

2016

THE REPUBLIC OF CHINA

# YEARBOOK



TAIWAN

2016

THE REPUBLIC OF CHINA

# YEARBOOK

Published by the Executive Yuan, Republic of China (Taiwan)

TAIWAN



# 2016

THE REPUBLIC OF CHINA

# YEARBOOK



Cover Photo: Many of Taiwan's traditional performance arts have their origins in temple festivals and fair parades. Two popular modern examples are the Electric-Techno Neon Gods (left), which combine folk dance with electronic pop music, and the Chio-Tian Folk Drum and Arts Troupe, complementing artistic creativity with elements from the martial arts. (Courtesy of the Chio-Tian Folk Drum and Arts Troupe)

# TAIWAN



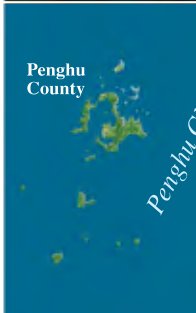


## About the Publisher

The Executive Yuan 行政院 is the executive branch of the government of the Republic of China and the highest administrative organ in the country. It is empowered by the Constitution to carry out its functions and obligations, which include formulating administrative policies, evaluating statutory and budgetary bills, and making decisions on matters of common concern to its subordinate ministries and commissions.

As publisher of *The Republic of China Yearbook*, the Executive Yuan is pleased to present this authoritative and insightful window on Taiwan. Aside from the yearbook, the Executive Yuan publishes government press releases on the most recent events, explanations of policies and programs, and other information to serve the public interest. All of these references may be found at <http://www.ey.gov.tw>.





# TAIWAN



# The Republic of China Yearbook 2016

Published by the Executive Yuan

Compiled by the Department of Information Services, Executive Yuan

No. 1, Sec. 1, Zhongxiao E. Road, Taipei 10058, ROC (Taiwan) <http://www.ey.gov.tw>

1st edition, November 2016

The full text of this publication is also available at the Executive Yuan website.

Print book price: NT\$600 (US\$19)

For information on purchasing the yearbook, please visit Government Publications Bookstore:

1F, No. 209, Songjiang Road, Taipei 10485, ROC (Taiwan)

TEL: (+886-2) 2518-0207 ext. 15 <http://www.govbooks.com.tw>

or

Wu-nan Bookstore Co., Ltd.

No. 6, Zhongshan Road, Taichung 40042, ROC (Taiwan)

TEL: (+886-4) 2226-0330 ext. 821 <http://www.wunanbooks.com.tw>

Print book ISBN 978-986-04-9949-0 E-book ISBN 978-986-05-0041-7 (PDF)

ISSN 1013-0942 GPN 1010501777

Copyright © 2016 Department of Information Services, Executive Yuan

All rights reserved. Reproduction of this book, in part or in whole, without written permission of the copyright holder is prohibited.

Contact agency: Department of Information Services, Executive Yuan, TEL: (+886-2)3356-6500

Printed in the Republic of China (Taiwan)

Printed by China Color Printing Co., Ltd.

No. 229, Baoqiao Road, Xindian District, New Taipei City 23145, ROC (Taiwan)



# CONTENTS

---

**Preface / 2**

**I. National Symbols / 4**

National Designation/ROC Year Designations / 4

National Flag / 4

National Flower / 6

National Anthem / 6

**II. Founding Father of the Republic of China / 8**

**III. ROC Vital Information / 10**

**IV. Major Policies / 12**

Helping Entrepreneurs Reach their Dreams / 12

Keeping Earth Healthy / 18

Younger and More Confident: Seniors Return to Work / 24

Envoy of Beauty: National Palace Museum Diplomacy / 28

**1. GEOGRAPHY & DEMOGRAPHICS / 34**

Geography / 36 - Demographics / 43

**2. GOVERNMENT / 50**

The ROC Constitution / 52 - Central Government / 54



# CONTENTS

Local Government / 63    Clean, Efficient Government / 63  
E-government Development / 64

## 3. FOREIGN AFFAIRS / 66

Foreign Policy / 68    Bilateral Ties / 68  
Participation in International Bodies / 80  
Development and Humanitarian Assistance / 81

## 4. CROSS-STRAIT RELATIONS / 86

Evolving Relationship / 88    Expanding Exchanges / 97  
Looking Forward / 100

## 5. NATIONAL DEFENSE / 102

Strategic Importance / 104    Military Threat / 104  
Defense Posture / 105    National Defense Reports / 106  
Command Structure / 106    Armed Forces / 107  
Weapon System Upgrades / 108    Defense Industry / 108  
Personnel and Service System / 110  
Military Education / 112    Homeland Security / 112

## 6. ECONOMY & FINANCE / 114

National Competitiveness / 116    GDP Profile / 116  
Central Government Revenues and Expenditures / 118  
Financial Services / 119

Foreign Trade and Investment / 122  
Small and Medium-sized Enterprises / 124  
Policy Initiatives / 125    Regional Economic Integration / 132

## 7. SCIENCE & TECHNOLOGY / 134

Rise of a High-tech Powerhouse / 136  
S&T-related Government Agencies / 137  
Publicly Supported R&D Institutions / 139  
Latest Endeavors / 141    Science Parks / 148

## 8. AGRICULTURE / 150

Sectors / 152    Agricultural Export / 157  
Technological Innovations / 159    Agritourism / 161  
Rural Regeneration / 161    Agricultural Finance / 162  
Latest Developments / 162

## 9. ENVIRONMENTAL PROTECTION / 164

Public Policies Go Green / 166    Energy Sustainability / 168  
Pollution Prevention / 173    Recycling and Waste Management / 174  
Ecological Conservation / 175

## 10. INFRASTRUCTURE / 182

Land Transportation / 184    Maritime Shipping and Ports / 190  
Civil Aviation / 191    E-traffic Information / 193    Telecommunications / 193

## 11. HEALTH & WELFARE / 198

Public Health / 200    Social Welfare / 212

## 12. MASS MEDIA / 220

News Agencies / 222    Print Media / 223    Broadcast Media / 228

## 13. EDUCATION / 234

Mainstream Education / 236    Special Education / 244  
Supplementary Education / 244    E-learning / 245  
International Exchanges / 246    Language Education / 248

## 14. ARTS, RELIGION & SPORTS / 250

Folk Arts / 252    Visual Arts / 253    Performing Arts / 254  
Cinema / 259    Literature / 262    Latest Cultural Initiatives / 265  
Religion / 267    Sports / 272

## Appendices / 278

- i. Global Survey Rankings / 279
- ii. Holidays, Festivals & Events / 280
- iii. Chronology 2015 / 286
- iv. History of the Republic of China / 295
- v. The Constitution of the Republic of China / 303  
    The Additional Articles of the Constitution of the Republic of China / 321
- vi. A Comparison of Various Romanization Systems / 330
- vii. Abbreviation Index / 331
- viii. Additional Links / 335

**Publisher** Executive Yuan

**Supervisors** HSU Kuo-yung 徐國勇, KAO Tsun 高遵

**Managing Editors** Susan YU 游燕君, WU Hsing-chieh 吳欣潔, TSAI Su-ching 蔡淑菁

**Deputy Managing Editor** LIN Fang-yan 林芳燕

**English Editors** Jenny CHANG 張妮, James SMYTH 史杰輝

**Contributing Editors** LIN Fang-yan 林芳燕, TSAI Su-ching 蔡淑菁

**Design Director** WANG Shu-yi 王舒儀

**Photograph Administrator** WANG Chao-chen 王兆楨



# PREFACE

**T**he *Republic of China Yearbook 2016* is an important reference that offers a comprehensive and lively overview of Taiwan and its people. Drawn from a broad range of reliable and official sources, the yearbook chronicles Taiwan's achievements in science and technology, economy and finance, international and cross-strait affairs, public health and welfare, among others, while also describing major elements of the government's policies.

These include various initiatives to promote key innovative industries, support new businesses and startups, and restructure the economy. Also described are the nation's commitment to reducing carbon emissions through the passage of a landmark greenhouse gas reduction law, and the release of Taiwan's Intended Nationally Determined Contribution plan ahead of the U.N. climate change conference in Paris.

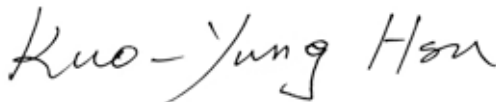
As for the welfare of Taiwan's citizens, the government has begun building a high-quality, affordable and accessible long-term care system that will allow senior citizens to age peacefully in their own communities. Labor laws have been amended to create a happier and more productive work force.

Taiwan also made history by electing its first female president—Tsai Ing-wen 蔡英文 of the Democratic Progressive Party (DPP) 民主進步黨—marking the third peaceful transition of political power and signifying a major step forward for gender equality. Also for the first time ever, majority control of the Legislature changed hands from the Kuomintang 中國國民黨 to the DPP.

These and other developments are detailed in the pages that follow. With the exception of certain personal and place

names, Mandarin Chinese terms and names are rendered in Hanyu Pinyin 漢語拼音 throughout the work. All proper nouns that are translations of Chinese names, such as Sun Yat-sen 孫中山 or the National Health Insurance Act 全民健康保險法, are accompanied by their original Chinese character names the first time they appear in a chapter. Unless otherwise indicated, U.S. dollar figures for 2012 through 2015 are based on the exchange rates of NT\$29.61, NT\$29.77, NT\$30.37 and NT\$31.90 per US\$1, respectively, as calculated by the Central Bank of the ROC (Taiwan) 中央銀行. The exchange rate for 2016—NT\$33.35 per US\$1—is based on the average rate for that year's first three months.

The Executive Yuan 行政院 gratefully acknowledges all the official agencies and organizations that have provided information and helped verify the accuracy of the yearbook's contents. As always, reader feedback and advice regarding this publication is welcomed and appreciated.



Hsu Kuo-yung  
Spokesperson  
Executive Yuan





# National Symbols

## National Designation

The founding father of the ROC, Sun Yat-sen 孫逸仙, first proposed the name “Republic of China” 中華民國 at the first official meeting of the Chinese Revolutionary Alliance 中國同盟會 in Tokyo in 1905. Sun said, “Not until that day in autumn 1905 when outstanding individuals of the entire country gathered to found the Chinese Revolutionary Alliance in Tokyo did I come to believe the great revolutionary task could indeed be achieved. Only at this point did I dare to propose the national designation of ‘Republic of China’ and announce it to the members of our party, so that each could return to their respective province and proclaim the message of the revolution and disseminate the ideas behind the founding of the Republic of China.”

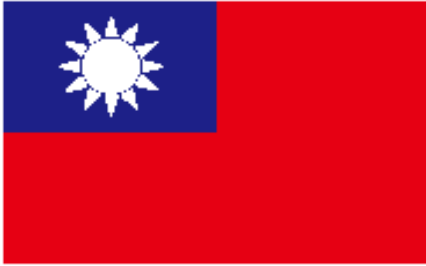
The name became official on January 1, 1912, when the Committee of Provincial Governors’ Representatives 各省都督府代表聯合會 from across China declared the establishment of the Republic and swore in Sun as its president.

## ROC Year Designations

In official and most ordinary usages, years in the ROC are calculated from the year of the Republic’s founding, 1912. Thus, 1912 was referred to as “the first year of the Republic of China,” and 2016 is “the 105th year of the Republic of China,” and so on. This is a continuation of the millennia-old system in China of beginning new year designations with the start of a new era, which once coincided with the ascension of a new emperor.

## National Flag

The “white sun in a blue sky” portion of the ROC’s national flag was originally designed by Lu Hao-tung 陸皓東, a martyr of the Chinese revolution. Lu presented his design in a meeting of the Revive China Society 興中會 in Hong Kong on March 16, 1895. It was redesigned to include a crimson background during the years just



National flag

prior to the revolution. This later design is still used today as the national emblem.

Before the Wuchang Uprising 武昌起義 in 1911 (also known as the 1911 Xinhai Revolution 辛亥革命), the revolutionary armies in different provinces had different flags: the one used in the Wuhan 武漢 area had 18 yellow stars, representing the 18 administrative divisions of China at the time; the Shanghai 上海 army adopted a five-color flag of red, yellow, blue, white and black, representing the five main ethnic groups of China; and Guangdong 廣東, Guangxi 廣西, Yunnan 雲南 and Guizhou 貴州 provinces used the “white sun in a blue sky.”

When the Provisional Government was first established, the five-color flag was adopted as the national flag, the yellow star flag was used by the army, and the “white sun in a blue sky” by the navy. The current ROC national flag was officially adopted in December 1928.

The 12 points of the white sun in the emblem represent the Chinese conceptualization of a day’s being divided into 12 two-hour periods, symbolizing unceasing progress. At one level, the three colors of blue, white and crimson stand for the Three Principles of the People 三民主義: nationalism, democracy and social well-being. At another level, the colors embody qualities that evoke other concepts enumerated in the Three Principles: the blue signifies brightness, purity and freedom, and thus a government that is of the people; the white, honesty, selflessness and equality, and thus a government that is by the people; and the crimson, sacrifice, bloodshed and brotherly love, thus a government that is for the people.



National flower

## National Flower

The plum blossom, *Prunus mume*, was officially designated by the ROC Executive Yuan 行政院 to be the national flower on July 21, 1964. The plum blossom, which produces shades of pink and white and gives off a delicate fragrance, has great symbolic value in Chinese culture because of its resilience during the harsh winter. The triple grouping of stamens (one long and two short) represents Sun Yat-sen's Three Principles of the People, while the five petals symbolize the five branches of the ROC government.

## National Anthem

The words of the ROC national anthem were first delivered as an exhortation by Sun Yat-sen at the opening ceremony of the Whampoa Military Academy 黃埔軍校 on June 16, 1924. This exhortation was designated as the Kuomintang's (KMT) 中國國民黨 party song in 1928, after which the KMT publicly solicited contributions for a tune to fit the words. A melody by Cheng Mao-yun 程懋筠 was selected out of those submitted by 139 contenders. (See page 7 for both lyrics and melody.)

In the late 1920s and early 1930s, the Ministry of Education (MOE) held two separate competitions for the lyrics for a national anthem, using the KMT party song in the meantime as a temporary national anthem. None of the entries reviewed by the MOE were deemed appropriate, so Dr. Sun's composition was finally adopted as the official anthem of the Republic of China in 1937.

The anthem first declares the Three Principles of the People to be the foundation of the nation and a guide to a world commonwealth of peace and harmony, and then calls upon the people to be brave, earnest and faithful in striving to fulfill that goal.

## NATIONAL ANTHEM OF THE REPUBLIC OF CHINA

Dr. Sun Yat-sen 孫中山

Music by Cheng Mao-yun 程懋筠

Arrangement by Huang Tzu 黃自

三 民 主 義 吾 黨 所 宗 以 建 民  
 San - min - zhu - yi, wu dang suo zong, yi jian min  
 San - min - zhu - yi, our aim shall be; to found a free

國 以 進 大 同 咨 爾 多 士 為 民 前 鋒 夙  
 guo, yi jin da tong, zi er duo shi, wei min qian feng, su  
 land, world peace be our stand. Lead on, com-rades, van-guards ye are; hold

夜 匪 懈 主 義 是 從 矢 勤 矢 勇 必 信 必  
 ye fei xie, zhu yi shi cong, Shi qin shi yong, bi xin bi  
 fast your aim, by sun and star. Be ear-nest and brave, your coun-try to

忠 一 心 一 德 貫 徹 始 終!  
 zhong, yi xin yi de, guan che shi zhong.  
 save; one heart, one soul, one mind, one goal!



# Founding Father Republic of China



**Sun Yat-sen 孫中山**

Sun Yat-sen 孫逸仙, also known as Sun Chung-shan 孫中山 and Sun Wen 孫文, was born in 1866 in a coastal village of Xiangshan County 香山縣, Guangdong Province 廣東省. After receiving his early education in both Chinese and Western schools, he moved to Hawaii in 1879, where he attended Iolani School and Oahu College. In 1883, he returned to China to continue his studies, concentrating on the Chinese classics and history. He later moved to Hong Kong to attend Queen's College

and in 1892 graduated from the Hong Kong College of Medicine for Chinese.

Deeply concerned at the Qing 清 dynasty government's oppression, corruption and submissiveness toward foreign powers, Sun gave up his medical career to pursue political reform. In 1894, together with a group of young overseas Chinese, Sun established his first revolutionary organization, the Revive China Society 興中會, in Honolulu. His political ideals are summarized in a set of doctrines called the Three Principles of the People 三民主義, comprising solidarity of the people, power to the people and prosperity of the people.

Over the next 16 years, Sun and his followers launched 10 futile attempts to topple the Qing government. Finally, on October 10, 1911, forces loyal to Sun took over Wuchang 武昌, the capital of Hubei Province 湖北省. Thereafter, other provinces and important cities joined the revolutionary camp and declared independence from the Qing government. On December 29, 1911, Sun was elected provisional president of the new Republic by delegates from across China gathered in Nanjing 南京. He was inaugurated on January 1, 1912, the founding day of the Republic of China (ROC).

To preserve national unity, Sun relinquished the presidency on April 1, 1912 to military strongman Yuan Shi-kai 袁世凱, who declared himself emperor in 1915. Sun and other leaders relocated to Japan to continue the revolutionary struggle until Yuan's death in 1916. Thereafter, they organized a new government in Guangzhou 廣州, and in 1921 Sun became its president. He devoted the rest of his life to uniting China's feuding factions.

Sun denied the inevitability of communism in China. He believed that class struggle, an intrinsic element of communism, was not an inevitable stage in human progress. He reiterated this point in a joint declaration issued with Soviet envoy Adolf Joffe in 1923, which stated that communism was not suitable for China. Sun also believed that cooperation rather than class struggle was the driving force behind social development.

Sun died of cancer on March 12, 1925, at the age of 59 in Beijing 北京. In 1940, he was posthumously declared the founding father of the ROC for his lifelong contributions to the revolution.



<b>ROC Vital Information</b>	
<b>Official name</b>	Republic of China
<b>Area (Taiwan and associated islands)</b>	36,193 square kilometers
<b>Geographic location</b>	Eastern Asia, off southeastern coast of mainland China and north of the Philippines
<b>Climate</b>	Subtropical (mean temperature 18°C in winter, 28°C in summer)
<b>Population</b>	23.52 million (August 2016)
<b>Ethnicity</b>	Over 95 percent Han Chinese (including Holo, Hakka and other groups originating in mainland China); 2 percent indigenous Austronesian peoples
<b>Official language</b>	Mandarin (with traditional Chinese character system)
<b>Other important languages</b>	Holo, Hakka, Austronesian languages, English, Japanese
<b>Major religions</b>	Buddhism, Taoism, I-Kuan Tao, Chinese folk religion, Catholicism, Protestantism, Islam
<b>Literacy rate</b>	98.60 percent (2015)
<b>Government</b>	Multiparty democracy (semi-presidential republic)
<b>Major political parties</b>	Democratic Progressive Party, Kuomintang (Chinese Nationalist Party), New Power Party, People First Party
<b>President</b>	Tsai Ing-wen
<b>Capital</b>	Taipei City
<b>Other large cities</b>	New Taipei, Kaohsiung, Taichung, Tainan, Taoyuan

<b>Major industries</b>	Electronic components, chemicals, metals, petroleum and coal products, computers, electronics and optoelectronics, machinery, motor vehicles and parts
<b>Economic growth rate</b>	0.65 percent (2015)
<b>GDP (nominal)</b>	US\$523.01 billion (2015)
<b>GDP per capita (nominal)</b>	US\$22,294 (2015)
<b>Export value</b>	US\$285.34 billion (2015)
<b>Import value</b>	US\$237.22 billion (2015)
<b>Main exports</b>	Electronics, information and communications products, base metals and articles thereof, machinery, plastics/rubber and articles thereof, chemicals, optical instruments, mineral products, electrical products, vehicles and transportation-related products, textiles
<b>Main imports</b>	Mineral products, electronics, chemicals, machinery, base metals and articles thereof, information and communications products, vehicles and transportation-related products, plastics/rubber and articles thereof, electrical products, precision instruments, textiles
<b>Main export markets</b>	Mainland China (including Hong Kong), ASEAN, United States, Europe, Japan
<b>Main import sources</b>	Mainland China (including Hong Kong), Japan, United States, ASEAN, Europe
<b>National currency</b>	New Taiwan Dollar (NT\$ or TWD)
<b>Time zone</b>	UTC +8 hours
<b>Country telephone code</b>	+886
<b>Electricity</b>	AC 110 V / 60 Hz



# Helping Entrepreneurs Reach their Dreams

By creating a range of fundraising channels and building an innovative ecosystem, the government is helping startups realize their dreams and transforming industries into an innovation-driven economy.

Over the past several years, the Republic of China (ROC) government has promoted a wide variety of fundraising tools for innovative startups. These measures have been fruitful, helping many businesses obtain early-stage funding to grow their companies from the ground up.

## Diverse Fundraising Channels

According to a 2014 study of 101 failed startups conducted by the U.S. research firm CB Insights, the second most common reason for failing is “ran out of cash.” Understanding the importance of business funding in the early stages, the government has made it a priority to create more channels through which young companies can raise capital.

In the past, the government’s financial support for startups primarily took the form of businesses loans, but recent years have seen a wave of new and creative measures, including subsidy and loan programs, capital investments, as well as regulatory changes. Since 2014, these efforts have helped 33,000 applicants obtain more than NT\$50.8 billion (US\$1.52 billion) in financial support.

## Business Angel Schemes

Taiwan's "From IP to IPO" program is a platform designed especially to help high-achieving innovators realize their dreams. Open to teams of students, professors and researchers that possess innovative technologies, outstanding research, technology patents, or design or invention awards, the program aims to turn academic research into commercially viable businesses. Competing teams go through two rounds of training before the top teams are awarded NT\$2 million (about US\$60,000). Since 2014, the program has nurtured 82 startups, raising NT\$390 million (US\$11.70 million) capital for them and facilitating collaborations with startup accelerators in Silicon Valley.

A similar initiative is the Business Angel Plan 創業天使計畫, which offers aid to all innovators regardless of the industry. The five-year, NT\$1 billion (US\$33.59 million) project consists of a review system that provides rapid funding to applicants as well as a consultation services window offering business guidance and support. In the spirit of corporate responsibility, the project obliges subsidized companies to give back a small portion of the profits they earn. The grants are available to businesses from the pre-startup stage



The Golden Fruit Store handmakes natural jams of the finest flavors. The business was able to gain a foothold in the market after receiving subsidies and startup loans from the government. (Courtesy of Golden Fruit Store)

through the first three years of operation. Since its launch in December 2013, the project has helped over 224 entrepreneur teams obtain a total of NT\$740 million (US\$22.19 million).

## Startup Loan Programs

Raising funds to run a business is a continual process. After finding seed capital for the initial setup, entrepreneurs must raise more money to pay for the company's operation and capital expenditures. To help startups through the initial and early stages of growth, the government has launched startup loans for young entrepreneurs, loans for small business, and innovation funding programs. Since 2014, these programs have respectively provided NT\$6.5 billion (US\$194.90 million), NT\$7.7 billion (US\$230.89 million) and NT\$29.3 billion (US\$878.56 million) in loans to young entrepreneurs, small business owners and creative microbusinesses.

### Success Story: Golden Fruit Store

When a produce deliverer saw the harmful effect of cheap fruit prices on local farmers, he decided to help by purchasing their fruits for the production of all-natural handmade jam. After developing several flavors, the young man incorporated local culture and creativity into the packaging and sold the products under the brand name Golden Fruit Store 黃金水果鋪. Aside from building relationships with farmers, the store frequently donates jams and goods to orphanages or charities such as the Harmony Home Association 關愛之家.

In 2013 and 2014, the business owner obtained government loans for young entrepreneurs. The business also became the first to win the highest subsidy of NT\$1 million (about US\$30,000) under a Taipei City 臺北市 industry incentive program. It has even met with Japanese companies to discuss selling homemade jam on the Japanese market.

## Success Story: Duofu Care & Services

Duofu Care & Services 多扶接送 is a social enterprise dedicated to promoting a fully accessible, barrier-free environment. Founder Jeff Hsu 許佐夫, formerly a documentary director, started the company after his elderly grandmother suffered an injury and required the use of a wheelchair. Recognizing a desperate need for more accessible services in Taiwan, he set out on a mission to provide transportation services for the physically challenged.

In 2014, Duofu became the first social enterprise to be listed on the Go Incubation Board for Startup and Acceleration Firms (GISA) 創櫃板—an entrepreneurship counseling and capital-raising platform—when it was valued at NT\$25 (US\$0.82) per share, raising NT\$9.75 million (about US\$321,000).

## Capital Market Access

Most companies start out as an idea in someone's mind that develops into a small business and, with more capital infusion, into hopefully a large corporation someday. In this process, access to the capital market is essential to the company, particularly during the early stages.

To help innovative, high added value startups grow quickly and internationally, the government has launched the HeadStart Taiwan Project 創業拔萃方案 and the Taiwan Silicon Valley Technology Fund 臺灣矽谷科技基金, both aiming to introduce the funds, expertise and connections of domestic and foreign venture capital firms. The programs take startups global by enhancing their ties with Silicon Valley and the overseas community, combining private and international resources to bring the best of the world's innovation to Taiwan.

As of April 2016, HeadStart Taiwan had approved five venture capital firms to invest NT\$13.6 billion (US\$407.80 million)

in local startups, while the Silicon Valley Fund had approved two biotech venture capital firms to invest US\$250 million. Aside from attracting the interest of international venture capital firms and startup accelerators such as 500 Startups and Sequoia Capital, Taiwan's startups have secured investments from domestic high-tech powerhouses including Foxconn 鴻海, Inventec 英業達 and MediaTek 聯發科技. In 2015, a total of 29 startups together received investments of NT\$15.03 billion (US\$471.16 million) from venture capital firms and large corporations, marking a significant increase from the 14 startups and NT\$5.32 billion (US\$175.17 million) seen in 2014.

Additionally, the Financial Supervisory Commission (FSC) 金融監督管理委員會 in April 2015 greenlighted the practice of equity-based crowdfunding in the private sector, making Taiwan the second country in Asia to implement the innovative mechanism. As of early 2016, six crowdfunding platforms had been approved. The FSC also approved the GISA platform which had raised NT\$219 million (US\$6.57 million) for 87 microbusinesses by early 2016.

Duofu Care & Services, providing transportation services for the physically challenged, is the first social enterprise listed on the Go Incubation Board for Startup and Acceleration Firms. (Courtesy of Duofu Care & Services)



## Regulatory Easing

For startups to thrive in Taiwan, it is essential to have a conducive and supportive regulatory environment, which is why the government has gone to great lengths to ease laws on raising capital. For instance, the Company Act 公司法 was amended to include a section on close companies, giving the company greater flexibility in fundraising and ownership structure, and allowing the founder and shareholders to draft articles of incorporation in a manner most beneficial to the company. As of early 2016, a total of 148 close companies had been established. Additionally, the Limited Partnership Act 有限合伙法 was passed to provide for a new type of business model, while equity-based crowdfunding platforms were introduced to create more ways in which startups can raise money.

With fewer restrictions on innovation, there are no limits to what startups can achieve. As long as entrepreneurs have the courage to pursue their dreams, the ROC government will extend every assistance to help them find the means to make those dreams a reality. ■

## Keeping Earth Healthy

After nearly a decade of legislation, Taiwan promulgated the Greenhouse Gas Reduction and Management Act on July 1, 2015, providing a regulatory framework for climate change responses and signaling the arrival of the low-carbon era.

### The Price of Civilization

After the Industrial Revolution, thick columns of smoke belched from factory chimneys as signs of economic development. In the march toward progress and prosperity, however, humans consumed large quantities of energy and fossil fuels that polluted the air and harmed the health of people and the environment. Scientists later discovered that carbon dioxide emissions from fuel and coal combustion have been increasing atmospheric greenhouse gas (GHG) concentrations each year, contributing to rising surface temperatures worldwide.

What are the effects of global warming on humans? The answer is evident from the growing numbers of cyclones, floods and droughts seen around the world. In its *Fifth Assessment Report* published in 2014, the U.N. Intergovernmental Panel on Climate Change predicted that the global mean surface temperature could rise as much as 4.8 degrees Celsius by the end of this century, which would lead to a sea-level increase of up to 82 centimeters.

As the planet becomes hotter, humans can expect to witness more glacial melting, persistent droughts, ecological imbalance, food shortages and even mass extinction. The impact of extreme weather on the human race is severe both in its nature and its scale. No one country is equipped to face these challenges alone, and no

region can escape the harmful effects. The task of reducing GHG emissions is more urgent than ever.

## Global Action on Carbon Reduction

Sounding the battle cry against global warming, the U.N. in 1992 convened the Earth Summit in Rio de Janeiro and adopted the U.N. Framework Convention on Climate Change (UNFCCC). Parties to the convention held their first Conference of the Parties (COP 1) in Berlin in 1995. In 1997, the Kyoto Protocol was passed, requiring Annex I parties (38 industrialized countries) to lower their emissions over the 2008-2012 period by an average of 5.2 percent below 1990 levels. In 2012, the Doha Amendment to the Kyoto Protocol was adopted with new emission reduction targets for the second commitment period, 2013-2020.

In 2014 at COP 20 in Lima, the parties were asked to submit Intended Nationally Determined Contribution (INDC) plans by the end of 2015 to facilitate a new universal climate change agreement to succeed the Kyoto Protocol at the next COP in Paris. Among the INDCs submitted, the EU agreed to reduce



The Greenhouse Gas Reduction and Management Act has ushered Taiwan into the era of low-carbon emissions. Photo shows night view of the Linyuan Petrochemical Plant in Kaohsiung (Courtesy of CPC Corp., Taiwan)



emissions by 40 percent below 1990 levels by 2030; the U.S. announced its target of cutting emissions by 26 to 28 percent below 2005 levels by 2025; and China promised to peak its emissions by 2030. At COP 21 in 2015, following two weeks of international negotiations, the much-anticipated Paris Agreement was adopted December 12.

## Taiwan's Role in Combating Climate Change

For the year 2013, Taiwan ranked 22nd worldwide for carbon dioxide emissions from fuel combustion (accounting for 0.77 percent of the global volume) and 20th for carbon dioxide emissions per capita (10.63 tonnes per person), according to the International Energy Agency's 2015 *Key World Energy Statistics*. Although international political factors have prevented it from joining the UNFCCC, Taiwan as a member of the global village is eager to play its part in protecting Earth.

Taiwan sits at the intersection of the Eurasian continent and the Pacific Ocean where dramatic weather events can have adverse impacts on hydrology, water resources, the economy

Carbon-reduction laws serve as pressure, but also motivation, for society to move toward green technology and a cleaner future. Photo shows a wind farm at Gaomei Wetlands in Taichung. (Courtesy of the Ministry of Economic Affairs)



and the environment. As an export-driven nation, Taiwan has more reason to lower emissions now that other advanced countries require carbon calculations and labels on import products—some may even levy taxes based on a product's carbon contents. With the recent adoption of the Paris Agreement, Taiwan will only face greater pressure to minimize its carbon footprint.



Courtesy of the Ministry of Economic Affairs

Just before the eyes of the world fell on France for the approval of the Paris Agreement in late 2015, Taiwan passed its first law authorizing its government to take action against climate change. The Greenhouse Gas Reduction and Management Act 溫室氣體減量及管理法, promulgated by the president on July 1, 2015, after nearly 10 years of negotiation by lawmakers, contains legally binding emissions targets—an approach lauded by the EU and other countries. This epoch-making law not only lays out the regulatory foundation for Taiwan's response to climate change but also ushers the country into the low-carbon era. In further demonstration of its commitment, Taiwan announced its own INDC plan in November 2015 in response to the 2014 COP 20 Lima call for climate action.

## Real Action to Save the Planet

With the threat of global warming becoming more pronounced, Taiwan's government has rolled out a raft of green energy and carbon abatement policies, including the Framework of Taiwan's Sustainable Energy Policy 永續能源政策綱領, the National Green Energy and Low Carbon Master Plan 國家綠能低碳總行動方案, and the Golden Decade National Vision 黃金十年國家願景 plan.

As a result, Taiwan's carbon dioxide emissions from fossil fuel combustion declined for the first time in 2008 and have remained level in recent years. While these emissions grew slightly in 2014 by 0.77 percent year-over-year to 251 million tonnes, they were still lower than the historic peak of 2007. The intensity of carbon dioxide emissions also fell from 0.0204 kilograms per New Taiwan Dollar (NTD) in 2007 to 0.0162 kilograms per NTD in 2014, and continues to improve. The right policies, combined with public education, have paid handsome dividends and decoupled economic growth from GHG emissions.

The greenhouse gas act sets forth long-term targets and adjustment mechanisms for Taiwan: to bring 2050 GHG emissions down to 50 percent lower than 2005 levels. This, along with Taiwan's INDC target (to lower 2030 emissions to 50 percent below the business-as-usual scenario, or 20 percent lower than those in 2005), maps out the nation's medium- and long-term path toward a low-carbon future.

The government will set five-year interim goals based on the greenhouse gas act, taking a gradual abatement approach that includes economic incentives, GHG inventories and registration, inspection controls, efficiency standards and other international

The consequences of global warming, including glacial melting and mass extinction, are vast in nature and scale. No one country is equipped to face these challenges alone. (Courtesy of the Ministry of the Interior)



practices. In line with the “user charge” principle of environmental justice, the act also requires the government to establish a cap-and-trade system that will eventually replace the free allowances allocation method with allowances sold at a fixed price. The cap-and-trade system is to be implemented in phases: At each phase, the government will announce emissions sources to come under regulation, set overall caps on emissions, and promote flexible mechanisms for emissions trading.

Aside from offering “carrots” or rewards to companies, the government also wields a “stick” to mandate reduction of emissions. If a company fails to surrender the designated amount of allowances within the deadline, it will face a fine of three times the carbon market price per tonne, up to a maximum of NT\$1,500 (US\$45) per tonne. If a company registers false information, it will be subject to a fine of NT\$200,000 to NT\$2 million (US\$6,000 to US\$60,000). Failure to make corrections will result in a fine each time an offense occurs, and under severe circumstances the company’s operations or entire business may be suspended. These mandates serve as pressure, but also motivation, for society to move toward a cleaner future and create green jobs as the nation becomes more competitive.

Just as Earth is home to all, the responsibility for combating global warming falls on every country. The Greenhouse Gas Reduction and Management Act is a proclamation of Taiwan and its people’s readiness to fulfill their obligations, and it marks a real step toward cutting emissions, protecting the planet and ensuring sustainable development. ■

# Younger and More Confident: Seniors Return to Work

Elders possess a treasure trove of knowledge. Their wisdom and experience, if put to good use and passed on to young coworkers, can enhance national competitiveness and social harmony.

Everybody ages, but aging is not welcomed by all. Many turn to health products, skin care and cosmetic surgery to hold on to their youth, but another way to stay young is to stay active. Is one “old” if after retirement one still feels physically and mentally capable of handling many job responsibilities? In light of the multifaceted contributions senior citizens can make, the government is helping many to return to work.

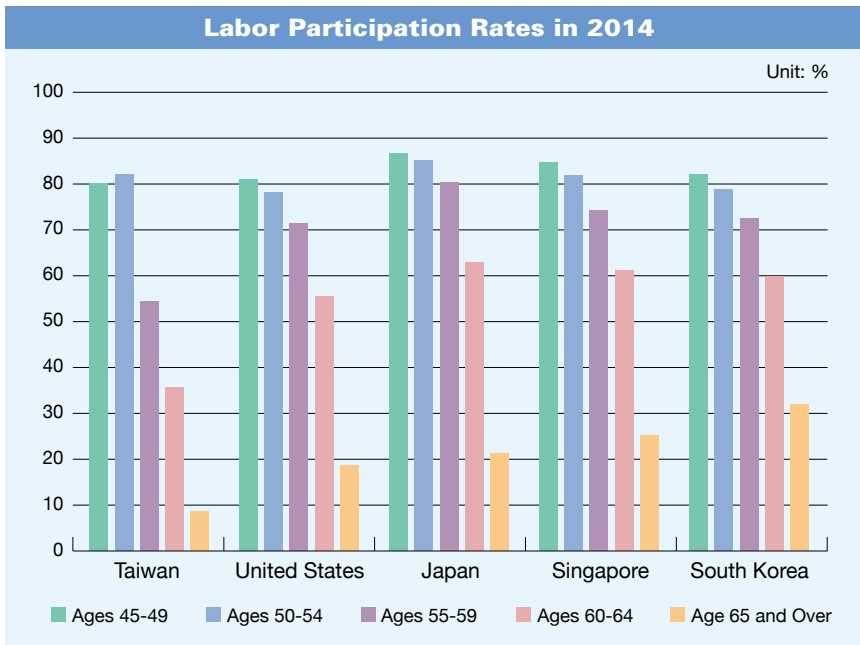
## Labor Participation Rate for Seniors

Taiwan became an aging society as defined by the World Health Organization when its elderly population (people age 65 and over) surpassed the 7-percent threshold in 1993. Due to its low fertility rate, by 2018 Taiwan is projected to become an aged society in which over 14 percent of the population is elderly, and by 2025 a super-aged society with senior citizens accounting for at least one-fifth of the total population.

As the trend toward an aged and low-fertility society shows no sign of reversing, Taiwan will soon face a contracting work force. According to the National Development Council 國家發展委員會, the island nation's working-age population (people age 15

to 64) peaked in 2015 and will thereafter decrease by an average of 180,000 people annually. Moreover, Taiwan's labor participation rate for people age 55 and over is lower than those of Japan, South Korea, Singapore and the United States.

To put the senior-citizen work force to good use and encourage more elderly to return to the labor market, in October 2014 the Ministry of Labor (MOL) launched Taiwan's first Senior Workforce Development Service Center (SWDSC) 銀髮人才資源中心 in New Taipei City 新北市, and in March 2015 a website (<http://swd.wda.gov.tw>) was set up under the SWDSC to serve as a one-stop platform providing the elderly with such services as job matching, vocational training, daily-life information, experience sharing, and exchanges with youths. The integration of online channels and physical locations is expected to enable senior citizens to continue contributing to society by maximizing their talents.



Source: Ministry of Labor

## SWDSC Services Tailored for Seniors

With the quantum leap of technology and medical science, human beings now enjoy a higher life expectancy than ever before, and it is difficult to say at what age people should retire. While the elderly may not be as strong as their juniors physically, they often boast more life experience, knowledge and abilities as well as more sophisticated interpersonal skills. As such, adjusting workflows and work content, offering flexible working hours and providing auxiliary facilities for the disabled help seniors capitalize on their unique job capabilities.

The SWDSC targets citizens age 55 and over as well as retirement pensioners, offering them job-seeking services and startup consultations. Its environment and facilities have been tailored for the elderly, even including chairs specially adjusted in consideration of the knee problems common among older people as well as electronic touch screens with adjustable font size.

## Resource Website for Seniors

The SWDSC website gives seniors easy access to job-related information. In addition to matching job-seeking seniors with

The government organizes job-matching events targeting citizens age 55 and over. (Courtesy of the Workforce Development Agency)





Older workers with more life experience, knowledge and abilities can serve as mentors for their younger colleagues.

businesses looking for talents, it offers employment consultations, skill training programs, volunteer services and startup resources, as well as information regarding financing, tourism and health care. The site's simple and convenient design is elderly-friendly, featuring enlarged fonts and bright colors.

To facilitate interactions between generations, the website has recruited a group of professionals from industry, government and academia to offer consultation services, and a knowledge exchange section is available for people who wish to seek advice or share opinions.

## Returning to Work Boosts Vigor and Confidence

Returning to the work force can help senior citizens feel younger and more confident. Moreover, as their accumulated experiences provide them with wisdom and maturity, they can mentor younger coworkers, fostering a more diverse and energetic society. Age should not restrict one's freedom of action, so the government is striving to help find the best possible opportunities for elderly who want to work again. ■



# Envoy of Beauty: National Palace Museum Diplomacy

Museums pass on the culture and wisdom of the human race, and their duties become more diverse every generation. The National Palace Museum is a major contributor not only to Taiwan's heritage and tourism but also to its cultural diplomacy.

For many international tourists, museums are must-see destinations and the quickest routes to understanding a country's historical, artistic and cultural heritage. Culture and the arts transcend political barriers.

With the depth of its treasures, the National Palace Museum (NPM) 國立故宮博物院 in Taipei 臺北 is both a witness to history and an envoy of beauty. According to *The Art Newspaper*, in 2015 the NPM was the most popular museum in Asia and the sixth-most popular in the world.

## NPM Exhibitions Overseas

The NPM boasts the world's finest collection of Chinese art. Chinese civilization has deeply influenced the culture and arts of Asia as a whole, for instance that of the painting, calligraphy, ceramics and lacquerware of Japan. Hence, after Japan passed legislation on March 25, 2011, to facilitate international loan exhibitions within the country, numerous Japanese political and media figures invited the NPM to hold exhibitions there.

In 2012, a Tokyo National Museum (TNM) delegation visited Taiwan to discuss hosting an NPM exhibition at the TNM. Following 19 months of discussion, the two museums reached an exchange agreement: "Treasured Masterpieces from the National

Palace Museum, Taipei” would be held at the TNM and the Kyushu National Museum (KNM) in 2014; in return, “Masterpieces of Japanese Art: The Tokyo and Kyushu National Museums Special Exhibition” 日本美術之最：東京國立博物館暨九州國立博物館珍藏展 would be held at the Southern Branch 南部院區 of the NPM from late 2016 to early 2017.

“Treasured Masterpieces from the National Palace Museum, Taipei” was an unprecedented milestone for Taiwan-Japan cultural exchange. Moreover, it was the biggest event in the museum world in the year 2014, attracting great attention from arts aficionados overseas. It displayed Taiwan’s cultural soft power and increased Taiwanese and Japanese citizens’ understanding of each other’s history and culture. The exhibit showed that museum diplomacy is one of Taiwan’s best diplomatic tools.

“Masterpieces of Japanese Art: The Tokyo and Kyushu National Museums Special Exhibition” will display about 150 selections from the TNM’s and KNM’s collections of illustrations, Buddhist sculptures, ceramics, lacquerware, and important historical documents, including 68 national treasures, cultural assets, and artworks of Japan. It will be the highest-level exhibit the TNM has held overseas.



The 2014 exhibition “Treasured Masterpieces from the National Palace Museum, Taipei” drew over 650,000 visitors and fostered cultural exchange between Taiwan and the host country, Japan. (Courtesy of the National Palace Museum)

A wine vessel from the Late Western Zhou dynasty (900-771 B.C.) showcased in “Rituals Cast in Brilliance: Chinese Bronzes Through the Ages.” (Courtesy of the National Palace Museum)



The NPM has expanded cultural diplomacy through its cooperation with numerous foreign museums, carefully planning overseas loan exhibitions such as “From Wang Xizhi to Kukai: Masterpieces of Japanese and Chinese Calligraphy, the Splendor of Kanji and Kana” at the Osaka City Museum of Fine Arts, “Emperors’ Treasures: Chinese Art from the National Palace Museum, Taipei” at San Francisco’s Asian Art Museum and Houston’s Museum of Fine Arts, “Grand View: Ju Ware from the Northern Sung Dynasty” at Osaka’s Museum of Oriental Ceramics, and “*Jade, des empereurs à l’Art Déco*” (Jade: From the Emperors to Art Deco) at Paris’ Guimet Museum. The Art Gallery of New South Wales has also offered to host an NPM exhibition.

The integration of the humanities and the sciences has made museum diplomacy more flexible and diverse. To commemorate the 300th anniversary of the Italian missionary Giuseppe Castiglione’s arrival in China, in 2015 the NPM held a digital media exhibition, “Giuseppe Castiglione—Lang Shining New Media Art Exhibition,” at Florence’s Basilica of Santa Croce. Both Italy and the Holy See appreciated this successful employment of technology to bring Castiglione’s art back to his homeland.

## International Loan Exhibitions at the NPM

The NPM is an active representative of Taiwan on the world stage, raising the nation's global visibility and its voice in artistic and cultural research with every museum exchange. Moreover, in return for loaning out its own pieces for exhibitions overseas, the NPM displays other countries' important pieces in Taiwan. It plans international loan exhibitions of historical and cultural depth and of artistic and aesthetic value, giving citizens opportunities to see world-class artwork from around the world and expanding the nation's artistic horizons and international connections.

At the end of 2014, the NPM hosted "A History of the World in 100 Objects" 另眼看世界—大英博物館百品特展, an exhibition of 100 pieces from the U.K.'s British Museum that led viewers around the world and across history.

"Crown of the Alps: Masterworks from the Collections of the Prince of Liechtenstein" 阿爾卑斯皇冠—列支敦士登秘藏瑰寶展, held at the NPM in 2015, was a big hit among Western art aficionados. Liechtenstein's royal family has amassed a rich and brilliant art



The architecture of the Southern Branch of the National Palace Museum is inspired by Chinese ink wash painting. (Courtesy of the National Palace Museum)

collection ever since the days of the Holy Roman Empire, including works of historically significant painters of the Northern Renaissance, the Flemish school, and the Baroque, Rococo and Biedermeier periods. The NPM exhibition featured over 100 of these classics, such as pieces from masters like Raphael, Peter Paul Rubens, Anthony van Dyck and Rembrandt van Rijn.

The Holy See and Taiwan are diplomatic allies with a close relationship, and together the Nuntiatura Apostolica in Sinis and the NPM planned “Treasures from Heaven—A Special Exhibition of Artifacts from the Holy See” 天國的寶藏—教廷文物特展. This special exhibition, held at the NPM from February to May 2016, was the first time sacred objects from the Vatican were displayed in Taiwan and the first time so many objects related to the Pope were publicly exhibited outside the Vatican.

Looking ahead, one highly anticipated event of 2017 is the Asian Art Museum of San Francisco’s return exhibition at the NPM Southern Branch.

## A New Branch with a New Perspective

The NPM Southern Branch, which covers 70 hectares, opened for a pilot run at the end of 2015. Its acclaimed architecture originated

The special exhibit “Radiating Hues of Blue and White: Ming Dynasty Blue-and-White Porcelains in the National Palace Museum Collection” at the museum’s Southern Branch. (Courtesy of the National Palace Museum)



from three techniques of Chinese ink wash painting: *nongmo* 濃墨 (thick dark ink), *feibai* 飛白 (flying white) and *xuanran* 渲染 (applying colors to drawings).

Dignitaries from important museums all over the world attended the branch's opening-day ceremony, as did journalists from over 100 domestic and international media agencies, including Agence France-Presse, NHK and Al Jazeera. The event was a testament to the NPM's nine decades of cultivation of culture and the arts.

The NPM Southern Branch has a broad and regional perspective. Its permanent exhibitions include "The Far-Reaching Fragrance of Tea: The Art and Culture of Tea in Asia" 芳茗遠播—亞洲茶文化展, "Imprints of Buddhas: The Buddhist Art in the National Palace Museum" 佛陀形影—院藏亞洲佛教藝術之美, "Boldness of Forms and Colors: Asian Textiles in the National Palace Museum Collection" 錦繡繽紛—院藏亞洲織品展, "Through the Annals of Time: A Brief History of Chiayi" 奔流不息—嘉義發展史, and "Multimedia Gallery Guide: Understanding Asian Art" 認識亞洲—新媒體藝術展.

Special exhibitions have included "Radiating Hues of Blue and White: Ming Dynasty Blue-and-White Porcelains in the National Palace Museum Collection" 藍白輝映—院藏明代青花瓷展, "The Aesthetics of Diversity: South Asian Costumes in the National Palace Museum Collection" 絢麗多姿—院藏南亞服飾特展 and "Treasures from Across the Kunlun Mountains: Islamic Jades in the National Palace Museum Collection" 越過崑崙山的珍寶—院藏伊斯蘭玉器特展, as well as the international loan exhibitions "The Enduring Beauty of Celadon: A Special Exhibition of Goryeo Celadons" 尚青—高麗青瓷特展 and "Sailing the High Seas: Imari Porcelain Wares" 揚帆萬里—日本伊萬里瓷器特展.

The NPM protects human cultural heritage. It nourishes Taiwan's aesthetic education, serves as a wellspring for its cultural and creative industries, and carries on its citizens' shared memories. Furthermore, it is an envoy showing Taiwan and its beauty to the world. ■



# **GEOGRAPHY & DEMOGRAPHICS**



Wuling Farm's cherry blossoms in their full splendor. Every spring, cherry blossoms come alive with their marvelous shades of pink and white across numerous venues in Taiwan. (Courtesy of Taiwan Panorama)



## Geography

### Taiwan Proper

Off the eastern and southeastern coasts of the Asian continent lies a chain of island groups stretching from Russia's Sakhalin Island in the north to Indonesia's myriad islands in the south. Situated near the chain's midpoint, between Japan and the Philippines, is the island of Taiwan. (In this chapter, the name Taiwan refers to Taiwan proper.)

Measuring about 400 kilometers from north to south and around 145 kilometers from east to west at its widest, Taiwan comprises over 99 percent of the territory now under the Republic of China's (ROC) jurisdiction. It is blessed with a wide range of landforms and contrasting climatic zones.

### Mountains and Hills

Mountains occupy about half of Taiwan. The longitudinal East Rift Valley 花東縱谷 separates the high-reaching Central Mountains 中央山脈 from the lower East Coast Mountains 東部海岸山脈 along the central eastern coast. In addition, at the northernmost extremity of Taiwan lie the Datun Mountains 大屯山脈. They form the northern wall of the Taipei Basin 臺北盆地, where Taipei City 臺北市, the nation's capital, is located.

Mostly forested, the four major mountain ranges in the island's central region include more than 200 peaks rising higher than 3,000 meters above sea level, making for some of Taiwan's most dramatic scenery. The eastern flanks of these four ranges are relatively precipitous, with the easternmost among them—the Central Mountains—bordered by relatively

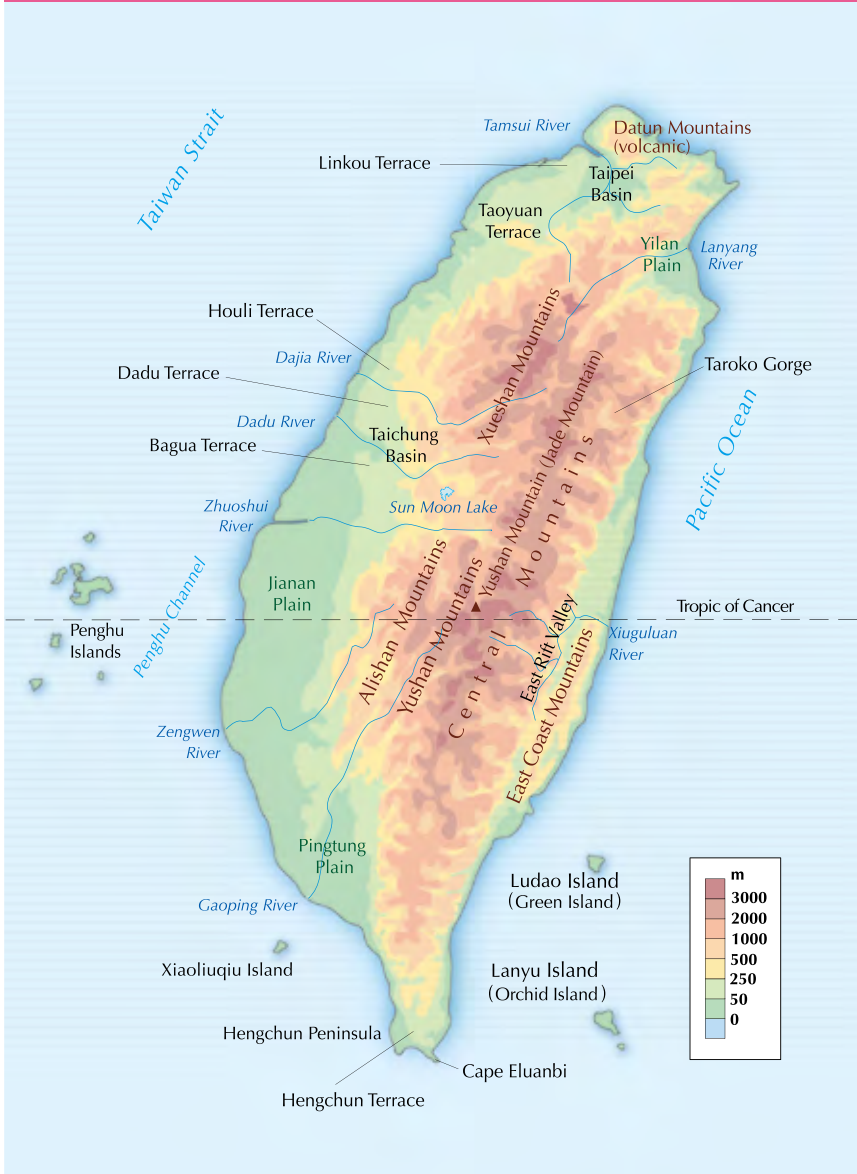
#### Taiwan Proper: Surface Area and Geographic Coordinates

Area*(sq. km)	Coastline (km)	Longitude	Latitude
36,192	1,742	120°53' E - 122°12' E	22°35' N - 25°13' N

\*Including reclaimed tidal land

Source: Ministry of the Interior

### Taiwan and Nearby Islands



small coastal lowlands. Inland from the Central Mountains are the Yushan Mountains (Jade Mountains) 玉山山脈, home to the highest peak in Taiwan and Northeast Asia—Yushan Mountain (Jade Mountain) 玉山—at 3,952 meters. Meanwhile, the westernmost mountain ranges—the Xueshan Mountains 雪山山脈 and Alishan Mountains 阿里山山脈—gradually level out westwards into extensive hilly regions, tablelands and plains.

### Seismic Activity and Geothermal Features

Seismic activity is common in Taiwan as the consequence of ongoing convergence of the Philippine Sea plate and Eurasian plate. The collision of these plates that eons ago gave birth to the island of Taiwan also produced a variety of distinctive features. In addition to the Datun volcano group, outcrops of basaltic and other types of solidified lava are found across the island, where lava welled up through fissures in the bedrock. And aside from conventional hot springs, geothermal phenomena associated with the island's geological history include small mud volcanoes and muddy hot springs.

### Tablelands, Coastal Plains and Basins

At the foot of western Taiwan's belt of hills are tablelands ranging in elevation between 100 and 500 meters above sea level. The most extensive of them is the Taoyuan Terrace 桃園臺地 in northwestern Taiwan. The others, from north to south, are the Houli 后里 and Dadu 大肚 terraces in Taichung City 臺中市, the Bagua Terrace 八卦臺地 in Changhua County 彰化縣, and the Hengchun Terrace 恆春臺地 in Pingtung County 屏東縣.

At a lower altitude lie alluvial plains formed by silt carried down by rivers after long-term sedimentation. Level and arable plains make up 23 percent of Taiwan. The Jianan Plain 嘉南平原 in southwestern Taiwan, extending from Yunlin County 雲林縣 in the north to Kaohsiung City 高雄市 in the south, accounts for 14 percent of Taiwan's total land area.

Next largest are the Pingtung Plain 屏東平原 in the south and the Yilan Plain 宜蘭平原 in the northeast. Also containing level, arable land are the Taipei Basin and the Taichung Basin 臺中盆地.

## Rivers, Lakes and Reservoirs

Fed mostly by runoff from the island's centrally located mountains and hills, virtually all of Taiwan's 150 or so rivers and streams flow either eastward or westward. The westward-flowing Zhuoshui River 濁水溪 in central Taiwan is the longest, at 187 kilometers, while the Gaoping River 高屏溪 in the south has the largest watershed, with an area of 3,257 square kilometers.

Taiwan has relatively few natural lakes. The largest and deepest is Sun Moon Lake 日月潭 in Nantou County 南投縣, with a surface area of about 8 square kilometers and a depth of around 30 meters. The island also has a few artificial lakes that are larger in area than Sun Moon Lake. The two largest are Zengwen Reservoir 曾文水庫 and Feitsui Reservoir 翡翠水庫, with surface areas of 17.80 and 10.20 square kilometers, respectively, at full storage level.

## Climate

Taiwan has a relatively long summer and a short, mild winter. The island, which is crossed by the Tropic of Cancer at the latitude of

## Taiwan's Highest Peaks (meters)

' l zohu# v l u{hpu	
/Qhkl # v l u{hp0玉山	
T hp#W hr #庄峰	: 30<9
Lhz{l yu#W hr #稜峰	: 3=@
Uvy{ol yu#W hr #北峰	: 3<?
Zvl {ol yu#W hr #南峰	: 3;;
_ l l zohu# v l u{hpu 雪山	: 3?=@
_ p n l \$ hu# v l u{hpu 秀姑巒山	: 39<
T hi v \$z#vy# l \$it l un0	
T v l u{hpu 馬博拉斯山(又稱烏拉孟山)	: 3?<
Uhuol # v l u{hpu 南湖大山	: 3; 9
aovunqun# v l u{hpu 中央尖山	: 3-7<
NI huzohu# v l u{hpu 鬮山	: 3=@?
Kvunq u# v l u{hpu 東郡大山	: 3-8@
X jh# v l u{hpu 奇萊山	
###Jvy{ol yu#W hr #北峰	: 3-7>
### hpu#W hr #庄峰	: 3<=7
_ p unqun# v l u{hpu 向陽山	: 3-7:
Khpu# v l u{hpu 大劍山	: 3<@
' l urhun#W hr 雲峰	: 3<;
Kh; l l # v l u{hpu 大雪山	: 3<: 7
Vp{tu# v l u{hpu 品田山	: 3<9;
Khi hpu# v l u{hpu 大霸尖山	: 3 @
^ l t pu# v l u{hpu 無明山	: 3 <8
Ol ol hu# v l u{hpu 合歡山	: 3 8>
aol vzol # v l u{hpu 卓社大山	: 3 =@
Ul unnhv# v l u{hpu 能高山	
###Zvl {ol yu#W hr 南峰	: 3 ; @
### hpu#W hr #庄峰	: 39=9
l hpu # v l u{hpu 白姑大山	: 3 ; 8
Khukh# v l u{hpu 丹大山	: 3 ; 7
_ p r hun# v l u{hpu 新康山	: 3 : 8
[ hvzohu# v l u{hpu 桃山	: 3 9<
[ hvr v# v l u{hpu 太魯閣大山	: 39?:

Source: Ministry of the Interior

Chiayi City 嘉義市, boasts a variety of contrasting climate zones. On the whole, its northern and central regions are subtropical; its south is tropical; and its mountainous regions are temperate.

Taiwan's mean temperature in a typical year ranges from about 18 degrees Celsius in winter to 28 degrees Celsius in summer. Low temperatures can drop below 10 degrees Celsius in winter, and high temperatures can surpass 35 degrees Celsius in summer.

### Taiwan's Major Rivers

Name	Length (km)	Drainage (sq. km)	Passes Through
aol vzol ㄅㄞˊ ㄉㄧˊ ㄩˊ 濁水溪	87>	: ㊦<>	Uhu{vl ㄅㄞˊ ohunol hㄅㄞˊ oꝑhɔꝑ#uk#l uꝑu# vl u{ɔz
Nhvwun# ㄉㄧˊ ㄩˊ 高屏溪	8>8	: ㊦<>	Rhvozp un# ㄉㄞˊ #uk# ㄩˊ un# vl u{ɔ
[ ht zl ㄅㄞˊ ㄉㄧˊ ㄩˊ 淡水河	8<@	93-9=	[ hɔvl ㄅㄞˊ ㄩˊ ~ ㄞˊ hɔvl ɔhuk# hvcl hu# ㄉㄞˊ z3Ozpj ol # vl u{ɔ
al un~l u# ㄉㄧˊ ㄩˊ 曾文溪	8: ?	8㊦>>	J oꝑhɔꝑ vl u{ɔ ㄞˊ hɔhu#uk#Rhvozp un# ㄉㄞˊ z
Khɔ# ㄉㄧˊ ㄩˊ 大甲溪	89;	8㊦: =	[ hɔp ol un# ㄉㄞˊ ㄞˊ ㄞˊ hu#uk#Jhu{vl # vl u{ɔz
^   j ㄅㄞˊ ㄉㄧˊ ㄩˊ 烏溪	88@	93'9=	[ hɔp ol un# ㄉㄞˊ ㄞˊ ohunol h#uk#Jhu{vl # vl u{ɔz
Kh4hu# ㄉㄧˊ ㄩˊ 大安溪	@=	>>?	T ɔv# ㄞˊ vl u{ɔ#uk# hɔp ol un# ㄉㄞˊ z
l l ɔhu# ㄉㄧˊ ㄩˊ 卑南溪	?;	83-7:	[ hɔp ol un# vl u{ɔ
l l ɔhun# ㄉㄧˊ ㄩˊ 北港溪	?9	=; <	' l uꝑu#uk# ㄉㄞˊ ㄞˊ vl u{ɔz
_ ɔnl \$ hu# ㄉㄧˊ ㄩˊ 秀姑巒溪	?8	83-@7	Ol hɔp u#uk# hɔp ol un# vl u{ɔz
l hɔhun# ㄉㄧˊ ㄩˊ 八卦掌溪	?8	; >>	J oꝑhɔꝑ vl u{ɔ#uk# hɔhu# ㄉㄞˊ z
W ㄉㄞˊ ㄉㄧˊ ㄩˊ 朴子溪	>=	; 9>	J oꝑhɔꝑ ㄉㄞˊ #uk# vl u{ɔ
Shuchun# ㄉㄧˊ ㄩˊ 楠陽溪	>:	@?;	' ㄞˊ hu# vl u{ɔ
Qzol ㄅㄞˊ ㄉㄧˊ ㄩˊ 急水溪	<=	: >@	[ hɔhu# ㄉㄞˊ z
[ vl x ɔhu# ㄉㄧˊ ㄩˊ 頭前溪	=:	<=	Ozpj ol # ㄉㄞˊ #uk# vl u{ɔ
L yj u# ㄉㄧˊ ㄩˊ 二仁溪	=:	: <7	[ hɔhu#uk#Rhvozp un# ㄉㄞˊ z
Ovl s un# ㄉㄧˊ ㄩˊ 後龍溪	<?	<: >	T ɔv# ㄞˊ vl u{ɔ
Ol hɔp u# ㄉㄧˊ ㄩˊ 花蓮溪	<>	83<7>	Ol hɔp u# vl u{ɔ
aovunnhun# ㄉㄧˊ ㄩˊ 中港溪	<: #	;: =	Ozpj ol #uk# ㄉㄞˊ ㄞˊ vl u{ɔz
Ol wun# ㄉㄧˊ ㄩˊ 和平溪	<8	<-8	' ㄞˊ hu#uk#Ol hɔp u# vl u{ɔz
M un zohu# ㄉㄧˊ ㄩˊ 關山溪	; <	9<7	Ozpj ol # vl u{ɔ
Kvunnhun# ㄉㄧˊ ㄩˊ 東港溪	::	; >9	Wun{ vl un# vl u{ɔ
' huzol ㄅㄞˊ ㄉㄧˊ ㄩˊ 鹽水溪	; 8	:::	[ hɔhu# ㄉㄞˊ z
Hnunk ɔhu# ㄉㄧˊ ㄩˊ 阿公店溪	: ?	8: >	Rhvozp un# ㄉㄞˊ z
Z ɔp ovun# ㄉㄧˊ ㄩˊ 四重溪	: 9	89<	Wun{ vl un# vl u{ɔ

Source: Water Resources Agency, Ministry of Economic Affairs

The island's average annual rainfall is approximately 2,200 millimeters in the plains and more than 3,000 millimeters in the mountains. Northern Taiwan generally receives 60 percent of its total annual precipitation between May and September. Southern Taiwan receives over 90 percent of its precipitation around the same period, and its driest time stretches from November through February.

