

**Trade Policy Review Body
12 and 14 September 2018**

TRADE POLICY REVIEW

SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

MINUTES OF THE MEETING

Chairperson: H.E. Mr. Eloi Laourou (Benin)

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1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

1.1. The fourth Trade Policy Review (TPR) of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) was held on 12 and 14 September 2018. The Chairperson, H.E. Mr Eloi Laourou (Benin), welcomed the delegation of Chinese Taipei, headed by Ms Mei Hua Wang, Vice-Minister of Economic Affairs; the rest of the delegation; and the discussant, H.E. Ambassador Marc Vanheukelen (European Union).

1.2. The Chairperson recalled the purpose of Trade Policy Reviews and the main elements of the procedures for the meeting. The report by Chinese Taipei was contained in document WT/TPR/G/377 and that of the WTO Secretariat in WT/TPR/S/377.

1.3. Questions by the following delegations had been submitted in writing before the deadline: Iceland; the European Union; Singapore; Hong Kong, China; China; the United States; Ukraine; Japan; Australia; Guatemala; Canada; Switzerland; New Zealand; Brazil; and the Kingdom of Saudi Arabia. The following delegations had submitted written questions after the deadline: Colombia; Thailand; El Salvador; Argentina; Honduras; the Republic of Korea; and the Philippines.

1.4. During the previous TPR meeting in 2014, Members had praised Chinese Taipei for its continued progress towards trade and investment liberalization, further integration into the global economy, and economic diversification. Since then, its relatively strong fundamentals and well-developed outward-looking economy had helped to maintain macro-financial stability and ensure the resilience of its export-led economy. For the current review, Members had sought, through their advance questions, further information on measures to promote trade-related structural reforms, in particular in the labour market, as well as features related to the resilience and outward orientation of the economy.

1.5. Members also recalled that, at the time of the previous review, they had commended Chinese Taipei for its efforts to reduce inbound investment limitations and had emphasized the need for continued progress in improving the transparency and predictability of the investment review process. Since that previous review, Chinese Taipei had further reduced its negative list for foreign investment. As indicated by the advance written questions, Members wanted to learn more about future amendments to the legal framework for inbound investment, investment incentives and facilitation services. Additionally, questions had been posed about the implementation of various strategies, updates on RTA developments, and measures to improve the business environment.

1.6. With regard to trade policy, at the time of the previous review, Members had expressed satisfaction over Chinese Taipei's unilateral liberalization efforts, measures to facilitate trade, and IPR-related legal reforms, and had encouraged Chinese Taipei to continue its pursuit of trade liberalization as well as economy-wide reforms. They had, *inter alia*, urged further improvements in respect of tariffs, and TBT and SPS measures. During the present review period, although the general thrust of trade policy had remained relatively unchanged, there had been developments in areas including trade facilitation, tariffs, contingency measures, SPS, government procurement, competition policy, and IPRs. At this review, in their advance written questions, some Members had expressed interest in learning more about developments in certain areas, including trade facilitation, contingency measures, export assistance, production and trade incentives, standards and SPS requirements, competition policy and IPRs.

1.7. Regarding sectoral issues, Chinese Taipei's agriculture sector had continued to attract a great deal of interest. During the previous review, Members had noted the high level of public assistance, asked questions about subsidies provided, and suggested that Chinese Taipei evaluate the need to maintain tariff quotas. In the context of the present review, questions had been posed regarding a number of areas, including Chinese Taipei's import substitution and new agricultural policy objectives; support to farmers; increases in the Total Aggregate Measurement of Support; and price-based special safeguards.

1.8. The Chairperson drew Members' attention to some additional areas where Members were interested in having more clarity. These included: illegal fishing and logging activities; energy-related targets and incentives; manufacturing issues; financial services regulatory

and market access issues; and, issues relating to marketing, market access and subsidies in the tourism sector.

