answer:

We don't force the developers to transfer their technology. We take stock what we can offer, and provide platform for matchmaking. We encourage developers to work with local suppliers.

Follow-up to question 49: Could Chinese Taipei please provide the details on how this "industrial relevance programme" is designed and what you mean by "We take stock what we can offer, and provide platform"? This sentence is not clear. Furthermore, could Chinese Taipei clarify if EU companies can bid for offshore wind energy capacity developments if they do not work with local partners?

Answer: The Ministry of Economic Affairs holds consultations and public briefings with various stakeholders to reach consensus. We match domestic and foreign companies through technical exchanges or business opportunity seminars. EU companies that do not have cooperative arrangements with domestic firms can also participate in the bidding process.

GUATEMALA**Signatura del documento: WT/TPR/S/448 Informe de la Secretaria****SECCIÓN: 3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS****3.1 Medidas que afectan directamente a las importaciones****3.1.5 Prohibiciones, restricciones y licencias de importación.**

"3.37. El Taipei Chino sigue imponiendo prohibiciones, restricciones y licencias de importación para proteger la moral pública, la salud y la vida de las personas, el medio ambiente y las industrias locales; cumplir las obligaciones contraídas en virtud de arreglos internacionales; y ajustar la balanza de pagos, entre otros fines.⁵⁰ La legislación por la que se rige la imposición de obstáculos no arancelarios no ha experimentado cambios sustanciales desde 2018.⁵¹ La autoridad competente es el Ministerio de Asuntos Económicos (MOEA). Las prescripciones en materia de prohibición, restricción o licencia impuestas a las importaciones (exportaciones) pueden suspenderse cuando dejen de existir las razones para imponerlas".

Question 1:

¿Podría la delegación examinada, proporcionarnos información relativa al ajuste en la balanza de pagos, indicando si el desequilibrio ha sido de carácter estructural o coyuntural?

Answer:

From 2020 to 2021, our current account surplus increased mainly because of a larger goods trade surplus and services trade turning to a surplus amid the COVID-19 pandemic.

1. The goods trade surplus widened because the COVID-19 pandemic created buoyant demand for remote working and learning, leading to a rise in exports of our electronic products as well as information and communication products.
2. With the impact of the COVID-19 pandemic, our services trade turned from a deficit to a surplus owing to the following reasons.
 - (1) The COVID-19 pandemic induced global supply chain bottlenecks from 2020 onwards and global freight rates thus trended up significantly, resulting in a substantial increase in international freight proceeds received by our transport operators.
 - (2) Of the various components of our services trade, travel recorded the largest deficit from 2017 to 2019. However, from 2020 onwards, as the COVID-19 border control measures across the world led the number of our outbound travelers to shrink, the deficit on the travel account narrowed considerably.

3.3 Medidas que afectan a la producción y al comercio**3.3.4 Política de competencia y controles de precios****3.3.4.1 Política de competencia**

"3.113. La legislación del Taipei Chino en materia de competencia no se aplica a las prácticas anticompetitivas orientadas a la exportación (incluidos los cárteles) que solo tienen efectos en los mercados exteriores. También se encuentra fuera del alcance de dicha legislación la concesión de ayudas públicas o de un trato fiscal preferente por parte de la administración pública. Durante el período objeto de examen, la FTC publicó directrices sobre las consultas previas a la presentación de notificaciones de fusiones y revisó sus directrices sobre la notificación de fusiones, las prácticas relativas a las franquicias, las alianzas de transporte aéreo civil y la publicidad falsa o que pueda inducir a error. También se introdujeron modificaciones en la reglamentación por la que se rigen las recompensas por la información sobre acciones concertadas ilegales y la notificación de acuerdos relativos a la vinculación de patentes de medicamentos.¹⁸⁸ En diciembre de 2022, la FTC publicó un "Libro Blanco sobre la Política de Competencia en la Economía Digital", en el que se establecen determinados principios básicos sobre la observancia y sugerencias de posibles modificaciones reglamentarias".

Question 2:

¿Podrían explicarnos con mayor detalle por qué se dice que la legislación en materia de competencia solo tiene efectos en los mercados exteriores? y ¿cómo se determinan los efectos para conocerlos con más detalle?

Answer:

1. Article 15, Paragraph 1 of the Fair Trade Act (FTA) stipulates exemptions for concerted actions. Among these exemptions, a "joint export" (which means "entering into

agreements concerning solely the competition in foreign markets for the purpose of securing or promoting exports") can be considered as a requirement eligible for applying for exemption from the Fair Trade Commission, if it is beneficial to the economy as a whole and in the public interest.

2. Based on jurisdiction, anti-competitive practices (excluding exemptions for cartels) having no impact on competition in the local market are not application of the FTA. However, concerns about competition in overseas markets can still be addressed through international cooperation.

3.3.7 Derechos de propiedad intelectual

3.3.7.1 Derecho de autor y derechos conexos

"3.154. También se modificó la Ley de Organizaciones de Gestión Colectiva de los Derechos de Autor para introducir un mecanismo de consulta pública para que la TIPO pueda recibir observaciones de los usuarios del derecho de autor en general al tramitar las solicitudes de permiso presentadas por organizaciones de gestión colectiva. La Ley modificada también establece límites temporales para los directores de organizaciones de gestión colectiva, así como controles internos para garantizar la buena gobernanza, y promueve el uso de tecnología en esas organizaciones para mejorar la gestión y las operaciones. También se reforzó la facultad de la TIPO para supervisar y sancionar a los organismos que infrinjan la ley.240"

Preguntas: En referencia a la Ley de Organizaciones de Gestión Colectiva de los Derechos de Autor:

Question 3:

¿Podrían indicarnos cómo funciona el mecanismo de consulta pública utilizado por la TIPO?

Answer:

When the Taiwan Intellectual Property Office (TIPO) accepts an application for the establishment of a Collective Management Organization (CMO), and verifies that the submitted documents were complete, an announcement of the application will be posted on TIPO's website for a duration of 30 days for public comments. TIPO will treat the public comments as a reference for the review.

Question 4:

¿Cuántas sociedades de gestión existen en funcionamiento actualmente y que tipo de derechos gestionan?

Answer:

Currently, there are five CMOs in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, three of which manage the rights of musical works to public broadcast, public transmission, and public performance.

Of the remaining two, one manages the rights of sound recordings to public broadcast, and to remuneration for public performances, and the rights of audiovisual works to public broadcast and to public presentations; the other one manages the rights of sound recordings to public broadcast and to remuneration for public performances.

Question 5:

¿Utilizan mecanismos de conciliación en caso de controversias en esta materia?

Answer:

In cases of disputes with a CMO regarding user royalties, a party may request the TIPO to mediate. The decision to seek mediation in disputes wholly depends on the needs of the users or rights holders. TIPO currently handles several mediation cases every year.

Signatura del documento: WT/TPR/G/448 Informe de Gobierno

Sección: 2 ENTORNO ECONÓMICO Y COMERCIAL

2.2 Tendencias del Comercio Exterior

Cuadro 3: Principales productos de exportación y de importación del Territorio Aduanero Distinto de Taiwán, Penghu, Kinmen y Matsu, 2018-2022, que se refiere a exportaciones e importaciones, entre paréntesis colocan reexportaciones y reimportaciones.

Question 6:

¿Podría la delegación examinada proporcionarnos una lista detallada sobre los bienes que se reexportan y reimportan, agregando el países de origen y destino?

Answer:

Table 3 shows the top 10 products with total import and export value under Tariff Code 2. We will provide the rest of the information bilaterally.

Our trade statistics are based on the United Nations' International Merchandise Trade Statistics (IMTS) compilation of recommendations. Importing countries are listed as the country of origin, and exporting countries are listed as the last known destination. Due to the large amount of data required, please access the Customs import and export statistics website for more details: <https://portal.sw.nat.gov.tw/APGA/GA30>.

Note: The 2022 data was revised in September 2023 and is slightly different from what was originally provided.

Sección: 3 POLÍTICA ECONÓMICA Y EVOLUCIÓN DE LA ECONOMÍA.**3.2 Política comercial y de inversión,****3.2.1 Política comercial.**

"3.6. El Territorio Aduanero Distinto de Taiwán, Penghu, Kinmen y Matsu es una economía abierta que depende en gran medida del comercio exterior. Entre 2018 y 2022, la tasa de dependencia del comercio aumentó del 101,57% al 118,99%. Esto indica que el comercio exterior fue un factor esencial a la hora de impulsar el crecimiento económico, y que el desarrollo económico está estrechamente relacionado con las fluctuaciones de la economía mundial. En la actualidad, la política de comercio exterior está orientada a promover un crecimiento equilibrado a nivel internacional y unos mercados de exportación diversificados".

3.9. Con el fin de expandirse a mercados emergentes como América Central y del Sur, África y Oriente Medio, el gobierno ha formulado planes estratégicos para estudiar oportunidades de negocio. El Fondo de Garantía del Crédito Exterior ofrece apoyo financiero para facilitar la entrada de empresas en esos mercados. Como consecuencia de ello, el comercio total con los mercados emergentes de América Central y del Sur, África y Oriente Medio aumentó considerablemente en un 53,87%, un 68,05% y un 26,26%, respectivamente.

Question 7:

¿Podría la delegación examinada ampliar la información relacionada con los mecanismos que han utilizado dentro del periodo 2018-2022 para lograr el aumento de la tasa de dependencia del comercio?

Answer:

1. Trade dependence is calculated by the dividing the aggregate value of imports and exports over a period by the gross domestic product (GDP) for the same period.
2. The trade dependence was 101.57% in 2018 and 118.99% in 2022.

Question 8:

¿Podrían proporcionar información detallada sobre los planes estratégicos utilizados para su expansión a mercados emergentes?

Answer:

In order to assist businesses in diversifying the markets in particular the emerging markets, we have adopted the following strategic plans:

1. Grasping local market opportunities: including in-depth study on local policies such as infrastructure development, digital transformation, sustainability initiatives, and smart cities, so as to evaluate local market opportunities and organize trade missions and matchmaking meetings.

2. Enhancing the image of our products: conduct forums, product showcases, and establish pavilions at international exhibitions to boost the image of our products.
Organizing market opportunity seminars and business forums, inviting experts and scholars to share their experiences in the emerging markets, and facilitating exchanges between local business leaders and our businesses.

HONG KONG, CHINA**WT/TPR/S/448 – WTO Secretariat Report****Financial Services****Page 91-92, Paragraph 4.63**

In line with its mandate, the Central Bank ("CBC") took steps to keep credit flowing, make borrowing more affordable for pandemic-hit SMEs, and stem excessive credit flows into the property market. Under a special accommodation facility, launched in April 2020 and adjusted several times, the CBC provided liquidity to banks at preferential interest rates for onward lending to SMEs. Starting in December 2020, the CBC reinforced (in four rounds) selective credit control measures aimed at reining in lenders' real estate credit risk exposure. These measures were adjusted in March, September, and December 2021 to strengthen their effectiveness.

Question 1:

Under the special accommodation facility, did the CBC provide the same preferential interest rates to foreign banks for onward lending to SMEs?

Answer:

The special accommodation facility was implemented from April 2020 to June 2022. It provided guarantees by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG). However, since foreign banks have not signed the Entrustment Contract with TSMEG for guaranteed service, they are not eligible for accommodation facility.

Question 2:

Please provide more details of the four rounds of selective credit control measures and their effectiveness in controlling lenders' real estate credit risk exposure.

Answer:

The Central Bank's recent round of selective credit control measures, implemented with five successive amendments since December 2020, has so far successfully bolstered credit risk management of the banking sector. The effectiveness of the existing credit controls have also been amplified by the Central Bank's continuous monetary policy tightening since March 2022. From 2023 to date, the construction of banks and issuance of housing loans have continued to slow, real estate lending as a share of total lending has broadly held steady, and the level of non-performing loan ratio to real estate lending has remained low. In recent months, housing market transactions have decreased and housing price increases have moderated. Hence, the effectiveness of existing credit controls can be seen. More results will emerge gradually as government agencies are making headway with their policy efforts under the Healthy Real Estate Market Plan and improving relevant mechanisms and measures. Going forward, the Central Bank will continue to monitor the developments in housing credit and the market, review the implementation of the selective credit control measures, and make adjustments accordingly to promote financial stability and sound banking operations.

Financial Services – Banking**Page 92-93, Paragraph 4.67 and 4.68**

Locally incorporated banks (excluding the postal savings bank) continue to account for the bulk of banking segment deposits and loans, whereas local branches of non-local banks and credit cooperatives still play minor roles (Table 4.6).

No significant changes were introduced to market access conditions in the banking sector during the review period. Overseas banks must establish commercial presence and obtain a business licence (like locally incorporated banks) from the Financial Supervisory Commission ("FSC") to provide services in Chinese Taipei. Locally incorporated banks and local branches of overseas banks must comply with the same minimum capital adequacy ratios and paid-in capital requirements.

Question 3:

Participation of overseas banks in the banking sector remains low, taking up 3.0% and 4.1% of the deposits and loans markets respectively in 2022. Given that there were no significant changes to improve the market access conditions for overseas banks during the review period, is there any plan to relax the market access restrictions so as to encourage more foreign participation?

Answer:

Since our accession to the WTO, we have opened up our financial service market. The operating licenses issued to foreign banks are full-functioning. The level of openness in the banking industry is no less than that of other international financial centers in Asia. There is no difference in the supervision of domestic banks and foreign bank subsidiaries. As for the establishment of branches of foreign banks, the FSC adheres to the Basel Core Principles to effectively supervise banks.

Telecommunications Services**Page 98, Paragraph 4.95**

Universal service obligations in Chinese Taipei cover voice-based public payphone services, as well as Internet access and voice-based telephone services in remote areas. The Ministry of Digital Affairs (MODA) may designate as universal service providers one or more registered telecommunications operators or companies deploying fixed or mobile telecommunications networks. The selection is based on a competitive process. Universal service provision is financed by annual contributions from registered telecommunications operators whose annual revenue generated from telecommunications services exceeds a prescribed threshold.

Question 4:

What are the criteria and factors involved in the competitive process in the selection of universal service providers by the MODA? How many universal service providers are selected?

Answer:

MODA compare the net cost of universal services, the amount of subsidies requested, and the estimated improvements in service penetration and quality as outlined in various implementation plans. The operating abilities of the applicants will also be considered. There were 3 universal service providers from 2018 to 2022.

Maritime Transport Services**Page 99, Paragraph 4.102**

Chinese Taipei's seven international commercial ports, as well as two domestic commercial ports, continue to be managed by Taiwan International Ports Corporation ("TIPC"), a state-owned enterprise. TIPC coordinates the operations of its subordinate ports to maximize overall port-group strengths and compete cooperatively for new business, with a view to strengthening Chinese Taipei's status as a shipping hub. All companies, regardless of their origin, may participate in public tendering processes to operate port terminals. In 2023, there were six non-local companies operating terminals at Chinese Taipei's international ports, up from three in 2018.

Question 5:

Are non-local companies allowed to operate terminals at Chinese Taipei's domestic commercial ports? Noting that the number of non-local terminal operators has doubled from 2018 to 2023, what measures have been put in place to encourage foreign participation during the review period?

Answer:

In accordance with the Commercial Port Law and the Act for Promotion of Private Participation in Infrastructure Projects, non-local companies that obtain approval from the MOEA to invest may participate in public tendering processes to operate terminals at both international and domestic commercial ports.

In order to align with the global trends in developing green energy, while meeting the needs for energy transition, we have been encouraging the development of green energy in recent years. This has attracted investment by foreign offshore wind power developers, which has led to an increased demand for leasing port facilities by these developers.

The TIPC has been upgrading port facilities to meet the needs of increasingly large container carriers and modernizing its wharf facilities and services. The TIPC is committed to providing high-quality, client-focused services and a business-friendly environment to attract shipping companies or terminal operators.

INDIA**Questions based on Secretariat Report (WT/TPR/S/448)****Page 9, Paragraphs 23**

During the review period, noteworthy developments in Chinese Taipei's telecommunications market included the discontinuation of 3G mobile services in December 2018, the launching of 5G services in 2020, the release of spectrum for next-generation satellite communications services in March 2022, and market consolidation (pending FTC clearance) that would reduce the number of mobile operators from five to three in the near future. Significant changes were made to the legal and institutional framework. These included the enactment of a new Telecommunications Management Act in 2020 and the establishment of a Ministry of Digital Affairs in 2022.

Question 1:

What changes have been observed in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu approach to digital trade policies since the inception of the Ministry of Digital Affairs in 2022, and how does this align with multilateral agreements?

Answer

In August 2022, the Ministry of Digital Affairs was established to integrate the fields of information, cybersecurity, telecommunication, communication, and the internet and to plan the overall digital development policy. Our policy objectives are to popularize digital infrastructure, strengthen network resilience, connect international democratic networks, and develop data applications that are in line with the norms of international multilateral agreements on digital trade.

Page 11, Paragraph 1.3

Income and gender inequalities remain low by global comparison and are not structurally embedded. However, like most advanced economies, Chinese Taipei faces demographic challenges driven by a declining fertility rate and an ageing population.

Question 2:

1. What measures have been taken to improve the infrastructure, so as to aid migration from labour-abundant countries, so that the demographic gap can be reduced?

Answer:

1. To supplement the industrial workforce, migrant workers in the manufacturing industry and agricultural industry were introduced since 1989 and 2019 respectively.
 2. To address the domestic demand for caregivers, the government introduced foreign caregivers since 1992. Additionally, considering the demand for intermediate skilled workers, the Long-term Retention of Skilled Migrant Workers Program was officially implemented in 2022. This program allows the retention of skilled foreign workers who meet specific criteria related to seniority, skills, and salary, as well as foreign students with associate degrees.
 3. We also amended the Act for the Recruitment and Employment of Foreign Professionals, and relaxed relevant regulations for applying Visa, residency and work to attract international talents.
2. What measures have been taken to lower income & gender inequalities?

Answer:

1. Our policies for tackling income inequality:
 - (1) The government continues to promote social welfare measures and increase resource allocations to support the economically disadvantaged groups and provide a basic living standard guarantee for them. At the same time, by promoting the development of social enterprises and employment promotion measures, the government has actively fostered employment among the disadvantaged and thereby increased income stability.

- (2) To promote the overall growth of employment and wages, the government keeps helping increase worker employability in line with industry demands. In addition, it encourages corporates to fulfill their social responsibilities, reviews the basic wage system, and enhances the bargaining power of labor, thus stimulating a rise in wage standards and a continued increase in income.
 - (3) The government continues to reform the taxation system to prompt high-income earners to pay back society through taxation and balance the tax burden between entrepreneurs and wage earners in order to promote the redistributive effect of the tax system. In the future, the government will keep taking aggressive responsible actions, and promote related policies, to continue to improve income distribution.
2. Our policies for tackling gender inequality:
- (1) In May 2021, we revised the Gender Equality Policy Guidelines to prioritize "integrating employment and welfare to enhance women's economic empowerment" as a primary policy goal. This shift commenced in 2019, underscoring the significance of promoting women's economic empowerment within the realm of gender equality.
 - (2) Our goals for 2022 to 2025 encompass several key objectives: (1) Establishing a supportive employment environment to encourage women of marriage and child-caring age to remain in the workforce; (2) Strengthening re-employment opportunities for those who have left the workplace; (3) Increasing labor force participation among middle-aged and elderly women, promoting their re-employment.
 - (3) To achieve these objectives, our strategies involve promoting flexible working hours and locations, fostering gender-equality-friendly workplaces, eliminating gender discrimination, reducing workplace gender segregation, narrowing the gender pay gap, encouraging women's entrepreneurship, enhancing labor force participation, and safeguarding the labor rights and working conditions of disadvantaged women. These comprehensive efforts aim to create a welcoming and supportive employment environment to encourage sustained employment among women.
 - (4) The Act of Gender Equality in Employment has been enacted to protect gender equality in right-to-work, implement thoroughly the constitutional mandate of eliminating gender discrimination, and promote the spirit of substantial gender equality. When employers conduct recruitment, screening, hiring, distribution, placement, performance appraisal, promotion, education, training, various welfare measures, salary payments, retirement, severance and dismissal of job seekers or employees, there shall be no differential treatment based on gender or sexual orientation.

Page 18, Paragraph 1.22

During the review period, Chinese Taipei switched from being a net importer to a net exporter of services. After running a declining deficit in the services account, equivalent to 1.1% and 0.8% of GDP in 2018 and 2019, respectively, Chinese Taipei posted a surplus from 2020 onwards. Services exports grew at double-digit rates in 2021, after a sharp decline in 2020 due to the COVID-19 outbreak.

Question 3:

What measures were taken to enhance the growth in exports of the service sector, post-pandemic? Can the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu explain the major steps taken that helped to become a net exporter of services?

Answer:

Our services trade turned from a deficit to a surplus from 2020 to 2022, and the reasons are as follows:

1. From 2020 onwards, the COVID-19 pandemic induced global supply chain bottlenecks, and global freight rates thus trended up significantly, resulting in a substantial increase in international freight proceeds received by our transport operators.

2. Of the various components of our service trade, travel recorded the largest deficit from 2017 to 2019. However, from 2020 onwards, as the COVID-19 border control measures across the world led the number of our outbound travellers to shrink, the deficit in the travel account narrowed considerably.

Page 23, Paragraph 2.12

During the review period, two development plans (NDPs) were in place, focusing on economic, trade, and investment goals: (i) the 17th development plan (NDP 2017-2020); and (ii) the 18th development plan (NDP 2021-2024). Chinese Taipei started implementing its New Model for Economic Development 2.0 under the NDP 2021-2024, which calls for Chinese Taipei to pursue various strategies, including (i) actively focusing on six core strategic industries; (ii) continuing to promote industrial innovation and transformation; (iii) improving the economic environment for start-ups; (iv) developing into a capital-deployment hub for Asian businesses; and (v) building a digital economy.

Page 23, Paragraph 2.12

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Question 4:

1. The Separate Customs Territory of Taiwan, Penghu, Kinmen and is requested to provide the details of its strategies for NDP 2021-2024 with respect to building a digital economy.

Answer:

1. Institutional aspect
 - (1) To promote the optimization and preparation of the key infrastructure for digital transformation continually by accelerating 5G broadband construction and demonstration, completing advanced network construction, promoting B5G satellite communications, strengthening network security protection, formulating spectrum policies, and adjusting regulations, etc.
 - (2) To fulfill all aspects of digital data governance by promoting the openness and reuse of government data, encouraging cross-broad data circulation among governments, academic research institutions, and private enterprises, prioritizing the release and application of data in specific fields (such as health care, energy, finance, and communications), and making regulatory adjustments regarding privacy and personal data protection as needed.
 - (3) To create an accurate and trustworthy smart government by planning and building a dedicated cross-agency data transmission channel (T-Road) to transmit and interface data from various government departments, expanding one-stop services for cross-agencies, developing decision-making data analysis cooperation among agencies, multiple identity identification and data transmission security mechanisms, aligning with measures of administrative service transformation and digital talent training programs, etc.
 - (4) To establish a dedicated ministry responsible for overall planning, coordination, and promotion of whole digital development policy matters to integrate administrations and mechanisms in the five major fields of information, information security, telecommunications, network, and communication.
2. Digital innovation aspect
 - (1) To promote the public-private partnership in the fields of governance, application, innovation, and development of innovative value-added data application industry by connecting and activating government and private public data, improving the data analysis and research and development environment, and creating further international cooperation business opportunities.

- (2) To encourage and assist MSMEs in key industries to engage in data-driven and digital technology, accelerate digital transformation and operational innovation, increase the proportion of cross-border services, and deepen connections with international markets.
 - (3) To enhance our position in the global R&D value chain by targeting the three core technologies of emerging semiconductors, next generation communications, and AI to prioritize front-end technology cooperation with leading international manufacturers.
 - (4) To enhance our resilience and strength of information security by promoting the research, development, and application of next-generation information security technologies, training cross-field information security talents, and enhancing domestic forward-looking information security research capabilities.
 - (5) To construct a digital transformation environment that is conducive to industrial innovation research and development, digital service commercialization, and digital creation momentum to drive the creation of added value from digital innovation and economic development.
3. Digital inclusion aspect
- (1) To create an inclusive digital society with equal rights through training, information sharing, and a completed digital resource environment in rural and remote areas, improve the digital literacy and digital application capabilities of all age groups and different ethnic groups, and implement relevant labor rights protection under the digital transformation of the industry.
 - (2) To enrich our digital expertise by cultivating digital technology applications and cross-field talents in industries-driven area such as information security, 5G mobile broadband, AI technology and applications, ICT, biomedicine, smart chips, smart manufacturing, and semiconductors.

2. How does it visualise the changing dynamics of trade flows and the associated challenges in terms of the four channels of data flows in International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) and the associated issue of recording trade flows for statistical purposes and other covered Agreements of the WTO?

Answer:

We are willing to provide information through bilateral engagements once we have received clarifications on the questions.

Page 37, Paragraph 3.23

The methods to allocate quotas do not seem to have changed substantially since 2018. The "Bank of Taiwan" (BOT), as delegated by the MOF, has the exclusive right to allocate the WTO TRQs for all products, excluding rice. These are still allocated by the COA: 65% of the TRQ for rice is allocated to the COA, and the rest may be imported by any registered importer/exporter or food dealer. The COA allocates quotas by using an open tender, with the contract awarded to the bidder offering the lowest quote below a ceiling price set by the authorities. The BOT allocates quotas on a first-come, first-served basis or uses an advance allocation method (this includes order of application, ballot, performance of importation, and auctions/open bidding).

Question 5:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to provide more clarity on the need and how an "advance allocation method" is used to allocate quotas by the Bank of Taiwan.

Answer:

Tariff quotas are measures adopted in compliance with our schedule of commitment.

Page 51, Paragraph 3.77

SMEs are regulated, inter alia, by the Act for Development of Small and Medium Enterprises, Standards for Identifying Small and Medium-sized Enterprises, and the Small and Medium Enterprise Guidance System Establishment and Guidance Rules. In 2020, Chinese Taipei revised the definition of SMEs; as of that date, businesses in all sectors of the economy with paid-in capital of no more than TWD 100 million or fewer than 200 regular employees are considered as SMEs. Previously, different criteria were used. The "old standard" included only businesses in the manufacturing,

construction, and mining and quarrying sectors with paid-in capital of no more than TWD 80 million or fewer than 200 regular employees, or businesses in other industries besides those mentioned above with either a sales revenue of TWD 100 million or less in the previous year, or fewer than 100 regular employees in the previous year.

Question 6:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate on what basis the new definition of SMEs was revised in 2020 which includes businesses in all sectors of the economy while in the "old standards" only businesses in the manufacturing, construction, and mining and quarrying sectors were included.

Answer:

Due to the diversified operations and innovative business contents of enterprises, the boundaries of industry sectors become blurred, which leads to ambiguity in the classification of SMEs by industry.

In response to this trend and to simplify the identification of SMEs while enhancing administrative efficiency, the relevant regulations have been amended to establish unified criteria for SME classification, regardless of industry sectors.

Page 55, Paragraph 3.92

Overseas manufacturers may apply to obtain a CNS Mark Certificate. To obtain a CNS Mark, a company needs to have its quality management system assessed and products tested to assess compliance with CNS standards. Assessment of the company's quality management system is done by certification bodies recognized by the BSMI. Testing can be done by the BSMI or testing laboratories recognized by the BSMI. Once permission to use the CNS Mark has been granted, the BSMI will, inter alia, conduct follow-up visits to factories for quality control, inspect products in the market, and revise compliance. In cases of non-compliance, the CNS Mark registered manufacturers are required to take corrective measures.

Question 7:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate on the foreign certification by the BSMI.

1. Can foreign certification bodies and testing laboratories be recognized by the BSMI?

Answer:

Foreign quality management system (QMS) certification bodies and testing laboratories can apply with the Ministry of Economic Affairs (MOEA)'s Bureau of Standards, Metrology and Inspection (BSMI) for recognition.

According to Article 3.1.2 of the Directions for Recognition of Quality Management System Certification Bodies, foreign certification bodies should be accredited by a local accreditation body which is a signatory of the Multilateral Recognition Arrangements (MLA) of the International Accreditation Forum, Inc. (IAF) or the Mutual Recognition Arrangement (MRA) of the Asia Pacific Accreditation Cooperation (APAC).

Qualifications of foreign testing laboratories are stated in Article 3.4, Article 4.2 and Article 5.2 of the Regulations Governing Recognition of Designated Testing Laboratory for Commodity Inspection.

2. Are there fees associated with quality management system assessments, and if so, how are they determined?

Answer:

Based on their policy, QMS certification bodies collect fees for quality management system assessments.

Page 55-56, Paragraph 3.93

Products subject to technical regulations must be inspected as per the Commodity Inspection Act and its regulations before they are imported or placed on the market. The BSMI oversees inspection and testing; it maintains four kinds of pre-market inspection schemes: batch-by-batch inspection,

monitoring inspection, registration of product certification (RPC), and declaration of conformity (DoC). For batch-by-batch inspection and monitoring inspection, manufacturers or importers must apply to the BSMI for inspection before products are shipped out of the production premises or when they arrive at destination. Testing can be done by the BSMI, its commissioned organizations, or testing laboratories recognized by the BSMI. The Commodity Inspection Mark shall be affixed before products are placed on the market. The BSMI also undertakes post-market surveillance based on a risk assessment system to ensure the safety of regulated products. The BSMI adopts an annual plan to undertake market surveillance and identify products of high risk, and specifies principles for conducting surveillance activities, including market checks, sampling tests, special projects, and monitoring of products sold online. Importers or manufacturers of certain products may apply for exemption from inspection under certain conditions.

Question 8:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate on the risk assessment system that the BSMI uses.

1. Please elaborate on the risk assessment system that the BSMI uses to determine the focus of its post-market surveillance efforts.

Answer:

The BSMI uses its risk assessment system to assist in the implementation of surveillance activities including market checks, sampling tests, monitoring of products sold online and other projects. The risk assessment system involves analyzing collected information on product safety, such as:

- (1) product incident reports;
- (2) information from consumer protection groups, volunteers, consumers and representative offices abroad;
- (3) unsafe product information published by foreign countries, such as the EU rapid alert system for dangerous non-food products and US Consumer Product Safety Commission (CPSC); and
- (4) non-compliant testing results of samples drawn from the market.

2. How does the BSMI categorise products of high risk when developing its annual market surveillance plan?

Answer:

High risk products selected for the annual market surveillance plan are mainly based on the following principles:

- (1) suspected non-compliant products reported;
- (2) products of media attention;
- (3) potential products to be regulated;
- (4) products with high non-compliance rate; and
- (5) products whose samples were not drawn and tested in the past few years.

3. Is there a separation of functions in granting Commodity Inspection Mark and its market surveillance?

Answer:

Although BSMI is responsible for both granting the Commodity Inspection Mark and market surveillance, the work is done by different Divisions of BSMI.

Page 56, Paragraph 3.95

To facilitate conformity assessment procedures for the industry and trading partners, Chinese Taipei has several mutual recognition arrangements (MRAs); these mainly cover electrical and electronic products. Some MRAs only cover the recognition of test reports, while others are more comprehensive, with recognition extending to certificates. Testing laboratories or certification bodies are designated under different MRAs, which allow products for export to the other contracting party to be tested locally.

Question 9:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate on the MRAs.

1. Are there specific criteria or qualifications that testing laboratories or certification bodies must meet to be designated under these MRAs?

a. If there is, India requests details on these criteria or qualifications.