The winter and summer East Asian monsoon systems influence Taiwan's seasons. The winter monsoon prevails from October through March, with predominantly northeasterly winds (blowing toward the southwest) bringing moderate and stable rainfall to the east and north of the island. The central and southern parts of western Taiwan, on the other hand, experience mostly sunny weather with limited rainfall in autumn and winter.

The onset of the East Asian summer monsoon is concurrent with Taiwan's rainy season, popularly known as the plum rain 梅雨 season, in May and June. During this time, southwestern Taiwan is especially vulnerable to heavy rainfall, and afternoon thunderstorms are common.

Typhoons are most frequent in July, August and September. Taiwan experiences three to four typhoons per year on average. Some of them have caused severe damage; extreme cases of torrential and sustained rainfall may cause flooding, mudflows and landslides, and significant loss of life and property. Nevertheless, the precipitation that accompanies typhoons is vital to the island's water resources.

## Penghu

Comprising 64 volcanic-origin islands and constituting Penghu County 澎湖縣, the 127-square-kilometer Penghu Islands 澎湖群島 lie in the Taiwan Strait about 45 kilometers from the southwest coast of Taiwan and 120 kilometers from the Chinese mainland.

The Penghu Islands have relatively flat terrain. Winding coastlines of the larger islands form numerous bays and inlets,

where shallow waters in some areas are favorable to the growth of coral. Natural attractions found on several of its islands include basalt columns, cliffs and naked cores of eroded volcanoes.

## Kinmen

The 12 members of the Kinmen Islands 金門群島, which together constitute Kinmen County 金門縣, are situated off the coast of mainland China's Fujian Province 福建省, less than 2 kilometers from Fujian's capital city of Xiamen 廈門 and nearly 280 kilometers from Taiwan. The island group has a total of 152 square kilometers in area.

The islands' bedrock is primarily granitic. While the smaller ones are low-lying and flat, the largest one, Kinmen Island, is hilly, with peaks reaching as high as 253 meters.

## Matsu

The Matsu Islands 馬祖列嶼, under the jurisdiction of Lienchiang County 連江縣, comprise 36 islands with rugged, hilly terrain, totaling 28.80 square kilometers in area (based on low-tide line). They are located adjacent to the mouth of mainland China's Minjiang River 閩江, less than 1 kilometer from the mainland coast and more than 210 kilometers from Keelung 基隆 in northern Taiwan.

With an area of 10.43 square kilometers, Nangan Island 南竿島 is the largest and most populous member of the group. The bedrock of the Matsu Islands is mainly comprised of granite, which serves as an important building material for the islands' traditional houses and buildings.

## Other Islands

Located at about 30 kilometers and 60 kilometers off the southeast coast of Taiwan are Ludao Island (Green Island) 綠島 and Lanyu Island (Orchid Island) 蘭嶼, covering 15 and 47 square kilometers, respectively. Both are hilly, volcanic in origin and surrounded by coral reefs supporting abundant sea life.



The seashore of Xiaoliuqiu offers an enchanting view of the turquoise sea. The coral reef island is just a half-hour boat ride from Taiwan proper. (Courtesy of the Tourism Bureau)

About 12 kilometers off the southwest coast of Taiwan, Xiaoliuqiu 小琉球 covers an area of 6.80 square kilometers. Other islands in the South China Sea claimed by the ROC include the Dongsha (Pratas) Islands 東沙群島, the Nansha (Spratly) Islands 南沙群島, the Xisha (Paracel) Islands 西沙群島 and the Zhongsha Islands (Macclesfield Bank) 中沙群島.

Further, lying about 170 kilometers northeast of Taiwan is the Diaoyutai Islands 釣魚臺列嶼, a small island group that includes Diaoyutai Island 釣魚臺, Huangwei Isle 黃尾嶼 and Chiwei Isle 赤尾嶼.

## Demographics

### Han Peoples

Seeking refuge from upheavals during the transition between the Ming 明 and Qing 清 dynasties, the ancestors of Taiwan's Han 漢 peoples began migrating from China's southeastern provinces to the island in sizeable numbers in the 17th century. The majority of these early immigrants were Holo 河洛人, mostly from areas in southern Fujian Province, as well as Hakka 客家人 mainly from eastern Guangdong Province 廣東省.



Holo immigrants settled in Taiwan's coastal regions and inland plains, while Hakka immigrants inhabited hilly areas. Clashes between these groups over resources led to the relocation of some communities, and, as time passed, varying degrees of intermarriage and assimilation took place.

### Holo

The Holo people are the largest ethnic group in Taiwan, accounting for approximately 70 percent of the population. During the Qing dynasty (1644-1912), a large number of Holo men from mainland China married women of indigenous Austronesian groups. Hence, many in Taiwan who consider themselves Han have indigenous ancestry as well. With Austronesian and Japanese influences—the latter as the result of the half-century of Japanese rule from 1895 to 1945—Holo culture in Taiwan is quite different from that in mainland China.

### Hakka

The Hakka, who make up about one-fifth of the Han population in Taiwan, have a long history of periodic migration—hence the name Hakka, which literally means “guest families.” They are said to be diligent and frugal. Known also for their communal spirit, large Hakka communities can be found today in the Taoyuan, Hsinchu 新竹, Miaoli 苗栗, Taichung, Kaohsiung, Pingtung, Hualien 花蓮 and Taitung 臺東 areas.

### Immigrants Arriving around 1949

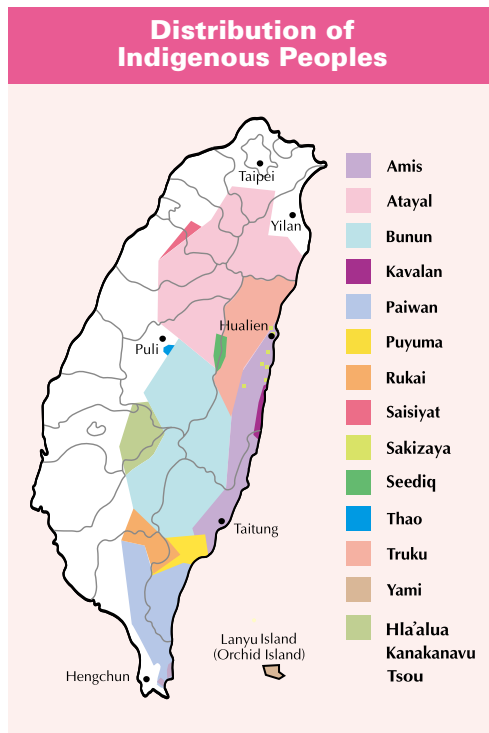
The Chinese civil war as well as the ROC government's relocation to Taiwan in 1949 occasioned an influx of 1.2 million people from the Chinese mainland to the island from 1945 to 1953. The majority were soldiers, civil servants and teachers. Unlike earlier immigrants, these people came from all over the mainland and included not only Han Chinese but also ethnic groups from Mongolia, Tibet and southwestern China.

## Indigenous Peoples

Indigenous Malayo-Polynesian peoples have lived on the island for millennia, with archeological evidence confirming their presence dating back 12,000 to 15,000 years. Their languages belong to the Austronesian linguistic family, whose speakers are known for their migratory history and inhabit an area of the globe that stretches from Madagascar Island in the west to Easter Island in the east and from Taiwan in the north to New Zealand in the south.

Though distinct from each other in many ways, the various indigenous groups in Taiwan share certain customs with one another and with Austronesian peoples in other parts of the world. Over the centuries, while the more remote indigenous groups have tended to maintain distinctive communities, others have blended in with Han society.

Currently, the 16 officially recognized indigenous groups are the Amis 阿美, Atayal 泰雅, Bunun 布農, Hla'alua 拉阿魯哇, Kanakanavu 卡那卡那富, Kavalan 噶瑪蘭, Paiwan 排灣, Puyuma 卑南, Rukai 魯凱, Saisiyat 賽夏, Sakizaya 撒奇萊雅, Seediq (or Sediq) 賽德克, Thao 邵, Truku 太魯閣, Tsou 鄒, and Yami 雅美 (or Dawu 達悟). As of December 2015, the collective population of these groups stood at approximately 546,700 (including about 14,500 people who did not identify themselves



Source: Council of Indigenous Peoples

as belonging to any one group), or 2.33 percent of the total population of Taiwan. The three largest groups—the Amis, the Paiwan and the Atayal—accounted for 70.98 percent of the indigenous population.

## Population Trends

The official population statistics of Taiwan indicated that there were 3.12 million people living on the island in 1905. Forty years later the population had nearly doubled to 6.09 million, and as of 2015 it had multiplied to 23.49 million.

Policies and family planning following the post-World War II baby boom slowed this expansion, however, and the population growth rate, which was 3.49 percent in 1960, diminished to 1.28 percent in 1985 and just 0.25 percent in 2015. During the 1960s, the total fertility rate (the average number of children born to a woman during her childbearing years) was approximately five; by the 1980s, it was two, and in 2010 it cratered at less than one, among the lowest figures in the world, as the number of newborns hit a record low of 166,886.

The number of newborns has recovered thereafter. In 2015, the number of the babies born rose to 213,598, and

Young indigenous people in Pingtung County's Timur community gather for a mobile learning program aiming to preserve disappearing customs. (Courtesy of Taiwan Panorama)



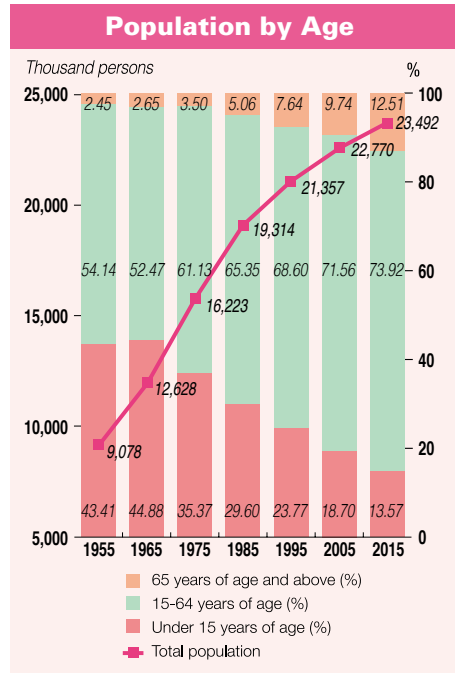
the sex ratio, which has been uneven for years, fell to 108.27 boys to 100 girls. Over the long run, the crude birth rate is still on a downward trajectory, dropping from 2.30 percent in 1981 to 0.91 percent in 2015.

The decline of the birth rate has been accompanied by the ascent of both the average age of marriage and the divorce rate. The average age of marriage increased from 28.1 for men and 24.5 for women in 1981 to 34.2 and 31.4 for men and women respectively in 2015, while the divorce rate rose from 0.83 divorces per 1,000 people in 1981 to 2.28 per 1,000 people in 2015.

Taiwan is now an aging society. The proportion of citizens aged 65 and older has steadily increased, from 2.45 percent of the population in 1955 to 12.51 percent in 2015, and the 15-64 age group, which comprised 54.14 percent of the total population in 1955, grew to 73.92 percent during the same period. Conversely, the share of inhabitants under 15 years of age has been decreasing.

The “demographic dividend,” as defined by the National Development Council (NDC) 國家發展委員會, is the potential for accelerated growth when at least 66.7 percent of an economy’s population is of working age (ages 15-64). According to NDC projections, Taiwan will lose its demographic dividend in 2028, as its working-age population is expected to decline annually after peaking in 2015.

As the number of retirees grows, the burden of covering their pensions will gradually build on contemporary



workers. To address the aging of the population and its effects on national development, the government aims to establish a comprehensive social security net, further raise the quality of life through education, promote environmental protection and sustainable development, and formulate an appropriate immigration policy.

### New Immigrants Valued and Assisted

As of December 2015, the number of immigrant spouses in Taiwan exceeded 510,000 people, and 360,000 children had an immigrant parent. Taiwan's immigrant community is invaluable, particularly given the aging of the native population.

The MOI provides a 24-hour hotline helping foreign spouses and migrant workers adapt to life in Taiwan. Programs to blend immigrants' cultures with Taiwan's include the National New Immigrant Torch Project 全國新住民火炬計畫 from 2012 to 2015, which facilitated family visits, encouraged study of immigrants' native languages and promoted a pluralistic society; a digital learning program launched in 2013 that offers computer literacy courses to new immigrants and their children in remote areas; and an empowerment program in 2015 sending immigrants' children to visit their foreign-born grandparents abroad to learn their mother tongues and cultures. The programs aim to cultivate second-generation immigrants as talents who foster trade and cultural exchange between Taiwan and Southeast Asian nations.

A Cabinet-level board that coordinates measures concerning new immigrants was established in June 2015. In the same year, a government fund set up to take care of foreign and mainland Chinese spouses was officially renamed the New Immigrant Development Fund 新住民發展基金 and extended care to their offspring; its annual funding scale remained NT\$1 billion (US\$29.99 million).

## Immigration

Between 1992 and 2015, the number of foreign nationals living in Taiwan jumped from about 44,400 to 637,800 mainly due to the arrival of blue-collar migrant workers beginning in the early 1990s as well as an increase in marriages between ROC citizens and foreign nationals. In December 2015, blue-collar migrant workers accounted for 83.70 percent of the total foreign population in Taiwan.

Marriages of ROC citizens to foreigners peaked in 2003 at 54,634 couples, accounting for 31.86 percent of all marriages. In 2015, this figure dropped to 19,988, or one in every 7.72 marriages, with 46.64 percent of non-ROC spouses from mainland China and 31.28 percent from Southeast Asian countries.

In 2014, about 10,950 ROC citizens emigrated to other countries. Statistics show that the United States was the top destination, followed by Australia and New Zealand. ■

## RELATED WEBSITES

- › Ministry of the Interior: <http://www.moi.gov.tw>
- › Water Resources Agency: <http://www.wra.gov.tw>
- › Central Weather Bureau: <http://www.cwb.gov.tw>
- › Penghu County Government: <http://www.penghu.gov.tw>
- › Kinmen County Government: <http://www.kinmen.gov.tw>
- › Lienchiang County Government: <http://www.matsu.gov.tw>
- › Hakka Affairs Council: <http://www.hakka.gov.tw>
- › Council of Indigenous Peoples: <http://www.apc.gov.tw>
- › National Development Council: <http://www.ndc.gov.tw>
- › National Immigration Agency: <http://www.immigration.gov.tw>





2

**GOVERNMENT**



President Tsai Ing-wen (center left) and Vice President Chen Chien-jen wave to the audience May 20, 2016, after taking their oaths of office. (Courtesy of the Office of the President)



## The ROC Constitution

The Republic of China is a multiparty democracy founded on the ROC Constitution. The Constitution was adopted by the National Assembly 國民大會 in Nanjing 南京 on December 25, 1946; was promulgated on January 1, 1947; and took effect on December 25 of that same year. It comprises 175 articles in 14 chapters, plus 12 additional articles added in seven rounds of revision between 1991 and 2005.

The document begins by declaring: “The Republic of China, founded on the Three Principles of the People 三民主義, shall be a democratic republic of the people, to be governed by the people and for the people.” These principles, formulated by Sun Yat-sen 孫中山, are a philosophical blueprint for building the ROC into a modern, forward-looking nation.

The Principle of Nationalism 民族主義 asserts the ROC’s sovereign status and insists on its equal rights in the international community, as well as ethnic equality. The Principle of Democracy 民權主義 assures each citizen the right to exercise political and civil liberties. The Principle of Social Well-being 民生主義 states that the powers granted to the government must be used to serve the people by developing a prosperous, just society. The Three Principles of the People have shaped government policy and legislation in areas ranging from education and land reform to social welfare.

### Constitutional Rights and Freedoms

The rights and freedoms guaranteed to citizens by the Constitution include equality before the law; the right to work and own property; and the powers of election and of recall and initiative by means of referendum. In line with Article 136 of the Constitution, the system for exercising the right of direct democracy is stipulated in the Referendum Act 公民投票法.

People are also ensured the freedoms of speech, choice of residence, movement, assembly, confidential communication, religion and association. Rights and freedoms not

specified in the Constitution are protected by Article 22, which states, “All other freedoms and rights of the people that are not detrimental to social order or public welfare shall be guaranteed under the Constitution.”

## Fundamental National Policies

The Constitution specifies areas of concern that require supplementary legislation as well as issues of importance to the nation. Chapter XIII of the Constitution, titled “Fundamental National Policies,” contains guidelines on national defense, foreign policy, the national economy, social security, education and culture. Principles governing environmental protection, national health insurance and gender equality are enunciated in the Additional Articles of the Constitution.

## Political Reforms

To deal with the threat posed by the Chinese Communist Party during the Chinese Civil War, the National Assembly adopted the Temporary Provisions Effective During the Period of National Mobilization for Suppression of the Communist Rebellion 動員戡亂時期臨時條款 in 1948. Thereby, presidential powers were greatly expanded while protection of basic freedoms and rights were seriously eroded.

Following the end of martial law in 1987, the National Assembly abolished the Temporary Provisions in 1991 with the aim of more effectively implementing constitutional democracy as well as fostering healthy cross-strait relations. In that same year, the Period of National Mobilization for Suppression of the Communist Rebellion was ended by decree. (See Chapter 4, “Cross-strait Relations.”)

A number of major reforms in the ROC’s political system have been accomplished through constitutional amendments. Six rounds of constitutional revision—in 1991, 1992, 1994, 1997, 1999 and 2000—initiated direct popular elections of the ROC’s president and vice president; instituted regular elections for all seats in the Legislative Yuan (Legislature) 立法院; granted the Legislative Yuan power to initiate a

no-confidence vote against the premier (president of the Executive Yuan 行政院); gave the president of the ROC authority to dissolve the Legislative Yuan; reformed the Control Yuan 監察院; and reduced the scope of authority and operations of the Taiwan Provincial Government 臺灣省政府.

In 2004, the Legislature passed a package of proposals for constitutional amendments on issues regarding parliamentary organization, changes in the system for electing legislators, transfer of power to ratify proposed constitutional amendments from the National Assembly to the general electorate through referendum, and abolition of the National Assembly.

Since 2005, the Central Election Commission 中央選舉委員會 has merged various types of elections to reduce the frequency and costs of national elections. In both 2012 and 2016, the presidential and legislative elections were held concurrently. In November 2014, nine types of local government elections were held simultaneously, marking the largest-scale electoral event in the ROC's history.

## Central Government

The central government consists of the Office of the President 總統府 and five branches, or *yuan*s: the Executive Yuan, Legislative Yuan, Judicial Yuan 司法院, Examination Yuan 考試院 and Control Yuan.

### Presidency

The president of the ROC is the head of state and commander-in-chief of the Armed Forces. As head of state, the president represents the nation in foreign relations and at state functions, and may conclude international agreements. The president is further empowered by the Constitution to appoint and remove top civil and military officials; promulgate laws; dissolve the Legislative Yuan in the event it dismisses the premier through a vote of no confidence; help resolve disputes between branches of the central government; and

## Historic 2016 ROC Presidential and Legislative Elections

The January 16, 2016 elections for the 14th-term ROC president and ninth-term Legislature saw several electoral “firsts”:

- **First female president:** Chairperson Tsai Ing-wen 蔡英文 of the Democratic Progressive Party (DPP) 民主進步黨 won with 56.12 percent of the vote, making her the first woman to hold the nation’s highest office in the ROC’s 104-year history. This also marked the third transfer of power since direct presidential elections were introduced in 1996.
- **Each presidential ticket included a female candidate:** The DPP’s presidential candidate and the Kuomintang’s (KMT) 中國國民黨 and People First Party’s (PFP) 親民黨 vice presidential candidates were women, symbolizing the rise of female politicians’ standing in Taiwanese politics.
- **Presidential election turnout lowest in history:** The voter turnout rate for the presidential election—66.27 percent—was the lowest ever in the six direct presidential elections Taiwan has held since 1996.
- **None of the vice presidential candidates were members of the parties that nominated them:** The DPP and KMT vice presidential candidates did not belong to any political party, while the PFP’s vice presidential nominee was the founder of a new party launched in 2015. These nominations signaled a move away from partisanship.
- **DPP’s first absolute legislative majority:** The DPP won 68 of 113 legislative seats, giving it an absolute majority for the first time in Legislative Yuan history. Previously, the KMT had always held the Legislature either by itself or as part of a coalition.
- **Rise of young parties and politicians:** A record 28 political parties—many of which were small parties formed in 2015 out of dissatisfaction with the performances of the existing major parties—vied for legislative seats. Many young people were elected, including first-time candidates who defeated veteran incumbents. Some were members of the nascent New Power Party 時代力量, which won five seats to become the third-largest party in the Legislative Yuan after the DPP and the KMT.

issue emergency decrees in response to national security threats or other crises.

Under the direct administrative jurisdiction of the Office of the President are Academia Sinica 中央研究院, whose scholars are widely reputed as being among the nation's top researchers in many disciplines in both the physical and social sciences; Academia Historica 國史館, custodian of the national archives and other important historical items; and the National Security Council 國家安全會議, charged with assisting the president in addressing issues that concern the nation's critical interests (see Chapter 5, "National Defense").

The president and the vice president are elected as a ticket and win office by receiving a plurality of the popular vote. Their term of office is four years, and they may be re-elected to serve one additional term.

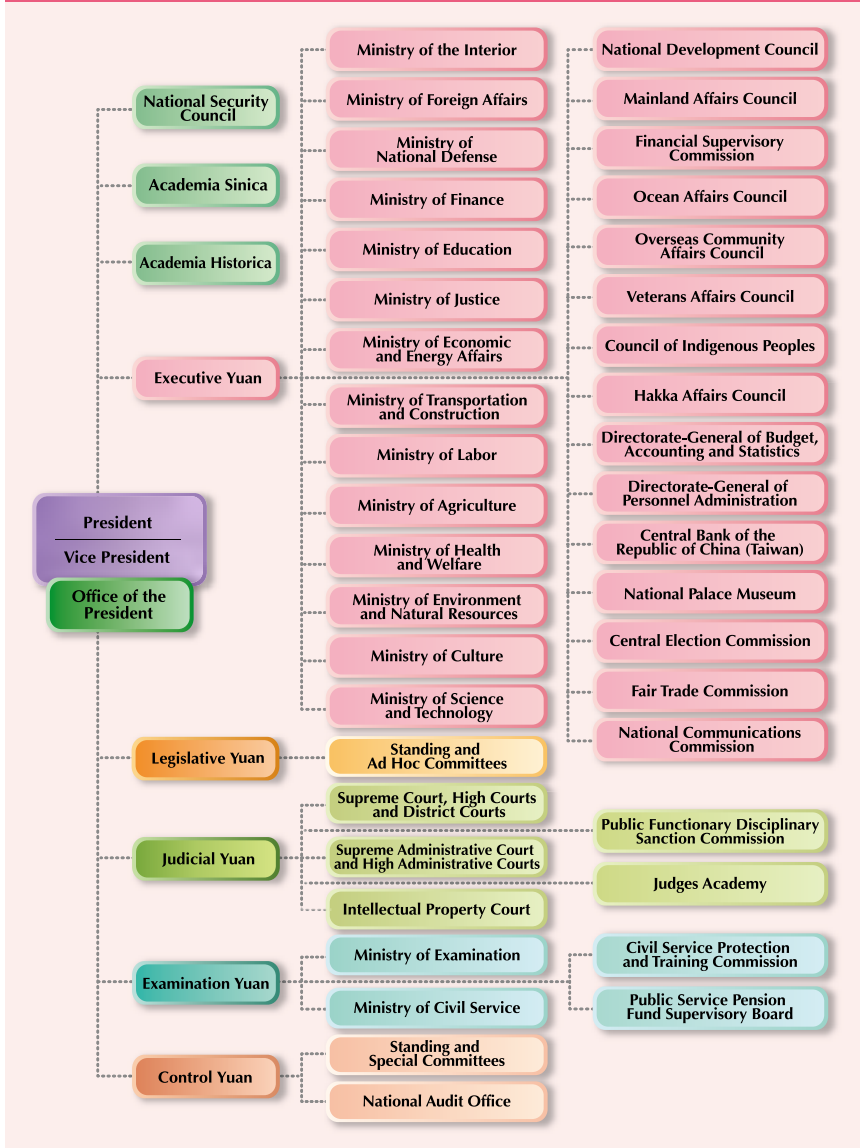
The ROC is sometimes described as having a semi-presidential system because the president does not exercise direct administrative authority over the executive branch. Nevertheless, the president exerts considerable influence over the operations of the various branches of the central government through his power to appoint the premier and other top officials.

## Executive Yuan

The Executive Yuan is the executive branch of the ROC government, headed by the premier. The premier is directly appointed by the president, while other members of the Executive Yuan Council, or Cabinet—comprising the vice premier, ministers, chairpersons of commissions, and ministers without portfolio—are appointed by the president on recommendation of the premier. In addition to supervising the subordinate organs of the Executive Yuan, the premier explains administrative policies and reports to the Legislative Yuan and responds to the interpellations of legislators.

To streamline the executive branch and improve its effectiveness, while at the same time enhancing flexibility

## Central Government After Executive Yuan Reorganization (Restructuring commenced January 1, 2012)



within its departments, several government structure laws were amended between 2010 and 2011. Among them are the Basic Code Governing Central Administrative Agencies Organizations 中央行政機關組織基準法, the Organizational Act of the Executive Yuan 行政院組織法, the Act Governing the Total Number of Personnel Headcounts of Central Government Agencies 中央政府機關總員額法, the Provisional Act for Adjustment of Functions and Organizations of the Executive Yuan 行政院功能業務與組織調整暫行條例 and the Non-Departmental Public Bodies Act 行政法人法.

As a result, several agencies will cease to exist after their functions are transferred to other commissions or ministries, and the number of Cabinet-level organizations will be reduced from 37 to 29 over the restructuring period that commenced January 1, 2012. When the process is complete, the Executive Yuan will consist of 14 ministries, eight councils, three independent agencies and four organizations. As of June 2016, four new ministries—the Ministry of Labor (MOL), Ministry of Health and Welfare (MOHW), Ministry of Culture (MOC), and Ministry of Science and Technology (MOST)—had been created through the reorganization or consolidation of existing agencies. Two more new ministries—the Ministry of Environment and Natural Resources and Ministry of Agriculture—will be established after their organizational acts are passed by the Legislative Yuan.

The Government Information Office 新聞局 ceased operations on May 20, 2012, with its various missions respectively assumed by the MOC (which was upgraded from the Council for Cultural Affairs 文化建設委員會), the Executive Yuan and the Ministry of Foreign Affairs. The National Youth Commission 青年輔導委員會 and the Sports Affairs Council 體育委員會 were merged into the Ministry of Education on January 1, 2013. The MOHW was upgraded from the Department of Health 衛生署 on July 23, 2013 and additionally given the social welfare responsibilities previously held by the Ministry of the Interior.

The National Development Council 國家發展委員會—restructuring the functions of the Council for Economic Planning



New Power Party (NPP) legislative candidates canvass for votes. The young party now has the third-largest legislative caucus. (Courtesy of NPP Legislator Freddy Lim's office)

and Development 經濟建設委員會, the Research, Development and Evaluation Commission 研究發展考核委員會 and the Public Construction Commission 公共工程委員會—was inaugurated on January 22, 2014. The MOL was upgraded from the Council of Labor Affairs 勞工委員會 on February 17, 2014. The MOST was reorganized from the National Science Council 國家科學委員會 on March 3, 2014. As of June 2016, a total of 22 executive branch agencies had completed restructuring.

## Legislative Yuan

The Legislative Yuan is the central government's sole law-making body. It comprises 113 legislators, who serve four-year terms and are eligible to stand for re-election indefinitely.

Legislators elect from their ranks the legislative speaker, or president of the Legislative Yuan. The speaker is responsible for coordinating operations of the *yuan*, facilitating communication and compromise among legislators.

The Legislative Yuan's functions and powers include general legislative power; hearing reports by government officials and questioning them on government policies and their



implementation; reviewing budgetary bills and audit reports; confirming presidential nominations to top government posts, including members of the Control Yuan and Examination Yuan and the Judicial Yuan's Constitutional Court justices 司法院大法官; and initiating proposals to amend the Constitution subject to ratification by popular referendum.

Further, the Legislative Yuan is empowered to help settle disputes involving local governments; initiate no-confidence votes against the premier; review and confirm emergency decrees issued by the ROC president; and impeach the ROC president or vice president.

## Judicial Yuan

The central function of the Judicial Yuan is to oversee the operations of the nation's court systems, the largest of which hears criminal and civil cases and comprises district courts, high courts and the Supreme Court 最高法院. Issues of fact are adjudged by district courts and high courts, while the Supreme Court considers only issues of law.

The administrative court system—consisting of the Supreme Administrative Court 最高行政法院, three high administrative courts 高等行政法院 (in Taipei 臺北, Taichung

Public servants receive on-the-job training at the Civil Service Development Institute (CSDI) of the Directorate-General of Personnel Administration in Taipei. (Courtesy of the CSDI)



臺中 and Kaohsiung 高雄 cities, respectively), and administrative litigation divisions 行政訴訟庭 under district courts—adjudicates cases in which individuals, groups of persons or juridical persons seek remedies to violations of laws or regulations allegedly committed by government organizations. The administrative litigation divisions hand down judgments on questions of fact, and the high administrative courts hand down judgments on questions of both fact and law, while the Supreme Administrative Court reviews only questions of law.

Judges in the ROC's court systems are selected from public prosecutors, attorneys-at-law and scholars or through an examination process designed and administered by the Judicial Yuan. Those who pass the examination undergo an intensive course of training at the *yuan's* Judges Academy 法官學院. Those who complete the course successfully are appointed as lifetime judges in one of the above-mentioned court systems. However, incompetent judges may be removed from their posts under the Judges Act 法官法 passed in June 2011.

At the apex of the ROC's judicial system are the 15 justices of the Constitutional Court, who interpret the Constitution and have the power to unify the interpretation of laws and regulations. They also make recommendations concerning rectification of inconsistencies between different laws and regulations, and preside over impeachment trials of the national president or vice president if the Legislative Yuan passes an impeachment resolution. The justices are nominated and appointed by the ROC president with the consent of the Legislative Yuan.

## Examination Yuan

The Examination Yuan is the highest examination organ responsible for administering the nation's civil service system. The primary rationale for having this independent branch of government is to ensure equality of opportunity

among candidates for government employment and to set uniform standards, salaries and benefits throughout the central government as well as local governments.

This branch of government comprises a president, a vice president and up to 19 members, all of whom are appointed to six-year terms by the ROC president with the consent of the Legislative Yuan. At the end of their terms, they may be reappointed. Subordinate organizations under the Examination Yuan include the Ministry of Examination, Ministry of Civil Service, Civil Service Protection and Training Commission 公務人員保障暨培訓委員會 and Public Service Pension Fund Supervisory Board 公務人員退休撫卹基金監理委員會.

## Control Yuan

The Control Yuan is an independent body comprised of 29 members and the National Audit Office 審計部. All members, including the Control Yuan president, vice president and auditor-general, are appointed by the ROC president with the consent of the Legislative Yuan for a term of six years.

The Control Yuan is mandated to receive people's complaints against public servants or agencies, conduct relevant investigations and recommend penalization. Control Yuan members can also initiate such investigations of their own accord. Through the National Audit Office, the Control Yuan also exercises the power to monitor the propriety of government organizations' expenditures.

Depending upon their findings, Control Yuan members may propose impeachment, censure or corrective measures against public officials or government agencies for maladministration, violation of law or dereliction of duty. The censured agencies are required to make improvements, while the impeached persons will be given punishment meted out by the Judicial Yuan's Public Functionary Disciplinary Sanction Commission 公務員懲戒委員會 or the Court of the Judiciary 司法院職務法庭.

The Control Yuan is additionally charged with anti-corruption tasks under the regulations of the sunshine acts.

In 2000, the Human Rights Protection Committee 人權保障委員會 was also set up to advocate human rights and handle cases of alleged human rights violations.

## Local Government

The three levels of autonomous local government are special municipalities; counties and provincial municipalities; and county municipalities and townships.

Local governments obtain the bulk of their budgets through a revenue-sharing arrangement whereby funds are allocated to them by the central government in accordance with standard criteria such as population and economic development.

The mayors and magistrates as well as representative council members of cities, towns and counties are elected to terms of four years.

The first two special municipalities were Taipei City 臺北市—the national capital—and Kaohsiung City 高雄市.

In December 2010, three new special municipalities were inaugurated to better coordinate public resources and give their residents a stronger voice in national affairs:

- New Taipei City 新北市, originally Taipei County 臺北縣.
- Taichung City, formed through the merger of the original Taichung City with Taichung County 臺中縣.
- Tainan City 臺南市, formed through the merger of the original Tainan City with Tainan County 臺南縣.

That same month, Kaohsiung City and Kaohsiung County 高雄縣 merged to become today's expanded Kaohsiung City special municipality.

In December 2014, Taoyuan County 桃園縣 was promoted to a special municipality, Taoyuan City 桃園市, bringing the total number of ROC special municipalities to six.

## Clean, Efficient Government

To boost transparency of government operations, in August 2007 the Legislative Yuan passed the Lobbying Act 遊說法, which took effect in August 2008. The law requires lobbyists

to register their lobbying activities, while central and local government officials and elected representatives must inform responsible agencies of their communications with lobbyists.

Other actions taken to combat corruption in recent years include the enactment of regulations limiting the value and sources of gifts that public servants may accept. Amendments were made to the Anti-corruption Act 貪污治罪條例 in 2011 to punish those attempting to bribe public servants and raise penalties for public servants who are untruthful about suspicious increases in their property or income. In addition, the Agency Against Corruption 廉政署, dedicated to prevention and investigation of corruption, began operations in July 2011 under the Ministry of Justice.

To ensure administrative neutrality and press freedom, the Legislative Yuan in January 2011 approved a Budget Act 預算法 amendment prohibiting government agencies, state-run businesses and foundations as well as enterprises in which the government holds a majority stake from engaging in embedded advertising. Also, promotions of government policy or messages to the public in the media must be clearly labeled as such, along with the name of the sponsoring agency.

In September 2012, the Executive Yuan enacted guidelines for the executive branch and its subordinate agencies on the registration and monitoring of lobbying cases. Aside from making lobbying and its reporting more systematic, transparent and standardized, the guidelines are intended to curtail lobbying culture in the public sector while ensuring that government responsibilities are carried out properly. In case of improper lobbying, the person being lobbied should register the act at the ethics office of his workplace within three days.

## E-government Development

Governments at the central and local levels have been striving to provide one-stop online services better tailored to the public's needs. In addition to easy income tax filing options, e-government advances in recent years include the establishment of over 8,800 free Wi-Fi public hot spots

across Taiwan; the creation of agricultural mobile applications keeping farmers up to date on critical market news; and partnerships with convenience stores offering 24-hour access to such services as tax and fee payments or driver's license renewals.

The government has vowed to use open data, big data analysis and crowdsourcing to take e-government to the next level and improve public services. In 2014, data.gov.tw 政府資料開放平台, a centralized platform for government open data, was launched to enhance administrative transparency, meet industries' needs and increase convenience for citizens.

Under an “online avatars” 網路分身 one-stop service initiative launched in late March 2015, several e-government portals were established to provide information and services regarding youth startups, digital tutoring, medical history, commodity prices, senior workforce development, and youths returning to their rural hometowns to start agribusinesses, among others.

The Phase V E-government Program 第五階段電子化政府計畫 (2017-2020) will harness the power of big data to expand public services. Its main objectives:

- Make life more convenient, by using information and communications technology to develop the Internet of Things.
- Grow the digital economy, by employing digital resources, adjusting regulations, and helping private enterprises move toward “smart” operations that create new value.
- Improve governance transparency, by opening government information to the public, and establishing online platforms where citizens can participate in policymaking. ■

## RELATED WEBSITES

- › Office of the President: <http://www.president.gov.tw>
- › Executive Yuan: <http://www.ey.gov.tw>
- › Legislative Yuan: <http://www.ly.gov.tw>
- › Judicial Yuan: <http://www.judicial.gov.tw>
- › Examination Yuan: <http://www.exam.gov.tw>
- › Control Yuan: <http://www.cy.gov.tw>
- › MyEGov: <http://www.taiwan.gov.tw>
- › Data.gov.tw: <http://data.gov.tw>





# FOREIGN AFFAIRS



President Tsai Ing-wen (front row, center left) stands among world leaders at the inauguration of the Panama Canal Expansion project on June 26, 2016. (Courtesy of the Office of the President)



## Foreign Policy

Maintaining peaceful international relations is a responsibility shared by all members of the global community. Taiwan intends to do its part in building a stable regional and international environment.

After President Tsai Ing-wen 蔡英文 took office in May 2016, the government adopted a policy of “steadfast diplomacy” 踏實外交, which is characterized as “unwavering and fixed in direction,” or seeking to expand Taiwan’s international space through sure-footed means. The policy is also defined as “firm in purpose,” aimed at building mutually beneficial ties with countries that share Taiwan’s values of freedom and democracy.

Among Taiwan’s priorities is building sustainable and strong international partnerships with its diplomatic allies, as well as like-minded democracies around the world. This can be achieved by expanding economic and cultural ties and engaging in dialogue on regional security and economic integration. Mutual trust, respect, and communication are at the heart of these partnerships.

Taiwan is also devoted to fostering regional cooperation by participating in humanitarian assistance, disaster relief, disease prevention and climate change mitigation efforts. Specifically, the nation will share its experiences in disaster response, work with others to reduce tensions concerning regional flashpoints, and forge long-term partnerships with nongovernmental organizations (NGOs).

To adopt more innovative approaches, Taiwan will create new opportunities for local governments, civil society, young people and the private sector to participate in Taiwan’s international relations.

Through stable, consistent and forward-looking policies, Taiwan’s ultimate goal is to make itself a responsible and indispensable partner in the international community.

## Bilateral Ties

Through its partnerships with nations the world over, the Republic of China (ROC) seeks to advance common agendas

that benefit all. As of September 2016, it had full diplomatic relations with 22 states—12 in Central and South America and the Caribbean, six in Oceania, three in Africa, and one in Europe (see table “Embassies and Missions Abroad”). It maintained 94 representative offices in the capitals and major cities of 58 countries. Meanwhile, the ROC’s diplomatic allies, the European Union and other countries maintained 69 embassies or representative offices in the ROC.

Additionally, the number of countries and territories extending visa-free, landing visa or other visa privileges to ROC passport holders had climbed to 164 as of September 2016.

To encourage the nation’s young people to engage in international activities and enhance mutual understanding with their peers in other countries, the Ministry of Foreign Affairs (MOFA) has designed programs such as Teen

## Taiwan Launches eVisa Scheme

In January 2016, Taiwan launched the eVisa scheme to simplify visa applications for foreign nationals traveling to Taiwan.

Foreign nationals entering Taiwan for tourism, business or family visits are eligible for an eVisa if they meet certain criteria and are from one of the following countries: Belize, Brunei, Burkina Faso, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Kiribati, Macedonia, Marshall Islands, Nauru, Nicaragua, Palau, Panama, Paraguay, Peru, St. Christopher and Nevis, St. Lucia, St. Vincent and the Grenadines, São Tomé and Príncipe, Solomon Islands, Swaziland, Turkey and Tuvalu.

Eligibility also extends to all foreigners, regardless of nationality, who are invited to attend international conferences, sporting events, trade fairs or other activities organized, co-organized or sponsored by central government agencies or certain NGOs in Taiwan.

Thirty elite students from top U.S. and Canadian universities participated in Mosaic Taiwan 2015, a fellowship exchange program for emerging leaders to gain firsthand experience of Taiwan. (Courtesy of the Ministry of Foreign Affairs)



Diplomatic Envoys 外交小尖兵, Youth Ambassadors 國際青年大使, Mosaic Taiwan 國際青年菁英領袖研習班, the NGO100 International Affairs Training Program for Youth Leaders NGO100青年領袖國際事務研習營 and the Working Holiday Program 度假打工計畫。

The ROC has also signed working holiday agreements with 15 countries, allowing young people from the ROC to live, work and vacation in Australia, Austria, Belgium, Canada, the Czech Republic, France, Germany, Hungary, Ireland, Japan, New Zealand, Poland, Slovakia, South Korea and the United Kingdom. Program durations vary from six months to two years.

## Diplomatic Allies

The ROC enjoys close relations with its diplomatic allies in Africa, the Caribbean, Europe, Latin America and Oceania. Countless instances of fruitful cooperation with them can be cited in areas such as small and medium-sized enterprise (SME) development, agriculture, information technology, medical care, environmental protection and tourism. Of these allies, the ROC has signed bilateral free

trade agreements with El Salvador, Guatemala, Honduras, Nicaragua and Panama.

In April 2015, the ROC and Swaziland signed a memorandum of understanding (MOU) on cooperation in counterterrorism efforts, immigration affairs and human trafficking prevention.

In February 2016, the National Palace Museum 國立故宮博物院 in Taipei 臺北 and the Holy See kicked off a three-month exhibition showcasing treasures from the Vatican, the first major display overseas.

In March 2016, the ROC and Nicaragua finalized an agreement on establishing commercial flight connections between the two nations.

In April 2016, Deputy Minister of Foreign Affairs Javier Ching-shan Hou 侯清山 led a delegation to Swaziland for the 48th birthday celebrations of King Mswati III.

In June 2016, Taiwan signed a cooperative agreement with Panama on immigration affairs and human trafficking prevention, as well as an aviation pact with Paraguay.

In humanitarian aid efforts, the ROC in March 2015 donated US\$60,000 and started a US\$200,000 water and sanitation project to help Tuvalu rebuild after Tropical Cyclone Pam. Taiwan also donated US\$26,000 to Kiribati for the same cyclone. In October, the ROC provided aid worth US\$100,000 to Guatemala and Honduras, which had been affected by severe storms and flooding.

The ROC and its allies also engage in frequent high-level visits. Honduras President Juan Orlando Hernández, Kiribati President Anote Tong and Nauru President Baron Waqa made state visits to the ROC in 2015.

Following a state visit to Latin America and the Caribbean in July 2015, ROC President Ma Ying-jeou 馬英九 made another state visit to Belize and Guatemala in March 2016. While in Belize, he had a meeting with the Belizean prime minister as well as the leaders of three of the ROC's diplomatic allies in the Caribbean—St. Christopher and Nevis, St. Lucia, and St. Vincent and the Grenadines.

In late June, President Tsai was invited to visit Panama, where she attended the inauguration of the expanded Panama Canal. Afterwards, she made her first state visit to Paraguay, where she met with President Horacio Cartes.

## Taiwan-US Relations

Despite a lack of formal diplomatic ties, the ROC and the United States continue to maintain a robust security and economic partnership. The U.S. is the ROC's second-largest trading partner, while the ROC is the U.S.'s ninth-largest. The two countries enjoy cooperative relations in the realms of trade, security, energy development, human welfare and public health, among others.

With regard to trade, Taiwan and the U.S. resumed talks under the Trade and Investment Framework Agreement (TIFA) in Taipei in 2013 after a hiatus of more than five years, producing numerous positive outcomes, such as the release of joint statements on information and communications technology services and investment principles, as well as the launch of TIFA working groups on investment and technical barriers to trade. The latest round of TIFA talks was held in Taipei in October 2015, covering such topics as agriculture, intellectual property rights protection, investment, pharmaceuticals and medical devices, regional and multilateral economic cooperation, as well as technical barriers to trade. To further boost economic relations, Taiwan and the U.S. launched the Digital Economy Forum 數位經濟論壇 and the IP and Innovation Joint Workplan 智慧財產暨創新共同工作計畫 in June 2015. The first forum took place in December 2015 in Taipei where a joint statement was signed for further cooperation.

To help Taiwan strengthen its national defense, the U.S. has been committed to helping the island maintain its defense capability in accordance with the Taiwan Relations Act. In addition to selling US\$18 billion in arms to Taiwan over the past seven years, the U.S. government announced in December 2015 a US\$1.83 billion arms sale package that included *Perry*-class frigates. This nearly US\$20 billion total

is the largest amount in any comparable period following the enactment of the act in 1979.

In energy cooperation, Taiwan and the U.S. in 2014 inked an agreement on nuclear energy, affirming the two sides' commitment to cooperating in the control, development and peaceful use of nuclear energy. That same year, ties were further strengthened when U.S. Environmental Protection Agency Administrator Gina McCarthy visited Taiwan, marking the first visit by a member of the U.S. cabinet since 2000. McCarthy witnessed the inauguration of the International Environmental Partnership 國際環境夥伴計畫 launched by the ROC and publicly stated that the U.S. was proud to be a founding partner of this important initiative.

Regarding the improvement of human welfare, Taiwan in 2014 became the first country to conclude an MOU with the U.S. on combating human trafficking. Taiwan's efforts have been recognized in the U.S. State Department's annual *Trafficking in Persons Report*, where it has been ranked as a tier-1 country for six consecutive years. Taiwan and the U.S. have also maintained close communication on the growing humanitarian crisis in the Middle East. In early 2015, Taiwan donated 350 prefabricated houses to refugees in northern Iraq, which were delivered promptly in collaboration with the U.S.

In the global response to the Ebola virus, Taiwan donated US\$1 million to the U.S. Centers for Disease Control and Prevention Foundation in 2014 to finance medical assistance projects. In March 2015, Taiwan donated another US\$125,000 to the Washington, D.C.-based Pan-American Development Foundation to help the Caribbean and Latin America prepare for possible Ebola outbreaks. That same month, Taiwan established an Ebola prevention training center in Tainan City 臺南市 and partnered with the U.S. to train health experts in the Asia-Pacific region.

To respond effectively to emerging global challenges, the two sides established the Taiwan-U.S. Global Cooperation and Training Framework 全球合作暨訓練架構 in June 2015. With an initial focus on public health, energy security, the

digital economy and women's empowerment, Taiwan and the U.S. have so far co-hosted training programs in response to the MERS-Coronavirus, dengue fever and the Zika virus.

The U.S. is one of several major countries to support the ROC's greater participation in international organizations. For instance, it voiced support for Taiwan's participation in the World Health Organization (WHO), and high-ranking U.S. officials and congressional leaders have on various occasions welcomed Taiwan's interest in joining the Trans-Pacific Partnership (TPP). In March 2016, the U.S. president signed into law a bill supporting the ROC's participation in the world's largest international police organization, INTERPOL, as an observer.

## Taiwan-Japan Relations

Though lacking formal diplomatic relations, the ROC and Japan have significant historical, trade and investment ties. Over the past four decades, Taiwan and Japan have signed a total of 61 agreements, including a youth working holiday pact, a bilateral investment arrangement and a fisheries agreement. The two sides have also amended an aviation agreement to create open skies between them. In 2014 they signed four MOUs on cooperation in tourism, nuclear safety, patent procedures and border control. In July 2015, a disaster relief accord was signed allowing qualified Taiwan and Japanese medical professionals to conduct medical relief operations in each other's countries upon request, and in November, they inked an agreement on avoidance of double taxation as well as two MOUs on competition law and disaster prevention.

Taiwan was the largest humanitarian donor to Japan after the latter suffered a devastating earthquake and tsunami in 2011. In reciprocation, the Japanese government announced that it would send US\$1.2 million to help southern Taiwan rebuild from a deadly earthquake in February 2016.

In terms of people-to-people exchanges, tourism figures have reached an unprecedented level. In 2015, Taiwanese

nationals made 3.67 million visits to Japan while Japanese nationals made 1.47 million visits to Taiwan. Economic and trade relations remain close as well. The value of bilateral trade in 2015 reached US\$58 billion, making Japan Taiwan's third-largest trading partner.

## Toward Regional Economic Integration

As countries around the world move toward regional trade integration, Taiwan is also endeavoring to secure membership in the trade blocs of the Asian and Pacific regions to strengthen economic and trade relations with other countries and expand into world markets. Currently, the country's main policy objective is to join the TPP, which includes 12 Asia-Pacific Economic Cooperation (APEC) members, and the Regional Comprehensive Economic Partnership (RCEP), a free trade bloc of the 10 member states of the Association of Southeast Asian Nations (ASEAN) and their six free trade agreement partners.

To show the government's determination, a task force responsible for fast-tracking Taiwan's accession to the TPP and RCEP was established under the Executive Yuan's 行政院 Committee of Global Economic and Trade Strategy 國際經貿策略小組.

After the members of the TPP completed their first round of negotiations in late 2015, Taiwan has been bolstering efforts to participate in second-round talks by conducting comprehensive impact assessments, harmonizing domestic laws with international standards, building a national consensus, and winning the support of TPP member states.

In January 2016, the MOEA opened a TPP Communication Projects Office TPP溝通專案辦公室 to strengthen communications with other agencies, business groups, scholars and the public. The office also targets foreign commerce groups, in particular the representative offices and trade associations of the 12 members of the TPP in Taiwan.



## Taiwan and Asia-Pacific Relations

### South Korea

Taiwan and South Korea, both thriving democracies with market economies, have long enjoyed cordial relations. In 2015, bilateral trade totaled US\$25.58 billion, making South Korea Taiwan's fifth-largest trading partner and Taiwan South Korea's seventh-largest trading partner.

People-to-people exchanges have also grown enormously. In 2015, South Koreans made over 658,750 visits to Taiwan while ROC nationals made about 500,000 visits to South Korea, marking the first time that South Korean visitors outnumbered Taiwanese visitors.

### ASEAN

Taiwan is among the top foreign investors in Indonesia, Malaysia, the Philippines, Thailand and Vietnam. It is also an important market for goods and services from the ASEAN as well as a provider of technology to this area. In 2015, Taiwan's exports to ASEAN member states amounted to US\$50.92 billion, while imports from that region reached US\$28.31 billion. In the "New Southbound Policy" 新南向政策 put forth by President Tsai, Taiwan in particular looks to further expand cultural and commercial exchanges with ASEAN countries and India.

To build closer ties with Indonesia, Taiwan's 12th-largest trade partner and top source of migrant laborers, Taiwan in December 2015 opened a trade office in Surabaya, the second largest city in Indonesia. The new office facilitates visa applications for migrant laborers coming to Taiwan, serve the ROC nationals traveling and working in Indonesia, and enhance bilateral cooperation in agriculture, fisheries, trade and education. In March 2016, the ROC and Indonesia inked a supervision cooperation MOU in banking, securities and insurance businesses.

In the aftermath of a fishing boat shooting incident in 2013, Taiwan and the Philippines held several meetings to discuss the handling of fishery disputes in overlapping

exclusive economic zones. In November 2015, the two sides signed a pact on law enforcement cooperation in fisheries matters, agreeing to avoid the use of violence or unnecessary force in disputes, establish an emergency notification system, and create a mechanism for the prompt release of detained crews and vessels. In March 2016, the two sides agreed to set up a hotline on fishing disputes and cooperate against illegal fishing.

Since Myanmar relaxed regulations on trade with Taiwan in 2013, businesses in both countries have benefited from direct trade. To further facilitate trade with the ROC, Myanmar established a trade office in Taipei in June 2015. In March 2016, the Taipei Economic and Cultural Office in Myanmar began operations to provide consular services and promote exchanges in trade and other areas.

## India

In January 2015, Minister without Portfolio Duh Tyzz-jiun 杜紫軍 led a 50-member delegation to the Global CEO Conclave event at the Vibrant Gujarat Summit 2015 held in western India. During the visit, the delegation called on high-level officials from the Indian central government and Gujarat state government. They also witnessed the signing of seven MOUs for cooperation between industry associations of Taiwan and India.

That same month, Indian Nobel Peace laureate Kailash Satyarthi visited Taiwan at the invitation of the ROC government. Minister of Foreign Affairs David Y.L. Lin 林永樂 presented a US\$50,000 donation on behalf of the government to Satyarthi's NGO for children's rights.

In December 2015, Taiwan and India signed an MOU on cooperation among SMEs.

## Nepal

After Nepal's devastating 7.9-magnitude earthquake in April 2015, the ROC government announced that it would donate US\$300,000 and send rescue teams for disaster relief efforts. The ROC government also appealed to the Taiwan

public to donate cash, food and other materials, collecting US\$3 million and 47 tonnes worth of goods in total. Taiwan dispatched 16 medical and rescue teams consisting of over 290 experts from the public and private sectors to help the Nepalese people.

### South Pacific

Following a significant economic cooperation agreement (ECA) signed in 2013, Taiwan and New Zealand in 2014 concluded pacts on accreditation and customs cooperation.

In June 2015, Taiwan inked an MOU and an agreement on fisheries cooperation with Papua New Guinea and the Solomon Islands. The accords are expected to enhance bilateral collaboration on the development of fishing industries and the sustainable management of fishery resources.

## Taiwan-Europe Relations

The ROC enjoys strong ties with Europe. The European Union is currently the ROC's leading source of foreign direct investment and fifth-largest trading partner, while the ROC is the EU's seventh-largest trading partner in Asia and 18th-largest worldwide. The annual Taiwan-EU Consultation Meeting, held alternately in Brussels and Taipei, serves as an important platform for promoting cooperation in major areas.

The close bilateral relations are evidenced by the more than 250 agreements concluded since 1988 between Taiwan and EU member states. These agreements span a wide range of areas, such as agriculture, air transportation, culture, education, finance, health care, intellectual property rights, research, taxation, technology, and working holiday programs.

Parliamentary exchanges in particular have played a valuable role in advancing the development of cooperative bilateral and multilateral ties over the years. The European Parliament-Taiwan Friendship Group, for example, has supported Taiwan's endeavors to play a constructive role in the international community and contribute to regional and global peace and prosperity.

Among the European Parliament resolutions favorable to Taiwan, one in October 2013 urged the European Commission to begin talks with Taiwan on an agreement concerning investment protection and market access. Another resolution, attached to an annual report concerning the

<b>Embassies and Missions Abroad</b>			
<i>Embassies</i>			
Belize	Holy See	Palau	São Tomé and Príncipe
Burkina Faso	Honduras	Panama	Solomon Islands
Dominican Republic	Kiribati	Paraguay	Swaziland
El Salvador	Marshall Islands	St. Christopher and Nevis	Tuvalu
Guatemala	Nauru	St. Lucia	
Haiti	Nicaragua	St. Vincent and the Grenadines	
<i>Missions<sup>1</sup></i>			
Argentina	France	Mexico	Singapore
Australia	Germany	Mongolia	Slovakia
Austria	Greece	Myanmar	South Africa
Bahrain	Hungary	Netherlands	South Korea
Belgium (European Union) <sup>2</sup>	India	New Zealand	Spain
Brazil	Indonesia	Nigeria	Sweden
Brunei	Ireland	Norway	Switzerland
Canada	Israel	Oman	Thailand
Chile	Italy	Papua New Guinea	Turkey
Colombia	Japan	Peru	United Arab Emirates
Czech Republic	Jordan	Philippines	United Kingdom
Denmark	Kuwait	Poland	United States of America
Ecuador	Latvia	Portugal	Vietnam
Fiji	Libya	Russia	World Trade Organization
Finland	Malaysia	Saudi Arabia	

1. The ROC has 94 representative offices in 58 countries in addition to a mission at the World Trade Organization headquarters in Geneva.

2. The ROC representative office in Belgium doubles as the nation's mission to the European Union.

Source: Ministry of Foreign Affairs, September 2016

EU Common Foreign and Security Policy, praised Taiwan's efforts in maintaining stability in the Asia-Pacific region, recognized the progress made in cross-strait relations, and reiterated support for Taiwan's meaningful participation in international organizations. In another annual report, the European Parliament resolved to push for the negotiation of a Taiwan-EU ECA and to encourage closer cooperation in culture, education, environmental protection, research and trade.

In October 2015, the European Commission released a trade strategy document stating the EU's intention to explore negotiations on investment matters with Taiwan.

Other positive developments in recent relations between the ROC and individual European countries are as follows:

- March 2015—Taiwan and Poland concluded an aviation agreement to facilitate bilateral flow of goods and peoples.
- April 2015—Taiwan and Slovakia signed an agreement on science and technology cooperation.
- November 2015—Belgium's Chamber of Representatives passed a resolution calling for ECA negotiations between the EU and Taiwan and supporting Taiwan's meaningful participation in international organizations.
- December 2015—Taiwan inked a working holiday MOU with the Czech Republic and completed an agreement with Italy on the avoidance of double taxation and tax evasion.
- January 2016—Taiwan and Poland signed an MOU on cooperation concerning pharmaceuticals and medical supplies.
- February 2016—Taiwan and Poland signed an MOU on mutual recognition of driver's licenses.
- May 2016—Taiwan and the United Kingdom concluded an agreement on prisoner transfer.

## Participation in International Bodies

As of April 2016, Taiwan enjoyed full membership in 37 intergovernmental organizations (IGOs) or their subsidiary

bodies. Taiwan participates in the World Trade Organization under the name Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and in the APEC forum under the name Chinese Taipei. In August 2015, the North Pacific Fisheries Commission became the latest IGO to welcome Taiwan as a member. In addition, the ROC has observership or other status in 22 other IGOs or their subsidiary bodies.

Among these 59 organizations, AVRDC – The World Vegetable Center and the Food and Fertilizer Technology Center for the Asian and Pacific Region, two renowned international organizations dedicated to promoting global and regional agricultural development, are headquartered in Taiwan.

In 2013, after years of efforts, Taiwan was invited to attend the 38th Assembly of the International Civil Aviation Organization (ICAO) as a guest of the president of the ICAO Council. This marked Taiwan's first opportunity to participate in the world aviation body since it lost its representation in the U.N. in 1971. Encouraged by this development, Taiwan will continue to seek further and broader participation in relevant ICAO meetings, mechanisms and activities. Currently, Taiwan is also seeking official observership in the U.N. Framework Convention on Climate Change (UNFCCC) as well as INTERPOL.

While full membership in the U.N. currently remains distant, the ROC government continues to seek meaningful and pertinent participation in U.N. specialized agencies and mechanisms crucial to the welfare of the people and the development of the nation, including the WHO, ICAO and the UNFCCC.

## Development and Humanitarian Assistance

In the 1950s, the ROC was the beneficiary of approximately US\$100 million in foreign aid each year, equivalent

to about 9 percent of its gross domestic product at the time. Thanks to such aid, it was able to come through the difficult post-war years and create an economic miracle in Taiwan.

The people of Taiwan are grateful for this generosity and feel morally obligated to help other societies in need. Over the past five decades, Taiwan has provided hundreds of millions of dollars' worth of financial, material and technical aid, accumulating an abundance of valuable experience and a long list of accomplishments in the process.

## International Cooperation and Development Fund

The International Cooperation and Development Fund (TaiwanICDF) 國際合作發展基金會 was established in 1996 as an independent agency implementing government-funded foreign aid programs. The organization's core operations include lending and investment, technical cooperation, humanitarian assistance, and international education and training. In 2015, the organization implemented 118 projects in partner countries, principally in Africa, the Caribbean, Latin America and Oceania.

TaiwanICDF volunteers share the fun of Chinese calligraphy with school-children in St. Christopher and Nevis. (Courtesy of TaiwanICDF)



The TaiwanICDF's lending and investment activities range from providing microfinancing to funding large-scale infrastructure projects through cooperation with multilateral development banks, and from assisting private-sector growth to boosting social development.

The organization also nurtures academic talent through its Higher Education Scholarship Program, which enables foreign students to study in a range of undergraduate and postgraduate degree programs at universities in Taiwan. The scholarships primarily focus on sustainable agricultural development, public health and medicine, science and technology, the humanities and social sciences, and private-sector development.

The broader goal of education and training operations at the TaiwanICDF is to spur social and economic progress by assisting partner countries in improving and expanding their pool of human resources. To this end, the organization conducts seminars and workshops on Taiwan's own development experiences for participants from around the world.

To utilize the talents of ROC nationals who are eager to share their know-how while learning from other cultures, the TaiwanICDF recruits medical professionals, technicians and agricultural experts to serve abroad. The organization also directs the Taiwan Youth Overseas Service 外交替代役, through which young men provide technical assistance abroad in place of military service at home.

In addition, the TaiwanICDF offers timely and long-term assistance in cooperation with like-minded public and private organizations in the event of natural or manmade disasters. It focuses on improving responses in terms of food security, health care, water supply, sanitation and hygiene.