1.9. This meeting was a good opportunity for Members to discuss in greater detail issues of interest to them and of systemic importance to the multilateral trading system. The Chairperson looked forward to a fruitful and calm exchange.

2 OPENING STATEMENT BY THE REPRESENTATIVE OF THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU (MS. MEI HUA WANG)

2.1. Good morning everyone. It is an honour for me to have the opportunity to lead this quadrennial delegation to Geneva, and renew our discussions over the past four years with distinguished Members on the economic and trade policies of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

2.2. Since 1995, the WTO Trade Policy Review has proved to contribute significantly on the transparency function of the WTO. It has served as a great tool for increasing mutual understanding between WTO Members. Members who go through the rigorous preparation process of review benefit the most from it. We would like to thank the WTO Secretariat and Members for all the efforts involved in the process.

2.3. On behalf of my government, I thank all of you for participating in our fourth Trade Policy Review. We appreciate the distinguished discussant, Ambassador Marc Vanheukelen, for his proactive efforts to enrich our discussions today. Ambassador Eloi Laourou (Chair of the TPRB) has been very kind in advising us on how to prepare for this meeting, and we are very confident of his leadership.

2.4. When Director Alfaro and his team visited Taipei last April, we arranged for them to meet with about 250 representatives from more than 40 agencies. Their tireless efforts are duly reflected in the detailed and insightful report. However, we have noticed that some descriptions in the report could perhaps be more precise. We will therefore submit our suggestions for modifications to the Secretariat after the meeting.

The Global Economy and Trading System

2.5. Mr. Chairman, the economic situation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu remains robust, particularly with the sustained rebound since 2016. However, numerous challenges still lie ahead. Being a free and open economy, our prosperity relies on the well-functioning of an open and inclusive multilateral trading system. Thus, it is crucial for us that the WTO remains the central pillar to the global trading system.

2.6. Thus, we, as Members that drive the WTO, should maximize our efforts to make sure that its rules are constantly updated to stay relevant to the evolution of technologies and trade patterns. With growing criticism among trade skeptics, the WTO needs to effectively answer the call to ensure that free trade benefits all.

2.7. In this context, we are willing to work with all Members to revitalize the WTO. As a first step, we should ensure that the dispute settlement mechanism continues to function properly. We also support the call for more effective WTO supervision of Members in implementing their agreement obligations. We worry that lengthy negotiations without progress will make WTO agreements inflexible, obsolete and unproductive. Thus, we stand ready to work with all WTO Members to promote necessary reforms, and make concrete contributions towards strengthening WTO functions.

Economic and Trade Policies

2.8. Now let me turn to our trade policy agenda. First of all, preserving and advancing a rules-based multilateral trading system is the top trade policy priority of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. We continue to support the WTO by actively participating in the regular work of committees and councils. We also firmly support the elimination of subsidies that contribute to IUU fishing, as well as the promotion of e-commerce.

2.9. On regional trade integration, we are following closely the developments of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). We have endeavoured to align our laws and regulations with CPTPP provisions, by introducing several legislative amendments. In addition, as a genuine supporter of the concept of "open regionalism," we have played a proactive role in the Asia-Pacific Economic Cooperation (APEC) forum. The latest priorities of our work in APEC range from digital economy, MSME globalization, gender equality, and reducing food losses, etc.

2.10. To enhance our integration into the South and Southeast Asian region, my government has started implementing the New Southbound Policy since 2016. This new strategy has consolidated the efforts of all levels of governments, private enterprises and civil society in their regional outreach. It aims to develop a new model of economic development by strengthening cooperation and linkages with members in the region.

2.11. On industrial policy, we focus on accelerating the development of digital economy and domestic green energy to improve our industrial structure and resilience. The proportion of domestic electricity generated by renewable energy is expected to increase from the current 5% to 20% by 2025. Green energy development will shape the future of our environment and economy by adding new investments and increasing employment.

