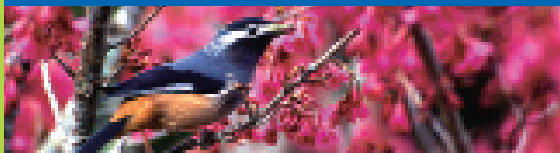
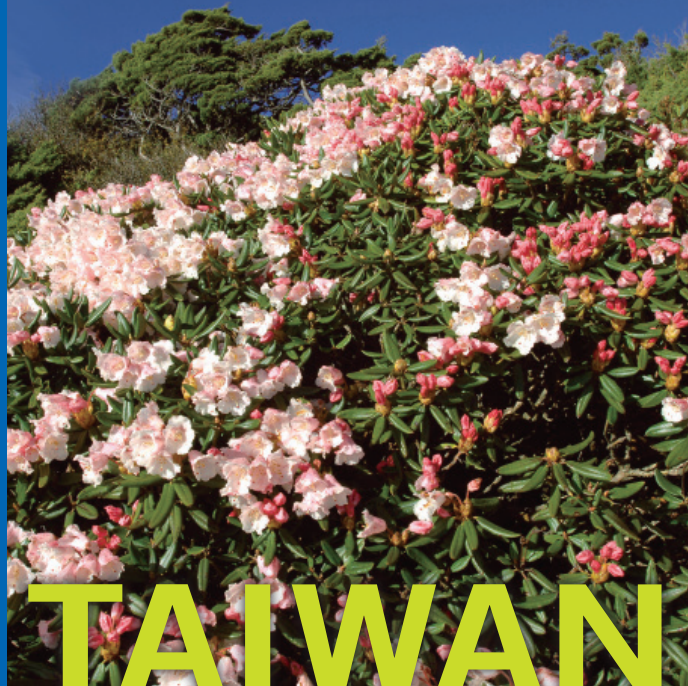


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DIE **REPUBLIK CHINA**  
AUF EINEN BLICK **2012**

# TAIWAN

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## ROC Snapshot

Official name	Republic of China
Area (Taiwan and associated islands)	36,193 square kilometers
Population	23.25 million (May 2012)
Ethnicity	Over 95 percent Han Chinese (including Holo, Hakka and other groups that originated in mainland China); 2 percent indigenous Austronesian peoples
Government	Multiparty democracy
President	Ma Ying-jeou

Capital	Taipei City
Other large cities	New Taipei City, Kaohsiung, Taichung, Tainan
National currency	New Taiwan Dollar (NT\$ or TWD)
Official language	Mandarin (Chinese)
Other important languages	Holo, Hakka, Austronesian languages, English, Japanese
Major religions	Buddhism, Taoism, I-Kuan Tao, Chinese folk religion, Catholicism, Protestantism, Islam



With a number of peaks more than 2,000 meters high, the Alishan Mountains are famed for their glorious sunrises, mystical cloud scenes and crisp alpine air. (Sung Tsai-hsia, courtesy of the Tourism Bureau)

# Natural Taiwan

## Geography and Climate

The Republic of China, popularly known as “Taiwan,” is situated in the West Pacific between Japan and the Philippines. Its jurisdiction extends to the archipelagoes of Penghu, Kinmen and Matsu, as well as numerous other islets—altogether covering an area of 36,193 square kilometers. At about the size of the Netherlands and with a

population of some 23 million, Taiwan is more populous than three-quarters of the world’s nations.

Taiwan proper, measuring 395 kilometers from north to south and 144 kilometers from east to west at its widest, has more than its share of natural splendor. Mountain ranges with many peaks reaching over 3,000 meters—including East Asia’s highest, Jade Mountain—and forested foothills occupy over half of its area. Other physiographical regions include volcanic mountains, tablelands, coastal plains and basins.

Formed by coral reefs, the Dongsha Atoll National Park teems with marine life. (Chen Chun-lin)



Sitting in the path of warm ocean currents off the east coast of Asia, the main island is uniquely blessed with a wide range of climatic zones from tropical to temperate. This, in combination with fertile soil and abundant rainfall, makes it an agricultural paradise, where virtually any kind of fruit or vegetable can be cultivated. It also makes the island a recreational wonderland. In the winter, one can watch the snow fall on the slopes of Hehuan Mountain in Nantou County and then travel a mere 200 kilometers to balmy Pingtung County to enjoy skin diving at coral reefs along the island's southern tip.

**An Island Thrush rests on a springtime cherry tree on Mt. Ali.** (Tseng Ling-chiao, courtesy of the Tourism Bureau)



The smaller islands, meanwhile, have their own unique natural features, such as the basaltic pillars on the Penghu Islands and the marine hot springs along the shore of Green Island and Turtle Island.

## Flora and Fauna

Taiwan's tropical-to-temperate spectrum of climatic zones and contrasting topographies have endowed the island with a rich diversity of flora and fauna. Some 120 species of mammals, 670 species of birds, 141 species of reptiles, 65 species of amphibians, 400 species of butterfly and 3,100 species of fish are known to inhabit Taiwan. The island's plant life comprises 674 species of ferns, 4,596 species of angiosperms and 34 species of gymnosperms.

To protect the ecosystems in which these plants and animals reside, the government has reserved about 20 percent of the nation's land area as protected areas, comprising eight national parks, 21 nature reserves for special ecosystems, six natural reserve areas for forests, 18 wildlife refuges and 35 major wildlife habitats.

Among the most famous Taiwanese species of fauna is the Formosan landlocked salmon. It is believed to have become trapped in the frigid mountain waters of central Taiwan during the last Ice Age when ocean levels dropped dramatically



The hardiest of all plants on the island, the Taiwan Lily can be found everywhere from coastal hills to mountain meadows. (Fu Guo-chai, courtesy of the Tourism Bureau)

and the salmon could no longer migrate back and forth between fresh water and salt water. To protect the endangered species, the Formosan Landlocked Salmon Refuge was established in the upper reaches of the Dajia River in Shei-pa National Park.