## Contributions by Nongovernmental Organizations

Following societal changes, economic liberalization and democratic transformation over the past few decades, domestic NGOs have flourished. They have raised the ROC's



profile by working with renowned international nongovernmental organizations (INGOs) on projects closely aligned with U.N. Sustainable Development Goals.

In Cambodia, Pakistan, Thailand and Vietnam, Taiwan's NGOs have collaborated on agriculture, public health and poverty reduction with a variety of INGOs, such as the Humpty Dumpty Institute, the Border Consortium, Handicaps Enfants sans Frontière, Cleft Lip and Palate Association Pakistan, and Fullness in Christ Fellowship. In Africa, Taiwan's NGOs implemented educational and medical projects in Malawi and Swaziland. In South America, NGOs cooperated with the Christian Children's Fund of Canada and World Vision in El Salvador, Haiti and Paraguay. Related projects covered such areas as humanitarian aid, medical assistance, poverty eradication, democratization, human rights and sustainable development.

Taiwan's NGOs providing international assistance in the past few years include the Taiwan Root Medical Peace Corps 臺灣路竹會, which delivered medical services to countries such as Haiti, Honduras, Nicaragua, Panama and the Philippines; the Taipei Overseas Peace Service 中華人權協會台北海外和平服務團, which has worked for decades to provide primary education to refugee children in Thailand; the Amitofo Care Center 阿彌陀佛關懷中心, which has established orphanages in southern Africa and collaborated with the Puhsein Foundation 普賢教育基金會 to promote traditional Chinese education programs in Lesotho, Malawi and Swaziland; and World Vision Taiwan and the Taiwan Fund for Children and Families 臺灣兒童暨家庭扶助基金會, which have helped thousands of children around the globe through both public- and private-sector support.

In 2013, the Taiwan Alliance in International Development (Taiwan AID) 臺灣海外援助發展聯盟 was formed by 29 domestic NGOs, including the Eden Social Welfare Foundation 伊甸社會福利基金會, Noordhoff Craniofacial Foundation 羅慧夫顱顏基金會 and Zhi-Shan Foundation Taiwan 至善社會福利基金會. Taiwan AID continues to serve as a platform

for experience and information sharing and cooperation in the fields of humanitarian aid, post-disaster reconstruction, long-term development and education.

In 2014, Taiwan AID held an emergency shelter workshop in cooperation with the MOFA, the United States Agency for International Development (USAID), and the USAID's Office of U.S. Foreign Disaster Assistance, forming a new model for humanitarian assistance and disaster relief cooperation between Taiwan and the U.S. through an NGO.

Taiwan is also the birthplace and headquarters of the Buddhist Compassion Relief Tzu Chi Foundation 佛教慈濟慈善事業基金會, the world's largest Buddhist charity. The foundation has some 10 million regular financial supporters worldwide and 250,000 volunteer workers serving in 49 countries and provides medical services, emergency relief, and various types of long-term assistance all over the world. Its members are typically among the first to reach the scenes of major natural disasters. ■

## RELATED WEBSITES

- › Ministry of Foreign Affairs: <http://www.mofa.gov.tw>
- › NGOs in Taiwan: <http://www.taiwannngo.tw>
- › International Cooperation and Development Fund: <http://www.icdf.org.tw>
- › Taipei Overseas Peace Service: <http://www.cahr.org.tw/tops>
- › Buddhist Compassion Relief Tzu Chi Foundation: <http://www.tzuchi.org>
- › AVRDC – The World Vegetable Center: <http://avrdc.org>
- › Food and Fertilizer Technology Center: <http://www.agnet.org>
- › Taiwan Fund for Children and Families: <http://www.ccf.org.tw>



A photograph of a wide, modern staircase with a concrete wall on the left and a pink banner in the background. The scene is lit with warm, ambient lighting. The image is framed by a white background with pink splatters and a large, stylized number '4' in the bottom left corner.

4

# CROSS-STRAIT RELATIONS



One of the most renowned bookstore chains in Taiwan, eslite Corp. opened its first mainland China store in the city of Suzhou in November 2015. (Courtesy of eslite Corp.)

## Evolving Relationship

At the time the Republic of China (ROC) was founded in mainland China in 1912, Taiwan was under Japanese rule as a result of the 1895 Treaty of Shimonoseki, by which Qing-dynasty 清朝 China (1644-1912) ceded the island province to Japan. At the end of World War II in 1945, the ROC government declared Taiwan a province of the Republic. Four years later, after fighting a civil war with Chinese Communist Party (CCP) rebels, the ROC government led by the Chinese Nationalist Party, or Kuomintang (KMT) 中國國民黨, relocated to the island. The CCP regime, meanwhile, declared the establishment of the People's Republic of China (PRC).

Since then, the ROC government's effective jurisdiction has been limited to Taiwan and the Penghu 澎湖, Kinmen 金門 and Matsu 馬祖 archipelagos, in addition to a number of smaller islands. Estrangement and military tension marked relations between the two sides of the Taiwan Strait until the early 1990s, when cross-strait talks were launched and later became institutionalized in mid-2008, moving on to a relationship of extensive economic and people-to-people exchanges.

### 1949-1987: From Mutual Denial to Initial Opening

During the Cold War, the Taipei-based, KMT-led government and the Beijing-based, CCP-led government denied each other's legitimacy. Each claimed sovereignty over all of China inclusive of the mainland and Taiwan and attempted or threatened to use force to resolve the issue. In 1979, Beijing's 北京 policy statements began to stress the use of "peaceful" means to achieve unification. Taipei 臺北 responded to this with a "three noes" policy—no contact, no negotiation and no compromise.

Beginning in the 1980s, the ROC underwent political democratization as well as economic liberalization. Since the

lifting of martial law in 1987, Taipei has adopted progressively more open policies toward Beijing, spurring economic, cultural and educational exchanges.

## 1988-2000: Lee Teng-hui Administration

The administration of President Lee Teng-hui 李登輝 took steps to put the cross-strait relationship on a realistic footing. In 1990, an advisory panel called the National Unification Council 國家統一委員會 was established under the Office of the President 總統府. In February 1991, the council issued the Guidelines for National Unification 國家統一綱領, which affirmed a “one-China principle” and outlined a three-phase approach to unification. The first phase called for the mainland to democratize and carry out economic reform.

In May of the same year, President Lee announced the termination of the Period of National Mobilization for Suppression of the Communist Rebellion 動員戡亂時期, inferring that the ROC government no longer looked upon the CCP and its mainland government as seditious organizations that must be suppressed, and indirectly acknowledging the reality that the two were on an equal footing.

In 1991, the Cabinet-level Mainland Affairs Council (MAC) 行政院大陸委員會 was founded to serve as the official agency responsible for the nation’s cross-strait policies. At the same time, the semi-official Straits Exchange Foundation (SEF) 海峽交流基金會 was set up under the direction of the MAC with the mission of negotiating agreements and consulting on technical and practical matters with mainland authorities. In addition, laws and regulations were enacted or amended to facilitate economic and cultural interaction with the mainland.

The establishment of the SEF and, soon thereafter, its mainland Chinese counterpart, the Association for Relations Across the Taiwan Straits (ARATS) 海峽兩岸關係協會, signaled the realization in both Taipei and Beijing that, despite continuing mutual non-recognition of each other’s legitimacy, it was imperative to begin interacting on a basis of mutual

respect. The semi-official nature of the SEF and ARATS allows the two governments to negotiate practical issues without affirming the sovereign status of the other side.

In October 1992, the SEF and ARATS held preparatory talks in Hong Kong—the first time authorized representatives of the Taipei and Beijing governments had done so. The understandings reached in 1992 served as the basis for the two sides to hold institutionalized talks in Singapore in 1993, turning a new page on cross-strait relations.

To protest the United States' decision to allow President Lee to visit the country in June 1995, the mainland indefinitely postponed further SEF-ARATS negotiations that had been scheduled for July 1995 in Beijing. That same month, tensions escalated when mainland armed forces test-fired missiles into waters off the coast of Taiwan. In the run-up to the ROC's first direct presidential election in March 1996, Beijing intensified military exercises in the Taiwan Strait region, once again shooting missiles into Taiwan's coastal waters.

In October 1998, the SEF and ARATS resumed talks in Shanghai 上海 but made no progress on substantive issues. In July 1999, Beijing once again suspended talks in protest against President Lee's characterization of cross-strait ties as a “state-to-state relationship or at least a special state-to-state relationship” during an interview with Deutsche Welle, a German radio station. CCP leaders claimed that his assertion of the existence of “two Chinas” was tantamount to a declaration of “Taiwan independence.”

Despite the failure of cross-strait talks to build on the initial successes of 1992 and 1993, the ROC government gradually eased restrictions on the movement of people, goods, capital and technology from Taiwan to mainland China.

## 2000-2008: Chen Shui-bian Administration

In 2000, Chen Shui-bian 陳水扁 of the Democratic Progressive Party (DPP) 民主進步黨 was elected president and was re-elected in 2004. In his first inaugural address,

President Chen pledged not to initiate any move—such as pushing to adopt a new official name for the nation—that might be interpreted as altering the status quo. On several occasions, he urged Beijing to cooperate in establishing a “peace and stability framework.”

The Chen administration took a number of further measures that demonstrated Taiwan’s good will:

- Relaxed restrictions on imports from the mainland, mainland-bound investment, and the functions and scope of offshore shipping centers.
- Permitted journalists from the mainland to visit Taiwan (although this privilege was later withdrawn).
- Opened Taiwan to visits by people of the mainland who lived in, or first traveled to, a third country.
- Negotiated cross-strait charter flights for ROC citizens during holidays and for humanitarian purposes.
- Authorized Taiwan-based financial institutions to open liaison offices in the mainland.

At the time, cross-strait shipments and travelers from Taiwan to the mainland had to make inconvenient, expensive detours through Hong Kong or third countries. With booming growth in cross-strait trade and visits of Taiwanese



Mainland Chinese tourists visit a historical building on Taiwan’s outlying Kinmen Islands, just 2 kilometers from mainland China’s Xiamen City. (Courtesy of the Kinmen County Government)



businesspeople and tourists to the mainland, the Chen administration called for a resumption of cross-strait negotiations, with a priority on signing agreements to open up “three links” 三通—direct transportation of people and goods as well as direct postal service and commercial transactions. Beijing rejected this overture to resume the cross-strait dialogue, however, insisting that this would be possible only if the Chen administration affirmed that Taiwan and the mainland constitute a single China and must eventually be unified.

In the face of the impasse in negotiating the establishment of direct links, President Chen early in his first term unilaterally approved the opening of direct seaborne passenger transportation for ROC citizens on ROC-registered boats between the Kinmen and Matsu islands and a number of mainland seaports. With no objection forthcoming from Beijing, this arrangement—known as the “mini three links” 小三通 although it did not involve postal or commercial transactions—began on January 1, 2001.

The Beijing authorities continued to expand military deployments opposite Taiwan throughout the eight years of the Chen administration. Large-scale military exercises simulating attacks on Taiwan also continued to be held annually. Meanwhile, Beijing maneuvered to block Taipei’s participation in international forums and to hinder its diplomatic endeavors.

On March 14, 2005, the Beijing government enacted an “anti-secession law,” which authorizes the People’s Liberation Army to use “non-peaceful means” to achieve cross-strait unification should Taiwan’s people attempt to “secede” from the PRC. In response, President Chen issued a six-point statement, stressing that Taiwan’s sovereignty belongs only to its 23 million people, and that any law calling for violation of the basic rights and interests of others was a setback for human civilization.

A year later, in February 2006, President Chen declared that the Guidelines for National Unification had “ceased to apply” because they had been drawn up by an ad hoc presidential commission in the days before citizens had the right

## SEF-ARATS Talks and Agreement Topics

### *First Round, June 13, 2008 (Beijing)*

- Cross-strait charter flights (commenced July 4, 2008)
- Direct travel of mainland tourists to Taiwan (started July 18, 2008)

### *Second Round, November 4, 2008 (Taipei)*

- Direct cross-strait maritime shipping
- Direct cross-strait postal service
- Mechanism for consultation on food safety
- Expansion of charter flights

### *Third Round, April 26, 2009 (Nanjing)*

- Regularly scheduled passenger and cargo flights
- Financial cooperation in currency management, joint supervision of financial industries (three subsequent MOUs came into effect January 16, 2010)
- Judicial mutual assistance, combating crime
- Joint statement of understanding on allowing mainland investment in Taiwan

### *Fourth Round, December 22, 2009 (Taichung)*

- Agricultural product inspection, quarantine procedures
- Product quality standards (metrology, testing, certification, accreditation)
- Labor standards, rules regarding fishing boat crews

### *Fifth Round, June 29, 2010 (Chongqing)*

- Liberalization, facilitation of cross-strait trade in goods, services (ECFA)
- Intellectual property rights protection, cooperation

### *Sixth Round, December 21, 2010 (Taipei)*

- Medical, health cooperation (control of communicable diseases; medical and pharmaceutical R&D, safety management; emergency treatment of each other's citizens)

### *Seventh Round, October 20, 2011 (Tianjin)*

- Nuclear power safety cooperation (nuclear plant safety exchanges, emergency mechanisms, radiation monitoring)

### *Eighth Round, August 9, 2012 (Taipei)*

- Investment promotion and protection (fair treatment, loss compensation, dispute mediation, contact mechanisms)
- Joint statement on investors' personal safety protection
- Customs cooperation (reduction of non-tariff barriers, compliance with international standards, facilitation of customs clearance)

### *Ninth Round, June 21, 2013 (Shanghai)*

- Cross-strait trade in services (opening of business, communication, construction, distribution, environment, finance, welfare, tourism, recreation, transport and other sectors)—pending legislative approval

### *Tenth Round, February 27, 2014 (Taipei)*

- Meteorological cooperation
- Seismological monitoring cooperation

### *Eleventh Round, August 25, 2015 (Fuzhou)*

- Aviation safety cooperation
- Double taxation avoidance, tax cooperation

to elect their leader and make their voices effectively heard. Moreover, the framers of the guidelines had premised them on a “one-China principle” and the presumption of eventual unification without consulting the people of Taiwan.

## 2008-2016: Ma Ying-jeou Administration

Relations between Taiwan and mainland China have warmed since President Ma Ying-jeou 馬英九 of the KMT took office in May 2008. In his first inaugural address, Ma enunciated the imperative of maintaining the status quo during his term of office under the framework of the ROC Constitution. This means no unification talks with the mainland, no pursuit of Taiwan independence and no use of force to settle sovereignty issues. He also called upon the two governments to “face reality, pioneer a new future, shelve disputes and pursue win-win solutions.”

Immediately after taking office, the Ma administration moved to reactivate SEF-ARATS negotiations that had been in hiatus for a decade. The historic first round of talks, held in June 2008 in Beijing, produced the first cross-strait agreements in 15 years. The second round, held five months later in Taipei, marked the first time a mainland Chinese negotiating team had come to Taiwan.

As of July 2016, 11 rounds of talks had been held, producing 23 formal agreements and two consensuses (see table “SEF-ARATS Talks and Agreement Topics”). The agreements address the economic interests and general welfare of people on both sides of the Taiwan Strait without touching on sovereignty issues.

Meanwhile, in 2010, Taiwan and mainland China’s Hong Kong Special Administrative Region established the Taiwan-Hong Kong Economic and Cultural Cooperation Council 臺港經濟文化合作策進會 and the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council 港台經濟文化合作協進會 as platforms for fostering closer economic and cultural ties. Under the two platforms, one memorandum and one agreement had been inked and more than 20



ROC President Ma Ying-jeou (left) and his mainland Chinese counterpart Xi Jinping at a meeting in Singapore in November 2015—the first between the leaders of the two sides since 1949. (Courtesy of the Office of the President)

exchange and cooperative projects had been promoted as of March 2016.

In 2011, the ROC representative office in Hong Kong, formerly called the Chung Hwa Travel Service 中華旅行社, was renamed the Taipei Economic and Cultural Office in Hong Kong, reflecting an enhancement of its functional status and its ROC personnel's diplomatic privileges. The name of the ROC representative office in Macau was changed from the Taipei Economic and Cultural Center to the Taipei Economic and Cultural Office in Macau. Later that year, the governments of Hong Kong and Macau also established representative offices in Taipei. As of March 2016, Taiwan and Macau had signed two agreements through their respective representative offices.

Cross-strait ties turned a new page in February 2014 when MAC Minister Wang Yu-chi 王郁琦 led a delegation to Nanjing 南京 and met with his mainland counterpart Zhang Zhijun 張志軍, director of the Taiwan Affairs Office (TAO) 國務院臺灣事務辦公室, marking the highest-level government-to-government talks between Taiwan and mainland China since they came under separate rule in 1949. The TAO director reciprocated by leading a mainland delegation to Taiwan in June 2014.

As of July 2016, MAC and TAO heads had met four times, discussing issues regarding expanding economic cooperation, establishing reciprocal offices, extraditing economic criminals, and participation in regional economic integration initiatives. They had also reached agreements on granting customs clearance privileges to related personnel, institutionalizing cross-strait negotiations, and reinforcing exchanges in culture and education.

On November 7, 2015, President Ma met with his mainland Chinese counterpart Xi Jinping 習近平 in Singapore. The landmark meeting was the first between the top leaders of the two sides since 1949.

### Cross-Straits Economic Cooperation Framework Agreement

Signed by the SEF and ARATS on June 29, 2010, the Cross-Straits Economic Cooperation Framework Agreement (ECFA) 海峽兩岸經濟合作架構協議 was ratified by the Legislative Yuan (Legislature) 立法院 in August 2010 and came into force the following month.

The primary aim of the ECFA is to facilitate systematization and liberalization of trade and economic relations across the Taiwan Strait. It calls for the progressive elimination or reduction of tariffs on most goods as well as the opening of the service sector to investment and competition. Under the agreement's early harvest program, tariffs on 539 Taiwan-made products and 267 mainland goods were reduced in three stages, becoming completely eliminated as of January 2013.

In January 2011, the two sides established the Cross-Strait Economic Cooperation Committee 兩岸經濟合作委員會 as a platform for conducting follow-up negotiations on the ECFA. The committee meets regularly to assess the progress of the ECFA's implementation, explore cooperation in various industries, form responses to the global economic downturn, and discuss strategies for expanding international markets.

## 2016-Present: Tsai Ing-wen Administration

In 2016, Tsai Ing-wen 蔡英文 of the DPP was elected president. In her inaugural address, she vowed to safeguard the ROC's sovereignty and territory by promoting peace and stability in cross-strait relations and maintaining the existing mechanisms for dialogue and communication across the Taiwan Strait.

President Tsai said the stable and peaceful development of the cross-strait relationship must be continuously promoted based on existing realities and political foundations, which contain four main elements: the historic fact of the 1992 cross-strait talks, where both sides sought common ground despite their political differences and arrived at a number of understandings; the ROC constitutional order; the fruits of more than two decades of cross-strait consultations and exchanges; and Taiwan's democratic principles and popular opinion.

She also emphasized that the two governing parties across the Taiwan Strait must set aside the baggage of history and engage in positive dialogue for the benefit of the people on both sides.

## Expanding Exchanges

In addition to the negotiation of agreements, since May 2008 central and local governments have implemented a number of measures to expand private, commercial and semi-official exchanges across the strait and promote people-to-people interactions, all with an aim to enhance mutual understanding and facilitate regional peace and prosperity.

## Economic Cooperation

On the economic front, the regulatory cap on Taiwan-based companies' investments in mainland China has been raised from 40 percent to 60 percent of their net worth. Further, a number of new regulations have been promulgated in

line with the April 2009 joint statement on allowing mainland investment in Taiwan.

On August 31, 2012, Taiwan and mainland China signed the Memorandum on Cross-strait Currency Clearing Cooperation 海峽兩岸貨幣清算合作備忘錄 to pave the way for collaboration on a currency swap mechanism while allowing Taiwanese institutions to offer yuan-denominated settlement services.

Between 2011 and 2013, Taiwan and mainland China set up three financial supervisory platforms based on three memoranda of understanding signed in November 2009. Under the Cross-strait Banking Supervisory Cooperation Platform 兩岸銀行監理合作平臺, the Cross-strait Securities and Futures Supervisory Cooperation Platform 兩岸證券期貨監理合作平臺 and the Cross-strait Insurance Supervisory Cooperation Platform 兩岸保險監理合作平臺, the two sides meet regularly to conduct institutionalized consultations on market access, flow of capital, supervisory regulations, maintenance of financial stability and deeper bilateral cooperation.

## Cross-strait Movement of People

Cross-strait movement of people has increased rapidly since the ROC government began allowing private visits to mainland China in 1987. Group tourists from the mainland were also allowed to travel directly to Taiwan beginning 2008. In 2015 alone, ROC citizens made 5.49 million visits to the mainland (excluding Hong Kong and Macau) while mainland Chinese made 4.14 million visits to Taiwan.

The ROC's semi-official Taiwan Strait Tourism Association (TSTA) 臺灣海峽兩岸觀光旅遊協會 opened an office in Beijing in May 2010 to expand channels of communication and cooperation with government agencies, private companies, media organizations and Taiwanese business associations on the mainland. That same month, the TSTA's mainland Chinese counterpart, the Cross-Strait Tourism Exchange Association 海峽兩岸旅遊交流協會, opened an office in Taipei. The two openings marked the first exchange of



Mainland Chinese airlines offer flight services at Taipei Songshan Airport for tourists traveling across the Taiwan Strait.

semi-official offices between the two sides of the Taiwan Strait since they became separately governed more than six decades ago.

In June 2011, Taiwan opened its doors to independent tourists from three mainland cities—Shanghai, Beijing and Xiamen 廈門—for maximum stays of 15 days per visit. As of March 2016, the total number of eligible cities had been increased to 47, and the daily arrival quota had also increased to 5,000 in 2015. During 2015, solo tourists from the mainland made around 1.33 million visits.

Starting January 1, 2015, mainland Chinese visitors to Taiwan's outlying islands of Kinmen, Matsu and Penghu no longer have to apply for travel permits in advance. They will be given landing visa privileges that allow stays of up to 15 days on these islands.

## Other Liberalization Measures

ROC government prohibitions on visits of its high-level officials to the mainland have been relaxed, while central- and local-government agencies are now permitted to invite mainland officials to visit Taiwan. And amendments to the



Act Governing Relations between the People of the Taiwan Area and the Mainland Area 臺灣地區與大陸地區人民關係條例 have bolstered the employment and inheritance rights of mainland spouses, and have reduced the waiting period for acquiring ROC identity cards to six years.

Ten mainland Chinese media outlets, including Xinhua News Agency 新華社, *People's Daily* 人民日報 and China Central Television 中央電視台, are currently allowed to post correspondents in Taiwan. Mainland reporters are allowed to visit for up to three months at a time, extendable for a further three months if necessary, and the number of visiting reporters permitted per media organization has increased to five.

Restrictions on students from mainland China wishing to pursue higher education in Taiwan have been relaxed and their diplomas are now recognized. The first batch of mainland students—numbering 928 persons—began studying at universities in Taiwan in September 2011. In the 2015-2016 school year, 7,813 mainland students attended degree programs at Taiwan's universities, including 3,019 newly enrolled students. Meanwhile, 34,114 exchange students from mainland China came to Taiwan in 2015 for short-term studies.

## Looking Forward

Following the will and consensus of the Taiwanese people, the government will work to maintain the status quo across the Taiwan Strait and continue friendly relations with mainland China through a low-key and surprise-free approach.

Cross-strait exchanges will also be a priority in bringing the greatest benefits and well-being to the people. Only through interactions can the two sides bridge differing perspectives, enhance mutual understanding, and build mutual trust, all of which are important foundations for cross-strait relations.

Taiwan looks forward to a reciprocity of goodwill from Beijing and hopes the mainland authorities can conduct

cross-strait relations in a way that respects Taiwan's democratic system, national identity and international space. This will benefit the people on both sides while promoting peace and stability in the Asia-Pacific region and the world. ■

## RELATED WEBSITES

- › Mainland Affairs Council: <http://www.mac.gov.tw>
- › Straits Exchange Foundation: <http://www.sef.org.tw>
- › Office of the President: <http://www.president.gov.tw>
- › Taiwan Strait Tourism Association: <http://tst.org.tw>
- › Financial Supervisory Commission: <http://www.fsc.gov.tw>





5

**NATIONAL  
DEFENSE**



A camouflaged soldier conducts surveillance and reconnaissance during an exercise at the Army Infantry Training Command. (Courtesy of the Military News Agency)



## Strategic Importance

Taiwan is located between Japan and the Philippines at the center of the nearest chain of archipelagos to the coast of the East Asian continental mainland and sits astride two of the region's most important sea traffic channels, the Taiwan Strait and the Bashi Channel. The island therefore is key to world maritime geo-strategy and pivotal to stability in the Asia-Pacific. Taiwan aims to take advantage of this strategic importance to cooperate with neighboring countries to prevent regional conflicts and pursue mutual economic prosperity.

## Military Threat

Sovereignty disputes between the two sides of the Taiwan Strait have persisted since 1949, when the government of the Republic of China (ROC) moved from mainland China to Taiwan and the Chinese Communist Party established its government in Beijing 北京.

Despite the easing of tensions following cross-strait economic talks and various forms of cooperation in recent years, Beijing still constitutes a major military threat to the ROC's national security. It has not renounced the use of force to settle sovereignty disputes; in 2005, it even enacted the so-called Anti-Secession Law in an attempt to give itself a legal basis to settle the sovereignty issue through non-peaceful means.

Mainland China's military buildup has continued unabated and poses an imminent threat against the ROC. Over 1,500 of its ballistic and cruise missiles are targeted at Taiwan. Hundreds of combat aircraft and warships are routinely deployed along the southeastern coast of mainland China, directly facing the Taiwan Strait.

Espionage is also ceaselessly employed against Taiwan through human intelligence and cyberwarfare. ROC

authorities estimate that the mainland has raised an army of over 180,000 hackers to attack Taiwan's government and industrial websites and steal sensitive information.

## Defense Posture

The ROC Armed Forces maintain strong capabilities as a credible deterrent to defend Taiwan's democratic society from aggression and to promote peace and prosperity in the Asia-Pacific region. To that end, the ROC government is committed to upgrading the nation's defense capabilities in a timely manner. It does so by making essential purchases of military hardware and by enhancing the nation's self-reliance in defense-related research and development (R&D) and manufacturing.

International security cooperation is also an important aspect of ROC defense policy. Forms of collaboration include technical exchanges, sharing of intelligence, and military exchanges in all aspects.



A *Chi Yang*-class frigate shows off its all-weather, all sea-conditions anti-submarine missile system in a simulated attack. (Courtesy of the Ministry of National Defense)

## National Defense Reports

In compliance with the National Defense Act 國防法, the Ministry of National Defense (MND) annually publishes the *Report on Mainland China's Military Forces* 中共軍力報告書, *Five-year Force Buildup Plan of the ROC Armed Forces* 中華民國五年兵力整建 and *Administration Plan* 施政計畫報告. The MND submits these three documents, together with its budget proposals, to the Legislative Yuan (Legislature) 立法院 for review. The MND also publishes the *National Defense Report* (NDR) 國防報告書 biennially and submits a *Quadrennial Defense Review* (QDR) 四年期國防總檢討 to the Legislature within 10 months after each presidential inauguration to inform the public of the government's defense policies. The latest QDR was published in March 2013, and the latest NDR was released in October 2015.

## Command Structure

As stipulated by the ROC Constitution and the National Defense Act, the president is the commander-in-chief of the armed forces, empowered to give direct orders to the minister of national defense. The defense minister, in turn, gives orders to the chief of the general staff for execution.

The president also serves as the chairman of the National Security Council (NSC) 國家安全會議. The NSC is mandated to make recommendations for the president's reference in decision-making on matters critical to national interests. The NSC members include the vice president, premier, heads of key ministries, chief of the general staff, NSC secretary-general and director-general of the National Security Bureau 國家安全局, which is under the NSC.

For most administrative matters in peacetime, the MND makes recommendations to the Executive Yuan 行政院—headed by the premier—which finalizes decisions and supervises policy implementation. The Legislative Yuan is empowered to

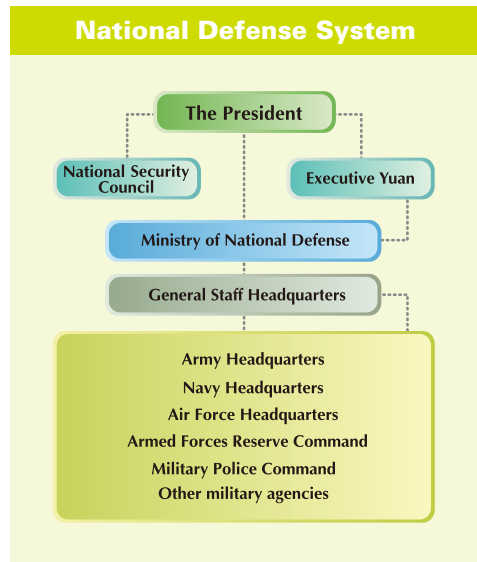
request MND officials to attend committees and plenary sessions, and it can also influence defense policies by modifying the Executive Yuan's budget proposals.

## Armed Forces

The Army is an agile land-based defense force and safeguards areas of strategic importance. The Navy conducts maritime patrols to maintain security in the ROC's territorial waters. It also coordinates with the Army and the Air Force to counter enemy maritime blockades or attacks to secure Taiwan's sea lines of communication. The Air Force's primary mission is to safeguard the nation's airspace and provide early warning and aerial surveillance. These branches have bases around Taiwan and on offshore islands.

Additional units of the Armed Forces that play combat roles include the Air Defense Missile Command 防空飛彈指揮部 and the Information and Electronic Warfare Command 資電作戰指揮部 of the General Staff Headquarters 國防部參謀本部. Other military organizations that play essential support roles include the Army Logistics Command 陸軍後勤指揮部, the Reserve Command 後備指揮部 and the Military Police Command 憲兵指揮部.

While the Armed Forces' primary mission is to protect the nation from external aggression, another role entrusted to them, pursuant to the Disaster Prevention and Protection Act 災害防救法, is to perform rapid-response rescue and relief



Source: Ministry of National Defense





operations in accidents and natural disasters. In 2015, the Armed Forces rescued victims of a water park explosion, conducted search-and-rescue after a domestic airliner crash, cleaned up after typhoons, and helped bring several epidemics under control.

In line with world trends in military environments and technologies, the ROC Armed Forces will be further streamlined from the current 215,000 members to between 190,000 and 200,000. The nation's defense budget for 2016 was NT\$320.10 billion (US\$9.60 billion), 16.20 percent of the general budget of the ROC central government.

### Weapon System Upgrades

To maintain military balance of power across the Taiwan Strait, the ROC manufactures its own weapons while purchasing arms from the U.S. and other countries. From 2013 to 2018, the nation will take delivery of 30 AH-64E Apache attack helicopters, 60 UH-60 Black Hawk utility helicopters, 12 P-3C Orion anti-submarine aircraft and six Patriot missile systems from the U.S. Taiwan also launched its first locally designed stealth missile corvette, the *Tuo Jiang* 沱江 and a new naval supply vessel, the *Pan Shi* 磐石. In December 2015, the U.S. government announced its fourth arms sale to Taiwan since 2008. The US\$1.83 billion deal included two *Perry*-class frigates, data link systems, surface-to-air missiles, anti-tank missiles, amphibious assault vehicles, and shipborne close-in weapon systems intended to counter missiles.

### Defense Industry

The National Defense Act mandates that priority be given to acquisition of domestically manufactured equipment over the procurement of arms from abroad. It further requires that, insofar as possible, procurements from abroad be tied to technology transfers. Domestic defense-related enterprises and institutions have a high degree of technological

## National Military Museum

A museum honoring the bravery and patriotism of the nation's military and civilian personnel who fought to safeguard the ROC will be established in Taipei City 臺北市 by 2023.

In addition to showcasing the history and preserving the relics of the ROC military, the museum is dedicated to all those who defended Taiwan from foreign attacks, including during the Sino-French War (1884-1885) and the Japanese invasion of Taiwan (1945). Also, the story of comfort women, who were forced into sexual slavery by the occupying Japanese army, will be documented by the museum.

Museum exhibitions will highlight the military's development before the establishment of the ROC and the nation's early years, as well as how the Armed Forces have modernized since the government's relocation to Taiwan in 1949.

Built on an MND-owned property, the museum will include a 10-floor main exhibition hall for educational and cultural uses and a six-floor annex for leisure and recreation. Total floor space is expected to top 55,800 square meters.

sophistication in the areas of aviation, missilery, electronics and materials technologies.

The National Chung-Shan Institute of Science and Technology (NCSIST) 國家中山科學研究院 is Taiwan's leading institution for defense R&D, engaging in the development, management and integration of advanced weapon systems. Among those that have been deployed are Sky Bow I and II surface-to-air missiles 天弓飛彈, Sky Sword I and II air-to-air missiles 天劍飛彈 and Hsiung Feng I, II and III anti-ship missiles 雄風反艦飛彈. The NCSIST unveiled its first unmanned aerial vehicles in 2012, followed by a lighter, more portable version in December 2014.

Formerly state-owned, Aerospace Industrial Development Corp. (AIDC) 漢翔航空工業股份有限公司 is internationally

recognized as a top-quality manufacturer and is highly regarded for its R&D in the field of aviation. It designed and produced the Ching-kuo Indigenous Defense Fighter 經國號戰鬥機, which has been one of the mainstays of the ROC Air Force's fleet since the late 1990s. Prior to the development of the Ching-kuo fighter, the AIDC coproduced the F-5E/F Tiger II with U.S.-based Northrop Grumman Corp. In addition to its military businesses, the AIDC is currently collaborating with Rolls-Royce, GE Aviation and other global aircraft manufacturers on civilian aircraft.

## Personnel and Service System

There are two categories of national defense personnel: civilian and military. Civilian personnel are recruited through national examinations and a more flexible open selection process, while military personnel are inducted through conscription or voluntary examination and recruitment.

Currently, all healthy male citizens of the ROC who satisfy the Armed Forces' physical fitness standards are obligated to complete a term of military service at the earliest available opportunity between January 1 of the year after the calendar year in which they turn 18 years old and December 31 of the year of their 36th birthday. Senior high school and university students can defer military service until graduation.

At present, all draftees are eligible to apply for substitute service positions in lieu of military service, as provided for in the Enforcement Statute for Substitute Services 替代役實施條例 of 2007. Following a short period of basic military training, those admitted to the program are placed in positions according to their interests and skills.

Substitute service falls into two categories: general and R&D. Draftees who opt for general substitute service can serve in a wide variety of positions, including as security guards, firefighters, social workers, medical personnel and overseas humanitarian project workers. Draftees performing

R&D substitute service must have at least a master's degree and are required to work for three years at Ministry of the Interior-approved government institutions, public or private research centers or universities.

Currently, the period of compulsory military service of draftees who were born before 1994 is 12 months. Male citizens born in or after 1994 are only required to receive four

## Safeguarding Military Human Rights

Addressing growing public concerns over human rights issues in the military, Taiwan has taken a number of reform measures in recent years to protect the rights of servicemen and servicewomen.

In 2013, amendments were made to the Code of Court Martial Procedure 軍事審判法 and the National Security Act 國家安全法 to transfer the jurisdiction of all military criminal cases to civilian courts during peacetime, altering the decades-long military judicial system.

That same year, the Criminal Code of the Armed Forces 陸海空軍刑法 was amended to include a clear definition of abuse. After applying this definition to the review of over 1,300 military training doctrines and nearly 70 high-risk physical courses, Taiwan in January 2015 established a unified guideline for the Armed Forces' education, training, combat operations, and military operations other than war.

In April 2015, the Act of Punishment of the Armed Forces 陸海空軍懲罰法 was amended to make the military discipline system more humane. "Reform training" was ended as a form of punishment, confinement locations were changed from detention barracks to the less harsh "penitence rooms," and soldiers may appeal to civilian courts for military punishment they deem inappropriate.

To instill the values of rule of law and human rights in all service members, Taiwan also overhauled the military education system to incorporate legal education and human rights protection as advocated in international covenants.



months' basic military training before becoming members of the reserve forces.

In order to build a modern armed force, the MND is gradually increasing the number of volunteer personnel, aiming to eventually shift to an all-volunteer military. Furthermore, the MND is endeavoring to bolster recruitment and retention by offering a better service environment, attractive wages, off-the-job training and veteran employment services. In September 2015, the Provisional Statute Governing the Promotion of a Volunteer Military Force 推動募兵制暫行條例 was passed to increase incentives and benefits for volunteer service members. For the 2015 recruitment year, the MND recruited 18,550 individuals, exceeding the year's target of 14,000.

### Military Education

The MND provides pre-service education for those wishing to become professional soldiers. Students who receive undergraduate degrees from college-level military academies may become commissioned officers, while those who wish to begin active service after graduating from senior high school-level military academies can become noncommissioned officers.

Throughout their careers, ROC professional soldiers are provided with abundant opportunities—and, in some instances, are required—to undergo supplementary in-service education and training to hone their skills and leadership capabilities.

The MND is striving to improve the military education system and prepares selected officers from each service to study abroad at strategy institutes, staff and command colleges, and various think tanks around the world. National Defense University 國防大學 also designs and provides diversified classes on strategic planning, operations, command and disaster relief in order to enhance future commanders' capabilities.

### Homeland Security

In addition to combat preparedness, the ROC government attaches great importance to other aspects of homeland

security. These include preventing terrorist attacks; gathering and sharing intelligence and information; safeguarding territorial airspace and waters; protecting critical infrastructure; maintaining operations of essential public- and private-sector functions in times of crisis; strengthening information security; and assisting in emergency response and management.

Air-raid practice and disaster drills (including the Wan-an 萬安 and the Min-an 民安 exercises) have been held annually to buttress the abilities of local governments to coordinate with the military not only in times of war but also in the event of a natural disaster, nuclear accident or any other incident threatening lives and property. The Han Kuang exercise 漢光演習, which includes command post and field training exercises, is held annually to consolidate joint operations among the three branches of the Armed Forces while enhancing their overall fighting capabilities and combat readiness.

The Executive Yuan's Office of Disaster Management 災害防救辦公室 and Office of Homeland Security 國土安全辦公室 cooperate closely with the Armed Forces to integrate emergency responses to man-made and natural disasters, communicable disease and terrorist threats. Meanwhile, the Coast Guard Administration 海岸巡防署, which is independent of the Armed Forces, implements the An Hai Project 安海專案 to crack down on the smuggling of goods and trafficking of arms, drugs and persons. ■

## RELATED WEBSITES

- ▶ Ministry of National Defense: <http://www.mnd.gov.tw>
- ▶ National Security Bureau: <http://www.nsb.gov.tw>
- ▶ National Chung-Shan Institute of Science and Technology: <http://www.ncsist.org.tw>
- ▶ Aerospace Industrial Development Corp.: <http://www.aidc.com.tw>
- ▶ Coast Guard Administration: <http://www.cga.gov.tw>





# ECONOMY & FINANCE



A worker conducts final inspections at Piksiang Machinery MFG. Co., which launched the world's first four-wheeled electric scooter for the mobility impaired in 1989. (Courtesy of the Ministry of Foreign Affairs)



## National Competitiveness

Taiwan plays a dynamic role in the global economy. According to World Trade Organization statistics, it was the world's 17th-largest exporter and 18th-largest importer of merchandise in 2015, while ranking 23rd and 28th in the export and import of commercial services, respectively. One of the most powerful players in the global information and communications technology (ICT) industry, it is also a major supplier of other goods across the industrial spectrum, from chlorella health food supplements to powered wheelchairs.

A key factor underpinning such performance is the Republic of China (ROC) government's formulation of policies to foster development and sustain the nation's economic competitiveness by promoting investment in human resources, research and development (R&D) and industrial upgrading as well as other initiatives aimed at creating advantages for its economy. For such reasons, and because of its enterprises' strong entrepreneurial spirit, Taiwan's business and investment environments have consistently been ranked as superior by well-regarded economic research organizations (see Appendix I "Global Survey Rankings").

## GDP Profile

Taiwan's economy in 2015 grew at its slowest pace in five years mainly because of a lackluster export performance. Overall, the economy grew 0.65 percent, significantly slower than the 3.92 percent posted in 2014. In nominal terms, gross domestic product (GDP) rose to US\$523.01 billion, or US\$22,294 per capita, in 2015.

In 2015, export value dropped 10.86 percent year-on-year amid a fragile global economy and falling international oil and commodity prices. Import value also fell by 15.83 percent. Trade surplus registered US\$48.12 billion, an increase

of 25.84 percent from the previous year. The three biggest export categories for the year were electronic components; information, communication and audio-video products; and base metals.

Private spending was strong in the first half of 2015 with improved salary levels and an active stock market. However, a grim export outlook for the second half dampened private consumption growth to a mere 2.34 percent for the year. Government spending, meanwhile, dwindled 0.33 percent because of decreased expenditure on national defense.

Private fixed investment rose 2.75 percent in 2015, down from the 3.17 percent growth rate posted in the previous year, mainly because a slowdown in the housing market resulted in less investment in construction projects. On public

### 2015 Macroeconomic Indicators

GDP (nominal)	US\$523.01 billion
GDP per capita (nominal)	US\$22,294
GDP per capita (ppp – IMF)	US\$46,783
GDP growth <sup>1</sup>	0.65%
Labor participation rate (end of year)	58.72%
Unemployment rate (end of year)	3.87%
Consumer price index (average change)	-0.31%
Wholesale price index (average change)	-8.84%
Exports	US\$285.34 billion (down 10.86%)
Imports	US\$237.22 billion (down 15.83%)
Balance of trade	US\$48.12 billion surplus
Foreign exchange reserves (end of year)	US\$426.03 billion
Registered inward investment <sup>2</sup>	US\$4.80 billion
Registered outward investment <sup>3</sup>	US\$10.75 billion
Registered investment from mainland China	US\$244.07 million
Registered mainland China-bound investment	US\$10.40 billion
17th-largest exporter of merchandise	
18th-largest importer of merchandise	

<sup>1</sup>Based on chained (2011) dollars

<sup>2</sup>Excluding investment from mainland China

<sup>3</sup>Excluding mainland China-bound investment

Sources: Directorate-General of Budget, Accounting and Statistics, Executive Yuan; Ministry of Finance; Bureau of Foreign Trade, Ministry of Economic Affairs; World Trade Organization



investments, government investment declined by 4.30 percent due to a reduction in the government investment budget. Meanwhile, investments made by public enterprises dropped 6.94 percent mainly because of a decrease in budget.

## Central Government Revenues and Expenditures

According to the Directorate-General of Budget, Accounting and Statistics (DGBAS) 主計總處 of the Executive Yuan 行政院, in the 2015 fiscal year, central government revenues increased by 9.20 percent from the previous year to NT\$1.89 trillion (US\$59.10 billion), and government expenditures rose

**Composition of GDP by Sector in 2015**

<i>Sector of Economy</i>	<i>Share of GDP<sup>1</sup> (%)</i>	<i>Annual Change in GDP Share (percentage point)</i>	<i>Annual Change in Output Value<sup>2</sup> (%)</i>
<i>Agriculture</i>	1.78	-0.03	1.98
<i>Industry</i>	35.41	0.86	6.28
Manufacturing	30.34	0.59	5.74
Construction	2.53	-0.03	2.61
Electricity and gas supply	1.86	0.35	27.33
Other	0.69	-0.04	-2.40
<i>Services<sup>3</sup></i>	62.80	-0.84	2.32
Wholesale and retail trade	15.92	-0.56	0.19
Finance and insurance	6.58	0.00	3.78
Public administration and social security	6.43	-0.26	-0.43
Transportation and storage	3.31	0.47	20.92
Other <sup>4</sup>	30.57	-0.49	2.05

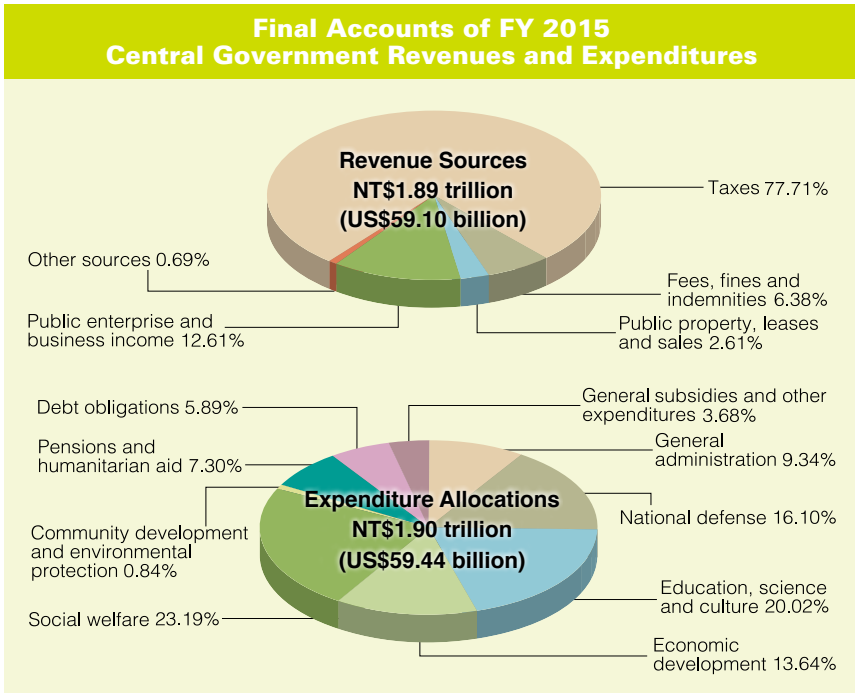
<sup>1</sup> Statistical discrepancy not included

<sup>2</sup> Based on New Taiwan dollar data

<sup>3</sup> Including import duties and value-added tax

<sup>4</sup> Other services include accommodation and food; information and communication; real estate and ownership of dwellings; professional, scientific and technical services; support services; education; human health and social work; arts, entertainment and recreation; and miscellaneous.

Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan



Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan

by 2.30 percent to NT\$1.90 trillion (US\$59.44 billion). (See pie chart “Final Accounts of FY 2015 Central Government Revenues and Expenditures.”)

## Financial Services

### Banking

At the end of 2015, there were a total of 410 banking institutions in operation (see table “Structure and NPL Ratios of Banking Sector in 2015”). As of that time, year-on-year, Taiwan’s 39 domestic banks saw their total assets increase by 5.02 percent to NT\$43.89 trillion (US\$1.38 trillion) and their net worth by 9.18 percent to NT\$3.15 trillion

(US\$98.86 billion). Over 2015, their deposits expanded 6.08 percent to NT\$30.06 trillion (US\$942.40 billion), while their loans increased 3.01 percent to NT\$22.03 trillion (US\$690.63 billion).

Domestic banks also showed steady improvement in asset quality. At the end of 2015, all had non-performing loan (NPL) ratios of less than 0.98 percent, with a record-low average of 0.23 percent; their average capital adequacy ratio, meanwhile, was 12.89 percent, well above the regulatory requirement of 8 percent.

As of the end of 2015, domestic banks had established 451 branches and representative offices overseas, mainly in Hong Kong (70), the U.S. (65), mainland China (63), Vietnam (55), Japan (42), Cambodia (36), and the Philippines (31).

## Insurance

According to global reinsurer Swiss Re's *Sigma* study released in 2015, Taiwan had the world's highest insurance penetration rate of 18.90 percent in 2014, while its insurance density—or insured amount per capita—reached US\$4,072, the ninth-highest worldwide and the second-highest in Asia.

**Structure and NPL Ratios of Banking Sector in 2015**

Type of Institution	No. of Institutions	No. of Branches	Share of Deposits <sup>1</sup> (%)	Share of Loans <sup>2</sup> (%)	NPL Ratio (%)
Domestic banks	39	3,442	77.65	90.77	0.23
Local branches of foreign and mainland Chinese banks	30	39	1.37	3.33	0.00
Credit cooperatives	23	253	1.62	1.77	0.08
Credit departments of farmers' and fishermen's associations	309	865	4.53	4.11	0.85
Bills finance companies	8	30	----	----	----
Postal savings system	1	1,324	14.82	----	----

<sup>1</sup> Total deposits (December 2015): NT\$38.71 trillion (US\$1.21 trillion)

<sup>2</sup> Total loans (December 2015): NT\$24.26 trillion (US\$760.64 billion)

Sources: Financial Supervisory Commission; Central Bank of the Republic of China (Taiwan)

According to the study, the life insurance premium income of Taiwan's industry was the ninth-largest in the world, whereas its total premium income (including non-life insurance) was the 11th-largest, accounting for 2.98 percent and 2.00 percent, respectively, of the global market in 2014.

As of December 2015, there were 54 insurance companies operating in Taiwan, including three reinsurers, 29 life insurers (five foreign) and 22 non-life insurance firms (five foreign). In 2015, insurance industry assets stood at NT\$20.59 trillion (US\$645.48 billion), or 30.32 percent of the financial sector's total assets.

Total insurance premium income increased by 5.49 percent in 2015 to NT\$3.06 trillion (US\$96.01 billion), with life insurance accounting for NT\$2.93 trillion (US\$91.75 billion) and non-life NT\$136.12 billion (US\$4.27 billion), up by 5.61 percent and 2.95 percent, respectively. The insurance premium income received by life insurance operations in 2015 was 21.50 times greater than that received by non-life insurance operations. In 2015, life insurers paid out NT\$1.54 trillion (US\$48.15 billion) in claims, and non-life insurers NT\$68.18 billion (US\$2.14 billion).

## Securities

As of December 2015, 874 companies were listed on the Taiwan Stock Exchange (TWSE) 臺灣證券交易所, with total market capitalization of NT\$24.50 trillion (US\$768.14 billion). The total value of shares traded on the bourse in 2015 dropped 7.80 percent from 2014 to NT\$20.19 trillion (US\$632.96 billion), while trading volume fell 9.83 percent to 511.25 billion shares.

The TAIEX, the benchmark index of the TWSE, dropped 10.41 percent to 8,338.06 points at the end of 2015 from 9,307.26 points at the end of 2014. It then fluctuated during the first half of 2016 to reach 8,666.58 points at the end of June.

The Taipei Exchange (TPEX) 證券櫃檯買賣中心 index, meanwhile, fell 8.07 percent from 140.38 points at the end



of 2014 to 129.05 points at 2015 year-end, and fell further to 128.30 at the end of June 2016. As of December 2015, the TPEX had 712 companies with market capitalization of NT\$2.73 trillion (US\$85.58 billion).

Foreign institutional and individual investors as well as mainland Chinese QDIIs (qualified domestic institutional investors) bought US\$193.82 billion worth of shares in Taiwan's stock market in 2015, accounting for 36.69 percent of total stock market value. As of December 2015, 22 TWSE-listed companies issued Taiwan Depositary Receipts 臺灣存託憑證 with market value worth NT\$9.38 billion (US\$294.04 million).

### Foreign Trade and Investment

Total trade value decreased by 13.19 percent year-on-year to US\$522.56 billion in 2015. Exports fell by 10.86 percent to US\$285.34 billion, and imports declined by 15.83 percent to US\$237.22 billion. With a trade surplus of US\$48.12 billion, Taiwan ended the year with foreign exchange reserves of US\$426.03 billion.

Mainland China (including Hong Kong) remained Taiwan's largest export market in 2015, followed by the Association of Southeast Asian Nations (ASEAN), the United States, Europe and Japan. Taiwan's major import sources were mainland China (including Hong Kong), Japan, the United States, ASEAN, Europe and the Middle East. Data on Taiwan's principal trading partners and the export value of its merchandise by category in 2015 are listed in the pie chart and table so labeled.

As for the movement of direct investment capital (excluding that to and from mainland China) in 2015, US\$4.80 billion in inbound investments to Taiwan and US\$10.75 billion in outbound investments were officially registered. These figures represented a decrease of 16.87 percent and a rise of 47.32 percent, respectively, over the previous year. Of the inbound investments, 25.16 percent went to finance and

insurance, 22.29 percent to wholesale and retail businesses and 10.08 percent to real estate. Of the outbound funds, 56.60 percent were invested in finance and insurance, 10.15 percent in electronic component manufacturing, and 9.88 percent in real estate.

Investments bound for mainland China totaled US\$10.40 billion in 2015, with 25.41 percent going to finance and insurance, 11.23 percent to electronic component manufacturing, and 10.10 percent to manufacturing of computer, electronic and optical products. Investments from mainland China amounted to US\$244.07 million in 2015, or an aggregate of US\$1.44 billion since Taiwan opened its doors to mainland investors in 2009. Of the aggregate total, 30.64 percent was directed to wholesale and retail businesses, 13.96 percent to banking, and 10.50 percent to electronic component manufacturing.

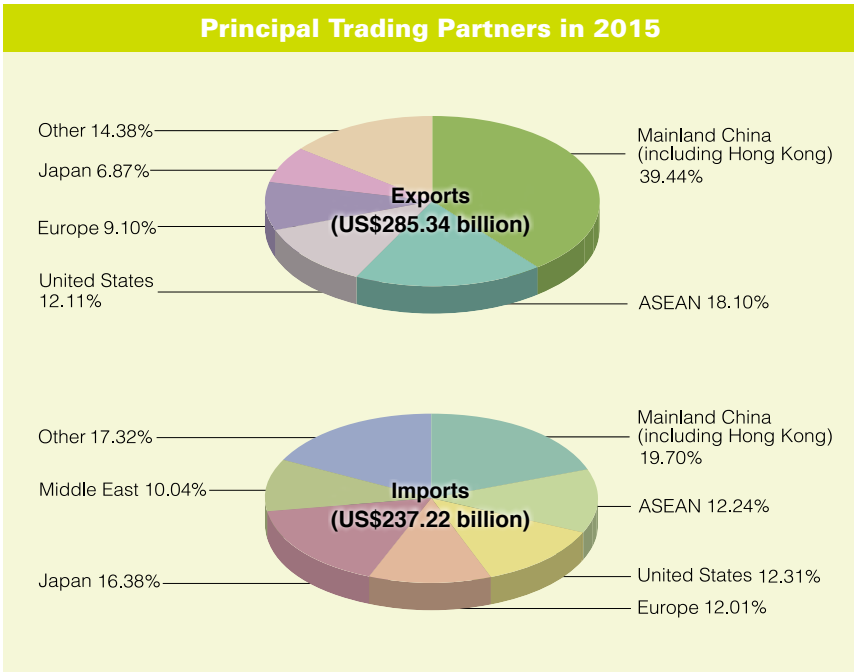
### Export Value of Merchandise in 2015

<i>Merchandise Category</i>	<i>Export Value (US\$ billion)</i>	<i>Annual Change (%)</i>	<i>Percentage of Total Export Value</i>
All categories (total export value)	285.34	-10.86	100.00
Electronic components	85.91	-4.71	30.11
Information, communication and audio-video products	30.48	-1.70	10.68
Base metals and articles thereof	25.47	-12.52	8.93
Machinery	21.52	-6.09	7.54
Plastics/rubber and articles thereof	21.13	-13.25	7.41
Chemicals	18.18	-18.06	6.37
Optical instruments	12.88	-27.58	4.52
Mineral products	12.08	-43.67	4.23
Electrical machinery products	11.83	-10.92	4.15
Vehicles, aircraft, vessels and associated transport equipments	11.77	0.63	4.13
Textile products	10.82	-6.81	3.79
Other goods	23.27	-5.14	8.14

Note: Trade statistics for 2015 are classified according to the General Trade System.

Source: Department of Statistics, Ministry of Finance





Note: Trade statistics for 2015 are classified according to the General Trade System.  
Source: Department of Statistics, Ministry of Finance

## Small and Medium-sized Enterprises

Small and medium-sized enterprises (SMEs) continue to make up the backbone of the economy. According to the Ministry of Economic Affairs (MOEA), SMEs in Taiwan numbered about 1.38 million at the end of 2015, accounting for 97.69 percent of all enterprises.

Considering SMEs' important role in the upstream value chains supporting larger-scale enterprises' production and exports, the ROC government is encouraging the development of new technologies and products by SMEs under the

Small Business Innovation Research Program 小型企業創新研發計畫, which offers subsidies covering up to 50 percent of their R&D costs. The Small and Medium Enterprise Credit Guarantee Fund of Taiwan 中小企業信用保證基金, which provides guarantees for bank loans to businesses, was NT\$1.33 trillion (US\$41.69 billion) in 2015.

As part of government efforts to help small innovative startups, the TPEX launched the Go Incubation Board for Startup and Acceleration Firms 創櫃板 in January 2014. Non-public microenterprises that pass review by the TPEX may list on the board, provided they have capitalization of no more than NT\$50 million (US\$1.65 million).

## Policy Initiatives

### Trade Enhancement

#### Enhancing the Image of Taiwan's Industries

The Taiwan Industry Image Enhancement Project 臺灣產業形象廣宣計畫 (2014-2016) helps original brand manufacturers in Taiwan raise awareness of their brands in domestic and overseas markets. The project focuses on major markets such as mainland China, Germany, India, Indonesia, Japan, the Philippines, Turkey, the United States and Vietnam.

The project increases exposure of award-winning Taiwan Excellence 臺灣精品 brands in the ICT and home and living industries by promoting innovative, reliable and high-value products. Promotional activities include establishing Taiwan Excellence zones in shopping malls, promoting select brands through multiple distribution channels, setting up Taiwan Excellence pavilions in trade shows, and launching digital marketing campaigns.

#### Promoting Green Trade

In 2016, the MOEA launched the five-year Green Trade Action Plan 綠色貿易行動計畫 to build export momentum and marketing capacities for Taiwanese businesses that provide



low-carbon products and services. The plan also aims to keep Taiwanese companies up with green business trends worldwide, specifically by helping them grasp green business opportunities and comply with international green standards, recycling regulations and green procurement standards.

### Boosting Exports

After Taiwan's poor export performance in 2015, the government devised a series of short-term measures to bring overseas sales back on track. The measures target 10 strategic markets (mainland China, Germany, India, Indonesia, Mexico, South Africa, Turkey, the United Arab Emirates, the U.S. and Vietnam) and include specific activities:

- Expanding government subsidies to attract buyers from emerging markets, especially Southeast Asia and Africa.
- Organizing group visits to overseas trade exhibitions to help Taiwanese businesses make inroads into emerging markets.
- Planning activities to capture business opportunities from the World Trade Organization's expansion of the Information Technology Agreement and the lifting of sanctions against Iran.
- Strengthening financial support for businesses wishing to export products or services.

### Innovation and Entrepreneurship

Increasingly sharp economic competition as well as new opportunities stemming from globalization and the rise of newly industrialized economies have underlined the imperative for Taiwan's businesses to place greater importance on innovation and entrepreneurialism. Among the several regulations enacted to encourage such efforts is the Statute for Industrial Innovation 產業創新條例. Under the statute, qualified companies that engage in innovative R&D may credit either 15 percent of their R&D expenditures against income taxes due that year, or 10 percent of the expenditures against taxes for the next three years.

To support budding entrepreneurs, in 2013 the National Development Council (NDC) 國家發展委員會 launched the Business Angel Plan 創業天使計畫, under which the Executive Yuan's National Development Fund 行政院國家發展基金 invests NT\$1 billion (US\$33.59 million) over five years to provide the capital that innovators and entrepreneurs need to get their businesses off the ground.

The HeadStart Taiwan Project 創業拔萃方案—launched by the NDC in September 2014—focuses on innovation and high value-added innovative businesses. The program has three strategies: remove legal barriers to innovative startups; bring in international capital and professional knowledge; and set up an international startup park. Under the third strategy, the Taiwan Startup Stadium 臺灣新創競技場 was established in March 2015 as a startup cluster to serve innovation-driven companies, particularly in areas such as Internet of Things and mobile applications.

In December 2014, the Executive Yuan set up the Innovation and Startups Taskforce 創新創業政策會報 to help young people build their own businesses. The task force's four main objectives are innovation of social enterprises,



A new technology has made it possible to cultivate seahorses in an aquaculture setting rather than harvesting them from the ocean and harming the natural environment. (Courtesy of Stone & Resource Industry R&D Center)

global networking, deregulation and establishment of an entrepreneurial ecosystem.

In March 2015, the government inaugurated the Taiwan Rapid Innovation Prototyping League for Entrepreneurs 臺灣創新快製媒合中心, which enables inventors to quickly turn their abstract concepts into visible, tangible high-tech products. The league identifies rising business stars, provides them with marketing and R&D support, and matches them to investors and technology experts.

Also in 2015, the Executive Yuan established the Taiwan Innovation and Entrepreneurship Center 臺灣創新創業中心 in Silicon Valley to serve as an outpost for developing businesses and talent. The government sends Taiwanese teams, entrepreneurs and venture capital talent to Silicon Valley to start companies and receive field training. The center monitors the innovation environment there to channel technologies, professionals and business orders back to Taiwan as well.

Under the Taiwan Silicon Valley Technology Fund Investment Program 臺灣矽谷科技基金投資計畫 launched in May 2015, the government and the private sector are joining forces to invest in startups that promote the flow of talent,

Microenterprises employing five or fewer people number around 940,000, accounting for nearly 80 percent of Taiwan's small and medium-sized enterprises. (Courtesy of the Ministry of Economic Affairs)



know-how and capital between Taiwan and Silicon Valley. A total of US\$120 million from the Executive Yuan's National Development Fund and National Science and Technology Development Fund 國家科學技術發展基金 will be allocated over the next three years to implement the program.

## Youth Employment

### Promoting Youth Employment

In 2014, the Ministry of Labor and several other agencies launched a three-year, NT\$14 billion (US\$460.98 million) Youth Employment Program 促進青年就業方案 to develop a young labor force that will raise the nation's competitiveness. Incorporating 64 programs from 11 government agencies, the plan aims to find suitable jobs for 150,000 young people by helping them set career goals, build positive work attitudes, and develop their interests and talents. As of December 2015, the program had helped around 191,700 youths to enter the work force.

### Supporting Young Entrepreneurs

The government also helps young people start businesses of their own. The Youth Entrepreneurship Program 青年創業專案 initiated by the MOEA in 2014 pools the resources of more than 40 government programs at 13 agencies to prepare and guide young people through the stages of building a business.