Answer:

The criteria or qualifications are stated in the MRA, either in the text or Annexes. Other than ISO/IEC 17025 (for testing laboratories) and ISO/IEC 17065 (certification bodies), there are also specific requirements in the listed regulations. The content of the MRAs are available on BSMI website: <https://www.bsmi.gov.tw/wSite/np?ctNode=9223&mp=1>

2. How does the local testing of products for export to other contracting parties under MRAs work in practice?

Answer:

The BSMI will provide the contracting party with a list of recommended testing laboratories under the operation of the MRA. The contracting party will usually register them upon confirmation of their qualification. Manufacturers exporting their products to the contracting party may use the testing services provided by these registered testing laboratories whose test reports will be accepted by the contracting party.

Page 57, Paragraph 3.98

The main institution responsible for developing and implementing SPS measures also remains unchanged since 2018. The Ministry of Health and Welfare (MOHW), through its implementing agency the Food and Drug Administration (FDA), continues to deal with issues related to food safety and sanitation and is responsible for, inter alia, ensuring quality and safety of food, medical products, and cosmetics; SPS inspection and certification procedures; and food labelling. The BAPHIQ, under the COA, safeguards and ensures the quality and safety of imports of agricultural products; manages quarantine services to prevent and control animal and plant diseases and pests; and is the WTO enquiry point/notification authority for SPS issues. Other agencies such as the BSMI, under the MOEA, and the Customs Administration are also involved in the procedures to set and/or implement SPS measures.

Question 10:

The SPS Agreement encourages governments to harmonize their national measures on the international standards, guidelines and recommendations developed by WTO member governments in other international organizations. These organizations include, for food safety, the joint FAO/WHO Codex Alimentarius Commission; for animal health, the Office International des Epizooties; and for plant health, the FAO International Plant Protection Convention.

1. Does SPS related to food safety adopted by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu are in accordance with the standards, guidelines and codes of practice adopted by the Codex Alimentarius Commission?

Answer:

We adhere to the WTO SPS agreement, and the formulation of food safety and sanitation management measures is based on scientific evidence through risk assessments while referencing relevant international standards. We also refer to the Codex and the food safety standards of advanced countries to as much as possible, harmonize with international standards.

Page 58, Paragraph 3.100

To ensure the health of animals and humans, the competent authority, in response to the existence of infectious animal diseases or a global epidemic, may announce quarantine measures, including the prohibition to import, transit, or tranship. In this instance, the competent authority coordinates with other agencies to implement the necessary measures to prevent and control the sanitary situation.

Question 11:

Are there established protocols or guidelines for the competent authority to follow when enacting quarantine measures, and how are these measures communicated to the public and stakeholders?

- a. How frequently does the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu change the protocols or guidelines for enacting quarantine measures?

Answer:

The quarantine measures are under constant review based on actual needs, and are later announced to the public and to stakeholders.

- b. What is the normal period of advance notification?

Answer:

The public and stakeholders are given a 60-day period to provide comments before announcing the implementation of the new measures.

Page 58-59, Paragraph 3.107

Chinese Taipei's regulations regarding food safety are vast and detailed. The Act Governing Food Safety and Sanitation is a general piece of legislation, and specific regulations have been enacted to implement it.¹⁷² In many instances, these are product specific. In addition to setting food-related sanitary requirements, the FDA sets standards for pesticides¹⁷³, veterinary drugs¹⁷⁴, food additives residue limits¹⁷⁵, and labelling of food products. Regulations seem to apply both to locally produced foods and to imports and exports. For instance, in 2022, the FDA indicated that food exporters had to comply with local regulations as well as at destination.¹⁷⁶

Question 12:

Do the regulations apply uniformly to both locally produced foods and imported products or are there distinctions in requirements for domestic and imported items?

Answer:

Both domestic and imported food need to comply with regulations established in accordance with the Act Governing Food Safety and Sanitation.

Page 59, Paragraph 3.108

Inspection requirements for imported food products are amended as necessary, to ensure compliance with the sanitation and safety requirements. In this context, the FDA and the Customs Administration have set up a customs notification platform for food imports that do not require import inspection, which is updated on a quarterly basis, based on the FDA's inspection results.¹⁷⁷ Other food imports may be required to undergo systematic inspection. In general, food products require a three-tier sanitary control: at origin, upon arrival, and post-market surveillance.¹⁷⁸ Some food products, such as meat, fish, eggs, and dairy products, require stricter sanitary controls at origin (for instance, an audit of the food safety management conditions of the production chain). In addition, during the period under review, an onsite inspection fee was introduced.¹⁷⁹

Question 13:

India requests the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate on the FDA's food import criteria.

1. How does the FDA decide which food imports do not require import inspection, and what criteria are used for this determination?

Answer:

According to footnote 177 in the report where Article 30 of the Act Governing Food Safety and Sanitation is mentioned, the regulations pertain to "those who apply for import inspection" instead of to those who "do not require import inspection". Those regulations were promulgated following the procedures for notifying the WTO, duration for comments, announcement and implementation.

2. How does the FDA communicate changes or updates in inspection requirements to importers?

Answer:

The regulations are promulgated following the procedures, including notifying the WTO, duration for comments, announcement and implementation. The FDA also circulates the information with the help of associations for importers.

Page 59, Paragraph 3.108

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Question 14:

1. The FDA and the Customs Administration have set up a customs notification platform for food imports that do not require import inspection. Are these notifications on the customs notification platform publicly available?

Answer:

1. The term "platform" in the report refers to the customs notification mechanism, which is an internal channel of communication between the FDA and Customs Administration.
 2. This mechanism serves to inform the FDA that some of the imported goods do not require food import inspection when declaring customs clearance, but the Customs suspect that some of the goods may be intended for food use. The Customs Administration would then provide the FDA that information to help the FDA further promulgate or amend regulations if necessary.
2. In addition, during the period under review, an onsite inspection fee was introduced. Please elaborate on the fee structure for this onsite inspection. (a) Are there criteria set based on the nature of the risk?

Answer:

According to Article 6 of the Regulations for Systematic Inspection of Imported Food, the costs of on-site inspections, re-inspections, applications for new production facilities, re-applications, when necessary, shall be borne by the exporting country or region.

Page 73, Paragraph 3.152

Copyright and related rights in Chinese Taipei continue to be protected under the Copyright Act and subsidiary legislation.²³⁷ During the review period, Chinese Taipei made several amendments to the Copyright Act in order to impose civil and criminal liability on providers of computer software enabling access to copyright infringing websites, and to facilitate the use of copyright-protected works in the context of distance learning and digital archives.²³⁸ Also, to ensure compliance with the IPR provisions of the CPTPP, the Copyright Act was amended to consider instances of illegal digital piracy, distribution, and public transmission constituting a serious infringement as offences indictable without complaint. Optical disc piracy, however, is no longer considered a serious infringement and is now subject to general liability.

Question 15:

The development of generative AI has created several challenges for the protection of copyright laws. How the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is planning to deal with the challenges like Text and Data Mining (TDM) and the copyright status of content created by AI?

Answer:

Regarding the copyright issues surrounding text-and-data mining and generative AI, we are actively studying international developments and maintaining an open attitude towards these matters. However, we have not reached a definitive conclusion on these matters yet.

Page 80, Paragraph 4.9

The main laws governing the sector remain the Agricultural Development Act, the Forestry Act, and the Fisheries Act. During the review period, amendments were made to, inter alia, the Farmer Health Insurance Act and the Fisheries Act. Chinese Taipei also enacted the Organic Agriculture Promotion Act (30 May 2018), the Act for Distant Water Fisheries (20 July 2016), the Agricultural Insurance Act (27 May 2020), the Farmer Pension Act (10 June 2020), and the Irrigation Act (22 July 2020). On 1 October 2020, all irrigation associations operating in Chinese Taipei were formally absorbed by a newly established Irrigation Agency under the COA.

Question 16:

With reference to the paragraph above India recognizes the Farmers' Pension System under which The Farmer Pension Act was announced on 10 June 2020. India would request the following information about the initiative:

- a. Number of beneficiaries under the Farmers Pension Act from each family unit.

Answer:

Beneficiaries are about 101,000, and there is no data on beneficiaries from each family.

- b. Are there any auxiliary family entitlements covered under The Farmer Pension Act?

Answer:

No, auxiliary family members can't apply for Farmer's Pension.

- c. How and when the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is planning to notify the initiative.

Answer:

The implementation of the Farmer Pension Act is not required to notify according to the Agreement on Agriculture.

Page 83, Paragraph 4.24

In response to the COVID-19 pandemic, the COA implemented a wide range of emergency measures aimed at minimizing the adverse impact on the agriculture sector and ensuring business continuity.¹⁴ The main relief measures included TWD 23 billion allocated for relief loans; subsidized interest payments and no processing fees for up to one year for severely impacted industries; flexibilization of loan terms; fully or partially subsidized interest payments between 1 March 2020 and 28 February 2021 on loan balances that were outstanding as of 15 January 2020; arrangements for the deferral of loan repayments; provision of living subsidies (TWD 10,000-TWD 30,000) to farmers and fishers; operating cost subsidies for eligible economic agents¹⁵; rent subsidies for fishers' associations renting space for direct sales of seafood; relief for recreational farms' water and electricity payments; and public forest land rent reduction or elimination. Stimulus measures implemented by the COA mainly took the form of marketing and sales promotion activities, as well as export incentives (seafood, fruit, and flowers) and incentives to adjust supply and warehousing to changes in consumption patterns. Visits to agricultural tourism venues and forest recreation areas were encouraged through voucher and package eco-tour schemes.

Question 17:

In the above-mentioned context, India has the following questions for the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu:

- a. What were the "marketing and sales promotion activities" on agricultural products as mentioned in the above-mentioned paragraph?

Answer:

The Ministry of Agriculture (MOA) has developed multiple marketing and convenient buying channels for agricultural products, strengthened cooperative purchases by domestic and overseas sales channels, held activities to advertise or develop sales channels for agricultural products, and actively promoted e-commerce channels by organizing an online purchasing campaign for agricultural products.

- b. What was the total expenditure on the measures mentioned in part (a)?

Answer:

The total expenditure of the aforementioned activities was TWD 25 million.

- c. What were the other "export incentive schemes" for fruits and flowers as mentioned in the paragraph? What was the total expenditure on these schemes?

Answer:

The MOA arranged incentives for domestic industry associations, farmers' organizations and enterprises to participate in overseas exhibitions, held overseas activities to advertise or develop sales channels for agricultural products, and strengthened cooperative purchases by overseas sales channels in order to maintain export capacity.

- d. How did the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu ensure compliance with their export subsidy commitments under the Nairobi Ministerial Declaration when providing the incentives mentioned in part (c) of the question?

Answer:

Overseas event incentives, such as venue rentals and advertising expenses are not related to export subsidies and are in line with the commitments of the Nairobi Ministerial Declaration.

- e. What have been the incentives to adjust supply and are these incentives targeted at particular agricultural products? If so, what are the products covered under these incentives to adjust supply, and what is the product-wise breakup of expenditure under such schemes?

Answer:

Depending on the needs of agricultural industry, the MOA assists farmers explore global markets by conducting and facilitating marketing programmes, supporting participation in overseas exhibitions, and building brand images. Promotion initiatives cover a broad range of beneficial products, including fish, orchids, tea, soya beans, and fruits. The MOA hosts agricultural product marketing events and provides support for our stakeholders to participate in international exhibitions and sales promotion activities carried out abroad. Overseas event incentives include venue rentals and advertising expenses.

Page 7, Paragraph 3.2

During the review period, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu achieved significant success in policy implementation. Stable and positive economic growth averaging 3.61% was achieved despite the pandemic, and GNI per capita increased 27.41% from USD 26,421 to USD 33,664.

Question 18:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu authorities explain the specific trade policies or strategies which were implemented during the review period that contributed to the average growth of 3.61% despite the pandemic?

Answer:

Amid the recurring COVID-19 pandemic, the government and the public have collaborated to safeguard the economy. Timely relief and revitalization measures were implemented. The early deployment of the government's international situation and industrial layout to seize the opportunities for remote applications, supply chain reorganization, and digital transformation were driven by the pandemic as well. This strategy attracted investments, strengthened the economy, and improved its resilience.

Page 9, Paragraph 3.17

On the basis of the 5+2 Industrial Innovation Plan, the government further initiated the Program for Promoting Six Core Strategic Industries in May 2020. The Program covers information and digital industries, the cybersecurity industry, the precision health industry, the green and renewable energy industry, the defense industry, as well as strategic industries and strategic stockpile industries. AI and 5G related programs are also being promoted at the same time, allowing these industries to better seek opportunities for global supply chain restructuring during the post-pandemic era. Accompanying measures include the promotion of regulatory reforms in the financial, talent, and digital sectors, strengthening talent cultivation and international exchanges, and providing financial

support. Talent cultivation includes establishing specialized research institutes or academies, strengthening on-the-job training and international exchanges, and attracting international talent. Financial support includes providing financing assistance and expanding funding channels.

Question 19:

1. What kind of industries and stockpile industries are designated as strategic for the 5+2 Industrial Innovation Plan?

Answer:

Building upon the achievement of the 5+2 innovative industries plan, we actively promote the six core strategic industries, including information and digital industries, cybersecurity industry, precision health industry, defense and strategic industries, green and renewable energy industry, and strategic stockpile industries. For strategic stockpile industries, the steady provision of critical supplies will be ensured by stabilizing the main supply chains, including energy, food, daily necessities, medical supplies, disaster relief, sand and gravel. This will also involve controlling such critical raw materials as semiconductor materials and equipment, automotive batteries, active pharmaceutical ingredients, and the important industrial materials.

2. What are the specific measures taken for digital industries and cybersecurity industries?

Answer:

1. For digital industries:

One of the main missions of the Ministry of Digital Affairs is to assist industries in digital transformation, guide industries to introduce digital innovation tools such as AI, software, and cyber security, and expedite industry digital innovation and transformation. Relevant measures include enhancing the application of electronic signatures, expanding 5G diversified services, accelerating the commercialization of AI applications, cultivating digital talent, optimizing the government software procurement environment, and expanding financing channels for emerging science and technology enterprises.

2. For cybersecurity industries:

- (1) Building the Cybersecurity Industry Ecosystem: We aim to assist in the establishment of a robust cybersecurity industry ecosystem. This involves encouraging innovation and the development of new technologies while fostering the growth of a cybersecurity startup ecosystem.
- (2) Cybersecurity Education and Training: We promote cybersecurity talent development programs, which includes increasing the number of cybersecurity professionals through education and training initiatives.
- (3) International Collaboration: By participating in and organizing international cybersecurity events, we seek to expand collaboration opportunities and provide high-quality cybersecurity services and products to the international market.
- (4) Cybersecurity Technology Research and Development: We are dedicated to allocating funding and resources to support research and development in cybersecurity technology. This initiative aims to drive the application of new technologies and elevate the overall level of cybersecurity.

Page 10, Paragraph 3.20

In response to trends in digital and technological transformations, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu launched the nine-year Digital Nation and Innovative Economic Development Plan (DIGI+) in 2017. After four years of implementation, the DIGI+ was subsequently upgraded to Smart Taiwan 2030. The goal is to enhance the value of the digital economy, increase the adoption of digital services, and improve the coverage of high-speed broadband services. Through the integration of government resources and collective efforts from the private sector and industries, the government is creating an environment that accelerates digital innovation and economic development.

Question 20:

1. What are the specific measures under the DIGI+ plan and the Smart Taiwan 2030 plan?

Answer:

1. The government has promoted the Digital Nation & Innovative Economic Development Program (DIGI+) 2017-2025 in 2017. After four years of implementation, the DIGI+ was subsequently upgraded to the Smart Taiwan 2030 to build a smart economy of innovation, inclusiveness, and sustainability. The goal is to enhance the value of the digital economy, increase the adoption of digital services, and improve the coverage of high-speed broadband services. Through the integration of government resources and collective efforts from the private sector and industries, the government is creating an environment that accelerates digital innovation and economic development.
 2. This specific measure and progress in recent times include accelerating the deployment of 5G infrastructure, with a coverage rate for the non-rural population reaching 96.97% by June 2023, exceeding the 85% target for 2025, and promoting user-friendly MyData services. Additionally, the government has supported the purchase of mobile devices for a total of 610,000 units, prioritizing schools located in remote regions, ensuring equal educational opportunities in both urban and rural areas.
2. Are there any specific measures for digital inclusion, particularly for women and small and medium enterprises?

Answer:

1. Smart Taiwan 2030 coordinates cross-ministerial collaboration and also provides digital application and literacy courses to serve diverse ethnic groups, such as indigenous people, new immigrants, disadvantaged groups, and women, to enhance digital human rights and share the digital environment.
 2. Women's Entrepreneurship Flying Geese Program, providing support for over 10,000 female entrepreneurs on their entrepreneurial journeys. This program has partnered with renowned international brands to organize courses and seminars. These activities are aimed at enhancing the digital skills of female entrepreneurs, equipping them with marketing and e-commerce expertise, and facilitating digital transformation opportunities for their businesses.
 3. Regarding SMEs, the measures focus on an enterprise with fewer than 9 employees, utilizing digital assessments to evaluate their digital capabilities. Subsequently, we offer tailored guidance and assist in selecting appropriate cloud solutions. Through hands-on training, these enterprises are empowered to independently utilize cloud solutions, and they are connected with existing online platforms for practical application. By leveraging data feedback and analysis, we aim to precisely understand market demands, enabling MSMEs to harness digital tools for service innovation, enhance operational efficiency, and create new business opportunities.
3. What kind of steps are taken to promote startups in a digital economy?

Answer:

To promote startups in the digital economy, the Smart Taiwan 2030 has been implemented across various government agencies. The government provides support, which includes assisting startups in conducting innovation activities and introducing and applying digital tools. Additionally, it has established the digiBlock C Digital Innovation Base, creating a digital industry development environment based on the concepts of cluster integration and industrial crossover. The Digital Innovation Base fosters collaboration opportunities and facilitates exchanges between industry, technology, and talent, thus creating an international exchange platform. Furthermore, the TTA South was established with a focus on three industry verticals: Smart Tech, Precision Medicine, as well as Clean & Circular Tech.

JAPAN**WT/TPR/S/448 – WTO Secretariat Report****3. TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures affecting production and trade****3.3.1 Incentives****Page 51, Paragraph 3.76****Question 1:**

Given Chinese Taipei's reliance on trade, and 98.9% of companies and 80% of workers work in SMEs which are predominantly in the services sector, that would seem to indicate that trade is dominated by Large Chinese Taipei corporations. What is the government's policy to get SMEs in the global value chain so as allow SMEs to benefit from international trade.

Answer:

We have taken the following measures to promote the development of SMEs in the international market:

1. Market expansion: We assist SMEs to develop digital innovation capabilities and develop precise marketing practices through digital technology in response to the different market needs of our major trading partners, such as Europe, America, and Japan, as well as new southbound countries and emerging markets. We have commissioned professional organizations to plan more than 200 marketing activities annually to assist SMEs expand their overseas markets, including inviting buyers to attend exhibitions, organizing overseas exhibition teams and sales expansion teams, providing customized assistance for international market development, and utilizing the website for digital marketing, among other strategies. By leveraging multiple channels, we support small and medium-sized enterprises explore international markets, thereby driving the growth of domestic industries and exports.
2. Approach of international entrepreneurship clusters: The entrepreneurial policy adopts an approach of international entrepreneurship clusters to provide international resources, including exhibitions, boot camp training, and business matching for startups. By leveraging large enterprises to call for solutions by startups and establish corporate accelerators, we aim to catalyze collaboration between enterprises and startups, accelerating startups' entry into the industrial supply chain and helping startups expand into global markets.
3. Promotion of bilateral cooperation: We promote SMEs mutual exchanges and cooperation through participating in APEC events as well as bilateral meetings to drive business opportunities for bilateral SMEs.

3. TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.3 Sanitary and phytosanitary requirements****Page 57, Paragraph 3.99**

The monitoring results based on the government guideline of maximum levels of radio-caesium in food show food safety in Japan for radionuclides. The items exceeding the levels are recalled and disposed of based on the Food Sanitation Act. Depending upon the prevalence of the incidence, the distribution is suspended for such items on an area basis, based on the Act on Special Measures Concerning Nuclear Emergency Preparedness. By this system, food exceeding the levels are neither distributed nor exported.

Question 2:

With the Article 5 of the SPS Agreement in mind, please kindly tell us about the scientific basis for the three measures below imposed by Chinese Taipei for Japanese food.

- (1) An import ban on mushrooms, game meat and a wild plant Koshiabura from five Japanese prefectures
- (2) Requirements of radionuclide test reports as several items of Japanese food
- (3) Requirements of the place of origin certificate for food items (except for alcoholic beverages) from the entire Japan to confirm that the product is not shipped from the restricted

prefectures: without such certificates, Chinese Taipei should be able to check the origin of the products from phytosanitary/animal health certificates, trade documents such as invoices, packing lists, boxes, and products labels.

- (4) Chinese Taipei has been guiding import rejection against importers for food detected under compliance levels of radionuclides.

Japan would like to know the Chinese Taipei's point of view on the fourth measure above whether it has consistency with Articles 2.3. of the SPS Agreement.

Answer:

1. We implement import control measures based on scientific evidence and the need to safeguard people's health, food safety and peace of mind. Imports of food products are subject to inspection based on sanitation standards. They could be imported when compliance with those standards have been confirmed.
2. Japan's Ministry of Health, Labour and Welfare published information regarding radioactive tests on some types of food. Those tests still showed that some koshiabura, mushrooms and wild meats do not comply with standards. Import control measures do not have any arbitrary discrimination against Japanese foods.
3. Animal or plant health certificates or other officially issued certificates may be used as certificates of country of origin when information about the country of origin is included.

Page 57, Paragraph 3.99

Question 3:

With regard to exports of Japanese beef to Chinese Taipei, we requested the removal of age restrictions.

Based on the discussions between the authorities for a long time and the multi-platform information to date, we understand that at this point, the Technical Committee has given its approval and that the next step in the process is risk communication.

Please clarify the specific process and assumable timeline going forward.

Answer:

This case is under discussion among relevant ministries. The result will be transmitted to Japan as soon as possible.

3. TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures affecting production and trade

3.3.7 Intellectual property rights

3.3.7.1 Copyright and related rights

Page 73, Paragraph 3.152

Question 4:

According to the Report by Secretariat, Chinese Taipei made several amendments to the Copyright Act in order to impose civil and criminal liability on providers of computer software enabling access to copyright infringing websites. Japan would like to know the legal remedies available for right holders whether, under the laws and regulations of Chinese Taipei, copyright holders may request mediators, such as internet service providers, to disclose information regarding an infringer who provides illegal content, and to delete such content. If so, we Japan would like to request Chinese Taipei to provide the details of its laws and regulations.

Answer:

To encourage collaboration between Internet Service Providers (ISPs) and rights holders in the fight against piracy, and after taking into account Section 512 of the Digital Millennium Copyright Act of the US, we introduced "ISP safe harbor" provisions into Chapter VI-1 (Article 90-4 to Article 90-12) of the Copyright Act in 2009. These provisions encourage ISPs to establish a "notice and takedown" mechanism, wherein copyright owners can request ISPs to remove infringing content. However, they cannot request ISPs to disclose information about the infringers responsible for the illegal content; such information must be obtained through judicial procedures.

3. TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures affecting production and trade****3.3.7 Intellectual property rights****3.3.7.8 Enforcement****Page 76, Paragraph 3.172****Question 5:**

According to the Report by Secretariat, Japan understands that customs authorities of Chinese Taipei have *ex officio* enforcement authority over suspect imported and exported goods. In addition to such goods, Japan would like to know whether the customs authorities have *ex officio* enforcement authority over suspect goods in transit.

Answer:

Article 9 of the Customs Anti-smuggling Act states, "For the necessity of suppressing smuggling, Customs may inspect imported cargoes, exported cargoes, through cargoes, transit cargoes, bonded cargoes, parcels, baggages, means of transport, warehouses or other places of storage, and the persons concerned at the scene". We have *ex officio* enforcement authority over suspected goods in transit.

Other questions**Question 6:**

Please kindly provide us with the Chinese Taipei's views on the two points below for product labels that require a description of Japanese prefecture only for Japanese food.

- (1) Consistency with Article 2.1 of the TBT Agreement, which stipulates MFN treatment and National treatment with respect to "technical regulations".
- (2) Consistency with MFN treatment prescribed in Article I :1 of GATT 1994.

Answer:

Regarding food safety and health management, we adhere to the WTO agreements and implement reasonable food safety regulations. The reasonableness lies in complying with the substantive and procedural requirements of scientific principles, necessity principle, and transparency.

Question 7:

Japan side has submitted applications and requested establishing maximum residue limits (MRLs) of pesticides used for fruits and vegetables, especially Chlorfenapyr and Flonicamid, which are applicable to strawberries.

In our understanding based on the news report, after the approval of the competent authority in this spring, the next step related to these 2 pesticides for strawberries is the risk communication process.

We appreciate if you could let us know both the whole process and the following timeline (after the applications) for establishing MRLs of pesticides.

Answer:

The processing time required for issuing import tolerances (ITs) depends on the number of applications filed for review during the same period and on the completeness of the information submitted. The Food and Drug Administration (FDA) reviews all the applications in order of submission. The applications for ITs for Chlorfenapyr and Flonicamid on strawberries are presently being reviewed.

MALAYSIA**GOVERNMENT REPORT (G448)****Page 3****1. Introduction**

1.4. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu recognizes climate change as a critical policy issue. Consequently, comprehensive policies addressing climate change were formulated during the review period with an aim to reach the target of net-zero emissions by 2050. It also actively engages in dialogues with other Members on environmental sustainability issues in international organizations such as the World Trade Organization (WTO) and the Asia-Pacific Economic Cooperation (APEC).

Question:

1. *Please elaborate the measure that the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is taking to address the challenges posed by climate change and other environmental issues?*

Answer: In response to the global trend towards achieving net-zero emissions, the Climate Change Response Act was amended in February 2023 to incorporate the 2050 net-zero emissions target into the law so as to implement the net-zero transformation target through practical actions.

Regarding other environmental issues, the Environmental Protection Administration was upgraded to the Ministry of Environment in August 2023. Comprehensive regulations and policies have been developed to reduce air pollutants, protect water quality, strengthen waste management, and respond to other environmental challenges.

Page 6**2.2 Trends in Foreign Trade**

2.6. In 2020, the services trade was impacted by the COVID-19 pandemic, leading to a decrease in volume. Border control measures greatly hindered trade in travel services. Nonetheless, as the pandemic was gradually brought under control, a subsequent rebound in services trade was observed in the years 2021 and 2022. Indeed, services exports exhibited a more rapid recovery compared to imports, primarily attributed to increased international freight rates and the resilient adaptability of the domestic maritime and air freight industries. Additionally, the transition from a services trade deficit to a surplus can also be partially attributed to a continuously narrowing deficit in travel services trade since 2020, owing to a substantial decline in expenditure on travel services.

Question:

2. *Is there any policy or incentive introduced by the Government for the services sector players, in addressing the services trade deficit?*

Answer: From 2020 to 2021, our current account surplus increased mainly because of a larger goods trade surplus and services trade turning to a surplus amid the COVID-19 pandemic.

1. The goods trade surplus widened because the COVID-19 pandemic created buoyant demand for remote working and learning, leading to a rise in exports of our electronic products as well as information and communication products.
2. With the impact of the COVID-19 pandemic, our services trade turned from a deficit to a surplus owing to the following reasons.
 - (1) The COVID-19 pandemic induced global supply chain bottlenecks from 2020 onwards and global freight rates thus trended up significantly, resulting in a substantial increase in international freight proceeds received by our transport operators.

- (2) Of the various components of our services trade, travel recorded the largest deficit from 2017 to 2019. However, from 2020 onwards, as the COVID-19 border control measures across the world led the number of our outbound travelers to shrink, the deficit on the travel account narrowed considerably.

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3.2.2 Investment Promotion Policy

3.11. To foster an efficient and supportive investment environment, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has continued to streamline registration requirements for foreign companies, enabling companies to fulfil documentation requirements after registering their branch or representative offices. Concurrently, the approval process for inbound investment has also been simplified, leading to reduced administrative costs for investors.

3.12. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has strategically focused on attracting inbound investment by positioning itself as a global supply chain hub and enhancing industrial development. A comprehensive set of investment promotion policies has been implemented, including favourable land rental rates, project loans, and an integrated single-window service platform to facilitate efficient and secure investment processes for interested enterprises. Between 2019 and 2022, the total inbound investment exceeded USD 62 billion, creating over 140,000 job opportunities.

Question:

3. *What specific measures and policies have been implemented by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to streamline registration requirements for foreign companies and simplify the approval process for inbound investment?*

Answer: We have taken the following measures to streamline procedures for foreign investment:

1. Measures to encourage the establishment of foreign branches and representative offices include:
 - (1) Simplifying document requirements: In principle, foreign documents do not require translations, notarization, or certification, and photocopies are acceptable.
 - (2) Photocopies of the ownership document or the letter consent of the owner of the building can be submitted after the approval of the office's registration.
2. We simplified the approval process for inbound foreign investments, such as amending the application forms for foreign investors increasing investments, and the required documents and explanatory notes. We also encouraged the use of online application systems to lower administrative costs.

4. *How have these changes reduced administrative costs for investors?*

Answer:

1. Streamlining document requirements reduces translation costs, notary or certification expenses, and simplifies the preparation of documents since copies are generally easier to obtain. This contributes to lowering the cost of document preparation.
 2. Foreign investors can reduce the time and cost of establishment by submitting building owner consent and property ownership documents after registration.
 3. Transformation of representative office into branch and retaining the original unified business registration number simplifies the registration process and administrative burden, effectively lowering investment costs.
 4. Simplifying and paperwork and providing the use of online application systems during the approval process for inbound foreign investments, shortening the time needed to complete the required procedures.
5. *How has the territory strategically positioned itself as a global supply chain hub to attract inbound investment?*

Answer: We have comprehensive industrial supply chains with advantages in the semiconductor industry. Accordingly, when major international manufacturers consider decentralizing supply chains, we emerge as the most resilient, efficient, and reliable supply

chain partner. We continue to take stock of business opportunities and related supply chain gaps arising from emerging technologies, net-zero transformation, and other trends. Additionally, we encourage foreign companies to leverage our leading advantages in ICT and semiconductors, fostering opportunities for investment and collaboration with local partners.

6. *What future plans or strategies are in place to further promote and facilitate investment in the territory?*

Answer: We offer single-window services with a full range of customized assistance to investors throughout the investment process, including investment evaluation, application, and operation. Each investment project will be assigned a dedicated project manager for assistance. We also use an inter-ministerial coordination mechanism to accelerate the implementation of investment projects. In addition, we take stock of industry gaps and identify business opportunities arising from the emerging technologies and green transition trends, then cooperate with our overseas units to organize investment briefings, interviews with potential manufacturers, and industrial interactive workshops to match business opportunities and promote bilateral investment.

Building on the foundations of promoting the 5+2 Industry Innovation Plan, we are focusing on the Six Core Strategic Industries (including information and digital industries, cybersecurity industry, precision health industry, green and renewable energy industry, defense and strategic industries, and strategic stockpile industries) and 2050 net-zero transition objective. By moving early with preparations, we will try to gain first-mover advantage to capitalize on the opportunities created by the reorganization of global supply chains.