2.12. To accommodate the needs for long-term economic development, industrial renovation and balanced regional development, my government launched the Forward-looking Infrastructure Development Program in 2017. The programme focuses on green energy, digital infrastructure, water environment construction, urban and rural projects, railways, human resources, employment, child care, and food safety.

2.13. In addition to modernizing infrastructures, we conducted several regulatory reforms during the review period to build a business-friendly environment. For example, we have relaxed a number of regulations on insurance and securities, introduced a patent linkage system, reformed the income tax system, and passed the Act for the Recruitment and Employment of Foreign Professionals to attract foreign talents, among other efforts.

2.14. Our digital economy agenda has gradually come to form. For example, the Fintech regulatory sandbox came into force this year. The application is now open for innovative entrepreneurs who meet the criteria to apply for an experimentation period of up to three years.

2.15. We have extended the public comment period for new regulations to 60 days as a minimum, and a user-friendly website (<http://join.gov.tw>) was established for tracking proposed regulatory amendments and for submitting comments. We are committed to safeguarding democratic values in our public policy, and are very proud to be ranked number one in the Global Open Data Index, which tracks the state of open government data.

Future Outlook

2.16. To become a competitive economy in this world, several areas in our domestic arena are in need of improvement. Agriculture is a one of those areas as well as one of our most sensitive subjects. Nevertheless, our experience of WTO accession 15 years ago has proved that the sky did not fall as many have worried. With the joint efforts of the government and farming societies in areas such as technology innovation, quality improvement, and marketing enforcement, our domestic agricultural output has actually steadily increased. During this time, consumers have also enjoyed a wider choice of quality imported agricultural products. This provides us with confidence to pursue ambitious trade agreements with other agricultural powerhouses, like New Zealand.

2.17. As I mentioned at the beginning, external trade is highly important to the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. We remain committed to maintaining the core values of the WTO by continuing our support for the development of multilateral trade, and helping other Members integrate into the multilateral trade system.

2.18. As a major beneficiary of economic globalization, we are keen to give back and contribute to the international community. We are always ready and willing to give support to Aid-for-Trade and other types of assistance for developing country members, and work with them to achieve the UN Sustainable Development Goals.

Conclusion

2.19. We have received over 400 written questions from 22 Members, of which the 202 questions submitted before the official deadline have been carefully answered in writing. You are all very welcome to raise additional or follow-up questions during or after this meeting. We would especially

like to express our appreciation to the United States and the European Union for raising the most number of questions. We believe that questions and critiques are the best driving force for progress.

2.20. This concludes my statement. Thank you again for participating in our Trade Policy Review. We very much look forward to your feedback.

3 STATEMENT BY THE DISCUSSANT

3.1. Please allow me to welcome the Head of delegation of Chinese Taipei, Vice Minister, Ms. Mei Hua Wang, Ministry of Economic Affairs, and my appreciated colleague Dr. Cyrus Chu and his team here in Geneva.

3.2. I thank the WTO Secretariat for the usual high-level and comprehensive Report and Chinese Taipei for its Report that both form the main basis for my comments today.

3.3. As is also customary, please let me recall that as the discussant for this review, I am speaking entirely on my own behalf.

3.4. Having said that, I would like to thank Chinese Taipei for the opportunity to act as the discussant for the Trade Policy Review of a very active Member, in terms of its constructive participation in the work of this Organization. Chinese Taipei has taken part in several plurilateral initiatives like ITA, EGA, GPA and TiSA. It plays an active role in ongoing Doha-related negotiations and supports the Buenos Aires Joint Initiatives and declarations. I would like to pay tribute to Chinese Taipei's attachment to the rules-based multilateral trading system, especially in the challenging times the Organization is going through.