Between 2014 and 2016, the program will inject NT\$2.72 billion (US\$89.56 million) to encourage youths to engage in new agricultural businesses, cultural and creative industries, and social enterprises. A young entrepreneurs information platform has also been set up to enable quick access to useful information and resources.

To help young people raise the funds needed to build their careers, Taiwan launched equity crowdfunding platforms for the private sector in April 2015, making it among the first countries in Asia to institute such a mechanism.



### Global Talent Recruitment

To help Taiwan compete internationally for top talent, the Executive Yuan in September 2015 unveiled the Contact Taiwan program 全球競才方案. Its four main strategies for attracting global talent are: establishing the “Contact Taiwan” website and service center for talent recruitment, creating an integrated overseas talent recruitment network, raising Taiwan’s talent competitiveness conditions and building a friendly environment for retaining talent. Specific measures under the program include the following:

- Recruiting for 10 key industries.
- Targeting representative offices to build overseas talent networks.
- Adjusting the flexible salary system.
- Providing recruitment subsidies to universities, research institutions and private enterprises.
- Relaxing hiring and immigration regulations, and helping with spousal work permits and children’s education.

### Industry Transformation

The government launched the Taiwan Productivity 4.0 Initiative 行政院生產力4.0發展方案 in late 2015 to foment a new industrial revolution that will shift businesses from automatic to intelligent production and transform Taiwan from an efficiency-driven to an innovation-driven economy. Productivity 4.0 integrates the concepts of intelligent machinery, Internet-of-Things technology as well as big data application.

The initiative, running from 2015 through 2024, will inject NT\$36 billion (US\$1.13 billion) into the manufacturing, commercial service and agricultural sectors with a focus on seven leading industries: electronics and information, metals and transportation, machinery, food, textiles, logistics and retail services, and agriculture. It encompasses six major strategies:

- Improving the smart supply ecosystem for leading industries.
- Incubating innovative startups.
- Developing domestic products and services.
- Strengthening self-reliant capabilities in core technologies.
- Cultivating and training talent.

- Implementing industry-boosting policies and measures.

## E-commerce Development

With e-commerce fast becoming the mainstream of the future, the Executive Yuan has set up a task force to expand the e-commerce infrastructure and bring more businesses online. Resources from different agencies will be integrated and injected into the eight fields of agricultural e-commerce, online retail, digital publication, e-finance, online games, digital learning, online audiovisual and new media, and online travel services. The government's aim is to increase the nation's e-commerce transactions from the current NT\$588 billion (US\$17.63 billion) to over NT\$1 trillion (US\$29.99 billion) and cross-border online retail transactions from the present NT\$18 billion (US\$539.73 million) to NT\$45 billion (US\$1.35 billion) by 2020.



Source: Executive Yuan, August 2016

## Free Economic Pilot Zones

To expedite Taiwan's economic liberalization and globalization, the Executive Yuan launched a plan in 2013 to establish free economic pilot zones (FEPZs) 自由經濟示範區 throughout the nation. As of August 2016, Taiwan's seven free trade ports—Port of Keelung 基隆港, Port of Kaohsiung 高雄港, Su-ao Port 蘇澳港, Port of Taipei 臺北港, Port of Taichung 臺中港, Anping Port 安平港 and the Taiwan Taoyuan International Airport 臺灣桃園國際機場—along with the Pingtung Agricultural





Biotechnology Park 屏東農業生物科技園區 and the Changhua Coastal Industrial Park 彰化濱海工業區 had been approved as FEPZs.

These facilities are promoting five types of business activities: intelligent logistics, international medical care, value-added agriculture, financial services and innovative education. Trade regulations will be relaxed to ease the flow of capital, people and goods through the FEPZs. In the second phase, which will begin after the Legislative Yuan (Legislature) 立法院 passes a special act governing the zones, central and local governments may establish more FEPZs, and the zones may be set up on private land through co-development with the government.

## Regional Economic Integration

Looking ahead, economic policies will focus on the liberalization of Taiwan's trade regime. Aside from normalizing trade relations with mainland China, Taiwan is seeking to participate in regional economic integration and enhance ties with other trading partners.

### Cross-Straits Economic Cooperation Framework Agreement

The Cross-Straits Economic Cooperation Framework Agreement (ECFA) 海峽兩岸經濟合作架構協議 took effect in 2010, constituting a milestone in the normalization of economic ties between Taiwan and mainland China.

Under the ECFA's early harvest program, tariffs on 539 Taiwan-made products and 267 mainland goods were reduced in three stages until they were completely eliminated in January 2013.

The ECFA has also put Taiwanese businesses on a more level playing field with foreign competitors for the mainland Chinese market while helping companies in Taiwan diversify investments and expand their global presence.

In follow-up negotiations to the ECFA, one agreement on cross-strait investment protection and another on customs

cooperation came into force in February 2013. Respectively, their objectives are to protect the interests of cross-strait investors and to reduce business costs by fast-tracking clearance procedures. The Cross-Strait Agreement on Trade in Services 海峽兩岸服務貿易協議, signed in June 2013, is pending legislative approval. Moreover, the two sides have conducted several rounds of negotiations on goods trade and dispute settlement agreements.

## Post-ECFA Era

The ECFA has also facilitated Taiwan's pursuit of free trade agreements with other nations. As examples, Taiwan signed an investment agreement with Japan in 2011, as well as an economic cooperation pact with New Zealand and an economic partnership accord with Singapore in 2013.

All of these efforts are creating favorable conditions for Taiwan's participation in regional economic integration and bringing the nation closer to its long-term goals of joining the Trans-Pacific Partnership trade agreement and the Regional Comprehensive Economic Partnership bloc. ■

## RELATED WEBSITES

- ▶ Ministry of Economic Affairs: <http://www.moea.gov.tw>
- ▶ Directorate-General of Budget, Accounting and Statistics, Executive Yuan: <http://www.dgbas.gov.tw>
- ▶ Financial Supervisory Commission: <http://www.fsc.gov.tw>
- ▶ Taiwan Stock Exchange Corp.: <http://www.twse.com.tw>
- ▶ Taipei Exchange: <http://www.tpex.org.tw>
- ▶ Ministry of Finance: <http://www.mof.gov.tw>
- ▶ National Development Council: <http://www.ndc.gov.tw>
- ▶ Bureau of Foreign Trade: <http://www.trade.gov.tw>
- ▶ Investment Commission: <http://www.moeaic.gov.tw>
- ▶ Small and Medium Enterprise Administration: <http://www.moeasmea.gov.tw>





# SCIENCE & TECHNOLOGY



Taiwan's first two-armed industrial robot, designed by the Precision Machinery Research Development Center, boasts flexible seven-axis joints and can move in nimble and more human-like ways. (Courtesy of Taiwan Review)



## Rise of a High-tech Powerhouse

Much of Taiwan's achievement in science and technology (S&T) is attributable to the public sector's support for applied scientific development. The Republic of China's (ROC) first comprehensive set of S&T policies, the Guidelines for the Long-range Development of Science 國家長期發展科學計畫綱領, were formulated in 1959. Over the following half-century, a raft of S&T policies and programs were implemented.

The 1990s saw the launch of a series of national science and technology programs 國家型科技計畫 to address needs ranging from telecommunications to disaster prevention. Meanwhile, the Fundamental Science and Technology Act 科學技術基本法 of 1999 provided a sound legal framework for government promotion of S&T progress. As stipulated in the act, the government drafts national S&T development plans every four years.

The private sector has also played a major role in fostering Taiwan's S&T development. Firms such as Taiwan Semiconductor Manufacturing Co., Ltd. 台灣積體電路製造股份有限公司 and United Microelectronics Corp. 聯華電子股份有限公司 have dominated the global market for custom-designed integrated circuit (IC) chips and a vast variety of other products. Taiwan is a major supplier of high-end components used in the manufacture of the products of internationally famous companies such as Apple, Microsoft, Intel and Sony. It also boasts world-renowned electronics brands of its own such as Acer, ASUS and HTC.

The public and private sectors continue to promote S&T advancement today. In 2014, Taiwan's research and development (R&D) expenditure totaled NT\$483.49 billion (US\$14.50 billion), of which 21.7 percent came from government funding and 78.3 percent from private investment.

In the World Economic Forum's *Global Competitiveness Report 2016-2017*, Taiwan is ranked No. 12 in company spending on R&D, No. 17 in university-industry collaboration in R&D, and No. 24 in capacity for innovation among the 138 economies surveyed.

## S&T-related Government Agencies

### Ministry of Science and Technology

In 2014, the former National Science Council 國家科學委員會 was upgraded to a ministry named the Ministry of Science and Technology (MOST). The MOST is responsible for drawing up long-range national S&T development

Taiwan's World-leading High-tech Industries in 2015		
Category	Production Value (US\$ million)	Global Share (%)
<b>Ranked No. 1 Worldwide</b>		
IC foundries	30,272.09	67.5
IC packaging and testing	12,253	46.4
Glass fiber	585	30.0
<b>Ranked No. 2 Worldwide</b>		
Portable navigation devices	1,228.95	57.6
IC substrates	1,929	25.0
Electro-deposited copper foil	1,012	21.0
IC design	17,497.81	19.7
Crystalline silicon solar cells	3,678.88	18.2
Printed circuit boards	6,430	13.1
OLED panels	225.31	2.8

Note: This table excludes overseas production by Taiwanese companies.

Source: Industry & Technology Intelligence Services Project, Ministry of Economic Affairs



policies, reviewing S&T budgets and supervising the operations of science parks. It also oversees the National Science and Technology Center for Disaster Reduction 國家災害防救科技中心 and R&D activities of the National Applied Research Laboratories (NARLabs) 國家實驗研究院.

### MOEA Department of Industrial Technology

The Department of Industrial Technology (DoIT) 技術處 of the Ministry of Economic Affairs (MOEA) is mandated to boost the private sector's technological sophistication and help create vibrant new enterprises. Both goals are powerfully advanced through R&D and startup incubation services performed by researchers and other specialists at the DoIT-administered Industrial Technology Research Institute (ITRI) 工業技術研究院 and Institute for Information Industry (III) 資訊工業策進會, as well as at university laboratories and NARLabs facilities.

Technology Development Program (TDP) 科技研究發展專案計畫 grants provided by the DoIT have helped integrate the R&D and innovation efforts of research institutes, industries and academia. In 2016, the budget for TDP projects totaled over NT\$18.26 billion (US\$547.53 million), of which institutional, industrial and academic projects accounted for 86, 12 and 2 percent, respectively.

### Atomic Energy Council

The Cabinet-level Atomic Energy Council 原子能委員會 is the country's nuclear safety regulator. Its major tasks include the following:

- Oversight of nuclear power plants.
- Control of ionizing radiation in medical, agricultural, academic and industrial applications.
- Formulation and enforcement of regulations concerning handling, treatment, storage and disposal of radioactive waste and nuclear materials.

- Planning of and preparation for nuclear emergency response.
- Monitoring of environmental radiation in air, water and foodstuffs, including operation of a real-time gamma radiation monitoring system.

Under government reorganization, the agency will become the Nuclear Safety Commission 核能安全委員會 and maintain its independent authority to oversee nuclear safety issues.

## Publicly Supported R&D Institutions

### Institute for Information Industry

Since 1979, the III has been a key contributor of technology to Taiwan's information and communications technology (ICT) industry while performing a number of important roles, including serving as a think tank on ICT policy, providing innovative R&D and interoperability standards for the industry, promoting ICT applications and bridging the digital divide. The III fosters cooperation across disciplines, between academia and industry, and with other countries, while striving for balanced development of culture and technology. The institute has provided a variety of training courses for over 450,000 information technology (IT) professionals in the past 30 years. It has also endeavored to incubate enterprises, helping over 230 startups in the past five years to become more competitive and commercially appealing to global tech companies.

With around 1,700 employees (76 percent of whom have a master's degree or higher), the III also serves as Taiwan's national software R&D center, focusing on bolstering the infrastructure, applications, services and technologies for smart living. It supplies techniques through technology transfer and supports the development of novel software applications to help domestic manufacturers cut the cost and time of developing new products.





## Industrial Technology Research Institute

Established in 1973, the ITRI is internationally renowned for its diverse R&D capabilities, its voluminous output of innovative technologies and its success in incubating vibrant new enterprises. It played a vital role in transforming Taiwan from a labor-intensive economy to a high-tech island. With around 6,000 employees, the ITRI focuses on three application domains—sustainable environment, quality health, and smart living—and had fostered more than 240 startups as of early 2016. In 2015, the ITRI collected four of *R&D Magazine*'s R&D 100 Awards, being named a winner for the eighth successive year. It also received the Frost & Sullivan 2015 Best Practices New Product Innovation Award.

The ITRI has partnered with numerous overseas research institutes and also offers the international community a wide spectrum of services such as contract research, product and process development, pilot runs for technological upgrades, industrial analysis, and talent training. To enhance international collaboration, it now operates branch offices in the United States, Japan, Germany, Russia and the Netherlands.

## National Applied Research Laboratories

NARLabs, a nonprofit organization established in 2003, focuses primarily on cutting-edge research in applied sciences to meet the nation's long-term S&T development needs. It also establishes R&D platforms to serve academia and industries as it strives to keep pace with technological trends via exchanges and cooperative efforts with renowned research institutes around the world. NARLabs was a winner of *R&D Magazine*'s R&D 100 Awards in 2015.

NARLabs' 10 research laboratories focus respectively on chip implementation; instrument technology; high-performance computing; earthquake engineering; nanotechnology;

laboratory animals; space technology; S&T policy research and information; ocean research; and typhoon and flood research.

## Latest Endeavors

With forward-looking policies and a dynamic and enterprising private sector, Taiwan has become one of the world's leading manufacturers of a wide range of IT products. It has also been bolstering development in a few specific fields, as described below.

### Information & Communications Technology

#### Cloud Computing

Launched in 2010 under public- and private-sector efforts, the Cloud Computing Association in Taiwan (CCAT) 台灣雲端運算產業協會 aims to make Taiwan a major exporter of cloud computing services by consolidating the resources of hardware and software producers. The CCAT in 2013 created an incubation center to cultivate enterprises pioneering innovative applications of cloud computing as well as the Internet of Things (IoT), big data, and Industry 4.0. Through the incubation platform, startups have formed strategic partnerships with established corporations in expanding markets. A Gold Member of the OpenStack Foundation, the CCAT supports the OpenStack cloud operating system extensively used globally and in 2013 founded the Taiwan OpenStack User Group to help domestic industries explore more business opportunities.

Since 2012, the ROC government has systematically created clouds in agriculture, environment, transportation, police administration, food, health, culture, education, and disaster prevention and relief in order to bring convenient government services to the public and spur the nation's cloud computing industry. This goal has been

greatly advanced by the MOEA's Cloud Open Lab 雲端開發測試平台 established in the same year. From 2016 to 2021, the government clouds are set to become even smarter with the integration of big data and IoT technologies. The

### Internet of Things

Eyeing the huge market potential, countries worldwide have accelerated promotion of the IoT, the network of physical objects linked through sensors and web connections to enable data analysis and extensive smart applications. According to the International Data Corporation, over 29.5 billion devices will be linked through the IoT by 2020, creating a global market of US\$1.7 trillion. Taiwan is not missing out on the trend, as its IoT market is estimated to grow 9.8 percent year-on-year to NT\$1.02 trillion (US\$30.59 billion) in 2016.

The MOEA has since 2011 implemented a program to subsidize businesses that incorporate smart identification technologies into their communications networking or cloud services. As of the end of 2015, the program had attracted NT\$61.20 billion (US\$1.92 billion) of domestic investment and NT\$5.97 billion (US\$187.15 million) of foreign funding. IoT applications are also key to several of the government's major development programs aimed at promoting intelligent production, encouraging innovation and creating smart cities. On the technical front, the III has developed IoT and related big data analytics technologies to establish certification standards and provide IT solutions for affordable and convenient services.

In October 2015, the MOEA signed a memorandum of understanding with Microsoft Corp. to set up an IoT industry development center focusing on intelligent applications and the integration and internationalization of products in the manufacturing, medical, household, retail and public services sectors. Over 30 Taiwanese companies will participate in this center in its initial stage.

MOEA estimates that government clouds will help generate up to NT\$450 billion (US\$13.50 billion) in value for the domestic industry.

The MOEA in 2014 launched the Cloud IDC Solution 國產雲端資料中心解決方案, a project to comprehensively integrate domestic hardware and software products and services as well as facilitate exports to target markets. The project is expected to help generate NT\$3 billion (US\$89.96 million) in exports of cloud applications and services by 2017. In January 2015, the MOEA also inaugurated a cloud industry service team operated by the III to assist domestic businesses with cloud upgrades, and its target is to set up 100 successful models to attract over 5,000 enterprises to take part. According to the III, Taiwan's mobile cloud applications and services are expected to reach NT\$688.5 billion (about US\$21 billion) in 2016.

With the MOEA's support, the III has developed and advanced a cloud system software technology named CAFÉ (Cloud Appliance for Enterprise), which had facilitated 124 patent applications and 14 cases of technology transfer to the IT industry as of February 2016.

Public- and private-sector efforts to develop the industry attracted the world's biggest cloud computing service provider, Google, to establish Asia's largest and most energy-efficient data center in Taiwan, which commenced operations in 2013. Taiwan was also where the IT powerhouse launched its cloud platform for Asia in 2014.

### Networked Communications

Taiwan is ranked 19th among the 139 economies assessed on the Networked Readiness Index of the *Global Information Technology Report 2016* released by the World Economic Forum. Taiwan was peerless in mobile network coverage as well as Internet and telephony competition.

By the end of 2015, Taiwan had 7.62 million wired broadband subscriptions. The country has one of the world's highest optical fiber penetration rates. Since it

ASUS showcases its latest technologies at Computex Taipei, a key business-to-business information and communications technology show for the Asia-Pacific market. (Courtesy of the Taiwan External Trade Development Council)



launched fourth-generation mobile Internet services in 2014, the number of subscriptions has soared, nearly reaching 11.57 million as of the end of 2015. Meanwhile, plans are afoot to gain a head start in fifth-generation mobile Internet technology.

In 2014, the Ministry of Education began to team up with the Academia Sinica 中央研究院 and NARLabs' National Center for High-performance Computing 國家高速網路與計算中心 to upgrade Taiwan's academic Internet infrastructure. The initiative has introduced next-generation optical network technologies to bolster data transmission capabilities, facilitating research and testing. In July 2016, Taiwan finished upgrading the Internet infrastructure for education and research to 100 gigabits per second in network bandwidth.

## Biotechnology

To encourage companies to develop new biotechnologies and drugs, the Act for the Development of Biotech and New

Pharmaceuticals Industry 生技新藥產業發展條例, promulgated and enforced in 2007, has provided incentives for investing in relevant technology, talent and capital.

Under an action plan initiated in 2009 to strengthen Taiwan's biotechnology, the Supra Integration and Incubation Center 台灣生技整合育成中心 was launched in 2011 to provide pharmaceutical firms and inventors with comprehensive consultative services, including technical and management support, fundraising and legal advice. Further, the Food and Drug Administration 食品藥物管理署 under the Ministry of Health and Welfare has helped establish an integrated regulatory system for pharmaceutical products and spurred the industry's development. A revised version of the program kicked off in 2013, focusing on turning academia R&D successes into commercially viable products and promoting the export of health care management services.

By mid-2015, the biotech program had helped double the production value of domestic pharmaceuticals to over NT\$280 billion (US\$8.78 billion). Going forward, the government is slated to map out a bioeconomy development plan encompassing not only biotech but also the agricultural, industrial and health sectors.

The National Research Program for Biopharmaceuticals 生技醫藥國家型科技計畫 being implemented from 2011 to 2017 is mandated to advance the following goals: discover and develop new medicines, biomedical devices and therapies and strengthen R&D processes; concentrate and deepen the knowledge and skills of domestic researchers in related fields; and enhance academic and public research institutions' collaboration.

Since 2009, the government has promoted a medical device industry cluster at the Southern Taiwan Science Park 南部科學工業園區. Ongoing efforts are focused on building a one-stop service platform for the cluster; enhancing close collaboration among industry, academia and research institutes; strengthening international marketing; and creating an



innovation environment. The Hsinchu Biomedical Science Park 新竹生物醫學園區, scheduled for completion in 2018, will facilitate research and clinical trials and also serve as an industry incubation center. The establishment is expected to help Taiwan's biotech companies lower R&D costs, ensuring a firm footing for the domestic industry.

### Nanotechnology

Established in 1988 and now a member of NARLabs, the National Nano Device Laboratories (NDL) 國家奈米元件實驗室 explores nanotechnology applications in nano-CMOS (complementary metal-oxide-semiconductor) devices, optoelectronics, energy and microelectromechanical systems. It also cultivates talent in semiconductor technology and nanotechnology, offering training courses to over 5,500 people each year and providing assistance for over 300 postgraduate theses and dissertations. The NDL has recently unveiled technology that can harvest light energy and extend the battery lifespan of IoT chips.

Instituted by the MOEA's Industrial Development Bureau 經濟部工業局 in 2005, the nanoMark 奈米標章 logo is the world's first system for certifying genuine nanoproducts sold on the market, such as anti-bacterial tiles and textiles.

### Space Technology

Established in 1991 and currently a member of NARLabs, the National Space Organization (NSPO) 國家太空中心 is in charge of national space programs and space technology development in Taiwan. It implements the nation's space policies and is itself a space technology research institute.

The NSPO currently operates FORMOSAT-2 and FORMOSAT-3/COSMIC (Constellation Observing System for Meteorology, Ionosphere and Climate) satellites. The NSPO's first high-resolution remote-sensing satellite, FORMOSAT-2, provides daily images of the earth's surface for environmental monitoring and land survey, disaster rescue and academic



TCI's factory at the Pingtung Agricultural Biotechnology Park. TCI is a leading manufacturer of dietary supplements, functional drinks, and skin care products. (Courtesy of *Taiwan Review*)

research. FORMOSAT-3/COSMIC, a constellation system consisting of six satellites, offers accurate data for weather forecasts, space meteorology monitoring and climate change observations.

### Ongoing Satellite Projects

Technologies and experience acquired from previous satellite programs are contributing to the first domestically developed satellite, FORMOSAT-5, a continuation of the FORMOSAT-2 program scheduled for launch by early 2017. Meanwhile, to follow up on the universally acclaimed FORMOSAT-3/COSMIC mission, Taiwan is collaborating with the U.S. to develop the FORMOSAT-7/COSMIC-2, which is to be launched in two rounds respectively in 2017 and 2019.

### Disaster Prevention Technology

As it is located in the subtropics on the borders of the Eurasian and Philippine Sea plates, Taiwan is frequently visited by typhoons, floods and earthquakes. To mitigate damage from natural disasters, the government has implemented a number



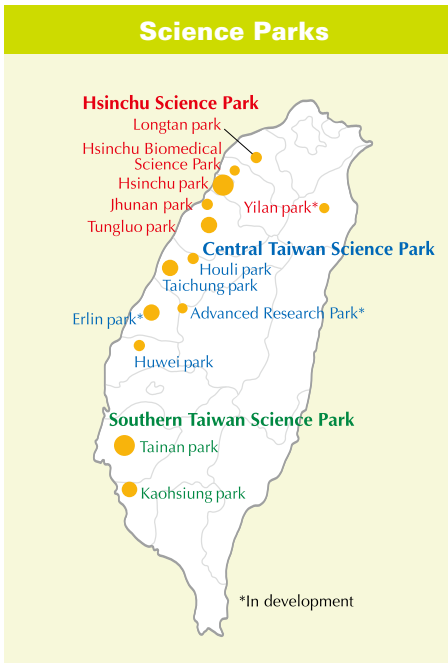


of large-scale disaster prevention programs since 1982. The MOST's National Science and Technology Center for Disaster Reduction is tasked with supporting disaster reduction and relief efforts with its technological research. The National Center for Research on Earthquake Engineering (NCREE) 國家地震工程研究中心 and the Taiwan Typhoon and Flood Research Institute 台灣颱風洪水研究中心, founded respectively in 1990 and 2011 as part of NARLabs, have also greatly enhanced Taiwan's ability to respond to natural disasters.

The NCREE has developed a service platform to support the R&D, inspection and certification of dampers used in buildings and bridges to increase earthquake resistance. The service will lower testing costs and help improve structural safety. The NCREE is also building a new laboratory

in Tainan City 臺南市 for simulating near-fault motions and advanced seismic research.

In October 2015, NARLabs unveiled the world's first cloud-based early warning system for flooding and bridge collapses. The mechanism, which uses underwater sensors to collect precipitation forecasts and real-time data, can issue alerts as early as six hours ahead of potential disasters. It is expected to safeguard the nation's bridges during periods of torrential rain.



Source: Ministry of Science and Technology

## Science Parks

Taiwan's science parks are designed and administered to provide ideal conditions for

high-tech business operations. The parks also provide excellent environments for developing powerful synergy among clusters of related enterprises and public R&D institutions. Taiwan is ranked No. 3 in the “state of cluster development” index of the World Economic Forum’s *Global Competitiveness Report 2016-2017*.

As of the end of 2015, a total of 905 companies had taken up residence in the parks. Their combined revenue of about NT\$2.31 trillion (US\$72.41 billion) amounted to around 13.8 percent of Taiwan’s GDP in 2015.

Taiwan has 13 science parks, organized into three core park groups: the Hsinchu Science Park 新竹科學工業園區, Central Taiwan Science Park 中部科學工業園區 and Southern Taiwan Science Park. ■

## RELATED WEBSITES

- ▶ Department of Industrial Technology, Ministry of Economic Affairs: <http://www.moea.gov.tw/Mns/doiit>
- ▶ Atomic Energy Council: <http://www.aec.gov.tw>
- ▶ National Applied Research Laboratories: <http://www.narlabs.org.tw>
- ▶ Industrial Technology Research Institute: <http://www.itri.org.tw>
- ▶ Institute for Information Industry: <http://www.iii.org.tw>
- ▶ Hsinchu Science Park: <http://www.sipa.gov.tw>
- ▶ Central Taiwan Science Park: <http://www.ctsp.gov.tw>
- ▶ Southern Taiwan Science Park: <http://www.stsp.gov.tw>





8

# AGRICULTURE



The Wubaihu Farm in Hualien takes a sustainable and organic approach to crop farming that also heals and nurtures the land. (Courtesy of Taiwan Panorama)



## Sectors

In 2015, Taiwan's total agricultural production value reached an estimated NT\$477.72 billion (US\$14.98 billion), accounting for 1.77 percent of the nation's gross domestic product. In response to changing food consumption patterns and increased competition due to market liberalization, the focus of the island's agriculture has shifted from traditional farming of staple crops to production of consumer-oriented and higher-value commodities chosen for their market potential and Taiwan's technological advantages.

### Rice

Rice is Taiwan's most valuable crop, with a total yield of more than 1.40 million tonnes from 251,887 hectares of land for a production value of NT\$37.42 billion (US\$1.17 billion) in 2015. In recent years, farmers and researchers have focused on refining cultivation techniques and developing new high-quality varieties, which are not only resistant to climate change and appealing to domestic and foreign customers with fine taste but may also develop into health supplement food or ornamental plants.

Some of the finest rice is grown by special production zones and organic farming groups dedicated to the crop. Agricultural product certification, the food traceability system and grading systems help to ensure quality.

### Fruits and Vegetables

Thanks to Taiwan's climatic diversity, a vast array of fruits and vegetables are grown on the island, including some not widely available in the West (such as wax apples, lychees and starfruits). In 2015, 2.57 million tonnes of fruit and 2.69 million tonnes of vegetables were harvested from 180,331 hectares and 144,510 hectares of farmland, respectively.

The export value of fruits and vegetables reached US\$238.01 million and US\$166.58 million, respectively.

Fruit growers have adjusted cultivation and marketing methods to deal with increased competition from foreign imports while the government has put greater effort into promoting fruit exports. Meanwhile, some orchards are being transformed into agritourism destinations.

## Tea

Taiwan's world-renowned oolong tea accounts for about 90 percent of the island's total tea production, while small volumes of green and black teas are also produced. Tea output has declined over the years due to growing labor costs and the industry's focus has shifted from export markets to domestic consumers. In 2015, 14,405 tonnes of tea valued at NT\$6.83 billion (US\$214.11 million) were harvested, of which only 4,496 tonnes were exported.

Many tea growers have their products authenticated through the traceability system or geographical certification marks or geographical collective trademarks issued by the Intellectual Property Office 智慧財產局 under the Ministry of Economic Affairs. Meanwhile, owners of many tea plantations have opened their doors to tourists, offering tea



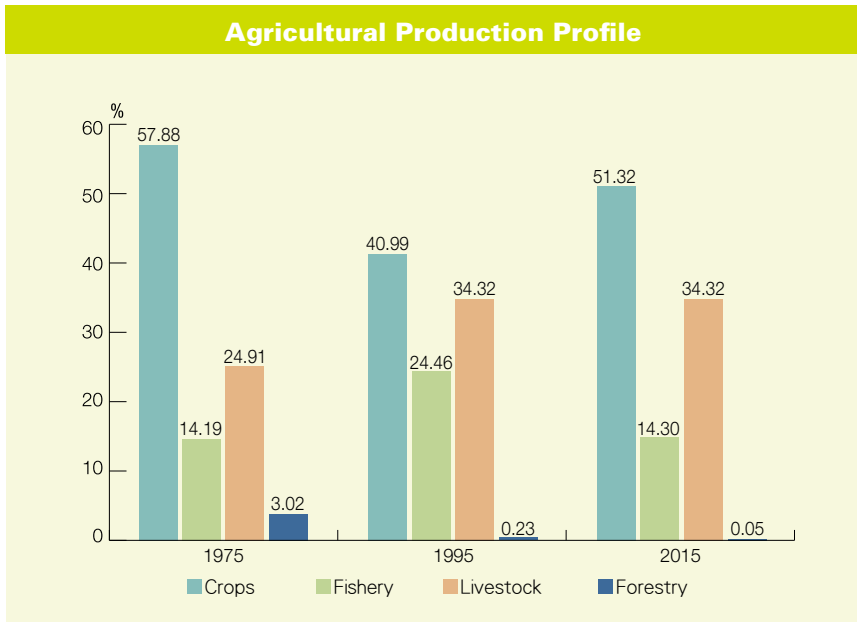
**Oriental Beauty tea, grown in the hills of Taiwan, is made from leaves infested by the tea green leafhopper in a process that lends the tea a uniquely fruity aroma. (Courtesy of Taiwan Panorama)**

sampling and guided tours through the different stages of tea processing.

## Floriculture

Thanks to effective marketing and sophisticated cultivation techniques, floriculture has thrived in recent years. In 2015, flower production grew to NT\$16.70 billion (US\$523.51 million), generating US\$193.62 million in exports. Taiwan is the world’s largest exporter of orchids, which represented 91 percent of flower export value in 2015.

In March 2016, Taiwan became the first country permitted to export *Oncidium* orchids potted in growing media (to protect against transport damage) to the United States.



Note: Figures may not add up to 100 percent due to rounding off.

Source: Council of Agriculture

Taiwan's *Phalaenopsis* orchids, or butterfly orchids, were also granted the same privilege in 2004, with U.S.-bound exports blossoming to US\$50 million in 2015.

Since 2005, the Taiwan Orchid Plantation 臺灣蘭花生物科技園區 in Tainan City 臺南市 has hosted the annual Taiwan International Orchid Show 臺灣國際蘭展, one of the biggest fairs of its kind in the world. The 2016 event attracted visitors from 26 countries and generated export orders of NT\$9.72 billion (US\$291.45 million).

Taiwan's famous orchids and floricultural products have garnered awards at a succession of international flower exhibitions, including the Chelsea Flower Show in the United Kingdom, the Floriade World Horticultural Expo in the Netherlands, and the Floralies International Flower Show in France. In 2016, Taiwan collected a silver-gilt medal at the Royal Horticultural Society London Orchid Show and another silver in the international division of the Ghent Floralies held in Belgium.

## Livestock

Livestock farming in Taiwan has grown steadily into a mainstay of the agricultural sector thanks to technical innovations and increased demand for animal-protein foods. In 2015, total production amounted to approximately NT\$163 billion (US\$5.11 billion), accounting for 34.32 percent of Taiwan's total agricultural production value. Imports of livestock products, including meat and offal, increased by 19.92 percent year-on-year to 428,850 tonnes in 2015, while exports of these products plunged by 35.66 percent year-on-year to 6,740 tonnes.

Over the past decade, the livestock industry has undergone restructuring to raise its global competitiveness through strategic business alliances, enhanced disease surveillance and meat inspection systems, and development of national brand names. Farmers have worked with the government



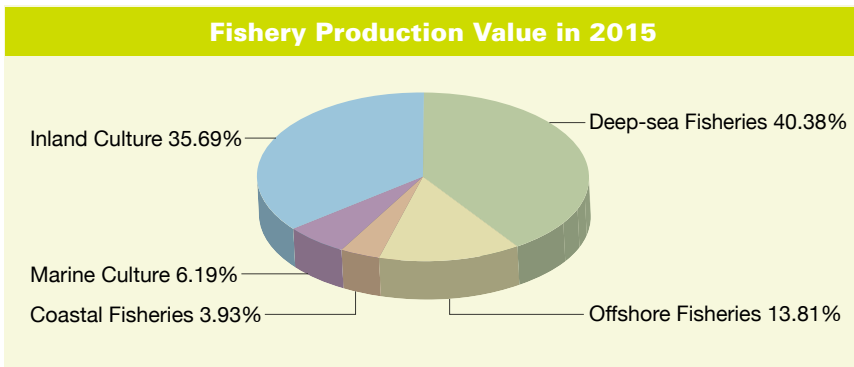


to strengthen common procurement mechanisms for stock feed as well as to seek alternative feed ingredients and formulas. Accredited meat inspectors and veterinarians employed by the Bureau of Animal and Plant Health Inspection and Quarantine 動植物防疫檢疫局 under the COA conduct inspections of slaughterhouses nationwide.

### Fishery

Over the past 60 years, the focus of Taiwan’s fishery industry has shifted from small-scale coastal fisheries to aquaculture and deep-sea fisheries. More than half of Taiwan’s seafood production was shipped abroad in 2015, earning US\$1.66 billion and accounting for 33.95 percent of total agricultural exports. Since 2013, Taiwan has replaced Japan as the world’s top supplier of Pacific saury and in August 2015 it joined the North Pacific Fisheries Commission to protect its fishing interests in the region.

Aquaculture has grown steadily due to Taiwan’s varied climate and advances in technology and breeding techniques. It contributed 41.9 percent of fishery output value in 2015. Taiwan is one of the world’s major suppliers of grouper and tilapia; its other important aquacultural products include eel, milkfish, oysters and clams.



Source: Council of Agriculture

## Ornamental Fish Farming

Taiwan has about 260 ornamental fish farms—mostly in southern Taiwan—producing over 300 species. Output value of Taiwan’s ornamental fish and related industries came to NT\$3.75 billion (US\$117.56 million) in 2015.

## Agricultural Export

The COA seeks to boost the international presence of Taiwan’s agriculture through exports to strategic and major markets. In 2015, fruit exports jumped 46.98 percent from the previous year, earning the country US\$122.26 million. Atemoyas, pineapples and mangoes were the top performers while edamame exports hit a 22-year high of US\$76.63 million. However, exports of fishery and livestock products dropped 12.60 percent and 20.93 percent, dragging overall agricultural exports down 7.46 percent from 2014 to US\$4.88 billion.

The nation’s largest agricultural export market is mainland China, followed by Japan, the U.S., Hong Kong and Vietnam. Exports to South Korea, the sixth-largest market, registered a 13.1 percent year-on-year growth in 2015.

## Agricultural Exports to Mainland China

Taiwan’s agricultural exports to mainland China has expanded briskly in the past few years to an all-time high of over US\$1 billion in 2015. Fruit enjoyed strong growth while the grouper, the top-selling agricultural export to the mainland, slumped by 21.32 percent year-on-year.

Signed in 2009, the Cross-Strait Agreement on Cooperation of Agricultural Product Quarantine and Inspection 海峽兩岸農產品檢疫檢驗合作協議 has served as a platform for cross-strait communication on inspection standards. In late 2015, Taiwan began exporting grapes to mainland China, the 24th type of fruit it is permitted to sell on that market.

## Agricultural Food Safety

The Certified Agricultural Standards (CAS) 台灣優良農產品證明標章 system was launched in 1989 to improve the quality of agricultural products and processed foods from 16 food categories ranging from meat and rice to eggs and fruit juice. Manufacturing facilities that have received CAS certification for specific items are subject to both routine and random inspections.

The Safe Agricultural Products 吉園圃 label was introduced in 1993 as a product-safety management system for fruits and vegetables to prevent unwanted residue from pesticides. Each label comes with a nine-digit code, which can be used by consumers to trace the original farm.

The Agricultural Traceability Certification Product 產銷履歷農產品 logo was activated in 2007 as a process-safety management mechanism in line with the Taiwan Good Agriculture Practice 臺灣良好農業規範 standards. It gives consumers direct access to digital records created during the cultivation, processing, delivery and sale of the food items.

Taiwan's organic farmland increased threefold to nearly 6,000 hectares in the decade following the introduction of basic standards for organic farming in 1999. In 2007, the COA established an accreditation and certification system for organic foods, including crops, poultry and meats, under the Agricultural Production and Certification Act 農產品生產及驗證管理法. Thus far, 12 organizations have been authorized to certify organic products.

Following a string of food safety scares that rocked Taiwan in recent years, the COA is endeavoring to ensure the safety of the entire agricultural production process from farm to table. In addition to strengthening the certification mechanisms above, the COA is promoting new eco-friendly methods of developing safer food, feed, and nutritional supplies for humans and livestock.

Another significant agricultural accord is the Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation 海峽兩岸智慧財產權保護合作協議 signed in 2010, which provides an official channel for Taiwanese breeders to apply for and claim plant variety rights in mainland China. In 2012, Taiwan applied for rights over five varieties of butterfly orchids and was granted the rights in March 2016.

## Technological Innovations

The COA has 16 research institutes tasked with the development of innovative technologies in different domains, including crops, livestock, fishery, forestry, animal health and plant protection. The institutes have made considerable contributions to Taiwan's agricultural success over the years through transfer of technology to the private sector. In 2015, they completed 133 cases of agricultural technology transfer, for which royalty payments of over NT\$74 million (US\$2.32 million) were collected.



Most of the organic fish, meats, fruits and vegetables on offer at the Tan Hou Ocean Development Co. are produced by the company itself. (Courtesy of Taiwan Panorama)



To speed up the development of agricultural technologies, the Pingtung Agricultural Biotechnology Park 屏東農業生物科技園區 (PABP) was established in 2003, and as of May 2016, 101 companies had invested in it. Two public manufacturing facilities were opened—in 2007 and 2010, respectively—and another customized cGMP (current Good Manufacturing Practices) plant specializing in animal vaccines was completed in 2010. The PABP's aquaculture center focusing on ornamental fish was unveiled in 2014 and as of May 2016, over 10 companies had moved into the center.

### Taiwan Launches Crop Insurance

In November 2015, Taiwan unveiled its first crop insurance to protect farmers against losses due to natural disasters, with top-graft pear being the first insurable crop.

The need for crop insurance has grown as weather patterns become more extreme, exemplified by a destructive cold spell in early 2016 that caused agricultural and aquacultural losses of NT\$3.30 billion (US\$98.95 million). The island's crop farms are also highly vulnerable to natural disasters because of their centralized locations and concentrated harvest seasons.

To promote crop insurance, the COA is encouraging private insurers to design policies suitable for Taiwan's situation. The COA subsidizes one-third of the premium up to NT\$30,000 (around US\$900) to make coverage affordable to more farmers. The government's disaster relief subsidies will continue to be available to farmers as well.

Aside from extending crop insurance to high-value crops such as mangoes and rice, the COA plans to expand the broader agricultural insurance framework to fisheries, including crew members and fishing vessels, as well as aquaculture, such as the commercially viable grouper.

The COA is planning to transform Taiwan's traditional agriculture into a market-oriented industry with high added value well supported by technology. The aim is to develop unique and competitive strengths and turn agricultural technology research and development achievements into commercially viable products, including animal vaccines, feed additives, biological pesticides and ornamental fish farming. The Agricultural Technology Research Institute 農業科技研究院, inaugurated in 2014, has been tasked with this initiative. In 2015, it obtained eight domestic and overseas patents, completed eight cases of technology transfer, and spurred investment of NT\$412 million (US\$12.92 million).

## Agritourism

As of December 2015, the COA had certified 359 leisure farms while also transforming 78 recreational agricultural areas into tourist spots. Government initiatives to nurture value-added agriculture and organize farm festivals, together with private-sector efforts to offer agritours, rural cuisine and agricultural specialty gifts, have led to growing interest in agritourism and helped promote sustainable development in rural regions. About 24.5 million visitors were estimated to have participated in agritourism in 2015, generating NT\$10.50 billion (US\$329.15 million) for the industry.

## Rural Regeneration

The rural environment has been undergoing a face-lift with the enactment of the Rural Regeneration Act 農村再生條例, which allows residents to propose community revitalization initiatives based on local characteristics, natural ecology and cultural resources. A budget set at NT\$150 billion (US\$4.74 billion) has been allocated for the 10-year period commencing from the passage of the act in 2010 for the improvement of



farming and fishing villages. As of April 2016, 594 communities around Taiwan had proposed regeneration projects.

## Agricultural Finance

The agricultural finance system comprises the Agricultural Bank of Taiwan 全國農業金庫, which was established in 2005, and the credit departments of farmers' and fishermen's associations. These institutions are supervised by the COA's Bureau of Agricultural Finance 農業金融局, which is also responsible for planning agricultural loans. For agricultural workers without sufficient collateral to acquire necessary working capital, the Agricultural Credit Guarantee Fund 農業信用保證基金 provides guarantees on their behalf, which also reduces lending risks for financial institutions.

By February 2016, the balance of deposits at the credit departments of the farmers' and fishermen's associations was NT\$1.76 trillion (US\$52.77 billion), while the balance of loans stood at NT\$1.01 trillion (US\$30.29 billion). The non-performing loan ratio dropped to 0.52 percent, a marked improvement from 8.13 percent a decade ago.

## Latest Developments

To address growing concerns from food security and climate change, the central government has set a goal of raising the nation's food self-sufficiency rate from 32 percent in 2010 to 40 percent by 2020 through concrete measures to bolster domestic farming. These include subsidies to revive fallow land, as well as a number of initiatives to expand agricultural production and promote sustainable farming. Taiwan's food self-sufficiency rate climbed by 1.2 percentage point to 34.1 percent in 2014.

To help Taiwan meet the challenges and opportunities arising from globalization, environmental preservation and

cross-industry innovations, the COA in 2015 mapped out several programs for cultivating an innovative and competitive agricultural sector.

Foremost is the Agricultural Productivity 4.0 農業生產力4.0 project, which aims to boost Taiwan's farming productivity by integrating sensor technologies, intelligent robotics, the Internet of Things and big data analysis. The project focuses on three strategies:

- Forging industry alliances to develop smart agricultural production technologies.
- Using information and communications technologies to create an integrated value chain and provide farmers with easy-to-use digital services.
- Applying user-friendly technologies to construct a new communication model between producers and consumers.

A second program launched by the COA aims to cultivate a new generation of professional agricultural workers. Set at a budget of NT\$3.30 billion (US\$103.45 million), the program will cultivate 30,000 young farmers over the next 10 years. A third program helps farmers reach more domestic and overseas markets by developing e-commerce channels. ■

## RELATED WEBSITES

- › Council of Agriculture: <http://www.coa.gov.tw>
- › Fisheries Agency: <http://www.fa.gov.tw>
- › Easy Agritourism: <http://ezgo.coa.gov.tw>
- › Pingtung Agricultural Biotechnology Park: <http://www.pabp.gov.tw>
- › Taiwan Agriculture and Food Traceability System (Chinese only): <http://taft.coa.gov.tw>
- › Safe Agricultural Products (Chinese only): <http://gap.afa.gov.tw>
- › Certified Agricultural Standards: <http://www.cas.org.tw>
- › Taiwan Organic Information Portal: <http://info.organic.org.tw>
- › The Farmers' Academy (Chinese only): <http://academy.coa.gov.tw>







9

# ENVIRONMENTAL PROTECTION



A Siberian white crane that strayed from its migratory route landed in northern Taiwan's Qingshui Wetlands in December 2014, drawing public attention to the conservation efforts in the wetlands. (Courtesy of Taiwan Panorama)



## Public Policies Go Green

The Republic of China (ROC) government aims to make Taiwan a low-carbon economy and an environmentally friendly society dedicated to the reduction of carbon dioxide (CO<sub>2</sub>) and other greenhouse gas (GHG) emissions.

The Cabinet-level Environmental Protection Administration (EPA) 行政院環境保護署, which will be reorganized as the Ministry of Environment and Natural Resources in the near future, is the nation's highest authority overseeing environment-related policies. The EPA has designated carbon dioxide and six other GHGs as air pollutants, bringing their emission under the jurisdiction of the Air Pollution Control Act 空氣污染防治法 and the Greenhouse Gas Reduction and Management Act 溫室氣體減量及管理法.

## National Green Energy and Low Carbon Master Plan

Though Taiwan has been denied participation in the U.N. Framework Convention on Climate Change (UNFCCC), its Cabinet in 2010 approved the Master Action Plan of Energy Conservation and Carbon Reduction 國家節能減碳總行動方案, which was renamed the National Green Energy and Low Carbon Master Plan 國家綠能低碳總行動方案 in May 2014. The Master Plan, which calls for “nationally appropriate mitigation actions” that are measurable, reportable and verifiable in line with the UNFCCC Copenhagen Accord, helped cut CO<sub>2</sub> emissions by 34.62 million tonnes between 2010 and 2015.

## Greenhouse Gas Reduction and Management Act

In June 2015, the Greenhouse Gas Reduction and Management Act was passed by the Legislative Yuan

### National Green Energy and Low Carbon Master Plan: Ten Strategy Plans

- Establish a sound regulatory framework.
- Build low-carbon energy systems.
- Foster low-carbon communities to achieve a low-carbon society.
- Promote a low-carbon industrial structure.
- Develop green transportation networks.
- Promote green environments and green architecture.
- Develop energy-conservation and carbon-reduction technologies.
- Reduce public construction projects' energy consumption and carbon emissions.
- Strengthen education on energy conservation and carbon reduction.
- Boost public awareness and encourage civic action.

Source: Environmental Protection Administration

(Legislature) 立法院, providing the government with a legal basis for taking action against climate change. The law sets a target of reducing Taiwan's GHG emissions volume to less than half its 2005 level by the year 2050. It also stipulates the establishment of a national action plan for climate change and implementation measures for slashing greenhouse gases.

### Intended Nationally Determined Contribution

To demonstrate Taiwan's commitment to reducing its carbon emissions, in September 2015 the government announced its Intended Nationally Determined Contribution (INDC), defining Taiwan's long-term carbon reduction goal as lowering GHG emissions to 50 percent of the business-as-usual level or 20 percent below the 2005 level by 2030. Emissions over the intervening years will be cut in line with the INDC plan (see box "Taiwan's INDC: Toward a Green Future").

## Energy Sustainability

### Renewable and Low-carbon Power Generation

Taiwan is heavily dependent on fossil fuels for energy sources. Its energy supply has doubled over the past two decades to 145.08 million kiloliters of oil equivalent (KLOE)

#### Taiwan's INDC: Toward a Green Future

To mount a new global response to climate change, the UNFCCC called upon all parties to the 2015 Climate Change Conference in Paris to submit their INDCs ahead of the conference. As of January 6, 2016, the 28 members of the European Union and 159 other countries had each disclosed INDCs declaring actions they will take to reduce GHG emissions based on their own national circumstances and capabilities.

The ROC, as a responsible member of the global village, demonstrated its commitment to reducing its carbon emissions in a proactive and steady manner by creating its own INDC. On September 17, 2015, after more than 30 meetings, an ad hoc Executive Yuan 行政院 task force submitted to the Executive Yuan the nation's INDC report, which was approved two months later. The report calls for Taiwan to reduce its GHG emissions to 50 percent of the business-as-usual level (the projected emissions level if Taiwan instead conducted business as usual) or 20 percent below the 2005 level by the year 2030.

In January 2016 the government set the country's 2016 target for carbon emissions from fossil fuel combustion at 251 million tonnes—the annual average between 2012 and 2014—with the industrial sector accounting for 48.76 percent of emissions, households and commerce 25.44 percent, transportation 14.18 percent, energy 10.53 percent, and agriculture 1.08 percent.

in 2015. Fossil fuels such as oil, coal and natural gas constituted 90.80 percent of all energy supplies in 2015, while nuclear power and renewable energy accounted for 7.28 percent and 1.92 percent, respectively. To reduce GHG emissions, the government is committed to developing renewable energy resources, primarily solar, wind and biomass energy and secondarily hydro and geothermal energy.

### Solar Power

Taiwan is one of the world's largest producers of solar cells. It also has a high installation rate for solar water heaters (in terms of the ratio of heaters installed to land area). As of the end of 2015, solar power systems with a combined capacity of 842 megawatts (MW) had been installed in Taiwan. To promote solar energy panels, the Bureau of Energy (BOE) 能源局 in February 2013 launched the Million Rooftop PVs Promotion Project 陽光屋頂百萬座計畫, offering installation incentives and technical support to households, communities, businesses and local governments. The project aims to push Taiwan's solar power installed capacity to 8,700 MW by 2030.

### Wind Power

As of the end of 2015, the 330 land-based wind turbines along Taiwan's northern and southwestern coasts had an installed capacity of 646.7 MW and generated around 1.5 million megawatt-hours of electricity, meeting the needs of more than 360,000 households. This translates into savings of 350,000 KLOE and a reduction of 790,000 tonnes of CO<sub>2</sub> emissions per year.

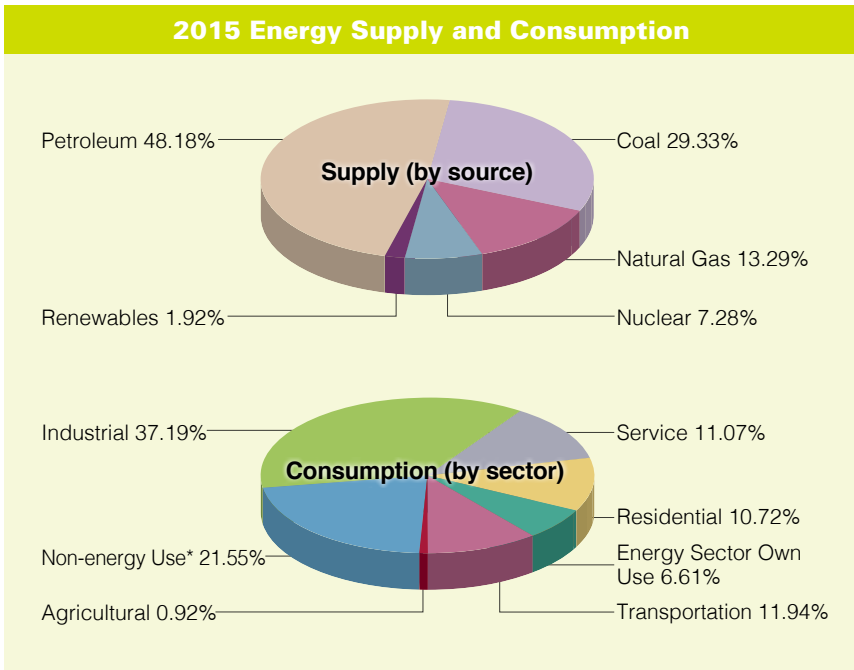
With the development of onshore resources nearing maturity, Taiwan has begun tapping wind energy from offshore resources. In July 2012, the Ministry of Economic Affairs unveiled a plan to install four offshore wind turbines by 2016 with the aim of pushing offshore wind power capacity to 520 MW by 2020 and 4,000 MW by 2030. Taken together, installed capacity from the land- and sea-based turbines is expected to reach 5,200 MW by 2030.



## Biomass Energy

Biomass fuel—produced from organic substances derived from living organisms such as plants and animals—is one of the most widely used forms of recycled energy. Major biomass measures promoted by the EPA encompass the following:

- Transforming garbage incinerators into biomass energy centers.
- Planning biomass energy centers on offshore islands.
- Employing anaerobic digestion on kitchen garbage as well as fowl and livestock feces to produce marsh gas for use.
- Mapping out and promoting regional biomass-energy action plans.



\*Including purposes other than energy generation, such as refining crude oil to produce road asphalt.

Source: Bureau of Energy, Ministry of Economic Affairs

## Green Business Practices and Products

Since May 2010, technical service teams under the BOE have provided guidance on energy conservation to private- and public-sector organizations. Since 2004, the EPA has inked a number of memorandums of understanding on reducing GHG emissions with liquid crystal display, semiconductor and automobile industries. It has also coordinated a similar joint effort between state-owned Taiwan Power Co. 台灣電力公司 and the magnesium industry.

The EPA's Green Mark Program 環保標章計畫 encourages manufacturers to produce, and consumers to purchase, products that are recyclable and have low environmental impact. From the program's inception in 1992 through March 2016, around 12,400 products had been certified to display the Green Mark logo. In May 2013, the Green Mark Program was extended to the service sector, conferring gold, silver or bronze ratings on environmentally conscious travel agencies, restaurants, cleaning services, car rentals and car wash companies.

Taiwan's Carbon Footprint Label 碳足跡標籤 system, launched in 2010, displays the amount of CO<sub>2</sub> emissions generated throughout the life cycle of a product, from manufacturing and packaging to distribution and disposal. As of March 2016, certification to use this logo had been given to 388 products.

## Green Transportation

In addition to a comprehensive network of public transportation, including city buses, mass rapid transit services and high-speed rail, zero-carbon modes of transportation such as pedestrian walkways and bicycle lanes have been augmented, while more bicycle paths are being connected to roads and railways to promote low-carbon tourism.

Since March 2009, the YouBike service has provided convenient 24-hour bicycle rental at mass transit stations and other venues in Taipei City 臺北市, New Taipei City 新北市,





Taoyuan City 桃園市, Hsinchu City 新竹市, Taichung City 臺中市 and Changhua County 彰化縣, with total rentals surpassing 84 million times as of June 2016. Kaohsiung City 高雄市 and Tainan City 臺南市 also operate similar bicycle rental systems, and the popular scheme is spreading quickly to other locales.

A number of measures are being taken to reduce air pollution caused by motor vehicles. These include routine exhaust inspections and spot checks of motor vehicles' emissions as well as replacement of diesel-powered city buses with electric buses. Government agencies also offer incentives for the purchase of vehicles with low-pollutant emissions, including electric scooters and bicycles. Battery exchange stations for such electric vehicles are being established in major cities, while the EPA is promoting standardized batteries.

### Cleaner Biofuels

The government has been promoting the use of biodiesel and bioethanol fuels as substitutes for, or additives to, conventional diesel (petrodiesel) fuel and gasoline. E3—a 3-percent ethanol-blend gasoline—is available at 14 gas stations in Taipei and Kaohsiung. However, B2—a 2-percent biodiesel blend—is being phased out because it could cause vehicle safety problems.

### Green Buildings

To help mitigate global warming resulting from the greenhouse effect, Taiwan formulated a Green Building Label 綠建築標章 in 1999 to certify buildings which meet scientific standards for ecology, energy saving, waste reduction and health. Its criteria are tailored to the nation's hot and humid tropical and subtropical climates.

Taiwan is the fourth nation in the world (after the United Kingdom, the United States and Canada) to establish a green building evaluation system based on scientific appraisals.

With steady support from its public construction policy, it has become one of the most effective countries in promoting green architecture, which consumes less electricity and water. As of March 2016, green architecture certification had been given to 5,697 buildings in Taiwan.

## Pollution Prevention

### Air Quality

The Air Pollution Control Act empowers various levels of government to set air quality standards and establish monitoring stations. Currently, the EPA monitors Taiwan's air quality with a network of 76 monitoring stations that measure a number of pollutants. In addition, nine stationary and two mobile photochemical monitoring stations assess ozone precursors across the country, playing an important role in atmospheric research and health risk assessments.

Since its implementation in 1995, the Air Pollution Control (APC) fee 空氣污染防制費 system has resulted in marked improvements in Taiwan's air quality. The EPA levies APC fees on stationary sources of pollution like factories and construction sites as well as motor vehicles.

Taiwan became the world's second country to have enacted laws to regulate indoor air quality when it promulgated the Indoor Air Quality Management Act 室內空氣品質管理法 in November 2011. Since then, the EPA has set up a number of auxiliary regulations to better implement the act. In January 2014, the EPA announced a list of 466 locations required to follow the act; another 550 were added to the list in 2016.

### Water Quality

With maritime traffic especially heavy around Taiwan, the Marine Pollution Control Act 海洋污染防治法 and the Major Marine Oil Pollution Emergency Response Plan



重大海洋油污染緊急應變計畫 provide an important framework for government efforts to prevent and reduce marine pollution.

Industrial effluent and wastewater from livestock farms and households account for a large share of the pollutants in Taiwan's rivers. In 2012, the EPA launched a six-year program to regulate pollution sources, promote on-site treatment, and involve more citizens in uncovering illegal effluent discharge activities. In early 2013, the EPA completed a program launched in 2008 to clean up six rivers running through Taiwan's metropolitan areas, improving urban environments. Works were launched in September of the same year to further purify upstream sections of the Love River 愛河, which has been remediated and transformed into an attractive area in Kaohsiung City.

Today, Taiwan's rivers, reservoirs, groundwater and surrounding seas are monitored by a network of over 950 sampling stations. Among the country's 50 major rivers, the segments considered seriously polluted plunged to 4.2 percent in 2015 from 15.8 percent in 2003. In 2015, 99.9 percent of ocean water tests met the quality standards established under the Marine Pollution Control Act.

## Recycling and Waste Management

In recent years, Taiwan has worked diligently to promote the philosophy "reduce, reuse, recycle," achieving significant progress in minimizing waste and expanding recycling programs. As a result, the volume of garbage clearance per capita per day was drastically reduced from a historic high of 1.14 kilograms in 1997 to around 0.38 kilograms in 2015.

Taiwan has one of the world's highest recycling rates. As of December 2015, recycling rates for household garbage had reached 55.23 percent. Households are responsible for sorting

recyclable materials into a few major categories. About 3.99 million tonnes of garbage were recycled in 2015.

Further, in conformance with the Stockholm Convention on Persistent Organic Pollutants, Taiwan has enacted the Environmental Agents Control Act 環境用藥管理法 and the Toxic Chemical Substances Control Act 毒性化學物質管理法.

## Ecological Conservation

### Forests and Forestation

Since 2002, the Forestry Bureau (FB) 林務局 of the Council of Agriculture (COA) 行政院農業委員會 has been working toward afforestation of lower-altitude plains. Between 2008 and 2014 it created three forest parks—in Chiayi 嘉義, Hualien 花蓮 and Pingtung 屏東 counties respectively—with a view to increasing leisure space for the public, promoting the sustainability of local farming industries and safeguarding the ecological environment of lower-altitude lands.

Over half of Taiwan—mostly mountainous and hilly regions—is clothed in trees that are protected from commercial logging by law. Protected areas include six forest



With environmental consciousness taking hold in Taiwan, private thrift shops are joining government recycling efforts. (Courtesy of Taiwan Panorama)



reserves comprising 21,171 hectares, established with the aim of protecting Taiwan's indigenous plant species. The FB conducts regular surveys of the reserves to monitor ecosystems and the presence of rare plant and animal species.

### Nature Trails

The COA has mapped out 14 national and 14 regional nature trail systems to offer citizens ecological tours, hands-on environmental experiences and education, leisure activities, and beautiful scenery. Designed to minimize environmental impact, the trails are categorized according to five difficulty levels, and access to those which meander through protected forests or animal preserves requires a permit application beforehand.

### Wildlife Protection

Along with large forests, Taiwan's wide variety of climatic zones, which range from temperate to tropical, give it an extraordinary profusion of flora and fauna. In all, Taiwan is home to approximately 57,600 different species, of which around 30 percent are endemic. To help ensure that its ecosystems remain intact, the central government has set aside about 19 percent of the nation's land area as protected areas, comprising nine national parks, one national nature park, 22 nature reserves for special ecosystems, six forest reserves, 20 wildlife refuges and 37 major wildlife habitats. The protection of biodiversity has also been codified in the Wildlife Conservation Act 野生動物保育法.

### Wetland Conservation

As part of government efforts to maintain the biodiversity and sustainability of Taiwan's wetlands, the Wetland Conservation Act 濕地保育法 was enacted in 2013 and took effect in 2015, stipulating the establishment of a conservation management system for Taiwan's wetlands.

## Wildlife Refuges in Taiwan



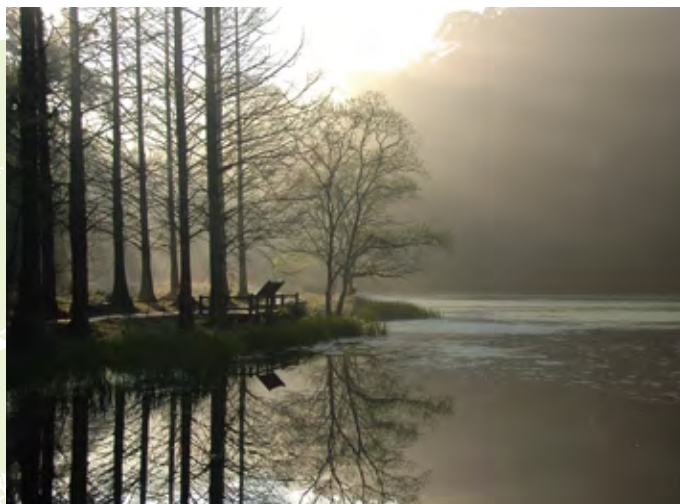
Source: Forestry Bureau, Council of Agriculture

Government agencies and members of the general public are required to adequately preserve and manage wetlands. While agriculture, fishery and salt industries are allowed within wetlands, activities such as hunting, trapping and killing wildlife or releasing and harvesting species require government permission. Anyone wishing to profit from the use of wetlands for industrial production, business operation or tourism must gain approval from relevant authorities. Wetlands of international or national importance are off-limits to construction and development.