7. *How does the integrated single-window service platform help businesses with their investments, and who oversees its operations and the parties involved?*

Answer: InvesTaiwan, the single window for comprehensive investment services, is comprised jointly of the Department of Investment Promotion, the Department of Investment Review, and the Investment Service Center of the Ministry of Economic Affairs. It offers services including regulatory consultation, recruitment consultation, and assistance in searching for land, factory, or office locations, while accelerating the administrative procedures for investment projects to ensure efficient and smooth investment and operations for foreign investors.

Page 8 – 9

3.2.2 Investment Promotion Policy

3.13. On the other hand, the government has intensified its efforts to attract investment from multinational corporations, with a focus on high-tech industries such as critical materials and equipment for the semiconductor sector, as well as renewable energy. Throughout the review period, several corporations from the United States, the European Union, as well as Asia, either made new investments or expanded their existing investments in those areas.

3.14. Moreover, the government has established a talent recruitment platform to assist investors in recruiting foreign talent and enhancing collaboration with universities to facilitate talent exchanges.

Question:

8. *What are the specific efforts and incentive schemes provided by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to attract investment from renewable energy sector?*

Answer:

1. We provide tax incentives and financial support for R&D expenses and promote the Green Finance Action Plan as a support measure to guide funds to renewable energy industries, green industries, and companies and projects with sustainable concepts in order to attract foreign investment in the field of renewable energy.
2. In addition, through the renewable energy feed-in tariff (FiT) system, we annually review and set reasonable FiT rates for various types of renewable energy, sets reasonable investment incentives through the Weighted Average Cost of Capital (WACC) parameter,

and provide a 20-year guaranteed power purchase agreement to encourage investors to invest in the development of renewable energy.

9. *Appreciate the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to elaborate more regarding the talent recruitment platform to facilitate investors in recruiting foreign talent.*

Answer: We set up an online job-matching platform, Contact TAIWAN (<https://contacttaiwan.tw/MainOne/Home.aspx>), for our companies and international professionals. It provides online job-matching services, personalized consulting, as well as information relevant to our international talent recruitment policies. Meanwhile, we organize domestic and international talent recruitment events, leveraging diverse channels to assist our companies in recruiting international professionals.

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3.3.1 Industrial Innovation Policies

3.16. To accelerate industry transformation and development, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is dedicated to building a new economic model that strives for sustainable development around its core principles of innovation, strong employment, and equitable distribution. The three major strategies – working with local industries, supporting industries with domestic demand, and entering international markets – will stimulate industry innovation and vitality. The 5+2 Industrial Innovation Plan was introduced in 2016 and covers intelligent machinery, the Asia Silicon Valley, green energy, biomedicine, defence and aerospace, new agriculture, and the circular economy. The Plan is instrumental in driving growth in the next-generation industries and injecting new momentum for economic growth.

3.3.2 Achievements of Industrial Innovation Policies

3.18. The 5+2 Industrial Innovation Plan has so far made significant achievements. The promotion of the Asia-Silicon Valley Plan has contributed to the growth of the Internet of Things (IoT) industry. The IoT industry's output value was around TWD 1 trillion in 2018 and doubled by 2022, with a global market share of 4.83%. The machinery industry and the biotechnology industry have both surpassed a market value of TWD 1 trillion. In the area of green energy technologies, investment in offshore wind power and solar power has also reached TWD 1 trillion.

3.19. In terms of new agriculture and the circular economy, as of the end of 2022, investment in smart agriculture exceeded TWD 2 billion. The aim is to continue developing innovative, energy-efficient, and sustainable agriculture practices that enhance the value of resource recycling. The government has also facilitated alliances between industry sectors and public associations, committing to collectively improve resource utilization efficiency among businesses. As of the end of 2022, the recycling rate of industrial waste reached 81.4%, and the recycling industry contributed more than TWD 77 billion in value.

Question:

10. *How does the Separate Customs Territory plan to ensure the long-term sustainability of the achievements made under the 5+2 Industrial Innovation Plan?*

Answer: When initiating core strategic industries, the government considers the industrial development niches and international trends to ensure that the industrial plan capitalizes on our advantages and keeps pace with the times to achieve long-term goals.

For example, the 5+2 Industrial Innovation Policy was proposed in 2016 and has laid the foundation for the development of industries in the digital era. In 2020, the government continued to propose Six Core Strategic Industries, and on the basis of the 5+2 industrial innovation, it fosters cross-sector integration and advancement among industries to cope with such impacts as the COVID-19 pandemic and geopolitical conflicts in recent years. It also assist us in grasping further opportunities for global supply chain restructuring.

11. *How to sustain the overall sustainability of innovation ecosystem and is there any significant international presence on the 5+2 Industrial Innovation Plan?*

Answer: Since the initiation of the Asia-Silicon Valley Project of the 5+2 industry Innovation Plan in 2016, our start-up ecosystem has thrived with regard to funding, markets, talents, and regulations. The number of startups has grown from 2,380 to over 7,400, while the annual investment in start-ups has increased from USD 840 million in 2015 to USD 2.22 billion in 2022.

By adopting the approach of international entrepreneurship clusters, we expect to attract more international resources. We supported the establishment of the Linkou New Innovation Park which links the resources and expertise required for industrial development, market promotion, innovation and entrepreneurship.

We also provide guidance to help industries develop towards innovation and promote cross-domain cooperation. Furthermore, we have attracted investment from multinational corporations, internationally renowned accelerators and venture capital firms. We have also strengthened our international connections and overseas innovation sources, thus increasing our capacity for research and development, and industrial innovation.

Furthermore, in alignment with our New Southbound Policy, we have established communication channels with Asian partner countries to jointly promote the development of innovative solutions in areas such as smart cities and AI.

12. *What is the status of the Asia Silicon Valley?*

Answer:

1. Facilitating the continuous growth of the output value of the IoT industry: The value of the IoT industry exceeded TWD one trillion in 2018 and crossed the two trillion mark in 2022, thereby achieving a global market share of 4.83%.
2. Attracting international digital giants to establish R&D or innovation centers and strengthening domestic innovation capacity.
3. Developing 263 smart city and rural applications, while facilitating the successful export of 93 AIoT solutions overseas and cultivating 3 international-level system integration companies.
4. Establishing the first O-RAN Alliance certified Open Testing and Integration Centre (OTIC) Lab in Asia in 2021 and constructing a reliable verification environment for 5G Open RAN.
5. The number of start-ups grew from 2,380 in 2015 to over 7,400. The annual investment in start-ups increased from USD 840 million in 2015 to USD 2.22 billion in 2022, resulting in the emergence of 4 unicorn companies.
6. Promoting a TWD 5 billion Business Angel Investment Program: From 2018 to now, investments amounting to TWD 3.311 billion have been made in 241 start-ups, driving total investments to TWD 11.915 billion.

13. *Appreciate if the 5+2 Industrial Innovation Plan and the Asia-Silicon Valley Plan can be elaborated further. What are the types of activities that contributed to the growth of the IoT industry?*

Answer:

1. Promoting local trials of 5G smart cities and rural areas to enhance growth in IoT application layers, developing specialized network solutions under the Open RAN architecture, and conducting field validations.
2. Aligning with international 5G ORAN testing standards, increasing the international visibility of the IoT industry: Establishing a 5G open network testing laboratory, integrating domestic and international entities in networking equipment, systems integration, and application services to validate the security and reliability of domestic 5G devices.

14. *Appreciate if the smart agriculture can be elaborated further. Are the investments in smart agriculture for R&D or commercial? What type of technology is developed for the smart agriculture industry?*

Answer:

Smart agriculture can address labour shortages and enhance farming efficiency. The Ministry of Agriculture continues to invest in related R&D programs. At present, in order to increase agricultural resilience and competitiveness, our applications of smart agriculture-related R&D include weather forecasting and monitoring, pest monitoring and control, data-driven agricultural management, and precision agricultural technology.

Page 10**3.4 Digital Economy**

3.20. In response to trends in digital and technological transformations, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu launched the nine-year Digital Nation and Innovative Economic Development Plan (DIGI+) in 2017. After four years of implementation, the DIGI+ was subsequently upgraded to Smart Taiwan 2030. The goal is to enhance the value of the digital economy, increase the adoption of digital services, and improve the coverage of high-speed broadband services. Through the integration of government resources and collective efforts from the private sector and industries, the government is creating an environment that accelerates digital innovation and economic development.

Question:

15. *What are the initiatives regarding e-government/ digital government aligned to the Smart Taiwan 2030?*

Answer:

1. The government has promoted the Digital Nation and Innovative Economic Development Program (DIGI+) 2017-2025 in 2017. After four years of implementation, the DIGI+ was subsequently upgraded to the Smart Taiwan 2030 to build a smart economy of innovation, inclusiveness, and sustainability. The goal is to enhance the value of the digital economy, increase the adoption of digital services, and improve the coverage of high-speed broadband services. Through the integration of government resources and collective efforts from the private sector and industries, the government is creating an environment that accelerates digital innovation and economic development.
2. In terms of specific measures and progress of the e-government plans, they include promoting relevant online services such as MyData services, providing 131 personalized data for users to download, 117 convenient in-person verification services, such as applications for living allowances (marriage).

16. *Is there any particular area of focus with regard to e-government?*

Answer: Our smart government policy focuses on key areas, such as data governance, digitization, automation of services, and digital resilience.

Since 2017, the government has initiated a series of digital government programs with the goal of realizing a vision that embraces a digital future and creates an open, innovative smart government. These initiatives have three main objectives: to accelerate data release and promote data reuse, to leverage public data to build a new vision of governance, and to combine technology to usher a new era of innovative services. The plan includes strategies such as establishing a government data open and reuse mechanism, creating an environment where data is easily accessible, establishing demand-oriented data analysis strategy, and enhancing the use of emerging technology for smart services. Through collaboration with various agencies, these programs are driving digital transformation, and achievements have been made at different stages.

17. *What is the contribution of the country's digital economy to the overall GDP?*

Answer:

The contributions of the digital economy to the GDP are reflected in three dimensions, including the demand for digital technology applications, the introduction and application of digital technologies, and the promotion of specific digital domestic businesses by digital technologies. Therefore, measurement of the digital economy is mostly based on the existing industrial classification to estimate the contributions of industrial sectors closely related to the digital economy vis-à-vis the GDP. These sectors include manufacturing industries related to digital technology, such as electronic parts and components manufacturing, computers, telecommunications, and e-commerce. Our digital economy is estimated to reach TWD 7.4 trillion (approx. USD 246.67 billion) in 2022, ahead of the goal of TWD 6.5 trillion (approx. USD 216.67 billion) by 2025.

Page 10**3.5.1 Responding to Climate Change**

3.23. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu announced in March 2022 the Pathway to Net-Zero Emissions in 2050, and in December 2022 the 12 Key Strategies, and then promulgated the Climate Change Response Act in February 2023. This Act includes the 2050 net zero emission target, an equitable transition, plus a chapter on climate change adaptation.

Question:

18. *What are the core elements of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu 2050 net zero emission target in light of equitable transition as established in the Pathway to Net-Zero Emissions in 2050? And what are the levers and enablers?*

Answer: In 2022, we announced the Pathway to Net-Zero Emissions by 2050, which promotes 12 key strategies including equitable transition. Guided by the core value of "Leaving No One Behind", we have integrated public participation and established an equitable transition committee. Adhering to principles that respect human rights and dignified labor, we engage in consultations with all communities affected by the transition to net-zero emissions. This approach assists industries, regions, labor, consumers, and indigenous communities in achieving a stable transition. While advancing our society towards the 2050 net-zero transition, we ensure fairness, safeguard employment rights of affected workers, mitigate additional living costs for the people, and facilitate a low-carbon transformation of domestic business models.

19. *Appreciate if you could share on climate change adaptation. Are there any new incentive schemes to be introduced?*

Answer: To enhance our climate change adaptation capabilities, we have established the climate change adaptation promotion mechanism since 2010. We also approved the National Climate Change Adaptation Action Plan (2013-2017), involving collaboration among various competent agencies to promote adaptation practices for climate change. Currently, we are implementing the third phase of the plan (2023-2026), addressing areas such as critical infrastructure, water resource, land utilization, ocean, energy supply, biodiversity, health and capacity building. There are currently no new incentive measures in place.

20. *What are the foreseeable challenges for The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to address and overcome in order to fulfil the objectives?*

Answer: To achieve the 2050 net-zero goal, the government must balance intergenerational equity and support vulnerable groups. Through cooperation between the central and local governments, as well as public-private partnerships, we invest in scientific and technological research and development. We actively promote equitable transition, green finance, climate adaptation capabilities, and protect the rights of indigenous communities. This is in pursuit of our vision to realize a "Net-Zero, Sustainable, and Resilient Homeland".

21. *Are there investment opportunities for foreigners during the energy transition period?*

Answer: In response to our energy transition policy, it's necessary to gradually strengthen the resilience of the power grid, deploy distributed power sources (including various renewable energy sources) and power energy storage systems.

3.24. The government is reducing its dependence on imported energy by expanding the installation of renewable energy sources. The goal is to reduce energy import dependency to below 50% by 2050. By leveraging ICT advantages, the aim is to align industries with the global supply chain and green initiatives, thereby establishing low-carbon business models and green supply chains. In addition, through public dialogue, efforts are being made to enhance awareness of climate change and promote the adoption of low-carbon lifestyles. Activities to communicate with the public are being conducted to discuss the potential impacts of efforts toward net-zero emissions and the development of relevant supportive measures. The aim is to ensure that climate transition aligns with the principles of social equity.

Question:

22. *Based on the report from the Government, we gather that The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has been energy import dependent. What is the current rate of energy import in percentages and how do you plan to draw down by 2030, 2040 and 2050?*

Answer: About 97.3% of our energy is imported. In the future, we aim to increase the proportion of self-produced energy by expanding renewable energy installations. The proportion of renewable energy power generation is expected to increase from 4.8% in 2016 to 27%~30% in 2030, and ultimately reach 60~70% in 2050.

23. *From the Government's report, the decarbonisation initiatives are described. What will be the decarbonisation targets for each power and non-power segment by 2050 as compared to 2022?*

Answer: We already amended the Climate Change Response Act in February 2023 to legally incorporate the 2050 net-zero emissions target. This amendment demonstrates our commitment to translating the net-zero transition goal into concrete action, with a plan to achieve carbon-free electricity by 2050.

24. *What is the renewable energy (RE) installed capacity target for the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu by 2030, 2040 and 2050, respectively?*

Answer: We have set the goal to achieve a total renewable energy installation capacity of 29 GW by 2025. In addition, we have set long-term targets for relatively mature technologies as follows:

Target Year (GW)	2016	2025	2030	2050
Solar PV	2.0	20.0	31.0	40~80
Offshore-Wind Power	0.8	5.6	13.1	40~55

25. *Does the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu have specific plan to phase down and eventually phase out coal-fired power plants by 2050? Would natural gas uptake be increased as fuel for energy transition?*

Answer: We do not plan to expand any new coal-fired power units before 2025. Natural gas plays a crucial role as a transitional energy source in our Pathway of 2050 Net-zero Emissions. In the short- and medium- term, the goal is to enhance gas-fired power generation to replace coal. In the long-term, we will import carbon-neutral natural gas or install Carbon Capture, Utilization, and Storage (CCUS) in thermal power plants to archive the goal of net-zero emissions.

26. *What is the current perception on nuclear energy? Would the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu consider small modular reactor (SMR) as a feasible nuclear technology?*

Answer: Our energy transition policy allows existing nuclear power reactors to operate until their licenses expire. We currently have no plan to install new reactors. Small modular nuclear reactor technology is in the pre-commercial stage and with high uncertainty. We will continue to monitor its development of technology, security, and regulatory issues. The stock of nuclear fuels is sufficient, so we will not import any in the future.

27. *We appreciate if you could describe in more details relevant supportive measures in achieving net-zero emissions by 2050.*

Answer:

1. In response to the global trend towards achieving net-zero emissions and the increasing pressure to reduce carbon emissions in the supply chains, we announced the Pathway to Net-Zero Emissions by 2050 in 2022. The pathway is based on the four transition strategies on energy, industry, life, and society and the two governance foundations of technology R&D and climate legislation, and supplemented by 12 key strategies.
2. The 12 key strategies, including wind/solar PV, hydrogen, innovative energy, power systems and energy storage, energy saving, carbon capture, utilization and storage (CCUS), electric and carbon-free vehicles, resource recycling and zero waste, carbon sinks, green lifestyle, green finance, and equitable transition to drive initiatives related to the net-zero transformation.
3. In addition, the Climate Change Response Act was amended in February 2023 to incorporate the 2050 net-zero emissions target into the law so as to implement the net-zero transformation target through practical actions.

3.25. To encourage the prioritization of green sustainability among businesses, investors, and consumers, and to promote support from the financial sector for green energy development, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has been undertaking green finance initiatives since 2017. A series of action plans have been introduced since then. On September 2022, the Green Finance Action Plan 3.0 was released to enhance the quality and content of ESG information disclosures, strengthen climate risk management of financial institutions, promote GHG emissions inventory disclosures, and establish a sustainable taxonomy.

Question:

28. *What are the ESG-compliant achievements, in terms of percentage, among leading private sector companies? Do you have ESG indices in specific subcategories?*

Answer:

To promote the development of ESG products and channel funds into sustainability fields, Taiwan Index Plus (TIP) Corporation has released several ESG-themed indices. For more information, please refer to the webpage (www.taiwanindex.com.tw).

3.26. A new plan to improve the overall competitiveness of SMEs was also adopted in October 2022 to assist SMEs embrace new international opportunities in net-zero emissions. Actions have been taken to enhance carbon reduction capabilities, foster relevant talent, support the low-carbon transformation of the manufacturing and service industries, guide export-oriented SMEs to comply with international carbon footprint verification standards, expand domestic capabilities to verify carbon emissions, and provide support for low-carbon measures such as green and sustainable preferential loans.

Question:

29. *What sort of incentives are given to SMEs to decarbonise? Are tax rebates introduced for SMEs to enhance carbon reduction?*

Answer: We assist small and medium-sized enterprises (SMEs) in their transition towards achieving the net-zero goal through specific approaches, such as carbon reduction knowledge development, digital tool applications coaching and supply chain linkage counselling. These methods aim to enhance the adaptability and competitiveness of SMEs in the face of green transition. There is no tax rebates.

Page 10**3.5.1 Responding to Climate Change**

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Question:

30. *What are the key components of the Climate Change Response Act introduced by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu in February 2023?*

Answer: In February 2023, amendments were made to the Climate Change Adaptation Act, incorporating the 2050 net-zero emissions target into law to implement the goal of net-zero emissions through concrete actions.

Some key components of the legislation include the inclusion of Net-zero Emission by 2050 target with clearly defined responsibilities and responsible authorities, the addition of an equitable transformation involving all parties, specific uses for carbon fees with diverse incentives in place, the improvement of emissions control and incentive mechanism to foster emissions reduction, and the addition of a climate change adaptation chapter.

The Act serves the following purposes: building a more resilient legal foundation for climate governance, providing a response to address global climate change, outlining climate change adaptation strategies, reducing and managing greenhouse gas emissions, and implementing generational justice, environmental justice and equitable transition. As such, the Act enables us to fulfil our common responsibility to protect the global environment and ensure sustainable development.

31. *How is the government planning to decrease its reliance on imported energy to less than 50% by 2050? How does ICT play a role in this effort?*

Answer: To achieve net-zero emissions and reduce the dependence on imported energy to less than 50% by 2050, we announced the roadmap for 2050 net-zero pathway in March 2022.

We aim to have 60-70% of its power generated by renewable energy by 2050. Besides solar and offshore wind power, the development will expand to advanced renewable energy options, such as geothermal and ocean energy.

To cope with the increase of intermittent power generated from renewable energy and to improve the resilience of the power system, we will also leverage ICT and emerging power technologies to establish a smart grid system for more precision on predicting power supply and demand, as well as dissemination.

32. *What measures and support mechanisms are used to improve the overall competitiveness of SMEs in the context of net-zero emissions and international opportunities?*

Answer: We assist SMEs in their transition towards achieving the net-zero goal through specific approaches, such as carbon reduction knowledge development, digital tool applications coaching and supply chain linkage counselling. These methods aim to enhance the adaptability and competitiveness of SMEs during green transition. The related details are outlined below:

1. Developing Carbon Reduction Knowledge:

We conduct online or in-person courses and arrange corporate field trips, seminars, and other events to assist SMEs develop knowledge about carbon reduction.

2. Guidance on Digital Tool Applications:

We launch the online service Greenhouse Gas (GHG) Emissions Calculator for SMEs, assisting them in understanding their preliminary carbon emissions.

3. Counselling on Supply Chain Linkages:

We have prioritized the counselling of SMEs that are impacted by the Carbon Border Adjustment Mechanism (CBAM) and supply chain requirements. To achieve the goal, we collaborate with upstream and downstream supply chains of SMEs. The counselling services include enhancing energy efficiency, improving processes, assessing carbon footprints, and implementing circular reuse practices.

33. *What types of green and sustainable preferential loans are being provided to support low-carbon measures?*

Answer: To promote the financing of the Six Core Strategic Industries, the Financial Supervisory Commission introduced the Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries under the precondition that domestic banks conduct proper risk management.

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3.5.2 Inclusiveness: SMEs, Women, Labor, and Indigenous Peoples

3.29. The government values the development of SMEs, and aims to enhance their competitiveness, foster new opportunities, and accelerate industry transitions and development to address the challenges posed by the digital economy, sustainable development, local innovation, and global challenges in the post-pandemic era. By helping SMEs flourish, grow, and conduct international exchanges, new opportunities for product marketing are made available, creating greater momentum for economic growth.

Question:

34. *What are the government's efforts in helping SMEs adopt digital tools or technologies in their business?*

Answer: We are proactively responding to the trend of global digital transformation, focusing on an enterprise with fewer than 9 employees and utilizes digital assessments to evaluate its digital capabilities. Subsequently, we offer tailored guidance and assist in selecting appropriate cloud solutions. Through hands-on training, these enterprises are empowered to independently utilize cloud solutions, and they are connected with existing online platforms for practical application. By leveraging data feedback and analysis, we aim to precisely understand market demands that enable MSMEs to utilize digital tools for service innovation, enhance operational efficiency, and create new business opportunities.

Page 11**3.5 Inclusiveness: SMEs, Women, Labour and Indigenous People****Women**

3.30. In the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, there are about 600,000 women-owned SMEs, representing more than 37% of all SMEs. To enhance competitiveness, the government has been providing credit guarantee measures and strengthening entrepreneurial development support systems. Since the Women Entrepreneurship Program began in 2013, it has supported a total of more than 10,000 female entrepreneurs to start new businesses. Due to recent developments in the digital economy, the program has also been providing assistance and support to female entrepreneurs in enhancing their digital skills and offering courses on utilizing digital marketing tools.

3.31. Since women make significant contributions to driving economic growth, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has been actively implementing policies aimed at promoting gender equality and removing gender barriers in the workplace. To encourage greater female participation in economic activities, a range of measures have been implemented to create a supportive work environment. These measures include the establishment of childcare facilities, relaxation of rules to allow both parents to take unpaid parental leave simultaneously, as well as implementation of childcare subsidies and flexible working hours.

Question:

35. *Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu provide more details on the credit guarantee measures mentioned in the statement and how they have benefited women-owned SMEs?*

Answer:

1. The objective of the Small and Medium Enterprise Credit Guarantee Fund (TSMEG) is to provide credit guarantees to those small and medium enterprises in normal operation but short of collateral for external financing.
 2. We use the TSMEG to provide the Phoenix Micro Start-up Loan credit guarantee. Owners of MSMEs who meet the following requirements are eligible to apply:
 - (1) Age: Females aged 18-65.
 - (2) Establishment registration: Business/company registration or taxation registration within 5 years.
 - (3) Number of employees: The number of employees in the business is less than five (business owner excluded).
 - (4) Course certificates: The applicant has been involved in entrepreneurial training programs sponsored by the government for 18 hours within 3 years.
 - (5) Normal operation: No overdue loans or dishonoured bills.
 3. Information on the Phoenix Micro Start-up Loan:
The maximum amount of the loan is TWD 2 million, with a low interest rate (according to the floating rate for 2-year postal savings plus 0.575%, current rate at 2.17%), and the interest is free for the first 2 years; the term for maximum guarantee is 7 years. Moreover, the loan is guarantor-free, collateral-free, 95% credit guaranteed, and has a guarantee fee rate of 0.375%.
36. *Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu elaborate further on what are the key policies and measures mentioned in the statement that have been implemented to promote gender barriers in the workplace?*

Answer: The Gender Equality in Employment Act has been enacted to protect gender equality in right to work, implementing through the constitutional mandate of eliminating gender discrimination and promoting the spirit of substantial gender equality. The government has regulated the prohibition of gender discrimination, prevention and redress of sexual harassment, and introduced measures to promote equality at work. During recruitment, screening, hiring, distribution, placement, performance appraisal, promotion, education, training, various welfare measures, salary payments, retirement, severance, and dismissal of job seekers or employees, there shall be no differential treatment based on gender or sexual

orientation. In addition, employers shall promptly and effectively address sexual harassment in the workplace, and shall provide for menstrual leave, prenatal rest and recuperation, pregnancy check-up accompaniment and paternity leaves, leave for pregnancy check-ups, maternity leave, parental leave, breastfeeding (concentration) time, reduction or adjustment of working hours, and family care leave. Employers are encouraged to provide nursing rooms and childcare facilities to create a childcare-friendly workplace environment.

The Ministry of Labor holds workplace equality and sexual harassment prevention seminars with local governments annually, and continues to promote gender equality through multiple channels, such as websites, social media, and foldouts to enhance public awareness.

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Summary

18. Chinese Taipei's energy needs continue to be met essentially through imports, and the energy supply matrix remains dominated by fossil fuels. The absence of electricity grid interconnections with overseas partners exacerbates its energy supply challenges. Various subsectors, including electricity and natural gas, are yet to be fully opened to competition and the footprint of state-owned enterprises remains large.

Question:

37. *Does Chinese Taipei have ambitions to fully liberalise its electricity supply industry and allow foreign equity ownership? If the answer is in the affirmative, when is the targeted year?*

Answer:

According to the Electricity Act, we have liberalized trading for electricity-generating enterprises as well as allowed foreign shareholding.

19. The combined share of renewable sources in total energy supply, albeit still modest, has been on the rise, underpinned by guaranteed feed-in tariffs and regulations requiring large industrial consumers to take part in the green energy transition. Chinese Taipei has also been implementing an industrial policy for offshore wind power generation. In 2023, Chinese Taipei upgraded its framework for reducing greenhouse gas emissions and set a formal goal to achieve net zero emissions by 2050. Subsidies continue to be granted to ensure the supply of petroleum products in remote areas, reduce pricing differences between cities and rural areas, and encourage the exploration and development of oil and natural gas reserves. Wholesale and retail prices of natural gas are regulated.

Question:

38. *Does Chinese Taipei have incentive-based regulation for its tariff regime for electricity?*

Answer: The incentives provided by the Renewable Energy Development Act include FIT mechanism to encourage the establishment of various types of renewable energy and financial supports for demonstration projects that assist expand participation or early market penetration.

39. *What is the national strategy for energy efficiency (EE)?*

Answer: Based on the Energy Development Guidelines and the Energy Management Act, we have formed 7 strategies, namely technological research and development, demonstration and application, incentives and financial support, industry promotion, energy audit and energy-saving guidance, education dissemination and policy support, and mandatory regulations and standards, as well as set up a comprehensive plan to improve overall energy efficiency.

Page 11**1.1 Main features of the economy**

1.4. Chinese Taipei is a net importer of food and agricultural inputs, including animal feed and forage crops, and fertilizers (Section 4.1). Notwithstanding recent progress towards greening its energy supply matrix, Chinese Taipei continues to depend heavily on imported fossil fuels, keeping it exposed to global price fluctuations. The absence of electricity grid interconnections with overseas partners exacerbates its energy supply challenges (Section 4.2.2). Chinese Taipei's manufacturing industry, notably semiconductors and chemicals production, is highly energy-intensive and relies on other high-carbon-footprint inputs. Consequently, Chinese Taipei would face considerable hurdles in its planned transition to net-zero greenhouse gas emissions (Section 4.4.2), as well as in a global trading environment being reshaped by carbon border adjustment mechanisms.

Question:

40. *Has carbon capture and storage (CCS) mechanism been considered for carbon reduction in energy sector?*

Answer: Carbon Capture, Utilization, and Storage (CCUS) is one of the key approach in our 2050 net-zero transition. The energy industry will integrate CCUS as a development project for the future.

41. *Does Chinese Taipei foresee a greater application of battery energy storage system?*

Answer: In response to increasing the power mix of renewable energy to ensure the stability of the power system and dispatch flexibility, we have planned to gradually strengthen the various supporting measures that include building new rapid response gas units, pumping hydro storage, as well as battery energy storage systems.

42. *Most economies may realise that they need to deter substantial dependence on product imports. In this context, does Chinese Taipei encourage manufacturing and utilization of indigenous energy equipment products for its energy appliances?*

Answer: We encourage the manufacturing and the utilization of local energy equipment or products, but do not restrict the importation of products or equipment from other countries, except for the importation of some products from specific countries is restricted based on security considerations.

Page 27**2.4 Investment regime**

2.33. The Investment Commission under the MOEA (MOEAIC) remains in charge of screening and approving inward and outward investment and technical cooperation. In performing these duties, the Commission follows Chinese Taipei's policy of economic liberalization. The Commission's plan includes such goals as (i) simplifying the procedures of application, review, and approval of overseas investment, based on the criterion of "free in principle, with deliberation for exceptional cases"; (ii) improving the services provided to overseas investors; and (iii) assisting local enterprises in their efforts to expand and invest overseas

Question:

43. *Could Chinese Taipei elaborate further and provide example of deliberation for exceptional cases for inward investment?*

Answer: The Department of Investment Review, MOEA (formerly known as MOEAIC), on a case-by-case basis, conducts comprehensive analyses on the foreign investor's background, the target industry invest in, and the possible effects such investments might have in the future.

If necessary, the competent authorities of the target industry are consulted during the screening process. Moreover, additional documents and screening procedures are required for cases with unusually large investment amounts or those that involve critical industries. Please refer to Critical and Substantial Investment Proposals (CED16) of the Required Documents

and Guidance Notes for Foreign Investments.
(https://dir.moea.gov.tw/businessPub.view?lang=en&op_id_one=1)

44. *Are there any incentives provided by Chinese Taipei for local enterprises in their efforts to expand and invest overseas?*

Answer: For companies willing to invest in New Southbound Policy countries, including Malaysia, we provide information on their investment climates and consulting services via the Taiwan Desk, assist in arranging seminars and forums for our entrepreneurs, and organize investment missions to New Southbound Policy countries.

In addition, for the needs for financial loans and talent training, we also provide related information as references for companies. In terms of financial loans, we enacted the Key Points for Overseas Investment in Financing Loans to encourage our companies to invest in countries in the New Southbound Policy region.

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3.3 Measures affecting production and trade

3.3.1 Incentives

3.75. Chinese Taipei provides support to produce rice, feed corn, soybeans, forage crops, wheat, sugarcane, and other indigenous crops. Policy-oriented special agricultural loans at preferential interest rates, which range from 1.29% to 2.43%, are also available to all farmers and fishers and agricultural industries. There are different types of loans, with specific ceilings, determined by the COA; however, the amount of the loan is decided by the bank, based on the applicant's financial situation. The objective of these programmes is to ensure food security, farmers' income, disaster relief, environmental conservation of farmland, and in the case of sugar, to develop the sugar industry (Section 4.1). In the fisheries sector, to reduce fishing capacity and thus ensure the sustainability of fisheries resources, Chinese Taipei implements programmes to buy-back fishing vessels, close the fishery season, and promote the purchase of marine disaster insurance by covering a portion of the insurance cost.