## National Parks

**National Parks of Taiwan:** <http://np.cpami.gov.tw>

**Kenting National Park:** <http://www.ktnp.gov.tw>

**Yushan (Jade Mountain) National Park:**

<http://www.ysnp.gov.tw>

**Yangmingshan National Park:**

<http://www.ymsnp.gov.tw>

**Taroko National Park:** <http://www.taroko.gov.tw>

**Shei-pa National Park:** <http://www.spnp.gov.tw>

**Kinmen National Park:** <http://www.kmnp.gov.tw>

**Dongsha Atoll National Park:**

<http://dongsha.cpami.gov.tw>

**Taijiang National Park:** <http://www.tjnp.gov.tw>

## People

While Taiwan may be described as a predominantly Han Chinese society with over 95 percent of the population claiming Han ancestry, its heritage is much more complex than such a generalization implies. The successive waves of Chinese immigrants that began arriving in the 17th century belonged to a variety of subgroups with mutually unintelligible languages and

different customs. Today in Taiwan, however, distinctions between them have become blurred as a result of extensive intermarriage and universal use of the Mandarin Chinese language. Further, Taiwan proper has been a melting pot not only of diverse Han subgroups but also of its indigenous Austronesian peoples and people from all over the world. Recent years, for example, have seen an influx of immigrants from Southeast Asia.



Brides and grooms from Tainan City tie the knot in a group wedding at the historic Eternal Golden Castle in Anping. (Liao Tai-ji)

There is a growing appreciation in Taiwan for the cultural heritages of the 14 distinguishable Austronesian subgroups, which constitute a little more than 2 percent of the population. Both public and private organizations are making efforts to revitalize their languages and cultures, as illustrated by the launching of Taiwan Indigenous Television and the passage of the Indigenous Peoples Basic Act.

This convergence and interplay of currents of humanity in Taiwan have helped transform it into an open-hearted, forward-looking society that has incorporated diverse elements of civilization from around the world

in a distinctive and harmonious manner. The people of Taiwan cherish human rights, which comprise an integral part of everyday life from gender empowerment to equal access to comprehensive national health insurance. Legislation to enhance the people's welfare, promote social equality and safeguard labor rights is a manifestation of the government's staunch commitment to protect the rights and interests of the people. In 2011, the nation passed a law implementing the U.N. Convention on the Elimination of All Forms of Discrimination against Women to advance the cause of gender equality and push for non-discrimination among the sexes in Taiwan.

Bunun singers perform the *Pasibutbut*—an eight-part harmony traditionally offered as prayer for the millet harvest. (Courtesy of the Tourism Bureau)



## Population Profile (2011)

**Population:** 23,252,392 (May 2012)

**Crude birth rate:** 0.85 percent

**Crude death rate:** 0.66 percent

**Life expectancy:** 79.16 years

*Male:* 75.98 years

*Female:* 82.65 years

**Population structure (by age):**

*0-14 years:* 15.08 percent

*15-64 years:* 74.04 percent

*65 and above:* 10.89 percent

## History

The Republic of China was founded in 1912 on the Chinese mainland. At that time, Taiwan was under Japanese colonial rule as a result of the 1895 Treaty of Shimonoseki, by which the Qing court ceded Taiwan to Japan. The Nanjing-based ROC government began exercising jurisdiction over Taiwan in 1945 after Japan surrendered at the end of World War II.

Four years later, when the ROC government was defeated in the Chinese Civil War, it relocated to Taiwan. Since then, the ROC has continued to exercise effective jurisdiction over the main island of Taiwan and a number of smaller ones, leaving Taiwan and the Chinese mainland each under the rule of a different government.

The authorities in Beijing have never exercised sovereignty over Taiwan or other islands



A Class One national historic site, the Longshan Temple in Lukang Township is a must-see for tourists to Changhua County. (Li Chia-hua, courtesy of the Tourism Bureau)



administered by the ROC government in Taipei. There are differences of opinion among ROC citizens over whether it is best to maintain this status quo indefinitely or work out a different relationship with the Chinese mainland. Regardless, they share the conviction that their future must be based on freedom, democracy, human rights and the rule of law, and that only they have the right to decide their own future.

As the ROC exercises effective jurisdiction over Taiwan, the following timeline focuses on the island's recorded history dating from about 400 years ago.

## Timeline of Recorded History

- 1624** The Dutch East India Company establishes a base in southwestern Taiwan and employs Chinese laborers to work on its rice and sugarcane plantations. Home to Austronesian peoples for many millennia, Taiwan experienced brief visits in earlier centuries by small numbers of Chinese and Japanese merchants, fishermen and pirates.

---

- 1626** Spanish adventurers establish bases in northern Taiwan, but are ousted by the Dutch in 1642.



In this 1627 map of East Asia illustrated by historian Jan Huyghen van Linschoten, Taiwan is marked as "I. Formosa," meaning "beautiful isle." (Courtesy of the National Museum of Taiwan History)

- 1662** Fleeing the Manchurian invasion of Ming-dynasty (1368-1644) China, a band of Ming loyalists under Zheng Cheng-gong (Koxinga) take refuge in Taiwan, driving out the Dutch and establishing a mini-kingdom on the island.

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- 1683** Qing forces invade Taiwan's western and northern coastal areas.

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- 1885** Taiwan is declared a province of the Qing Empire.

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**1895** Following defeat in the First Sino-Japanese War, the Qing government signs the Treaty of Shimonoseki, by which it cedes sovereignty over Taiwan to Japan, which rules the island until the end of World War II in 1945.

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**1911–1912** Chinese revolutionaries overthrow the Qing Empire and establish the Republic of China on the mainland.

---

**1943** During World War II, ROC leader Chiang Kai-shek meets with U.S. President Franklin Roosevelt and British Prime Minister Winston Churchill in Cairo. After the conclusion of the conference, a joint communiqué known as the Cairo Declaration is released, stating: "... all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa [Taiwan] and the Pescadores [Penghu Islands], shall be restored to the Republic of China."

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**1945** After World War II, ROC government representatives accept the surrender of Japanese forces in Taiwan.