### National Parks

Taiwan began promoting national parks and conservation work as early as 1961. Following the enactment of the National Park Act 國家公園法 in 1972, nine national parks (introduced below) have been created to preserve Taiwan's natural heritage. In December 2011, the Shoushan National Nature Park 壽山國家自然公園 was established in Kaohsiung as Taiwan's first national nature park.

Boasting rich flora and fauna, the Fushan Botanical Garden (FBG) in Yilan County is an ideal place for ecological research. (Courtesy of the FBG)



## Dongsha Atoll

Dongsha Atoll National Park 東沙環礁國家公園, Taiwan's first marine national park, covers 353,668 hectares of marine and land areas (including Dongsha Island 東沙島). Centered on Dongsha Atoll, which was formed by corals growing over tens of thousands of years, the park is blessed with diverse fish, invertebrate and coral species.

## Kenting

Kenting National Park 墾丁國家公園 covers 33,289 hectares and wraps around Taiwan's tropical southernmost tip, a dramatic coastline formed by millions of years of geologic activity. The park features fossilized coral cliffs, living coral reefs and diverse marine life. Migratory birds also gather there in autumn and winter.

## Kinmen

Kinmen National Park 金門國家公園 occupies roughly one quarter of the Kinmen Islands 金門群島, which are located just a couple of kilometers from the southeast coast of the Chinese mainland. Though established primarily to preserve local historical and cultural assets, the 3,528-hectare park has abundant natural flora and fauna, including more than 300 species of birds.

## Shei-pa

Covering 76,850 hectares, mountainous Shei-pa National Park 雪霸國家公園 is the main watershed for northern and central Taiwan. The park has 51 peaks over 3,000 meters in height, including Xueshan Mountain 雪山, Taiwan's second-highest at 3,886 meters. Among the park's natural treasures is the Formosan landlocked salmon (*Oncorhynchus masou formosanus*), which inhabits a refuge created for it in the upper reaches of the Dajia River 大甲溪. It is believed to have been trapped in the frigid mountain waters of central Taiwan during the last Ice Age and survived there until today.



### South Penghu

Established in June 2014 as the newest member among Taiwan's national parks, South Penghu Marine National Park 澎湖南方四島國家公園 encompasses 370 hectares of land area and 35,473 hectares of surface water within the southern Penghu Islands 澎湖群島 area. It features special basalt geology, rich and diverse marine ecology, as well as unique cultural communities.

### Taijiang

Established in 2009, Taijiang National Park 台江國家公園 in southwestern Taiwan is a 39,310-hectare marvel that is unique among Taiwan's national parks, encompassing wetlands and lagoons, salterns, fish farms and oyster farms, as well as historic sites of vintage artillery emplacements. The estuaries of three rivers flow through the park's four major wetlands. The park features conservation areas for mangroves and black-faced spoonbills.

### Taroko

The centerpiece of Taroko National Park 太魯閣國家公園 is Taroko Gorge, a spectacular 19-kilometer marble canyon that was lifted up from the earth by tectonic movement and carved out by the Liwu River 立霧溪. Sharp differences in altitude in this area allow the surrounding region to support a rich diversity of animal and plant life. Over 2,500 species of plants and animals can be found in the 92,000-hectare park.

### Yangmingshan

Located on the northern edge of Taipei City, Yangmingshan National Park 陽明山國家公園 is easily accessible to residents. The 11,338-hectare park is graced with lush, grassy meadows, mountain peaks and waterfalls and is noted for its hot springs heated by long-dormant volcanoes.

### Yushan

Located in central Taiwan and spanning nearly 103,121 hectares, Yushan National Park 玉山國家公園 contains 30 of

the 100 highest mountain peaks in Taiwan, including Yushan Mountain (Jade Mountain) 玉山, Northeast Asia's highest peak at 3,952 meters. The wide spectrum of climatic zones means that a large variety of animal and plant life can be found in the park. Subtropical, temperate and alpine species all thrive on Yushan Mountain. ■

## RELATED WEBSITES

- Environmental Protection Administration: <http://www.epa.gov.tw>
- Bureau of Energy, Ministry of Economic Affairs: <http://www.moeaboe.gov.tw>
- Recycling Fund Management Board: <http://recycle.epa.gov.tw>
- Council of Agriculture: <http://www.coa.gov.tw>
- Soil and Water Conservation Bureau, Council of Agriculture: <http://www.swcb.gov.tw>
- Nature Conservation: <http://conservation.forest.gov.tw>
- Taiwan Forest Recreation: <http://recreation.forest.gov.tw>
- National Parks of Taiwan: <http://np.cpami.gov.tw>
- YouBike: <http://www.youbike.com.tw>





10

**INFRASTRUCTURE**



Taipei Metro's Daan Park Station brings passengers the joy of nature with garden displays and environment-friendly designs. (Courtesy of Taiwan Panorama)

## Land Transportation

### Roads

Taiwan has over 42,000 kilometers of roads, most of which span the western coastal lowlands and hilly areas. On the west side of the island, the 432.5-kilometer Sun Yat-sen Freeway 中山高速公路 (National Freeway No. 1) connects Taiwan's major cities from Keelung City 基隆市 in the north to Kaohsiung City 高雄市 in the south. Similarly, the 432.9-kilometer Formosa Freeway 福爾摩沙高速公路 (National Freeway No. 3) starts from Keelung City and runs to Pingtung County 屏東縣 in the south. Moreover, numerous east-west national freeways and expressways feed into these major north-south arteries, forming an efficient and convenient traffic network to serve the densely populated west coast.

In the northeast, the 54.2-kilometer Chiang Wei-shui Freeway 蔣渭水高速公路 (National Freeway No. 5) runs from the seaport of Su-ao Township 蘇澳鎮 northward along the coast to Yilan City 宜蘭市, then cuts northwestward through the Xueshan Mountains 雪山山脈 via the 12.9-kilometer Hsuehshan Tunnel 雪山隧道—the world's eighth-longest freeway tunnel—to New Taipei City 新北市, and ends farther north at the Nangang System Interchange 南港系統交流道 in Taipei City 臺北市.

Transportation networks are less developed in eastern Taiwan, which, compared with the west, has a much smaller area of flat land and is less populous and industrialized. However, with domestic tourism boosted by Taiwan's growing prosperity, this picturesque region is a high priority in development of transportation networks. Under the Hualien-Taitung Area Development Act 花東地區發展條例 promulgated in June 2011, NT\$40 billion (US\$1.36 billion) will be allocated over a 10-year period for the improvement of infrastructure, tourism, ecological sites and other concerns in Hualien 花蓮 and Taitung 臺東 counties.

One east coast project underway is the re-engineering of the 101-kilometer Suhua Highway 蘇花公路 (part of Provincial



Source: Ministry of Transportation and Communications

Highway No. 9) between Su-ao Township and Hualien City 花蓮市. Improvement work on three sections totaling 38.8 kilometers in length began in 2011 and is expected to be completed by 2017.

On December 30, 2013, Taiwan switched its entire national freeway network to an Electronic Toll Collection (ETC) system that calculates tolls based on the distance traveled by a vehicle, replacing the conventional flat-fee, semi-manual toll collection scheme. Now over 90 percent of freeway drivers take advantage of the ETC system by using “eTag” sensors, which are detected and tracked by a radio-frequency identification system. Vehicles without the tags can still travel on freeways; their road-use mileage is recorded on cameras using imaging recognition technology and their drivers are billed a few days later by the Taiwan Area National Freeway Bureau 臺灣區國道高速公路局. The new scheme not only ensures fairness all around but also speeds up highway traffic as vehicles no longer have to pass through toll booths.

## Public and Commercial Road Vehicles

Tens of thousands of highway buses, tour buses and public and private city buses provide long-distance or intercity transportation services. In Taipei City, dedicated bus lanes on major roads together with its mass rapid transit systems have helped ease traffic congestion. City buses islandwide accept payment by electronic stored-value cards such as the EasyCard 悠遊卡 and the iPass 一卡通, but passengers also have the option of dropping coins in fare boxes.

Taxis are a common sight in metropolitan areas. Taxi fares are set by local governments and vary slightly among cities. Meanwhile, car rental is on the rise as more city dwellers prefer to rent vehicles for vacation.

## Railways

Taiwan has a state-run railway system as well as a privately run high-speed railway service. The former, operated by

Taiwan Railways Administration (TRA) 臺灣鐵路管理局 of the Ministry of Transportation and Communications (MOTC), provides service among 226 stations around the island. Its routes, 58.39 percent of which utilize double-track lines, total 1,180 kilometers in length.

In recent years, the proportion of passengers taking long-distance express trains has declined as travelers increasingly utilize the high-speed rail. Hence, the TRA is focusing on providing better service to passengers on shorter routes, including adding new stops and new cars to improve commuters' travel experience.

Along Taiwan's eastern coast, the TRA operates the Taroko Express 太魯閣列車, which employs a tilting technology that allows it to negotiate bends at high speeds and transport passengers from Taipei to Hualien in just under two hours. In February 2013, the TRA opened service on a new class of tilting trains, the Puyuma Express 普悠瑪列車, which can reach maximum operation speed of 150 kilometers per hour. Also, the Hualien-Taitung electric railway system was completed and began operation in June 2014.

Various projects are underway to modernize sections of existing rail lines and to provide more convenient transportation services. A project to build an elevated rapid transit railway in Taichung City 臺中市 is scheduled for completion in March 2017. In Kaohsiung City, three underground railway projects to move underground existing stations and add TRA stops are proceeding.



Source: Taiwan Railways Administration



## High-speed Rail

Taiwan's high-speed rail system, which is run by the Taiwan High Speed Rail Corp. 台灣高速鐵路股份有限公司, provides a quality 300-kilometer per hour intercity rail service along Taiwan's western corridor. The fastest service between Taipei and Kaohsiung runs just 105 minutes while the slowest takes 145 minutes.

The 350-kilometer bullet train system currently serves 12 stations (Nangang 南港, Taipei, Banqiao 板橋, Taoyuan 桃園, Hsinchu 新竹, Miaoli 苗栗, Taichung, Changhua 彰化, Yunlin 雲林, Chiayi 嘉義, Tainan 臺南 and Zuoying 左營).

## Metro Services

The Taipei Mass Rapid Transit System 臺北大眾捷運系統, popularly known as the Taipei MRT or Metro, has significantly facilitated transportation in metropolitan Taipei since it opened in 1996.

At present, five lines stretching a total of 131.1 kilometers and 117 stations are in operation. One more extension and four more lines, including one connecting the Taiwan Taoyuan International Airport (TTIA) 臺灣桃園國際機場 and Taipei Main Station 臺北車站, are currently under construction. After the TTIA line is completed, travel time between the airport and downtown Taipei is expected to be reduced from an hour to around 35 minutes.

The Kaohsiung Mass Rapid Transit System 高雄捷運, or Kaohsiung Metro, spans nearly 45 kilometers and has 38 stations

### Taiwan High-speed Rail System



Source: Taiwan High Speed Rail Corp.



The YouBike public bicycle rental systems offer a convenient, zero-carbon mode of transportation around Taiwan's major cities. (Courtesy of Taiwan Review)

on two lines. It is linked with the Kaohsiung International Airport 高雄國際航空站, the high-speed rail and TRA railways, as well as the city bus system. The Kaohsiung Light Rail Transit Circular Line 高雄環狀輕軌捷運線—Taiwan's first light railway system—is currently under construction, and the first phase of the network is expected to begin offering services in June 2017.

In Taichung, construction is underway on the MRT's green line, the Wuri-Wenxin-Beitun Line 烏日文心北屯線, which is expected to be completed by 2020.

## Personal Transportation

Scooters are extremely popular for their fuel efficiency, minimal parking space needs and freedom of mobility particularly in urban areas. Nationwide, scooters outnumber private-use four-wheel vehicles by more than two to one.

To complement existing transportation networks while promoting greener lifestyles, various cities have introduced public bicycle rental systems offering ultra-low rental prices and convenient access. Rental stations have been set up near metro stops, scenic spots and major business points while

bike lanes are being extended. As of June 2016, the popular scheme had been launched in Taipei, New Taipei, Taoyuan, Hsinchu, Taichung, Tainan and Kaohsiung cities as well as Changhua County.

## Maritime Shipping and Ports

At the end of 2015, Taiwan's shipping fleet consisted of 313 vessels totaling 3.85 million gross tons (5.48 million deadweight tons). Among the carriers registered with the Republic of China, several provided container transportation services while others offered bulk transportation services.

Taiwan has seven international port facilities under the management of the MOTC. The four largest—Port of Kaohsiung 高雄港 in the south, Port of Taichung 臺中港 on the west central coast, and Port of Keelung 基隆港 and Port of Taipei 臺北港 in the north—handle container shipping and bulk/break-bulk cargo. The remaining three—Port of Hualien 花蓮港 in east central Taiwan, Su-ao Port 蘇澳港 in the northeast and Tainan City's Anping Port 安平港 in the south—handle bulk and break-bulk cargo.

The Port of Kaohsiung (POK) is Taiwan's largest international commercial harbor and the world's 13th-busiest container port. (Courtesy of the POK)



As a result of the agreement reached in November 2008 by Taiwan's Straits Exchange Foundation (SEF) 海峽交流基金會 and mainland China's Association for Relations Across the Taiwan Straits (ARATS) 海峽兩岸關係協會 to open direct shipping links between the two sides, Taiwan opened 13 ports to direct cross-strait shipping as of March 2016, and the mainland reciprocated with 72 openings. This has significantly reduced the time and cost of transporting cargo to and from Taiwan's top trading partner. Vessels sailing the strait now also transport tourists between the mainland and Taiwan (including offshore islands).

## Civil Aviation

As of December 2015, a total of 74 airlines (50 foreign, 16 mainland Chinese and eight domestic) operated international and cross-strait flights to and from Taiwan. They served a combined 301 routes to 135 cities around the world. In 2015, the number of passengers served at Taiwan's airports (including arrivals, departures and transits) grew 5.06 percent over the previous year to 58.16 million, with international flight passengers making up the lion's share.

In line with agreements between the SEF and the ARATS, direct cross-strait charter flights commenced in July 2008 with weekend service, which was expanded to daily service in December of that year. Carriers of both sides thereafter could fly across the strait without detouring through Hong Kong's airspace.

In April 2009, the SEF and the ARATS signed a supplementary agreement on scheduled flights between Taiwan's airports and those in mainland China. As a result, two new cross-strait routes were commissioned in July 2009 with 270 scheduled passenger flights per week. As of March 2016, the number of scheduled passenger flights between 61 airports in mainland China and 10 in Taiwan rose to 890 per week, while the number of scheduled cargo flights between 10 destinations on the mainland and two in Taiwan increased to 84 weekly.

## Airports

The main gateway into the country is the Taiwan Taoyuan International Airport, which in 2015 served 38.47 million international and domestic passengers through two passenger terminals. It is now run by Taoyuan International Airport Corp. Ltd. 桃園國際機場股份有限公司, a state-owned corporation established in November 2010 under the auspices of the MOTC.

A renovation project launched in 2010 to revamp Terminal 1 of the airport was completed in July 2013. To offer additional passenger-friendly services to an increasing number of global travelers, a multi-billion dollar refurbishment and expansion project for Terminal 2 was unveiled in late 2014, and a third terminal is currently also under construction.

Several other airports also provide international service. In 2015, Taipei Songshan Airport 臺北國際航空站, located in downtown Taipei, served 5.86 million international and domestic passengers. Kaohsiung International Airport, connected to the city via the Kaohsiung Metro, served 6 million passengers. Taichung Airport 臺中航空站, opening a new international terminal in April 2013, served 2.34 million

The 66-year-old Taipei Songshan Airport (TSA), which offers international and domestic flight services, was recently refurbished to take on a modern look. (Courtesy of the TSA)



travelers for the entire year. All three of these airports offer two passenger terminals.

Of Taiwan's 17 airports, nine are located on Taiwan proper (Taipei, Taoyuan, Taichung, Tainan, Chiayi, Kaohsiung, Hengchun 恆春, Hualien and Taitung) and eight on offshore islands—three on the Penghu Islands 澎湖群島, two on the Matsu Islands 馬祖列嶼, and one each on Lanyu Island (Orchid Island) 蘭嶼, Ludao Island (Green Island) 綠島 and Greater Kinmen 大金門.

## E-traffic Information

The MOTC's Institute of Transportation 交通部運輸研究所 operates a Traffic and Transportation Service Center 交通服務e網通 website that displays real-time traffic conditions around Taiwan, enabling drivers to avoid traffic jams and find alternative routes. Visitors to the bilingual website can obtain information about fares, timetables and routes of long-distance coaches, TRA trains, high-speed trains, flights, and boats plying the waters between Taiwan proper and its offshore islands. Also available on the website is information on city buses, intercity buses and rapid transit systems in Taiwan's various urban areas.

## Telecommunications

Taiwan's telecommunications market has developed at a rapid pace since liberalization measures were adopted in the mid-1990s with mobile, satellite and fixed-line communication services opened to the private sector.

Like many other developed nations, Taiwan's mobile phone market faces oversaturation. The penetration rate passed 100 percent in early 2002 and continued to climb, reaching 125 percent in 2015. The market's limited size has led to fierce competition among network operators as they vie to expand their market share through efficiency, value-added services and competitive pricing.

The number of mobile phones in use exceeded the number of fixed-line telephones for the first time in 2007. Taiwan has three second-generation, five third-generation and five fourth-generation mobile phone operators. As of January 2016, their subscribers numbered 920,000, 16.17 million and 12.21 million, respectively.

### Digital Television

On July 1, 2012, terrestrial television channels in Taiwan completed a transition from analog to digital TV signal broadcasting. The digital format allows Taiwan's original five terrestrial channels to offer additional services, giving the public access to 20 channels as of March 2016.

In keeping with the Digital Convergence Policy Initiative 數位匯流發展方案 approved by the Executive Yuan 行政院 in 2010, the cable TV industry is being required by the National Communications Commission (NCC) 國家通訊傳播委員會 to move toward comprehensive digitization. The Legislative Yuan's 立法院 passage of an amendment to the Cable Radio and Television Act 有線廣播電視法 in December 2015 has accelerated the digitization of cable TV and increased competition in previously monopolistic operating areas.

### The Internet

A survey conducted by the Taiwan Network Information Center 臺灣網路資訊中心 in August 2015 showed that 80.3 percent of people aged 12 and above had used the Internet (increasingly via mobile devices) and 100 percent of people aged 18 to 30 had done so. Meanwhile, 89.2 percent of households were equipped with Internet service (mostly broadband connections).

NCC data showed that broadband Internet subscriptions (mobile and fixed) stood at 26.70 million at the end of 2015. Among these, some 1.06 million were ADSL, 3.35 million FTTx, 1.25 million cable modem, 3,484 leased lines and 1.96 million public wireless local area network

users. Mobile broadband accounts, meanwhile, reached 19.08 million.

To boost wireless broadband development in remote areas, the government in December 2015 launched the i-Tribe 愛部落 program for free Wi-Fi in Taiwan's indigenous communities. The program comes with a budget of NT\$1.5 million (US\$47,000) per community and an initial goal of setting up free outdoor Wi-Fi service in 170 of the nation's 734 indigenous communities by the end of 2017.

### Digital Convergence

The Digital Convergence Policy Initiative (2010-2015) aims to deliver broadband Internet access to all households in Taiwan. As of the end of 2015, the number of households subscribing to optical fiber networks and wireless broadband accounts had reached 4.73 million and 17.92 million respectively. The NCC is working on a follow-up project for 2016-2018, which will be promulgated after the Executive Yuan's approval.

To keep Taiwan's regulations abreast of the latest global trends, the NCC has drafted several bills on digital convergence affairs. These bills—aiming to lower market barriers,



Taiwan's telecommunications industry has seen rapid growth especially after fourth-generation mobile broadband services were inaugurated in 2014. (Courtesy of Chunghwa Telecom)



relax regulations, facilitate cross-border services and ensure a level playing field for competition across different industries—will be sent to the Legislature after the Executive Yuan’s approval.

### IPv6 Upgrade Promotion Program

In December 2011, the Executive Yuan approved the IPv6 Upgrade Promotion Program 網際網路通訊協定升級推動方案 to replace Internet Protocol version 4 (IPv4) with IPv6 as the communications protocol that directs Internet traffic. One month later, the IPv6 Upgrade Promotion Office 網際網路通訊協定升級推動辦公室 was established under the National Information and Communications Initiative Committee 國家資訊通信發展推動小組 of the Executive Yuan. Under the program, government agencies are required to upgrade all networks, databases and computer equipment to IPv6 standards by 2016. External service upgrade had been completed as of the end of 2015, while internal services will be upgraded in 2016.

### *ide@ Taiwan 2020 Policy White Paper*

In 2015, the Executive Yuan released the *ide@ Taiwan 2020* policy white paper 創意臺灣政策白皮書 as a blueprint for national digital development over the next five years. The white paper proposes actions in five areas:

- **Infrastructural environment:** Adjust regulations governing the virtual world, improve the information and communications technology infrastructure, and strengthen cyber security laws.
- **Transparent governance:** Promote open data, encourage online participation in public policies, and expand e-government services.
- **Intelligent lifestyle:** Create digitized community health care mechanisms, build an information cloud for food safety management, facilitate e-learning, and promote “online-to-offline” technologies for new types of video content.
- **Internet economy:** Forge a startup-friendly environment, encourage e-commerce and online marketing, and promote online financial services.

- Smart homeland: Build a geospatial-temporal information cloud for disaster preparedness, set up an integrated transportation data platform offering real-time traffic conditions, and promote smart green communities. ■

## RELATED WEBSITES

- › Taiwan Area National Freeway Bureau: <http://www.freeway.gov.tw>
- › Directorate General of Highways: <http://www.thb.gov.tw>
- › Taiwan Railways Administration: <http://www.railway.gov.tw>
- › Ministry of Transportation and Communications: <http://www.motc.gov.tw>
- › Taiwan High Speed Rail Corp.: <http://www.thsrc.com.tw>
- › Department of Rapid Transit Systems, Taipei City Government: <http://www.dorts.gov.taipei>
- › Taipei Rapid Transit Corp.: <http://www.trtc.com.tw>
- › Kaohsiung Rapid Transit Corp.: <http://www.krtco.com.tw>
- › Civil Aeronautics Administration: <http://www.caa.gov.tw>
- › Taiwan Taoyuan International Airport: <http://www.taoyuan-airport.com>
- › Traffic and Transportation Service Center: <http://e-iot.iot.gov.tw>
- › National Communications Commission: <http://www.ncc.gov.tw>





77

**HEALTH &  
WELFARE**



**I**n preparation for becoming an aged society, Taiwan has promoted active aging by encouraging lifelong learning and helping senior citizens join the job market.

## Public Health

### Health Indices

The overall health of Taiwan's people has improved considerably over the past several decades, with a steady rise in their standards of living and advances in the health and medical sciences. Increasingly sedentary lifestyles and unbalanced diets have given rise to a new set of health challenges, however, with cancer and chronic cardiovascular diseases replacing communicable illnesses as leading threats.

In 2015, cancer accounted for 28.6 percent of all deaths in Taiwan, nearly 50 percent of which were of lung, liver or colorectal cancer (in order of frequency). Nevertheless, increased early detection and screening have reduced the death and disability rates associated with these conditions.

### National Health Insurance

Taiwan's National Health Insurance (NHI) 全民健康保險 has been touted worldwide for providing equal access to quality health care. Over 99 percent of ROC nationals are covered by this public program, and all citizens and foreign residents who have lived in Taiwan for at least six months are required to enroll.

### Services

The NHI system was established in 1995 and provides comprehensive and uniform benefits. The insured have access to more than 20,000 contracted health care facilities around the country providing inpatient and ambulatory care, dental services, traditional Chinese medicinal therapies, obstetric services, physical rehabilitation, home care and chronic mental illness care. Most forms of treatment, including surgery, are covered by the system, as are examinations, laboratory tests, anesthesia, prescription medication, medical supplies, nursing care, hospitalization and certain over-the-counter drugs.

## Premiums and Copayments

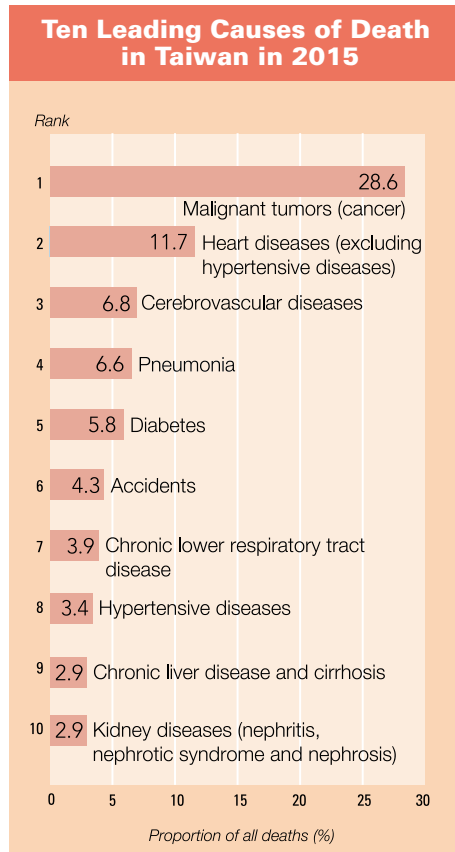
The payment of each insurant's premium is typically divided between the insurant, his or her employer, and the government, with their respective contribution ratios varying based on the nature of the insurant's employment (see table "NHI Premium Contribution Ratios"). Certain groups' premiums are fully subsidized by the government; such coverage was extended to inmates in correctional facilities by the Second-generation NHI (which is explained in the next section).

The insured have complete freedom of choice of medical service providers. To access an NHI-contracted medical facility or pharmacy in Taiwan, patients need only make a copayment and pay a small registration fee. For inpatient care, a progressive rate depending on the intensity of care and length of stay applies.

## Second-generation NHI

Taiwan's graying population, costly new drugs and treatments, as well as lifetime coverage for chronic illness, rare diseases and catastrophic illnesses have strained the NHI's finances. Accordingly, the National Health Insurance Act 全民健康保險法 was amended in 2011 to expand the premium base while reducing the financial burden on salaried employees.

The revised act requires the government to fund at least 36 percent of the NHI budget, excluding funding from the Health and Welfare Surcharge



Source: Ministry of Health and Welfare

on Tobacco Products 菸品健康福利捐 and lottery proceeds. Implemented in January 2013, the Second-generation NHI features a 2-percent supplementary premium charge on income from stock dividends; interest earnings; rental income; payments received for professional practice; income from secondary employment or part-time work; and annual bonuses exceeding four months of an employee's regular salary. All such payments are now reported to the National Health Insurance Administration 中央健康保險署 for premium collection.

## Medical Care System

### Personnel

As of the end of 2015, around 280,500 medical professionals worked in Taiwan. There were 21.41 physicians (including physicians of Chinese medicine) and 5.75 dentists per 10,000 people. In order to ensure that quality medical service is available to all citizens, higher salary and transportation subsidies are offered to doctors and nurses who practice in rural or remote areas.

### Medical Facilities

In 2015, there were 494 hospitals and 21,683 clinics operating in Taiwan. These medical institutions had a total of 162,163 beds, or about 69 beds per 10,000 people.

## Health Concerns and Health Promotion

### Healthy Birth and Growth

A raft of measures and facilities are in place to ensure the health of mothers and infants: Baby-Friendly Hospitals and preventive health care services are provided, including 10 different free prenatal examinations and a number of subsidized prenatal genetic diagnoses, access to breastfeeding-friendly environments, and newborn screening services with follow-up diagnoses and treatment

<b>NHI Premium Contribution Ratios (since January 2013)</b>					
<i>Classification of the Insured</i>			<i>Contribution Ratios (%)</i>		
			<i>Insured</i>	<i>Registration Organization</i>	<i>Government</i>
Category 1	Civil servants	Insured and dependents	30	70	0
	Volunteer servicemen and public office holders	Insured and dependents	30	70	0
	Private school teachers	Insured and dependents	30	35	35
	Employees of public or private enterprises or organizations	Insured and dependents	30	60	10
	Employers	Insured and dependents	100	0	0
	Self-employed	Insured and dependents	100	0	0
	Independent professionals and technical specialists	Insured and dependents	100	0	0
Category 2	Occupational union members	Insured and dependents	60	0	40
	Foreign crew members	Insured and dependents	60	0	40
Category 3	Members of farmers', fishermen's and irrigation associations	Insured and dependents	30	0	70
Category 4	Military conscripts	Insured	0	0	100
	Military school students on scholarships and deceased military servicemen's dependents on pensions	Insured	0	0	100
	Males performing alternative military service	Insured	0	0	100
	Inmates in correctional facilities	Insured	0	0	100
Category 5	Low-income households	Household members	0	0	100
Category 6	Veterans and their dependents	Insured	0	0	100
		Dependents	30	0	70
	Other individuals	Insured and dependents	60	0	40

Source: National Health Insurance Administration, Ministry of Health and Welfare



upon detection of any abnormalities. Centers for assessing child development have been established so that early intervention can be offered for those with developmental delays. Pediatric counseling and seven other preventive services are given to children as well.

Following the 2012 initiation of a pilot program offering compensation for injuries sustained during childbirth, the Legislature in December 2015 approved legislation regarding dispute resolution and compensation for injuries incurred during labor.

### Obesity Prevention and Control

Obesity is associated with non-communicable diseases such as diabetes, cancer, heart disease, cerebrovascular disease, metabolic syndrome, hypertension and dyslipidemia. Since 2011, the government has implemented a weight management program to proactively encourage citizens to examine and address obesogenic environments and adopt a healthy lifestyle, while also offering weight control counseling services to the public. Partly because of this program, the growth of the obese population has slowed since 2013.

Patients receive treatment at a local hospital emergency room. The National Health Insurance has helped make Taiwan's medical services efficient and affordable. (Courtesy of *Taiwan Panorama*)



## Cancer Control

The National Cancer Prevention and Control Program 國家癌症防治計畫 has been implemented since 2005 to reduce cancer mortality through education, free screening services, improvement of diagnoses and treatment, and promotion of hospice and palliative care. The program's third phase (2014-2018) shifts the focus from screening and treatment to prevention. Its three new emphases are as follows:

- Controlling emerging risk factors (obesity, unhealthy diets and physical inactivity), monitoring and addressing obesogenic environments, conducting the National Nutrition Program 現代國民營養計畫, and doubling the share of the population that exercises regularly.
- Promoting evidence-based cancer screening policies, especially for precancerous lesions that are precursors of colon cancer and oral cancer.
- Implementing the Cancer Patient Navigation Program 癌友導航計畫 to make every life count, cure early-stage cancers and provide palliative care for end-stage patients.

## Chronic Disease Prevention and Control

National and local public health agencies have joined forces to promote awareness and prevention of hypertension, hyperglycemia and hyperlipidemia. To detect chronic diseases and their risk factors early on, preventive health care services are provided free of charge every three years to people age 40 to 64 and annually to indigenous people age 55 and older as well as all people at least 65 years of age. Additionally, a nationwide network for chronic disease care has been constructed, and Taiwan's 22 counties and cities have joined diabetes shared care networks and diabetes/chronic kidney disease health promotion institutions to further enhance care quality.

## Active Aging

Due to its low fertility rate, Taiwan is expected to become an aged society, defined as a society in which over 14 percent of the population is age 65 or above, by 2018, and a super-aged

society, in which senior citizens account for at least one-fifth of the total population, by 2025.

To raise the quality of life of the nation's senior citizens and slow the progression of chronic diseases, the Ministry of Health and Welfare (MOHW) has supported age-friendly cities, age-friendly health care, health promotion for the elderly, and prevention and control of chronic diseases. A total of NT\$10 billion (US\$299.85 million) has been earmarked to build elderly day care centers in the nation's 368 townships and districts by the end of 2016, while an elderly employment resource center was launched in 2014 to bring employable senior citizens into the job market.

### Rare Diseases

In addition to ensuring the availability of comprehensive health care through the NHI system, in cases where expenses are not covered under the National Health Insurance Act, the MOHW subsidizes the costs of diagnosis, treatment, pharmaceuticals and special nutrients for patients with rare diseases under the Rare Disease and Orphan Drugs Act 罕見疾病防治及藥物法. It also maintains a distribution logistics center for nutrients and orphan drugs specially formulated for treatment of rare diseases and subsidizes laboratory testing in partnership with other nations.

### Tobacco Hazards Control

In recent years, the public and private sectors have adopted a strict stance on controlling tobacco hazards. The Tobacco Hazards Prevention Act 菸害防治法 prohibits smoking in indoor areas such as workplaces shared by three or more persons, karaoke lounges, restaurants and Internet cafes, as well as outdoor public areas such as hospital campuses and spaces near the entrances of railway stations. Local authorities have also banned smoking in areas adjacent to school campuses since 2012. Beginning April 2014, visitors and staff of all public recreation areas, including national parks, may only smoke in designated areas. Furthermore, since 2009, warning

labels on tobacco products have been required by law to cover 35 percent of principal pack surfaces.

The Health and Welfare Surcharge on Tobacco Products is NT\$20 (US\$0.60) per standard pack. Revenue from this surcharge goes into the National Health Insurance Reserve Fund 全民健康保險安全準備基金 and is used to subsidize NHI premiums for the economically disadvantaged, as well as to support smoking cessation services, tobacco hazard awareness campaigns, cancer prevention, social welfare and improvement of public health and medical care. A second-generation smoking cessation scheme launched in 2012 has been implemented at hospitals, clinics, and community pharmacies.

### Long-term Care

Demographic aging, longer life expectancy and changes in disease patterns have increased the need for long-term care. In 2007 the Executive Yuan 行政院 launched the National 10-year Long-term Care Plan 我國長期照顧十年計畫, under which subsidies are available for people who need assistance in their daily lives because of a functional disorder. The subsidies cover home nursing care and rehabilitation, acquisition or rental of assistive devices, and adaptation of homes into free-access environments as well as meals, transportation, respite care and other institutional services.



**A publicly funded poster warns of the dangers of tobacco use. The rate of exposure to secondhand smoke in public areas where smoking is prohibited fell from 23.7% in 2008 to 7.7% in 2015. (Courtesy of the Health Promotion Administration)**

The MOHW is also implementing a Long-term Care Service Network 長期照護服務網 plan through the end of 2016 to establish long-term care institutions, ensure quality control, train personnel and develop care resources in rural areas.

To follow up on these two plans, the Cabinet in November 2015 approved a NT\$30 billion (US\$940.44 million) program to further boost the development of long-term

### Long-term Care Services Act

In June 2015 Taiwan promulgated the Long-term Care Services Act 長期照顧服務法, which serves as the principal legal foundation for the development of comprehensive long-term care services for elderly and disabled individuals.

This legislation, which is expected to come into effect in 2017, covers content of services, personnel management, management of institutions, protection of the rights of care recipients, and incentives for the development of services, and includes the following mechanisms:

- The act integrates different types of long-term care services, including home-based care, community care and nursing facilities. It also serves as a legal basis for small-scale multifunctional care service.
- The act establishes a legal foundation for the employment of foreign care workers, who may be either directly hired by an individual employer or dispatched to homes by a long-term care institution. The employer may request additional training for a foreign care worker already in Taiwan.
- The professional qualifications of a long-term care provider are stipulated.
- A fund has been set up to reward the development of long-term care in areas lacking resources such as personnel and services.
- For the first time, family caregivers are incorporated into the care system.

care services through 2018. In January 2016, the MOHW launched a long-term care resources web portal that includes a searchable map with information on home care, community care and nursing homes. The Long-term Care Services Act was greenlighted by the Legislature in May 2015 (see box “Long-term Care Services Act”).

## Communicable Diseases

Prevention and control of infectious diseases such as tuberculosis, hepatitis, dengue fever and enterovirus have significantly improved in Taiwan in recent decades. In addition to the Communicable Disease Control Act 傳染病防治法, several disease surveillance systems, including the Real-time Outbreak and Disease Surveillance System 即時疫情監視及預警系統, the School-based Surveillance System 學校傳染病監視通報資訊系統 and the Taiwan Nosocomial Infections Surveillance System 院內感染監視通報系統, have been established to collect timely, comprehensive and precise information on infectious diseases. Meanwhile, the MOHW’s Centers for Disease Control 疾病管制署 has been working in collaboration with medical care and academic research institutes to better understand epidemics and formulate prevention and control measures.

In April 2016, Taiwan inaugurated a national research center for mosquito-borne diseases such as dengue fever and the Zika virus. In collaboration with local governments and schools, the center will monitor disease vectors, carry out clinical trials and establish an improved early warning system.

## Traditional Chinese Medicine

Traditional Chinese medicine is a popular type of therapy covered by the NHI. As of July 2015, Taiwan had 6,146 licensed practitioners, 3,654 pharmacies and 3,637 Chinese medicine clinics and hospitals.

The MOHW’s Department of Chinese Medicine and Pharmacy 中醫藥司 oversees the practice of Chinese medicine

in Taiwan and supports research on pharmaceutical development, acupuncture and other traditional practices. The manufacture and sale of traditional Chinese medicines in Taiwan are subject to strict regulations as well as mandatory certification procedures.

## Regulation and Oversight

The MOHW's Food and Drug Administration (FDA) 食品藥物管理署 ensures food and drug safety and is a liaison on such matters for the public. With inspectors stationed at all entry points to the country, the FDA is responsible for assuring the safety and effectiveness of human drugs, vaccines and other biological products, medical devices, dietary supplements, foodstuffs and cosmetics.

### Food Safety

Several food safety management mechanisms have been set up in Taiwan to address basic food production processes in factories, temperature controls during transportation, food storage and handling in retail operations and food preparation at eateries. Other mechanisms include inspection of imported products, promotion of food safety education in schools, and monitoring of advertisements for and labeling of food products.

The FDA has established a task force to assess risks in food products and the environment arising from chemical contaminants, food additives, pesticides, heavy metals and biological toxins. Such assessments provide a scientific foundation for risk management and formulation of food safety policies.

In the wake of several food safety incidents, the Act Governing Food Safety and Sanitation 食品安全衛生管理法 was amended in five rounds between 2013 and 2015 to safeguard public health. The amendments, which aim to end the use of unapproved additives in and illegal adulteration of food products, focused on food testing, inspection and control as well as strengthening food safety risk management.

The revised act requires that related government agencies set up a food safety monitoring system and that local food manufacturers establish a tracking system for the production and trade of food. Certain manufacturers are required to conduct a self-inspection of their ingredients and products or send them to third-party laboratories for examination. In addition, penalties have been stepped up on an array of illegal food-related activities.

Taiwan also participates in a number of food-related world bodies. Through such cooperative forums, it strives to establish national food safety standards that comply with international norms.

## Food Cloud

Taiwan has created a food cloud that can quickly alert authorities to food safety risks and allow for faster tracing of products and ingredients. Using big data technology, the food cloud gathers, shares and analyzes information in a methodical and systematic manner. It links five core systems (registration, tracing, reporting, testing and inspection) from the MOHW with eight food management-related information systems from other ministries.

Based on the food cloud concept, the MOHW in September 2015 established a food and drug intelligence center to help build a mechanism for managing food safety risks and crises on the national level. The technologies for big data management and analysis will enable authorities to better manage food sources and protect consumer health.

In addition, food cloud systems established by individual government agencies are producing early results. The Ministry of Education, for instance, rolled out a school food ingredient registration platform in 2014, and by 2015 had implemented the system across 22 counties and cities, making lunch ingredients at 5,680 schools completely transparent.



## Pharmaceutical Regulation

The ROC began to implement Good Manufacturing Practices 優良藥品製造標準 for the pharmaceutical industry in 1982 and the more stringent current Good Manufacturing Practices (cGMP) 現行優良藥品製造標準 in the 1990s. Such certifications are contingent on passing routine inspections as well as unannounced investigations due to specific concerns.

Taiwan joined the international Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) in early 2013. From 2015 onwards, all pharmaceutical manufacturers must obtain manufacturing authorization from the MOHW based on their PIC/S GMP inspection results. The manufacturers shall be subject to routine and unannounced inspections to make sure of their compliance.

## Social Welfare

In 2016, the central government allocated NT\$460.61 billion (US\$13.81 billion) to public welfare, accounting for 22.3 percent of its total budget. The target groups may be summarized as follows.

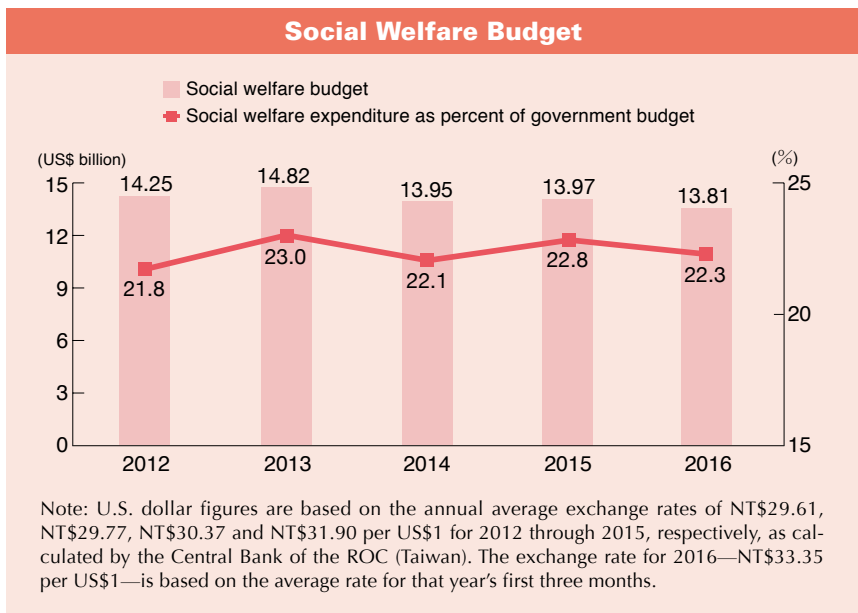
### Children

Taiwan's under-18 age group (referred to herein as "children") has been shrinking in recent years as birth rates have declined. To encourage childbearing and reduce the burdens of child care, a childrearing allowance for unemployed parents with children under age two has been made available for certain families since 2012. Moreover, each parent of a newborn who is covered by employment insurance and who elects to take unpaid parental leave can receive a monthly Employment Insurance Fund 就業保險基金 allowance for up to six months. Subsidies have also been provided since 2015 to help infertile couples seek professional assistance with artificial reproduction.

Since 2009, NHI premium subsidies have been available for medical treatment of children belonging to households

in the low- and lower-middle-income brackets (see “Disadvantaged Households” section for bracket definitions). Children whose basic living needs are jeopardized are entitled to receive emergency subsidies for up to six months at a time, while mentally or physically challenged children can also receive aid for early treatment and education.

A system for reporting and preventing child abuse has been established in line with the Protection of Children and Youths Welfare and Rights Act 兒童及少年福利與權益保障法, the Domestic Violence Prevention Act 家庭暴力防治法 and the Sexual Assault Crime Prevention Act 性侵害犯罪防治法. The Protection of Children and Youths Welfare and Rights Act requires that persons and government agencies responsible for children’s well-being must take immediate action to protect them upon discovering or being informed of any condition that endangers their well-being. The system includes 24-hour hotlines, medical treatment



Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan

and protective placement as well as assistance by police and prosecutorial authorities.

Other legal protections for children can be found in the Criminal Code of the Republic of China 中華民國刑法, which requires lengthy prison sentences for adults who engage in sexual intercourse with children under 16; the Child and Youth Sexual Exploitation Prevention Act 兒童及少年性剝削防制條例, which mandates imprisonment, detention and fines for any actions involving sexual exploitation of anyone under the age of 18; the Labor Standards Act 勞動基準法, which stipulates that youngsters under 15 may not work unless they have already graduated from junior high school and been approved by a competent authority and that they, as well as all 15-year-olds, shall be considered child workers who may not work more than eight hours a day, work night shifts, or handle heavy or hazardous work; and the Implementation Act of the Convention on the Rights of the Child 兒童權利公約施行法, effective in November 2014, which formally brought Taiwan's protection of children's rights and interests in line with international standards.

## The Elderly

Taiwan became an aging society as defined by the World Health Organization when its elderly population (65 or older) crossed the 7-percent threshold in 1993. At the end of 2015, 12.51 percent of the population was elderly.

The Senior Citizens Welfare Act 老人福利法 addresses the rights and welfare of the elderly, providing for an annuity system to safeguard the financial security of elderly people as well as living subsidies and special care allowances for financially disadvantaged senior citizens. The act stipulates that offspring or contractual welfare institutions that mistreat, abuse or abandon elderly people are subject to fines; that their names be published; and that individual offenders attend family education courses.

Under the National 10-year Long-term Care Plan, which has a 10-year budget of NT\$81.70 billion (US\$2.59 billion), the MOHW allocates funds to local governments for the provision of day care and home care for the elderly and for

setting up support centers that teach nursing skills to family members and professional caregivers.

Other services provided include free health checkups and influenza vaccinations; discounts on public transportation and access to cultural and educational facilities; day care and home care services; lifelong learning programs and social activities; and free meal delivery.

Currently 1,069 publicly and privately funded care centers provide institutional care services to the elderly. Senior citizens in low- and lower-middle-income households who are not receiving institutional care are granted monthly living allowances of NT\$7,463 (US\$224) and NT\$3,731 (US\$112), respectively.

In addition, local governments provide a monthly special care allowance of NT\$5,000 (US\$150) to low- and lower-middle-income households taking care of elderly persons unable to perform basic activities of daily living. In 2015, around 9,470 households received such subsidies. They also received subsidies for hospital care and denture implants.

## The Disabled

As of the end of 2015, 4.92 percent of Taiwan's population was registered as disabled. A variety of public and private institutions serve people with specific disabilities such as vision, hearing and speech impairments, autism and chronic psychosis. Services provided range from long-term nursing care to training and development programs.

The physically challenged receive tax exemptions, free-of-charge public transportation and access to public recreational and scenic spots, subsidies for medical expenses and social insurance premiums, preferential loans, and vocational guidance and training. Disabled persons are entitled to an income-tax deduction of NT\$128,000 (US\$3,838), while disabled students enjoy tuition reductions ranging from 40 to 100 percent, depending on the severity of their condition, if the annual income of the household to which they belong is less than NT\$2.2 million (US\$65,967).

Other financial support for the disabled includes monthly national pension payments and, for those in low- and lower-middle-income households, monthly living allowances ranging from NT\$3,628 (US\$109) to NT\$8,499 (US\$255). Those who reside in caregiving facilities are also subsidized up to NT\$21,000 (US\$630) per month, depending on their household income and degree of disability.

The People with Disabilities Rights Protection Act 身心障礙者權益保障法 requires that disabled persons constitute at least 1 percent of the work force at private enterprises with 67 or more employees and at least 3 percent of the work force at government offices, public schools and state-owned enterprises with 34 or more employees. Employers can receive monthly reimbursements of NT\$12,000 (US\$360) for each disabled person employed after reference by a public job placement center. Persons with disabilities participating in state-run or government-commissioned vocational training programs can receive allowances equal to 60 percent of the nation's minimum monthly wage for up to one year.

## Indigenous Groups

Taiwan's indigenous peoples constitute approximately 2 percent of the total population. The Indigenous Peoples Basic Law 原住民族基本法 obligates the central government to provide resources to help indigenous groups govern their own affairs, formulate policies to protect their basic rights, and promote the preservation and development of their languages and cultures.

The Indigenous Peoples Employment Rights Protection Act 原住民族工作權保障法 stipulates that indigenous peoples should make up at least 1 percent of the work force at government agencies, public schools and state-owned enterprises with 100 or more employees and at least one-third of the work force for any such organizations if they are located in indigenous communities.

Other provisions for the indigenous peoples include living allowances for indigenous senior citizens; subsidies for

preschool day care and nursery care; emergency assistance; tuition subsidies, scholarships and work-study grants; indigenous community health services; low-interest housing loans and rent subsidies; and subsidies for National Health Insurance premiums and medical treatment.

## Farmers

The Farmer Health Insurance (FHI) 農民健康保險 program, which includes cash benefits for disability, maternity and funeral expenses, provides coverage to all people who are 15 years of age or older, engage in agricultural work for at least 90 days a year, and do not receive old-age pension payments from other social insurance programs.

In addition, farmers who are 65 or older and have resided in the ROC for over 183 days each of the past three years are entitled to a monthly pension of NT\$7,000 (US\$210) so long as they have been insured under the FHI for at least 15 years and are not receiving pension payments from other social insurance programs.

## Disadvantaged Households

In accordance with the Public Assistance Act 社會救助法, the MOHW, together with local government agencies, implements a variety of programs that provide financial and practical assistance to low- and lower-middle-income households. Some provide relatively long-term aid, others short-term aid in emergency situations.

Low-income households are defined as those whose monthly average per-member gross income is less than the monthly “minimum living expense” level of the region in which they reside, which is defined as 60 percent of the average monthly disposable income there. Lower-middle-income households are defined as those whose monthly average per-member gross income is less than 1.5 times the region’s monthly minimum living expense.

The MOHW’s Immediate Assistance Program 馬上關懷急難救助 provides short-term emergency living subsidies

and practical relief to disadvantaged households as well as to households whose well-being is threatened by the recent death, disappearance, unemployment, severe injury or illness of their chief income earners. Emergency aid ranging between NT\$10,000 (US\$300) and NT\$30,000 (US\$900) is provided along with a variety of welfare services.

The Act of Assistance for Family in Hardship 特殊境遇家庭扶助條例 stipulates that single parents of families whose basic needs are not being met due to extraordinary contingencies shall be provided with subsidies encompassing a wide variety of emergency conditions, including payments for daily living costs, health care, children's education, legal expenses and interest payments on business startup loans.

## National Pension

The national pension 國民年金 serves citizens who are not covered by social insurance programs for laborers, farmers, members of the military, civil servants and teachers, ensuring that the vast majority of citizens receive regular, lifelong pension benefits. As of the end of 2015, the program covered 3.50 million people.

Insurants may join the program after turning 25 years old and receive monthly payments for the rest of their lives upon reaching the age of 65, with each citizen's payment amount depending on how much he or she paid into the system over the years. Those who were already 65 at the time of the program's implementation are exempt from paying premiums but receive monthly payments of NT\$3,500 (US\$105). Low-income and severely disabled insured persons pay no premiums, while subsidies of up to 70 percent of premium costs are provided to less disadvantaged individuals.

## Labor Pension and Labor Insurance Pension

The Labor Pension Act 勞工退休金條例 allows workers to join the labor pension program administered by the Ministry of Labor's Bureau of Labor Insurance (BLI) 勞工保險局. The

program offers portable individual labor pension accounts into which employers pay monthly premiums amounting to at least 6 percent of their employees' monthly wages, while employees may elect to contribute up to 6 percent of their monthly wages themselves.

Persons who reach the age of 60 after having participated in the program for at least 15 years are eligible to claim monthly pension payments regardless of whether they are still working. Those 60 or over who have been in the program for less than 15 years cannot receive monthly payments and must withdraw their labor pension in one lump sum.

As for the country's labor insurance system, eligible workers insured before January 2009 can choose to receive annuity payments monthly until they pass away or to collect a lump sum, while workers first insured after January 2009, when the Labor Insurance Pension (LIP) scheme 勞保年金制度 was implemented, can only receive monthly payments. Like the aforementioned labor pension system, the LIP is administered by the BLI.

In response to demographic changes, the government is currently planning amendments to the labor pension and LIP programs as well as the military, civil servant and teacher pension systems to ensure their long-term sustainability. ■

## RELATED WEBSITES

- › Ministry of Health and Welfare: <http://www.mohw.gov.tw>
- › National Health Insurance Administration: <http://www.nhi.gov.tw>
- › Health Promotion Administration: <http://www.hpa.gov.tw>
- › Centers for Disease Control: <http://www.cdc.gov.tw>
- › Department of Chinese Medicine and Pharmacy, Ministry of Health and Welfare: <http://www.mohw.gov.tw/CHT/DOCMAP>
- › Food and Drug Administration: <http://www.fda.gov.tw>
- › Council of Indigenous Peoples: <http://www.apc.gov.tw>
- › Ministry of the Interior: <http://www.moi.gov.tw>
- › Bureau of Labor Insurance, Ministry of Labor: <http://www.bli.gov.tw>





12

**MASS MEDIA**





Nankan 1567 Bookstore is one of the many independent bookstores that have flourished in the past decade serving as venues to disseminate values as well as publications. (Courtesy of Taiwan Panorama)

## News Agencies

Taiwan has one of the freest media environments in Asia, with intense competition among news agencies offering breaking news, economic intelligence and a variety of political viewpoints.

The largest and oldest among the news agencies is the Central News Agency (CNA) 中央通訊社, established in 1924 in mainland China and relocated to Taiwan in 1949. CNA is the Republic of China's (ROC) official news agency, funded only in part by the central government. Providing news around the world in Chinese, English, Spanish and Japanese, CNA also operates the largest online photo sales platform in Taiwan. Capitalizing on its worldwide news-gathering network, in 2010 the agency expanded into video news.

Another prominent news agency, the China Economic News Service 中國經濟通訊社, was founded in 1974 to provide overseas investors with up-to-date business and economic news as well as contact and background information on Taiwanese suppliers. The Military News Agency 軍事新聞通訊社, established in 1946, is the only domestic news agency that specializes in news about the ROC armed forces.

Apart from supplying Chinese-language news and features to more than 100 newspapers, the Central News Agency also provides English-language news via *Focus Taiwan*.



## Print Media

### Newspapers

According to The Nielsen Co., newspaper readership in Taiwan peaked at 76.3 percent in 1991 and has steadily declined since then. Print editions of newspapers continue to lag behind television and the Internet in terms of penetration rate. Newspapers have responded by going digital, delivering news to readers via online and mobile platforms.

Taiwan's major Chinese-language dailies are the *China Times* 中國時報, the *United Daily News* 聯合報, *The Liberty Times* 自由時報 and the *Apple Daily* 蘋果日報. (Unless otherwise indicated, newspapers and magazines mentioned below are Chinese-language publications.)

Founded in 1950, the *China Times* presents itself as an intellectually sophisticated paper that provides extensive coverage of international affairs. Its electronic media operations include the terrestrial TV station China Television Co. 中國電視公司 and satellite TV channel CTI Television, Inc. (CtiTV) 中天電視. Sister publications of the *China Times* include the *Commercial Times* 工商時報, the *China Times Weekly* 時報周刊 and the *Want Daily* 旺報, a newspaper launched in 2009 targeting Taiwanese readers interested in mainland Chinese business affairs.

Founded in 1951, the *United Daily News* continues to enjoy a loyal readership. Its affiliated publications include the *Economic Daily News* 經濟日報 as well as the *United Evening News* 聯合晚報, which has been Taiwan's sole evening paper since 2005.

*The Liberty Times*, which began operations in 1988, bills itself as a guardian of the fourth estate and defender of Taiwan's local ideology. Its motto "Taiwan Foremost, Liberty First" reflects its more progressive stance.

The debut of the *Apple Daily* in 2003 shook up the newspaper market by offering tabloid-style excitement. Like its parent paper of the same name founded in Hong Kong, the

Taiwan edition has carved out a niche by publishing intriguing accounts and photos of figures in the worlds of politics, entertainment and sports.

Recent years have seen the rise of giveaway newspapers. Among them, *Upaper* targets the over 2 million daily Taipei Metro 臺北捷運 passengers. Another free newspaper, the *Sharp Daily* 爽報, is available in Taipei 臺北 and Kaohsiung 高雄 cities; it shares news content with the *Apple Daily* and has a daily circulation of about 250,000.

For foreign residents in Taiwan wishing to keep abreast of local and world affairs, the *Taipei Times* and *The China Post* are the two printed English dailies to choose from.

### Online News

To satisfy a growing Internet-savvy population, traditional newspapers have focused on operating online platforms, social networking sites as well as mobile applications. For instance, the *Apple Daily* has merged live reporting, video, animation and user feedback in its online news updates; the *United Daily News* in 2015 unveiled a new website design tailored to mobile gadgets; and the *China Times* publishes Instant Articles enabling fast download on Facebook. Overall, advertising sales generated by online news are projected to increase by 18 percent annually, prompting other print news publications to go digital as well.

Stand-alone online publications have also been on the rise in recent years. The two largest online news publications in Taiwan are *ETtoday* 東森新聞雲 and *NOWnews* 今日新聞. Other choices include *cnYES* 鉅亨網, specializing in financial news; *New Talk* 新頭殼, which aims for independent reporting, media reform and citizen participation; and *Storm Media Group* 風傳媒, featuring international news and political investigations.

A number of online news publications are also available in English, including *Taiwan News* and CNA's *Focus Taiwan* which is also published in several other languages.

## Magazines

An increasing number of consumers are reading magazines online as publishers offer more access via mobile applications. Market surveys show that magazines on finance and business management, news and current affairs as well as fashion are the most popular among Taiwan's reading public.

Leading periodicals on finance and business management include the *Business Weekly* 商業周刊, *Business Today* 今周刊, *Common Wealth* 天下雜誌, *Smart* 智富月刊 and *Wealth* 財訊雜誌, while *Next Magazine* 壹週刊, the *China Times Weekly*, the *Ming Pao Weekly* 明報周刊, the *TVBS Weekly* TVBS周刊 and the *Global Views Monthly* 遠見雜誌 are readers' top choices for news and current affairs.

Taiwan remains an attractive market for publishers of internationally known periodicals. Some, such as *Time*, *Newsweek* and *The Economist*, offer direct subscription services or distribute their publications through bookstores, while others publish Chinese-language editions in pursuit of a wider readership. The Chinese editions of fashion magazines such as *Vogue*, *Marie Claire*, *Cosmopolitan*, *ELLE* and *ViVi* have long enjoyed top spots in Taiwan's sales charts.



*Taiwan Panorama* has presented diverse coverage of Taiwan since 1976, chronicling numerous important changes in the island's politics, economy, society and culture.

Those of *National Geographic* magazine, science magazines such as *Scientific American* and *Newton*, as well as sports and leisure magazines such as *Golf* and *XXL* have also succeeded in carving out a niche in Taiwan's magazine market.

The success of English-learning magazines is also a noteworthy feature of Taiwan's media market. *Studio Classroom* 空中英語教室 and *Let's Talk in English* 大家說英語, both associated with radio and TV programs, have ranked among the top 20 best-selling magazines for many years.

*Taiwan Panorama* 台灣光華雜誌, established in 1976, is an important periodical that offers international readers in-depth insight into Taiwan's society and culture. It is published in two editions featuring parallel texts, one with Chinese and English, the other with Chinese and Japanese.

## Books

Implemented in Taiwan since 1989, the International Standard Book Number (ISBN) system is a bellwether for growth in the island's publishing industry. In 2015, the industry saw about 39,700 new book titles with ISBN codes, marking a 10-year low in the number of new publications. This decline is mainly attributed to a growing number of readers preferring browsing on mobile devices over traditional reading, and a slowing economy also dragging down market demand. Although new books from publishing companies are decreasing, books published by individuals are bucking the trend and steadily growing each year.

Broadcast Media Profile	
Radio stations	171
Terrestrial (wireless) television stations	5
Cable television operators	61
Satellite broadcasting program providers (299 channels)	115
Satellite broadcasting service operators	6

Source: National Communications Commission, December 2015



Chapter books—known as “bridge books” in Taiwan, as they help young readers make the transition from picture books to long texts—are Taiwan’s latest trend in children’s publishing. (Courtesy of Taiwan Panorama)

Kingstone 金石堂 and Eslite 誠品 are the nation’s two largest chain booksellers, and books.com.tw 博客來 its most prominent online bookstore. Among book publishers, the majority are small, independent firms while a score of large publishers are affiliated with media conglomerates enjoying ample financial and marketing resources.

In addition to works of fiction, books on personal and career development as well as health and fitness have a wide appeal among Taiwanese readers, with translations of foreign books continuing to sell well in 2015. Translated works made up 23.93 percent of the new book titles published in 2015, with Japan, the United States, the United Kingdom and South Korea the main sources for book licensing.

### Digital Publishing

The digital publishing industry has seen faster growth than paper books in recent years, producing about 2,150 new e-book titles with ISBN codes in 2015. Publishers have become increasingly optimistic about the future of the e-book market, as private-sector interest in developing digital content has grown, e-book platforms have been launched and e-reading devices are available at affordable prices.



Helen Wang hosts a program at the studio of Taiwan's first feminist radio station, Sister Radio, which she founded in 2003. (Courtesy of *Taiwan Panorama*)



Among the leading e-book platforms are those established by major telecommunications service providers: eBook Town 遠傳e書城, an affiliate of Far EastOne Telecommunications 遠傳電信; myBook myBook書城 of Taiwan Mobile 台灣大哥大, which offers titles from more than 100 publishers as well as an audio publication inventory; and Hami Bookstore Hami書城, operated by Chunghwa Telecom 中華電信, with digital book content as well as video books. Other popular e-book platforms include PUBU, which features books published by individuals, and MagV, popular for its wide selection of magazines. Subscription to unlimited access is widely offered by Taiwan's major e-book platforms.

## Broadcast Media

### Radio

As of December 2015, Taiwan had 171 radio stations. Most of them began operation only after 1993, when media liberalization resulted in the release of more radio frequencies for commercial use. This sharp increase in the number of stations, however, has been accompanied by a declining number of listeners. Despite facing a challenging future, radio broadcasting continues to maintain a viable share of

the media market. Surveys have found that music programs are most popular, with news and talk in second and third place, respectively.