Question:

45. *What role does Chinese Taipei play in promoting the conservation and sustainable use of natural resources, such as fisheries and forests?*

Answer: By implementing appropriate conservation and management measures on fisheries resources, we manage the sustainable yields of fisheries. To ensure the integrity of critical terrestrial ecosystems and biodiversity, strengthen the conservation and utilization of forest and natural resources, and sustainably share the benefits of forest ecosystem services, the Forestry and Nature Conservation Agency (FANCA), which is affiliated with the Ministry of Agriculture, is responsible for the management of forest and natural resources. The agency is committed to strengthening the conservation of terrestrial species, habitats, and ecological landscapes, creating more forests and natural carbon sinks, and promoting diversified forest industries based on sustainability.

46. *How does Chinese Taipei ensure that international trade is conducted in a manner that is consistent with environmental protection and sustainable development?*

Answer: We have a comprehensive environmental legal framework to protect human health and the environment from pollutions. Our environmental standards are similar to those of the developed countries. Our voluntary mechanisms, such as the eco-labelling system, comply with ISO standards. We also abide by the UN environmental agreements, such as the Montreal Protocol on Substances that Deplete the Ozone Layer. Regular meetings between trade and environmental agencies ensure that their policies are mutually supportive.

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3.3.1 Incentives

3.79. SMEs that invest in innovative R&D may get a tax credit of up to 30% of the income tax payable (Article 35). In addition, the Small Business Innovation Research (SBIR) programme provides grants to encourage SMEs to engage in innovation and R&D. The programme provides

grants for (i) preliminary research and planning (phase 8 1) (maximum project cost of TWD 1 million) for six months; (ii) R&D and detailed planning (phase 2) (maximum project cost of TWD 10 million) for two years; and (iii) implementation (phase 2+) (maximum project cost of TWD 5 million) for one year.

Question:

47. *Is there any restrictions that require R&D work to be done in Chinese Taipei only?*

Answer: SBIR does not restrict where the research work must be done.

48. *Is there any technology transfer through cooperative R&D between small businesses and research institutions and if yes, is it compulsory, conditional or optional?*

Answer: Technology transfer is not compulsory in the SBIR program. But we have an incentive mechanism for SMEs, if technology transfer is needed, the applicant can list it as a project budget which is limited to 30% of the total research amount.

49. *Is there any designated facilitator or accompanying agency for the SBIR program that will provide guidance, analysis, and report to the federal government?*

Answer: We have setup a project office to execute the SBIR program.

3.82. Chinese Taipei also offers grants to finance leading industries, develop innovative applications, and upgrade and transform existing industries, such as biotechnology, new pharmaceuticals, and 5G and smart machine technologies. Under the amended SII, the duration of tax credits for investment in new smart machinery and 5G wireless systems was extended until end-2024.¹³⁰ Chinese Taipei also provides tax incentives to promote the biotech and pharmaceutical industries (advanced medical and high-tech products).¹³¹ In 2021, Chinese Taipei extended the existing tax breaks for investment in biomedical R&D for another 10 years.¹³² The revised SII also provides for new tax benefits to further promote the development of the biomedical industry. The exploration and development of oil and natural gas reserves is also subsidized, through grants and loans at preferential interest rates, in order to ensure the local supply and stabilize the oil market.

Question:

50. *Are there any specific incentives other than R&D, to further develop Chinese Taipei's digital economy?*

Answer: To assist various industries in digital transformation, pursuant to Article 9 of the Statute for Industrial Innovation (SII), the Ministry of Digital Affairs (MODA) published its Subsidy, Reward and Assistance Regulations for Promoting Industry Innovation in December 2022. Subject to certain conditions and qualifications, MODA, or its subordinate agencies, may provide financial support, rewards, or assistance to those engaged in activities related to the digital economy in promoting industrial innovation, improving industrial environments, and enhancing industrial competitiveness.

51. *Are there specific digital economy sectors that Chinese Taipei is focusing on developing by offering further incentives?*

Answer: We provide supporting measures for promoting digital economy in accordance with the SII, without specifying a specific industrial sector.

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3.3.4.1 Competition policy

3.113. Chinese Taipei's competition legislation does not apply to export-oriented anti-competitive practices (including cartels) that only have effects on overseas markets. The provision of public aid or any preferential tax treatment by public authorities also remains outside its scope. During the review period, the FTC issued guidelines on consultations prior to the filing of a merger notification and revised its guidelines on merger notification, franchising practices, civil air transport alliances, and false or misleading advertising. Amendments were also made to the regulations governing rewards for the reporting of illegal concerted actions and the notification of drug patent linkage

agreements.¹⁸⁸ In December 2022, the FTC released a "White Paper on Competition Policy in the Digital Economy", setting out certain guiding principles for enforcement and suggestions for possible regulatory amendments.

Question:

52. *What are the current developments from the "White Paper on Competition Policy in the Digital Economy"?*

Answer: The White Paper on Competition Policy in the Digital Economy is publicly released on 20 December 2022. For an English summary, please refer to the webpage (<https://www.ftc.gov.tw/internet/english/doc/docList.aspx?uid=1942>).

53. *Has the government or relevant authorities come up with an action plan on addressing the recommendations in the White Paper?*

Answer: Since the release of the White Paper, the FTC has been tracking the implementation of the conclusions and suggestions of the White Paper on a quarterly basis. Currently, in terms of legal amendments, the FTC has completed revisions to the Fair Trade Commission's Disposal Directions (Guidelines) on Online Advertisements, which now includes regulations for social media users, such as internet celebrities, and provides additional examples of illegal online advertising practices. Additionally, the FTC has initiated revisions to the Principles of the Fair Trade Commission Regarding the Definition of Relevant Markets and has proposed a draft amendment to certain provisions of the Fair Trade Act. The FTC has also convened negotiation meetings to gather public opinions relevant to the draft from various stakeholders.

In terms of investigation and analysis of anti-competitive practices, the FTC is leveraging technological enforcement techniques by utilizing statistical and scientific computing software, as well as econometric models, to draft economic analysis reports for major merger cases.

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3.3.5 State trading, state-owned enterprises, and privatization

3.123 The Agriculture and Food Agency (AFA) regulates the production and commercialization, including export and import, of different types of rice to ensure food security, farmers' income, and market stability. The AFA purchases a portion of paddy rice, at a guaranteed price, for food security stockpiling; the remaining rice is sold freely in the local market. The AFA imports rice to ensure the smooth operation of the local market and the price stabilization system. The AFA retains the exclusive right to import 65% of the WTO TRQs of rice; registered importers can participate in the allocation of rice quotas for private imports that are allocated through tenders held by the MOF. In 2021, the AFA imported 55.5% of total rice imports.

3.124. The number and sectors of the economy in which state-owned enterprises operate did not undergo major changes during the period of review (Table 3.13). Since 2018, it appears that only one institution has been privatized. The authorities indicate that there are no further privatization or disinvestment plans. Most of the state-owned enterprises operate in the services and utilities sector. Among these enterprises, only those operating in postal services and the electricity market (transmission and distribution) retain exclusive rights. Although competition is allowed in other markets, the CPC Corporation in charge of the fuel and gas supply has a substantial market share regarding oil products and, in the case of natural gas, it handles almost 100% of the market. Except for one enterprise (postal services) that gets preferential tax treatment, the rest do not receive incentives, and none are required to source goods or services locally.

Question:

54. *Are there any State Owner Enterprises (SOEs) in the agricultural sector?*

Answer: The Taiwan Sugar Company is a state-owned enterprise related to the agricultural field. Its business scope related to agriculture is the planting of sugar cane, rice, forest, and other crops, as well as pig breeding.

55. *The main objectives of privatization are typically to improve efficiency, generate revenue and develop the capital market. It can also directly lead to higher productivity for SOEs. Since the authorities indicate that there are no further privatization or disinvestment plans, is this an indication that the Government plan to further divest its interest in State Owner Enterprises (SOEs)?*

Answer:

1. We do not have further plans for privatization or investment reduction for SOEs at the moment. These enterprises manage essential natural resources and provide crucial services vital for overall development and public interests. The objective is to ensure comprehensive and proper development of public utilities and services in an accessible, fair, and reasonable manner, ultimately better serving the public interest.
2. To support SOEs in strengthening their corporate governance structures, particularly the functions of the Board of Directors, the government continues to advocate for the inclusion of independent directors and the establishment of audit committees. Additionally, experts with substantial experience are assigned or recommended as directors and supervisors. These measures not only enhance customer rights but are also expected to contribute to business development, ensuring the delivery of high-quality products and services to the markets, and improving the operational performance.

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3.3.7 Intellectual property rights

3.148. As part of its overall effort to promote high-technology industries and attract FDI, Chinese Taipei has continued to strengthen its framework for protecting technological innovations and IPRs. During the review period, there were a number of amendments to the IPR legislation. Some of these changes were introduced to align Chinese Taipei's legislation with the provisions of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Overall, the purpose of these amendments is to streamline the IPR legal regime and adapt it to a rapidly evolving environment (Table 3.17).

3.149. Intellectual property (IP) policy continues to be the responsibility of the MOEA's intellectual property office (TIPO), which is also responsible for drafting IP laws, ensuring interagency enforcement coordination, and implementing the IPR Action Plan 2021-23.

3.150. At the WTO, Chinese Taipei is an active member of the TRIPS Council, where it plays a key role in discussions on IP and innovation, including MSME growth through IP, women and IP, IP and microfinance, and public-private collaboration in innovation.²³⁵ Apart from the WTO TRIPS Agreement, Chinese Taipei participates in IPR protection and cooperation under the APEC's Intellectual Property Rights Expert Group (IPEG). Chinese Taipei does not participate in WIPO-administered agreements. However, insofar as it implements the WTO TRIPS Agreement, it also complies with substantive obligations of the main WIPO conventions that are incorporated by reference to this Agreement, such as the Paris Convention, the Berne Convention, the Rome Convention, and the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty).

Question:

56. *Is there any mechanism on monetising intellectual property (IP) from intangible asset to a tangible asset vital in innovation cycle?*

Answer: Our government is committed to assisting in the circulation and utilization of intellectual property, with the aim of industrializing intellectual property. By organizing exhibitions for technology transactions, establishing technology trading websites, and hosting various matchmaking events, these efforts drive industries to create more tangible assets.

57. *Please elaborate on public-private collaboration in innovation.*

Answer: The A+ Industrial Innovative R&D Program is implemented through financial support to encourage companies to invest in innovative and forward-looking technological research and development, with a ceiling not exceeding 50% of the budget for a project.

58. *Is there any comprehensive plan for educating businesses, especially small and medium-sized enterprises (SMEs) on IPR protection to assist them in navigating the legal framework effectively?*

Answer: To raise awareness among SMEs about intellectual property rights, TIPO has been conducting a series of IPR expert service group seminars every year. These seminars are open to applications from SMEs, and expert speakers are matched with their specific needs to provide lectures on such topics as patents, trademarks, copyrights, and trade secrets. In 2023, we successfully organized a total of 14 seminars, with more than 1,100 individuals participating.

Additionally, TIPO regularly organizes informational sessions to foster IP awareness and offer insights into patent applications, trademark registration, as well as trade secret protection for start-ups. These sessions serve as a valuable resource for businesses seeking reliable information about intellectual property rights.

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4.2.2 Energy

4.2.2.1 Overview

4.26. Chinese Taipei's energy needs continue to be met essentially through imports, although imported energy's share of the total energy supply decreased slightly from 98% in 2018 to 97.3% in 2022. Energy imports represented 18.1% of the total import bill in 2022, up from 17.6% in 2018. The energy supply matrix remains dominated by fossil fuels (Chart 4.1), with coal and natural gas being the inputs for most locally generated electricity. Renewable sources' combined share in total energy supply, albeit still modest, has been on the rise. All energy resources are imported by sea, as Chinese Taipei's electricity grid remains without any overseas interconnections. The energy sector's resilience is also limited by ageing infrastructure and constrained opportunities for overseas cooperation.

Question:

59. *What challenges does Chinese Taipei face in diversifying its energy sources away from fossil fuels and increasing the share of renewable energy?*

Answer: Due to the limitation of land resources, challenges arise in obtaining suitable land for renewable energy deployment. Therefore, the principle of renewable energy development is to adopt multi-use land schemes to maximize the utilization of available land and prioritize areas with social consensus and without environmental or ecological disputes.

In addition to onshore land utilization, efforts are also being made to develop and utilize offshore areas, including offshore wind power development.

60. *What were the impacts of amending the Electricity Act in May 2019 to abolish the decommissioning of nuclear power generation equipment by 2025?*

Answer: According to the current regulations, although the decommissioning period set for nuclear power generation equipment in 2025 was revoked, the current energy transition policy to be nuclear-free by 2025 remains unchanged. In line with the policy, we do not consider increasing new nuclear power units, and the sole existing nuclear unit will be decommissioned once its 40-year license expires.

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4.3 Manufacturing

4.54. Overseas investment in certain manufacturing activities remains prohibited or restricted (Section 2.4). Chinese Taipei maintains a range of incentives aimed at encouraging industrial investment and technological upgrading (Section 3.3.1). The authorities also have a long-standing tradition of supporting the creation of industrial clusters as a way of fostering the manufacturing sector's development. At end-2022, Chinese Taipei had 13 Science Parks, 10 Technology Industrial Parks (formerly called Export Processing Zones), 214 industrial parks (including 83 managed by private-sector entities), and 2 industrial ports.³⁷ The authorities indicate that the main industrial

clusters include integrated circuits, optoelectronics, telecommunications, computers and peripherals, precision machinery, and biotechnology.

Question:

61. *Which other entity manages the industrial parks apart from the private-sector entities and if managed by public sector how much fund does Chinese Taipei allocate in maintaining and operating the industrial parks?*

Answer: Apart from private-sector entities applying for the management of industrial parks, different government agencies are also in charge of the development and management of industrial parks. Currently, the industrial parks managed by the Bureau of Industrial Parks are charged by the administration sector of each industrial park according to the rates of park maintenance costs. Moreover, suppliers and users stationed in the park will be charged the maintenance fees for the public facility and the use fee of sewage treatment system as funding for the operations of various public facility maintenance and sewage treatment plants in the park.

62. *Are the industrial parks managed by public sector entities sustainable in the long term and what type of management model is used for the parks operation?*

Answer: The industrial parks managed by the Bureau of Industrial Parks establish an administration sector for each park. This administration sector oversees the management and maintenance of public property and facilities within the park. Additionally, it is responsible for supervising the development and production practices of suppliers within the park, ensuing compliance with regulations related to land use control, building administration and environmental protection. It aims to promote sustainable development of the park and prevent environmental degradation in the surrounding areas to industrial production and practices.

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3.3.1 Incentives

Page 51, Paragraph 3.75

Paragraph 3.75 states: "...Chinese Taipei implements programmes to buy-back fishing vessels, close the fishery season...".. The articulated justification for these programmes is to reduce fishing capacity and therefore ensure the sustainability of fisheries resources.

Question 1:

Could Chinese Taipei provide figures on the number and size of the fishing vessel fleet for each of the years covered by the review.

Answer:

The Fisheries Statistical Yearbook of the Fisheries Agency:

(https://www.fa.gov.tw/view.php?theme=FS_AR&subtheme=&id=22) provides the relevant statistics for 2022.

Question 2:

Could Chinese Taipei outline the measures undertaken to reduce the duration and scope of its fisheries season, including in relation to permissible levels of catch and fish size, and specifically defined areas closed to fishing, or subject to other restrictions.

Answer:

We have established regulations for catching crabs, neritic squid, and mackerel by coastal and offshore fishing vessels. Those regulations contain control measures for closed fishing areas, fishing periods, and size restrictions.

From August to December, besides size restrictions, catching spawning female crabs is also prohibited. From February to October of the Lunar Calendar, fishing neritic squids is prohibited in the area 24°30' N to 26°N. And in June and from 29 December to 18 January, both of the Lunar Calendar, fishing mackerel is prohibited in our northeast sea area.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3.3 Sanitary and phytosanitary requirement

Page 58, Paragraph 3.104

Section 3.3.3, paragraph 3.104 refers to 'quarantine requirements for plants being based on international standards, guidelines, or recommendations, and scientific evidence'.

Question 3:

Could Chinese Taipei provide an indication of its workplan and timeline for completing pest risk assessments for 'approved first time imported' plant and plant products that have not been imported in the last five years.

Answer:

We conduct pest risk assessments of import commodities according to WTO SPS Agreement, International Standards for Phytosanitary Measures (ISPM) of the International Plant Protection Convention (IPPC), and scientific evidence. The review period depends on whether the documents provide by the exporting country are sufficient for the risk assessment, and there is no specific timeline.

Section 3.3.3, paragraph 3.110 refers to 'the measures adopted by Chinese Taipei regarding new procedures for the recognition of infectious animal disease-free status of a trading partner'

Question 4:

Could Chinese Taipei provide an explanation of why it requires trading partners to complete animal disease freedom questionnaires rather than accepting the trade partner's WOAH status?

Answer:

According to WTO SPS Agreement and WOH standards, we would consider an exporting country as free from infectious animal diseases based on the scientific evidence submitted by that country. This criterion is applied to all countries and is consistent with the practices of other WTO Members.

3.3.6.3 Preferences
Page 69-70, Paragraph 3.144

Paragraph 3.144 outlines measures undertaken to use government procurement as one tool for supporting minorities and disadvantaged groups, or for environmental protection. It states that "for procurements not reaching the threshold for publication in aboriginal areas, entities must procure from aboriginal individuals, institutions, legal persons, or groups, provided that they are able to carry out the contract, when conducting procurement that are below the threshold for publication in the aboriginal areas." Paragraph 3.144 also states "if the winning supplier in aboriginal areas has more than 100 employees, at least 1% must be aboriginal people".

Question 5:

Could Chinese Taipei advise the value of contracts awarded to "aboriginal individuals, institutions, legal persons, or groups" under the category of procurements not reaching the threshold for publication. This data to be provided for each of the years covered by the review.

Answer:

From 2019 to 2022, the value of contracts awarded to "indigenous individuals, institutions, legal persons or groups" in the aboriginal areas under the category of procurements not reaching the threshold for publication each year are as follows: TWD 1.18 billion (2019), TWD 1.22 billion (2020), TWD 1.32 billion (2021), and TWD 1.21 billion (2022).

Question 6:

Could Chinese Taipei advise the value of contracts awarded to "aboriginal individuals, institutions, legal persons, or groups" under a higher value threshold (i.e. the thresholds for publication, supervision and large procurement). This data to be provided for each of the years covered by the review.

Answer:

Since no higher value threshold is required by law to contract with indigenous individuals, institutions, legal persons or groups in the aboriginal areas, there is no data.

Question 7:

Could Chinese Taipei outline measures undertaken during the review period to strengthen the capacity of aboriginal individuals, institutions, legal persons, or groups to successfully tender for contracts.

Answer:

The Council of Indigenous Peoples (CIP) dispatched ten Indigenous Employment Service Offices to visit indigenous groups and organizations and share with them government procurement projects and related information.

The CIP also sets up a section providing information on indigenous groups and organizations on Indigenous Jobs – Indigenous Employment Website; government agencies can search through indigenous groups and organizations listed on the website and invite them to submit their bids, enhancing their willingness to tender bids.

Question 8:

Could Chinese Taipei clarify the relationship between the preference for "aboriginal individuals, institutions, legal persons, or groups" as articulated and the stipulation that "if the winning supplier in aboriginal areas has more than 100 employees, at least 1% must be aboriginal people".

Answer:

According to Article 11 of the Indigenous Peoples Employment Rights Protection Act, each level of government, public school and state-run businesses shall contract with indigenous individuals, institutions, legal persons or groups when conducting procurement with an amount less than the amount promulgated by the Government Procurement Law in the indigenous areas.

The article does not preclude indigenous groups or organizations from tendering their bids to procurement projects above the amount promulgated by the Government Procurement Act. According to Article 12-1 of the same act, companies winning bids according to the Government Procurement Act with more than one hundred staff shall hire indigenous people during the term of contract performance, with the total number of indigenous people accounting for no less than one percent (1%) of the total number of staff thereof. This article is applicable to all projects, whether in or outside indigenous areas.

Question 9:

Could Chinese Taipei outline steps undertaken during the review period to encourage or require suppliers operating in aboriginal areas to increase the workforce participation of aboriginal persons.

Answer:

To encourage companies winning bids under the Government Procurement Act, "Additional Recruitment of Indigenous Employees (beyond regulatory requirements)" is listed as one of the criteria for the Procurement Evaluation Committee's CSR report card. This aims to encourage companies providing services to the government to actively recruit and hire indigenous peoples. In addition, the CIP will also publicly commend companies that have employed more than the minimum 10% of indigenous employees required in the Regulations of Rewards for Employing Indigenous People.

4 TRADE POLICIES BY SECTOR

4.2 Mining and Energy

4.2.1 Mining

4.2.2.1 Overview

Page 84, Paragraph 4.3

Paragraph 4.30 states "In May 2019, an amendment of the Renewable Energy Development Act...(enabled) incentives for...renewable energy power generation and energy storage facilities installed in indigenous areas"

Question 10:

Given the significant amount and representation of Indigenous Taiwanese on lands with geothermal and renewable energy resources, what benefits have their input and leadership enabled, if any, in support of developing of renewable energy generation, particularly on aboriginal-owned land with significant geothermal activity?

Answer:

1. According to the Indigenous Peoples Basic Law, the installation of renewable energy equipment on public lands within or around indigenous areas requires consultation and obtaining the consent or participation of Indigenous peoples or communities. The tribal or city offices conducting consultations would consider regional characteristics to boost local economic growth.
2. Furthermore, investments in renewable energy technologies can provide additional job opportunities, and revenue from power purchase can contribute to the community, preventing population migration. Establishing a decentralized power grid helps in coping with natural disasters under extreme weather conditions, enabling indigenous communities to avoid the inconvenience of power outages and promoting energy self-sufficiency for the communities.

Question 11:

In relation to Indigenous-led renewable energy developments, how will Chinese Taipei enable Indigenous leaders, communities and tribes to directly benefit, and lead the development of renewable energy resources on their traditional lands? What partnership models and approaches are being considered at central and local levels, including private companies to enable Indigenous led development or consultation?

Answer:

1. In accordance with the Indigenous Peoples Basic Law, the Regulations for Consultation and Consent Acquisition of Indigenous Peoples' Villages, and the Renewable Energy Development Act, the establishment of renewable energy generation equipment on public

lands within or around indigenous areas and communities is to be carried out in compliance with Article 21 of the Indigenous Peoples Basic Law to promote indigenous peoples' leadership.

2. Currently, geothermal development in indigenous areas is primarily conducted by private enterprises or the government. After holding several explanatory meetings within the community, the township office obtained consent and invited businesses to collaborate on development. This model serves as a successful example of cooperation among public entities, enterprises, and residents, leading to mutual prosperity.

Question 12:

What contribution of Indigenous land with significant geothermal activity has been developed to create renewable energy, and what have been the implications of this development for Indigenous tribes, businesses and communities?

Answer:

1. Geothermal power generation runs 24/7 and, with energy storage, helps remote areas cope with disasters, ensuring uninterrupted power and fostering indigenous peoples' energy self-sufficiency and sustainable community development.
2. Currently, there are grid-connected projects in indigenous towns, including the Qingshui Geothermal Power Plant in Datong Township, with an installation capacity of 4.2 MW and an annual power generation of approximately 25 million kilowatt hours. Another site under development is the Taiyi Green Energy Geothermal Power Plant, with a planned installation capacity of 1 MW and an annual power generation of approximately 8.76 million kWh. The geothermal power plants have combined with hot spring and tourism, which increase job opportunities for local residents.

Question 13:

How will Chinese Taipei support the self-determination and tribal-led development of renewal energy opportunities within Indigenous communities and lands? What subsidies or funding is being considered to activate these opportunities?

Answer:

1. In accordance with the Indigenous Peoples Basic Law, the Regulations for Consultation and Consent Acquisition of Indigenous Peoples' Villages, and the Renewable Energy Development Act, the establishment of renewable energy generation equipment on public lands within or around Indigenous territories and communities is to be carried out in compliance with Article 21 of the Indigenous Peoples Basic Law to promote indigenous peoples' leadership.
2. To promote the development of renewable energy in indigenous areas, we have established the Demonstration Incentive Regulations to the Indigenous Counties on Participating in Renewable Energy Installation. This program provides relevant financial support, and strengthens communication and guidance with the aim of expanding green energy development in indigenous communities. Additionally, for geothermal, or small hydropower installations in indigenous areas, an extra tariff rate is incorporated within the renewable energy feed-in tariff mechanism.

Question 14:

What international models or examples is Chinese Taipei utilising to assist Indigenous Development across Renewable Energy?

Answer:

1. In light of the United Nations Declaration on the Rights of Indigenous Peoples, the concepts of consultation and consent rights of indigenous peoples and indigenous peoples' benefit-sharing mechanism has been introduced into our Indigenous Peoples Basic Law. The participation of indigenous peoples is required in the planning stage of the public land development in the indigenous areas.
2. New Zealand has extensive experience in geothermal development. In addition to implementing indigenous procedural justice, a substantive benefit-sharing and co-management model can serve as a reference for our geothermal initiatives in indigenous areas. In the future, we will continue to draw inspiration from New Zealand's green energy promotion model.

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3 ECONOMIC POLICY AND DEVELOPMENT
3.5 Inclusive and Sustainable Development
3.5.1 Responding to Climate Change

Page 10, Paragraph 3.23

Paragraph 3.23 states: "The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu announced in March 2022 the Pathway to Net-Zero Emissions in 2050, and in December 2022 the 12 Key Strategies, and then promulgated the Climate Change Response Act in February 2023. This Act includes the 2050 net zero emission target, an equitable transition, plus a chapter on climate change adaptation".

Question 15:

Can Chinese Taipei provide some detail what these policies may mean for businesses owned by Indigenous Taiwanese individuals or groups adapting their business practices or operations?

Answer:

1. In 2022, we announced the Pathway to Net-Zero Emissions in 2050, which promotes 12 key strategies including just transition, which refers to the principle of consulting with all affected communities in transition to net-zero emissions, while respecting human rights and the dignity of labor, and assisting industries, regions, workers, consumers, and indigenous peoples in a stable transition.
2. According to Article 5 of the Climate Change Response Act, it is specified that in order to promote natural carbon sinks, the government should jointly promote and manage natural carbon sinks in the indigenous peoples' regions with indigenous peoples. The rights and interests of new carbon sinks in such areas should be shared with indigenous peoples. The government should consult with local indigenous peoples and obtain their approval before any decisions on the land development, use or restriction involving the land of the indigenous peoples.

Question 16:

What supports and adaptation resources are Chinese Taipei considering to accelerate and assist under-resourced Indigenous businesses to make the transition to climate friendly or resilient operations? How are Indigenous practices and values in relation to sustainability being taken into account across these transition activities?

Answer:

Article 17 of the Climate Change Response Act specifies that in response to climate change, the government shall promote adaptation capacity building, including integrating comprehensive, indigenous, and community-based climate change adaptation policies and measures.

3 ECONOMIC POLICY AND DEVELOPMENT
3.5 Inclusive and Sustainable Development
3.5.2 Inclusiveness: SMEs, Women, Labour and Indigenous Peoples

Page 11, Paragraph 3.34

The report (paras. 3.23-3.26) notes that Chinese Taipei is taking a number of measures to reduce its carbon dependence, promote renewable energy, and prioritise sustainability.

Question 17:

What, if any, subsidies does the Chinese Taipei government provide to the fossil fuel industry, or to users of fossil fuels?

Answer:

1. We will review our fuel subsidy to the fishery industry and in line with our carbon reduction policies.
2. To avoid the disadvantages of residents in remote areas, the government make up the difference of oil transportation outlays between remote areas and metropolitan areas.

Question 18:

Are there any provisions in the various pieces of climate change law identified in this Trade Policy Review that address subsidies given to fossil fuels?

Answer:

The Climate Change Response Act does not include any provisions of subsidies for fossil fuels.

Question 19:

Is Chinese Taipei considering participating in the Fossil Fuel Subsidy Reform (FFSR) discussions taking place at the WTO? If not, what barriers exist that are obstructing Chinese Taipei's participation?

Answer:

We are still evaluating the impact on the industry of the fossil fuel subsidy reform issue and has not yet made a decision, but we will continue to monitor the progress of the discussion on this issue.

Paragraph 3.31 states: "(Chinese Taipei) has been actively implementing policies aimed at promoting gender equality and removing gender barriers in the workplace".

Question 20:

Does Chinese Taipei have any specific gender inclusion goals, such as a percentage of women in executive leadership positions, and if so what are the timeframes for achieving these?

Answer:

1. Our Gender Equality Policy Guidelines aim to promote gender parity and reduce gender disparities in decision-making positions. We have prioritized "Facilitating gender equality in participation in decision-making in the public and private sectors" as one of the Key Gender Equality Issues (2022–2025), with established performance indicators. By the end of 2022, 96.21% of our ministries and commissions had at least one-third of their positions held by the underrepresented gender.
2. To further promote gender parity, we have established the indicator "75% of agency committees should aim to have at least 40% of their members represented by the underrepresented gender by 2025". We strongly encouraged all ministries and commissions to include this indicator in their gender equality action plans.

Question 21:

What specific policies does Chinese Taipei implement to promote women's participation across the economy and particularly in traditionally male-dominated fields such as engineering? Since the introduction of these policies, what changes has Chinese Taipei seen in those traditionally male-dominated fields?

Answer:

1. Since 2019, we have commenced to promote women's economic empowerment within the realm of gender equality. In May 2021, we revised the Gender Equality Policy Guidelines to prioritize "integrating employment and welfare to enhance women's economic empowerment" as a primary policy goal.
2. Our goals for 2022 to 2025 encompass several key objectives: (1) Establishing a supportive employment environment to encourage women of marriage and child-caring age to remain in the workforce; (2) Strengthening re-employment opportunities for those who have left the workplace; (3) Increasing labor force participation among middle-aged and elderly women, promoting their re-employment.
3. To achieve these objectives, our strategies involve promoting flexible working hours and locations, fostering gender-equality-friendly workplaces, eliminating gender discrimination, reducing workplace gender segregation, narrowing the gender pay gap, encouraging women's entrepreneurship, enhancing labor force participation, and safeguarding the labor rights and working conditions of disadvantaged women. These comprehensive efforts aim to create a welcoming and supportive employment environment to encourage sustained employment among women.
4. For example, within the industrial sector, the participation of women in mining, earth and stone extraction, manufacturing, electricity and gas supply, and construction engineering industries has shown a gradual increase from 11.4% in 2018 to 13.2% in

2022. Concerning as to the industrial gender pay gap, it stood at 27.42% in 2012 and decreased to 26.05% by 2022.

Paragraph 3.34 states: "(Chinese Taipei) will facilitate the empowerment of indigenous peoples (through) the Indigenous Peoples' Economic and Industrial Development 4-Year Plan (2018-2021), implemented to bolster the development of indigenous agriculture, cultural creativity, and ecotourism".

Question 22:

What is the status of the Indigenous Peoples' Economic and Industrial Development 4-Year Plan and what targets, if any, have evolved into policies that promote inclusive and sustainable growth of Indigenous Taiwanese?