3.5. As a demonstration of its dedication to the transparency pillar of this Organization, Chinese Taipei has chosen alternative timelines for its Trade Policy Review that has allowed me and the Members to review the replies to the written questions in advance of this meeting and thus to contribute to more interactivity and transparency of this exercise. This review serves as an important addition to the already strong record of notifications of Chinese Taipei to the WTO (although nothing is perfect and there are some outstanding notification obligations in the area of subsidies and incentives, notably the pending up-to-date notification on domestic support to agriculture).

3.6. I would like to organize my substantive remarks with some general observations on the economic situation and overall trade policy of Chinese Taipei. I will then focus on the key changes since the previous TPR in 2014 as well as the main trade-related challenges, as highlighted in the Members' questions as areas of interest. The great interest and importance that WTO Members attribute to Chinese Taipei's trade policies and practices is clearly demonstrated by over 400 questions submitted by 22 Members.

3.7. As to the overall economic situation, the Secretariat report notes that the relatively strong fundamentals and well developed, well diversified and outward-looking economy of Chinese Taipei have helped to maintain macro-financial stability and resilience. Despite some concerns related to innovation and labour, Chinese Taipei has maintained its position among the world's most competitive economies while registering a slight decline in income inequality. In this context, I would like to note that Chinese Taipei has a level of prosperity as measured by GDP per capita of US\$25 980, which is well comparable to that of many developed members of the OECD.

3.8. During the review period, average annual GDP growth for the period 2014-2017 stood at 2.3%, which is a slowdown compared to previous years. However, in the first half of 2018, the economy has showed a strong performance of GDP expanding by 3.2 %. The unemployment rate hit the lowest level in 18 years with 3.6%.

3.9. Chinese Taipei remains open to international trade and is well integrated into the world economy and global value chains. It maintains a well-developed infrastructure, an educated workforce, and a pro-business attitude while benefiting from a geographically strategic location. Its trade policy continues to be based on the premise that trade openness, innovation, connectivity, and economic performance are strongly linked. It continues to pursue a combined unilateral, bilateral, regional and multilateral approach to trade policy. Chinese Taipei has currently RTAs in force with nine economies; those entering into force during this review period were RTAs with Singapore and New Zealand, covering goods and services, and a cooperation agreement with Paraguay.

3.10. International trade and inbound direct investment trends reflect the continuous importance of Asia Pacific as Chinese Taipei's main market and supplier with China, Japan, the United States and the European Union remaining its major individual trading partners and China as the biggest

export destination. Goods exports hit a historic record of US\$163 billion in the first half of the year with machinery and mechanical appliances, including IT products, remaining the major exports. China has also remained the biggest outbound investment destination (47%) for Chinese Taipei. The growing integration of those two economies is therefore striking, notwithstanding regular political tensions.

3.11. Chinese Taipei continues to offer non-reciprocal preferences to all LDCs and as a major beneficiary of economic globalisation itself, it is willing and ready to contribute to Aid for Trade and other assistance initiatives by making financial and other forms of contributions and assistance to developing country Members, as well as to related WTO agencies.

3.12. As one Chinese proverb says: "The leaves of the tree are many, but the root is one. When the root is firm the branches flourish". I think we can all commend Chinese Taipei for achieving such a good foundation that will bring success and sustainability of its policies in the longer term.

3.13. Both reports note that during the review period, several trade and trade-related structural reforms were undertaken and a number of reform initiatives have been adopted to boost the economy and improve competitiveness, which - according to the World Economic Forum's 2017-2018 Global Competitiveness Index - slipped somewhat. This brings me to the second part of my remarks - the key developments since the last TPR in 2014, and there have been quite a few.

3.14. Chinese Taipei has implemented the development plan (2013-2016) whose objective was to accelerate structural adjustments and relax regulations. Now, key policies, namely the development plan for 2017-2020 and the "5+2" Industrial Innovation Plan are being implemented to accelerate the economy's innovation.

3.15. The New Southbound Policy was launched to provide an overarching framework for the development of a new and comprehensive relationship with additional partners in the Asia-Pacific region and to boost links with partners in this region.