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**1947** The ROC Constitution is promulgated in Nanjing on the mainland on January 1 and is scheduled to take effect December 25. In March and following months, ROC troops dispatched from the mainland suppress a large-scale uprising of Taiwan residents sparked by the February 28 Incident.

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**1948** As civil war rages in China between the KMT-led ROC government and Chinese Communist Party (CCP) rebels, the Temporary Provisions Effective During the Period of Communist Rebellion are enacted, overriding the Constitution and greatly expanding presidential powers.

---

**1949** The ROC government and 1.2 million mainland Chinese relocate to Taiwan, and the CCP establishes the People's Republic of China on the mainland. Thereafter, Taiwan and the Chinese mainland are each ruled by a separate government. Martial law is declared in Taiwan and continues to be in force until 1987.

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**1971** The ROC withdraws from the United Nations in anticipation of a General Assembly vote to give the China seat to the authorities in Beijing.

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**1979** Democracy activists demonstrating in the southern city of Kaohsiung are detained by the KMT government, convicted of sedition by a military court and imprisoned for many years. Some of them and their defense attorneys later play key roles in the formation and development of today's largest opposition party, the Democratic Progressive Party (DPP).

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**1987** Martial law, in effect since 1949, is lifted and democratization goes into high gear.

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In 1987, Minister of the Government Information Office Shaw Yu-ming hosts a press conference to announce the abolition of martial law, which had been in place for 38 years. (Hsieh Kuo-cheng)

- 
- 1991** The Temporary Provisions Effective During the Period of Communist Rebellion are abolished. From this year through 2005, the ROC Constitution undergoes seven rounds of revision to make it more relevant to the contemporary situation.
- 
- 1995** National Health Insurance begins.
- 
- 1996** The ROC holds its first-ever direct presidential election, with the KMT's Lee Teng-hui and running mate Lien Chan garnering 54 percent of the vote.
- 
- 2000** Chen Shui-bian and Lu Hsiu-lien of the DPP are elected president and vice president with 39 percent of the vote in a five-way race, ending the KMT's more than 50-year rule and marking the first transfer of governmental executive authority in Taiwan between political parties.
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**2002** The ROC becomes a member of the World Trade Organization.

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**2004** A first national referendum is held in conjunction with the third direct presidential election, in which Chen and Lu are re-elected with a slight majority.

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**2008** Ma Ying-jeou and Vincent C. Siew of the KMT are elected president and vice president of the ROC, garnering 58 percent of the vote and marking the second transfer of governmental executive authority in Taiwan between political parties.

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**2009** The ROC attends a World Health Assembly meeting as an observer, marking its first participation in an activity of the U.N. since withdrawing in 1971.

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**2010** The ROC inks the Cross-Straits Economic Cooperation Framework Agreement with mainland China to normalize economic and trade relations across the Taiwan Strait.

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**2011** The ROC celebrates its centennial in Taiwan.

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**2012** Incumbent Ma Ying-jeou and his new running mate Wu Den-yih, representing the KMT, win the election for president and vice president with 51.6 percent of the vote.

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# Political System

## Levels of Government

The national government comprises the presidency and five major branches, or yuan. The local governments at present include those of 14 counties, three autonomous municipalities with the same hierarchical status as counties, and five special municipalities. All heads of local governments are popularly elected to terms of four years.

Of the five special municipalities, Taipei and Kaohsiung have enjoyed the status since 1967 and 1979, respectively. The remaining three—New Taipei City, Taichung City and Tainan City—were only established in December 2010 as a result of April 2009 revisions to the Local Government Act, which allowed administrative districts to merge or upgrade their status with permission from the central government. Kaohsiung City's administrative area was also expanded in December 2010 when adjacent Kaohsiung County was merged into that metropolis.

A flag-raising ceremony is held at dawn on January 1, 2011 to herald the centennial year of the Republic of China. (Chuang Kung-ju)



## The Presidency

The president is head of state and commander-in-chief of the armed forces, represents the nation in foreign relations, and is empowered to appoint heads of four branches of the government, including the premier, who heads the Executive Yuan. The president and vice president are directly elected, serve terms of four years and may be re-elected for a second term.

## Five Branches of Government

The heads of ministries, commissions and agencies under the Executive Yuan are appointed by the premier and form the Executive Yuan Council, commonly referred to as the Cabinet. The premier bears the overall responsibility for formulating and implementing policies and must report regularly to the Legislative Yuan (Legislature). To further improve administrative effectiveness, the Executive Yuan is undergoing restructuring to reduce the number of Cabinet-level organizations from 37 to 29. After the reorganization process—which commenced January 1, 2012 and is expected to be completed by the end of 2014—the Executive Yuan will consist of 14 ministries, eight councils, three independent agencies and four other organizations.

Besides reviewing and enacting legislation, the Legislature conducts hearings on policy matters,



Kuomintang candidate and incumbent President Ma Ying-jeou (third from left) celebrates victory in the 2012 presidential election. (Hao Chen-tai)

examines budgetary bills and monitors government operations. The Examination Yuan is responsible for managing the civil service system, the Judicial Yuan operates the nation's system of courts, while the Control Yuan is empowered to impeach and censure officials and audit government agencies.

Under the Constitution, neither the president's appointment of the premier nor the premier's appointments of ministers are subject to legislative confirmation. However, presidential appointments of the members of the Control Yuan and the Examination Yuan, as well as justices of the Judicial Yuan, must be confirmed

by the Legislature. Legislators elect the head of the Legislature, or speaker, from among their ranks.

## Political Parties

Given the key role of the presidency in overall ROC government functioning, the term “ruling party” often denotes which political party occupies the Office of the President. The Kuomintang (KMT)—or the Nationalist Party—held the presidency for over five decades before the Democratic Progressive Party (DPP) won the 2000 and 2004 presidential elections. The KMT regained power by winning the 2008 race and held on again in 2012. The DPP remains the main political party to challenge the KMT in presidential elections.