Answer:

1. In response to the development needs of indigenous societies, the Council of Indigenous Peoples (CIP) has been promoting indigenous economies and industries by initiating two phases of the Indigenous Economic and Industrial Development (Four-Year) Plan since 2014. Major strategies and achievements within this framework are as follows:
 - (1) From 2015 to 2022, the Million Dollar Entrepreneurs Project focused on nurturing indigenous business leaders whose entrepreneurial ventures integrated traditional Indigenous cultural elements with modern innovative applications. The CIP also provided innovative R&D resources and various policy loans. By 1 February 2023, the number of Indigenous businesses increased from 8,076 in 2016 to 18,871.
 - (2) The first phase (2014-2018) focused on establishing industrial demonstration areas, while the second phase (2019-2022) aimed to develop industrial clusters. A total of 28 projects were approved, resulting in a cumulative production value of TWD 2 billion. These initiatives created more employment opportunities and facilitated indigenous communities in obtaining relevant professional certifications.
 - (3) Since 2018, we established brick-and-mortar stores and the LiMA flagship store and e-commerce platform to integrate sales channels and ensure the stable operation.
2. In order to addresses industry trends and the demands of indigenous communities, ultimately leading to the sustainable development of indigenous industries. The CIP will promote key industries that showcase indigenous cultures, including Indigenous Village Tourism, Specialty Hot Springs, Artisanal Crafts, and Film and Music, aiming to support and stabilize startups.

Question 23:

What further detail can Chinese Taipei provide around the tools, resources and integrated supports for Indigenous peoples to access in support of their development? In other words, how are all relevant administrative departments releasing and developing bespoke and targeted expertise for Indigenous peoples to access to support their targeted and unique development aspirations?

Answer:

We amended the Education Act for Indigenous Peoples in 2019, and added Article 5 outlining that the CIP shall collaborate with the competent authorities responsible for education, science and technology, and culture to implement the Mid-to-long Program on Developing Indigenous Knowledge Systems. This program is built upon three strategies: building knowledge, applying knowledge, and leveraging cloud services to revitalize indigenous culture. It also serves for developing indigenous curriculum and training teachers, utilizing modern ICT tools for storage and promotion. The primary focus is in the field of education, aiming to ensure the transmission and reinforcement of knowledge for cultural heritage.

Question 24:

What commitment to wider awareness and cultural competencies across all administrative departments and agencies does Chinese Taipei have so that Indigenous peoples can equitably access resources and development advice and services?

Answer:

In recent years, we have been advancing towards a path characterized by cultural diversity, reconciliation, and sustainable development. We have implemented initiatives such as the Indigenous Historical Justice and Transitional Justice Committee. This committee holds regular meetings every three months, inviting relevant government agencies to discuss and progressively address longstanding issues related to land, language, and cultural loss from both historical and cultural perspectives. Moreover, it endeavors to explore experiences in reconciliation. These efforts aim to implement policies that better align with the perspectives and needs of Indigenous communities, gradually moving towards the mainstreaming of Indigenous cultures.

3 ECONOMIC POLICY AND DEVELOPMENTS**3.6 Multilateral and Regional Economic Cooperation****3.6.1 Participating in WTO****Page 12, Paragraph 3.39**

The report notes at 3.39 that Chinese Taipei supports the extension and permanent resolution of the moratorium on customs duties on electronic transmissions.

Question 25:

What benefits has Chinese Taipei observed that the WTO moratorium on customs duties on electronic transmissions has brought to its digital economy and digitally-orientated businesses?

Answer:

The moratorium on electronic transmissions is an explicit commitment at the WTO in the digital arena that affects the welfare of businesses and consumers around the world. The Ministerial decision to extend the moratorium and continue the e-commerce working program at the MC12 ensures that the WTO promotes a digital enabling environment globally, removes barriers to digital trade, and maintains the export capacity and competitiveness of our industries. This will have significant positive effects on the development of the global digital economy in the post pandemic era.

PHILIPPINES

PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

I. ECONOMIC ENVIRONMENT

Page 11, Paragraph 1.2

Electronic parts and components, notably integrated circuits, constitute the backbone of Chinese Taipei's merchandise exports. Being home to companies with strong competitive advantages in the semiconductor chip industry, Chinese Taipei occupies a critical position in most global supply chains. It is expected to maintain this position and remain at the forefront of semiconductor innovation and production in the medium term, notwithstanding risks stemming from, *inter alia*, fluctuations in global demand and key trading partners' reshoring incentives and export controls.

Question 1:

What has been the effect on Chinese Taipei's exports of the export control measures implemented by several countries (e.g. US, China) on the semiconductor industry/products?

Answer:

The impacts on our semiconductor industry are relatively limited: The new set of export controls on China enacted last year by the US has had limited impacts on our semiconductor industry. The majority of our semiconductor products exported to China are used for consumer electronics, such as iPhones and laptops, are assembled in China. Since the US export controls restrict advanced semiconductors used in advanced computing and artificial intelligence (AI), the impacts have been relatively limited.

Question 2:

What are the measures in place to address fluctuations in global demand and other economic factors?

Answer:

To enhance overall economic resilience and industrial competitiveness, we have introduced the initiative of the Promotion of Industrial and Small and Medium Enterprise Upgrading and Transformation. This initiative is designed to steer industries towards a greener and smarter transformation through various measures, which include:

1. Guidance: The expert teams offer consulting, diagnostic, and guidance services to manufacturing companies. These experts provide reports to assist businesses in enhancing their operational efficiency.
2. Support: Through individual case support and a mentorship approach, we aim to provide assistance to small and medium-sized manufacturing companies in their endeavors to achieve eco-friendly and digital upgrades.
3. Talent Development and Re-skilling: We offer training courses in smart technology and introduce eco-friendly practices to enhance the professional capabilities of the existing workforce.

Page 11, Paragraph 1.3

Chinese Taipei's competitiveness is also underpinned by its sound governance framework, well developed infrastructure, highly skilled workforce, and resilient financial system that offers an ample set of financial products and services. The economy is largely made up of small businesses and entrepreneurs, which benefit from various support measures (Section 3). Income and gender inequalities remain low by global comparison and are not structurally embedded. However, like most advanced economies, Chinese Taipei faces demographic challenges driven by a declining fertility rate and an ageing population. Its labour force (employed and actively seeking employment) shrank during 2021-22 to 11.85 million (Table 1.1), the first contraction in its statistics collection history.

Question 3:

How does the government address the challenges of the declining fertility rate and its aging population?

Answer:

In order to address the issues of declining fertility rate and an aging population, the government has taken the following action plans and measures:

1. The Measures to Counter Falling Fertility Rate (2018–2024) have been implemented since 2018, incorporating three strategies: strengthening public support for private institutions, creating quasi-public mechanisms, and raising child-raising allowances. Since August 2022, the government has introduced additional measures to alleviate the financial burden of raising children, such as expanding affordable education and care services, increasing childcare subsidies, reducing tuition, and doubling child-rearing allowances.
2. In order to sustain the stable operation of an aging society, the White Paper for an Aged Society was revised in 2021 to enhance support for senior citizens. It emphasizes four developmental visions: autonomy, self-reliance, inclusion, and sustainability, along with strategies and measures. Additionally, strategies formulated in the White Paper are to be simultaneously implemented through collaboration between the public and private sectors, industrial development, smart technology, and family support. Furthermore, to actualize the policy objectives of the White Paper for an Aged Society, the Response Plan for a Super-aged Society was introduced in 2022.

Page 12, Paragraph 1.9

Headline inflation was contained below 3% throughout 2018-22, despite its upward trend since 2021. Consumer price fluctuations were mainly driven by supply-side factors, including global oil price movements' repercussions on the local market for fuels and weather shock-induced declines in fruit and vegetable production. Inflationary pressures were also attributable to the gradual recovery in private consumption, as pandemic-related restrictions were progressively relaxed in the second half of 2021. Accordingly, the core inflation rate also increased from 2021 onward, albeit more mildly (Table 1.1).

Question 4:

What are the government's measures to help address inflation, including measures to alleviate the impact on vulnerable sectors?

Answer:

1. We have implemented measures to maintain price stability, as well as monetary policy tightening at a moderate and gradual pace, assisting to rein in domestic inflation expectations. Moreover, major economies' monetary tightening has created spillover effects, and international raw material prices have declined because of weaker global demand. As a result, our inflation rate has been relatively mild compared to the major economies.
2. The government has introduced several measures to stabilize prices, such as maintaining the stability of domestic power prices, providing exemptions from business tax on imported soybeans, corn, and wheat to alleviate the operational burden on businesses, as well as establishing a material reserve mechanism, and adjusting production and sales scheduling.

II. TRADE AND INVESTMENT REGIMES**Page 25-26, Paragraph 2.23**

Chinese Taipei has a limited number of regional trade agreements (RTAs) and economic cooperation agreements (ECAs). It places importance in pursuing economic and trade relations with other trading partners in the region and beyond and securing a central role in global and regional supply chains. Chinese Taipei has concluded RTAs with Belize, El Salvador, Eswatini, Guatemala, Honduras, the Marshall Islands, New Zealand, Nicaragua, Panama, Paraguay, and Singapore; and a Cross-Straits Economic Cooperation Framework Agreement (ECFA). Chinese Taipei notified the WTO that the operation of its FTA with Nicaragua and El Salvador would be suspended indefinitely as of 1 July 2022 and as of 15 May 2023, respectively.

Question 5:

Noting that Chinese Taipei's involvement in regional trade agreements and economic cooperation agreements is mainly with countries in Central America, will Chinese Taipei consider entering into regional trade agreements or economic cooperation agreements with neighboring countries in Asia? Please elaborate.

Answer:

We have good conditions and enthusiasm, and are willing to develop trade and economic cooperation relations with all trading partners and sign equal and mutually beneficial trade agreements or economic cooperation agreements.

Page 26, Paragraph 2.25

The ECFA between China and Chinese Taipei came into effect in 2010. The ECFA aims at reducing tariffs, eliminating non-tariff trade barriers, promoting trade and investment contacts, and boosting economic development and employment. After the ECFA's entry into force, both parties implemented an early harvest programme that includes tariff concessions for 539 products from Chinese Taipei and 267 from China. In the area of services, the programme covers 7 sectors for Chinese Taipei (including banking and movies), and 11 services sectors for China (including banking, securities, hospitals, and accounting). The ECFA provides for two additional follow-up agreements on goods and services. The Trade in Services Agreement, signed in 2013 and not yet in force, covers 80 sectors from China (including finance, retail, electronics, publishing, and travel) and 64 from Chinese Taipei (including transportation, tourism, and traditional Chinese medicine), all exceeding the level of Chinese Taipei's WTO commitments. The negotiations on trade in goods were suspended in 2016.

Question 6:

What is the progress of the negotiations on the two additional follow-up agreements on goods and services of the Economic Cooperation Framework Agreement between China and Chinese Taipei? Is there an appetite for both economies to continue and finalize the negotiations?

Answer:

Over the years, the ECFA has contributed to a cross-strait supply chain which is mutually beneficial to both economies. Thus, we consider that the ECFA should remain valid.

Page 26, Paragraph 2.26

Chinese Taipei has applied for accession to the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP) and is also seeking to join other subregional economic integration effort.

Question 7:

What are the updates on Chinese Taipei's application to the CPTPP? Can you share about the actions done by the government prior to Chinese Taipei's formal application to the CPTPP?

Answer:

We are both able and willing to meet the CPTPP's high standards in terms of rules and market access, and has completed all of the necessary preparations for its accession to the CPTPP. We have explained in detail its efforts as well as the reasons why it is the most suitable candidate for the next round of CPTPP expansion to its members. We maintain close contact with every CPTPP member and are currently awaiting further instructions from CPTPP members regarding our application.

Question 8:

Which CPTPP members supported Chinese Taipei's application to the CPTPP so far?

Answer:

The CPTPP is open to accession requests by economies that are ready to meet the high standards of the Agreement and with a demonstrated pattern of complying with their trade commitments. The application of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is welcomed by all CPTPP members.

Page 29, Paragraph 2.40

Chinese Taipei maintains a series of incentives to promote local investment and attract overseas investment, which, in addition to the ones provided under the Free Trade Zones (FTZs), the Science Parks, EPZs/Technology Industrial Parks (TIPs), and the Agricultural Technology Parks (Section 3.3.1), consist mainly of tax deductions and other support measures (Table 2.1). During the review period, new incentive programmes were implemented. In 2019, Chinese Taipei launched three reshoring programmes designed to promote the return of local companies to Chinese Taipei and invest in specific sectors, particularly those covered by the "5+2 Innovative Industries Plan".

Under these programmes, companies investing in the latter innovative industries may rent land at concessionary rates and have access to finance at preferential rates. As of January 2023, as a result of these incentives, investments worth TWD 1.9 trillion had been attracted.

Question 9:

The Philippines priority sectors for investment promotion to Chinese Taipei in industrial, manufacturing and transport (IMT) are electronics, automotive and strategic services (maintenance repair and overhaul of aircraft and ships). What other sectors could Chinese Taipei consider exploring in relation to Industry 4.0 and smart cities to enable urban and rural developments in the Philippines? Has Chinese Taipei considered partnering with other rural areas for smart city developments?

Answer:

1. Industry 4.0 and smart cities serve as pivotal drivers for our industries. We welcome the Philippines to utilize bilateral platforms for the exchange of ideas.
2. For the development of the smart city-related industries, we are currently promoting international exports through system integration. Both sides have already collaborated on microgrid projects. We welcome proposals from the Philippines for further collaboration, and will assist in matchmaking and facilitating cooperation.

III. TRADE POLICIES AND PRACTICES BY MEASURE

Page 36, Paragraph 3.19

All tariff lines in Chinese Taipei's tariff schedule are bound, all accession-related binding commitments were implemented, and those related to the ITA expansion were fully implemented in 2021.

Page 36, Paragraph 3.20

Chinese Taipei bound all of its tariff lines from HS Chapters 1-97 at levels ranging from zero to 500%, with a total of 96 tiers. The highest bound rates apply to the same lines with the highest applied tariff rates. As with the applied MFN rates, tariff lines are bound at ad valorem (98.3%), specific rates (0.9%), or alternate duties (0.8%). In 2023, Chinese Taipei's applied MFN tariff ranges (WTO definition) coincided for most products to the bound tariff ranges, except for sugars and confectionery, non-electric machinery, and petroleum. The applied and the bound rates are at the same level for all tariff lines that carry specific rates, and for lines with alternate rates there is only one line that differs. Nevertheless, a comparison of Chinese Taipei's bindings and the MFN tariff applied in 2023 reveals that for six tariff lines the applied MFN tariff exceeds the bound level (Table 3.2).

Table 3.2 Tariff lines where applied rates exceed bound rates, 2023

HS code	Description	MFN applied rate	Bound rate (CTS database)
0208.10.2000	Edible offal of rabbits or hares, fresh, chilled or frozen	45%	20%
2916.16.0000	Binapacryl (ISO)	5%	2.5%
8211.95.3000	Knives with cutting blades, serrated or not: handles of iron and steel	9%	6%
Combined refrigerator-freezers, fitted with separate external doors or drawers, or combinations thereof			
8418.10.1100	Capacity of 800 litres and over, household type	4%	3.5%
8418.10.1200	Capacity of 500 litres and over, but less than 800 litres, household type	4.2%	3.5%
8418.10.1300	Capacity of less than 500 litres, household type	8%	3.5%

Source: WTO Secretariat calculations, based on WTO CTS database, data provided by the authorities, and CPT Single Window. Viewed at: https://portal.sw.nat.gov.tw/APGQ/LoginFree?request_locale=en_US.

Question 10:

What was the reason for having MFN applied rates that exceed the bound rates on the six tariff lines listed in Table 3.2?

Answer:

1. Upon our accession to the WTO in 2002, the "edible offal of rabbits or hares, fresh, chilled or frozen" was classified under TL0208.90.90 (other edible meat offal, fresh, chilled, or frozen other than edible offal of poultry under heading No. 02.06) with the bound rate of 45%. The applied rate of this item has remained 45% since then. In 2006,

this item was reclassified under TL0208.10.20 (edible offal of rabbits or hares, fresh, chilled or frozen) in accordance with the WCO's opinion; however, we incorrectly put 20% as its bound rate. This mistake continued in the HS2007 to HS2012 transposition. Therefore, we do not think that our applied rate (45%) exceeds the bound rate, since the correct bound rate should be 45%. And this technical error will be adjusted in the current CTS2017 transposition process.

2. For the rest of the tariff lines, the applied rates exceeding the bound rates mainly resulted from the reclassification of the tariff lines. We confirm that the applied rates for the tariff lines should be the same as their respective bound rates recorded in the CTS database. We will amend them as soon as possible.

Question 11:

Has any WTO Member initiated proceedings to lodge a complaint against Chinese Taipei for exceeding the bound tariff rates?

Answer:

No.

Page 42, Paragraph 3.40

Import restrictions also apply to rice products that contain rice varieties bred locally that have not been allowed by the competent authority for overseas cultivation. These cannot be imported unless such import has been approved by the competent authority.

Question 12:

How has the global crisis in rice (surging prices and shortage in supply) so far affected Chinese Taipei? Are there still import restrictions in place for rice products?

Answer:

There is no effect. We have maintained the guaranteed price purchase mechanism for rice and preserves a certain amount for public stocks. We do not implement any restrictions on rice imports.

Page 47, Paragraph 3.63

In 2023, 20 tariff lines at the HS 10-digit level were subject to export licensing (permit), representing 0.2% of total lines. Goods subject to export licensing, as at the time of the last Review, were mainly equipment in connection with semiconductors, diamonds, and microscopes (Table 3.8). Three products require a seasonal export licence from 1 November to 31 March each year. In 2021 and 2022, exports subject to licensing accounted for 0.4% of total exports.

Question 13:

What is the rationale for imposing export licensing measures for the 20 tariff lines cited?

Answer:

In accordance with our Foreign Trade Act, we adopt export licensing measures on goods based on the requirements of international treaties and trade agreements, or as deemed necessary for defense, social order, culture, public health, environmental/ecological protection, or any other policy needs.

Page 65, Paragraph 3.126

Chinese Taipei became a Party to the WTO Agreement on Government Procurement (GPA) in 2009 and to the revised GPA in 2014. Its commitments under the GPA follow the principle of reciprocity. Procurement of construction and goods accounted for 42% and 44%, respectively, of the value of GPA-covered procurement in 2021.

Question 14:

What have been the benefits of Chinese Taipei's participation in the WTO Agreement on Government Procurement?

Answer:

The major benefits of participation in GPA provides us access to the foreign government procurement markets and grants our suppliers fair and non-discriminatory opportunities to

compete in foreign markets. Opening our market to international competition has brought positive impacts on the product quality of our firms concerned and contributed to better productivity and efficiency nationwide in the long run.

1. Participating in the GPA reflects a commitment to providing transparency of laws, regulations, procedures and practices regarding procurement system, promoting competition to the maximum extent practicable and in the implementation of an electronic government procurement system. By collaborating with overseas suppliers, our suppliers can enhance their own professional competency to ensure good levels of contract performance.
2. Under the GPA, our suppliers benefit from a level playing field in global government procurement markets, with businesses enjoying significantly expanded access to government procurement opportunities internationally.

IV. TRADE POLICIES BY SECTOR

Page 78, Paragraph 4.2-4.5

4.2. Chinese Taipei's agriculture sector remains small on account of scarce farmland, fragmented farming operations, and a declining and ageing rural workforce. In 2021, Chinese Taipei had 734,634 ha under cultivation, 8,107 ha used for animal husbandry, and 30,668 ha used for aquaculture ponds. Most farms remain small-scale (1.1 ha on average) and family-operated.

4.3. Vulnerability to adverse climatic conditions constitutes another impediment to the sector's growth and productivity. During the review period, Chinese Taipei experienced several weather-related disasters, including floods and drought. The total disaster-related agricultural loss for 2018-21 was estimated at TWD 34.9 billion.

4.4. Chinese Taipei remains heavily dependent on imported food and agricultural inputs, such as animal feed and forage crops, and fertilizers. Its trade balance in fish and fish products (WTO definition) was positive during 2018-19 but turned negative thereafter (Table 4.2). Imports of food represented about 3.6% of total merchandise imports in 2022, against 4% in 2018. In 2021, imports accounted for 68.7% of Chinese Taipei's annual caloric intake, against 65.5% in 2018. The steep rise in sea transport costs, triggered by a global shortage of shipping containers following the outbreak of the COVID-19 pandemic, had a dampening effect on Chinese Taipei's trade in agricultural products.

4.5. Inward investment in most agriculture (farming, animal husbandry, forestry, fishing, and aquaculture) activities remains restricted (Section 2.4). A "Small Landlords, Big Tenants" programme, in place since 2009, continues to offer various incentives aimed at rejuvenating the agricultural labour structure, expanding farm scale, and providing retirement relief to elderly farmers.

Question 15:

The Philippine agriculture sector shares some challenges/concerns with Chinese Taipei, particularly fragmented farming, ageing farmers, and vulnerability to adverse climatic conditions. Aside from the "Small Landlords, Big Tenants" Programme, what are the plans/programs being implemented by the Chinese Taipei government in order to advance the level of mechanization and clustering in its farms and make it more climate resilient? Is there a specific investment promotion program being implemented to attract these types of investments in Chinese Taipei?

Answer:

The Ministry of Agriculture has guided farmers to set up structure-enhanced greenhouse facilities since 2017. It has encouraged the vegetable, fruit tree, flower, and seedling industries to adopt intelligent greenhouse cultivation models, which will help stabilize crop production, produce high-quality agricultural products, and stabilize farmers' income. The project aims to mitigate the adverse impacts of climate change on the agricultural and food industry.

Question 16:

Noting that Chinese Taipei is a net agri-food importer, are there any recent national or regional initiatives geared towards the relaxation of non-tariff measures? If yes, what agri-food commodities are covered by such initiatives?

Answer:

The relaxation of quarantine measures on the importation of plants and plant products are as follows:

1. Starting 1 January 2023, except for the specified format of phytosanitary certificates (PCs) stipulated in bilateral agreements, the PCs attached to the imported plant or regulated products can be scanned with the QR Code which is linked to official website or the produced electronic formats, in compliance with our quarantine requirements. The PCs are allowed to be printed on ordinary papers and can be electronically signed or issued with electronic signatures or stamps.
2. In 2023, the Animal and Plant Health Inspection Agency (APHIA) deleted 37 items of articles, which do not need to apply for plant quarantine or inspection on arrival, and added 22 items to include conditions for exemption from plant quarantine or inspection. (https://www.aphia.gov.tw/theme_data.php?theme=news&sub_theme=message&id=20467)

Page 78 and 80, Paragraph 4.4-4.10

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4.9. The main laws governing the sector remain the Agricultural Development Act, the Forestry Act, and the Fisheries Act. During the review period, amendments were made to, inter alia, the Farmer Health Insurance Act and the Fisheries Act. Chinese Taipei also enacted the Organic Agriculture Promotion Act (30 May 2018), the Act for Distant Water Fisheries (20 July 2016), the Agricultural Insurance Act (27 May 2020), the Farmer Pension Act (10 June 2020), and the Irrigation Act (22 July 2020). On 1 October 2020, all irrigation associations operating in Chinese Taipei were formally absorbed by a newly established Irrigation Agency under the COA.

4.10. Chinese Taipei joined the Southern Indian Ocean Fisheries Agreement (SIOFA) in July 2019. Having made essential improvements in the areas of legal framework; traceability; global cooperation; and monitoring, control, and surveillance, Chinese Taipei was removed from the European Union's "Yellow Card" list for illegal, unreported, and unregulated fishing on 27 June 2019.

Question 17:

Noting the increasing imports of fish and fish products and the strengthened measures being implemented on the local fishery industry to combat illegal, unreported, and unregulated fishing, does Chinese Taipei also afford similar treatment *vis-à-vis* imported fish and fish products? How have regulations on imported fish and fish products evolved with the improvements in the regulations of the local fishing industry?

Answer:

For the importation of the species needs approval, such as toothfish, southern bluefin tuna, bluefin tuna, swordfish, and bigeye tuna, relevant fishery statistics or catch documents are required to submit for verification before granting the approval. We intend to amend the Act for Distant Water Fisheries to require that any catch or fisheries product from IUU fishing activities shall not be imported.

Page 85, Paragraph 4.33

Energy policy continued to be influenced by the Greenhouse Gas Reduction and Management Act (2015), which was superseded by the Climate Change Response Act on 15 February 2023. The new Act upgraded Chinese Taipei's framework for GHG reduction and formalized its goal of transitioning to net-zero GHG emissions by 2050. Key innovations include the introduction of a carbon pricing mechanism and a complementary incentive mechanism for emissions reduction. Chinese Taipei's plans for transitioning to net-zero GHG emissions include an energy transition strategy comprising three pillars (building a zero-carbon energy system, enhancing infrastructure for system resilience, and promoting green energy innovation and investment) and nine action areas.

Question 18:

Considering that Chinese Taipei's manufacturing industry is highly energy-intensive and relies on other high-carbon-footprint inputs, how does the government plan to implement its goal of transitioning to net-zero greenhouse gas emissions?

Answer:

1. In response to the global trend towards achieving net-zero emissions and the increasing pressure to reduce carbon emissions in the supply chains, we announced the Pathway to Net-Zero Emissions in 2050 in 2022. The pathway is based on the four transition strategies on energy, industry, life, and society and the two governance foundations of technology R&D and climate legislation, and supplemented by 12 key strategies.
2. The 12 key strategies, including wind/Solar PV, hydrogen, innovative energy, power systems & energy storage, energy saving, carbon capture, utilization and storage (CCUS), electric & carbon-free vehicles, resource recycling and zero waste, carbon sinks, green lifestyle, green finance, and equitable transition to drive initiatives related to the net-zero transformation.
3. In addition, the Climate Change Response Act was amended in February 2023 to incorporate the 2050 net-zero emissions target into the law so as to implement the net-zero transformation target through practical actions.

Question 19:

What is the government's stance and policy direction on the global trading environment being reshaped by carbon border adjustment mechanisms? Particularly on the EU CBAM implementation?

Answer:

2. As a trade-oriented open economy, any changes in trade-related regulations will have varying degrees of impact on our imports and exports.
3. We recognize the importance of promoting sustainable environmental development, including the achievement of climate goals through trade mechanisms. However, as one of the ways to promote the environmental agenda, CBAM has a wide range of impacts on cross-border trade and should ensure its compatibility with the relevant WTO norms and regulations so that it does not result in discriminatory treatment and does not cause hidden interference and restrictions on the global trading system.

Page 80, Paragraph 4.8

The COA remains in charge of the Agricultural Credit Guarantee Fund (ACGF) aimed at assisting farmers and fishers with insufficient collateral to obtain agricultural loans. The COA is also the competent authority managing the Fund for Redressing Damage to Farmers Caused by Agriculture Imports and its sub-fund, the Pig Farming Industry Fund, established in 2021. These Funds finance support measures intended to help farmers to cope with the challenges of trade liberalization, accelerate the agriculture sector's structural transformation, and enhance its competitiveness. In January 2021, Chinese Taipei also established an Agricultural Insurance Fund for the purpose of implementing risk-spreading mechanisms, stabilizing the agricultural insurance system's operations and functions, training loss adjusters, and establishing an agricultural insurance database. Pursuant to the Agricultural Insurance Act, the COA is to inject up to TWD 10 billion into the Fund. The authorities indicate that TWD 0.6 billion have been injected to date.

Question 20:

The Philippines would like to request Chinese Taipei for more information in the implementation of the Fund for Redressing Damage to Farmers Caused by Agriculture Imports. What are the parameters being considered to ascertain that the damage is causally linked with the importation and qualification of beneficiaries?

Answer:

The Fund for Redressing Damage to Farmers Caused by Agriculture Imports is allocated from the central government's annual budget. The competent authority may propose projects it deems necessary for agricultural adjustments or preventive measures with respect to damaged domestic agricultural products likely caused by agricultural imports or reduced tariff rates on foreign products in accordance with official agreements with foreign countries or international organizations. The agricultural adjustments or preventive measures include financial supports and relief measures for specifically affected products, and production adjustments or preventive measures for industries.

Page 80, Paragraph 4.12

The COA continues to assist farmers in their global market expansion efforts by conducting and facilitating marketing programmes, supporting participation in overseas exhibitions, and building brand images. Export promotion initiatives cover a broad range of beneficiary products, including fish (tuna, grouper, and tilapia), orchids, tea, soya beans, and fruits (bananas and mangos). During 2018-22, the COA hosted 29 agricultural product marketing events and provided support for participation in 51 international exhibitions and 137 sales promotion activities carried out overseas.

Question 21:

What are the product-specific rules and regulations on shrimps imported by Chinese Taipei from the Philippines? Is there a plan to decrease further the tariff rate?

Answer:

1. In accordance with Regulations for Systematic Inspection of Imported Food, fishery products (including shrimps) have been subjected to systematic inspection since 1 January 2018. According to Article 7 of the above regulation, the fishery products (including shrimps) laid down in the CCC Code List of fishery products from countries which have not been approved by systematic inspection are allowed to be imported. Importers of those products are required to apply to the FDA for import inspection. Only after those products have been approved by import inspection can they be imported.
2. Live shrimps can be imported from the Philippines by applying for import quarantine to the branches of the Animal and Plant Health Inspection Agency (APHIA) in accordance with the Quarantine Requirements for the Importation of Live Crustaceans and Molluscs and Quarantine Requirements for the Importation of Regulated Objects Related to Decapod Iridescent Virus 1. Frozen or chilled shrimps are exempt from import quarantine requirements.
3. Currently we are not planning to lower the tariff rate.

Page 82, Paragraph 4.16

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Question 22:

The Philippines would like to know more about the export promotion efforts of Chinese Taipei for fish and fish products and fruits. To strengthen exports, these commodities require a fully functioning and world-class cold chain. Does Chinese Taipei have a specific program for developing the cold chain industry to serve these export-oriented commodities? Noting some similarities with the export profile of the Philippines, is there interest from local cold chain industry operators to expand operations in countries like the Philippines?

Answer:

In order to develop a cold chain logistics infrastructure and its operational capabilities for domestic farms, fisheries, and livestock products, diversify sales channels for the domestic and international marketing of our agricultural products, and to reduce losses and risks during the production, transport, and sale of such products, the Ministry of Agriculture (MOA) continues to promote the program Building an Agricultural Products Cold Chain Logistics and Quality Assurance Demonstration System. A cold-chain freshness preservation and logistics system has been established that includes post-harvest handling, processing, packaging, cold chain storage, and logistics and delivery to ensure that agricultural products remain high in quality from production to consumers, while enhancing international competitiveness.

In addition, the MOA promotes agricultural aspects of the New Southbound Policy (NSP) by strengthening two-way exchanges of agricultural talents and technology, deepening agricultural cooperation with NSP partner countries, and promoting our agricultural material, equipment, and technology exports. We are optimistic about expanding the cold chain system to international trade in the future.

Page 82, Paragraph 4.17

In July 2017, the COA established an agricultural single window to assist enterprises that intend to launch or expand operations in New Southbound Policy (NSP) partner economies. The single window offers information and services in various areas, including investment regimes, capital requirements, technical support, trade, intellectual property rights, certification, and labour markets. The authorities indicate that the single window assisted 129 applicants during 2020-22.

