

**Toward a better, stronger economic partnership
between Taiwan and the US**

Online speech at the Atlanta Council on International
Relations

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Members of the Atlanta Council on International Relations, distinguished guests, ladies and gentlemen: good morning!

Earlier this year when I learned that I was able to visit Atlanta again in March, I was really looking forward to it. So you can imagine my disappointment when the visit had to be canceled due to the pandemic. Although I cannot meet you in person, I'm happy to have this opportunity to meet you online, and speak about the important partnership between Taiwan and United States and recent progress in bilateral relations.

Some of you might have already heard about the major announcement our government recently made about US

beef and pork imports. We believe that this key step will be an important starting point for closer economic partnership between Taiwan and the US.

Taiwan's economic relations with the US

Taiwan plays an important role in the global economy and has incredibly close trade and investment ties with the US. The US is Taiwan's second-largest trading partner, our second-largest export market, and our third-largest source of imports. Meanwhile, with a population of just 23 million, we are the US's 10th-largest trading partner. Our total trade in 2019 stood at 87 billion US dollars. And even these numbers give only a superficial impression of just how intimately linked our economies actually are.

Taiwan and US businesses have long worked closely together as trustworthy and reliable partners. For the past three years, Taiwan has organized one of the largest foreign business delegations to the SelectUSA Investment Summit in Washington, DC. We also send biennial agricultural trade goodwill missions to the US to procure several billion dollars' worth of America's best agricultural produce. Taiwan is the seventh-largest export

market for US agricultural products, the 2nd largest on a per-capita basis. I would also like to especially point out that Georgia pecans contributed a large portion of this. You can find Georgia pecans in almost every local supermarkets in Taiwan.

From an investment standpoint, more and more Taiwanese companies are investing and creating jobs in the US. Most recently, TSMC, the world's leading semiconductor company, announced plans to build a 12 billion US dollar chip plant in Arizona. Taiwan's open, rules-based business environment sets us apart from certain other countries and ties us closely with the US.

Overcoming COVID-19: turning challenges into opportunities

Since surfacing in Wuhan, China late last year, COVID-19 has spread to all corners of the globe. The disease has brought the global economy to a standstill and changed our daily lives forever.

However, I'm proud to say that the pandemic is under control in Taiwan. Thanks to our vigilance regarding

pandemics in China and the efforts of our frontline healthcare personnel, today we can say that things are very much business as usual in Taiwan. People are going to work, students are going to school, and public venues remain lively and bustling at weekends.

Taiwan's advanced medical and healthcare system is widely admired around the world. But our success in combating COVID-19 has not been limited to scientific or medical achievement alone. In fact, what lies at the heart of Taiwan's successful response to COVID-19 has been the Taiwan Model, and the open, democratic and free nature of our society.

As Secretary of State Mike Pompeo said, "During tough times, real friends stick together." Since April, Taiwan has donated more than 12 million medical masks to the US, including 110,000 to the great state of Georgia. Secretary Pompeo's affirmation of the Taiwan Model as a paradigm of openness and generosity has only reinforced our determination to remain faithful to the values of our free and open society.

In another open acknowledgement of our contributions, last month Secretary of Health and Human Services Alex Azar visited Taiwan. He met with President Tsai Ing-wen, myself and other senior officials and experts to exchange views on the “Taiwan Model”. We also discussed future cooperation on the development and production of vaccines and drugs. Secretary Azar explicitly said that this pandemic has pushed the United States to recognize the strategic importance of the manufacturing sector. Taiwan, with its strengths in the pharmaceutical sector, is ready and willing to be a secure and reliable supplier to the US, especially in the face of the COVID-19 outbreak.

In addressing the economic challenges posed by the pandemic, our government unveiled a number of stimulus measures very early on. These were designed to get our businesses back on track and ensure that Taiwanese industry can track shifts in global supply chains. At the same time, our government has implemented dynamic economic reforms. We are transforming Taiwan into Asia’s high-end manufacturing and R&D hub, a regional financial and wealth management center, and a base for high-quality talent within the Indo-Pacific region.

Overall, we have been working to improve Taiwan's regulatory environment across the board. In turn, Taiwan's economy is becoming more resilient and responsive. We have made ourselves an attractive target for any country seeking a fair and equitable trade agreement.

Steps Taiwan has taken in paving the way for a bilateral trade agreement

Indeed, conditions are now ripe for a bilateral trade agreement between Taiwan and the US. For years, some US friends have said that one of the major roadblocks impeding the progress of a bilateral trade agreement has been our regulatory barriers on US beef and pork. So in a demonstration of our earnest commitment, on August 28 our government announced our intention to relax these barriers.

The reaction from the US side has been overwhelmingly positive. Vice President Mike Pence, Secretary of State Mike Pompeo, Secretary of Commerce Wilbur Ross, Secretary of Agriculture Sonny Perdue and Congressional

leaders from both sides of the aisle have all responded approvingly. And as President Tsai has said, our move will be an important starting point for more comprehensive Taiwan-US economic cooperation. We sincerely hope this will open doors and pave the way for substantive talks on closer trade ties, including a BTA.

To reiterate, Taiwan's relaxation of restrictions on US beef and pork imports is a significant step. It demonstrates Taiwan's commitment to addressing outstanding issues and moving toward a BTA. It would be significant not only from an economic standpoint, but also strategically, setting an example for like-minded countries throughout the region.

Our commitment has been noted, and the US has followed through. Assistant Secretary of State David Stilwell announced at a Heritage Foundation webinar that Taiwan and the US will launch an economic and commercial dialogue led by Keith Krach, the Department of State's Under Secretary for Economic Growth, Energy, and the Environment. We look forward to this new high-level

dialogue and believe that it will solidify the mutually beneficial economic ties between Taiwan and the US.

Conclusion

2020 has been a year of challenges. The US-China trade dispute and the COVID-19 pandemic have changed the global economic order and accelerated the restructuring of global supply chains.

It is a great time to strengthen the US-Taiwan economic partnership. As mentioned, talks on a BTA would be an excellent starting point. So we urge all relevant stakeholders to support a closer Taiwan-US trade partnership. And we hope that the US, our strongest strategic partner and the world's economic leader, recognizes the broader strategic implications such an agreement would undoubtedly have.

Taiwan's democracy is precious and unique. It needs your continued support. I can assure you, you will find in us an unwavering partner and a committed friend capable of contributing to the prosperity of both our countries and the Indo-Pacific region.

Thank you for your kind attention. I look forward to exchanging views with you all shortly.