Following the January 2012 legislative elections, the KMT currently commands 57 percent of the seats in the Legislature to the DPP’s 35 percent. Other major parties that have a presence in the Legislature include the Non-Partisan Solidarity Union, the People First Party and the Taiwan Solidarity Union.

## The ROC Constitution

The ROC Constitution, promulgated on the Chinese mainland on January 1, 1947, did not begin to serve its intended purpose as the foundation for democratic governance and rule of law until after 1987, when

martial law was lifted. Since then, it has undergone seven rounds of revision—in 1991, 1992, 1994, 1997, 1999, 2000 and 2005—in order to make it more relevant to the ROC’s current condition.

One of the important consequences of these amendments is that since 1991, the ROC government has acknowledged that its powers under the Constitution and ROC laws apply only to areas it controls. The ROC president and legislators, therefore, are elected by and accountable to the people of those areas only.

In accordance with constitutional amendments promulgated in June 2005, the number of seats in the Legislative Yuan has been halved from 225 to 113; the term of legislators has been increased from three to four years; a new “single-seat-district, two-ballot” electoral system has been instituted; and the power to ratify constitutional amendments is now exercised by ROC citizens through referenda.

## Foreign Affairs

The ROC is a sovereign state that maintains its own national defense and conducts its own foreign affairs. It currently has full diplomatic relations with 23 countries and substantive ties with many others. It has full membership in 32 intergovernmental organizations (IGO) and their subsidiary bodies, including the World Trade Organization, the

Asia-Pacific Economic Cooperation forum and the Asian Development Bank.

The ROC also has observer or other status in 20 IGOs and their subsidiary bodies, including the World Health Assembly (WHA) of the U.N. World Health Organization, the Organization for Economic Cooperation and Development, the Inter-American Development Bank and the European Bank for Reconstruction and Development. Meanwhile,



Children smile at the future in Kiribati, a diplomatic partner of the ROC. Taiwan sends technical missions to the Pacific island nation to promote educational training for young people. (Chuang Kung-ju)



President Ma Ying-jeou signs a joint communiqué with President Blaise Compaoré of Burkina Faso during his April 2012 state visit to Africa. (Courtesy of the Office of the President)

Taiwan's nongovernmental organizations (NGO) take part in the activities of international NGOs the world over to improve people's lives, reinforce global connections and sustain partnerships.

Although the ROC is still unable to participate in numerous key international organizations or establish formal diplomatic ties with many nations, it is fully able and committed to fulfilling its obligations to the world community. It cooperates closely with other governments to combat terrorism and crime; strives to act in conformance with international covenants on human rights; and provides technical as well as humanitarian aid to

needy countries through various programs funded by its International Cooperation and Development Fund and the private sector.

To increase its maneuvering space in the world community, since mid-2008 the ROC has adopted a flexible approach known as "viable diplomacy" to broaden its cooperation with world nations and pursue meaningful participation in U.N.-affiliated specialized agencies. This approach also calls for Beijing to cease squandering valuable resources on attempts to undermine Taiwan's diplomatic interests.

The outcome has been encouraging: not only have the U.S., European nations and other major countries backed Taiwan's participation in the WHA since 2009, many of them have also openly supported Taiwan's bid to take part in such U.N. organizations as the International Civil Aviation Organization and the United Nations Framework Convention on Climate Change. Meanwhile, as of July 2012, 128 countries and territories have accorded visa-free or landing visa privileges to ROC nationals.

# Cross-strait Relations

Since the ROC government relocated to Taiwan in 1949, it has exercised jurisdiction over Taiwan proper, the Penghu Islands, Kinmen, Matsu and a few smaller islands, while the Chinese mainland has been under control of the authorities in Beijing. Beginning with the acceleration of Taiwan's democratization in the late 1980s, many restrictions concerning economic exchanges with

the Chinese mainland have been lifted over the past two decades. These days, Taiwan is one of the biggest investors in mainland China, and over one million Taiwanese managerial and technical experts and their families live and work there.

Aiming to strengthen the ROC's contributions to regional peace and stability, President Ma Ying-jeou, since taking office in 2008, has striven to cultivate closer and more amicable relations with mainland



Independent mainland tourists browse through souvenirs from the Cihu Mausoleum, resting place of former ROC President Chiang Kai-shek. (Hsueh Chi-kuang)



An airliner bound for mainland China takes off from Taipei Songshan Airport. Launched in July 2008, direct cross-strait flights have facilitated travel and exchanges while saving time and expenses. (Jimmy Lin)

China under the principle of “putting Taiwan first for the benefit of the people.” Taipei and Beijing have since focused on issues of immediate, practical importance to both sides and put aside thorny political issues.

In June 2008, institutionalized talks between Taiwan’s semi-official Straits Exchange Foundation and the mainland’s Association for Relations Across the Taiwan Straits resumed after a nine-year hiatus. By December 2011, seven rounds of negotiations had been held alternately on either side of the strait, producing 16 formal agreements, three memoranda of understanding and one consensus. Areas and issues covered include direct transport, food safety, financial cooperation, joint crime-fighting and mutual judicial assistance, industry

standards, fishery and agricultural collaboration, protection of intellectual property rights, medical care cooperation and nuclear energy safety.

Most significant among the accords is the Cross-Straits Economic Cooperation Framework Agreement (ECFA) concluded in June 2010, which aims to normalize trade and economic relations between Taiwan and the mainland. The pact 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. In addition to boosting Taiwan’s trade, it has advanced Taiwan’s integration with world economies. As of April 2012, Taiwan has signed an investment protection arrangement with Japan, while countries such as Singapore, India and New Zealand have shown interest in inking similar pacts to strengthen bilateral economic cooperation ties.

Civil exchanges across the strait have also increased as bilateral relations have warmed. As of December 2011, over 3 million mainland Chinese tourists had visited Taiwan since the two sides agreed to allow group tourists from mainland China in July 2008 and individual tourists in June 2011. Pertinent restrictions were also lifted to allow a maximum of 2,000 mainland students to enroll in Taiwan universities beginning in 2011. All of these developments underscore a change of attitude of authorities in both Taipei and Beijing that is conducive to fostering cooperation and building trust.