Question 23:

The Philippines is one with Chinese Taipei in promoting ease of doing business, especially for prospective investors. In this regard, is there a window for the Philippines as one of the NSP partner economies, to explore opportunities to collaborate with Chinese Taipei in facilitating the expansion of investments of Taipan investors in the Philippines?

Answer:

According to our statistics, as of June 2023, direct investment to the Philippines has exceed USD 2.3 billion. Nearly 50% of this was implemented after the updated BIA signed in December 2017. With the Philippines' good investment environment and investments protection, we will continue to encourage our enterprises to invest in the Philippines.

Page 83, Paragraph 4.26

Chinese Taipei's energy needs continue to be met essentially through imports, although imported energy's share of the total energy supply decreased slightly from 98% in 2018 to 97.3% in 2022. Energy imports represented 18.1% of the total import bill in 2022, up from 17.6% in 2018. The energy supply matrix remains dominated by fossil fuels (Chart 4.1), with coal and natural gas being the inputs for most locally generated electricity. Renewable sources' combined share in total energy supply, albeit still modest, has been on the rise. All energy resources are imported by sea, as Chinese Taipei's electricity grid remains without any overseas interconnections. The energy sector's resilience is also limited by ageing infrastructure and constrained opportunities for overseas cooperation.

Question 24:

The contribution of mining and quarrying to the national GDP has always been almost insignificant at 0.1%. What specific activities are covered under this and why is there no push for its development? Developing the minerals industry, if proven to be present and competitive in Chinese Taipei, is a strategic area of focus as the world transitions to clean energy.

Answer:

We have limited mineral resources. Since joining the WTO, our coal mining industry has become obsolete due to the absence of government subsidies. Currently, only marble is produced domestically, primarily for use in the cement industry, while the rest relies on imports.

The main products of the mining industry are oil and gas, marble, serpentine, and silica sand, while earth and stone extraction is primarily collected from river dredging and construction-remaining earth and stone.

Page 84, Paragraph 4.28

The MOEA's Bureau of Energy (BOE) remains the main entity in charge of formulating energy policy and implementing energy-related legislation; it also acts as the regulator of the electricity subsector. Its responsibilities include evaluating and planning energy supply and demand; granting authorizations for the exploration, production, transport, storage, transformation, import and export, distribution, marketing, and utilization of energy; reviewing natural gas and electricity prices and renewable energy feed-in tariffs; granting establishment permits to energy enterprises and overseeing their operations; and overseeing technical personnel in the sector.¹⁶ The Environmental Protection Administration is responsible for drawing up plans and regulations in the area of climate change adaptation, in collaboration with relevant ministries and agencies.

Question 25:

How effective is the implementation of the feed-in tariff mechanism in the country in terms of accelerating investments and usage of cleaner technologies? What are the current bottlenecks and policy considerations that form part of the review of natural gas and electricity prices and renewable energy feed-in tariffs?

Answer:

1. Since the FIT (Feed-In Tariff) Scheme has been implemented in 2009, investment in power equipment installation has effectively increased renewable energy capacity, and energy structure been improved. FIT review committee conducts regular reviews based on industrial technology improvements and initial setup costs. FIT works well.
2. In order to ensure the public interest, pricing policies of electricity and natural gas are formulated through price review processes taking into consideration on socio-economic conditions, fuel cost, and price stability.

Page 84, Paragraph 4.30

In May 2019, an amendment of the Renewable Energy Development Act introduced local authorities' competence to support the reviewing process of renewable energy generation equipment (up to 2,000 kW capacity); new "conversion rules between feed-in tariffs and green power direct supply/wheeling"; incentives for power generation cooperatives, civil power plants established by residents of a community, and renewable energy power generation and energy storage facilities installed in indigenous areas; and a requirement that large electricity consumers either install renewable generation and storage facilities of a certain capacity or purchase a certain amount of electricity generated from renewable sources (verifiable by a certificate). The Natural Gas Enterprise Act was amended in May 2020 to institute penalties for utility enterprises refusing to supply natural gas without proper justification.

Question 26:

What are the types of incentives provided under the Renewable Energy Development Act, likewise the types of penalties under the Natural Gas Enterprise Act?

Answer:

1. The incentives provided by the Renewable Energy Development Act include FIT mechanism to encourage the establishment of various types of renewable energy and financial supports for demonstration projects that assist expand participation or early market penetration.
2. The type of penalties specified in The Natural Gas Enterprise Act includes fine, deadline for improvement, and in serious cases, the establishment permit and gas supply business license may be revoked.

Page 86, Paragraph 4.37

TPC also remains dominant in the electricity generation market, accounting for 55.8% of installed capacity and 67.9% of generated electricity in 2022, down from 63.4% and 69.0%, respectively, in 2018 (Charts 4.2 and 4.3). Since 2017, renewable energy producers can sell their electricity to consumers either directly or through TPC's grid (wheeling). Alternatively, they can sell it to TPC at guaranteed feed-in tariffs set annually through broad consultations convened by the MOEA. Non-renewable power producers are allowed to sell electricity only to TPC. All businesses that own electricity generation equipment must contribute to the Fund to Facilitate the Development of Electric Power.

Question 27:

Comparing installed capacity between 2018 and 2022, it is evident that power generated from nuclear energy decreased due to no additional capacity and inherently with the increase in other technologies. Is Chinese Taipei considering to add installed capacity of power generated from nuclear energy, especially, the small modular reactor technology? On the other hand, which countries supplies Chinese Taipei with nuclear fuel? Does the country pre-process these fuels?

Answer:

Our energy transition policy allows existing nuclear power reactors to operate until their licenses expire. We have no plan to install new reactors currently. Small modular nuclear reactor technology is in the pre-commercial stage and with high uncertainty. We will continue to watch its development of technology, security, and regulatory issues. The nuclear fuels stock is sufficient, so we will not import in the future.

Page 90, Paragraph 4.58

Chinese Taipei's economic growth continues to be underpinned by its highly developed and resilient financial system, which offers an ample set of financial products and services across banking,

insurance, asset management, and capital markets. Financial and insurance activities contributions to GDP and employment remained broadly stable throughout the review period, and stood at 6.4% and 3.8%, respectively, in 2022. The authorities indicate that in 2022, 92.1% of adults had bank or post office accounts, 95.5% had made electronic payments, and 73.2% owned life insurance policies.

Question 28:

What recent policy measures have been undertaken by Chinese Taipei to ensure and sustain the resiliency of its financial system amid global uncertainties? How did Chinese Taipei attain its high level of financial inclusion in terms of participation in formal financial services?

Answer:

1. The Financial Supervision Commission (FSC) has phased in the Basel III framework since 2013 to raise the minimum requirements for capital adequacy ratios, while implementing the Liquidity Coverage Ratio and Net Stable Funding Ratio. Regarding implementation of the "Basel III: Finalizing Post-crisis Reforms", published by the Basel Committee on Banking Supervision (BCBS) in December 2017, the FSC is considering implementing a timeline of the revised requirements for credit risks, operational risks, and leverage ratio, as well as the revised requirements for market risks and credit valuation adjustments. The loan-to-value approach in the standard approach for credit risk was introduced in June 2021 to enhance the capital requirement calculation for risk sensitivity of real estate exposure.

Moreover, the FSC adheres to the principles developed by the BCBS and designated six domestic systemically important banks (D-SIBs). To improve D-SIBs' loss-absorbing capacity, the FSC requested those banks to meet 2% additional regulatory capital requirements and 2% additional internal capital requirements with Common Equity Tier 1 Capital only. These additional capital requirements must be phased in in four years, starting from the year after the designated date.

Furthermore, to strengthen domestic banks' risk-bearing capacity and international competitiveness, the FSC, regularly or when necessary, requires banks to conduct stress tests. Severe but plausible stress scenarios for specific risks or total positions are established in line with changes in domestic and international economic and financial situations to grasp the risk-bearing capacity of banks under adverse conditions.

2. The guidance of public policy plays a significant role in promoting financial inclusion. We have promoted several key strategies to achieve financial inclusion. These strategies include green lighting the establishment of new banks, which incentivizes banks to offer lower transaction fees to attract customers. Additionally, measures have been introduced to support elderly and vulnerable demographics, such as micro-insurance and reverse mortgage programs. Efforts have also been made to improve financial infrastructure, enabling institutions like hospitals and schools to accept non-cash transactions. Furthermore, in promoting the principle of fair treatment for customers, we evaluate the related performance of financial institutions through assessments. We have also implemented the "Financial Literacy Program" and are dedicated to building a comprehensive Fintech ecosystem. At the same time, we encourage financial institutions to introduce diverse financial products and services tailored to the needs of various sectors or different groups in society. We also aim to strengthen financial literacy and promote the use of financial services to enhance the quality of life. Our goal is to shape a "person-centered" financial system that promotes social equity and inclusive growth, while deepening financial inclusion.

Page 92, Paragraph 4.64

Under the [New Southbound Policy], Chinese Taipei encourages local financial businesses to diversify their exposure to emerging Asian markets. The FSC has implemented several financial support measures to help local banks expand their overseas presence, accordingly, including a "Programme to Incentivize Lending by Domestic Banks to Enterprises in Target Countries of the New Southbound Policy". During 2018-22, the FSC approved 30 applications by local banks for the establishment of commercial presence in NSP markets. Over the same period, local banks' loans to borrowers from NSP economies totalled TWD 6.2 trillion.

Question 29:

Please elaborate on the financial support measures implemented or being implemented by the Financial Supervisory Commission to assist local banks in expanding their overseas presence. In

particular, how is the program cited implemented, and its impact so far in terms of lending by domestic banks to enterprises in target countries?

Answer:

In support of the New Southbound Policy, the FSC is actively implementing measures to provide diverse funding channels. With the financial sector's support, enterprises can expand their business to New Southbound countries and creating a win-win situation.

The FSC has formulated the Program to Incentivize Lending by Domestic Banks to Enterprises in Targeting Countries of the New Southbound Policy and publicly awarded banks for outstanding performance each year. This encourages domestic banks to extend credit to domestic businesses or to our businesses that are based in New Southbound countries. As of the end of 2022, the total amount of outstanding loans reached TWD 1,501.6 billion. This was an increase of TWD 544.7 billion over the TWD 956.9 billion at the end of 2018.

The FSC assists domestic banks in strengthening their ability to expand their presence in New Southbound countries by enhancing cross-border supervisory cooperation with foreign competent authorities, effectively utilizing the financial sector's overseas databases, and fostering talent in international finance in order to facilitate services for businesses in these countries. As of the end of 2022, the number of our banks operating in New Southbound countries reached 337, and 318 of these are located in ASEAN.

Page 97, Paragraph 4.89

"Chinese Taipei's main telecommunications law, the Telecommunications Act, was replaced by the Telecommunications Management Act on 1 July 2020. The authorities indicate that the new law is intended to encourage technological innovation, lower entry barriers, and ensure a level playing field in the sector. Under the new legal framework, registration with the NCC is mandatory only for operators that provide telecommunications services through the public switched telecommunications network (PSTN), which requires the use of public resources (frequency or numbering), or have interconnections with other telecommunications operators. Registered operators may provide telecommunications services by setting up their own networks or using existing third-party networks. The deployment of telecommunications networks not intended for own use is subject to prior approval by the NCC. As such, telecommunications network owners are not necessarily registered telecommunications service providers (operators)"

Question 30:

What is the impact of the Telecommunications Management Act on the quality of telco services in Chinese Taipei? Did it bring technological innovation, lower entry barriers, and ensure a level playing field in the sector? Can we request for a copy of the legal framework for reference?

Answer:

The implementation of the Telecommunications Management Act (<https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=K0060111>) allows lower market entry barriers and a minimum degree of supervision. For example, a registration system has been adopted to replace the outdated model of concession and licensing. Nonetheless, with a view to protecting the rights and interests of consumers, and in accordance with various telecommunications services, general obligations, special obligations, and designated obligations have all been clearly assigned.

To ensure the quality of telecommunications services and to protect the rights and interests of consumers, telecommunications enterprises shall abide by rules when providing telecommunications services. For example, they shall disclose information to consumers about service conditions, the quality of the telecommunications network, and data transmission management conditions in a clear, public, and obtainable method (general obligations).

Telecommunication enterprises, as determined by the competent authority, shall conduct regular self-evaluations and publish the results accordingly on their official websites (special obligations). In order to ensure effective competition in the telecommunications service market, the competent authority shall also adopt control measures for those with significant market influence in the relative telecommunications service market if deemed necessary (special control measures of significant market power).

Page 99, Paragraph 4.100

Chinese Taipei's strategic priorities for the transport sector are set out in its 18th mid-term development plan (NDP 2021-2024). The principal focus areas include (i) expanding and upgrading the railway network; (ii) completing the construction of backbone highways and expressways; (iii) accelerating airport development and improving air transport services; (iv) enhancing harbours' competitiveness and navigation safety performance; and (v) promoting smart transportation technology.

Question 31:

Has Chinese Taipei fully transitioned towards paperless cross-border trade? What are the steps being undertaken to achieve this?

Answer:

Most of our import and export procedures have been fully digitized, such as the single window system (refer to Para 3.4), automated customs clearance system, electronic submission of customs declarations and support documents, e-payment of customs duties and fees, and CITES licenses and Certificates of Origin. These measures have established a foundation for the paperless cross-border trade.

Page 100, Paragraph 4.108

The Civil Aeronautics Administration (CAA) remains responsible for regulating air transport and providing flight navigation services. The governing legislation, the Civil Aviation Act, was amended in April 2018 to include specific provisions on the management of drone activities. The amendment introduced, *inter alia*, a registration system for drone owners, drone inspection competences for the CAA (including for imported drones), and rules on drone flight activities.

Question 32:

How did the amendment to the Civil Aviation Act affect the drone industry of Chinese Taipei? Were there any technological advancements observed in drone activities originating from Chinese Taipei since the amendment?

Answer:

After the implementation of the drone registration system, all kinds of drones will be overseen, which can be linked to the subsequent application for flight activities, and the dynamics of all kinds of flight activities will be controlled, which is conducive to safety management. At the same time, through the implementation of drone inspection, we can ensure the reliability and stability of drone system operation and enhance the safety of drone flight.

The Civil Aviation Act is enacted to ensure aviation safety, establish a robust civil aviation system, adhere to international civil aviation standards, and promote the development of civil aviation. The amendment has established a safer drone operating environment, guiding advanced drone applications and the industry development.

PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT**3 ECONOMIC POLICY AND DEVELOPMENTS****Page 10, Paragraph 3.21**

In the post-pandemic era, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu has embraced new digital and smart technologies, integrating digital payments to accelerate the economic recovery of industries such as retail, food and beverage, and tourism. Business opportunities in sectors such as healthcare and information communication are increased through international research and development collaborations in digital technology.

Question 33:

Kindly share Chinese Taipei's experience in digital payments integration. What are the challenges encountered? What specific programs and/or activities are planned to be implemented moving forward? Does this include frameworks for possible payment connectivity with other countries?

Answer:

To accelerate the implementation of inclusive finance and enhance the convenience of consumer payments, the Financial Supervisory Commission (FSC) commissioned the Financial Information Service Co., Ltd. (FISC) to establish the Inter-Institution Electronic Payment

Platform. The company has adopted the QR Code Common Standard (TWQR) as the unified technical specification for barcode payments of financial institutions and electronic payment institutions. The TWQR can address inconveniences faced by the public in identifying the individual QR codes of institutions or having to apply for multiple electronic payment accounts. The FISC has actively engaged in discussions with institutions in other Members to promote cooperation on mobile payments.

Page 10, Paragraph 3.25

To encourage the prioritization of green sustainability among businesses, investors, and consumers, and to promote support from the financial sector for green energy development, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu has been undertaking green finance initiatives since 2017. A series of action plans have been introduced since then. On September 2022, the Green Finance Action Plan 3.0 was released to enhance the quality and content of ESG information disclosures, strengthen climate risk management of financial institutions, promote GHG emissions inventory disclosures, and establish a sustainable taxonomy.

Question 34:

Can Chinese Taipei provide more information on its key green finance initiatives?

Answer:

To encourage the financial industry and businesses to prioritize climate change issues and sustainable development, we continue to promote green finance. In September 2022, the Green Finance Action Plan 3.0 was issued, which is implemented through five aspects: deployment, funding, data, empowerment and ecosystem and consists of 26 specific measures. The measures and achievements are announced online and updated regularly. Moreover, all content can be accessed on the official FSC website (<https://www.fsc.gov.tw/en/home.jsp?id=419&parentpath=0,4>).

Additionally, to assist stakeholders in sustainable finance to gather information and share their experiences, the FSC is currently establishing a sustainable finance website, which will include such information as the implementation results for the green finance action plan, as well as investment and financing resources and statistics. It is expected to launch by the end of 2023.

Question 35:

Are there opportunities for other governments to partner with Chinese Taipei on those initiatives?

Answer:

When promoting measures or developing guidelines, the FSC communicates and collaborates with other government agencies, such as the Ministry of Environment, the Ministry of Economic Affairs, the Ministry of the Interior, and the Ministry of Transportation and Communications, to ensure the feasibility of related policies and mechanisms, and jointly promote sustainable development.

Also, the FSC actively participates in activities organized by international organizations, exchanges views, and works with regulatory authorities of various jurisdictions on sustainable finance. Through meetings, as well as bilateral visits, the FSC gathers information, updates policies, and shares experiences on climate-related issues with financial regulatory authorities from different jurisdictions.

Page 10, Paragraph 3.30

In response to trends in digital and technological transformations, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu launched the nine-year Digital Nation and Innovative Economic Development Plan (DIGI+) in 2017. After four years of implementation, the DIGI+ was subsequently upgraded to Smart Taiwan 2030. The goal is to enhance the value of the digital economy, increase the adoption of digital services, and improve the coverage of high-speed broadband services. Through the integration of government resources and collective efforts from the private sector and industries, the government is creating an environment that accelerates digital innovation and economic development.

Question 36:

Can you provide more information on the progress of the Smart Taiwan 2030 so far? How has this benefited the economy and the business, especially the MSMEs?

Answer:

1. The Smart Taiwan 2030 program, with the vision of promoting innovation, inclusion, and sustainability by 2030, has made significant progress in recent times. This includes accelerating the deployment of 5G infrastructure, with a coverage rate for the non-rural population reaching 96.97% by June 2023, exceeding the 85% target for 2025. In the effort to promote user-friendly MyData services, have been provided. Additionally, the government has subsidized the purchase of mobile devices for a total of 610,000 units, prioritizing schools located in remote, ensuring equal educational opportunities in both urban and rural areas.
2. We have assisted industries in digital transformation through the platform of the Tcloud Marketplace with more than 50,000 beneficiaries. Furthermore, we have assisted information service industry to develop digital cloud service solutions, complete SaaS services, and collectively encouraged 8,000 MSMEs to use cloud services. This has resulted in additional revenue of TWD 700 million for MSMEs.

Question 37:

What are the hindrances in achieving the goals of Smart Taiwan 2030? How were these challenges addressed?

Answer:

Although the pandemic is gradually abating, the intensification of geopolitical conflicts, inflationary pressures, climate change, and other risks have forced many services and jobs to transition from the physical world to the virtual world. This has further deepened reliance on the internet and significantly increased the scale and frequency of cybercrime.

Facing these new challenges and dynamics, the government continues to strategize for the future. It actively seeks international collaborations to attract more partners, develops the cybersecurity industry that combines the 5G era, digital transformation, and essential security, and promotes forward-looking applications to make smart living accessible in every corner. The government also diligently adjusts its policies in response to the evolving landscape, as seen in its recent focus on the post-pandemic era's direction for a smart economy. It includes a reevaluation of existing indicators in light of emerging technologies like generative AI, all with the aim of enhancing our digital environment and elevating our competitiveness.

Page 11, Paragraph 3.32-3.33

3.32. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu recognizes that labor plays a crucial role in economic development. It is committed to promoting fundamental labor principles and rights. To strengthen the protection of workers' rights and interests, several regulatory reforms have been implemented. These measures include the gradual reduction of total working hours, enhancements to occupational accident protections, safeguarding workers' rights, and the establishment of effective mechanisms for resolving labor disputes.

3.33. Consequently, the minimum wage has been steadily increasing during the review period. Since 2016, the minimum monthly wage has been raised for seven consecutive years to TWD 26,400, marking an increase of almost 32%. The aim is to stimulate domestic consumption through wage growth. In response to the declining birth rate and aging population, efforts are made to encourage the middle-aged and the elderly to stay in or return to the workforce. Additionally, continuous assistance is provided to promote youth employment and enhance overall labor force participation.

Question 38:

With the decline in the working-age population, what strategy has been enforced to increase the trend in employment? Is it effective? Please elaborate.

Answer:

In response to the labor shortage resulting from low birth rates and an aging population, the government has been dedicated not only to improving the quality and quantity of the domestic workforce but also actively expanding efforts to attract immigrants. This is aimed at increasing the availability of foreign talent and the manpower required for industrial development.

1. **Domestic workforce:**
 - (1) The government is implementing Key Talent Cultivation and Recruitment Program (2021-2024), which involves increasing industry-academia co-establishment of specialized learning institutions. This initiative aims to cultivate domestic digital talent, and has introduced measures to encourage the employment of women, middle-aged and senior workers.
 - (2) To address labor shortages in various industries, the government offers talent matching services through public employment service institutions, and engages with relevant industry supervisory authorities or organizations upon reports of labor shortages. This allows for customized talent acquisition services. As a result of this collaboration, approximately 700,000 employees are hired annually.
 - (3) The Middle-aged and Elderly Employment Promotion Act has been enforced since December 2020. The act allows laborers aged 65 and above to enter periodic labor contracts with employers through mutual agreement, enhancing flexibility for both parties. In 2023, the government formulated the Employment Promotion Plan for Middle-Aged and Elderly Individuals (2023-2025). This plan introduces various assistance and incentive measures to encourage the continued presence of middle-aged and elderly individuals in the workforce, aiming to assist 300,000 individuals in securing employment over three years.
2. **Foreign workforce:** Since 2021, the government has developed the Strengthening Population and Immigration Policy, focusing on foreign professionals, foreign and overseas compatriot students, and intermediate-skilled foreign workers, aiming for a net increase of 400,000 in the foreign workforce by 2030, sustaining our economic growth momentum.

Question 39:

How does the government ensure that the workers' rights are protected when the workers are being limited or restricted when it comes to union formation?

Answer:

According to Article 4 of the Trade Union Act, all workers have the right to organize and join trade unions. If workers, in the process of organizing a trade union, face undue influence, hindrance, or restriction by the employer, they can apply to the Ministry of Labor for a resolution on unfair labor practices. When the Unfair Labor Practices Adjudication Committee of the Ministry of Labor determines that the behavior of the employer or the individual exercising management power on behalf of the employer constitutes unfair labor practices as stipulated in Article 35 of the Trade Union Act, the Ministry of Labor may impose a fine ranging from TWD 100,000 to TWD 500,000, as outlined in Article 45 of the same Act. Additionally, business entities can be mandated not to impede workers from organizing trade unions.

Question 40:

Despite the yearly increase to the minimum wage, what other measures have been instituted to uphold the welfare of workers?

Answer:

1. To protect labor employment and associated rights, we implement the Middle-aged and Elderly Employment Promotion Act along with related sub-laws. We utilize various incentive measures to promote employment for middle-aged and elderly individuals through career counseling-related programs. Additionally, we amend the Act of Gender Equality in Employment, relaxing the application process for pregnancy checkup accompaniment and paternity leaves as well as the paid pregnancy checkup leave duration. These measures are aimed at creating a more childcare-friendly workplace environment.
2. In alignment with the Labor Occupational Accident Insurance and Protection Act, we aim to establish a prevention and reconstruction mechanism, diagnosis and treatment services, and enhance the occupational accident protection system to ensure worker safety in workplaces. The objective is to incentivize small and medium-sized enterprises, high-risk businesses, and specific industries to execute safety and health improvement plans. This includes implementing labor supervision, guidance, and inspections within enterprises and high-risk factories.

Page 12, Paragraph 3.38

3.38. The ratification process for the WTO Agreement on Fisheries Subsidies has been set in motion. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is actively engaging in negotiations for the second phase of the Agreement, focusing on addressing subsidies related to overcapacity and overfishing, aiming at advancing sustainable development goals in the fisheries sector.

Question 41:

What is the status of Chinese Taipei's domestic ratification of the WTO Agreement on Fisheries Subsidies? What are the processes being undertaken by Chinese Taipei in its ratification of the WTO Fisheries Subsidies Agreement?

Answer:

The Agreement is already under the ratification process.

Question 42:

Can you share the challenges that the government is facing in the process and how does Chinese Taipei address these challenges?

Answer:

Explanations needs to be provided to relevant groups within a short timeframe.

Question 43:

What is the government's timeline to officially submit Chinese Taipei's acceptance to the WTO?

Answer:

The instrument of acceptance will be submitted as soon as the process is completed.

SINGAPORE**PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT****1.3.1.2 Trade in services
Page 18, Paragraph 1.22****Question 1:**

The WTO Secretariat Report notes that during the review period, Chinese Taipei has "*switched from being a net importer to a net exporter of services*". Are there specific policies that can be attributed to driving this growth of exports?

Answer:

Our services trade turned from a deficit to a surplus from 2020 to 2022, and the reasons are as follows:

1. From 2020 onwards, the COVID-19 pandemic induced global supply chain bottlenecks, and global freight rates thus trended up significantly, resulting in a substantial increase in international freight proceeds received by our transport operators.
2. Of the various components of our service trade, travel recorded the largest deficit from 2017 to 2019. However, from 2020 onwards, as the COVID-19 border control measures across the world led the number of our outbound travellers to shrink, the deficit in the travel account narrowed considerably.

**2.4. Investment Regime
Page 28, Paragraph 2.35****Question 2:**

The WTO Secretariat Report notes that several amendments to the "Statute for Investment by Foreign Nationals" were proposed to encourage overseas investment by simplifying the reporting and approval process. Could Chinese Taipei elaborate on these proposed amendments, including whether there is a schedule for implementation?

Answer:

The draft amendment to the Statute for Investment by Foreign Nationals has lapsed due to the fact that the review process is incomplete. Currently, there is no plan to submit a new draft proposal.

**PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT
3.6.1 Participating in WTO****Page 12, Paragraph 3.38****Question 3:**

The Government report notes that the ratification process for the WTO Agreement on Fisheries Subsidies "has been set in motion". Could Chinese Taipei share details on the domestic ratification process, and the anticipated timeline for the completion of this process?

Answer:

The Agreement is already under the ratification process. The instrument of acceptance will be submitted as soon as the process is completed.

3.8 Aid for Trade**Page 15, Paragraph 3.55****Question 4:**

The Government report notes Chinese Taipei's efforts in participating in bilateral and multilateral aid and technical assistance programs, such as Aid for Trade and with other international organisations/institutions/partners. Could Chinese Taipei **(i)** share more details on the profile of these recipients, and **(ii)** its future plans for these programmes.

Answer:

1. We actively engage in bilateral trade assistance programs. The examples are as follows:

- (1) Project to Strengthen Capacity to Support Development of MSMEs in Paraguay: we have assisted Paraguay in planning consultation policy for MSMEs, and will continue to design consultation courses combining Paraguay's resources and our advantages for local suppliers, so as to improve the performance of MSMEs in Paraguay.
- (2) Enhancing the efficiency of production-distribution supply chain in fruit and vegetable sector in St. Lucia: we have assisted St. Lucia in establishing the agricultural information system and production and marketing adjustment mechanism, and will continue to use the agricultural technology to strengthen the country's agricultural production and improve the income of farmers, as well as build the resilience of the agricultural sector to mitigate the effects of climate change.

2. We also engage in multilateral trade related aid programs as follows:

- (1) Asia-Pacific Economic Cooperation (APEC): As a constructive member, we have been regularly making financial contributions to APEC to assist with capacity building and to support APEC priority issues progressing, and will continue to support APEC's work of advancing greater people's well-being and regional prosperity.
- (2) The European Bank for Reconstruction and Development (EBRD): As a regional development financial institution with an excellent reputation, the EBRD aims to help Central and Eastern European, Asian, and African countries transform into market economies and evolve into democratic and pluralistic societies. As an important partner of the EBRD, we have participated in more than 400 technical cooperation programs through the "Taiwan Business-EBRD Cooperation Fund" and will continue to work with the EBRD to assist more nations to empower transition in the green, digital, and economic domains.
- (3) Central American Bank for Economic Integration (CABEI): CABEI is one of the most important regional multilateral development financial institutions in Central America, which offers resources to projects that foster regional development, reduce poverty and inequality, and strengthen regional integration. As the bank's largest shareholder, through "Taiwan-CABEI Partnership Trust Fund", we have been an active participant in CABEI technical assistance and capacity building programs promoting development on agriculture, education, food security, and MSMEs in Central America, and will continue to actively participate in CABEI's effort in facilitating balanced and sustainable socioeconomic development in Central America.

THAILAND**WT/TPR/G/448****Para. 3.11****Page 8**

"3.11 To foster an efficient and supportive investment environment, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has continued to streamline registration requirements for foreign companies, enabling companies to fulfill documentation requirements after registering their branch or representative offices. Concurrently, the approval process for inbound investment has also been simplified, leading to reduced administrative costs for investors".

It would be greatly appreciated if Chinese Taipei could provide information regarding registration requirements, the current approval process for inbound investment, and the duration of an approval process. Furthermore, if an initial proposal is rejected, is there a provision for foreign investors to resubmit their applications?

Answer:

1. The regulations and review process for foreign companies applying for registration of branches or representative offices can be found in the Commerce Industrial Services Portal (<https://gcis.nat.gov.tw/mainNew/index.jsp>). The review period for establishing branches is 12 working days, and for a representative office is 3 working days, excluding the processing time for corrections and objections.

The Company Act does not impose restrictions on the number of times a foreign company can apply to establish a branch or representative office. If the initial application is rejected, a foreign investor can still resubmit its application.

2. Relevant requirements are set out in Article 8 of the Statute for Investment by Foreign Nationals. Prior application and approval are required for foreign investments and changes to investment plans. As for the review time, it is necessary to evaluate each case individually based on the investment amount and category, and the decision should be made within one month after all documents are complete. Please refer to the website of the Department of Investment Review, MOEA (formerly known as MOEAIC) for the details of relevant regulations, application procedures, required documents and review timelines. (https://dir.moea.gov.tw/businessPub.view?lang=en&op_id_one=1)

Foreign investment applications can be resubmitted and will be reviewed again on a case-by-case basis.

WT/TPR/S/448**Para. 3.38****Page 41**

1. According to the report, in February 2023, Chinese Taipei imposed a prohibition on 50 fish products. Therefore, Thailand would like to know whether these measures are still in effect. If so, could Chinese Taipei provide the number/codes of the documents in which Chinese Taipei notified the WTO?

Answer: The import prohibition measures on 50 fish products are still in effect. The WTO notification document is G/MA/QR/N/TPKM/5.

2. According to import prohibitions which applied to 43 tariff lines under WTO agriculture, could you please provide the lists of agricultural products that are covered by these import prohibitions?