Radio Taiwan International (RTI) 中央廣播電台, funded by the government, creates and broadcasts programs to regions around the world in 13 languages, highlighting Taiwan's culture, society, and political and economic affairs. Its broadcasting reached Africa for the first time in January 2015, covering a total of 22 countries worldwide. RTI's Mandarin teaching programs are particularly popular in Latin America.

International Community Radio Taipei 台北國際社區廣播電台—ICRT—is the island's only predominantly English-language radio station, and broadcasts talk shows, news reports and Western pop music. In addition, a dozen other radio stations air programs in English, Thai, Indonesian and Vietnamese, providing tens of thousands of Southeast Asians working in Taiwan with practical information about Taiwan, local labor regulations and news from their homelands.

Among Taiwan's seven nonprofit, public service radio stations are National Education Radio 國立教育廣播電台, which primarily offers educational and language-learning programs, and the Police Broadcasting Service 警察廣播電台, which specializes in round-the-clock traffic and news reports.

## Television

### Terrestrial Television

Taiwan's television industry dates back half a century to 1962. In its first three decades, TV broadcasting was monopolized by three terrestrial stations—Taiwan Television Enterprise 臺灣電視公司, the Chinese Television System (CTS) 中華電視公司 and China Television Co. The industry has become highly diversified since 1993, when multi-channel cable and satellite television system operators and content providers officially entered the market. Competition further intensified with the launching of two additional terrestrial broadcasters—Formosa Television 民間全民電視公司

in 1997 and the Public Television Service (PTS) 公共電視 in 1998.

Established in 2006, the Taiwan Broadcasting System 臺灣公共廣播電視集團 is the umbrella organization for several publicly funded television enterprises, including PTS, CTS, Hakka TV 客家電視 and Taiwan Macroview TV 臺灣宏觀電視, which produces and distributes Chinese-language programs about Taiwan worldwide. This array of programming, along with the Taiwan Indigenous Television 原住民族電視台 under the Indigenous Peoples Cultural Foundation 原住民族文化事業基金會, caters to audiences often overlooked by commercial television, such as minority groups, children, senior citizens and the hearing-impaired.

In 2012, a nationwide transition among terrestrial stations ending analog TV signals in favor of digital broadcasting was completed under the supervision of the National Communications Commission 國家通訊傳播委員會 (NCC). The

### Supporting Domestic TV Programs

To increase funding for Taiwanese television companies to improve their production quality and marketing, the NCC began to ease regulations on title sponsorship and product placement in 2012. The 2015 amendment of the Radio and Television Act 廣播電視法 and the Satellite Broadcasting Act 衛星廣播電視法 provided a legal basis for such practices. To guarantee room for domestic production, the Radio and Television Act stipulates that terrestrial television stations must have at least 70 percent of their programs produced domestically. The Ministry of Culture offers subsidies for the production of high-definition local television shows. Well-received dramas such as *The Way We Were* 16個夏天 and *A Touch of Green* 一把青 have benefited from this support.

digital switchover has freed up bandwidth and facilitated high-definition content-rich television programming of 20 channels offered free-of-charge to viewers.

### Cable Television

Cable TV is overwhelmingly preferred to terrestrial television, as Taiwan's mountainous terrain and high-rises in urban areas often result in poor reception. NCC statistics show that as of December 2015, cable television had an analog household penetration rate of 59.97 percent with over 5 million subscribers. In December 2015, a total of 115 satellite broadcasting program providers offered 299 channels via satellite to 61 cable television system operators.

Weather forecasts and news broadcasts are the most popular programming among television viewers in Taiwan, followed by foreign movies, variety and entertainment programs, locally produced dramas, and travel shows. The most watched domestic news channels include TVBS News TVBS新聞台, SET News 三立新聞台, Cti News 中天新聞台 and EBC News 東森新聞台, known for their large fleets of satellite newsgathering vehicles for live coverage of important events and breaking news. Widely carried foreign film channels, all of which provide Chinese subtitles, include HBO (Home Box Office), Cinemax and Star Movies.



*A Touch of Green* depicts a compelling love story across the turbulent times from 1945 to 1981 with painstaking attention to detail. This TV adaptation of a Kenneth Hsien-yung Pai short story was subsidized by the Ministry of Culture. (Courtesy of Public Television Service)

Live telecasts of local and foreign baseball and basketball league games, along with a wide selection of other sports programming, are available on FOX Sports and Videoland Sports 緯來體育台. Widely carried foreign-origin children's channels, meanwhile, include the Disney Channel, the Cartoon Network and Discovery Kids.

### Digital Convergence

Digital convergence is the integration of telecommunication, radio and television broadcasting, and Internet technologies to make previously separate voice, digital and audiovisual content accessible on a single platform. With the growing prevalence of Internet access and mobile devices, companies have jumped on the convergence bandwagon, offering integrated content and services and competing with one another across industry barriers.

As part of the efforts to adapt to the trend, the NCC restructured its organization in January 2015. Four departments previously classified by industry divisions were reorganized to focus on network infrastructure, platforms and businesses, frequency and resources, and broadcasting and content, respectively. This is expected to not only streamline management but also foster the growth of converged media.

To better facilitate the development of digital convergence, the Legislature approved amendments to the Radio and Television Act, Satellite Broadcasting Act, and Cable Radio and Television Act 有線廣播電視法 in December 2015. In addition, the NCC has prepared several "digital convergence bills," with a view to lowering market barriers, relaxing regulations, facilitating cross-border services and ensuring a level playing field for competition across different industries.

## Digital Transition

The NCC is pushing the cable TV industry toward full digitization and is also allowing competition for subscribers over a greater number of service areas than before. The Legislative Yuan 立法院 in December 2015 approved an amendment to the Cable Radio and Television Act to promote cable television digitization. In order to spur competition in areas where market structures were previously monopolistic, this amendment also lifted the previous limitation of cable system operators to their licensed franchise areas.

Cable system operators have expressed support for the government's call for full digitization; 89.85 percent of cable television subscribers had switched to digital systems as of December 2015.

An increasing variety of digital video programming is also available via the Internet. Chunghwa Telecom, for instance, operates an Internet Protocol television platform known as MOD (Multimedia on Demand). Pay-per-view movies and other programs are offered in addition to a basic channel package. The recent rise of over-the-top (OTT) television, which delivers the content users select directly to their computers, tablets or mobile phones, is shaking up the traditional television industry. Taiwan's OTT market has low entry barriers, as service providers are relatively loosely regulated and are not required to build network infrastructure. Market entrants include telecommunications operators, broadcasters, Internet-based providers and hardware makers such as manufacturers of smart mobile devices and set-top boxes. ■

### RELATED WEBSITES

- › Central News Agency: <http://www.cna.com.tw>
- › Focus Taiwan: <http://focustaiwan.tw>
- › Radio Taiwan International: <http://www.rti.org.tw>
- › Public Television Service: <http://www.pts.org.tw>
- › Taiwan Macroview TV: <http://www.pts.org.tw/macroview>
- › Taiwan Indigenous Television: <http://titv.ipcf.org.tw>
- › National Communications Commission: <http://www.ncc.gov.tw>





13

**EDUCATION**



Creative teaching materials such as pop-up books spark motivation and a joy for learning in these elementary school students. (Courtesy of Taiwan Panorama)



## Mainstream Education

Citizens of the Republic of China (ROC) have a variety of quality education resources. For decades, a nine-year compulsory and universal education system has been implemented, reducing the illiteracy rate to 1.40 percent at the end of 2015. Beginning from the 2014-2015 school year, national fundamental education was extended to 12 years. The number of universities has also increased dramatically in recent years in tandem with a shift among young people toward higher academic degrees.

### Preschool

In 2015, about 96 percent of 5-year-old children attended preschools. To provide equal opportunities for preschool-age children and help parents defray the cost of such education, the government has partially subsidized preschool tuition since August 2011, providing up to NT\$14,000 (US\$475) per school year for a child to attend a public preschool and NT\$30,000 (US\$1,018) for education in a private institution. As of school year 2015-2016, roughly 31 percent of all preschools were public.

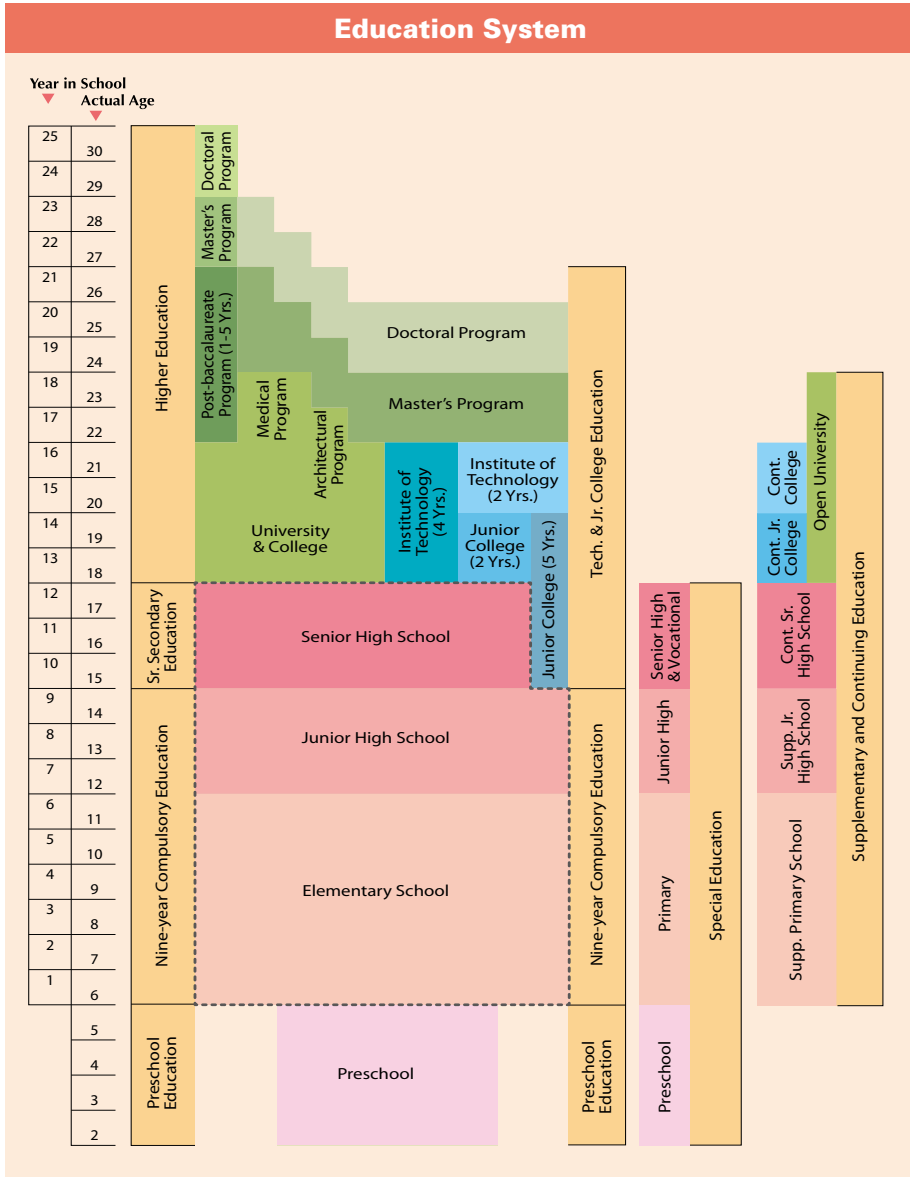
### Elementary to Junior High School

The National Education Act 國民教育法 stipulates that all children from ages 6 to 15 must attend six years of elementary

#### Elementary and Secondary Education SY 2015-2016

	<i>Elementary School</i>	<i>Junior High School</i>	<i>Senior High School</i>
Schools	2,633	733	506
Percent of schools public	98.71	98.23	58.30
Students	1,214,336	747,720	792,366
Students per class	23.17	28.71	36.92

Source: Ministry of Education



-- Includes non-school mode of experimental education (such as homeschooling)

Source: Ministry of Education

school and three years of junior high school. In the 2015-2016 school year, 97.77 percent of students eligible for compulsory education were enrolled. In recent years, average class sizes at elementary and junior high schools have been reduced to 23.17 and 28.71 students, respectively, while the student-teacher ratio has fallen to 12.47:1 and 11.51:1, respectively, for the two school levels.

Elementary and junior high school curricula address seven major areas of learning: language arts, health and physical education, social studies, arts and humanities, mathematics, science and technology, as well as integrative activities. Some junior high schools offer technical courses to students in their third year of study, paving the way for their enrollment in skill-based senior high schools or five-year junior colleges upon graduation.

From 2014, all students in the final year of junior high are required to participate in the Comprehensive Assessment Program for Junior High School Students 國中教育會考. The test results gauge their academic capabilities and guide them in choosing their next level of education—senior high school or five-year junior college.

## Senior High School

In 2015, almost all junior high school graduates continued on to further studies. They either followed the academic track via regular senior high school programs, or opted for vocational education, mostly in skill-based senior high school programs and, to a much lesser degree, five-year junior college.

### Regular Program

The three-year regular program prepares students aged 15 to 18 for higher academic education in general subjects, such as foreign languages, mathematics and the social and natural sciences. Students are encouraged to pursue extracurricular interests and participate in international competitions, student clubs and nongovernmental organizations;

involvement in such activities is a factor considered when they subsequently seek admission to university.

### Skill-based Program

The three-year skill-based program allows students to specialize in a given field, such as industry, commerce or nursing. Students are encouraged to take national examinations for technical or vocational licenses in preparation for entering the work force. Some graduates seek employment or start their own businesses, while most go on to tertiary education.

### Comprehensive Program

A large number of senior high schools offer a comprehensive program of both vocational and academic curricula,

## Twelve-year National Fundamental Education

Since 1968, Taiwan's national fundamental education system had comprised nine years of compulsory education at the elementary and junior high school levels. In August 2014, the government added three years of non-compulsory senior secondary education to this system to form the new 12-year fundamental program. Apart from boosting the quality and international competitiveness of Taiwan's education, the move was intended to ease academic and financial burdens on junior high graduates wishing to continue on to senior secondary school.

Under the new system, the focus of the admission process has shifted away from grueling entrance examinations and more toward the student's interest and capabilities. At least 75 percent of openings at senior high schools and five-year junior colleges are now available to incoming students based on application, while the remaining slots—at schools offering specialized programs—are filled by select students based on entrance examination scores.

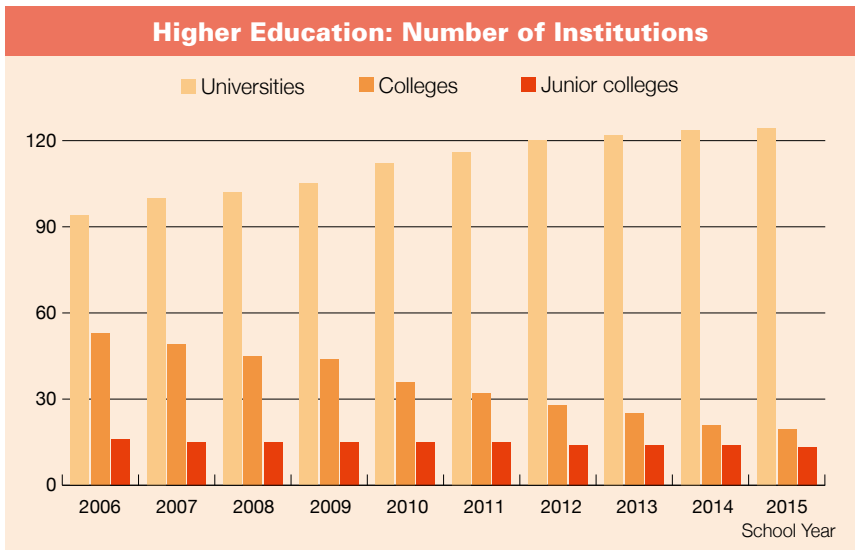
enabling students to select from a wide range of courses before deciding whether to continue on an academic or a vocational track. In addition to general subjects, such as foreign languages, mathematics and social sciences, various technical courses are provided for students looking to enter a trade or join the work force. About 57,500—or 7.26 percent of—senior high school students enrolled in these programs in the 2015-2016 school year.

### Specialty-based Program

For students with a special aptitude, this program offers core curricula that feature a specific subject or field, such as athletics and arts.

### Higher Education

Higher academic education is provided by colleges, universities and graduate schools, while technical and vocational education is provided by junior colleges and colleges/universities of science and technology. In 2015, the number



Source: Ministry of Education

of citizens with higher education degrees totaled 8.67 million—about 37 percent of the population.

Admission to colleges and universities is by recommendation, application or examination and placement. Senior high school students take the General Scholastic Ability Test 學科能力測驗, which assesses their competence in Chinese, English, mathematics and the natural and social sciences. They then seek recommendation from their school or apply to their institutions of choice themselves.

Those who have failed to gain admission to the institution of their choice through the aforementioned method can take an Advanced Subjects Test 指定科目考試, depending on the requirements of the college or university. Students are assigned to an institution on their preference list based on their performance.

To pursue technical education, skill-based senior high school students sit for only one set of joint entrance exams on general and specialized subjects. They are admitted to tertiary institutions through application, recommendation by their school or placement based on their performance on the exams.

The number of students enrolling in university/college undergraduate programs in 2015 had increased by 2.77 percent from 2005. During that period, the proportion of those students following the vocational track declined from 51.64 to 49.04 percent. The number of private universities has doubled over the last decade, and the majority of junior colleges and colleges are private.

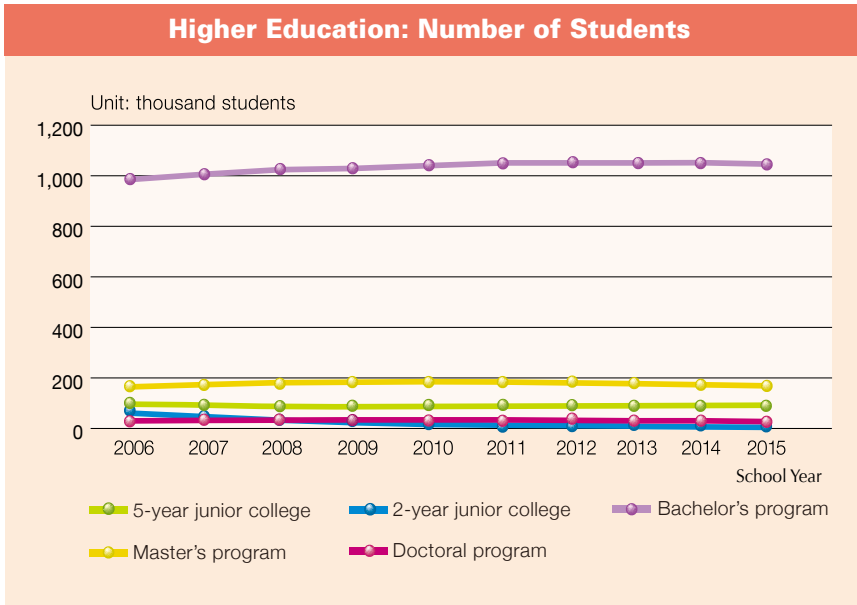
### Junior Colleges

Taiwan offers two- and five-year junior college programs. Two-year programs enroll students directly from skill-based and comprehensive senior high schools along with individuals with equivalent academic qualifications. Junior high school graduates or others with equivalent academic qualifications may enter five-year programs. Associate degrees are conferred on those who complete all courses of study.

Fields of study open to junior college students include industry, commerce, health care and nursing, marine technology, languages, home economics, tourism and hospitality.

**Colleges and Universities of Science and Technology**

Colleges and universities of science and technology admit graduates of skill-based senior high schools, comprehensive senior high schools or others with equivalent academic qualifications and may offer undergraduate, graduate and postgraduate programs. Undergraduate programs may be for two or four years. Internships are available to qualifying students. Two-year programs take in graduates from two- or five-year junior college programs, who are awarded bachelor's degrees upon course completion. Graduate students must submit a thesis or present a dissertation in addition to completing their required courses.



Source: Ministry of Education

## Universities, Colleges and Graduate Schools

The bulk of programs at Taiwan's universities and colleges last four years. Those for training teachers and architects require five. Medical (including dentistry) programs, meanwhile, require six years of study. Master's programs take one to four years, and doctoral programs two to seven. In the 2015-2016 school year, there were 44.07 undergraduate, 7.25 master's and 1.25 doctoral students per 1,000 people in Taiwan.

## Encouraging Excellence in Higher Education

To improve the quality of higher education, colleges and universities are encouraged to conduct self-evaluations and are subject to assessment once every six years by the Higher Education Evaluation and Accreditation Council of Taiwan 高等教育評鑑中心基金會, which is funded by the Ministry of Education (MOE) and higher education institutions. Departments that score poorly on these evaluations face a reduction in the quota of students they may accept.

In 2005, the MOE launched the Program for Promoting Teaching Excellence of Universities 獎勵大學教學卓越計畫, offering financial support to institutions of higher education to raise professional teaching standards, improve teaching facilities and maximize learning efficiency. In 2016, 33 universities, most of which were private institutions, received funding totaling NT\$1.57 billion (US\$47.02 million).

The MOE began a 10-year program in 2006 to strengthen basic university education, recruit first-rate foreign professors and promote international academic collaboration for Taiwan's top universities and affiliated research centers. The second phase, the Aim for the Top University Project 邁向頂尖大學計畫, kicked off in 2011 with funding totaling NT\$50 billion (US\$1.70 billion) over a five-year period and included new objectives such as bolstering research centers and training more industry talents.



In terms of world rankings, 11 Taiwanese universities were listed in the top 500 in the prestigious QS World University Rankings for 2015-2016, with National Taiwan University (NTU) 國立臺灣大學 placing 70th. A separate ranking by British weekly *Times Higher Education* placed 24 Taiwan universities—led by NTU at No. 167—in its top 800 list for 2015-2016.

## Special Education

Special education programs are available for individuals with learning or other disabilities and for children demonstrating strong abilities in mathematics or the sciences, as well as talented students who excel in the fine arts, performing arts or sports.

In accord with trends in other developed nations toward inclusive education, a number of mainstream schools offer classes to students having special talents or challenges, providing facilities to meet their needs from elementary through secondary school. Most disabled students attend regular classes with other students while also utilizing resource rooms where they receive individualized instruction.

Schools for physically or mentally challenged students run parallel to the mainstream education system. Largely government-funded, they offer classes from preschool through senior high and vocational school. In school year 2015-2016, about 87,900 students attended 259 such schools.

## Supplementary Education

The MOE supports a number of supplementary and continuing education programs. It also provides funding for a range of institutions, such as museums, libraries, and events of educational value.

Public supplementary schools are affiliated with regular schools at their corresponding levels and take the form of distance learning or night schools, with weekend classes



Averaging over 65 years of age, the students of an Active Aging Learning Center in Tainan City perform folk dances to revive long-dormant cultural traditions. (Courtesy of the Ministry of Education)

also being offered. Courses are provided to adults from the elementary through the college level. After completing their courses and passing exams, graduates from advanced programs earn mainstream-equivalent diplomas.

The highest level of education in the system is provided by National Open University 國立空中大學 in New Taipei City 新北市 and Open University of Kaohsiung 高雄市立空中大學. A total of 15,180 students were enrolled in the open universities during the 2015-2016 school year.

Active Aging Learning Centers 樂齡學習中心 have been set up around the nation to encourage people aged 55 and older to continue to improve themselves through education. Attendance of nearly 1.8 million was recorded for the 75,786 classes held at the 313 centers open in 2015. A further 3,500 seniors attended semester-long courses alongside university students at 103 participating institutions.

## E-learning

About one-third of Taiwanese have taken online courses in the burgeoning e-learning field. To equip citizens with the tools and skills needed to thrive in the digital world, the

government has been developing and expanding e-learning programs for both children and adults. In 2015, 2,313 courses were offered by 126 digital opportunity centers 數位機會中心 built in rural areas, providing people in more distant communities with a place from which to explore the world online.

The Digital Outreach Project 深耕數位關懷方案 launched in 2012 aims to expand use of information technology among women, senior citizens and low-income households. As of the end of 2015, the project increased the proportion of women using the Internet to 76.3 percent and that of indigenous people to 77.4 percent.

Under the *ide@ Taiwan 2020* policy white paper 創意臺灣政策白皮書 released in 2015, the central government outlined specific measures to induce dynamic teaching through digital learning. At primary and junior high schools, fiber-optic broadband connections with speeds of at least 100 megabytes per second will be established. Digital teaching materials will be made comprehensive, and teacher training increased. To make instruction more dynamic, schools are encouraged to develop diverse applications of digital learning such as massive open online courses (MOOCs) and online tutoring programs (see box “Online Tutoring for Remote Students”).

Many colleges and universities have developed MOOCs that provide lifelong learning opportunities for students and the general public. Also, the MOE’s Active Aging Learning Centers and digital opportunity centers offer courses on information technology for middle-aged and senior citizens.

## International Exchanges

Taiwan has long been a popular location for students of Mandarin Chinese. In the 2015-2016 school year, 110,182 overseas students studied in Taiwan, among whom 18,645 attended Chinese language classes. A total of 45 Chinese language centers are affiliated with universities and staffed by professionally trained TCSL (Teaching Chinese as a Second Language)

teachers. The largest is the National Taiwan Normal University Mandarin Training Center 國立臺灣師範大學國語教學中心.

Students who pass the Test of Chinese as a Foreign Language 華語文能力測驗 may enroll in Chinese-language degree programs. Additionally, 40 universities offered 107 programs taught in English in 2015. Coursework offered ranged from engineering and agriculture to management and biotechnology. Additional information on institutions and programs for foreign students is available at <http://www.studyintaiwan.org>.

Outside the ROC, eight Taiwan Education Centers in seven countries offer Mandarin language programs and counseling services to those interested in pursuing studies in Taiwan. Mandarin and traditional Chinese character study programs are also available at the Taiwan Academy 臺灣書院

## Online Tutoring for Remote Students

The MOE has been promoting a digital tutoring program 數位學伴計畫 since 2006, through which college students are recruited and trained as tutors to provide online teaching to elementary and junior high school students living in remote towns and villages.

Twice a week, tutors and students gather at designated times and places for real-time study sessions. Students are tutored on a one-on-one basis using computers, the Internet, videoconferencing equipment and online learning platforms.

In addition, community members such as retired teachers who have experience teaching online or in remote villages may be recruited to assist in the classes or advise the tutors about rural area issues, life education and teaching methods.

In 2015, approximately 1,500 college students from 17 universities and 96 elementary and junior high students from 17 counties and cities participated in more than 77,000 hours of class time.

branches that have been set up in the U.S. cities of New York, Houston and Los Angeles.

In 2015, around 38,000 Taiwanese students were granted visas for pursuing studies abroad. Their main countries of choice were the United States, Australia, the United Kingdom, Japan and Canada.

## Language Education

### Native Languages

Mandarin, known as *Guoyu* 國語 in the ROC, is the nation's official language. In addition to Mandarin, large segments of the population speak the Sinitic languages Holo 河洛語 and Hakka 客語, and various Austronesian languages are used by indigenous peoples. Over the last decade, there has been growing awareness of the importance of preserving Taiwan's rich linguistic heritage, leading central and local governments to promote education in local languages. Since 2001, all elementary school students have been required to take courses in at least one of the non-Mandarin languages spoken natively in Taiwan. Continued study is an elective in junior high school.

The written Chinese language is intelligible to speakers of all Sinitic tongues. While mainland China adopted simplified characters in 1956 in a bid to ameliorate its widespread illiteracy, the ROC continues to employ traditional written characters.

To help people learn proper Mandarin pronunciation, the MOE formulated the Mandarin Phonetic Symbols 注音符號 in 1913 as a standard phonetic system. This system, consisting of 37 phonetic symbols and four tone marks, is still taught in elementary schools today.

Over the years, a variety of Romanization styles have been developed to make Chinese phonetics easier to learn for foreigners. The ROC government has used the Hanyu Pinyin system 漢語拼音 since 2008. The Wade-Giles system and Tongyong Pinyin system 通用拼音 are also used on the island. (For a comparison of different Romanization systems, see Appendix VI.)

## Foreign Languages

English has been a required subject for students in junior and senior high schools for decades. In 2005, it was made compulsory from the third grade of elementary school.

In 1996 the MOE began encouraging second foreign language study at senior high schools. In the 2015-2016 school year, around 102,900 students enrolled in elective courses in Japanese, French, German, Spanish, Korean, Russian, Italian, Vietnamese, Indonesian or Latin. The most popular language was Japanese, the choice of over 32,000 of these students. Besides schools, copious public and private institutions provide language education as well.

## Immigrant Languages

The growing number of immigrant spouses from South-east Asia has promoted the government to roll out language programs helping Taiwan-born children of immigrants to learn their mother tongues. In 2012, the National New Immigrant Torch Project 全國新住民火炬計畫 was initiated to provide language lessons including Indonesian, Vietnamese and Thai at certain elementary schools. The MOE plans to incorporate immigrant languages into the 12-year national fundamental curriculum for 2018 and to expand the number of classes to more than 3,300 by that time. ■

### RELATED WEBSITES

- › Ministry of Education: <http://www.moe.gov.tw>
- › Study in Taiwan: <http://www.studyintaiwan.org>
- › Taiwan Academy: <http://taiwanacademy.tw>





14

# ARTS, RELIGION & SPORTS



Exhibiting unique spatial and temporal aesthetics, Legend Lin Dance Theatre's *Anthem to the Fading Flowers* is a four-part cycle about the changing of the seasons and the vicissitudes of life. (Courtesy of Taiwan Panorama)



Several waves of settlement and shifts of sovereignty over recent centuries have bequeathed Taiwan a diverse cultural heritage. Such a pluralist culture not only makes Taiwan a hotbed for various art forms which coexist, blend with or influence each other, but also renders it very receptive to different thoughts—religious teachings included—and games—such as competitive sports. Today, the country is known as a home to top-notch cinema and popular music talent, has one of the world's highest densities of religious structures, especially Taoist and Buddhist temples and shrines, and contains a steadily growing population that embraces sports as a pastime and daily regimen.

## Folk Arts

Dozens of folk crafts and traditional performing arts which can trace their origin to the Chinese mainland are still being practiced in Taiwan. Many can be found in folk festivals, traditional art fairs and thousands of Taoist temples on the island.

Popular folk arts include bamboo crafts, dough sculpture, gold carving, jade sculpture, knotting, lantern making, lacquer work, leather carving, paper cutting, pottery and porcelain making, and woodcarving. Major traditional performing arts include acrobatics, dragon and lion dances, folk opera, music and puppetry.

In the course of adapting to local circumstances, the early Hakka 客家 immigrants and their descendants have developed aspects of Hakka culture in Taiwan that are markedly different from those in mainland China, including the production of oiled paper parasols, traditional wear, folk songs and opera.

The island's indigenous groups continue to pass expertise in woodcarving, weaving, pottery, basketry, beadwork, ceramics, dance, music and ritual from generation to generation. Their customs and creations are increasingly popular throughout Taiwan.



A pair of delicate papier mâché figures. Papier mâché sculptures combining bamboo and paper are traditionally used for funerals, religious rituals and folk festivals. (Courtesy of Taiwan Panorama)

## Visual Arts

### Painting

During Japanese rule (1895-1945), a generation of Taiwanese oil painters sought to express special qualities of the island through impressionistic portrayals of local life and landscapes. These include Chen Cheng-po 陳澄波, Yang San-lang 楊三郎, Liao Chi-chun 廖繼春 and Chen Chih-chi 陳植棋. Afterwards, several notable ink painters came to Taipei 臺北 in the postwar migration. In the 1970s, a new nativist movement was sparked by farmer and fisherman Hung Tung's 洪通 vibrant paintings infused with imagery from Taiwan's environment and culture. Political events of the 1980s and 1990s inspired a wave of art as political commentary, but since then, artists have moved toward introspective and philosophical studies of issues.

### Sculpture

Temple, folk and indigenous sculpture have long been popular. The tide of Western abstractionism that swept through the art world in the 1960s nurtured the first sculptor from Taiwan to attract worldwide attention: Yuyu Yang 楊英風,

most famous for his stainless steel sculptures of traditional Chinese symbols like the phoenix and dragon converted into fluid forms.

The most accomplished contemporary sculptor in Taiwan is Ju Ming 朱銘, who made his name in the 1970s with the *Taichi Series* 太極系列 of large sculptures crafted from thick, heavy wood rendering the gentle fluid motions of the Chinese martial arts.

## Performing Arts

### Traditional Music

Taiwan's unique geographical location and history have nurtured a rich musical tradition, which can be roughly divided into indigenous music and Han 漢族 music.

The traditional music of the indigenous peoples of Taiwan is chiefly vocal—with musical instruments taking a supporting role—and is closely connected to daily life and rituals. In reflection of their communal lifestyles, tribes have developed many styles of group singing. Chant serves not only as a part of ceremonies but also as a way for these communities to pass on their history and culture. Over the past few centuries, indigenous music has absorbed elements from Japanese and western music and has also blended with Christian music. Today, many gifted indigenous singers nourished by their tribes' singing traditions have risen to stardom in pop music.

Han music in Taiwan is performed mainly by Holo 河洛 and Hakka peoples, descendants of migrants from south-east China. This musical tradition has a myriad of genres, with the two most distinctive styles being *nanguan* 南管 and *beiguan* 北管, literally “southern pipes” and “northern pipes,” respectively. *Nanguan*, whose core ensemble comprises gentler-sounding instruments such as the zither and bamboo flute, is marked by a soothing and emotive melodic progression. In contrast, *beiguan* is characterized by the playing of gongs and remains integral to religious processions and traditional drama performances.

## Popular Music

Modern Holo 河洛語 popular music dates back to the early 20th century, when it chiefly consisted of adapted Japanese pop songs. After encountering censorship in the 1970s, Holo music underwent a revival in the 1980s with the rise of acclaimed singers such as Jody Chiang 江蕙. Since then, it has branched out into diverse styles like rock, folk, rap, hip pop and techno.

In the 1970s, a series of diplomatic crises triggered a strong sense of national identity within the Mandarin-language music community. A movement that came to be known as “campus folk songs” 校園民歌 was initiated by college students calling for more of “our own songs” over songs from the West. With the participation of the intelligentsia, the movement influenced the culture and market into the 1990s and laid the groundwork for the Mandarin pop music industry.

Pop idol Teresa Teng 鄧麗君 was one of Taiwan’s greatest ambassadors. Able to sing in Mandarin, Holo, Japanese, Cantonese and English, she topped charts throughout East Asia and enchanted untold numbers of listeners on the mainland in the 1980s even though her songs were officially banned there for several years.



At the Spring Wave Music and Art Festival held on the Kenting coast, young people relax during the day to reenergize for another night of joyous partying. (Courtesy of Taiwan Panorama)

Taiwan continues to be the world's most prolific producer of Mandopop, with local icons like A-mei 張惠妹, Jay Chou 周杰倫, Jam Hsiao 蕭敬騰, Mayday 五月天, Jolin Tsai 蔡依林 and Wang Lee-hom 王力宏 dominating charts and selling out performance venues throughout the Chinese-speaking world.

The late 1980s saw growing interest in local cultural identities and subsequently the emergence of Taiwan's independent music scene, whose two biggest events are Ho-Hai-Yan Gong-liao Rock Festival 貢寮國際海洋音樂祭 in northeastern Taiwan and Spring Scream 春天吶喊 in the south (see Appendix II).

## Dance

The island also has a vibrant and growing professional dance community, with dozens of troupes performing in Taipei alone. Cloud Gate Dance Theatre of Taiwan 雲門舞集, founded and led by Lin Hwai-min 林懷民, is renowned the world over for a series of performances that blend the aesthetics of Chinese calligraphy and martial arts with elements of Western ballet and modern dance.

## Opera

The axis of Taiwanese opera is Yilan County 宜蘭縣, where over a century ago musical theater merged with folk songs, Fujian-style folk music and *nanguan* music to create a new style that has been a mainstay of cultural life both on stage and on television. Like Peking opera 京劇, Taiwanese opera has standard singing and stylized body movements, but it is performed entirely in the Holo language.

Taiwan also has renowned Peking opera and Kun opera 崑曲 troupes. Peking opera, featuring a minimalist stage setting, is a harmonious blend of musical and vocal performance, face painting, acrobatics and Chinese martial arts. Compared with Peking opera, Kun opera consists of more delicate and complex music, and players articulate more poetic language.

## Glove Puppetry

Before television arrived in Taiwan in the early 1960s, performances of glove puppetry 布袋戲 were called for on nearly every festive occasion.



Young graduates of the National Taiwan College of Performing Arts perform the Taiwanese opera *Green and White Snake Redux: An Alternative Love Story* at the Baoan Temple in Taipei's Dalongdong neighborhood. (Courtesy of Taiwan Panorama)

This puppet show is traditionally performed in an ornamental wooden stage frame amid the clamor of gongs and drums. The entire plot is presented by the puppeteer, who manipulates palm-sized puppets into performing complex actions such as playing instruments and fighting with weapons. Each puppet's character or personality can be gleaned from its facial paintings. The musical accompaniment is an amalgamation of *beiguan* and *nanguan* music, Peking and Taiwanese opera, as well as Hakka tea-picking songs.

*Jinguang* 金光 puppetry, which employs transformable three-dimensional sets, lighting effects, popular music, special video effects, an intriguing repertoire and literary dialogue sprinkled with humor and slang, has evolved into a style unique to Taiwan that appeals to both refined and popular tastes and across generations.

In February 2015, the debut of a three-dimensional film, *The ARTI: The Adventure Begins* 奇人密碼, took glove puppetry to a new era. Blending fantasy and state-of-the-art cinematography and animation, the film features a whole new set of puppet characters created with delicate details and vividness as well as bilingual dialogue that more authentically reflects Taiwan's contemporary society.

A brand new glove puppet drama series that aired in both Taiwan and Japan in mid-2016, *Thunderbolt Fantasy 東離劍遊紀* was a Taiwan-Japan collaborative production overseen by Taiwan-based Pili International Multimedia 霹靂國際多媒體.

## Drama

The Little Theater Movement 小劇場運動 of the 1960s heralded the proliferation of small, independent theaters in the 1970s, when directors began experimenting with staging techniques and imaginative interpretations of local and Western plays. Today, some of the most popular local theaters include the Performance Workshop 表演工作坊, which features full-length plays based on crosstalk, a form of rapid-fire, comedic banter between performers; the Tainaner Ensemble 台南人劇團, which embraces Holo-language scripts and adaptations as well as a participatory style that incorporates the audience into the show; and the Golden Bough Theatre 金枝演社, which strives to merge Taiwan's grassroots culture with modern theater and has also been lauded for performances redolent with classical style and rituality.

The Golden Bough Theatre's *Happiness Part 3—A Time to Remember* is a tale of love, freedom, chivalry, family and nationalism. (Courtesy of Taiwan Panorama)



## Musicals

Taiwan's first homegrown musical was performed in 1987 by the Godot Theatre Co. 果陀劇場, which has presented several musicals since. In recent years, All Music Theatre 音樂時代劇場 has been producing original Holo-language musicals with Taiwanese roots; Taipei Philharmonic Theater 愛樂劇工廠 has presented an array of popular large-scale performances; and the VMTheatre Co. 耀演 has focused on genuine portrayals of human experiences.

## Cinema

### Postwar Cinema

Holo-language films based on traditional folk opera or modern melodramas found commercial success among domestic audiences in the 1960s. Around that same time, the Central Motion Picture Corp. 中央電影公司 began producing Mandarin-language films which were often pastoral and advocated civic virtue and morality. As Mandarin films came to prominence, Holo pictures dwindled in number.

The 1970s was the golden age for domestic films as their popularity spread throughout Southeast Asia. Romances based on Chiung Yao's 瓊瑤 novels found great success, and patriotic movies were popular as the country dealt with a series of diplomatic frustrations. At its peak, the film industry put out 200 to 300 films per year.

### New Wave Cinema

In the 1980s, some filmmakers began to seek creative outlets beyond the mainstream film establishment. Their creations—later dubbed New Wave Cinema 臺灣新浪潮電影—were noteworthy for blending innovative filming techniques with down-to-earth and sympathetic portrayals of Taiwanese life as well as trenchant social commentary. The movement produced two world-class auteurs, Hou Hsiao-hsien 侯孝賢 and Edward Yang 楊德昌. In the early 1990s, a “Second New





*The Assassin*, based on a Tang dynasty story, centers on a young woman raised to become a skilled killer and sent to slay her cousin to whom she was once betrothed. The movie earned Taiwanese auteur Hou Hsiao-hsien the Best Director prize at the Cannes Film Festival. (Courtesy of SpotFilms Co., Ltd.)

Wave” of films centered on contemporary life emerged. Key figures in this movement included Ang Lee 李安 and Tsai Ming-liang 蔡明亮.

## 21st Century Films

Local film production dwindled to about 20 movies per year in the late 1990s, but a number of surprise hits by young directors that explored formerly taboo topics such as sexual awakening reenergized the industry in the early 2000s. In 2008, the heartwarming comedic romance *Cape No. 7* 海角七號 set a new box office record for a domestically produced film, ushering in an era of revival. Subsequent hits include *Monga* 艋舺, *You Are the Apple of My Eye* 那些年，我們一起追過的女孩, *Warriors of the Rainbow: Seediq Bale* 賽德克·巴萊, *Night Market Hero* 雞排英雄, *LOVE* 愛, *Black & White*

*Episode 1: The Dawn of Assault* 痞子英雄首部曲：全面開戰, *Din Tao: Leader of the Parade* 陣頭, *David Loman* 大尾鱸鰻, *Zone Pro Site* 總舖師, and *KANO*.

## Documentaries

Taiwan’s multicultural society, complex history, beautiful environment, unique aboriginal cultures and political freedom

make it fertile ground for documentary filmmaking. In the mid-1980s, the country's increasingly free political atmosphere gave rise to independent documentaries that not only lent voice to the disadvantaged and dissidents but also recorded defining moments in the history of the burgeoning

### Taiwan's Major Films in 2015

The year 2015 witnessed Hou Hsiao-hsien's *The Assassin* 刺客聶隱娘, which earned the auteur the Best Director prize at the Cannes Film Festival; *Murmur of the Hearts* 念念, about psychologically scarred individuals struggling to make peace with their past; *Zinnia Flower* 百日告別, which addresses grief and loss with honesty, tenderness and courage; *Wawa No Cidal* 太陽的孩子, which draws attention to social injustice imposed on indigenous peoples; *The Wonderful Wedding* 大囍臨門, a comedy about how the families of a cross-strait bride and groom come to terms with their cultural differences; *The Tag-Along* 紅衣小女孩, an eco-horror film based on a famous ghost video and Taiwanese folklore about mountain demons that kidnap humans; and teen comedy *Our Times* 我的少女時代, a commercial success in both Taiwan and mainland China, which narrates a love story during the 1990s.

In the documentary realm, *Song of the Reed* 蘆葦之歌 highlights the twilight years of Taiwanese who were comfort women during World War II, focusing on how they transformed their hardships into strength. *Wansei Back Home* 灣生回家 tells the stories of *wansei* 灣生—Japanese born in Taiwan when it was under Japanese rule and repatriated to Japan proper after World War II—who journey back to Taiwan to find their roots. *Ataabu II* 阿罩霧風雲II continues the tale of the Lin family of Wufeng 霧峰, Taichung 臺中, who are linked with some of the most important moments in Taiwanese history between 1746 and 1956.

democracy. Since 2000, Taiwanese documentarians have incorporated more storytelling into their observation of social and environmental issues as well as grassroots figures, such as in *Go Grandriders* 不老騎士 and *Beyond Beauty—Taiwan from Above* 看見台灣.

## Literature

### Taiwan New Literature

Prior to the advent of written languages, early inhabitants in Taiwan passed on stories, mythologies and legends verbally. By the early 20th century, Taiwan's literary scene was dominated by classical Chinese literature, with a few works inspired by resistance to Japanese rule. After Western enlightenment ideas and experimental writing were introduced, however, the Taiwan New Literature Movement 臺灣新文學運動, which bore parallels to the May Fourth Movement 五四運動 in mainland China, arose in the 1920s. The movement led to a debate in the early 1930s, when some argued that the vernacular Chinese championed by the May Fourth Movement was not a familiar language to the people of Taiwan, most of whom spoke Holo or Hakka, and that Taiwan's writers should use their native languages (mainly referring to Holo) to write about their homeland. A key proponent of these ideas was Lai Ho 賴和, whose novels—written mainly in a mixture of Chinese and Holo—highlighted the excesses of the Japanese government and are now considered classics.

### Mainland Émigré Literature

Following the end of Japanese rule in 1945, émigré writers from mainland China came to dominate the literary scene amid the political repression of local intellectuals and the enshrinement of Mandarin as the official language. This period saw a proliferation of anti-communist works as well as realistic fiction about life in the mainland.

## Cultural Awards and Events

### Film

The Golden Horse Film Festival and Awards 金馬影展與金馬獎, established in 1962, is one of the most prestigious awards ceremonies for Chinese-language films.

The Golden Harvest Awards 金穗獎, launched in 1978 for short films, is a cradle for up-and-coming directors.

The Taiwan International Documentary Festival 台灣國際紀錄片影展, started in 1998 and held biennially, is the second-biggest event of its kind in Asia.

### Radio and Television

The Golden Bell Awards 金鐘獎, founded in 1965, are the top prizes for television and radio programs.

The Golden Visual Awards 金視獎, created in 1997, honors outstanding television programs produced by local cable systems.

### Art

Taipei Biennial 臺北雙年展, founded in 1992 by the Taipei Fine Arts Museum 臺北市立美術館, is an important exhibition for promoting contemporary art in Taiwan.

Art Taipei 台北國際藝術博覽會, the longest-running art fair in Asia, showcases young artists.

The Public Art Awards 公共藝術獎, created in 2008, fosters public participation in and familiarity with public art installations.

### Music

The Golden Melody Awards 金曲獎, first held in 1990, are the major prizes for popular music.

The Taiwan Music Composition and Songwriting Contest 臺灣原創流行音樂大獎, created in 2004, recognizes songwriters and singers working in Holo, Hakka and indigenous languages.

The Golden Indie Music Awards 金音創作獎, created in 2010, promotes independent music.

### Culture

The National Cultural Award 行政院文化獎, first presented in 1981, is granted to Taiwanese citizens for outstanding lifetime contributions to Taiwanese culture.

The National Award for Arts 國家文藝獎, held by the National Cultural and Arts Foundation 國家文化藝術基金會 since 1997, rewards achievement in literature, fine art, music, drama, dance, architecture and cinema.

### Literature

The Taiwan Literature Award 台灣文學獎, presented by the National Museum of Taiwan Literature 國立台灣文學館 since 2005, recognizes literary works, including novels, essays, poetry and scripts, written in Mandarin, Holo, Hakka and aboriginal languages.

The Golden Tripod Awards 金鼎獎, created in 1976, honors outstanding publishing houses and individuals in the publishing industry.

The Golden Comic Awards 金漫獎, established in 2010, honors outstanding works and individuals in Taiwan's comics industry.

## Modernism

The development of modernist poetry in the mid-1950s was followed by a rejection of conventional literary techniques in the 1960s, when modernist writers began calling for artistic autonomy and incorporated Western existentialism, stream-of-consciousness, surrealism and antinovel elements into their writings. Such modernist works often focused on philosophical introspection and the plight of traditional human relations in modern society, as in Wang Wen-xing's 王文興 *Family Catastrophe* 家變, which highlights stresses affecting families in contemporary Taiwan.

## Nativism

The late 1960s and early 1970s also saw the emergence of a nativist movement as a number of intellectuals, criticizing what they saw as modernist writers' tendency toward blind admiration and slavish imitation of Western cultural models, advocated the penning of literature more true to Taiwan's social roots. Representative works include Wang Zhen-he's 王禎和 *An Oxcart for a Dowry* 嫁妝一牛車, in which poverty forces a peasant to share his wife with a merchant, and Huang Chun-ming's 黃春明 *His Son's Big Doll* 兒子的大玩偶, portraying an uneducated man's struggles to support his family as a walking billboard in costume during Taiwan's early industrial days.

## Contemporary Literature

In the 1980s and 1990s, increased income, freedom and multiculturalism, along with the commercialization of literature, engendered a shift in focus for the next generation of writers. The proliferation of information technology in the 2000s has led to a burgeoning of new literary vehicles. Everything from online forums and blogs to e-mails and e-publications has diversified the means by which literary works are circulated. Interactive writing and the use of animation, multimedia and hyperlinks continue to expand the boundaries



Inspired by the concept of “a sound cave,” the eye-catching National Taichung Theater features 58 curved wall units in lieu of beams and columns. It has been touted as a global landmark. (Courtesy of National Taichung Theater)

of literary creativity. Tsai Jih-heng 蔡智恆, as well as Giddens Ko 九把刀, who wrote *You Are the Apple of My Eye* and directed the screen adaptation, are examples of young fiction writers who first gained a following online.

## Latest Cultural Initiatives

In 2012, the Ministry of Culture (MOC) was created by combining culture-related government divisions and agencies to better focus efforts to promote the sector. The MOC aims to foster six main cultural areas: arts and literature, creative industries, heritage preservation, community empowerment, exchanges, and cloud-based inventory and services.

In 2013, the MOC launched the Art Bank 藝術銀行 program to procure works by Taiwanese artists and lease them to foundations, private corporations, state enterprises, schools and government agencies for exhibition at designated sites. Currently managed by the National Taiwan Museum of Fine Arts 國立臺灣美術館, the program had purchased 1,289 art pieces as of April 2016.

Under the MOC, the National Performing Arts Center 國家表演藝術中心 was inaugurated in April 2014 to integrate resources

of the National Symphony Orchestra and three of the country's top-notch performing arts facilities—the National Theater and Concert Hall 國家兩廳院 in Taipei, the National Taichung Theater 臺中國家歌劇院 set to be inaugurated in late 2016 and the National Kaohsiung Center for the Arts 衛武營國家藝術文化中心 to be completed in 2017—which will be able to seat a total of 13,000 patrons at their 11 performance halls once the latter two establishments are unveiled.

In 2014, the MOC worked with the private sector to launch a three-year program to revive Taiwan's poetry. The initiative has transformed a pair of historic buildings in Taipei City into a venue for manuscript exhibition as well as a poetry salon. It has also cultivated emerging poets, promoted overseas exchange, and organized festivals to add new zest to the field.

The world-renowned National Palace Museum (NPM) 國立故宮博物院 opened its southern branch in Chiayi County 嘉義縣 in December 2015 to make its treasures more accessible to southern Taiwan. The facility collects, researches, preserves and exhibits artifacts and relics from across Asia, displaying selections from the NPM's rich collection as well as international loan exhibitions.

### Major Religious Denominations Registered in Taiwan

Baha'i Faith 巴哈伊教
Buddhism 佛教
Christianity—Church of Jesus Christ of Latter-day Saints (Mormonism) 耶穌基督末世聖徒教 (摩門教)
Christianity—Holy Spirit Association for the Unification of World Christianity (Unification Church) 統一教
Christianity—Protestant Denominations 基督教
Christianity—Roman Catholicism 天主教
Church of Scientology 山達基
I-Kuan Tao 一貫道
Islam 回教 (伊斯蘭)
Judaism 猶太教
Li-ism 理教
Maitreya Great Tao 彌勒大道
Orthodox Christianity 東正教
Pre-cosmic Salvationism 先天救教
San Yi Jiao 三一教 (夏教)
Sekai Mahikari Bunmei Kyodan (World Divine Light Organization) 世界真光文明教 (真光教團)
Taoism 道教
Tiender (Celestial Virtue Sect) 天德聖教
Tienti Teachings 天帝教
Tenrikyo 天理教
Xuan Yuan Jiao 軒轅教

Source: Ministry of the Interior



Wangye's boat is carried through Donggang, Pingtung, during the culmination of a weeklong religious ceremony held by Donglong Temple every three years. After its tour, the boat is ritually set afire on the local beach, symbolizing the sending of plague and illness "out to sea" and away from the community. (Courtesy of Taiwan Panorama)

## Religion

Taiwan has been inhabited for millennia by Malayo-Polynesian peoples, whose religious traditions consisted of a combination of animism and ancestor worship. These beliefs live on although many indigenous people have embraced religions introduced from abroad, especially Christianity.

Buddhism, Taoism and Christianity made their appearance in Taiwan in the mid-17th century when Han migrants from southeastern China, Protestant missionaries and Roman Catholic missionaries arrived on the island. Other religions were introduced over the next three and a half centuries as Chinese, Japanese and Westerners came to the island, with a large religious influx following World War II, when a new wave of mainland immigrants arrived in Taiwan along with the relocated Republic of China (ROC) government. The years since democratization went into high gear in the late 1980s have also witnessed a surge in establishment of new denominations.

The people of Taiwan enjoy complete freedom of religion, as affirmed by numerous observers and demonstrated by the



nation's rich spectrum of religious traditions from around the world. Taiwan has one of the world's highest densities of religious structures, especially Taoist and Buddhist temples and shrines.

According to the Ministry of the Interior, there were 21 categories of major religious groups registered in Taiwan in 2015. These consist of principal world faiths, religious organizations of a specific size, or religions that have been established for over 50 years (see table "Major Religious Denominations Registered in Taiwan"). While religious organizations are not required to register with the government, many do so to enjoy tax-exempt status.

Taoism and Buddhism have the largest numbers of adherents; their temples account for most of the 12,142 places of worship registered with local governments as of the end of 2015. A sizeable minority of Taiwanese adheres to monotheistic religions, particularly Christianity; in 2015, there were 3,280 registered churches. Taiwan's non-monotheistic denominations and religious traditions are characterized by a high degree of syncretism. Furthermore, ancestor veneration rituals are widely observed.

### Ma Zu Veneration

Ma Zu 媽祖 is the deified spirit of Lin Mo-niang 林默娘, a woman said to have lived on Meizhou Island 湄州島 off the coast of Fujian Province 福建省 sometime during the Song 宋 dynasty (960-1279). She is reputed to have employed supernatural powers during and after her embodied lifetime to cure the ill and save people from imminent danger, especially sailors and fishermen at sea. Accordingly, she is also regarded as Goddess of the Sea.

The enormous popularity of Ma Zu in Taiwan is evidenced by the more than 700 temples dedicated to her and the hundreds more Taoist temples in which she has an honored place. Annual processions are held in which her icon is carried on a palanquin to spread her blessings and

provide devotees with an opportunity to express repentance for sins and build merit for a more fortunate life for themselves, their families and society at large. The largest of these is the Dajia Ma Zu Pilgrimage 大甲媽祖遶境 (see Appendix II).

## Buddhism

Immigrants from the Chinese coastal provinces of Fujian and Guangdong 廣東 brought Buddhism to Taiwan. Buddhist organizations have multiplied rapidly and the scope of their activities has grown tremendously over the past several decades.

The Buddhist Compassion Relief Tzu Chi Foundation 佛教慈濟慈善事業基金會, popularly known as Tzu Chi 慈濟, has been internationally lauded for its ability to swiftly mobilize volunteers and provide relief supplies and funding for disaster relief projects in more than 80 countries. Tzu Chi is active in humanitarian, educational, medical and environmental conservation causes and is supported by a global network of 250,000 volunteers. It is the largest non-governmental organization in the Chinese-speaking world.

Fo Guang Shan Monastery 佛光山, the Dharma Drum Mountain World Center for Buddhist Education 法鼓山世界佛教教育園區, Chung Tai Chan Monastery 中台禪寺 and the Ling Jiou Mountain Buddhist Society 靈鷲山佛教教團 are all international Buddhist communities which were founded in Taiwan.

Teachers of Tibetan Buddhism 藏傳佛教, which emphasizes the practice of meditation and other spiritual disciplines under the direction of a master, were also among those who sought refuge in Taiwan from civil war in mainland China. Among them was Mingyur Rinpoche 明珠仁波切, who built the White Horse Temple 白馬寺 in Yunlin County 雲林縣 in 1997, the same year the Tibet Religious Foundation of His Holiness the Dalai Lama 達賴喇嘛西藏宗教基金會 was established in Taipei.

## Taoism

Religious Taoism 道教 (which is separate and distinct from the philosophical school of Taoism 道家) was invigorated by the arrival of priests from mainland China in the late 1940s. Taoist groups are increasingly involved in humanitarian service and dedicated to transmitting a more sophisticated understanding of Taoism's philosophical underpinnings and various disciplines aimed at promoting health and enlightenment. Over the past half-century, the number of Taoist temples has increased from about 2,600 to more than 9,400.

## I-Kuan Tao

The first arrival of a large number of I-Kuan Tao 一貫道 adherents to Taiwan was after World War II, and since then the religion has attracted a large following. It teaches that one and the same Tao, or fundamental truth, underlies all religions, and its followers revere a number of deities and sages, including Lao Tzu 老子, Confucius 孔子, the Buddha, Jesus Christ, Mohammed and—transcending all of them—the creator-god Ming Ming Shang Di 明明上帝 (literally, God of Clarity). I-Kuan Tao advocates vegetarianism, and many vegetarian restaurants in Taiwan are run by its followers. Adherents also practice various Confucian rituals and hold small group services at family shrines.

## Christianity

The work of Christian missionaries has made an indelible imprint on the island, which has several Protestant and Catholic hospitals and schools, such as Chung Yuan Christian University 中原大學 and Fu Jen Catholic University 輔仁大學. Canadian physician-cum-Presbyterian pastor George L. MacKay set up Taiwan's first hospital of Western medicine in Tamsui 淡水 in 1879, its first Western-style institution of higher learning, Oxford College 牛津學堂, in 1882 and its first school for women, the Tamsui

Girls' School 淡水女學堂, in 1884. Early Catholic missionaries founded the first Catholic church in Kaohsiung 高雄, the Holy Rosary Church, in the mid-18th century. The Apostolic Nunciature of the Holy See to the ROC is located in Taipei, where the present-day Chinese Regional Bishops' Conference 天主教會台灣地區主教團 was established in 1967.

Contemporary heroes include Marjorie Bly 白寶珠, an American who lived in Penghu 澎湖 for 54 years treating and advocating for Hansen's disease patients, and Janez Janež 范鳳龍, a Slovenian doctor who over the last 38 years of his life performed thousands of surgeries and trained countless nurses in Yilan.

## Islam

Islam first came to Taiwan about 300 years ago when believers immigrated from Quanzhou 泉州 in mainland China's Fujian Province, and a number have relocated to the island since World War II concluded. Taiwan's Muslims have founded several organizations, primary among which is the Chinese Muslim Association 中國回教協會,



Malaysia's Islamic television network TV Alhijrah films a program introducing the fine Muslim food and tourist attractions in Taipei City. (Courtesy of the Taipei City Government)

which among other things oversees halal food certification and plays a supporting role in the nation's diplomacy with Muslim countries. Its headquarters are located at the Taipei Grand Mosque 臺北清真寺, which was built in 1960 and has been designated a religious heritage site. Taiwan's Muslim community is also served by the Taipei Cultural Mosque 臺北文化清真寺 and mosques in Taoyuan 桃園, Taichung, Tainan 臺南 and Kaohsiung.

## Sports

### National Sporting Events

The National Games 全國運動會 for Asian Games and Olympic sports and the Citizens Games 全民運動會 for World Games and traditional Asian sports are held in alternating years, with the latest events held respectively in Kaohsiung City in 2015 and Chiayi City 嘉義市 in 2014. The biennial National Disabled Games 全國身心障礙國民運動會 is also a major event, with over 2,000 athletes competing in 15 sports in the 2016 edition in Miaoli County 苗栗縣.

### Cycling

The bicycle trails traversing Taiwan's diverse and beautiful terrain, many of them new, have earned the island praise as a cyclist's paradise. Leading guidebook publisher Lonely Planet selected Taiwan as one of the top 10 countries to visit in 2012 and suggested that it is "best seen on two wheels." An island-wide bicycle trail system was completed in late 2015.

Taiwan's major cycling events include the Tour de Taiwan 國際自由車環台公路大賽, which is also a Union Cycliste Internationale premium-level event on its Asia Tour, and the Taiwan KOM Challenge 臺灣自行車登山王挑戰, which takes riders up from zero altitude to an elevation of 3,275 meters in just 87 kilometers and was rated one of the world's top 50 scenic cycling routes by France-based publication *Le Cycle*.



At the sound of the starting pistol, runners commence the 2016 Wan Jin Shi Marathon in New Taipei City, the only event of its kind in Taiwan certified by the International Association of Athletics Federations. (Courtesy of the New Taipei City Government)

## Golf

The Fubon LPGA Taiwan Championship 富邦LPGA台灣錦標賽 in New Taipei City 新北市 is an annual event in the Ladies Professional Golf Association (LPGA), the world's premier women's tour. In addition, the Yeangder Tournament Players Championship 仰德TPC錦標賽 and the Mercuries Taiwan Masters Invitational Golf Tournament 台灣名人賽暨三商杯高爾夫球邀請賽 are part of the professional Asian tour.

## Baseball

In July 2015, Taiwan hosted the 12U World Cup (for players aged 12 and under) in Tainan City and finished No. 2 among 12 competing countries. Taiwan hosted the Asian Baseball Championship in Taichung in September and garnered silver; co-hosted the inaugural Premier 12 in November; and collected gold in the Asia Winter Baseball League held in Taichung from late November to December.

## Basketball

Basketball is one of the most popular sports in Taiwan, especially among youths. Each year, the finals of the High School Basketball League 高中籃球聯賽 and University

Basketball Association 大專籃球運動聯賽 attract numerous spectators. The William Jones Cup is another popular event, attracting teams from over 50 countries since 1977.

## Running

Running has become popular in recent years as road races are scheduled throughout the year in addition to

### 2015-2016 Taiwanese Sports Achievements

#### 2015 Major Events:

Taiwanese athletes captured four gold, four silver and seven bronze medals in the IBSA World Games to finish ninth out of 57 participating countries; six golds, 12 silvers and 19 bronzes in the Summer Universiade 2015, placing 10th among 143 participating countries; and 28 gold, 24 silver and 16 bronze medals in the Special Olympics World Summer Games, which had over 6,000 athletes from 165 countries.