## Economy

Taiwan occupies an important position in the global economy. It is a top player in the world's information and communications technology (ICT) industry as well as a major supplier of goods across the industrial spectrum. According to the World Trade Organization, it was the 17th-largest exporter and 18th-largest importer of merchandise in 2011. It also remained

the fourth-largest holder of foreign exchange reserves at the end of that year.

After weathering the global financial crisis through 2009, Taiwan's export-oriented economy took another hit in the second half of 2011 attributable to the Eurozone debt crisis and financial deleveraging in developed countries. Nevertheless, it was quick to bounce back and still posted GDP growth of 4.04 percent in 2011. The nation's overall exports and imports also edged



Shopping and leisure centers such as this at Vieshow Cinemas in downtown Taipei cater to an increasingly affluent society. (Chang Su-ching)

up 12.3 percent and 12.0 percent, respectively, over the previous year. Further, Taiwan's GDP per capita in 2011 surpassed the US\$20,000 milestone thanks to solid economic fundamentals, the resilience of its businesses, and swift government measures to maintain order in the domestic financial market, stabilize prices, create employment opportunities, promote inbound investment and boost domestic consumption.

Due to such economic vigor, authoritative annual surveys of the world's economies—including those conducted by the World Economic Forum, Business Environment Risk Intelligence and the Economist Intelligence Unit—have ranked Taiwan among the world's top nations year after year with respect to long-term growth and technological development. Results for 2011-2012 were no exception (see table "Global Survey Rankings").

Small and medium-sized enterprises, accounting for nearly 98 percent of all enterprises in Taiwan, play a critical role in the nation's economy. Their efficiency in asset utilization, strong innovation capacity and increased R&D spending have facilitated faster growth than larger enterprises in both capital and labor productivity over recent years.

As in previous years, the ICT and electronics industries were among the economy's best performers in 2011. Important sectors include integrated circuits, optoelectronics, computers and peripherals, telecommunication, precision machinery and

biotechnology. The lion's share of high-tech revenues was generated by companies located in the Hsinchu Science Park, Southern Taiwan Science Park and Central Taiwan Science Park. According to the National Science Council, the combined revenues of these three science parks amounted to US\$56.67 billion in 2011.

To foster the country's sustainable economic development, the government has launched the i-Taiwan 12 Projects covering transportation, industry, infrastructure and environmental conservation. The projects are scheduled for completion by 2016 with an estimated cost of NT\$4 trillion (US\$135.76 billion). Taiwan will also continue to deregulate the business environment and seek active participation in regional economic integration.

## Economic Profile (2011)

**GDP (nominal):** US\$467 billion

**GDP per capita (nominal):** US\$20,139

**GDP (PPP) per capita (estimate by IMF):**  
US\$37,720

**Services** accounted for 68.7 percent of GDP. Key players in this sector included wholesale and retail trade (18.8 percent of GDP); finance, insurance and real estate (15.2 percent); public administration and national defense (7.3 percent); and transportation and storage (3.0 percent).

**Industries** accounted for 29.6 percent of GDP. Key players in this sector included manufacturing (24.8 percent); construction (2.8 percent); and water, electricity, gas and remediation services (1.7 percent).

**Agriculture** accounted for 1.7 percent of GDP.

## Trade and Investment Profile (2011)

**Bilateral trade volume:** US\$589.70 billion

**Exports:** US\$308.26 billion

**Imports:** US\$281.44 billion

**Trade balance:** US\$26.82 billion surplus

**Top export destinations:** Mainland China (including Hong Kong) 40.2 percent, ASEAN-6\* 16.5 percent, United States 11.8 percent, European Union 10.1 percent, Japan 5.9 percent, South Korea 4.0 percent

**Top import sources:** Japan 18.5 percent, mainland China (including Hong Kong) 16.1 percent, ASEAN-6 11.6 percent, European Union 10.5 percent, United States 9.1 percent, South Korea 6.3 percent

**Foreign exchange reserves:** US\$395.1 billion (April 2012)

**Registered inward investment:** US\$4.96 billion (including US\$43.74 million from the Chinese mainland)

**Registered outward investment:** US\$16.80 billion (including US\$13.10 billion bound for the Chinese mainland)

\*ASEAN-6: Six of the 10 member states of the Association of Southeast Asian Nations, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam

High-quality, ergonomically designed bicycles from Taiwan-based manufacturers are exported the world over. (Chen Chun-lin)



## Global Survey Rankings

Topic of Survey (Date of Publication)	Rank	Countries Surveyed	Surveying Institution
Investment climate (April 2012)	4	50	Business Environment Risk Intelligence
World Competitiveness Scoreboard (May 2012)	7	59	International Institute for Management Development
Networked Readiness Index 2012 (April 2012)	11	142	World Economic Forum
Global Competitiveness Index 2011-2012 (September 2011)	13	142	World Economic Forum
2012 Index of Economic Freedom (January 2012)	18	184	Heritage Foundation & The Wall Street Journal
2011 Legatum Prosperity Index (November 2011)	20	110	Legatum Institute
Ease of Doing Business (October 2011)	25	183	World Bank

# Science and Technology

Making its first significant impact on the world as a global player in the information technology industry, modern Taiwan continues to bolster scientific and technological development in new fields, including biotechnology, nanotechnology, space science and disaster prevention.

The success of Taiwan's high-tech enterprises is largely attributable to the

government's generous funding for applied scientific development. With government support, the Industrial Technology Research Institute (ITRI), the National Applied Research Laboratories and the Institute for Information Industry (III) all played an important role in jump-starting the nation's rise as a technological powerhouse by conducting research, supporting the establishment of science parks, aiding the private sector with R&D and exploring new technologies.