Answer: We have notified the WTO of the list of 43 Agricultural products covered by import prohibitions (G/MA/QR/N/TPKM/5). The 43 Agricultural products are as follows:

0106.11.00.10-8, 0106.19.20.11-5, 0106.19.40.19-3, 0106.19.40.23-7,
0106.20.10.11-4, 0106.20.10.12-3, 0106.20.10.13-2, 0106.20.10.14-1,
0106.20.10.15-0, 0106.20.20.31-8, 0106.20.20.32-7, 0106.20.90.21-5,
0106.20.90.22-4, 0106.20.90.23-3, 0106.20.90.24-2, 0106.20.90.25-1,
0106.39.00.31-1, 0106.39.00.32-0, 0106.39.00.33-9, 0106.39.00.34-8,
0106.39.00.35-7, 0106.39.00.36-6, 0106.39.00.37-5, 0106.39.00.38-4,
0106.39.00.39-3, 0106.39.00.41-9, 0106.39.00.42-8, 0106.39.00.43-7,
0106.39.00.44-6, 0106.49.00.10-4, 0106.49.00.11-3, 0106.49.00.20-2,
0106.49.00.30-0, 0106.49.00.40-8, 0106.49.00.50-5, 0106.90.00.11-1,
0106.90.00.20-0, 0106.90.00.30-8, 0106.90.00.40-6, 0208.90.29.20-4,
0602.90.10.10-9, 1207.99.20.90-8, 1404.90.99.50-2

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Para. 3.91

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1. In Table 3.10, Chinese Taipei's standards (CNS) and their equivalent to international standards indicate that almost all local standards are equivalent to international standards, with local standards consisting of both mandatory technical regulations and voluntary standards. However, para. 3.91, indicates that the Bureau of Standards, Metrology, and Inspection (BSMI) is carried out only two voluntary programmes, which are (1) CNS Mark Certification (CNS Mark) System and (2) Voluntary Product Certification (VPC) System. In this regard, Thailand would like to inquire whether Chinese Taipei has mandatory marking certification. If so, please further clarify.

Answer: Our standards (CNS) are voluntary unless referenced in technical regulations. Column C of Table 3.10 titled "Mandatory technical regulations" indicates the number of CNS referenced in mandatory technical regulations by the competent authorities. The Commodity Inspection Mark, a mandatory certification mark, shall be affixed to products subject to mandatory inspection before they are placed on the market. Please refer to paragraph 3.93 of the Secretariat report for detailed descriptions.

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Para. 4.8

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1. Could Chinese Taipei please provide further details on how the Agricultural Credit Guarantee Fund (ACGF) operates in assisting farmers or fishers to deal with challenges from trade liberalization and increase its competitiveness?

Answer: The Agricultural Credit Guarantee Fund (ACGF) provides credit guarantees for loans to farmers, fishermen, and agricultural and fishing businesses thereby boosting their creditworthiness and sharing the financing risks of financial institutions. When Farmers, fishermen, or agricultural businesses require funding for their operations, they can apply for guarantees from the ACGF through financial institutions. The ACGF acts as their guarantor, assisting farmers and agricultural businesses in smoothly obtaining the necessary funds from financial institutions. The credit guarantee system provided by the ACGF is helpful in improving agricultural and fishery operations, while assisting in the transformation and upgrading of the agricultural and fishery industries.

2. What is the actual spending in the last five years to this fund?

Answer: The expenditures of ACGF include guarantee liability reserve, operational expenses, and administrative expenses. The guarantee liability reserve is used when a guarantor's loan is overdue to ensure repayment of the loan, secure the claim, and subsequently pursue collection. Operational expenses and administrative expenses are necessary to maintain the normal operation of the fund. Last five years of

expenses are TWD 289 million (2018), TWD 282 million (2019), TWD 286 million (2020), TWD 311 million (2021) and TWD 301 million (2022).

3. How does Chinese Taipei intend to notify the expenditure from the fund in accordance with WTO obligations?

Answer: The ACGF derives its income by providing credit guarantees to farmers, fishermen, and agricultural businesses that apply for agricultural loans. This income includes guarantee fees paid by borrowers, bad debt recoveries, and interest income. The expenditures of ACGF include guarantee liability reserve, operational expenses, and administrative expenses. After acting as a representative to repay the loans on behalf of borrowers, the ACGF acquires the obligatory rights and proceeds to recover the debt from the borrowers. The ACGF does not constitute subsidies to the production of farmers, fishermen, nor to specific agricultural products. Therefore, it is not obliged to notify under the WTO Agriculture Agreement.

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Para 4.14

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1. Para 3.23 mentioned that the rice import tariff-rate quota is allocated by the Council of Agriculture (COA), could Chinese Taipei please provide details on the TRQ administration?

Answer: As we committed upon accession to the WTO, we would import 144,720 metric tons of equivalent brown rice each year, 65% of which (94,068 metric tons) is imported by the government under the Country Specific Quota (CSQ), allocated to the following countries: (1) United States: 64,634 metric tons; (2) Australia: 18,634 metric tons; (3) Thailand: 8,300 metric tons; (4) Egypt: 2,500 metric tons. The other 35% (50,652 metric tons) is private sector quotas, which is allocated through auction for tariff quota rights.

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Para 4.65

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"4.65. In 2018, Chinese Taipei established a regulatory sandbox for thematic financial technology experiments, followed by a business trials mechanism for banking, insurance, securities, and futures businesses in 2019.⁴⁴ During the review period, successful experiments resulted in legislative amendments that provide for small-amount remittance services, fund swap services, and cost averaging investment services. The FSC also continued implementing an open banking framework, issued guidelines for customer data sharing among financial institutions, and launched work on the development of a standardized mobile identity verification mechanism for the financial services market. For its part, the CBC launched a feasibility study on a potential central bank digital currency (CBDC). The research project's first phase (wholesale CBDC) was completed in June 2020 and the second phase (retail payments) was completed in 2022".

1. It is pleasure if Chinese Taipei could provide information regarding system and protection measure from sharing customer data among financial institutions.

Answer: The Financial Supervisory Commission (FSC) has issued the Guidelines on Data Sharing among Financial Institutions, which explains the system for sharing customer information among financial institutions and its protection measures. For more information, please refer to the webpage (<https://www.fsc.gov.tw/en/home.jsp?id=521&parentpath=0,4,175>)

WT/TPR/S/448

Para 4.68

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"4.68. No significant changes were introduced to market access conditions in the banking sector during the review period. Overseas banks must establish commercial presence and obtain a business license (like locally incorporated banks) from the FSC to provide services

in Chinese Taipei.⁴⁷ Locally incorporated banks and local branches of overseas banks must comply with the same minimum capital adequacy ratios and paid-in capital requirements. Unlike local branches of overseas banks, locally incorporated banks must also comply with a liquidity coverage ratio requirement.⁴⁸ To conduct retail deposit business, an overseas bank's local branch typically needs to have operating capital of at least TWD 250 million. Banks wishing to conduct forex-related business or to establish an offshore banking unit must obtain approval from the CBC. Overseas investment in postal savings and remittance services (except small-amount remittance services for migrant workers) remains prohibited (Section 2.4)."

1. It would be greatly appreciated if Chinese Taipei could elaborate on the criteria for consideration of minimum capital adequacy ratios for local branches of overseas banks?

Answer: The FSC has no minimum capital adequacy ratio requirement for foreign bank branches. The FSC follows the related principles and requirements set by the Basel Committee on Banking Supervision (BCBS) to supervise the banking sector. Therefore, when a foreign bank applies to establish a branch, its head office's critical financial indicators, such as capital and its capital adequacy ratio and liquidity, must meet the standards set by the BCBS.

2. Please provide information about the approval process of conducting forex-related business and offshore banking unit?

Answer: Banks that meet the qualifications specified in Article 3 of the Offshore Banking Act can submit the relevant documents according to Article 3 of Regulations Governing the Establishment and Compliance Matters of Offshore Banking Branches to apply for the establishment of an offshore banking unit (OBU) to the FSC.

To review the application, the FSC will consult with the Central Bank for its opinion. If the Central Bank does not express any objections, the FSC will then proceed to assess the applicant's business soundness, compliance, business plan, and qualifications of the OBU manager. Then, it will approve or reject the application.

THAILAND – FOLLOW-UP QUESTIONS**WT/TPR/G/448****Page 3, Paragraph 1.2****Question 1:**

Are there any chapter or articles under Free Trade Agreements related to state-owned enterprises? In addition, does Chinese Taipei have any plans or strategies for those state-owned enterprises to benefit from free trade agreements? If yes, please provide more information.

Answer: There are provisions related to state-owned enterprises (SOEs) in our FTAs with Singapore, Guatemala, and Panama. The provisions mainly require SOEs to comply with non-discriminatory general principles under GATT Article 17 and follow commercial practices so as to ensure fair market competition and avoid creating unnecessary trade barriers. We have no plans or strategies for SOEs to benefit from FTAs.

Page 9, Paragraph 3.17**Question 2:**

What are the criteria for selecting countries to participate in international exchange activities for talent cultivation under Chinese Taipei's Industrial Innovation Policies?

Answer:

In response to the demand for skilled professionals in crucial industry sectors, the Ministry of Education introduced the Initiative to Expand Enrollment of international students in Key Industries in 2022. This initiative welcomes applicants from all regions and Members. We look forward to broadening international cooperation through student mobility and talent circulation between partners.

WT/TPR/S/448 – WTO Secretariat Report**Page 43, Paragraph 3.44****Question 3:**

Since Chinese Taipei provides an opportunity for entrepreneurs subject to countervailing or anti-dumping measures implemented by the Chinese Taipei government to be able to appeal the decision, could Chinese Taipei clarify the appeal procedure in detail and specify which government agency is in-charge of such activities?

Answer: According to the Administrative Procedure Act and the Administrative Litigation Act, interested parties whose rights or legal interests were injured by an unlawful countervailing or anti-dumping measure could file a litigation of revocation with the administrative court within two months from the announcement. Our High Administrative Court has jurisdiction over this matter.

Page 32, Paragraph 3.5**Question 4:**

Regarding duty refund after goods release, please advise the reason why "Within six months of release of goods, Customs must notify the importer if there are any refundable or recoverable duties". Generally, it would not specify that it is the responsibility of Customs to inform the importer of such matters, but it is the case where an importer has a right to submit a request for duty refund within the time period specified by law.

Answer: According to Article 9 of the Administrative Procedure Act, an administrative authority should consider the favorable and unfavorable circumstances for the parties involved in the administrative procedures.

Moreover, Article 43 of the same Act stipulates that in imposing sanctions or other administrative acts, administrative agencies shall consider all statements and the outcome of investigation to determine the authenticity of the evidence, and based on reasoning and practical experience, inform the parties involved of the reasons for their decision. Article 110 of the same Act stipulates that administrative sanctions in writing shall be effective upon delivery to the counterparty and known interested parties. Unwritten administrative sanctions

shall be made known through other appropriate means, and take effect when they are made known.

In accordance with the laws mentioned above, Customs shall notify the taxpayer if there is any tax that should be refunded or paid in order to protect the property rights.

Page 62, Paragraph 3.124

Question 5-1:

Please kindly provide information on the legislation, regulations, barriers, and solutions to develop and regulate state-owned enterprises, specifically the state objective and strategic direction.

Answer: According to the Administrative Law of State-Owned Enterprises, state-owned enterprises (SOEs) should be operated and developed in the manner of ordinary enterprises. They should be self-supporting, and profit-making.

In principle, the SOEs enjoy the same rights and obligations as private enterprises, unless otherwise specified by law.

Question 5-2:

Please kindly provide information on any tools and mechanisms to enhance the value of state-owned enterprises in order to achieve the objective of establishing state-owned enterprises that operate commercially and socially in parallel. Additionally, please identify the agencies involved in these operations and explain their interrelationships among them.

Answer: Relevant government authorities evaluate the performance of their SOEs annually in accordance with the Administrative Law of State-Owned Enterprises and Regulations for Performance Evaluation of State-Run Enterprises. The evaluation criteria are based on the nature of each enterprise, encompassing aspects such as business performance, financial management, human resources management, labor safety and environmental protection.

To enhance corporate governance within SOEs, especially in reinforcing the roles of the Board of Directors, the government promotes the inclusion of independent directors and the establishment of audit committees. Experienced experts are appointed or recommended as directors and supervisors. Board members consist of various representatives from governments, as well as financial and operational experts or union representatives. These measures contribute to improving operational performance and achieving developments, both commercially and socially.

Question 5-3:

Please kindly provide further details on the legal provisions that apply to state-owned enterprises concerning non-discrimination, competition, and state aid, as well as please indicate whether any plans or policies exist to amend or update these regulations in the future?

Answer: Both SOEs and private businesses are subject to the regulations of the Fair Trade Act and do not enjoy any special privileges. The Fair Trade Act fully regulates any competition issues arising from the conduct of SOEs.

SOEs and private businesses compete fairly. We have no plans to amend the law.

Question 5-4:

What are the other sectors besides energy, transportation, and utility, in which the majority of ownership of state-owned enterprises must be maintained by government? And Why?

Answer: In addition to the energy, transportation, and utility sectors, we also have SOEs in the financial sector to promote our foreign trade activities. Please refer to the Table 3.13 of the Secretariat report.

UKRAINE**PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT (WT/TPR/S/448)****2 TRADE AND INVESTMENT REGIMES****2.2 Trade policy formulation and objectives****Page 24, Paragraph 2.16**

According to the Report, Chinese Taipei drafted for the first time an Action Plan (2021-2024), which aims at promoting transparency, accountability, participation, and inclusion, emphasizing the importance of cooperating with civil society and of making relevant information available to the public, as required by law. In addition to the Public Policy Online Participation Platform, Chinese Taipei implemented a programme under which executive agencies must designate a liaison officer responsible for communicating with stakeholders during all steps of policy development.

Question 1:

Would the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, please, inform more about above-mentioned programme and clarify both liaison officer's responsibilities as well as instruments used by them in communication with stakeholders during all steps of policy development?

Answer:

The liaison officers at each agency shall be civil servants who are able to conduct public communication warmly and sincerely, are familiar with policy work, and are adept at using internet tools.

The liaison officers may operate flexibly to address the specifics of a given issue and should enhance lateral communication and liaison within the agency.

If complex stakeholder relationships, multiple differences of opinion, or issues of intense public participation are involved, the liaison officer shall assist the head of the agency concerned to assess in the initial stage of policy planning whether the agency should adopt an appropriate process upholding the principle of open government.

If more than one government agency are involved in addressing an issue, then the liaison officer at the originating agency may initiate communication to collaborate with the liaison officers at other government agencies or may submit a request through the open government liaison system for the minister without portfolio who is charged with supervising the work of open government to convene an inter-agency collaboration meeting.

Question 2:

How many liaison officers have been designated by executive agencies and what was the feedback from stakeholders concerning implementation of such programme for better trade policy formulation?

Answer:

Each ministry or equivalent agencies shall designate at least one person to serve as liaison officers. Currently, there are 31 liaison officers. And so far, the program has worked well and most stakeholders are satisfied.

2.3 Trade agreements and arrangements**2.3.2 Regional and preferential agreements****Page 25, Paragraph 2.23**

According to the Report, "Chinese Taipei has a limited number of regional trade agreements (RTAs) and economic cooperation agreements (ECAs). It places importance in pursuing economic and trade relations with other trading partners in the region and beyond and securing a central role in global and regional supply chains".

Question 3:

Ukraine would appreciate it if the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu could kindly provide further information on the current state of negotiations regarding RTAs with other trading partners with indication of whether those negotiations deal with goods, services or both.

Answer:

The first batch of agreements under the Taiwan-US Initiative for 21st Century Trade was signed on June 1. It covers five topics, i.e. customs administration and trade facilitation, good legal practice, domestic regulations in the service industry, anti-corruption, and small- and medium-sized enterprises. This represents a key step towards our negotiation and signing of trade agreements with other major trading partners.

We jointly announced the conclusion of the negotiations over a Foreign Investment Promotion and Protection Arrangement with Canada. This Arrangement represents the highest level of protection of investment.

Since 2016, we've updated our Bilateral Investment Agreements with the Philippines, India, and Viet Nam, and signed new agreements on trade and investment, standards, and customs. This has deepened our consensual connection with the New Southbound countries. It has, in turn, positively impacted regional economic and trade vitality.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.1 Measures directly affecting imports****3.1.3 Tariffs****3.1.3.3 Tariff rate quotas****3.1.3.4 Tariff preferences****Page 37, Paragraphs 3.21 and 3.24**

The Report informs that Chinese Taipei negotiated preferential tariff rate quotas with some WTO members and grants preferential treatment to imports originating in certain trading partners, including preferential treatment for agricultural products.

Question 4:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, please, inform whether it is considering the possibility of granting preferential tariff rates or preferential tariff rate quotas to imports of agricultural products originating in developing countries, including from Ukraine?

Answer:

We have granted preferential tariff rates and preferential tariff rate quotas for certain agricultural products to least developed countries (LDCs), but at present we have no plans for granting preferential treatment to developing countries.

3.1.6 Anti-dumping, countervailing, and safeguard measures**Page 45, Paragraph 3.52**

Under the Report, "Chinese Taipei reserved the right to impose Special Safeguards (SSG) on agriculture products. These measures continue to be regulated by the Customs Act (Article 72) and the Regulations for Imposition of the Additional Duty on Agriculture Products, which have remained unchanged since 2018. According to the Regulations, the SSG may be used for betel nuts, chicken, dried day lilies, garlic, fresh and liquid milk, offal, peanuts, pears, persimmon, pomelo, pork belly, red beans, rice, dried shiitake, and sugar".

Question 5:

Ukraine would appreciate it if the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, as a user of SSG instrument, could kindly elaborate further on its vision of SSM discussions at the Special Session of the Committee on Agriculture and its relevance to Market Access discussions.

Answer:

We are of the view that importing Members will benefit from the right to take remedial measures and engage in international trade markets on reasonable premise. However, the design of SSM should take into account the balance between trade remedies and trade liberalization.

3.3 Measures affecting production and trade

3.3.7 Intellectual property rights

Page 70, Paragraph 3.148

The Report informs about some of amendments to the IPR legislation, which were introduced during the review period to align Chinese Taipei's legislation with the provisions of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). In particular, the Copyright Act was amended to ensure compliance with the IPR provisions of the CPTPP, to consider instances of illegal digital piracy, distribution, and public transmission constituting a serious infringement as offences indictable without complaint. Besides, in order to align Chinese Taipei's legal framework for patents with the CPTPP, in 2019 a patent linkage system was implemented under the Pharmaceutical Affairs Act.

Question 6:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu kindly clarify if there were other categories of intellectual property, besides copyright and patents, legislative provisions on which required amendments to ensure compliance with the IPR provisions of the CPTPP?

Answer:

To ensure compliance with the IPR provisions of the CPTPP, besides copyright and patents (protection of undisclosed test data for pharmaceutical products) mentioned in Para 3.148, other relevant amendments also include the categories of trademark, plant variety rights, and protection of test data for agricultural chemical products. The amendments are as follows:

1. The Trademark Act was amended to introduce related criminal penalties as CPTPP requires Parties to apply "criminal procedures and penalties" in cases of willful illegal importation and domestic use of a label or packaging.
2. The Plant Variety and Plant Seed Act was amended to expand the scope of rights protection in plant varieties to cover all plant varieties.
3. The Agro-pesticides Management Act was amended to extend the protection of test data for agricultural chemical products from eight years to ten years.

Question 7:

What other areas, except intellectual property, required review on compliance with the CPTPP provisions?

Answer:

In addition to intellectual property rights, we have also amended laws or regulations on the management of the fishing industry, the labelling requirement for cosmetics, and the provision of postal services in order to achieve full compliance with CPTPP rules.

Question 8:

When did the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu start assessment of its legislation on compliance with the provisions of the CPTPP and what was the process before Chinese Taipei applied for accession to the CPTPP in 2021?

Answer:

We initiated a full-scale review of its domestic legal regime in accordance with TPP texts once they were published; nevertheless, preparatory works had already commenced in advance based on available information. Before submitting our application, we had completed sectoral impact assessments and response plans, and had communication with CPTPP members concerning its intention of joining the CPTPP.

PART II: QUESTIONS REGARDING THE REPORT BY THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU (WT/TPR/G/448)**3 ECONOMIC POLICY AND DEVELOPMENTS****3.1 General Development Plan****Page 7, Paragraph 3.3**

The Report points out that economic growth has been stabilized through aid and stimulus measures, which have had the positive effect of expanding the domestic market.

Specifically, it states that two rounds of implementation/application of stimulus vouchers and other support measures to encourage consumer spending were implemented in 2020 and again in 2021. These measures led to a significant increase in income in the food and beverage sector and wholesale and retail trade, indicating some level of support for domestic economic growth.

Question 9:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, please, describe in more details the mechanism for the introduction of "stimulus vouchers", specifically elaborate what is meant by this concept and in what way the stimulus vouchers were applied?

Answer:

1. Confronted with the challenges presented by the COVID-19 pandemic, the government has adopted a three-pronged overarching strategy: epidemic control, industry relief, and economic stimulus. In the economic stimulus phase, aimed at maximizing the benefit of these measures, the government introduced stimulus vouchers with expiration dates. The voucher program was designed to ignite economic activity, subsequently boosting domestic consumption and propelling overall economic recovery.
2. The Triple and Quintuple Stimulus Vouchers were issued twice in July 2020 and October 2021, respectively, to stimulate domestic consumption affected by the COVID-19 pandemic.

3.2 Trade and Investment Policy**3.2.2 Investment Promotion Policy****Page 8, Paragraph 3.11**

The Report informs that to promote an efficient and favorable investment environment, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu continued to simplify registration requirements for foreign companies, allowing them to comply with documentation after registering their branches or representative offices. In addition, it says that the process of approval of incoming investments has also been simplified, which has led to a reduction in administrative costs for investors.

Question 10:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu kindly clarify, which requirements for incoming foreign investments have been simplified?

Answer:

We simplified the approval process for inbound foreign investments, such as amending the application forms for foreign investors increasing investments, and the required documents and guidance notes. We also encouraged the use of online application systems to lower administrative costs.

3.4 Digital Economy**Page 10, Paragraph 3.21**

The Report states that in the post-pandemic period, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has introduced new digital and intelligent technologies, integrating digital payments to accelerate the economic recovery of industries such as retail, food and beverage, and tourism.

Question 11:

Would the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, please, explain what the term "digital payments" means?

Answer:

It refers to the parties involved in payment activities, including consumers, manufacturers, and financial institutions, who use digital methods to make payments and obtain currency payments or fund transfers through the Internet.

People often use credit cards, debit cards, stored-value cards, e-payment accounts and third-party payments.

Credit cards enable payment after the purchase, so consumers tend to pay by credit card rather than debit card.

E-payment accounts and stored-value cards are payment instruments provided by electronic payment institutions (EPI) permitted by the Financial Supervisory Commission (FSC) in accordance with the Act Governing Electronic Payment Institutions. After opening an e-payment account with EPI, the users can preload funds into it either by account link or credit card link, and make payments by scanning QR codes. EPI is responsible for transferring the stored funds to a trust account.

3.6 Multilateral and Regional Economic Cooperation**3.6.1 Participating in WTO****Page 12, Paragraph 3.37**

The Report states, "The WTO holds a pivotal role in providing continuous support and driving the global trading system, which bears significant importance for the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. To improve the functioning of WTO bodies, it actively participates in the discussion on WTO reform, with the objective of enhancing all facets of WTO's functions to effectively address the challenges arising from the new trade landscape of the 21st century".

Question 12:

Ukraine shares the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's view of the importance of the WTO reform agenda and would appreciate it if the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu could indicate its vision of the priority directions of the Organization's reform and possible timeframe for achieving the main objectives of the WTO reform.

Answer

We are pleased to see that WTO Members agree to seek reforms on the functions of the three pillars of the WTO in a gradual and pragmatic way, and through a "reform by doing" approach. This include strengthening the daily operations of the WTO bodies, improving the dispute settlement mechanism, and promoting the negotiation functions of the WTO. We hope to achieve substantial progress on WTO reform before MC13.

Page 12, Paragraph 3.38

According to the Report, "The government also actively engaged in the negotiations before and after the 12th WTO Ministerial Conference (MC12). It supported the Ministerial Declaration on the Emergency Response to Food Insecurity and relevant resolutions to address global food security challenges. It is committed to ongoing participation and cooperation with all Members to promote global food security".

Question 13:

Ukraine would appreciate it if the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu could kindly identify key elements that respective Working Group on food insecurity, established according to paragraph 8 of the mentioned Ministerial Declaration, should focus on.

Answer:

Ensuring the free flow of agricultural products is the core function of the WTO, which in turn helps food security. It is, therefore, of vital importance that all Members not impose export prohibitions or restrictions so as to keep international agriculture trade open and predictable, while ensuring that international trade in food is not disrupted.

Page 12, Paragraph 3.39

The Report informs that the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is participating in various Joint Statement Initiatives (JSI) in areas such as e-commerce, domestic regulation in services, investment facilitation, and micro, small, and medium-sized enterprises (MSMEs).

Question 14:

Being an active participant and proponent within several JSIs Ukraine would appreciate it if Chinese Taipei could indicate its position on where the practical outcomes of these Initiatives should be placed in the WTO legal architecture.

Answer:

We have been actively participating in various JSI discussions under the WTO, and we value all of the participants' opinions. If the JSI negotiation outcomes could result in substantial, meaningful progress, and further be multilaterally incorporated into the WTO legal architecture, we could greatly benefit WTO members. We would look forward to seeing this development.

3.7 Regulatory Reform**3.7.3 Major Economic and Trade Legislative Reforms****Page 14, Paragraph 3.53**

Under the Report, the law on electronic payment regulatory institutions was amended in 2021 to combine the two supervisory systems for electronic payments and electronic stored-value cards. In 2023, the law that governs the activities of electronic payment institutions was again amended to strengthen the supervision of the financial standing and creditworthiness of electronic payment institutions.

Question 15:

Could the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, please, provide more detailed information about electronic stored-value cards (what they are for, the specifics of their use), and describe the features of the operation of electronic payment institutions in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu?

Answer:

The payments refer to the amount of a stored value card, which is allowed to pay for products or services provided by individuals or entities other than the electronic payment institution, for payments of government entities, and for other payments approved by the competent authority. Stored-value cards are mostly used for small value payments, such as to pay for transportation, convenience store products, or vending machine consumption.

As of the end of December 2022, there were ten specialized electronic payment institutions, and twenty electronic payment institutions concurrently engaging in other business (including dual-status banks and the Chunghwa Post Co, Ltd). The number of users totaled 21.88 million. In 2022, the amount of funds collected and paid as agent for real transactions was TWD 111.4 billion. The amount of funds for engaging in domestic and foreign small-amount remittance business was TWD 125.9 billion. The amount of stored value funds was TWD 267.2 billion.

UNITED KINGDOM**WT/TPR/S/448 – WTO Secretariat Report****1 ECONOMIC ENVIRONMENT****1.1 Main features of the economy****Paragraph 1.4****Question 1:**

Please can Chinese Taipei provide further information on their position on carbon border adjustment mechanisms?

Answer:

1. As a trade-oriented open economy, any changes in trade-related regulations will have varying degrees of impact on our imports and exports.
2. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu recognize the importance of promoting sustainable environmental development, including the achievement of climate goals through trade mechanisms. However, as one of the ways to promote the environmental agenda, CBAM has a wide range of impacts on cross-border trade and should ensure its compatibility with the relevant WTO norms and regulations so that it does not result in discriminatory treatment and does not cause hidden interference and restrictions on the global trading system.

2 TRADE AND INVESTMENT REGIMES**2.2 Trade policy formulation and objectives****Paragraph 2.8****Question 2:**

The responsibilities of the Bureau of Foreign Trade and the Office for Trade Negotiations appear to be quite similar. Please may Chinese Taipei provide guidance on the exact roles of the two organisations and how they differ?

Answer:

In the past, when the trading environment in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu was relatively simple and largely restricted to the exchange of goods, the Ministry of Economic Affairs was primarily responsible for the formulation and implementation of trade policy through the Bureau of Foreign Trade (now the International Trade Administration).

In the face of the rapidly changing international environment and emerging trade-related issues, it became difficult for any one agency to wield exclusive decision-making authority over trade policy. The Office of Trade Negotiations was therefore established in September of 2016 to serve as a coordination mechanism of trade policy and to negotiate trade agreements. In practice, when faced with important international trade or investment issues, the Office will initiate the coordination process, make an overall determination, develop policy recommendations, and proceed to negotiate with foreign countries.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.1 Measures directly affecting imports****3.1.3 Tariffs****Paragraph 3.1.3.1****Question 3:**

In 2022 the Chinese Taipei Legislature amended the import tariff on champagne, reducing this from 20% to 10%. However, Chinese Taipei in this process does not seem to have had due regard for 'like products', as other sparkling wines were kept at 20%. Please may Chinese Taipei clarify whether it is considering this matter, and if so, when the tariffs between champagne and like products will be equalised?

Answer:

In our tariff schedule, Sparkling Wines of subheading 2204.10 are divided into two categories, Champagne under tariff line 2204.10.10 and Other Sparkling Wines under tariff line 2204.10.10. This is similar to some WTO Members where Champagne and Other Sparkling Wines are classified into different tariff lines under subheading 2204.10. In addition, some WTO Members impose different tariffs on Champagne and Other Sparkling Wines.

Besides its place of origin, the differences between Champagne and Other Sparkling Wines include product characteristics that are specific to the Champagne region, such as its special climate, soil, and production methods, which create the unique characteristics and quality of Champagne. This also explains why Champagne is protected by Appellation of Origin in 121 countries.

We are not planning to lower the tariffs on Other Sparkling Wines at this stage.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures affecting production and trade

3.3.3 Sanitary and phytosanitary requirements

Paragraph 3.100

Question 4:

Could Chinese Taipei please clarify if it considers the process for removing bans on animal products like beef, lamb and poultry, proportionate and timely enough to provide access to safe and legitimate products?

Answer:

1. The review principles applied and the procedure are in accordance with the WTO SPS Agreement and the World Organisation for Animal Health (WOAH) standards. When the exporting countries' infectious animal diseases-free status and the official control of meat inspection are complied with the relevant regulations, the bans will be lifted according to the results of the risk assessments.
2. Meat imports have to go through rigorous review procedures, including documents review, on-site audit and risk assessments. Countries with a history of BSE cases need to submit BSE control measures documents, a food safety questionnaire, and an animal health questionnaire. When the review committee completes the technical evaluation, the review is conducted by a coordination mechanism among relevant ministries.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures affecting production and trade

3.3.4 Competition policy and price controls

3.3.4.1 Competition policy

Paragraph 3.113

Question 5:

The report states that preferential tax treatment and public aid are not within the scope of Chinese Taipei's competition regulation. Could Chinese Taipei please clarify whether it currently maintains any domestic laws or regulations that:

- a. Implement its obligations under the WTO SCM Agreement?
- b. Govern the provision of public aid, subsidies and preferential tax treatment?

1. Please could Chinese Taipei clarify whether they maintain any domestic laws or regulations that govern the provision of public aid, subsidies and preferential tax treatment within the purview of competition regulation?

If Chinese Taipei does not maintain any domestic laws or regulations that govern the provision of public aid, subsidies and preferential tax treatment within the purview of competition regulation, please could Chinese Taipei please clarify whether it maintains any overarching domestic laws or regulations that:

- (a) Implement their obligations under the SCM Agreement, including the subsidy prohibitions (article 3) and transparency obligations (article 25)?

(b) Cover the provision of subsidies, preferential tax treatment, or public aid, are laws/regulation relating to government assistance? If not, are laws or regulations around the provision of government assistance instead maintained by the relevant ministries providing subsidies, or towards the provision of specific programmes?