#### Badminton:

As of April 2016, the Taiwanese team was ranked No. 7 in the world, Tai Tzu-ying 戴資穎 No. 9 in women's singles, Chou Tien-chen 周天成 No. 8 in men's singles. Tai finished No. 3 in both the Asian Championships and Summer Universiade in 2015, and won her first Superseries Premier championship at the 2016 Indonesia Open. Chou won bronze in the Summer Universiade and finished No. 2 in the Chinese Taipei Open and the French Open in 2015 as well as the German Open in 2016.

#### Baseball:

In 2015, National teams finished No. 1 in the Summer Universiade, the Junior League World Series, the PONY League World Series and the Asia Winter Baseball League, and No. 2 in the 12U Baseball World Cup and the Asian Baseball Championship. As of April 2016, Taiwan was No. 3 in the men's and No. 6 in the women's world rankings.

#### Billiards:

As of April 2016, Ko Pin-yi 柯秉逸 was No. 1, Cheng Yu-hsuan 鄭喻軒 No. 2, and Ko Ping-chung 柯秉中 No. 4 in the world men's rankings. In the women's rankings, Lin Yuan-chun 林沅君 was No. 5, Chou Chieh-yu 周婕妤 No. 7, and Chen Ho-yun 陳禾耘 No. 10.

#### Golf:

The No. 1 amateur golfer in the World Amateur Golf Ranking in 2013, Pan Cheng-tsung 潘政琮 turned pro in 2015 and earned his first professional win in July 2015 on the PGA Tour Canada. Teresa Lu 盧曉晴, No. 20 in the women's world golf ranking as of April 2016, snatched five wins on the LPGA of Japan Tour in 2015.

#### Running:

In 2015, Tommy Chen 陳彥博 won the Grand to Grand Ultra and the Ultra Africa Race, his second and third victories in major international ultramarathons.

several dozen marathons or ultramarathons and several triathlons across the country. The Taipei Marathon 臺北馬拉松 is one of the biggest of these events, with about 27,000 participants in 2015. The Taroko Gorge Marathon 太魯閣馬拉松 in east Taiwan drew 12,000 runners that year. New Taipei City's Wan Jin Shi Marathon 萬金石馬拉松, the only event of its kind in Taiwan certified by the International

#### Table Tennis:

As of April 2016, Chuang Chih-yuan 莊智淵 was No. 6 in the men's world rankings. Chung won the men's singles title—as well as the men's doubles title with Huang Sheng-sheng 黃聖盛—in the Hungarian Open.

#### Taekwondo:

As of April 2016, Lin Wan-ting 林琬婷, Huang Yun-wen 黃韻文, and Chuang Chia-chia 莊佳佳 were among the world's top five in women's categories. Taiwan in 2015 bagged three golds and one bronze in the U.S. Open; one gold, one silver and one bronze in the World Championships held in Russia; and one silver and one bronze in the World Taekwondo Grand Prix. In 2016, it garnered two silvers and one bronze in the U.S. Open, two golds and two silvers in the Asian Championships, and four gold and two bronze medals as the biggest winner in the Canada Open.

#### Tennis:

As of February 2016, sister duo Chan Yung-jan 詹詠然 and Chan Hao-ching 詹皓晴 had pushed their world rankings in women's doubles to No. 5 and No. 6, respectively. In 2015 they teamed to capture the doubles titles in the Pattaya Open and the Women's Tennis Association (WTA) Premier tournament in Cincinnati as well as advance to the semifinals of the WTA Finals in Singapore, and in 2016 they claimed doubles titles in the Taiwan Open and the Qatar Total Open. In November 2015, Hsieh Su-wei 謝淑薇 won the women's singles in the International Tennis Federation Pro Circuit tournament in Nanjing 南京, while Lu Yen-hsun 盧彥勳 claimed the men's singles title in the ATP Challenger Tour competition in Ningbo 寧波, mainland China.

#### Tug of War:

Taiwanese teams snatched three gold and four silver medals in the 2016 World Indoor Championships in the Netherlands.

#### Weightlifting:

In 2015, Taiwanese lifters won one silver and one bronze in the Youth World Championships and two gold and four silvers in the Asian Championships. Hsu Shu-ching 許淑淨, who set a world record in the 2014 Asian Games, collected two golds and one silver, and Kuo Hsing-chun 郭婞淳 earned two bronzes in the World Championships in the U.S.



Taiwan's top female badminton player, Tai Tzu-ying. The 22-year-old won her first Superseries Premier championship at the 2016 Indonesia Open. (Courtesy of Badminton Photo)



Association of Athletics Federations, had about 12,500 participants in 2016.

## Domestic Professional Leagues

In the Chinese Professional Baseball League (CPBL) 中華職棒大聯盟, founded in 1989, currently four teams play a season of 120 games with the top two playing the CPBL Seasonal Championship Series. The Lamigo Monkeys 那米哥桃猿 defeated the Chinatrust Brothers 中信兄弟 to win the 2015 CPBL title.

The Super Basketball League 超級籃球聯賽 features seven teams. In 2016, Taiwan Beer 台灣啤酒 clinched the title by beating last year's champion, Pauian 璞園建築. The Women's Super Basketball League 女子超級籃球聯賽 has four teams, and in 2016, reigning champion Cathay Life 國泰人壽 was again peerless, winning its 10th title in 11 seasons.

## Getting the Public Active

According to annual surveys by the Sports Administration 體育署 of the Ministry of Education, the most popular forms of physical activity are walking, jogging, cycling, basketball and hiking, and the proportion of people regularly engaged in physical activity grew from 12.8 percent in 2003

to 33.4 percent in 2015. This trend can be partly attributed to a plan begun in 2010 to fund the construction of 32 multi-purpose sports centers across Taiwan. ■

## RELATED WEBSITES



### Arts & Culture

- › Hakka Affairs Council: <http://www.hakka.gov.tw>
- › Council of Indigenous Peoples: <http://www.apc.gov.tw>
- › National Theater and Concert Hall: <http://npac-ntch.org>
- › Taiwan Cinema: <http://www.taiwancinema.com>
- › 100 Greatest Chinese-Language Films: <http://100.goldenhorse.org.tw/films>
- › Ministry of Culture: <http://www.moc.gov.tw>
- › National Museum of Taiwan Literature: <http://www.nmtl.gov.tw>
- › Taiwan Academy: <http://taiwanacademy.tw>
- › Taiwan Academy e-Learning Portal for Chinese Education: <http://www.huayuworld.org/learningchinese>
- › Local Cultural Museum: <http://superspace.moc.gov.tw>
- › Fresh Taiwan: <https://ccimarketing.org.tw>

### Religion

- › Ministry of the Interior: <http://www.moi.gov.tw>
- › Museum of World Religions: <http://www.mwr.org.tw>
- › Buddhist Compassion Relief Tzu Chi Foundation: <http://www.tzuchi.org>
- › Fo Guang Shan Monastery: <http://www.fgs.org.tw>
- › Dharma Drum Mountain: <http://www.ddm.org.tw>
- › Chung Tai Chan Monastery: <http://www.ctworld.org.tw>
- › Ling Jiou Mountain Buddhist Society: <http://www.093.org.tw>
- › Tibet Religious Foundation of His Holiness the Dalai Lama: <http://www.tibet.org.tw>
- › Chinese Regional Bishops' Conference: <http://www.catholic.org.tw>
- › The Presbyterian Church in Taiwan: <http://www.pct.org.tw>

### Sports

- › Sports Administration, Ministry of Education: <http://www.sa.gov.tw>
- › Chinese Professional Baseball League: <http://www.cpbl.com.tw>
- › National Sports Training Center: <http://www.nstc.org.tw>

# Appendices

i-viii



## Global Survey Rankings

Topic of Survey (Date of Publication)	Rank	Countries Surveyed	Surveying Institution
Ease of doing business (October 2015)	11	189	The World Bank
Prosperity Index 2015 (November 2015)	21	142	Legatum Institute
Index of Economic Freedom 2016 (February 2016)	14	178	Heritage Foundation, <i>The Wall Street Journal</i>
Investment climate (April 2016)	3	50	Business Environment Risk Intelligence
World competitiveness (May 2016)	14	61	International Institute for Management Development
Networked Readiness Index 2016 (July 2016)	19	139	World Economic Forum
Global Competitiveness Index 2016-2017 (September 2016)	14	138	World Economic Forum

## Holidays, Festivals & Events

### Public Holidays

*Starting from 2015, any public holiday that falls on the weekend will have the preceding or following workday designated as a day off in compensation.*

### Founding Day of the ROC

中華民國開國紀念日

(New Year's Day 元旦)

January 1

January 1, 1912 is the official birthday of the Republic of China (ROC). At sunrise, a flag-raising ceremony is held at the Presidential Office Building, where the president, government officials and many citizens gather to enjoy an array of processions and performances.

Lunar New Year 農曆新年

(Spring Festival 春節)

*First three days, first lunar month*

*(Public holidays: February 6-14 in 2016; January 27-February 1 in 2017)*

The Lunar New Year, also known as the Spring Festival, is Taiwan's preeminent holiday. While the holiday officially spans about a week in January or February, customary festivities begin weeks earlier with year-end banquets celebrating the past year's hard work and conclude with the Lantern Festival 元宵節 (see below) two weeks into the lunar year.

Ahead of the holiday, families give their homes a thorough cleaning and

decorate the front doors with red paper bearing auspicious words or poems. On Lunar New Year's Eve, family members enjoy an elaborate and sumptuous dinner together, pass out *hongbao* 紅包 (red envelopes of money) to children, and stay up late as fireworks welcome the arrival of the Lunar New Year. During the long holiday, many visit relatives and friends, travel abroad or domestically, or seek blessings from deities and ancestors at temples or home altars.

Peace Memorial Day 和平紀念日

February 28

On this day, the nation remembers the tens of thousands lost in the violent aftermath of a riot that broke out on February 28, 1947 due to tensions between civilians and the government. The incident left a deep impact on the people and society of Taiwan, and many mourn the victims by visiting memorial monuments and parks throughout the island, including the National 228 Memorial Museum 二二八國家紀念館 in Taipei City 臺北市. Government and civic organizations hold memorial services, concerts, art exhibitions and other activities in an effort to heal the wounds and close the divisions caused by the incident.

Children's Day 兒童節

April 4

In 2011, Taiwan officially designated Children's Day a public holiday

to recognize and protect the rights of children. In recent years, children's issues have gained increasing attention, and welfare laws have been amended to afford young people stronger protection under the law. On this day, government and civic organizations sponsor a range of family festivities and special events where kids and parents can have fun together.

### **Tomb Sweeping Day** 民族掃墓節 (Qingming Festival 清明節)

*April 4 in 2016 and 2017*

Tomb Sweeping Day is a centuries-old tradition of tidying up one's family gravesite as a way of showing respect for one's ancestors. Plant overgrowth is cleared away from the site; tombstones are swept and cleaned; and paper and stones are left behind to signify that the grave has been visited. With cremation becoming increasingly common, more and more families commemorate this day by paying respect to their ancestors at columbaria, where cremation urns are stored. This holiday is also known as the Qingming Festival, referring to the usually clear and bright weather in April.

### **Dragon Boat Festival** 端午節 (Poet's Day 詩人節)

*Fifth day, fifth lunar month  
June 9 in 2016; May 30 in 2017*

The centerpiece celebrations of this holiday, which usually takes place in June, are dragon-boat regattas conducted on rivers. The best known of these competitions are held in Taipei City and Changhua County 彰化縣. The signature

culinary fare of this celebration is *zongzi* 粽子, glutinous rice dumplings with a variety of fillings, all wrapped and steamed in bamboo leaves.

Legend has it that these customs began in remembrance of Qu Yuan 屈原, a talented poet who lived more than 2,000 years ago. He was also a loyal counselor to the emperor, but sadly drowned himself in the river after being falsely accused of treason. To save Qu's corpse from hungry fish, local fishermen scattered *zongzi* into the water to feed the fish and paddled out on boats to scare them away.

### **Mid-Autumn Festival** 中秋節

*15th day, eighth lunar month  
September 15 in 2016; October 4  
in 2017*

Along with the Lunar New Year and the Dragon Boat Festival, the Mid-Autumn Festival is one of the three largest holidays in Taiwan. Family members gather in the evening to eat "moon cakes"—thick moon-shaped pastries with rich filling—while admiring the first autumnal full moon. Nighttime barbecues have become popular as well.

Traditionally, people also commemorate the mythical Chang-e 嫦娥, a beautiful woman who flew to the moon after taking an elixir of immortality; she is said to be accompanied there by a jade rabbit.

### **National Day** 國慶日

*October 10*

This celebration is held on the anniversary of the 1911 Wuchang Uprising 武昌



起義, a milestone event that later led to the birth of the ROC. In front of the Presidential Office Building, foreign dignitaries and overseas Taiwanese join citizens in viewing a parade that showcases the nation's traditional and contemporary cultures. Honor guards, school marching bands, indigenous groups, professional singers and dancers, as well as military vehicles are among the highlights. The National Day Fireworks Display, rotating annually among different cities, turns the night sky into a dazzling explosion of colors.

## Festivals and Events

### Lantern Festival 元宵節

Falling on the 15th day of the first lunar month, the Lantern Festival is the culmination of the Lunar New Year season. Across the nation, colorful lanterns are displayed and sweet glutinous rice balls are eaten as a traditional snack.

Notable celebrations include the spectacular Pingxi Sky Lantern Festival 平溪天燈節 in New Taipei City 新北市, the Miaoli Bombing the Dragon Festival 炸龍 in Miaoli County 苗栗縣, the Blasting of Han Dan 炸寒單 in Taitung City 臺東市 and the Yanshui Beehive Fireworks Festival 鹽水蜂炮 in Tainan City 臺南市. In addition, the Taiwan Lantern Festival 臺灣燈會, which features a colossal lantern fashioned after the Chinese zodiac animal of the year, rotates around the country each year; this festival was held in Taoyuan City 桃園市 from February 22 to March 6 in 2016, the Year of the Monkey.

### Dajia Ma Zu Pilgrimage

#### 大甲媽祖遶境

The largest religious event in the country, the Dajia Ma Zu Pilgrimage honors the sea goddess Ma Zu 媽祖, regarded by many as Taiwan's most important guardian deity. Every third lunar month, hundreds of thousands of the faithful take part in the nine-day, eight-night procession to celebrate her birthday, setting out from Jenn Lann Temple 鎮瀾宮 in Dajia District 大甲區, Taichung City 臺中市 and passing through Changhua, Yunlin 雲林 and Chiayi 嘉義 counties before circling back to the starting point.

### New Taipei City Wan Jin Shi

#### Marathon 新北市萬金石馬拉松

Since 2003, the Wan Jin Shi Marathon has been held every March in New Taipei City. The scenic route boasts a stunning mountain view and seascape along the beautiful northern coast of Taiwan. Every year, around 12,500 runners from home and abroad take part in the event. In 2014, 2015 and 2016, the race was awarded a Bronze Label by the International Association of Athletics Federations.

### Flying Fish Festival 蘭嶼飛魚季

Each March through July, the aboriginal Yami 雅美 (or Dawu 達悟) people of Lanyu Island (Orchid Island) 蘭嶼 off Taiwan's southeast coast hold the Flying Fish Festival to honor their most important source of livelihood. The flying fish are carried to Lanyu Island on the warm Kuroshio Current every year. Elaborate ceremonies during these months include blessings of the

boats, prayers for an abundant catch, and end-of-harvest rituals.

### Confucius Ceremonies 祭孔

Every spring and autumn, Confucius 孔子 temples across the country hold ceremonies to pay homage to the ancient Chinese philosopher, scholar and teacher. The island's oldest Confucius temple was built in 1666 in Tainan City; it was also the most prestigious school of its time. Today, the temple still performs elaborate Confucius ceremonies with traditional attire, music and dance. One popular ritual involves students plucking hair from oxen in order to gain wisdom.

### Spring Scream 春天吶喊

Every April since 1995, indie rock bands and music lovers from home and abroad have gathered at Pingtung County's 屏東縣 Eluanbi Park 鵝鑾鼻公園 for this multi-stage outdoor concert festival. In addition to days of nonstop electric vibes, the event also showcases artistic creations, games, installation art as well as products by independent designers.

### Hakka Tung Blossom Festival

#### 客家桐花祭

The Hakka Tung Blossom Festival, held each April to May since 2002, celebrates the culture of the Hakka people, whose ancestors planted tung trees in the foothills of northern and central Taiwan. In bygone times, oil pressed from tung seeds served as a commercially important export. Today, these forests draw visitors to beautiful mountain paths that are covered with fallen tung flowers.

Tourists can experience the charm and cuisines of nearby Hakka communities where various music and dance events are also staged.

### Penghu International Fireworks

#### Festival 澎湖國際海上火花節

Spanning one to two months between April and June, the Penghu International Fireworks Festival has become the top tourist event on the outlying Penghu Islands 澎湖群島 since it began in 2003. Spectators can enjoy stunning fireworks from only 300 meters away as the displays are set off over the beautiful waters of Penghu Bay 澎湖灣. A lively mix of musical performances rounds out the festivities.

### Austronesian Cultural Arts

#### Festival 南島文化藝術節

Launched in 1999 and now held biennially, the Austronesian Cultural Arts Festival in Taitung County 臺東縣 showcases the cultures of Austronesian aboriginal peoples in Taiwan and across the Pacific. Featuring musical performances, art exhibits, and traditional food and craft fairs, the event also provides opportunities for exchanges among Austronesian communities worldwide. In 2016, festivities ran from July through November and focused on the theme of ritual ceremonies.

### Taiwan International Balloon

#### Fiesta 臺灣國際熱氣球嘉年華

The Taiwan International Balloon Fiesta in Taitung County has become a popular summer event since it was first





held in 2011. Tourists are taken high on hot air balloon rides for panoramic views of the breathtaking East Rift Valley 花東縱谷. The festival's other major draws include evening balloon light and music shows as well as balloon flight performances by international pilots.

### **Ho-Hai-Yan Gongliao Rock Festival** 貢寮國際海洋音樂祭

Every July since 2000, young people have flocked to this rock music festival on Fulong Beach 福隆海水浴場 in New Taipei City to celebrate their summer break. Integrating the beauty of Taiwan's northeast coast with the spirit of creativity, the event has grown into one of the most well-known performance platforms for independent music.

### **Yilan International Children's Folklore and Folkgame Festival** 宜蘭國際童玩藝術節

The Yilan International Children's Folklore and Folkgame Festival is held every July and August in Yilan County's 宜蘭縣 Dongshan River Water Park 冬山河親水公園. Launched in 1996, the event offers children and their families a host of games, exhibitions and folk performances. Scores of folk dance troupes and bands from around the world are invited to the event, which has earned recognition from CIOFF (International Council of Organizations of Folklore Festivals and Folk Arts, an official partner of UNESCO) for its preservation and transmission of cultural heritage.

### **Ghost Month** 鬼月

Tradition holds that the gates of the underworld are opened during the seventh lunar month to allow spirits from the realm of hungry ghosts to roam freely and seek comfort in the world of the living. Religious observances come to a climax on the 15th day of this lunar cycle (usually falling in mid-to-late August), when lavish sacrificial feasts are laid out at temples and in front of homes and shops to placate these wandering souls.

### **Sun Moon Lake International Swimming Carnival**

#### 日月潭萬人泳渡

Every September, tens of thousands of swimmers from home and abroad flock to Taiwan's largest natural lake, Sun Moon Lake 日月潭 in Nantou County 南投縣, to test their endurance in this 3-kilometer open-water swimming event. Named the world's biggest swimming event by the International Olympic Committee in 1995 and inducted into the International Swimming Hall of Fame in 2002, the activity drew over 20,000 people from 33 countries in 2015.

### **Kaohsiung Zuoying Wannian Folklore Festival** 高雄左營萬年季

Each October since 2001, the Kaohsiung City Government 高雄市政府 has hosted the Zuoying Wannian Folklore Festival to mark the historical and cultural heritage of Zuoying District 左營區, known in earlier times as Wannian County 萬年縣. The nine-day festival also includes religious events such as the Fiery Lion

Parade 迎火獅 hosted by local temples, fireworks and exhibitions.

## Taiwan Open of Surfing

臺灣國際衝浪公開賽

Every November since 2011, the Taiwan Open of Surfing has been held at Jinzun Harbor 金樽漁港 in Taitung County's Donghe Township 東河鄉, where perfect waves, beautiful scenery and long stretches of sandy beaches abound. Widely known as a surfers' paradise, Taitung was certified as an international surfing competition venue by the Asia Surfing Championships

in 2012. The event also became part of the Association of Surfing Professionals World Tour in 2013, making it the crowning surf event in Taiwan.

## Taipei New Year's Eve Countdown Party

At midnight on New Year's Eve, fireworks displays light up the skies throughout Taiwan. The most dazzling of these is the Taipei 101 台北101 show: more than a million people gather in the adjacent city hall plaza and its neighboring areas to ring in the New Year and admire fireworks launched from the skyscraper itself. ■



## Chronology 2015

- Jan. 3** The Chimei Museum 奇美博物館 reopens in its new home in Tainan City 臺南市. Boasting extensive collections of paintings, musical instruments and ancient weapons, the museum building was donated by entrepreneur Shi Wen-long 許文龍 to the Tainan City Government 臺南市政府.
- 5** Upgraded from the Zuoying Training Center 左營訓練中心, the National Sports Training Center 國家運動訓練中心 is launched with improved facilities fit for world-class athletes.
- 16** The Act Governing Electronic Payment Institutions 電子支付機構管理條例 clears the Legislative Yuan (Legislature) 立法院, providing a legal basis for third-party payment services in Taiwan.
- 22** Taiwan announces a three-year, US\$240,000 commitment to support the World Trade Organization's (WTO) Standards and Trade Development Facility, helping developing and least-developed countries set up food safety and animal and plant health standards.
- 25** The Taiwan Photon Source 台灣光子源 is unveiled at the National Synchrotron Radiation Research Center 國家同步輻射研究中心. Among the brightest synchrotron light sources in the world, it will boost Taiwan's competitiveness in medical and nano devices, pharmaceuticals and semiconductors.
- 26** Taiwan's Council of Agriculture (COA) 農業委員會 and Philippines-based International Rice Research Institute sign a memorandum of understanding (MOU) on rice breeding and varietal improvement.
- Amid growing debate over the role of nuclear power, Taiwan kicks off a two-day national energy conference to forge a public consensus on Taiwan's energy future.
- 29** The seventh Cross-Strait Economic Cooperation Committee 兩岸經濟合作委員會 meeting wraps up in Taipei City 臺北市, focusing on small and medium-sized enterprises (SMEs), as well as reviewing results of the Cross-Straits Economic Cooperation Framework Agreement.
- Feb. 2** The Wetland Conservation Act 濕地保育法 to balance conservation with economic development takes effect, making Taiwan a regional leader in the responsible use of ecological assets.

Taiwan's Non-manufacturing Index (NMI) 非製造業經理人指數 is inaugurated to track the construction and services sectors, which account for over 70 percent of gross domestic product. The NMI is the third of its kind in the world after the United States and mainland China.

**3** Taiwan's first permanent national archives are inaugurated in New Taipei City 新北市. The archive is expected to bring under the same roof treasured historic documents from government agencies and renowned institutions.

**4** TransAsia Airways 復興航空 Flight 235 crashes shortly after departing from Taipei Songshan Airport 臺北國際航空站, resulting in 43 fatalities.

**10** Taipei-based Chung-Hua Institution for Economic Research 中華經濟研究院, Washington think tank Heritage Foundation and *The Wall Street Journal* stage a Taiwan-U.S. economic symposium focusing on Taiwan's participation in regional economic integration, especially the Trans-Pacific Partnership.

**12** Taiwan Railways Administration's 臺灣鐵路管理局 Hsinchu Station 新竹站 concludes a twinning agreement with Tokyo Station operated by the Japan Railways Group.

Taiwan is rated the top East Asian nation in the World Press Freedom Index released by France-based Reporters Without Borders.

**16** Montreal-based Airports Council International rates the Taiwan Taoyuan International Airport (TTIA) 臺灣桃園國際機場 the world's second best in service quality among airports in the same passenger capacity category.

**Mar. 5** Taiwan and Poland conclude an air transport agreement allowing designated carriers to operate services between the two countries.

**18** An Ebola training center commences operations in Tainan City to prepare health care professionals from Southeast Asia to fight the infectious disease.

**25** The Executive Yuan 行政院 launches a project to transform the site of the former ROC air force headquarters in Taipei City into the TAF (Taiwan Air Force) Innovation Base 空總創新基地—a business incubation and startup center for young entrepreneurs.

**26** The Executive Yuan kicks off an initiative to transform the unused premier's residence on Jinhua Street 金華街 in Taipei into Taiwan's first co-working space for social enterprise startups.

**28** A meeting between former ROC Vice President Vincent C. Siew 蕭萬長 and mainland Chinese leader Xi Jinping 習近平 takes place on the sidelines of the Boao Forum for Asia 博鰲亞洲論壇 annual conference in mainland China.



- 30 Taiwan inaugurates the Taiwan Rapid Innovation Prototyping League for Entrepreneurs 臺灣創新快製媒合中心 to transform the island country into an international innovation and entrepreneurship base.
- 31 Two locally designed and constructed ROC navy vessels, the *Tuo Jiang* 沱江 and the *Pan Shi* 磐石, are inaugurated in Kaohsiung City 高雄市.
- Apr. 7 The Ministry of Education launches a school-based project assisting the children of new immigrants to learn their foreign parents' languages and promoting cultural diversity and ethnic integration.
- 11 The Ministry of Foreign Affairs announces that Taiwan TV drama *The Fierce Wife* 犀利人妻 is set to screen for the first time in Latin America, helping spotlight the nation's pop culture and soft power with viewers throughout the region.
- 17 A landmark verdict awarding NT\$560 million (US\$17.55 million) in damages for workplace health and safety violations to 445 former Radio Corporation of America employees in Taiwan is handed down by the Taipei District Court 臺北地方法院.
- 21 Amendments to the Act of Punishment of the Armed Forces 陸海空軍懲罰法 are approved by the Legislature, putting in place reforms aimed at enhancing military discipline within a more humane framework.
- 28 Taiwan's media and press environment is rated second-freest in Asia by the Washington-based nongovernmental organization Freedom House.
- May 1 ROC national Chuang Tung-chieh 莊東杰 wins the Malko Competition in Copenhagen, one of the most coveted honors for aspiring conductors.
- 2 For his work in real estate and income tax reforms, Minister of Finance Chang Sheng-ford 張盛和 receives the Global and Asia-Pacific Minister of the Year Award by London-based magazine *The Banker*.
- 4 U.S.-based *Applied Physics Letters* publishes a study by National Taiwan University 國立臺灣大學 researchers on the successful creation of artificial muscle using onion epidermal cells. The muscles are capable of bending, contracting and extending in response to different voltages.
- 5 The Act to Implement United Nations Convention against Corruption 聯合國反貪腐公約施行法 is passed by the Legislature, strengthening Taiwan's commitment to cleaner governance and government integrity.
- 6 Wong Chi-huey 翁啟惠, president of Academia Sinica 中央研究院, is named winner of the 2015 Robert Robinson Award for his development of chemical and enzymatic synthesis methods to elucidate the roles of carbohydrates in biology.

- 13 The Conference on Next Generation Power in Asia, organized jointly by the Ministry of Economic Affairs (MOEA) and the American Institute in Taiwan, wraps up in Taipei City, underscoring the ROC government's commitment to tackling regional energy issues.
- 15 The Long-term Care Services Act 長期照顧服務法 is passed by the Legislature. Budgeted at NT\$12 billion (US\$376.18 million) over five years, the act will benefit 800,000 Taiwan families with disabled or elderly members from 2017.
- Amendments to the Labor Standards Act 勞動基準法 are approved by the Legislature, capping a regular working week at 40 hours, down from 84 hours per fortnight.
- 18 A Taiwan delegation headed by Minister of Health and Welfare Chiang Been-huang 蔣丙煌 attends the 68th World Health Assembly in Geneva.
- 23 The third meeting between the heads of Taipei City-based Mainland Affairs Council 大陸委員會 and Beijing-headquartered Taiwan Affairs Office 臺灣事務辦公室 takes place in outlying Kinmen County 金門縣. Consensuses reached include allowing mainland visitors to transit through Taiwan, extraditing economic criminals, and establishing reciprocal representative offices.
- 24 Taiwan's Hou Hsiao-hsien 侯孝賢 collects best director award for his martial arts epic *The Assassin* 刺客聶隱娘 at the Cannes International Film Festival.
- 26 President Ma Ying-jeou 馬英九 unveils his South China Sea Peace Initiative 南海和平倡議, calling on countries in the region to settle territorial disputes and develop resources jointly.
- 28 Taiwan is admitted to the Enterprise Europe Network, opening the door to a broad spectrum of business opportunities for the nation's SMEs.
- June 15 The Greenhouse Gas Reduction and Management Act 溫室氣體減量及管理法 is passed by the Legislature, enshrining Taiwan's carbon reduction plans and goals into domestic law.
- 19 The Taiwan Innovation and Entrepreneurship Center 臺灣創新創業中心, a state-backed incubator for Taiwan high-tech startups, opens in California, cementing the nation's presence in Silicon Valley and the global supply chain.
- 24 The Taiwan Quality Food Association 台灣優良食品發展協會 unveils a new logo for food safety accreditation to supersede the Good Manufacturing Practice system, reaffirming the government's determination to re-establish confidence in the local food sector following food safety scares in recent years.
- 27 A powder explosion accident sets off a sweeping fire at the Formosa Fun Coast 八仙海岸 water park in New Taipei City, injuring hundreds of people.



- July 1** The nation's fourth nuclear power plant in New Taipei City is officially moth-balled for the next three years.
- Taiwan violinist Tseng Yu-chien 曾宇謙 finishes second at the International Tchaikovsky Competition in Moscow; no first place winner was selected that year.
- 11** President Ma Ying-jeou embarks on an eight-day state visit to the Dominican Republic, Haiti and Nicaragua.
- 13** An international symposium on Taiwan-mainland China relations wraps up at the Brookings Institution in Washington, bringing experts and scholars from Taiwan, mainland China and the U.S. together to exchange views on recent developments in cross-strait affairs.
- 14** Taiwan athletes grab six golds, 12 silvers and 19 bronzes at the Summer Universiade 2015 games in South Korea, placing 10th among 143 participating countries and territories.
- 15** Taiwan and Australia conclude two days of Bilateral Economic Consultations in Taipei City, agreeing to expand cooperation in culture, economy, education, tourism and trade.
- 27** Taiwan signs on to the WTO's expanded Information Technology Agreement aimed at eliminating tariffs for information technology products.
- Taiwan is listed as a Tier 1 country for the sixth consecutive year in the *Trafficking in Persons Report* published by the U.S. Department of State.
- Aug. 4** A newly established Cabinet-level board on new immigrant affairs kicks off its inaugural meeting to coordinate resources for Taiwan's growing immigrant population.
- 5** Miniwiz Co. 小智研發股份有限公司, a firm that transforms household waste into high-performance materials, becomes the first Taiwanese company to be named a 2015 Technology Pioneer by the World Economic Forum. The company is well-known for building a nine-story-high "EcoARK" facility from 1.5 million recycled plastic bottles.
- 7** The Cabinet launches a global recruitment platform aimed at attracting overseas talent to Taiwan and meeting increasing local demand for high-end professionals.
- 14** *Song of the Reed* 蘆葦之歌, a film on the inspiring stories of six Taiwan comfort women during the 1930s and 1940s and the courage they demonstrated in finding inner peace in the last years of their lives, is released nationwide.
- 15** India accords electronic visa privileges to facilitate the visa process for ROC passport holders. Armenia, Iran, Ivory Coast, Qatar, and Somaliland also recently granted Taiwan landing visa, electronic visa or visa-free privileges.

- 18 Four MOUs promoting electronic ticketing services and other intercity collaborative projects are signed by Taipei and Shanghai 上海 at the 2015 twin city forum in mainland China.
- 24 Central Bank of the Republic of China (Taiwan) 中央銀行 Governor Perng Faian 彭淮南 is named one of the world's best central bankers for the 11th year running by U.S. magazine *Global Finance*.
- 25 Taipei-based Straits Exchange Foundation 海峽交流基金會 and Beijing-headquartered Association for Relations Across the Taiwan Straits 海峽兩岸關係協會 hold their 11th round of talks in Fuzhou 福州, mainland China, signing agreements on aviation safety and taxation cooperation.
- Taiwan is admitted to the North Pacific Fisheries Commission, an intergovernmental organization that promotes sustainable development of marine resources throughout the North Pacific Ocean.
- 31 At the annual meeting of the International Bridge, Tunnel and Turnpike Association held in Ireland, Taiwan's electronic toll collection system garners the President's Award for Excellence as well as an award in the Customer Service and Marketing Outreach category.
- Sept. 6** An MOU promoting human security and regional economic integration is signed by Taiwan and the Asia-Pacific Economic Cooperation (APEC) Secretariat in the Philippines.
- 7 The Food and Drug Administration 食品藥物管理署 proposes a bill to ban partially hydrogenated oils in Taiwan's processed food products.
- 9 The government unveils a comprehensive plan to grow Taiwan's bioeconomy into an NT\$3 trillion (US\$94.04 billion) industry by 2020.
- 10 Taiwan and U.S.-based Oceans Beyond Piracy ink an MOU to help increase maritime safety along the Somali coast. Under the pact, Taiwan pledges US\$166,000 toward the establishment of the Maritime Communications Initiative.
- 14 Jointly organized by the COA, the Asian Productivity Organization and Asia-Pacific Association of Agricultural Research Institutions, an international observation mission from 18 countries gather to study Taiwan's successful experiences in spurring its rural economy.
- 16 Taiwan co-hosts a seminar on empowering women through information and communications technology (ICT) at the APEC Women and the Economy 2015 Fora in the Philippines.
- 17 The government unveils Taiwan's Intended National Determined Contribution with a pledge to reduce carbon emissions to 50 percent of 2005 levels by 2050.





- 27** A team from National Chengchi University's 國立政治大學 International Master of Business Administration program captures the prestigious Hult Prize—the world's largest student competition for social good—and US\$1 million in seed capital.
- 29** Designed by the Ministry of the Interior, an electronic map of Taiwan combining aerial imagery, geological formations and a street atlas wins the 2015 Asia Geospatial Application Excellence Award during the GeoSmart Asia forum in Kuala Lumpur.
- Oct. 1** The ninth round of talks between Taiwan and the U.S. under the bilateral Trade and Investment Framework Agreement wraps up in Taipei City, discussing issues on intellectual property rights protection, pharmaceuticals and medical devices, multilateral economic integration, as well as technical barriers to trade.
- 3** A total of 16 ROC diplomatic allies urge greater and more meaningful participation for Taiwan in U.N. specialized agencies and activities during the world body's General Assembly concluded in New York City.
- 6** The world's first cloud-based early warning system for flooding and bridge collapses is unveiled by the National Applied Research Laboratories 國家實驗研究院 in New Taipei City.
- 7** Taiwan's homegrown electronic toll collection system is honored with an industry award at the Intelligent Transport System World Congress in France.
- 14** The fourth official meeting between the heads of the Mainland Affairs Council and the Taiwan Affairs Office is concluded in Guangzhou 廣州, mainland China, with the two sides agreeing to institutionalize cross-strait negotiations and reinforce official exchanges.
- 21** The New Taipei City Library 新北市立圖書館 and the San Francisco Public Library ink an MOU facilitating exchanges and interactions.  
The MOEA and Microsoft Corp. sign an MOU in Taipei City on establishing an Internet of Things development center.
- 22** The Executive Yuan launches the Taiwan Productivity 4.0 Initiative 行政院生產力4.0發展方案 that heralds the fourth industrial revolution by developing smart automated manufacturing and connecting production systems.
- Nov. 5** Taiwan and the Philippines conclude a fisheries law enforcement pact, agreeing to avoid using violence or unnecessary force in a dispute, create an emergency notification system, and establish a mechanism for the prompt release of detained vessels and crew.

- 7 President Ma Ying-jeou and mainland Chinese leader Xi Jinping meet in Singapore, the first meeting between the leaders across the Taiwan Strait since the two sides split in 1949.
- 16 A delegation led by MOEA Minister Deng Chen-chung 鄧振中 and National Development Council 國家發展委員會 Minister Duh Tyzz-jiun 杜紫軍 participates in a two-day APEC Ministerial Meeting.
- 18 Former Vice President Vincent C. Siew attends a two-day APEC Economic Leaders' Meeting as a special envoy for President Ma Ying-jeou.
- 19 A three-year, NT\$30 billion (US\$940.44 million) program to boost the development of long-term care services for the elderly and disabled in Taiwan is passed by the Cabinet.
- 22 Taiwan is the biggest winner with four golds and two merit awards at the Asia-Pacific ICT Alliance Awards held in Sri Lanka, regarded as the Oscars of the ICT industry for the region.
- 24 An act aimed at protecting Taiwan's underwater cultural heritage is passed by the Legislature as the country's first law dedicated to safeguarding submerged archaeological assets.
- 26 The 40th annual economic and trade consultation meeting between Taiwan and Japan concludes in Tokyo, with the two countries signing an agreement of avoidance of double taxation, as well as two MOUs of cooperation on competition law and disaster prevention.
- Dec. 1** Three new high-speed rail stations begin operations in the counties of Miaoli 苗栗, Changhua 彰化 and Yunlin 雲林.
- The number of countries granting landing visa, electronic visa or visa-free privileges to ROC nationals increases to 158.
- 4 The 21st economic cooperation meeting between Taiwan and the Philippines concludes in Manila, with the two sides inking three MOUs on enhancing mutual collaboration and forming a taskforce to discuss the signing of an economic cooperation agreement.
- 8 The 27th economic and trade consultation meeting between Taiwan and the EU concludes in Taipei City, focusing on intellectual property rights, pharmaceuticals, sanitary and phytosanitary measures, and technical trade barriers.
- 14 The Legislative Yuan passes an amendment to the School Health Act 學校衛生法, prohibiting school lunch providers from serving genetically modified foods nationwide.



A bill facilitating the recycling and reuse of wastewater is passed by the Legislature in Taipei City, establishing a legal framework for the sustainable development of water resources in Taiwan.

A five-year project promoting green trade is announced by the MOEA, paving the way for local firms to better access the potential-laden industry.

- 15 An NT\$10 billion (US\$313.48 million), 10-year program aimed at further minimizing the impact of trade liberalization on at-risk Taiwan enterprises and workers is greenlighted by the Legislature.
- 16 The U.S. government announces a US\$1.83 billion arms sale package to Taiwan that includes *Perry*-class frigates, anti-aircraft and anti-tank missiles, and amphibious assault vehicles.
- 17 An amendment to the Criminal Code of the Republic of China 中華民國刑法 is passed by the Legislature, expanding the scope of confiscation orders pertaining to gains through criminal acts or means.
- 18 Amendments to the Radio and Television Act 廣播電視法, the Cable Radio and Television Act 有線廣播電視法 and the Satellite Broadcasting Act 衛星廣播電視法 are approved by the Legislative Yuan to promote digital convergence, enhance market competition and allow product placement.
- 20 Taiwan welcomes its 10 millionth international visitor for the year at the TTIA, marking a milestone development in the country's tourism industry.
- 28 The Southern Branch of the National Palace Museum 國立故宮博物院南部院區 begins its trial opening in Chiayi County 嘉義縣.
- 30 Taiwan unveils Cycling Route No. 1 環島1號線, the first round-the-island bicycle path, stretching 968 kilometers.

# History of the Republic of China

## Birth of the Republic of China

In the late 19th and early 20th centuries, when the vast empire of the Qing dynasty 清朝 was weakened by decades of domestic strife and foreign aggression, a number of groups dedicated to overthrowing the imperial court arose. Among them was the Revive China Society 興中會 founded by Sun Yat-sen 孫中山 in Honolulu in 1894, which joined with other groups to establish the Chinese Revolutionary Alliance 中國同盟會 in 1905 while Sun was in exile in Tokyo. On October 10, 1911, revolutionaries launched an uprising in the city of Wuchang 武昌, which quickly spread throughout the country. By January 1, 1912, the Chinese Revolutionary Alliance controlled a majority of the provinces and established the Provisional Government of the Republic of China (ROC) in Nanjing 南京, with Sun Yat-sen as president. The Xuantong 宣統 Emperor (often referred to as Puyi 溥儀) of the Qing Empire abdicated on February 12, 1912.

## Uncertain Beginnings

Soon thereafter, in the interest of national unity, Sun relinquished the office of provisional ROC president in favor of Yuan Shi-kai 袁世凱, commander of the powerful Beiyang Army 北洋軍. After being formally elected to the ROC presidency and inaugurated on October 10, 1913, however, Yuan assumed dictatorial

power. Heedless of widespread opposition, he arranged to have himself elected as the “Great Emperor of China” on December 12, 1915.

These actions sparked widespread revolts. Yunnan Province 雲南省 declared independence weeks later, and six additional provinces followed suit in 1916. Amid such intense opposition, and after troops dispatched to suppress the rebellion were defeated, Yuan renounced monarchy in March 1916. Thereafter, he fell gravely ill and died on June 6, 1916.

## The Warlord Era

Following Yuan Shi-kai’s death, China was fractured by regional military governments. Viewing as illegitimate the Beijing-based government controlled by the Beiyang military regime, Sun Yat-sen returned to his southern home city of Guangzhou 廣州 and began rebuilding an ROC government faithful to the ideals of the 1911 revolution. In 1919, Sun and his comrades completed a thorough reorganization of the Kuomintang (KMT) 中國國民黨—also known as the Chinese Nationalist Party—and in 1921 he assumed the presidency of the Guangzhou-based government.

When conflict between regional warlords erupted in 1922, Sun issued a manifesto calling for the unification of China. Under his leadership, the ROC government in Guangzhou established the Whampoa Military Academy 黃埔軍校.

On November 10, 1924, Sun called for a “national people’s convention” to bring China’s regional leaders together and negotiate unification. As the head of the Guangzhou-based government, Sun traveled north to hold talks with leaders of the Beijing-based government. While there, however, Sun died of cancer on March 12, 1925.

Sun’s untimely death left the southern government in the hands of a steering committee, which appointed Chiang Kai-shek 蔣中正 commander-in-chief of the National Revolutionary Army 國民革命軍 in June 1926. Chiang led a military expedition and subdued warlords in central and northern China. This Northern Expedition 北伐 lasted less than three years. With the elimination of the rival Beijing-based government, the government in Nanjing, established in April 1927 by the National Revolutionary Army, became internationally recognized as China’s legitimate government.

### Second Sino-Japanese War, Civil War

Much of the northeastern territory known at that time as Manchuria 滿洲, however, remained under the control of Russia and later Japan. Threatened with having to relinquish its hegemony there and its economic privileges in other regions of China, Japan annexed Manchuria in 1931 and, in 1932, created a puppet state known as Manchukuo 滿洲國, where Puyi was installed as emperor.

Meanwhile, Chinese Communist Party (CCP) 中國共產黨 rebels challenged

the ROC government’s legitimacy. Beginning in 1927, the CCP fomented uprisings in a number of cities, and it eventually established a breakaway “liberated zone” in Jiangxi Province 江西省.

On July 7, 1937, a shooting incident between Japanese and Chinese troops at the Marco Polo Bridge 盧溝橋 near Beijing marked the beginning of the War of Resistance Against Japan, also known as the Second Sino-Japanese War (1937-1945). During the early years of the war, Japan won successive victories. The ROC capital of Nanjing fell in December 1937, and Japanese forces killed some 300,000 people there in several weeks of unrelenting carnage known as the Rape of Nanjing 南京大屠殺.

The loss of Nanjing forced the ROC government to move up the Yangtze River 長江 to Chongqing 重慶. There, the government worked to rebuild its armed forces. In 1941, U.S. President Franklin D. Roosevelt ordered shipments of large quantities of arms and equipment to China and dispatched military advisors there. Following the Japanese attack on Pearl Harbor on December 7, 1941, the United States and Britain declared war on Japan and developed close ties with the ROC, which officially joined the Allied Powers.

In November 1943, Chiang met with Roosevelt and British Prime Minister Winston Churchill in Cairo to discuss the postwar disposition of Japanese territories. On December 1, their governments released a joint communiqué known as the Cairo Declaration. In part, the document reads, “The Three Great Allies are fighting

this war to restrain and punish the aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion. It is their purpose that ... all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa [Taiwan], and the Pescadores [Penghu Islands 澎湖群島], shall be restored to the Republic of China.”

On August 6, 1945, U.S. forces dropped an atomic bomb on Hiroshima. Three days later, a second one was dropped on Nagasaki. On August 14, Japan announced its formal surrender in accordance with the terms of the Potsdam Declaration of July 1945, which stated that “the terms of the Cairo Declaration shall be carried out.” The Japanese forces in mainland China surrendered to the ROC government on September 9, 1945 in Nanjing.

### Postwar Developments on the Chinese Mainland

Prior to Japan’s surrender, CCP rebel troops had moved into Japanese-held territory and seized Japanese arms. The KMT-led government held peace talks with the CCP, culminating in an agreement on October 10, 1945. The agreement called for convening a multiparty political consultative conference to plan a liberal, democratic postwar government and to draft a constitution. Conciliation efforts ultimately came to naught, however, and fighting between government and communist troops resumed, with communist Russia supplying the CCP with weapons.

Nevertheless, a new constitution was promulgated on January 1, 1947. In the

following year, members of the National Assembly 國民大會, the Legislative Yuan 立法院 and the Control Yuan 監察院 were elected, and in April 1948, the National Assembly elected Chiang Kai-shek president of the republic.

Setbacks in the war against communist rebels, combined with war debts and runaway inflation, undermined the ability of the central government in Nanjing to maintain social order. In early 1949, President Chiang began moving troops to Taiwan. After losing the civil war to the CCP, the ROC government began relocating to Taiwan. In all, some 1.2 million Chinese civilians and soldiers moved to the island at that time.

## History of Taiwan

### Taiwan’s Original Inhabitants

Taiwan’s first inhabitants left no written records of their origins. Anthropological evidence suggests that the island’s indigenous peoples are descended from proto-Malayans. Their languages belong to the Austronesian language family. The majority of prehistoric artifacts found at over 500 sites indicate an Indonesian connection, while some items suggest that Taiwan’s earliest settlers might have come from the southern part of mainland China.

### European Trading Bases in Taiwan (1624-1662)

The first Westerners to establish communities in Taiwan came from the Netherlands via bases in the Dutch East Indies (today’s Indonesia). In 1622, the

Dutch East India Company set up a base in the Penghu Islands off Taiwan's southwest coast but was driven away by Ming-dynasty 明朝 forces. In 1624, it established a base in the vicinity of today's Tainan City 臺南市 from which it extended its hegemony over the island's southwestern coast.

Meanwhile, in 1626, a rival Spanish consortium occupied areas in northern Taiwan corresponding to today's Keelung City 基隆市 and Tamsui 淡水, only to be driven out by the Dutch in 1642. Under Dutch control, Taiwan's seaports became important entrepôts for maritime trade and the transshipment of goods between Japan, China, Southeast Asia, South Asia and Europe.

While the Dutch were active in Taiwan, Ming-dynasty China underwent social upheaval and widespread devastation as Manchu conquerors began invading from the northeast in 1644. Thousands of Chinese in the coastal provinces of Fujian 福建 and Guangdong 廣東 risked the dangers of crossing the Taiwan Strait to reach the island. By 1662, an estimated 35,000 of them had successfully done so.

### Reign of the Zheng Family (1661-1683)

Forces loyal to the Ming court fled southward as they resisted the Manchu incursions. One of the best-known leaders of armed resistance was Zheng Cheng-gong 鄭成功 (Koxinga), the "godfather" of a syndicate of traders, pirates and private armies whose operations ranged from Japan to Southeast Asia. In 1661, Zheng's naval fleet and army laid siege to the Dutch East India Company headquarters in Taiwan.

In 1662, the two sides negotiated a treaty whereby the Dutch left the island.

With Zheng's forces came a number of Ming nobility, officials and literati. Under the rule of Zheng Cheng-gong, his son Zheng Jing 鄭經 and grandson Zheng Ke-shuang 鄭克塽, these refugees created a mini-kingdom with a Chinese-style political system which lasted for 22 years before it was annihilated by the Qing Empire in 1683.

### Qing-dynasty Rule (1683-1895)

During the two-plus centuries of Qing rule over Taiwan, hundreds of thousands of impoverished people in China's Fujian and Guangdong provinces flouted the Qing court's ban on travel to the island and migrated there to make a fresh start. The bulk of these people were farmers who mainly engaged in rice and sugarcane cultivation.

As a consequence of the Second Opium War (1856-1860), the Qing government opened four ports in Taiwan—Keelung, Tamsui, Anping 安平 (now part of Tainan City) and Takau 打狗 (today's Kaohsiung City 高雄市)—to Western traders. Thereafter, tea and camphor, which enjoyed great global demand, became major cash crops. Northern Taiwan, the primary source of these products as well as of coal, overtook the southwest as the island's economic and political hub.

By the mid-19th century, foreign powers, including the British forces and Japan, were challenging the Qing dynasty's sovereignty over Taiwan. In response, the Qing government shored up the island's defenses and expedited development of its economy and infrastructure. In

October 1885, soon after the Sino-French War (1884-1885) during which French forces invaded parts of northern Taiwan, the Qing government declared Taiwan a province of the empire and appointed Liu Ming-chuan 劉銘傳 as its first governor.

### Japanese Rule (1895-1945)

In 1894, the First Sino-Japanese War broke out between the Qing Empire and the Japanese Empire after the latter invaded Korea. Under the terms of the 1895 Treaty of Shimonoseki that concluded the conflict, Taiwan was ceded to Japan. Rejecting this outcome, Taiwanese intelligentsia proclaimed the establishment of the Democratic Republic of Taiwan 臺灣民主國. This bid for self-rule failed, however, as Japanese troops crushed all resistance of local militias within half a year.

### Pacification and Special Governance (1895-1919)

In addition to hard measures taken to suppress and deter rebellion, the Japanese government instituted a number of soft measures as well, including a phased ban on opium smoking and a land reform program. In addition to taking control of opium distribution, the Japanese government nationalized the production and marketing of camphor, salt and a number of other commodities. It also strove to expand sugar and coal production.

### Assimilation of Taiwan as an Extension of Japan (1919-1936)

Tokyo proclaimed that the Taiwanese enjoyed the same legal rights as Japanese citizens in the home islands. Compulsory Japanese-language education was

enforced, while programs for cultural assimilation were promoted and the pace of economic development accelerated.

### Kominka or Japanization (1937-1945)

After the Second Sino-Japanese War broke out in 1937, the Japanese government promoted the Kominka Movement 皇民化運動, or Japanization, by encouraging Taiwanese to adopt Japanese names and customs. To meet wartime demands, the development of heavy industry was stepped up, and Taiwanese were recruited into the Japanese Imperial Army.

By the time the United States declared war against Japan in December 1941, Taiwan boasted what some scholars describe as the most modern industrial and transportation infrastructure in Asia outside of Japan, and its agricultural development was second to none. Public health programs had eradicated diseases common in many places in Asia; sophisticated banking and business practices were in place; and literacy levels had greatly improved.

Despite material progress, persistent discrimination led to protests against Japanese rule. A movement seeking autonomy for Taiwan was launched in the 1920s but its efforts in the end came to nothing. In the Wushe Incident 霧社事件, which began October 1930 in the mountain village of Wushe in today's Nantou County 南投縣, hundreds of Seediq (or Sediq) 賽德克 warriors staged a bloody uprising that was ultimately crushed by Japanese troops.

Japanese rule of Taiwan came to an end as a result of Japan's defeat in World War II. After Japan announced its surrender in August 1945, ROC troops



and officials assumed administrative authority over Taiwan and received the surrender of Japanese troops in Taiwan on October 25, 1945.

## The ROC on Taiwan (1945- )

Shortly after the takeover, the Nanjing-based ROC government incorporated Taiwan as a province of the ROC in line with the Cairo Declaration. Over the six decades since the ROC government relocated to Taipei 臺北 in 1949, it has exercised jurisdiction over Taiwan and a number of other islands, while the Beijing-based CCP regime has exercised jurisdiction over the Chinese mainland. During that time, the two societies have developed in radically different directions: Taiwan has joined the ranks of democracies while the mainland has remained under authoritarian rule.

## The February 28 Incident and Martial Law

The first years of the Nanjing-based ROC government's rule over Taiwan were marked by corruption, controversial expropriation of property, inflation, outbreaks of contagious diseases and shortages of essential commodities. On February 28, 1947, a woman in Taipei was beaten by police while resisting arrest for selling bootlegged cigarettes, and a bystander was shot dead during the commotion. Resultant tensions between civilians and ROC administrators boiled over and riots broke out throughout the island. In the succeeding weeks of turmoil, referred to

as the February 28 Incident 二二八事件, military reinforcements dispatched from the Chinese mainland killed thousands of people in Taiwan.

The year of the ROC government's relocation from the mainland marked the formal beginning of martial law, as the two sides of the Taiwan Strait were technically still at war. This period officially lasted from 1949 to 1987. Under martial law, the KMT-controlled government imposed press censorship, banned the establishment of new political parties, and restricted the freedoms of speech, publication, assembly and association.

## Political Developments and Reform

Upon the death of President Chiang Kai-shek in 1975, then-Vice President Yen Chia-kan 嚴家淦 served as president until 1978, when he was succeeded by Chiang's son, Chiang Ching-kuo 蔣經國. The late 1970s and early 1980s saw the formation and development of an informal coalition of opposition politicians and political activists known as the *dangwai* 黨外 ("party outsiders," alluding to the fact that they were not affiliated with the KMT).

In December 1979, a rally in Kaohsiung City organized by leading *dangwai* figures to observe International Human Rights Day turned violent when thousands of participants were hemmed in by military police. In connection with this event, known as the Kaohsiung Incident 美麗島事件, prominent dissidents were detained, convicted of sedition by a military tribunal and imprisoned. However,

the incident and the repression that followed added steam to the democracy movement in Taiwan. In September 1986, *dangwai* leaders established the Democratic Progressive Party (DPP) 民主進步黨 in defiance of the ban on the formation of new political parties.

President Chiang Ching-kuo rescinded martial law in July 1987. Bans on the establishment of new political parties and news publications were also lifted shortly before his death in January 1988. His successor, Lee Teng-hui 李登輝, took vigorous action to reform the political system. Under Lee's administration, private visits to the Chinese mainland increased and the ROC Constitution was amended to require direct election of the president and all legislators by citizens residing in its effective jurisdiction.

In 1996, incumbent President Lee became the first president to be directly elected by the people. Previously, the ROC president and vice president had been voted in by the popularly elected National Assembly. In 2000, DPP candidate Chen Shui-bian 陳水扁 was elected president, marking the first-ever transfer of governing power between political parties. Chen was re-elected in 2004. Under the Chen administration, the Referendum Act 公民投票法 was enacted in 2003, and the first national referendums were conducted in 2004.

## Recent Developments

The inauguration of the KMT's Ma Ying-jeou 馬英九 as ROC president in 2008 marked the nation's second democratic transfer of power. Under the Ma

administration, Taiwan and mainland China resumed long-suspended institutionalized talks, leading to the signing of the Cross-Straits Economic Cooperation Framework Agreement 海峽兩岸經濟合作架構協議 in 2010 and other pacts related to economic cooperation and general welfare across the Taiwan Strait. Ma won re-election in 2012 and had a historic meeting in Singapore with the mainland Chinese leader in November 2015.

In January 2016, governing power was transferred again, when the DPP's Tsai Ing-wen 蔡英文 won the presidential election and became the ROC's first female president. The DPP also gained an absolute majority in the Legislature for the first time in history.

## Looking Forward

In her inaugural address on May 20, 2016, President Tsai pledged to build a better country for the younger generation, outlining an array of strategies to reform unfriendly structures.

On the economic front, the Tsai administration is pursuing a "New Model for Economic Development" 新經濟模式 for sustainable development based on the core values of innovation, employment and equitable distribution. Efforts include reinforcing Taiwan's participation in global and regional economic cooperation and free trade negotiations, promoting key innovative industries, and achieving environmental sustainability.

To strengthen the social safety net, the administration looks to implement pension reforms through a collective negotiation process, while establishing

a high-quality, affordable and extensive long-term care system in preparation for Taiwan becoming a hyper-aging society.

A Truth and Reconciliation Commission 真相與和解委員會 inside the Office of the President 總統府 will be established to address the historical past in pursuit of social fairness and justice. In addition, the government pledges to address issues concerning indigenous peoples and actively promote judicial reform.

For regional peace and development, the Tsai administration aims to promote a New Southbound Policy 新南向政策 by

broadening exchanges and cooperation with regional neighbors, particularly the Association of Southeast Asian Nations and India. It will also work to maintain peace and stability in cross-strait relations.

The government seeks to build lasting partnerships with diplomatic allies, deepen relationships with friendly democracies on the basis of shared values, and proactively participate in international economic and trade cooperation and rule-making. It will also contribute to international cooperation on carbon reduction and other global issues. ■

# The Constitution of the Republic of China

*Adopted by the National Assembly on December 25, 1946, promulgated by the national government on January 1, 1947, and effective from December 25, 1947*

The National Assembly of the Republic of China, by virtue of the mandate received from the whole body of citizens, in accordance with the teachings bequeathed by Dr. Sun Yat-sen in founding the Republic of China, and in order to consolidate the authority of the State, safeguard the rights of the people, ensure social tranquility, and promote the welfare of the people, does hereby establish this Constitution, to be promulgated throughout the country for faithful and perpetual observance by all.

## Chapter I. General Provisions

*Article 1.* The Republic of China, founded on the Three Principles of the People, shall be a democratic republic of the people, to be governed by the people and for the people.

*Article 2.* The sovereignty of the Republic of China shall reside in the whole body of citizens.

*Article 3.* Persons possessing the nationality of the Republic of China shall be citizens of the Republic of China.

*Article 4.* The territory of the Republic of China according to its existing national boundaries shall not be altered except by resolution of the National Assembly.

*Article 5.* There shall be equality among the various racial groups in the Republic of China.

*Article 6.* The national flag of the Republic of China shall be of red ground with a blue sky and a white sun in the upper left corner.

## Chapter II. Rights and Duties of the People

*Article 7.* All citizens of the Republic of China, irrespective of sex, religion, race, class, or party affiliation, shall be equal before the law.

*Article 8.* Personal freedom shall be guaranteed to the people. Except in case of *flagrante delicto* as provided by law, no person shall be arrested or detained otherwise than by a judicial or a police organ in accordance with the procedure prescribed by law. No person shall be tried or punished otherwise than by a law court in accordance with the procedure prescribed by law. Any arrest, detention, trial, or punishment which is not in accordance with the procedure prescribed by law may be resisted.

When a person is arrested or detained on suspicion of having committed a crime, the organ making the arrest or detention shall in writing inform the said person, and his designated relative or friend, of the grounds for his arrest or detention, and shall, within 24 hours, turn him over to a competent court for trial. The said person, or any other person, may petition the competent court that a writ be served within 24 hours on the organ making the arrest for the surrender of the said person for trial.

The court shall not reject the petition mentioned in the preceding paragraph, nor shall it order the organ concerned to make an investigation and report first. The organ concerned shall not refuse to execute, or delay in executing, the writ of the court for the surrender of the said person for trial.

When a person is unlawfully arrested or detained by any organ, he or any other person may petition the court for an investigation. The court shall not reject such a petition, and shall, within 24 hours, investigate the action of the organ concerned and deal with the matter in accordance with law.

*Article 9.* Except those in active military service, no person shall be subject to trial by a military tribunal.

*Article 10.* The people shall have freedom of residence and of change of residence.

*Article 11.* The people shall have freedom of speech, teaching, writing and publication.

*Article 12.* The people shall have freedom of privacy of correspondence.

*Article 13.* The people shall have freedom of religious belief.

*Article 14.* The people shall have freedom of assembly and association.

*Article 15.* The right of existence, the right of work, and the right of property shall be guaranteed to the people.

*Article 16.* The people shall have the right of presenting petitions, lodging complaints, or instituting legal proceedings.

*Article 17.* The people shall have the right of election, recall, initiative and referendum.

*Article 18.* The people shall have the right of taking public examinations and of holding public offices.

*Article 19.* The people shall have the duty of paying taxes in accordance with law.

*Article 20.* The people shall have the duty of performing military service in accordance with law.

*Article 21.* The people shall have the right and the duty of receiving citizens' education.

*Article 22.* All other freedoms and rights of the people that are not detrimental to social order or public welfare shall be guaranteed under the Constitution.

*Article 23.* All the freedoms and rights enumerated in the preceding articles shall not be restricted by law except by such as may be necessary to prevent infringement upon the freedoms of other persons, to avert an imminent crisis, to maintain social order or to advance public welfare.

*Article 24.* Any public functionary who, in violation of law, infringes upon the freedom or right of any person shall, in addition to being subject to disciplinary measures in accordance with law, be held responsible under criminal and civil laws. The injured person may, in accordance with law, claim compensation from the State for damage sustained.

### **Chapter III. The National Assembly**

*Article 25.* The National Assembly shall, in accordance with the provisions of this Constitution, exercise political powers on behalf of the whole body of citizens.

*Article 26.* The National Assembly shall be composed of the following delegates:

1. One delegate shall be elected from each county, municipality, or area of equivalent status. In case its population exceeds 500,000, one additional delegate shall be elected for each additional 500,000. Areas equivalent to counties or municipalities shall be prescribed by law.
2. Delegates to represent Mongolia shall be elected on the basis of four for each league and one for each special banner.
3. The number of delegates to be elected from Tibet shall be prescribed by law.
4. The number of delegates to be elected by various racial groups in frontier regions shall be prescribed by law.
5. The number of delegates to be elected by ROC citizens residing abroad shall be prescribed by law.
6. The number of delegates to be elected by occupational groups shall be prescribed by law.
7. The number of delegates to be elected by women's organizations shall be prescribed by law.