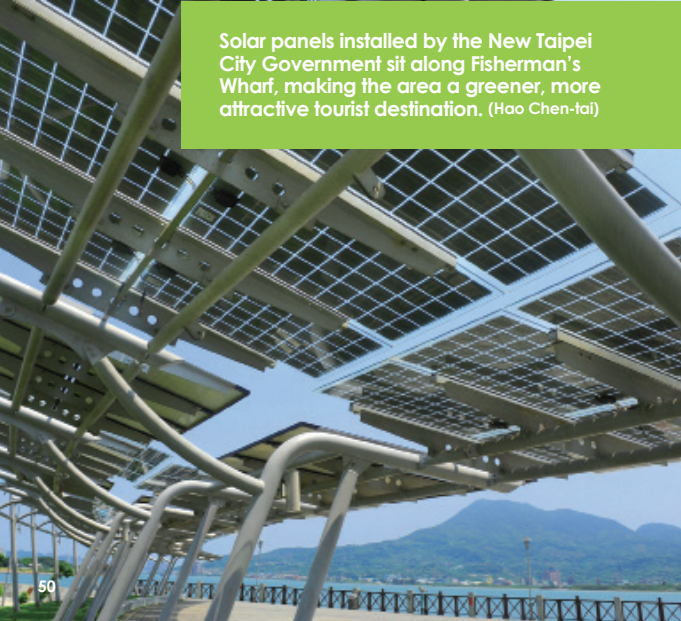
To bolster the biotech industry, Taiwan is targeting R&D efforts on environmental biotechnology, herbal medicine, pharmaceuticals and vaccines. (Jimmy Lin)

ITRI has been instrumental in establishing several companies that have gone on to command prominent positions in the global marketplace, including Taiwan Semiconductor Manufacturing Co. and United Microelectronics Corp., which are among the world's top custom integrated circuit chipmakers. In 2011, ITRI became the only institute in the world to receive The Wall Street Journal's prestigious Technology Innovation Awards three years in a row. Its latest winning innovations consisted of an inexpensive, rewritable and recyclable electronic paper dubbed "i2R e-Paper";

as well as "Spray-IT," an eco-friendly, thermal spray coating that can be applied to glass windows and building material at considerably lower costs than existing techniques.

Providing excellent environments for developing powerful synergies, Taiwan's science parks are home to companies pursuing breakthroughs in fields such as information and communications technology (ICT), biotechnology, precision machinery and nanotechnology. According to the Global Competitiveness Report 2011-2012 released by the World Economic Forum, Taiwan ranked first in the "state of cluster development" index. It also ranked fourth in the category of technological infrastructure among the 59 top economies surveyed in the 2012 World Competitiveness Yearbook, compiled by the International Institute for Management Development.

In October 2010, the Cloud Computing Association in Taiwan was launched by some 100 top ICT companies with participation by the ITRI and the III. By consolidating the resources of hardware and software producers, the consortium aims to make Taiwan a major exporter of cloud computing services. Government agencies and universities are also active in efforts to develop cloud computing, capitalizing on new industry growth opportunities, training personnel and



Solar panels installed by the New Taipei City Government sit along Fisherman's Wharf, making the area a greener, more attractive tourist destination. (Hao Chen-tai)

spurring the commercialization of embedded computing solutions.

The biotech industry is expected to make dramatic strides in coming years, thanks in part to the establishment of over a dozen biotechnology parks around Taiwan. Related R&D has targeted environmental biotechnology, herbal medicines, pharmaceuticals and vaccines, among others. With government encouragement, it is anticipated that the biotech industry's annual output value will double to US\$8.7 billion over the period 2009-2013.

In the area of space science, Taiwan's currently in-service satellites FORMOSAT-2 and FORMOSAT-3/COSMIC are making important contributions to atmospheric observations and assessment of environmental changes. Having accumulated an abundance of experience, Taiwan is aiming to launch FORMOSAT-5, a locally designed and constructed satellite, by the year 2014. And, to mitigate the impacts of natural disasters, the nation's scientists are developing earthquake and typhoon-induced flood early warning systems. These efforts underpin Taiwan's commitment to scientific enhancement for social well-being and sustainable development.

## Production Value & Global Share of Taiwan-made IT Products & Services (2011)

### No. 1 Worldwide

Category	Production Value	Global Share
	(US\$ million)	(%)
Mask ROM	351	100
Custom IC fabrication	18,902	67.0
IC testing & packaging	12,167	50.6
Electro-deposited copper foil	939	38.2
Optical discs	473.2	17.4

### No. 2 Worldwide


Personal navigation devices	1,577	37.8
Fiberglass cloth	316	30.7
Large-sized TFT-LCD panels	22,033.8	24.9
IC substrates	2,023	24.8
Small & medium-sized TFT-LCD panels	4,883.3	21.5
IC design	11,764	18.1
TN/STN-LCD panels	334	16.4
OLED panels	235.5	8.9

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

## Education

Education is strongly emphasized in the ROC and a large share of government expenditures is allocated for educational purposes. With an increasing portion of the population receiving higher education, people with at least a college or university degree now account for the largest group of Taiwan's literate public aged 15 and above—at 29 percent, which is 13 percentage points more than a decade ago.

Every year in international competitions such as the International Science Olympiads, young people from Taiwan win distinctions in physics, chemistry, mathematics, biology and informatics. Taiwan's successful high-tech sector continues to attract the majority of university students to major in science and technology, but the last five years have seen a slight growth in interest in the arts, humanities and social sciences. Taiwan's high-caliber human resources have contributed



Elementary school children in Taipei celebrate the harvesting of vegetables and fruits they have planted as part of their school curriculum. (Chuang Kung-ju)



For the 48 percent of senior high school students who opt to follow the vocational track, mastering useful skills in different professions is key to future success. (Jimmy Lin)

tremendously to enhancing economic prosperity and the quality of life.

Thirty universities offer 85 degree programs taught in English. Both government and university scholarships are available for international students. The Taiwan Scholarship Program, for instance, offers grants to students interested in Mandarin Chinese studies as well as those who wish to pursue undergraduate or graduate degrees in diverse fields. Interested applicants may contact Taiwan's embassies and representative

offices or visit the Ministry of Education's website at <http://english.moe.gov.tw>.