Answer:

1. The Fair Trade Act does not regulate public aid, subsidies, and preferential tax treatment.
2. The WTO Agreement on Subsidies and Countervailing Measures (SCM) has domestic legal effect after the ratification since our accession to the WTO. We have not specifically formulated laws or regulations for the implementation of the SCM, and will notify relevant measures in accordance with SCM.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3.5 State trading, state-owned enterprises, and privatization

Paragraph 3.124

Question 6:

There are several public sector ownership financial holdings operating in Chinese Taipei. Can Chinese Taipei please clarify if you ensure fair competition for foreign banks?

Answer:

Financial institutions that have government shares are supervised in accordance with the same banking regulations as other financial institutions.

3. TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures affecting production and trade

3.3.5 State trading, state-owned enterprises, and privatization

Table 3.13

Question 7:

Table 3.13 provides an indicative list of firms with public participation, including state-owned enterprises and enterprises "under public participation" with minority public sector ownership. For the firms labelled under "public participation" which have less than 50% public sector ownership, could Chinese Taipei please clarify whether the state:

- a. Controls the exercise of more than 50% of the voting rights of the firm? If so, please provide the names of these enterprises.
- b. Holds the power to appoint a majority of members to the board of directors or any other equivalent management body of the firm? If so, please provide the names of these enterprises.

Answer:

- a. None.
- b. The CSBC Corporation, Taiwan, the Aerospace Industrial Development Corporation, and Chunghwa Telecom Corporation Limited.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.6 Government Procurement

Paragraph 3.133

Question 8:

The article states that "Where procurement does not reach the threshold for publication but exceeds one tenth of such threshold, entities must use open tendering procedures and receive at least three offers in writing". Please may Chinese Taipei clarify how the open tendering procedure works in this scenario? Do tenders get published on a platform different from GEPS?

Answer:

For a procurement case with a value not reaching the threshold for publication but exceeding one tenth of that threshold, an entity shall publish a solicitation notice on the Government e-Procurement System (GEPS). The notice is pursuant to Article 49 of the Government

Procurement Act and Subparagraph 3 of Article 5 of the Regulations for Publication of Government Procurement Notices and Government Procurement Gazette.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.6 Government Procurement

Paragraph 3.144

Question 9:

The article states that "There is a price preference of up to 10% for tenders that include products labelled as being environmentally friendly". Can Chinese Taipei please clarify what criteria apply when classifying a product as environmentally friendly? Are these criteria made publicly available? Are foreign suppliers eligible for this price preference?

Answer:

The term "products labelled as being environmentally friendly" referred to paragraph 3.145 shall be construed in accordance with Article 96 of the Government Procurement Act, which is free and readily accessible to the public.

1. A product which has been permitted to use a label of environment protection approved by the government, and in addition has the same or similar functions;
2. A product or its raw material is manufactured, used, and disposed of in such manner that conform to recycled materials, returnable products, low pollution, or energy-saving requirements and having been certificated by the relevant competent entities; or
3. Other products which either increase social benefits or reduce social costs, and have the same or similar functions required and having been certificated by the relevant competent entities.

The priority procurement of eco-Products is only applicable to the non-treaty/agreement procurement. Whenever the priority procurement of eco-Products is specified in the tender documentation, all suppliers are eligible for the price preference.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.3 Measures Affecting Production and Trade

3.3.6 Government Procurement

Paragraph 3.145

Question 10:

The article states that procuring entities are encouraged to award contracts to SMEs and there is a 45% non-binding yearly target percentage. Please can Chinese Taipei clarify if contracts awarded to foreign SMEs count toward this yearly target?

Answer:

Where foreign suppliers have completed company registration or commercial registration in accordance with the Act for Development of Small and Medium Enterprises, the contracts awarded to those foreign suppliers will be counted into this yearly target.

4 TRADE POLICIES BY SECTOR

4.2 Mining and energy

4.4.4 Energy

4.2.2.1 Overview

Paragraph 4.26

Question 11:

Could Chinese Taipei please clarify if their energy policy includes the phase out of fossil fuels. What is Chinese Taipei's assessment of the impact of this policy on trade?

Answer:

With the goal-oriented to achieve Net Zero Emission by 2050, our energy policy has scheduled to reduce the use of fossil fuels. We target the proportion of fossil fuel power generation, to be 20-27% in 2050. Imports of fossil fuels will reduce gradually and will be handled with CCUS technologies.

4 TRADE POLICIES BY SECTOR**4.2 Mining and energy****4.2.2 Energy****Paragraph 4.27****Question 12:**

What plans does Chinese Taipei have to open up its energy sectors to greater competition to encourage increased investment from overseas firms able to support its net zero targets?

Answer:

According to The Electricity Act, we have liberalized trading for electricity generating enterprises as well as allowing allowed foreign shareholding. At the same time, we have set medium and long-term development goals for various types of renewable energy and established a 20-year guaranteed acquisition of feed-in tariff (FIT) mechanism to provide incentives for green energy investment.

4 TRADE POLICIES BY SECTOR**4.2 Mining and energy****4.2.2 Energy****Paragraph 4.36****Question 13:**

Taiwan Power Corp is a major state-owned enterprise, supporting Chinese Taipei economic policy and absorbing fluctuations in energy prices to avoid passing them onto consumers. Can Chinese Taipei please clarify if this is impacting Chinese Taipei's ability to direct investment (particularly private investment) into the energy sector, including in upgrading the grid to account for increasing proportions of renewable energy?

Answer:

We have gradually prepared a budget to increase capital for Taipower to support its continued investment in the power grid upgrade plan required to cope with the increase in renewable energy. This will not impact the foreign investment in our energy sectors.

4 TRADE POLICIES BY SECTOR**4.2 Mining and energy****4.2.2 Energy****Paragraph 4.38****Question 14:**

Can Chinese Taipei please explain if they will review the current financing arrangements for offshore wind, which limits the participation of SMEs, in part due to the structuring of Corporate Power Purchasing Agreements?

Answer:

We adopt a two-stage process for selecting offshore wind farm. We will review the contractual capacity of suppliers, including financial plan, financing arrangement and share capital. Those who qualify the above criteria are allowed to enter the bidding process.

However, we will not impose limitations on the recipients of electricity sales after a wind farm is commissioned. To increase the number of green electricity purchasers, we follow international business models and utilize Financing Guarantee Mechanism to include new power purchasing companies as guarantee targets. The mechanism offers reimbursement of electricity sales revenue to power purchasing companies if they are unable to make payments. It also assists our small and medium-sized enterprises in seamlessly acquiring green electricity, and resolves the cash flow issue faced by developers.

4 TRADE POLICIES BY SECTOR

4.4 Services

4.4.3 Transport

4.4.3.1 Maritime transport

Paragraph 4.101

Question 15:

Please can Chinese Taipei explain if it is planning to upgrade existing port infrastructure to enable greater deployment of offshore renewable energy?

Answer:

We have collaborated among the relevant agencies to promote the upgrading of port infrastructure for offshore wind power. This includes offshore wind power underwater foundation, offshore wind power wind turbine pre-assembly/turbine manufacturing area, and offshore wind power operation and maintenance ports.

4 TRADE POLICIES BY SECTOR

4.4 Services

4.4.3 Transport

4.4.3.1 Maritime transport

Paragraph 4.101

Question 16:

Please may Chinese Taipei clarify if they have considered and put in place adaptation strategies to protect their ports and supply chains from climate change risks. Could more information please be provided on these?

Answer:

1. In order to strengthen climate governance, Article 19 of the Climate Change Response Act stipulates that competent authorities for specific areas of responsibility shall formulate the adaptation action programs for particular sectors, in accordance with corresponding sectors vulnerable to climate change impacts. The Adaptation Action Programs shall be set out every four years. The authorities are also required to conduct risk assessments based on the climate change scientific reports, identify adaptation gaps, and develop adaptation policies, measures, and plans, as outlined in Article 18 of the same Act.
2. In order to enhance the resilience of port infrastructure, we have adopted several actions to respond the climate change:
 1. The influence of climate factors (e.g. abnormal tides, rising sea levels, typhoon patterns) faced by port infrastructures (piers, breakwaters, seawalls, etc.) has been considered in the planning and design phases of port construction. Moreover, we will continue the impact evaluation of port infrastructure under the threat from extreme climates.
 2. The regular examination, inspection and replacement evaluation of wharves, breakwaters, and seawalls have been undertaken to maintain functional effectiveness of facilities and ensure operation of the port.
 3. We have built subsistence wharves which has greater bearing capacity in commercial ports and realized maintenance system for port facilities, to increase the adaptation of port infrastructure in front of climate change.

4 TRADE POLICIES BY SECTOR

4.4 Service

4.4.1 Financial Services

Paragraph 4.65

Question 17:

The UK welcomes Chinese Taipei implementing a more open banking framework. Can Chinese Taipei please explain how it will encourage electronic identification and data transactions in the financial services sector?

Answer:

The Financial Supervisory Commission (FSC) has instructed the Bankers Association to formulate the Guidelines for Banks to Accept Customers' Opening of Online Digital Deposit Accounts. Banks can use various electronic identification methods, such as the citizen digital certificates, deposit account information, or credit cards to verify the identity of customers when conducting business for digital deposit accounts. The FSC will continue to encourage financial institutions to utilize technology and embrace innovation in the development of diverse online financial services, and under the premise that the basic authentication mechanism is feasible and poses controllable risks, plan at opportune times other types of digital accounts or services.

We have introduced the international FIDO (Fast Identity Online) standards and established the FIDO mechanism that allows consumers to first combine mobile devices, physical cards, and biometrics, as well as leverage these devices and biometrics for subsequent financial service identification and authentication. When consumers use financial services, they can use these bound devices and biometrics for identification, without using physical cards or accounts, which can further improve customer service efficiency and reduce related operating costs.

WT/TPR/G/448 – Governmental Report**2 Economic and Trade Environment****2.3 Developments in Foreign Investment****Question 18:**

Please can Chinese Taipei explain how the 2016 New Southbound Policy has impacted on investment flows since its conception?

Answer:

The New Southbound Policy fosters bilateral economic and trade relations by fostering cross-industry collaborations for mutual prosperity and benefit. In 2022, our outward investment to New Southbound countries increased by 121.4% compared to 2016. Investments from the New Southbound countries have reached USD 2 billion, more than seven times the amount in 2016.

3.5 Inclusive and Sustainable Development**3.5.2 Inclusiveness: SMEs, Women, Labour, and Indigenous Peoples, Women****Paragraph 3.31****Question 19:**

Please may Chinese Taipei clarify if they have any domestic strategies or other public commitments that support gender equality and women's economic empowerment in trade?

Answer:

1. In May 2021, we revised the Gender Equality Policy Guidelines to prioritize "integrating employment and welfare to enhance women's economic empowerment" as a primary policy goal. This shift commenced in 2019, underscoring the significance of promoting women's economic empowerment within the realm of gender equality.
2. Our goals for 2022 to 2025 encompass several key objectives: (1) Establishing a supportive employment environment to encourage women of marriage and child-caring age to remain in the workforce; (2) Strengthening re-employment opportunities for those who have left the workplace; (3) Increasing labor force participation among middle-aged and elderly women, promoting their re-employment.
3. To achieve these objectives, our strategies involve promoting flexible working hours and locations, fostering gender-equality-friendly workplaces, eliminating gender discrimination, reducing workplace gender segregation, narrowing the gender pay gap, encouraging women's entrepreneurship, enhancing labor force participation, and safeguarding the labor rights and working conditions of disadvantaged women. These comprehensive efforts aim to create a welcoming and supportive employment environment to encourage sustained employment among women.

3.6 Multilateral and Regional Economic Cooperation

3.6.2 Participating in APEC

Paragraph 3.44

Question 20:

Could Chinese Taipei please provide further detail on the "various initiatives" that aim to support the objectives on APEC, including how they support women's empowerment, and inclusivity and sustainable growth specifically? Which of these initiatives were developed by Chinese Taipei and how might they evolve in future?

Answer:

1. We have actively engaged in women and economy forums for over fifteen years. Through proposing initiatives, engaging in other economies' programs, and facilitating cross-forum consultations and cooperation, we are committed to empowering women as the catalysts for inclusive economic growth. To encourage more APEC working groups to integrate gender perspectives into their strategic endeavors, along with the United States, Australia, and New Zealand, we jointly established the "APEC Women and the Economy Sub-Fund" in 2017.
2. We have presented various initiatives in APEC with a primary focus on promoting the women's economy. These initiatives include:
 - (1) The multi-year plan "Innovation for Women and Economic Development" spanning 2013-2016, aimed at assisting women in entrepreneurship and digital applications. Since 2017, we have introduced "Gendered Innovation for Technology and Science (GIFTS)" as the central theme across several projects. Notable among these are "Promoting Women in STEM for Sustainable Growth (2017)", "APEC Workshop: Unlocking Potential, Creating Style – APEC GIFTS for Women in the Creative Industry (2017)," and "Promoting Gender Inclusion in Smart Agriculture (2018)". These initiatives address gender inequality in science and technology fields, advocating for women's integration into technological creativity and business opportunities.
 - (2) Starting in 2020, we shifted our focus to promoting women's participation in traditionally male-dominated workplaces. In recent years, initiatives such as "APEC Women Builders Creating an Inclusive Future (2020)" and "Promoting Gender Equality in the Telecommunications Industry for Inclusive Recovery (2022)" were successfully implemented. These projects involved collecting female role models and expanding opportunities for women in these industries, covering entry, retention, and promotion.
 - (3) In 2023, we proposed the initiative "Promote Gender Equality and Inclusion in Digital Health Technology for Caregivers" in response to the gender gap in caregiving work and digital transformation following the pandemic. This project will concentrate on how the digital health industry can incorporate gender mainstreaming, ensuring women can benefit from and contribute to their economic potential.
3. In the future, we will respond to the five pillars set by the APEC Women and Economy Policy Partnership Working Group (PPWE), including (1) access to capital, (2) access to market, (3) skills, capacity building, and health (4) leadership, voice, and agency, (5) innovation and technology, as well as the "La Serena Roadmap for Women and Inclusive Growth (2019-2030)". We will actively propose projects and deepen cooperation and exchanges with various economies.

UNITED KINGDOM – FOLLOW-UP QUESTION**Chinese Taipei TPR UK Follow Up Questions**

In response to this Question and Answer on page 61.

3 TRADE POLICIES AND PRACTICES BY MEASURE**3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.145****Question 10:**

The article states that procuring entities are encouraged to award contracts to SMEs and there is a 45% non-binding yearly target percentage. Please can Chinese Taipei clarify if contracts awarded to foreign SMEs count toward this yearly target?

Answer: Where foreign suppliers have completed company registration or commercial registration in accordance with the Act for Development of Small and Medium Enterprises, the contracts awarded to those foreign suppliers will be counted into this yearly target.

Follow Up Questions

(i) How can a foreign enterprise complete company/commercial registration under Chinese Taipei's Act for Development of Small and Medium Sized Enterprises?

Answer: Foreign enterprises which plan to invest and establish a company, whether SME or not, shall obtain prior investment approval in accordance with the Statute for Investment by Foreign Nationals. They are thus required to file the application for registration with the competent authority in accordance with the Company Act and abide by the Regulations Governing Company Registration, or in accordance with the Business Registration Act, abide by the Regulations Governing the Application of Business Registration.

(ii) What are the current standards and eligibility criteria for a company to be successfully registered as an 'SME' under the Act?

Answer: According to Article 2 of the Standards for Identifying Small and Medium-sized Enterprises, the term "small and medium-sized enterprise (SME)" means an enterprise which has completed company registration or business registration in accordance with relevant laws, and whose paid-in capital is no more than TWD 100 million, or which hires fewer than 200 regular employees.

(iii) Is there any differential treatment in Chinese Taipei's public procurements for those companies (including foreign suppliers) that are not registered or eligible under Chinese Taipei's Act for Development of Small and Medium Sized Enterprises?

Answer: Where the public procurement is covered by the GPA in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, all suppliers (including foreign suppliers) will not be subject to discriminatory or differential treatment.

UNITED STATES**Part I. Questions based on the Secretariat Report (WT/TPR/S/447)****Page 33, Paragraph 3.10**

Customs collects a trade promotion service fee, based on the cost of the imported (and exported) goods, at a rate of not more than 0.0425%. This fee is to finance a trade promotion fund. Some items may be exempt from this fee. Customs also collects service charges for the issuance of various certificates.

Question 1:

Could Chinese Taipei please explain how the "not more than 0.0425%" rate for the trade promotion service fee was determined?

Answer:

The Foreign Trade Act stipulates a trade promotion service fee for goods exported/imported by exporters/importers at a rate not more than 0.0425% of the price of the goods exported/imported. The current rate of the trade promotion fee is 0.0400%.

Question 2:

Could Chinese Taipei clarify whether the trade promotion service fee is tied to a customs processing service or if it is related to a government charge?

Answer:

The trade promotion service fee is used to conduct foreign trade-related activities, participate in trade fairs and events. It uniformly applies to both exported and imported goods and follows the user-pay principle.

Page 37, Paragraph 3.23

"These are still allocated by the COA: 65% of the TRQ for rice is allocated to the COA, and the rest may be imported by any registered importer/exporter or food dealer. The COA allocates quotas by using an open tender, with the contract awarded to the bidder offering the lowest quote below a ceiling price set by the authorities".

Question 3:

Chinese Taipei's ceiling price mechanism is not made public, raising concerns that prices are being arbitrarily set lower than the levels bid by US exporters. Does the government have plans to increase the transparency of the ceiling price mechanism?

Answer:

In accordance with our Government Procurement Act, the ceiling prices are confidential. The ceiling price for rice procurement is based on various factors, such as export prices, freight fees, processing fees at importing ports (including insurance premiums, commercial port service fees, import business taxes, port handling fees, inspection charges, quarantine fees, and inland transportation fees), as well as domestic retail prices. We will also evaluate the market conditions before finalizing the ceiling price. In addition, if the previous tender fails, the ceiling price will be then readjusted accordingly.

Page 57, Paragraph 3.99 and Page 58, paragraph 3.106

The Secretariat report states that Chinese Taipei sets and amends SPS measures according to international standards, guidelines, or recommendations, and scientific evidence. If the epidemic situation changes or a new epidemic pest of quarantine significance occurs, which poses a risk to the production of crops and animal health, the COA amends the list of products subject to SPS measures and import inspection, as required. Also of the Secretariat Report, Chinese Taipei says that FDA, the competent authority governing food safety and sanitation in Chinese Taipei, sets food sanitary requirements based on the principle of risk assessment, as well as on scientific evidence and existing international standards.

Question 4:

Based on this information, will Chinese Taipei confirm that it will align its beef and beef product import requirements with guidelines of the World Organization for Animal Health (WOAH) for bovine spongiform encephalopathy (BSE)?

Answer:

Based on scientific evidence and using international guidelines, we have established pre-import review regulations for beef imports from countries with occurrence of Bovine Spongiform Encephalopathy (BSE).

Question 5:

Will Chinese Taipei establish MRLs for ractopamine in imported pork tissues to be consistent with the Codex standard and reflect consumption exposure?

Answer:

2. On 17 September 2020, we issued the Standards for Veterinary Drug Residue Limits in Foods and increased the Maximum Residue Level (MRL) for Ractopamine in pigs. The Standards entered into force on 1 January 2021. They stipulate that the allowable MRL of pig liver and kidney is 0.04 ppm, and the MRL of pig muscle, fat and other edible parts is 0.01 ppm.

3. We abide by international standards and scientific principles in setting veterinary drug MRLs. The levels at which the MRLs are set depend on the dietary pattern and total dietary intake, and they will eventually be established based on risk assessments.

Question 6:

Will Chinese Taipei adopt a method of analysis to test for ractopamine residue that is consistent with methods of analysis for ractopamine recommended by Codex?

Answer:

1. The analysis for ractopamine is based on the marker residue and is regulated by a maximum residue level. According to Article 2 of the Standards for Veterinary Drug Residue Limits in Foods, the examination of veterinary drug residues shall be marker residue, including the drug itself and its significant relevant metabolites.

2. We, the European Union, and the Republic of Korea have all adopted the method of analyzing total residue levels after hydrolysis. This method is considered to have a scientific basis, and in line with international practices.

Page 63, Table 3.13**Question 7:**

Please provide additional information on the good produced and services provided by the following state-owned or state-invested enterprises:

1. Taiwan Financial Holding Corporation Limited

Answer:

Taiwan Financial Holdings Corporation Limited provides banking, life insurance, securities, and insurance brokerage services through its subsidiaries.

2. Land Bank of Taiwan Corporation Limited

Answer:

Land Bank of Taiwan Corporation Limited engages businesses including, deposits and loans, foreign exchange, credit card services, securities investment and trust related services, insurance agency business, and other businesses authorized by the competent authority.

3. Taiwan Tobacco and Liquor Corporation

Answer:

Taiwan Tobacco and Liquor Corporation engages businesses including the production, distribution, sales and marketing of cigarettes, beer, liquor, biotechnology and food products.

The Secretariat's report states that "to ensure compliance with the IPR provisions of the CPTPP, the Copyright Act was amended to consider instances of illegal digital piracy, distribution, and public transmission constituting a serious infringement as offences indicatable without complaint". A 2023 report by the International Intellectual Property Alliance (IIPA), however, indicated that the CPTPP amendments will come into effect "only if Taiwan joins the CPTPP or when otherwise specified by the Executive Yuan. There is no specific timeline for this process so far". (IIPA 2023 Special 301 Report on Copyright Protection and Enforcement, page 182). https://www.iipa.org/files/uploads/2023/01/2023SPECIAL301FILING_WEBSITE-1.pdf. In addition, TIPO's website indicates that a series of copyright amendments in 2022 are "not yet in force". [Taiwan Intellectual Property Office-Resources-Laws & Regulations-Copyright Act \(tipo.gov.tw\)](https://www.tipo.gov.tw/en/News/Detail.aspx?ContentID=679&PageNo=1).

Question 8:

Please provide an update on the status of the CPTPP copyright amendments. Are they currently in force? If not, what is the expected timeline for their entering into force?

Answer:

The CPTPP copyright amendments have not been implemented as of now. The effective date of their implementation depends on our accession to the CPTPP.

Page 73, Paragraph 3.152 and 3.155

The Secretariat report notes "Chinese Taipei made several amendments to the Copyright Act in order to impose civil and criminal liability on providers of computer software enabling access to copyright infringing websites" and, regarding trademarks, "'intentional and negligent' acts are now subject to civil liabilities, while only intentional acts constitute criminal liability".

Question 9:

Will criminal enforcement for Copyright or Trademark be triggered based solely on the scope (e.g. size or number of infringements or a monetary threshold) of the infringement OR will the infringement always require "intent" to constitute criminal liability?

Answer:

1. In principle, criminal enforcement of copyright is not contingent upon on the scale, frequency of infringements, or a specific monetary threshold. Whenever an unauthorized user demonstrates the requisite intent to infringe upon copyright, the copyright holder has the option to file a criminal complaint, and the court will subsequently handle the enforcement proceedings based on its judgment.
2. For trademark infringements, there are no thresholds for scale, frequency of infringements, nor monetary amounts. Only intentional acts constitute criminal liability of trademark infringements.

Page 80, Paragraph 4.9

"During the review period, amendments were made to, inter alia, the Farmer Health Insurance Act and the Fisheries Act. Chinese Taipei also enacted the Organic Agriculture Promotion Act (30 May 2018), the Act for Distant Water Fisheries (20 July 2016)"

Question 10:

Can Chinese Taipei please provide details on the amendments made to the Fisheries Act?

Answer:

Our distant water fishing fleets operate in three major oceans, and we understand that our governance systems need to align with international fisheries management instruments and with conservation and management guidelines set by relevant regional fisheries management organizations.

We therefore removed from the Fisheries Act, the provisions related to distant water fisheries and instead, established the Act for Distant Water Fisheries and subsidiary legislation as the legal basis for managing distant water fisheries. The Fisheries Act was also slightly amended to be in line with the text of the Act for Distant Water Fisheries.

Question 11:

Have there been any challenges with respect to the implementation and enforcement of the Act for Distant Water Fisheries?

Answer:

The Act for Distant Water Fisheries primarily involves implementation of the various control measures stipulated in it and its subsidiary legislation. The greatest challenge lies in building greater awareness among fishermen of the need for compliance and conservation and under limited manpower and budget, to maintain the strength and quality of enforcing the Act. However, up to the present, we have managed to achieve relevant goals.

Page 80 Paragraph 4.10

"Chinese Taipei joined the Southern Indian Ocean Fisheries Agreement (SIOFA) in July 2019. Having made essential improvements in the areas of legal framework; traceability; global cooperation; and monitoring, control, and surveillance, Chinese Taipei was removed from the European Union's "Yellow Card" list for illegal, unreported, and unregulated fishing on 27 June 2019".

Question 12:

Can Chinese Taipei please provide details of the improvements made to its legal framework and traceability mechanisms?

Answer:

The Act for Distant Water Fisheries is the legal basis for the management of distant water fisheries. This Act takes into account the principles laid down by international instruments and similar legislations enacted by neighboring countries, prescribes obligations for different actors, and applies stringent sanctions to deter our citizens and fishing vessels from engaging in IUU fishing.

In addition, this Act also authorizes the government to incorporate into its domestic regulations, applicable conservation and management measures adopted by regional fisheries management organizations so as to monitor and control its distant water fishing fleets.

We also closely monitor the activities of our distant water fishing fleets through traceability mechanisms such as Vessel Monitoring System (VMS), catch reporting, transshipment/landing notification and declaration, and port inspections, so as to ensure the legality and traceability of catches.

In accordance with measures adopted by regional fisheries management organizations and major market states, we likewise establish relevant procedures for verifying, issuing, and validating statistical documents and catch certificates.

Part II. Questions based on the Government Report (WT/TPR/G/447)**Page 7, Paragraph 3.3**

"The government adopted timely border control measures, implemented smart pandemic control measures within communities, and also subdivided company operations to reduce physical contact"

Question 13:

Can Chinese Taipei share any lessons learned from the COVID-19 pandemic, or other national disasters, towards facilitating the import of humanitarian cargo in response to a national emergency event?

Answer:

Customs has adopted following measures to facilitate the cross-border movement of relief and essential supplies:

1. Imported relief and epidemic prevention supplies, approved by competent agencies, are exempt from customs duties and business taxes.
2. We implement trade facilitation measures to speed up customs clearance of imported goods, such as designated contact points for instant customs clearance service, simplified documentation, submission of document after clearance, on-line permit message comparison instead of paper-based comparison, and an official webpage to disseminate information.
3. We had temporarily reduced customs tariffs on ingredients for pharmaceutical alcohol and masks.

Page 9, Paragraph 3.16

"The three major strategies – working with local industries, supporting industries with domestic demand, and entering international markets – will stimulate industry innovation and vitality. The 5+2 Industrial Innovation Plan was introduced in 2016 and covers intelligent machinery, the Asia Silicon Valley, green energy, biomedicine, defense and aerospace, new agriculture, and the circular economy".

Question 14:

What types of regulatory reforms does Chinese Taipei plan on making within each sector?

Answer:

In order to accelerate industrial upgrading and transformation, the government has initiated the 5+2 innovative industries plan to promote smart machinery, Asia silicon valley, green energy, biomedicine, defense and aerospace, new agriculture, and circular economy. The relevant regulatory reforms include the following aspects:

1. In order to promote industrial innovation, we amended the Company Act in 2018, including measures such as the issuance of non-denomination shares, multiple voting rights, and convertible cooperate bonds, which aimed to loosen fundraising restrictions and enhance operational flexibility for startups. Additionally, the Business Mergers and Acquisitions Act was revised in 2022, implementing measures such as expanding the scope of asymmetric mergers and acquisitions, allowing a 5-year tax deferral on dividends for acquired startup shareholders, and promoting external innovation through business mergers and acquisitions.

To cater to the international environment and the needs of our industrial development, we have been making efforts to create a more favorable environment for industrial development, aiming to enhance international competitiveness. Recently, the Statute for Industrial Innovation was amended to promote smart upgrade transformation and the adoption of diversified innovations. This statute is applicable to all industries.

2. In the fields of financial technology and unmanned vehicles, two innovative regulations, the Financial Technology Development and Innovation Experiment Act and the Unmanned Vehicle Technology Innovation Experiment Act, have been implemented since 2018 to set up regulatory sandboxes. Currently, there have been 27 approvals, including 9 cases of financial technology innovation and 18 cases of unmanned vehicle experiments.
3. In order to promote organic and environment-friendly farming, we promulgated the organic agriculture promotion law, which came into effect in May 2019. The law specifies the general principle, certification requirements, test requirements, and management rules.

Question 15:

Can Chinese Taipei please expand on the type of support (both financial and non financial) they plan on providing with the context of the 5+2 Industrial Innovation Plan?

Answer:

The requirements for eligible supports differ from program to program. If foreign investors meet the relevant criteria, they can apply and enjoy preferential treatment. For example:

1. Business Angel Investment Program: An entrepreneur invests in startups registered in accordance with the Company Act or overseas startups mainly operate in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, limited to newly established startups or startups that are carrying out capital increase (in cash) for expansion and have not been publicly offered or have not entered the capital market (including TWSE-listed, TPEx-listed, or emerging-stock company).
2. The Youth Entrepreneurship Loan: Providing better terms and speedy approval process, e.g. loans of less than one million dollars being approved within seven days. Eligibility is open to domestic businesses registered in accordance with the law, including companies, commerce entities, or limited partnerships that have been registered or registered for less than five years in accordance with the domestic law. If the person in charge of the business is a foreigner, he should hold an entrepreneur visa, employment gold card, or valid residence permit issued by the government when applying for the loan on behalf of the business entity.
3. We provide relevant counseling and guidance programs to assist companies in upgrading their industries. Foreign investors can apply such programs if they meet the criteria. For

instance, under the Industrial Upgrading Innovation Platform Guidance Program offered by the Industrial Development Administration of the Ministry of Economic Affairs, foreign entities establishing subsidiaries in accordance with the Company Act that meet the program's criteria are eligible to submit an application.

4. To promote industrial development and facilitate upgrading and transformation, we provide tax incentives and R&D support. In terms of tax incentives, companies engaged in innovative research and development are required to meet specific innovation criteria, excluding general process improvements. Once they fulfill the criteria stated above, the amount spent on smart equipment and technology in the current fiscal year must reach a particular threshold to qualify for tax deductions. Regarding R&D support, companies that investing in research and development should demonstrate innovation, optimization, and product technology development to be eligible for support. Foreign entities establishing subsidiaries in accordance with the Company Act, provided they have investment activities, are eligible to apply.

Page 12, Paragraph 3.38

"The ratification process for the WTO Agreement on Fisheries Subsidies has been set in motion".

Question 16:

Can Chinese Taipei please provide an update on the status of its ratification of the Fisheries Subsidies Agreement?

Answer:

The Agreement is already under the ratification process.

Question 17:

When can we expect Chinese Taipei to present its instrument of acceptance?

Answer:

The instrument of acceptance will be submitted as soon as the process is completed.

Page 14, Paragraph 3.54

The Policy Statement of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu notes that amendments to the Copyright Act made in 2022 treat acts of serious infringement, including certain instances of illegal digital piracy, as offenses indictable without complaint.

Question 18:

Are there any statistics on the use of these measures?

Answer:

The amendments to the Copyright Act made in 2022 are not yet in force. There are currently no available statistics regarding the use of relevant measures and no case examples.

Question 19:

Are there examples of the types of cases in which they have been employed?

Answer:

The amendments to the Copyright Act made in 2022 are not yet in force. There are currently no case examples.