*Article 27.* The function of the National Assembly shall be as follows:

1. To elect the President and the Vice President.
2. To recall the President and the Vice President.
3. To amend the Constitution.
4. To vote on proposed Constitutional amendments submitted by the Legislative Yuan by way of referendum.

With respect to the rights of initiative and referendum, except as is provided in

Items 3 and 4 of the preceding paragraph, the National Assembly shall make regulations pertaining thereto and put them into effect, after the above-mentioned two political rights shall have been exercised in one-half of the counties and municipalities of the whole country.

*Article 28.* Delegates to the National Assembly shall be elected every six years.

The term of office of the delegates to each National Assembly shall terminate on the day on which the next National Assembly convenes.

No incumbent government official shall, in the electoral area where he holds office, be elected delegate to the National Assembly.

*Article 29.* The National Assembly shall be convoked by the President to meet 90 days prior to the date of expiration of each presidential term.

*Article 30.* An extraordinary session of the National Assembly shall be convoked in any of the following circumstances:

1. When, in accordance with the provisions of Article 49 of this Constitution, a new President and a new Vice President are to be elected.
2. When, by resolution of the Control Yuan, an impeachment of the President or the Vice President is instituted.
3. When, by resolution of the Legislative Yuan, an amendment to the Constitution is proposed.
4. When a meeting is requested by not less than two-fifths of the delegates to the National Assembly.

When an extraordinary session is to be convoked in accordance with Item 1

or Item 2 of the preceding paragraph, the President of the Legislative Yuan shall issue the notice of convocation; when it is to be convoked in accordance with Item 3 or Item 4, it shall be convoked by the President of the Republic.

*Article 31.* The National Assembly shall meet at the seat of the Central Government.

*Article 32.* No delegate to the National Assembly shall be held responsible outside the Assembly for opinions expressed or votes cast at meetings of the Assembly.

*Article 33.* While the Assembly is in session, no delegate to the National Assembly shall, except in case of *flagrante delicto*, be arrested or detained without the permission of the National Assembly.

*Article 34.* The organization of the National Assembly, the election and recall of delegates to the National Assembly, and the procedure whereby the National Assembly is to carry out its functions, shall be prescribed by law.

#### **Chapter IV. The President**

*Article 35.* The President shall be the head of the State and shall represent the Republic of China in foreign relations.

*Article 36.* The President shall have supreme command of the land, sea and air forces of the whole country.

*Article 37.* The President shall, in accordance with law, promulgate laws and issue mandates with the counter-signature of the President of the Executive Yuan or with the counter-signatures of both the President of the Executive

Yuan and the Ministers or Chairmen of Commissions concerned.

*Article 38.* The President shall, in accordance with the provisions of this Constitution, exercise the powers of concluding treaties, declaring war and making peace.

*Article 39.* The President may, in accordance with law, declare martial law with the approval of, or subject to confirmation by, the Legislative Yuan. When the Legislative Yuan deems it necessary, it may by resolution request the President to terminate martial law.

*Article 40.* The President shall, in accordance with law, exercise the power of granting amnesties, pardons, remission of sentences and restitution of civil rights.

*Article 41.* The President shall, in accordance with law, appoint and remove civil and military officials.

*Article 42.* The President may, in accordance with law, confer honors and decorations.

*Article 43.* In case of a natural calamity, an epidemic, or a national financial or economic crisis that calls for emergency measures, the President, during the recess of the Legislative Yuan, may, by resolution of the Executive Yuan Council (Cabinet), and in accordance with the Act on Emergency Decrees, issue emergency decrees, proclaiming such measures as may be necessary to cope with the situation. Such decrees shall, within one month after issuance, be presented to the Legislative Yuan for confirmation; in case the Legislative Yuan withholds confirmation, the said decrees shall forthwith cease to be valid.

*Article 44.* In case of disputes between two or more Yuans other than those concerning which there are relevant provisions in this Constitution, the President may call a meeting of the Presidents of the Yuans concerned for consultation with a view to reaching a solution.

*Article 45.* Any citizen of the Republic of China who has attained the age of 40 years may be elected President or Vice President.

*Article 46.* The election of the President and the Vice President shall be prescribed by law.

*Article 47.* The President and the Vice President shall serve a term of six years. They may be re-elected for a second term.

*Article 48.* The President shall, at the time of assuming office, take the following oath:

“I do solemnly and sincerely swear before the people of the whole country that I will observe the Constitution, faithfully perform my duties, promote the welfare of the people, safeguard the security of the State, and will in no way betray the people’s trust. Should I break my oath, I shall be willing to submit myself to severe punishment by the State. This is my solemn oath.”

*Article 49.* In case the office of the President should become vacant, the Vice President shall succeed until the expiration of the original presidential term. In case the office of both the President and the Vice President should become vacant, the President of the Executive Yuan shall act for the President; and, in accordance with the provisions of Article 30 of this Constitution, an extraordinary

session of the National Assembly shall be convoked for the election of a new President and a new Vice President, who shall hold office until the completion of the term left unfinished by the preceding President. In case the President should be unable to attend to office due to any cause, the Vice President shall act for the President. In case both the President and Vice President should be unable to attend to office, the President of the Executive Yuan shall act for the President.

*Article 50.* The President shall be relieved of his functions on the day on which his term of office expires. If by that time the succeeding President has not yet been elected, or if the President-elect and the Vice President-elect have not yet assumed office, the President of the Executive Yuan shall act for the President.

*Article 51.* The period during which the President of the Executive Yuan may act for the President shall not exceed three months.

*Article 52.* The President shall not, without having been recalled, or having been relieved of his functions, be liable to criminal prosecution unless he is charged with having committed an act of rebellion or treason.

## **Chapter V. Administration**

*Article 53.* The Executive Yuan shall be the highest administrative organ of the State.

*Article 54.* The Executive Yuan shall have a President, a Vice President, a certain number of Ministers and Chairmen of Commissions, and a certain number of Ministers without Portfolio.



*Article 55.* The President of the Executive Yuan shall be nominated and, with the consent of the Legislative Yuan, appointed by the President of the Republic.

If, during the recess of the Legislative Yuan, the President of the Executive Yuan should resign or if his office should become vacant, his functions shall be exercised by the Vice President of the Yuan, acting on his behalf, but the President of the Republic shall, within 40 days, request a meeting of the Legislative Yuan to confirm his nominee for the vacancy. Pending such confirmation, the Vice President of the Executive Yuan shall temporarily exercise the functions of the President of the said Yuan.

*Article 56.* The Vice President of the Executive Yuan, Ministers and Chairmen of Commissions, and Ministers without Portfolio shall be appointed by the President of the Republic upon the recommendation of the President of the Executive Yuan.

*Article 57.* The Executive Yuan shall be responsible to the Legislative Yuan in accordance with the following provisions:

1. The Executive Yuan has the duty to present to the Legislative Yuan a statement of its administrative policies and a report on its administration. While the Legislative Yuan is in session, Members of the Legislative Yuan shall have the right to question the President and the Ministers and Chairmen of Commissions of the Executive Yuan.
2. If the Legislative Yuan does not concur in any important policy of the Executive Yuan, it may, by resolution, request the Executive Yuan to alter

such a policy. With respect to such resolution, the Executive Yuan may, with the approval of the President of the Republic, request the Legislative Yuan for reconsideration. If, after reconsideration, two-thirds of the Members of the Legislative Yuan present at the meeting uphold the original resolution, the President of the Executive Yuan shall either abide by the same or resign from office.

3. If the Executive Yuan deems a resolution on a statutory, budgetary, or treaty bill passed by the Legislative Yuan difficult of execution, it may, with the approval of the President of the Republic and within 10 days after its transmission to the Executive Yuan, request the Legislative Yuan to reconsider the said resolution. If after reconsideration, two-thirds of the Members of the Legislative Yuan present at the meeting uphold the original resolution, the President of the Executive Yuan shall either abide by the same or resign from office.

*Article 58.* The Executive Yuan shall have an Executive Yuan Council, to be composed of its President, Vice President, various Ministers and Chairmen of Commissions, and Ministers without Portfolio, with its President as Chairman.

Statutory or budgetary bills or bills concerning martial law, amnesty, declaration of war, conclusion of peace or treaties, and other important affairs, all of which are to be submitted to the Legislative Yuan, as well as matters that are of common concern to the various Ministries and Commissions, shall be presented by the President and various

Ministers and Chairmen of Commissions of the Executive Yuan to the Executive Yuan Council for decision.

*Article 59.* The Executive Yuan shall, three months before the beginning of each fiscal year, present to the Legislative Yuan the budgetary bill for the following fiscal year.

*Article 60.* The Executive Yuan shall, within four months after the end of each fiscal year, present final accounts of revenues and expenditures to the Control Yuan.

*Article 61.* The organization of the Executive Yuan shall be prescribed by law.

## Chapter VI. Legislation

*Article 62.* The Legislative Yuan shall be the highest legislative organ of the State, to be constituted of members elected by the people. It shall exercise legislative power on behalf of the people.

*Article 63.* The Legislative Yuan shall have the power to decide by resolution upon statutory or budgetary bills or bills concerning martial law, amnesty, declaration of war, conclusion of peace or treaties, and other important affairs of the State.

*Article 64.* Members of the Legislative Yuan shall be elected in accordance with the following provisions:

1. Those to be elected from the provinces and by the municipalities under the direct jurisdiction of the Executive Yuan shall be five for each province or municipality with a population of not more than 3,000,000, and one additional member shall be elected for each additional 1,000,000 in a province or municipality whose population is over 3,000,000.

2. Those to be elected from Mongolian Leagues and Banners.

3. Those to be elected from Tibet.

4. Those to be elected by various racial groups in frontier regions.

5. Those to be elected by ROC citizens residing abroad.

6. Those to be elected by occupational groups.

The election of Members of the Legislative Yuan and the number of those to be elected in accordance with Items 2 to 6 of the preceding paragraph shall be prescribed by law. The number of women to be elected under the various items enumerated in the first paragraph shall be prescribed by law.

*Article 65.* Members of the Legislative Yuan shall serve a term of three years, and shall be re-eligible. The election of Members of the Legislative Yuan shall be completed within three months prior to the expiration of each term.

*Article 66.* The Legislative Yuan shall have a President and a Vice President, who shall be elected by and from among its Members.

*Article 67.* The Legislative Yuan may set up various committees.

Such committees may invite government officials and private persons concerned to be present at their meetings to answer questions.

*Article 68.* The Legislative Yuan shall hold two sessions each year, and shall convene of its own accord. The first session shall last from February to the end of May, and the second session from September to the end of December. Whenever necessary, a session may be prolonged.

*Article 69.* In any of the following circumstances, the Legislative Yuan may hold an extraordinary session:

1. At the request of the President of the Republic.
2. Upon the request of not less than one-fourth of its Members.

*Article 70.* The Legislative Yuan shall not make proposals for an increase in the expenditures in the budgetary bill presented by the Executive Yuan.

*Article 71.* At the meetings of the Legislative Yuan, the Presidents of the various Yuans concerned and the various Ministers and Chairmen of Commissions concerned may be present to give their views.

*Article 72.* Statutory bills passed by the Legislative Yuan shall be transmitted to the President of the Republic and to the Executive Yuan. The President shall, within 10 days after receipt thereof, promulgate them; or he may deal with them in accordance with the provisions of Article 57 of this Constitution.

*Article 73.* No Member of the Legislative Yuan shall be held responsible outside the Yuan for opinions expressed or votes cast in the Yuan.

*Article 74.* No Member of the Legislative Yuan shall, except in case of *flagrante delicto*, be arrested or detained without the permission of the Legislative Yuan.

*Article 75.* No Member of the Legislative Yuan shall concurrently hold a government post.

*Article 76.* The organization of the Legislative Yuan shall be prescribed by law.

## **Chapter VII. Judiciary**

*Article 77.* The Judicial Yuan shall be the highest judicial organ of the State and shall have charge of civil, criminal, and administrative cases, and over cases concerning disciplinary measures against public functionaries.

*Article 78.* The Judicial Yuan shall interpret the Constitution and shall have the power to unify the interpretation of laws and orders.

*Article 79.* The Judicial Yuan shall have a President and a Vice President, who shall be nominated and, with the consent of the Control Yuan, appointed by the President of the Republic.

The Judicial Yuan shall have a certain number of Justices of the Constitutional Court (Grand Justices) to take charge of matters specified in Article 78 of this Constitution, who shall be nominated and, with the consent of the Control Yuan, appointed by the President of the Republic.

*Article 80.* Judges shall be above partisanship and shall, in accordance with law, hold trials independently, free from any interference.

*Article 81.* Judges shall hold office for life. No judge shall be removed from office unless he has been found guilty of a criminal offense or subjected to disciplinary measure, or declared to be under interdiction. No judge shall, except in accordance with law, be suspended or transferred or have his salary reduced.

*Article 82.* The organization of the Judicial Yuan and of the law courts of various grades shall be prescribed by law.

## Chapter VIII. Examination

*Article 83.* The Examination Yuan shall be the highest examination organ of the State and shall have charge of matters relating to examination, employment, registration, service rating, scale of salaries, promotion and transfer, security of tenure, commendation, pecuniary aid in case of death, retirement and old age pension.

*Article 84.* The Examination Yuan shall have a President and a Vice President and a certain number of Members, all of whom shall be nominated and, with the consent of the Control Yuan, appointed by the President of the Republic.

*Article 85.* In the selection of public functionaries, a system of open competitive examination shall be put into operation, and examinations shall be held in different areas, with prescribed numbers of persons to be selected according to various provinces and areas. No person shall be appointed to a public office unless he is qualified through examination.

*Article 86.* The following qualifications shall be determined and registered through examination by the Examination Yuan in accordance with law:

1. Qualification for appointment as public functionaries.
2. Qualification for practice in specialized professions or as technicians.

*Article 87.* The Examination Yuan may, with respect to matters under its charge, present statutory bills to the Legislative Yuan.

*Article 88.* Members of the Examination Yuan shall be above partisanship and shall independently exercise their functions in accordance with law.

*Article 89.* The organization of the Examination Yuan shall be prescribed by law.

## Chapter IX. Control

*Article 90.* The Control Yuan shall be the highest control organ of the State and shall exercise the powers of consent, impeachment, censure and auditing.

*Article 91.* The Control Yuan shall be composed of Members who shall be elected by Provincial and Municipal Councils, the local Councils of Mongolia and Tibet, and ROC citizens residing abroad. Their numbers shall be determined in accordance with the following provisions:

1. Five Members from each province.
2. Two Members from each municipality under the direct jurisdiction of the Executive Yuan.
3. Eight Members from Mongolian Leagues and Banners.
4. Eight Members from Tibet.
5. Eight Members from ROC citizens residing abroad.

*Article 92.* The Control Yuan shall have a President and a Vice President, who shall be elected by and from among its Members.

*Article 93.* Members of the Control Yuan shall serve a term of six years and shall be re-eligible.

*Article 94.* When the Control Yuan exercises the power of consent in accordance with this Constitution, it shall do so by resolution of a majority of the Members present at the meeting.

*Article 95.* The Control Yuan may, in the exercise of its powers of control, request the Executive Yuan and its Ministries and Commissions to submit to it

for perusal the original orders issued by them and all other relevant documents.

*Article 96.* The Control Yuan may, taking into account the work of the Executive Yuan and its various Ministries and Commissions, set up a certain number of committees to investigate their activities with a view to ascertaining whether or not they are guilty of violation of law or neglect of duty.

*Article 97.* The Control Yuan may, on the basis of the investigations and resolutions of its committees, propose corrective measures and forward them to the Executive Yuan and the Ministries and Commissions concerned, directing their attention to effecting improvements.

When the Control Yuan deems a public functionary in the Central Government or in a local government guilty of neglect of duty or violation of law, it may propose corrective measures or institute an impeachment. If it involves a criminal offense, the case shall be turned over to a law court.

*Article 98.* Impeachment by the Control Yuan of a public functionary in the Central Government or in a local government shall be instituted upon the proposal of one or more than one Member of the Control Yuan and the decision, after due consideration, by a committee composed of not less than nine Members.

*Article 99.* In case of impeachment by the Control Yuan of the personnel of the Judicial Yuan or of the Examination Yuan for neglect of duty or violation of law, the provisions of Articles 95, 97 and 98 of this Constitution shall be applicable.

*Article 100.* Impeachment by the Control Yuan of the President or the Vice President of the Republic shall be instituted upon the proposal of not less than one-fourth of the whole body of Members of the Control Yuan, and the resolution, after due consideration, by the majority of the whole body of Members of the Control Yuan, and the same shall be presented to the National Assembly.

*Article 101.* No Member of the Control Yuan shall be held responsible outside the Yuan for opinions expressed or votes cast in the Yuan.

*Article 102.* No Member of the Control Yuan shall, except in case of *flagrante delicto*, be arrested or detained without the permission of the Control Yuan.

*Article 103.* No Member of the Control Yuan shall concurrently hold a public office or engage in any profession.

*Article 104.* In the Control Yuan, there shall be an Auditor General who shall be nominated and, with the consent of the Legislative Yuan, appointed by the President of the Republic.

*Article 105.* The Auditor General shall, within three months after presentation by the Executive Yuan of the final accounts of revenues and expenditures, complete the auditing thereof in accordance with law, and submit an auditing report to the Legislative Yuan.

*Article 106.* The organization of the Control Yuan shall be prescribed by law.

## **Chapter X. Powers of the Central and Local Governments**

*Article 107.* In the following matters, the Central Government shall have the power of legislation and administration:

1. Foreign affairs.
2. National defense and military affairs concerning national defense.
3. Nationality law and criminal, civil and commercial law.
4. Judicial system.
5. Aviation, national highways, state-owned railways, navigation, postal and telegraph service.
6. Central Government finance and national revenues.
7. Demarcation of national, provincial and county revenues.
8. State-operated economic enterprises.
9. Currency system and state banks.
10. Weights and measures.
11. Foreign trade policies.
12. Financial and economic matters affecting foreigners or foreign countries.
13. Other matters relating to the Central Government as provided by this Constitution.

*Article 108.* In the following matters, the Central Government shall have the power of legislation and administration, but the Central Government may delegate the power of administration to the provincial and county governments:

1. General principles of provincial and county self-government.
2. Division of administrative areas.
3. Forestry, industry, mining and commerce.
4. Educational system.
5. Banking and exchange system.
6. Shipping and deep-sea fishery.
7. Public utilities.
8. Cooperative enterprises.
9. Water and land communication and transportation covering two or more provinces.

10. Water conservancy, waterways, agriculture and pastoral enterprises covering two or more provinces.
  11. Registration, employment, supervision, and security of tenure of officials in Central and local governments.
  12. Land legislation.
  13. Labor legislation and other social legislation.
  14. Eminent domain.
  15. Census-taking and compilation of population statistics for the whole country.
  16. Immigration and land reclamation.
  17. Police system.
  18. Public health.
  19. Relief, pecuniary aid in case of death and aid in case of unemployment.
  20. Preservation of ancient books and articles and sites of cultural value.
- With respect to the various items enumerated in the preceding paragraph, the provinces may enact separate rules and regulations, provided these are not in conflict with national laws.

*Article 109.* In the following matters, the provinces shall have the power of legislation and administration, but the provinces may delegate the power of administration to the counties:

1. Provincial education, public health, industries and communications.
2. Management and disposal of provincial property.
3. Administration of municipalities under provincial jurisdiction.
4. Province-operated enterprises.
5. Provincial cooperative enterprises.
6. Provincial agriculture, forestry, water

conservancy, fishery, animal husbandry and public works.

7. Provincial finance and revenues.
8. Provincial debts.
9. Provincial banks.
10. Provincial police administration.
11. Provincial charitable and public welfare works.
12. Other matters delegated to the provinces in accordance with national laws.

Except as otherwise provided by law, any of the matters enumerated in the various items of the preceding paragraph, in so far as it covers two or more provinces, may be undertaken jointly by the provinces concerned.

When any province, in undertaking matters listed in any of the items of the first paragraph, finds its funds insufficient, it may, by resolution of the Legislative Yuan, obtain subsidies from the National Treasury.

*Article 110.* In the following matters, the counties shall have the power of legislation and administration:

1. County education, public health, industries and communications.
2. Management and disposal of county property.
3. County-operated enterprises.
4. County cooperative enterprises.
5. County agriculture and forestry, water conservancy, fishery, animal husbandry and public works.
6. County finance and revenues.
7. County debts.
8. County banks.
9. Administration of county police and defense.
10. County charitable and public welfare works.

11. Other matters delegated to the counties in accordance with national laws and the Provincial Self-Government Regulations.

Except as otherwise provided by law, any of the matters enumerated in the various items of the preceding paragraph, in so far as it covers two or more counties, may be undertaken jointly by the counties concerned.

*Article 111.* Any matter not enumerated in Articles 107, 108, 109 and 110 shall fall within the jurisdiction of the Central Government, if it is national in nature; of the province, if it is provincial in nature; and of the county, if it concerns the county. In case of dispute, it shall be settled by the Legislative Yuan.

## Chapter XI. System of Local Government

### Section 1. The Province

*Article 112.* A province may convoke a provincial assembly to enact, in accordance with the General Principles of Provincial and County Self-Government, regulations, provided the said regulations are not in conflict with the Constitution.

The organization of the provincial assembly and the election of the delegates shall be prescribed by law.

*Article 113.* The Provincial Self-Government Regulations shall include the following provisions:

1. In the province, there shall be a provincial council. Members of the provincial council shall be elected by the people of the province.
2. In the province, there shall be a provincial government with a Provincial

Governor who shall be elected by the people of the province.

3. Relationship between the province and the county.

The legislative power of the province shall be exercised by the Provincial Council.

*Article 114.* The Provincial Self-Government Regulations shall, after enactment, be forthwith submitted to the Judicial Yuan. The Judicial Yuan, if it deems any part thereof unconstitutional, shall declare null and void the articles repugnant to the Constitution.

*Article 115.* If, during the enforcement of the Provincial Self-Government Regulations, there should arise any serious obstacle in the application of any of the articles contained therein, the Judicial Yuan shall first summon the various parties concerned to present their views; and thereupon the Presidents of the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan shall form a Committee, with the President of the Judicial Yuan as Chairman, to propose a formula for solution.

*Article 116.* Provincial rules and regulations that are in conflict with national laws shall be null and void.

*Article 117.* When doubt arises as to whether or not there is a conflict between provincial rules or regulations and national laws, interpretation thereon shall be made by the Judicial Yuan.

*Article 118.* The self-government of municipalities under the direct jurisdiction of the Executive Yuan shall be prescribed by law.

*Article 119.* The local self-government system of the Mongolian Leagues

and Banners shall be prescribed by law.

*Article 120.* The self-government system of Tibet shall be safeguarded.

## **Section 2. The County**

*Article 121.* The county shall enforce county self-government.

*Article 122.* A county may convoke a county assembly to enact, in accordance with the General Principles of Provincial and County Self-Government, county self-government regulations, provided the said regulations are not in conflict with the Constitution or with provincial self-government regulations.

*Article 123.* The people of the county shall, in accordance with law, exercise the rights of initiative and referendum in matters within the sphere of county self-government, and shall, in accordance with law, exercise the rights of election and recall of the magistrate and other county self-government officials.

*Article 124.* In the county, there shall be a county council. Members of the county council shall be elected by the people of the county.

The legislative power of the county shall be exercised by the county council.

*Article 125.* County rules and regulations that are in conflict with national laws, or with provincial rules and regulations, shall be null and void.

*Article 126.* In the county, there shall be a county government with a county magistrate who shall be elected by the people of the county.

*Article 127.* The county magistrate shall have charge of county self-government and shall administer matters delegated



to the county by the central or provincial government.

*Article 128.* The provisions governing the county shall apply *mutatis mutandis* to the municipality.

## **Chapter XII. Election, Recall, Initiative and Referendum**

*Article 129.* The various kinds of elections prescribed in this Constitution, except as otherwise provided by this Constitution, shall be by universal, equal and direct suffrage and by secret ballot.

*Article 130.* Any citizen of the Republic of China who has attained the age of 20 years shall have the right of election in accordance with law. Except as otherwise provided by this Constitution or by law, any citizen who has attained the age of 23 years shall have the right of being elected in accordance with law.

*Article 131.* All candidates in the various kinds of elections prescribed in this Constitution shall openly campaign for their election.

*Article 132.* Intimidation or inducement shall be strictly forbidden in elections. Suits arising in connection with elections shall be tried by the courts.

*Article 133.* A person elected may, in accordance with law, be recalled by his constituency.

*Article 134.* In the various kinds of elections, the number of women to be elected shall be fixed, and measures pertaining thereto shall be prescribed by law.

*Article 135.* The number of delegates to the National Assembly and the manner of their election from people in interior areas, who have their own conditions of living and habits, shall be prescribed by law.

*Article 136.* The exercise of the rights of initiative and referendum shall be prescribed by law.

## **Chapter XIII. Fundamental National Policies**

### **Section 1. National Defense**

*Article 137.* The national defense of the Republic of China shall have as its objective the safeguarding of national security and the preservation of world peace.

The organization of national defense shall be prescribed by law.

*Article 138.* The land, sea and air forces of the whole country shall be above personal, regional, or party affiliations, shall be loyal to the state, and shall protect the people.

*Article 139.* No political party and no individual shall make use of armed forces as an instrument in a struggle for political powers.

*Article 140.* No military man in active service may concurrently hold a civil office.

### **Section 2. Foreign Policy**

*Article 141.* The foreign policy of the Republic of China shall, in a spirit of independence and initiative and on the basis of the principles of equality and reciprocity, cultivate good-neighborliness with other nations, and respect treaties and the Charter of the United Nations, in order to protect the rights and interests of ROC citizens residing abroad, promote international cooperation, advance international justice and ensure world peace.

### **Section 3. National Economy**

*Article 142.* National economy shall be based on the Principle of the People's Livelihood and shall seek to

effect equalization of land ownership and restriction of private capital in order to attain a well-balanced sufficiency in national wealth and people's livelihood.

*Article 143.* All land within the territory of the Republic of China shall belong to the whole body of citizens. Private ownership of land, acquired by the people in accordance with law, shall be protected and restricted by law. Privately-owned land shall be liable to taxation according to its value, and the Government may buy such land according to its value.

Mineral deposits which are embedded in the land, and natural power which may, for economic purposes, be utilized for the public benefit shall belong to the State, regardless of the fact that private individuals may have acquired ownership over such land.

If the value of a piece of land has increased, not through the exertion of labor or the employment of capital, the State shall levy thereon an increment tax, the proceeds of which shall be enjoyed by the people in common.

In the distribution and readjustment of land, the State shall in principle assist self-farming land-owners and persons who make use of the land by themselves, and shall also regulate their appropriate areas of operation.

*Article 144.* Public utilities and other enterprises of a monopolistic nature shall, in principle, be under public operation. In cases permitted by law, they may be operated by private citizens.

*Article 145.* With respect to private wealth and privately-operated enterprises, the State shall restrict them by

law if they are deemed detrimental to a balanced development of national wealth and people's livelihood.

Cooperative enterprises shall receive encouragement and assistance from the State.

Private citizens' productive enterprises and foreign trade shall receive encouragement, guidance and protection from the State.

*Article 146.* The State shall, by the use of scientific techniques, develop water conservancy, increase the productivity of land, improve agricultural conditions, plan for the utilization of land, develop agricultural resources and hasten the industrialization of agriculture.

*Article 147.* The Central Government, in order to attain balanced economic development among the provinces, shall give appropriate aid to poor or unproductive provinces.

The provinces, in order to attain balanced economic development among the counties, shall give appropriate aid to poor or unproductive counties.

*Article 148.* Within the territory of the Republic of China, all goods shall be permitted to move freely from place to place.

*Article 149.* Financial institutions shall, in accordance with law, be subject to State control.

*Article 150.* The State shall extensively establish financial institutions for the common people, with a view to relieving unemployment.

*Article 151.* With respect to ROC citizens residing abroad, the State shall foster and protect the development of their economic enterprises.

#### **Section 4. Social Security**

*Article 152.* The State shall provide suitable opportunity for work to people who are able to work.

*Article 153.* The State, in order to improve the livelihood of laborers and farmers and to improve their productive skill, shall enact laws and carry out policies for their protection.

Women and children engaged in labor shall, according to their age and physical condition, be accorded special protection.

*Article 154.* Capital and labor shall, in accordance with the principle of harmony and cooperation, promote productive enterprises. Conciliation and arbitration of disputes between capital and labor shall be prescribed by law.

*Article 155.* The State, in order to promote social welfare, shall establish a social insurance system. To the aged and the infirm who are unable to earn a living, and to victims of unusual calamities, the State shall give appropriate assistance and relief.

*Article 156.* The State, in order to consolidate the foundation of national existence and development, shall protect motherhood and carry out the policy of promoting the welfare of women and children.

*Article 157.* The State, in order to improve national health, shall establish extensive services for sanitation and health protection, and a system of public medical service.

#### **Section 5. Education and Culture**

*Article 158.* Education and culture shall aim at the development among the

citizens of the national spirit, the spirit of self-government, national morality, good physique, scientific knowledge, and the ability to earn a living.

*Article 159.* All citizens shall have equal opportunity to receive an education.

*Article 160.* All children of school age from six to 12 years shall receive free primary education. Those from poor families shall be supplied with books by the Government.

All citizens above school age who have not received primary education shall receive supplementary education free of charge and shall also be supplied with books by the Government.

*Article 161.* The national, provincial, and local governments shall extensively establish scholarships to assist students of good scholastic standing and exemplary conduct who lack the means to continue their school education.

*Article 162.* All public and private educational and cultural institutions in the country shall, in accordance with law, be subject to State supervision.

*Article 163.* The State shall pay due attention to the balanced development of education in different regions, and shall promote social education in order to raise the cultural standard of the citizens in general. Grants from the National Treasury shall be made to frontier regions and economically poor areas to help them meet their educational and cultural expenses. The Central Government may either itself undertake the more important educational and cultural enterprises in such regions or give them financial assistance.

*Article 164.* Expenditures of educational programs, scientific studies and cultural services shall not be, in respect of the Central Government, less than 15 percent of the total national budget; in respect of each province, less than 25 percent of the total provincial budgets; and in respect of each municipality or county, less than 35 percent of the total municipal or county budget. Educational and cultural foundations established in accordance with law shall, together with their property, be protected.

*Article 165.* The State shall safeguard the livelihood of those who work in the fields of education, sciences and arts, and shall, in accordance with the development of national economy, increase their remuneration from time to time.

*Article 166.* The State shall encourage scientific discoveries and inventions, and shall protect ancient sites and articles of historical, cultural or artistic value.

*Article 167.* The State shall give encouragement or subsidies to the following enterprises or individuals:

1. Educational enterprises in the country which have been operated with good record by private individuals.
2. Educational enterprises which have been operated with good record by ROC citizens residing abroad.
3. Persons who have made discoveries or inventions in the fields of learning and technology.
4. Persons who have rendered long and meritorious services in the field of education.

### **Section 6. Frontier Regions**

*Article 168.* The State shall accord to the various racial groups in the frontier

regions legal protection of their status and shall give them special assistance in their local self-government undertakings.

*Article 169.* The State shall, in a positive manner, undertake and foster the development of education, culture, communications, water conservancy, public health, and other economic and social enterprises of the various racial groups in the frontier regions. With respect to the utilization of land, the State shall, after taking into account the climatic conditions, the nature of the soil and the life and habits of the people, adopt measures to protect the land and to assist in its development.

## **Chapter XIV. Enforcement and Amendment of the Constitution**

*Article 170.* The term “law,” as used in this Constitution, shall denote any legislative bill that shall have been passed by the Legislative Yuan and promulgated by the President of the Republic.

*Article 171.* Laws that are in conflict with the Constitution shall be null and void.

When doubt arises as to whether or not a law is in conflict with the Constitution, interpretation thereon shall be made by the Judicial Yuan.

*Article 172.* Ordinances that are in conflict with the Constitution or with laws shall be null and void.

*Article 173.* The Constitution shall be interpreted by the Judicial Yuan.

*Article 174.* Amendments to the Constitution shall be made in accordance with one of the following procedures:

1. Upon the proposal of one-fifth of the total number of the delegates to the National Assembly and by a resolution

of three-fourths of the delegates present at a meeting having a quorum of two-thirds of the entire Assembly, the Constitution may be amended.

2. Upon the proposal of one-fourth of the Members of the Legislative Yuan and by a resolution of three-fourths of the Members present at a meeting having a quorum of three-fourths of the Members of the Yuan, an amendment may be drawn up and submitted to the National Assembly by way of referendum.

Such a proposed amendment to the Constitution shall be publicly published half a year before the National Assembly convenes.

*Article 175.* Whenever necessary, enforcement procedures in regard to any matters prescribed in this Constitution shall be separately provided by law.

The preparatory procedures for the enforcement of this Constitution shall be decided upon by the same National Assembly which shall have adopted this Constitution. ■

# The Additional Articles of the Constitution of the Republic of China

*Adopted by the second extraordinary session of the First National Assembly on April 22, 1991, and promulgated by the President on May 1, 1991*

*Adopted by the extraordinary session of the Second National Assembly on May 27, 1992, and promulgated by the President on May 28, 1992*

*Adopted by the fourth extraordinary session of the Second National Assembly on July 28, 1994, and promulgated by the President on August 1, 1994*

*Adopted by the second session of the Third National Assembly on July 18, 1997, and promulgated by the President on July 21, 1997*

*Revised by the fourth session of the Third National Assembly on September 3, 1999, and promulgated by the President on September 15, 1999*

*The Council of Justices of the Constitutional Court, in its Constitutional Interpretation No. 499 on March 24, 2000, announced that the Additional Articles of the Constitution approved on September 15, 1999, were void, effective immediately. The revised Additional Articles promulgated on July 21, 1997 would remain in effect.*

*Revised by the fifth session of the Third National Assembly on April 24, 2000, and promulgated by the President on April 25, 2000*

*Revisions to Articles 1, 2, 4, 5, and 8 of, and addition of Article 12 to, the Additional Articles of the Constitution*

*of the Republic of China, proposed and announced by the Legislative Yuan on August 26, 2004, adopted by the Fourth National Assembly on June 7, 2005, and promulgated by the President on June 10, 2005*

To meet the requisites of the nation prior to national unification, the following articles of the ROC Constitution are added or amended to the ROC Constitution in accordance with Article 27, Paragraph 1, Item 3; and Article 174, Item 1:

*Article 1.* The electors of the free area of the Republic of China shall cast ballots at a referendum within three months of the expiration of a six-month period following the public announcement of a proposal passed by the Legislative Yuan on the amendment of the Constitution or alteration of the national territory. The provisions of Article 4 and Article 174 of the Constitution shall not apply.

The provisions of Articles 25 through 34 and Article 135 of the Constitution shall cease to apply.

*Article 2.* The President and the Vice President shall be directly elected by the entire populace of the free area of the Republic of China. This shall be effective from the election for the ninth-term

President and Vice President in 1996. The presidential and the vice presidential candidates shall register jointly and be listed as a pair on the ballot. The pair that receives the highest number of votes shall be elected. Citizens of the free area of the Republic of China residing abroad may return to the ROC to exercise their electoral rights and this shall be stipulated by law.

Presidential orders to appoint or remove from office the President of the Executive Yuan or personnel appointed with the confirmation of the Legislative Yuan in accordance with the Constitution, and to dissolve the Legislative Yuan, shall not require the countersignature of the President of the Executive Yuan. The provisions of Article 37 of the Constitution shall not apply.

The President may, by resolution of the Executive Yuan Council, issue emergency decrees and take all necessary measures to avert imminent danger affecting the security of the State or of the people or to cope with any serious financial or economic crisis, the restrictions in Article 43 of the Constitution notwithstanding. However, such decrees shall, within 10 days of issuance, be presented to the Legislative Yuan for ratification. Should the Legislative Yuan withhold ratification, the said emergency decrees shall forthwith cease to be valid.

To determine major policies for national security, the President may establish a national security council and a

subsidiary national security bureau. The organization of the said organs shall be stipulated by law.

The President may, within 10 days following passage by the Legislative Yuan of a no-confidence vote against the President of the Executive Yuan, declare the dissolution of the Legislative Yuan after consulting with its President. However, the President shall not dissolve the Legislative Yuan while martial law or an emergency decree is in effect. Following the dissolution of the Legislative Yuan, an election for legislators shall be held within 60 days. The new Legislative Yuan shall convene of its own accord within 10 days after the results of the said election have been confirmed, and the term of the said Legislative Yuan shall be reckoned from that date.

The terms of office for both the President and the Vice President shall be four years. The President and the Vice President may only be re-elected to serve one consecutive term; and the provisions of Article 47 of the Constitution shall not apply.

Should the office of the Vice President become vacant, the President shall nominate a candidate(s) within three months, and the Legislative Yuan shall elect a new Vice President, who shall serve the remainder of the original term until its expiration.

Should the offices of both the President and the Vice President become vacant, the President of the Executive Yuan shall exercise the official powers of

the President and the Vice President. A new President and a new Vice President shall be elected in accordance with Paragraph 1 of this article and shall serve out each respective original term until its expiration. The pertinent provisions of Article 49 of the Constitution shall not apply.

Recall of the President or the Vice President shall be initiated upon the proposal of one-fourth of all Members of the Legislative Yuan, and also passed by two-thirds of all the Members. The final recall must be passed by more than one-half of the valid ballots in a vote in which more than one-half of the electorate in the free area of the Republic of China takes part.

Should a motion to impeach the President or the Vice President initiated by the Legislative Yuan and presented to the Justices of the Constitutional Court of the Judicial Yuan for adjudication be upheld by the Constitutional Court, the impeached person shall forthwith be relieved of his duties.

*Article 3.* The President of the Executive Yuan shall be appointed by the President. Should the President of the Executive Yuan resign or the office become vacant, the Vice President of the Executive Yuan shall temporarily act as the President of the Executive Yuan pending a new appointment by the President. The provisions of Article 55 of the Constitution shall cease to apply.

The Executive Yuan shall be responsible to the Legislative Yuan in accordance with the following provisions; the

provisions of Article 57 of the Constitution shall cease to apply:

1. The Executive Yuan has the duty to present to the Legislative Yuan a statement on its administrative policies and a report on its administration. While the Legislative Yuan is in session, its Members shall have the right to interpellate the President of the Executive Yuan and the heads of ministries and other organizations under the Executive Yuan.
2. Should the Executive Yuan deem a statutory, budgetary, or treaty bill passed by the Legislative Yuan difficult to execute, the Executive Yuan may, with the approval of the President of the Republic and within 10 days of the bill's submission to the Executive Yuan, request the Legislative Yuan to reconsider the bill. The Legislative Yuan shall reach a resolution on the returned bill within 15 days after it is received. Should the Legislative Yuan be in recess, it shall convene of its own accord within seven days and reach a resolution within 15 days after the session begins. Should the Legislative Yuan not reach a resolution within the said period of time, the original bill shall become invalid. Should more than one-half of the total number of Legislative Yuan Members uphold the original bill, the President of the Executive Yuan shall immediately accept the said bill.
3. With the signatures of more than one-third of the total number of Legislative Yuan Members, the Legislative Yuan



may propose a no-confidence vote against the President of the Executive Yuan. Seventy-two hours after the no-confidence motion is made, an open-ballot vote shall be taken within 48 hours. Should more than one-half of the total number of Legislative Yuan Members approve the motion, the President of the Executive Yuan shall tender his resignation within 10 days, and at the same time may request that the President dissolve the Legislative Yuan. Should the no-confidence motion fail, the Legislative Yuan may not initiate another no-confidence motion against the same President of the Executive Yuan within one year.

The powers, procedures of establishment, and total number of personnel of national organizations shall be subject to standards set forth by law.

The structure, system, and number of personnel of each organization shall be determined according to the policies or operations of each organization and in accordance with the law as referred to in the preceding paragraph.

*Article 4.* Beginning with the Seventh Legislative Yuan, the Legislative Yuan shall have 113 Members, who shall serve a term of four years, which is renewable after re-election. The election of Members of the Legislative Yuan shall be completed within three months prior to the expiration of each term, in accordance with the following provisions, the restrictions in Article 64 and Article 65 of the Constitution notwithstanding:

1. Seventy-three Members shall be elected from the Special Municipalities, counties, and cities in the free area. At least one Member shall be elected from each county and city.
2. Three Members each shall be elected from among the lowland and highland aborigines in the free area.
3. A total of thirty-four Members shall be elected from the nationwide constituency and among citizens residing abroad.

Members for the seats set forth in Subparagraph 1 of the preceding paragraph shall be elected in proportion to the population of each Special Municipality, county, or city, which shall be divided into electoral constituencies equal in number to the number of Members to be elected. Members for the seats set forth in Subparagraph 3 shall be elected from the lists of political parties in proportion to the number of votes won by each party that obtains at least 5 percent of the total vote, and the number of elected female Members on each party's list shall not be less than one-half of the total number.

When the Legislative Yuan convenes each year, it may hear a report on the state of the nation by the President.

Following the dissolution of the Legislative Yuan by the President and prior to the inauguration of its new Members, the Legislative Yuan shall be regarded as in recess.

The territory of the Republic of China, defined by its existing national boundaries, shall not be altered unless

initiated upon the proposal of one-fourth of the total Members of the Legislative Yuan, passed by at least three-fourths of the Members present at a meeting attended by at least three-fourths of the total Members of the Legislative Yuan, and sanctioned by electors in the free area of the Republic of China at a referendum held upon expiration of a six-month period of public announcement of the proposal, wherein the number of valid votes in favor exceeds one-half of the total number of electors.

Should the President issue an emergency decree after dissolving the Legislative Yuan, the Legislative Yuan shall convene of its own accord within three days to vote on the ratification of the decree within seven days after the session begins. However, should the emergency decree be issued after the election of new Members of the Legislative Yuan, the new Members shall vote on the ratification of the decree after their inauguration. Should the Legislative Yuan withhold ratification, the emergency decree shall forthwith be void.

Impeachment of the President or the Vice President by the Legislative Yuan shall be initiated upon the proposal of more than one-half of the total Members of the Legislative Yuan and passed by more than two-thirds of the total Members of the Legislative Yuan, whereupon it shall be presented to the Justices of the Constitutional Court of the Judicial Yuan for adjudication. The provisions of Article 90 and Article 100 of the Constitution and Article 7, Paragraph 1 of the

Additional Articles of the Constitution shall not apply.

No Member of the Legislative Yuan may be arrested or detained without the permission of the Legislative Yuan, when that body is in session, except in case of *flagrante delicto*. The provisions of Article 74 of the Constitution shall cease to apply.

*Article 5.* The Judicial Yuan shall have 15 Justices of the Constitutional Court. The 15 Justices of the Constitutional Court, including a President and a Vice President of the Judicial Yuan to be selected from amongst them, shall be nominated and, with the consent of the Legislative Yuan, appointed by the President of the Republic. This shall take effect from the year 2003, and the provisions of Article 79 of the Constitution shall not apply. The provisions of Article 81 of the Constitution and pertinent regulations on the lifetime holding of office and payment of salary do not apply to Justices of the Constitutional Court who did not transfer from the post of a judge.

Each Justice of the Constitutional Court of the Judicial Yuan shall serve a term of eight years, independent of the order of appointment to office, and shall not serve a consecutive term. The Justices of the Constitutional Court serving as President and Vice President of the Judicial Yuan shall not enjoy the guarantee of an eight-year term.

Among the Justices of the Constitutional Court nominated by the President in the year 2003, eight Members, including

the President and the Vice President of the Judicial Yuan, shall serve for four years. The remaining Justices of the Constitutional Court shall serve for eight years. The provisions of the preceding paragraph regarding term of office shall not apply.

The Justices of the Constitutional Court of the Judicial Yuan shall, in addition to discharging their duties in accordance with Article 78 of the Constitution, form a Constitutional Court to adjudicate matters relating to the impeachment of the President or the Vice President, and the dissolution of unconstitutional political parties.

A political party shall be considered unconstitutional if its goals or activities endanger the existence of the Republic of China or the nation's free and democratic constitutional order.

The proposed budget submitted annually by the Judicial Yuan may not be eliminated or reduced by the Executive Yuan; however, the Executive Yuan may indicate its opinions on the budget and include it in the central government's proposed budgetary bill for submission to the Legislative Yuan for deliberation.

*Article 6.* The Examination Yuan shall be the highest examination body of the State, and shall be responsible for the following matters; and the provisions of Article 83 of the Constitution shall not apply:

1. Holding of examinations.
2. Matters relating to the qualification screening, security of tenure, pecuniary aid in case of death, and retirement of civil servants.

3. Legal matters relating to the employment, discharge, performance evaluation, scale of salaries, promotion, transfer, commendation and award of civil servants.

The Examination Yuan shall have a President, a Vice President, and several Members, all of whom shall be nominated and, with the consent of the Legislative Yuan, appointed by the President of the Republic; and the provisions of Article 84 of the Constitution shall not apply.

The provisions of Article 85 of the Constitution concerning the holding of examinations in different areas, with prescribed numbers of persons to be selected according to various provinces and areas, shall cease to apply.

*Article 7.* The Control Yuan shall be the highest control body of the State and shall exercise the powers of impeachment, censure and audit; and the pertinent provisions of Article 90 and Article 94 of the Constitution concerning the exercise of the power of consent shall not apply.

The Control Yuan shall have 29 Members, including a President and a Vice President, all of whom shall serve a term of six years. All Members shall be nominated and, with the consent of the Legislative Yuan, appointed by the President of the Republic. The provisions of Article 91 through Article 93 of the Constitution shall cease to apply.

Impeachment proceedings by the Control Yuan against a public functionary in the central government, or local

governments, or against personnel of the Judicial Yuan or the Examination Yuan, shall be initiated by two or more Members of the Control Yuan, and be investigated and voted upon by a committee of not less than nine of its Members, the restrictions in Article 98 of the Constitution notwithstanding.

In the case of impeachment by the Control Yuan of Control Yuan personnel for dereliction of duty or violation of the law, the provisions of Article 95 and Article 97, Paragraph 2 of the Constitution, as well as the preceding paragraph, shall apply.

Members of the Control Yuan shall be beyond party affiliation and independently exercise their powers and discharge their responsibilities in accordance with the law.

The provisions of Article 101 and Article 102 of the Constitution shall cease to apply.

*Article 8.* The remuneration or pay of the Members of the Legislative Yuan shall be prescribed by law. Except for general annual adjustments, individual provisions on increase of remuneration or pay shall take effect starting with the subsequent Legislative Yuan.

*Article 9.* The system of self-government in the provinces and counties shall include the following provisions, which shall be established by the enactment of appropriate laws, the restrictions in Article 108, Paragraph 1, Item 1; Article 109; Article 112 through Article 115; and Article 122 of the Constitution notwithstanding:

1. A province shall have a provincial government of nine Members, one of

whom shall be the Provincial Governor. All Members shall be nominated by the President of the Executive Yuan and appointed by the President of the Republic.

2. A province shall have a provincial advisory council made up of a number of Members, who shall be nominated by the President of the Executive Yuan and appointed by the President of the Republic.
3. A county shall have a county council, Members of which shall be elected by the people of the said county.
4. The legislative powers vested in a county shall be exercised by the county council of the said county.
5. A county shall have a county government headed by a County Magistrate who shall be elected by the people of the said county.
6. The relationship between the central government and the provincial and county governments.
7. A province shall execute the orders of the Executive Yuan and supervise matters governed by the counties.

The modifications of the functions, operations, and organization of the Taiwan Provincial Government may be specified by law.

*Article 10.* The State shall encourage the development of and investment in science and technology, facilitate industrial upgrading, promote modernization of agriculture and fishery, emphasize exploitation and utilization of water resources, and strengthen international economic cooperation.

Environmental and ecological protection shall be given equal consideration with economic and technological development.

The State shall assist and protect the survival and development of private small and medium-sized enterprises.

The State shall manage government-run financial organizations, in accordance with the principles of business administration. The management, personnel, proposed budgets, final budgets, and audits of the said organizations may be specified by law.

The State shall promote universal health insurance and promote the research and development of both modern and traditional medicines.

The State shall protect the dignity of women, safeguard their personal safety, eliminate sexual discrimination, and further substantive gender equality.

The State shall guarantee insurance, medical care, obstacle-free environments, education and training, vocational guidance, and support and assistance in everyday life for physically and mentally handicapped persons, and shall also assist them to attain independence and to develop.

The State shall emphasize social relief and assistance, welfare services, employment for citizens, social insurance, medical and health care, and other social welfare services. Priority shall be given to funding social relief and assistance, and employment for citizens.

The State shall respect military servicemen for their contributions to society, and guarantee studies, employment,

medical care, and livelihood for retired servicemen.

Priority shall be given to funding education, science, and culture, and in particular funding for compulsory education, the restrictions in Article 164 of the Constitution notwithstanding.

The State affirms cultural pluralism and shall actively preserve and foster the development of aboriginal languages and cultures.

The State shall, in accordance with the will of the ethnic groups, safeguard the status and political participation of the aborigines. The State shall also guarantee and provide assistance and encouragement for aboriginal education, culture, transportation, water conservation, health and medical care, economic activity, land, and social welfare, measures for which shall be established by law. The same protection and assistance shall be given to the people of the Penghu, Kinmen, and Matsu areas.

The State shall accord to nationals of the Republic of China residing overseas protection of their rights of political participation.

*Article 11.* Rights and obligations between the people of the Chinese mainland area and those of the free area, and the disposition of other related affairs may be specified by law.

*Article 12.* Amendment of the Constitution shall be initiated upon the proposal of one-fourth of the total Members of the Legislative Yuan, passed by at least three-fourths of the Members present at a meeting attended by at least

three-fourths of the total Members of the Legislative Yuan, and sanctioned by electors in the free area of the Republic of China at a referendum held upon expiration of a six-month period of public

announcement of the proposal, wherein the number of valid votes in favor exceeds one-half of the total number of electors. The provisions of Article 174 of the Constitution shall not apply. ■

# A Comparison of Various Romanization Systems

MPS	Tongyong Pinyin	Wade-Giles	Hanyu Pinyin
ㄅ	b-	p-	b-
ㄆ	p-	p'	p-
ㄇ	m-	m-	m-
ㄉ	f-	f-	f-
ㄊ	d-	t-	d-
ㄎ	t-	t'	t-
ㄌ	n-	n-	n-
ㄍ	l-	l-	l-
ㄎ	g-	k-	g-
ㄑ	k-	k'	k-
ㄏ	h-	h-	h-
ㄐ	ji-	ch-	j-
ㄑ	ci-	ch'	q-
ㄒ	si-	hs-	x-
ㄓ	jhih, jh-	chih, ch-	zhi, zh-
ㄔ	chih, ch-	ch'ih, ch'	chi, ch-
ㄕ	shih, sh-	shih, sh-	shi, sh-
ㄖ	rih, r-	jih, j-	ri, r-
ㄗ	zih, z-	tzu, ts-	zi, z-
ㄘ	cih, c-	tz'u, ts'	ci, c-
ㄙ	sih, s-	szu, ssu, s-	si, s-
ㄚ	a	a	a
ㄛ	-o	-o	-o
ㄜ	-e	-o, -e	-e
ㄝ	-ê	-(i)eh	-(i)e
ㄞ	ai	ai	ai
ㄟ	-ei	-ei	-ei
ㄠ	ao	ao	ao
ㄡ	ou	ou	ou
ㄢ	an	an	an
ㄣ	en	(e)n	(e)n
ㄤ	ang	ang	ang
ㄥ	-(e)ng	-(e)ng	-(e)ng
ㄨ	er	(e)rh	(e)r

MPS	Tongyong Pinyin	Wade-Giles	Hanyu Pinyin
ㄟ	yi, -i	i, (y)i	yi, -i
ㄨ	wu, -u	wu, -u	wu, -u
ㄩ	yu	yü, -ü	yu, -u, -ü*
ㄩ	ya, -ia	ya, -ia	ya, -ia
ㄩ	ye, -ie	yeh, -ieh	ye, -ie
ㄩ	yai	yai	yai
ㄩ	yao, -iao	yao, -iao	yao, -iao
ㄩ	you, -iou	yu, -iu	you, -iu
ㄩ	yan, -ian	yen, -ien	yan, -ian
ㄩ	yin, -in	yin, -in	yin, -in
ㄩ	yang, -iang	yang, -iang	yang, -iang
ㄩ	ying, -ing	ying, -ing	ying, -ing
ㄩ	wa, -ua	wa, -ua	wa, -ua
ㄩ	wo, -uo	wo, -o, -uo**	wo, -uo
ㄩ	wai, -uai	wai, -uai	wai, -uai
ㄩ	wei, -uei	wei, -ui, -uei***	wei, -ui
ㄩ	wan, -uan	wan, -uan	wan, -uan
ㄩ	wun, -un	wen, -un	wen, -un
ㄩ	wang, -uang	wang, -uang	wang, -uang
ㄩ	wong, -ong	weng, -ung	weng, -ong
ㄩ	yue	yüeh, -üeh	yue, -ue, -üe*
ㄩ	yuan	yüan, -üan	yuan, -uan
ㄩ	yun	yün, -ün	yun, -un
ㄩ	yong	yung, -iung	yong, -iong

\*Used after l- and n-.

\*\*Used with the initials k-, k', h-, n-, l-, and sh-.

\*\*\*Used with the initials k- and k'.

The tone marks for the Mandarin Phonetic Symbols (MPS) system are: first tone, no mark; second tone, /; third tone, v; fourth tone, \; and neutral tone, •. The Hanyu Pinyin system uses the same tone marks, but adds a first tone mark, - , and does not have a mark for the neutral tone.

## Abbreviation Index

AIDC	Aerospace Industrial Development Corp.
APC	Air Pollution Control
APEC	Asia-Pacific Economic Cooperation
ARATS	Association for Relations Across the Taiwan Straits
ASEAN	Association of Southeast Asian Nations
BLI	Bureau of Labor Insurance
BOE	Bureau of Energy
CAFÉ	Cloud Appliance for Enterprise
CAS	Certified Agricultural Standards
CCAT	Cloud Computing Association in Taiwan
CCP	Chinese Communist Party
cGMP	current Good Manufacturing Practices
CIOFF	International Council of Organizations of Folklore Festivals and Folk Arts
CMOS	complementary metal-oxide-semiconductor
CNA	Central News Agency
COA	Council of Agriculture
COP	Conference of the Parties
COSMIC	Constellation Observing System for Meteorology, Ionosphere and Climate
CPBL	Chinese Professional Baseball League
CSDI	Civil Service Development Institute
CtiTV	CTI Television, Inc.
CTS	Chinese Television System
DGBAS	Directorate-General of Budget, Accounting and Statistics
DoIT	Department of Industrial Technology
DPP	Democratic Progressive Party
ECA	economic cooperation agreement
ECFA	Cross-Straits Economic Cooperation Framework Agreement
EPA	Environmental Protection Administration
ETC	Electronic Toll Collection
FB	Forestry Bureau
FBG	Fushan Botanical Garden



FDA	Food and Drug Administration
FEPZ	free economic pilot zone
FHI	Farmer Health Insurance
FSC	Financial Supervisory Commission
GDP	gross domestic product
GHG	greenhouse gas
GISA	Go Incubation Board for Startup and Acceleration Firms
HBO	Home Box Office
IC	integrated circuit
ICAO	International Civil Aviation Organization
ICRT	International Community Radio Taipei
ICT	information and communications technology
IGO	intergovernmental organization
III	Institute for Information Industry
INDC	Intended Nationally Determined Contribution
INGO	international nongovernmental organization
IoT	Internet of Things
IPv	Internet Protocol version
ISBN	International Standard Book Number
IT	information technology
ITRI	Industrial Technology Research Institute
KLOE	kiloliters of oil equivalent
KMT	Kuomintang
KNM	Kyushu National Museum
LIP	Labor Insurance Pension
LPGA	Ladies Professional Golf Association
MAC	Mainland Affairs Council
MND	Ministry of National Defense
MOC	Ministry of Culture
MOD	Multimedia on Demand
MOE	Ministry of Education
MOEA	Ministry of Economic Affairs
MOFA	Ministry of Foreign Affairs
MOHW	Ministry of Health and Welfare
MOL	Ministry of Labor
MOOC	massive open online course

MOST	Ministry of Science and Technology
MOTC	Ministry of Transportation and Communications
MOU	memorandum of understanding
MPS	Mandarin Phonetic Symbols
MW	megawatts
NARLabs	National Applied Research Laboratories
NCC	National Communications Commission
NCREE	National Center for Research on Earthquake Engineering
NCSIST	National Chung-Shan Institute of Science and Technology
NDC	National Development Council
NDL	National Nano Device Laboratories
NDR	<i>National Defense Report</i>
NGO	nongovernmental organization
NHI	National Health Insurance
NMI	Non-manufacturing Index
NPL	non-performing loan
NPM	National Palace Museum
NPP	New Power Party
NSC	National Security Council
NSPO	National Space Organization
NTD	New Taiwan Dollar
NTU	National Taiwan University
OTT	over-the-top
PABP	Pingtung Agricultural Biotechnology Park
PFP	People First Party
PIC/S	Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme
POK	Port of Kaohsiung
PRC	People's Republic of China
PTS	Public Television Service
QDII	qualified domestic institutional investor
QDR	<i>Quadrennial Defense Review</i>
RCEP	Regional Comprehensive Economic Partnership
R&D	research and development
ROC	Republic of China

RTI	Radio Taiwan International
SEF	Straits Exchange Foundation
SME	small and medium-sized enterprise
S&T	science and technology
SWDSC	Senior Workforce Development Service Center
TAF	Taiwan Air Force
Taiwan AID	Taiwan Alliance in International Development
TaiwanICDF	International Cooperation and Development Fund
TAO	Taiwan Affairs Office
TCSL	Teaching Chinese as a Second Language
TDP	Technology Development Program
TIFA	Trade and Investment Framework Agreement
TNM	Tokyo National Museum
TPEx	Taipei Exchange
TPP	Trans-Pacific Partnership
TRA	Taiwan Railways Administration
TSA	Taipei Songshan Airport
TSTA	Taiwan Strait Tourism Association
TTIA	Taiwan Taoyuan International Airport
TWSE	Taiwan Stock Exchange
UNESCO	U.N. Educational, Scientific and Cultural Organization
UNFCCC	U.N. Framework Convention on Climate Change
USAID	United States Agency for International Development
WHO	World Health Organization
WTA	Women's Tennis Association
WTO	World Trade Organization

## Additional Links

### Links to government policies:

- Executive Yuan Facebook: [www.facebook.com/ey.gov.tw](http://www.facebook.com/ey.gov.tw)
- Pension Reform Commission: [pension.president.gov.tw](http://pension.president.gov.tw)
- Food safety: [www.ey.gov.tw/ofa](http://www.ey.gov.tw/ofa)
- Long-term care: [www.mohw.gov.tw/cht/lrc](http://www.mohw.gov.tw/cht/lrc)
- Health and welfare: [www.mohw.gov.tw/CHT/Ministry/Ebox.aspx](http://www.mohw.gov.tw/CHT/Ministry/Ebox.aspx)
- Major innovative industries:  
[www.ndc.gov.tw/en/Content\\_List.aspx?n=8740C9781909A068](http://www.ndc.gov.tw/en/Content_List.aspx?n=8740C9781909A068)
- Integrate housing and land tax system:  
[www.mof.gov.tw/Eng/Pages/Detail.aspx?nodeid=312&pid=69578](http://www.mof.gov.tw/Eng/Pages/Detail.aspx?nodeid=312&pid=69578)

### Information for foreigners:

- Contact Taiwan: [www.contacttaiwan.tw](http://www.contacttaiwan.tw)
- Invest Taiwan: [investtaiwan.nat.gov.tw](http://investtaiwan.nat.gov.tw)
- Meet Taiwan: [www.meettaiwan.com](http://www.meettaiwan.com)
- Taiwan Trade: [www.taiwantrade.com](http://www.taiwantrade.com)
- Living in Taiwan: [ifi.immigration.gov.tw](http://ifi.immigration.gov.tw)
- EZ Work Taiwan: [ezworktaiwan.wda.gov.tw](http://ezworktaiwan.wda.gov.tw)
- International Entrepreneur Initiative Taiwan: [startup.sme.gov.tw](http://startup.sme.gov.tw)
- eVisa: [www.boca.gov.tw/content.asp?mp=2&CuItem=7283](http://www.boca.gov.tw/content.asp?mp=2&CuItem=7283)
- Development Network for Immigrants: [ifi.immigration.gov.tw](http://ifi.immigration.gov.tw)
- New Immigrants in Taiwan: [nit.immigration.gov.tw](http://nit.immigration.gov.tw)

# THE REPUBLIC OF CHINA YEARBOOK

The 2016 edition of *The Republic of China Yearbook* offers a comprehensive overview of one of Asia's most dynamic societies. The 14 chapters chronicle major social, political and economic developments during 2015 and early 2016. Rich content, photographs and sidebars, charts and tables, as well as Chinese-character translations of organizational, personal and place names help to deepen the reader's understanding of this unique and colorful nation.

Eight appendices provide an overview of Taiwan's international rankings, a summary of national holidays and festivals, a chronology of major events from 2015, the history of the ROC, the full text of the Constitution of the Republic of China and its Additional Articles, a comparison of systems for Romanization of Mandarin Chinese, an abbreviation index and a list of additional links.

The Major Policies section explains the government's policies on some of the most important issues in contemporary Taiwan. This year's focus is on innovative startups, climate change, the senior workforce and "museum diplomacy."

The full text of this publication is also available at <http://www.ey.gov.tw/en>.



# TAIWAN



Print book price: NT\$600 (US\$19) GPN: 1010501777  
E-book ISBN: 978-986-05-0041-7 (PDF)