## Education Profile (2011-2012)

**Literacy rate (age 15 or higher):**  
98 percent (2011)

**Government outlays for education:** 20.2 percent of central government budget (2011)

**Institutions of higher learning:** 163 (148 universities and colleges, 15 junior colleges)

**Students enrolled in institutions of higher learning:**

*Total:* 1.35 million

*Master's programs:* 184,000

*Doctoral programs:* 33,700

## Mass Media

The diversity of Taiwan's media is reflected in the plethora of outlets and the intense competition within the industry. The vigorous press has benefited from a free media environment as evidenced by the fact that Taiwan's media environment is one of the freest in Asia.

Most types of media are engaged in industry-wide transition to digital forms of

distribution. Print editions of magazines and newspapers, including the four major dailies, continue to lose ground to Internet advertising competitors. Drawing on Taiwan's strengths in information and communications technologies, e-publishing is injecting fresh vitality into their development as well as that of the book industry, which releases over 40,000 new titles each year.

Terrestrial television switched from analog to digital broadcasting on June 30, 2012. Cable television service,



The ultramodern Eslite Bookstore offers visitors a literary and cultural experience with its wide selection of titles from bestsellers to publications on specialized themes. (Chang Su-ching)

available throughout all but the most mountainous areas of Taiwan, also provides digital programming.

## Media Profile (March 2012)

**Radio stations:** 171

**Terrestrial television stations:** 5

**Cable television system operators:** 62

**Satellite broadcasting program providers:**  
103 (262 channels)

**TV and radio program production/  
distribution companies:** 7,257

**Audio (compact disc, etc.) production  
companies:** 10,976

**Newspaper publishers:** 2,215

**Magazine publishers:** 8,918

**Book publishers:** 14,343

**News agencies:** 2,063



Digital set-top boxes have become a hot-selling item as terrestrial television went fully digital on June 30, 2012.  
(Chuang Kung-ju)

# Visiting Taiwan

With its unique fusion of cultures, breathtaking scenery, diverse cuisine, exciting city life and well-developed hospitality industry, Taiwan is the ideal destination for various types of travelers. Citizens of 42 countries are eligible for visa-exempt entry or landing visas for a period of 30 or 90 days. The ROC government maintains websites and hotlines to provide foreign nationals with information about traveling, living and working in Taiwan.

## Website/Hotline

## Languages

Taiwan Tourism Bureau  
<http://www.taiwan.net.tw>

Chinese, Dutch, English,  
French, German, Japanese,  
Korean, Spanish

Travel Information Hotline  
0800-011-765 (24 hours)

Mandarin, English,  
Japanese, Korean

Information for Foreigners  
<http://iff.immigration.gov.tw>

Chinese, English

International Community  
Service Hotline  
0800-024-111 (24 hours)

Mandarin, English, Japanese



Hosted by Taitung County in July 2011, the first Taiwan Balloon Festival attracted enthusiasts from the U.S., Canada, Switzerland, Dubai and New Zealand. (Jimmy Lin)

## Major Festivals/Events (2012)

Month	Location	Festival/Event*
Jan.	New Taipei City	Pingxi International Sky Lantern Festival
Feb.	Tainan City	Tainan Yanshui Beehive Rockets Festival
Feb.	Changhua County**	Taiwan Lantern Festival
Feb.-July	Taichung City	Ma Zu International Festival (religious pilgrimage)
Mar.	Kaohsiung City	Songjiang Battle Array (folk performances)
Apr.	Islandwide	Hakka Tung Blossom Festival
Apr.	Penghu County	Penghu Fireworks Festival
May	New Taipei City	Fulong Sand Sculpture Festival
June	Changhua County	Lukang Dragon Boat Festival
July	New Taipei City	Hohaiyan Rock Festival
Aug.	Keelung City	Keelung Ghost Festival
Oct.	Nantou County	Sun Moon Lake Music Festival
Oct.	Kaohsiung City	Zuoying Wannian Folklore Festival (folk religion celebration)
Nov.	Tainan City	Kunshen Wangye's Salt Festival (folk culture celebration)

\*Only a few of the larger festivals/events are listed here. For more information, please visit the Tourism Bureau's website at <http://www.taiwan.net.tw>.

\*\*The Taiwan Lantern Festival is held in a different city or county each year.

## Major Tourist Attractions

### Northern Taiwan

**National Palace Museum:** <http://www.npm.gov.tw>

**Taipei 101:** <http://www.taipei-101.com.tw>

**Yingge Ceramics Museum:**  
<http://www.ceramics.ntpc.gov.tw>

**Shilin Night Market:** <http://www.taipeitravel.net>

**National Chiang Kai-shek Memorial Hall:**  
<http://www.cksmh.gov.tw>

**Lungshan Temple:** <http://www.lungshan.org.tw>

**Yangmingshan National Park:**  
<http://www.ymsnp.gov.tw>

**Northeast and Yilan Coast National Scenic Area:**  
<http://www.necoast-nsa.gov.tw>

### Central Taiwan

**Sun Moon Lake:**  
<http://www.sunmoonlake.gov.tw>

**Formosan Aboriginal Culture Village:**  
<http://www.nine.com.tw>

**Tri-Mountain National Scenic Area:**  
<http://www.trimt-nsa.gov.tw>

**Lukang Township:** <http://www.lukang.gov.tw>

**National Museum of Natural Science:**

<http://www.nmns.edu.tw>

**Yushan (Jade Mountain) National Park:**

<http://www.ysnp.gov.tw>

**Eastern Taiwan**

**Taroko National Park:** <http://www.taroko.gov.tw>

**Taiwan Forest Recreation Areas:**

<http://recreation.forest.gov.tw>

**Green Island and Orchid Island:**

<http://tour.taitung.gov.tw>

**Southern Taiwan**

**Kenting National Park:** <http://www.ktnp.gov.tw>

**Alishan (Mount Ali) National Scenic Area:**

<http://www.ali-nsa.net>

**Penghu National Scenic Area:**

<http://www.penghu-nsa.gov.tw>

A small river rolls past golden-green trees and majestic rock formations in Taroko Gorge. (Wu Chih-hsueh, courtesy of the Tourism Bureau)



## International Trade Shows (2012)

Taiwan Int'l Diving and Water Sports Show	Mar. 6-9
Taipei Int'l Sporting Goods Show	Mar. 6-9
Taiwan Int'l Sports Textile & Accessory Expo	Mar. 6-10
Taipei Int'l Cycle Show	Mar. 7-10
Taiwan Int'l Fastener Show <sup>1</sup>	Mar. 13-14
Taiwan Int'l Lighting Show	Mar. 13-16
Taipei Int'l Auto Parts & Accessories Show	Apr. 11-14
Taipei Int'l Automobile Electronics Show	Apr. 11-14
Taiwan Int'l Motorcycle Show	Apr. 12-15
Taiwan Int'l Electric Vehicle Show	Apr. 12-15
Taipei Int'l Gift and Stationery Show	Apr. 19-22
Taiwan Souvenir and Handicraft Show	Apr. 19-22
Taipei Manufacturing Technology Show	May 3-6
Computex Taipei	June 5-9
Taiwan Int'l Medical and Health Care Exhibition	June 14-17
Taiwan Int'l Senior Lifestyle and Health Care Show	June 14-17
Int'l Flat Panel Display Exposition	June 19-21
Taipei Int'l Food Show	June 27-30
Taipei Int'l Food Processing and Pharmaceutical Machinery Show	June 27-30

Taiwan Int'l Hotel Restaurant and Catering Show	June 27-30
Taipei Int'l Packaging Industry Show	June 27-30
Taipei Computer Applications Show	Aug. 2-6
Taichung Int'l Tea & Coffee Show <sup>2</sup>	Aug. 11-20
Taipei Int'l Invention Show & Technomart	Sept. 20-23
Taipei Int'l Plastics and Rubber Industry Show	Sept. 21-25
Taiwan Exhibition & Convention Industry Show	Sept. 27-29
Taiwan Int'l Photovoltaic Exhibition	Oct. 3-5
Taiwan Smart Green City Expo	Oct. 9-12
Cloud Technology & Internet of Things Show	Oct. 9-12
Taiwan Int'l Green Industries Show	Oct. 9-12
Taipei Int'l Electronics Show and Broadband Taiwan	Oct. 9-12
Kaohsiung Food Show <sup>3</sup>	Nov. 1-4
Taiwan Int'l Herb & Natural Products Expo <sup>3</sup>	Nov. 8-10

Venues: Taipei World Trade Center (TWTC) Exhibition Halls  
and/or TWTC Nangang Exhibition Hall

<sup>1</sup> Kaohsiung Exhibition Center

<sup>2</sup> Greater Taichung International Expo Center

<sup>3</sup> Kaohsiung Arena

Organizer: Taiwan External Trade Development Council (TAITRA)  
<http://www.taipeitradeshows.com.tw>  
<http://www.taitra.org.tw>

The trade shows are subject to change without notice.

## General Information for Visitors

### Currency

National currency: New Taiwan Dollar (NT\$ or TWD)

Exchange rate: NT\$29.95 per US\$1 (June 2012)

### Time Differential

All territories in same time zone, UTC + 8 hours (no seasonal adjustments)

### Credit Cards & Travelers' Checks

Major credit cards are accepted widely. Travelers' checks can be cashed at foreign-exchange banks, hotels and tourist-oriented stores.

### Tipping

Tipping is not customary in Taiwan. A 10-percent service charge is often added to room rates and meals at hotels and restaurants.

### Electricity

AC 110 V / 60 Hz

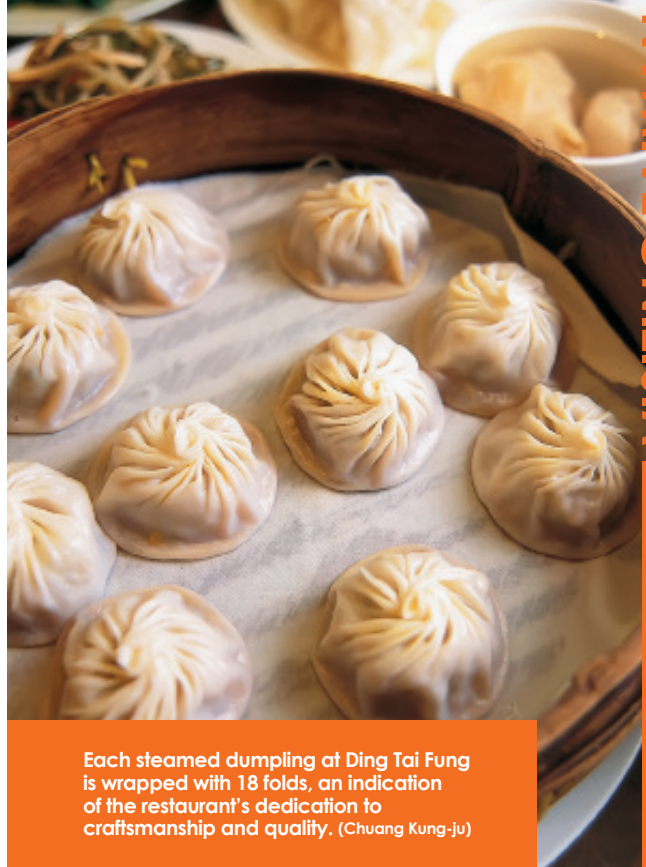
### Visa Information

Bureau of Consular Affairs

Ministry of Foreign Affairs

Phone: (+886-2) 2343-2888

Website: <http://www.boca.gov.tw>



Each steamed dumpling at Ding Tai Fung is wrapped with 18 folds, an indication of the restaurant's dedication to craftsmanship and quality. (Chuang Kung-ju)

### Customs Regulations

Directorate General of Customs

Ministry of Finance

Phone: (+886-2) 2550-5500 ext. 2116

Website: <http://web.customs.gov.tw>



Cover Photo:  
Yushan azalea blossoms knit a rich tapestry of color  
over the slopes of the Jade Mountains. (Yeh Ming-yuan)