3.16. The Forward-looking Infrastructure Development Programme, launched in 2017 with a 30 year horizon, aims to build the infrastructure needed for Chinese Taipei's development.

3.17. During the review period, one other key legislative achievement was the Financial Technology Development and Innovative Experimentation Act, which came into force on 30 April 2018, introducing the so-called "financial supervision sandbox system" to encourage financial technology innovation.

3.18. An ambitious energy reform programme aims, *inter alia*, to increase the share of locally produced renewable energy in the total energy mix to 20%, to transition to cleaner energy, and to end nuclear power generation by 2025. Tax reform, labour market reform, and fisheries management reform, as reported in both reports, should also be flagged as relevant developments since the last review.

3.19. Turning now to the trade and investment regime and trade policy measures and practices, since the last Trade Policy Review, the general thrust of the investment and trade policy of Chinese Taipei has actually remained unchanged. While no unilateral liberalization has been undertaken, there have been policy developments in certain areas such as trade facilitation, competition policy, intellectual property rights, tariffs, preferential trade agreements, sanitary and phytosanitary requirements, and public procurement.

3.20. Many of these areas have been of interest to the 22 Members that have posed advance questions to Chinese Taipei. Allow me to highlight some that seem to have attracted most of the interest - and sometimes also concern - by the Membership.

3.21. Improving investment and business climate has been a recurrent theme in both of the previous TPRs where Chinese Taipei has been encouraged to reduce high public sector involvement in the economy and address regulatory concerns of foreign investors. I have seen again a number of questions from Members on this theme also at this review.

3.22. Since the previous review, there have been not many changes to the legal framework. However, the authorities have been conducting a comprehensive re-evaluation of the current draft amendments and have indicated that consideration is being given to removing the pre-investment screening/review requirement and replacing it with a post-investment registration mechanism.

3.23. As a positive development, Chinese Taipei's negative list containing investment prohibitions and restrictions has now been amended to allow overseas investment in ship leasing services and the cultivation of certain agricultural crops. New measures have also been taken to foster greater public participation in policy formulation through the establishment of an online public policy platform and the introduction of deadlines for responses by the public sector to stakeholder comments.

3.24. During the review period, Chinese Taipei's trade facilitation developments included the ratification of the WTO Trade Facilitation Agreement in 2015, the adoption of amendments clarifying relevant legislation (Customs Act), further integration of online operations with the Customs Port Trade Single Window, and the introduction of expeditious customs clearance services. However, harbour dues for overseas routes remain 60% higher than for domestic routes. Average time to process goods is almost 6 days from arrival to removal of goods for sea cargo. According to the World Bank Doing Business data index, in 2017, Chinese Taipei stood 55th out of 190 economies in the ease of trading across borders, which is quite a bit lower than where it stood in 2013 when it stood at rank 18 instead of 55.

3.25. According to the World Economic Forum, in 2015 the most problematic factors for importing in Chinese Taipei were mainly: tariffs and non-tariff barriers; high cost or delays caused by international and domestic transportation; burdensome import procedures; and domestic technical requirements and standards.

3.26. These issues have often been referred to in Members' questions, such as on further alignment of standards and technical requirements with international standards, simplifying certification and testing requirements, streamlining conformity assessment procedures, plans for tariff structure simplification, expansion of the scope of export prohibitions, and duty and tax concessions and incentives.

3.27. One area that has again received considerable attention by Members – and some expressions of concern – is the sanitary and phytosanitary regime. The report notes that during the review period, the main laws and regulations affecting food standards and specification have basically remained the same.

3.28. Members have raised questions on the consideration of international standards when establishing restrictions on imports from countries with animal disease; regulatory measures to improve food safety of locally produced food items; delays on issue of sanitary certificates for unprocessed imported foodstuffs; restrictions on certain imports of beef and poultry products and procedures for establishing maximum residue limits, to name a few. Reportedly, Chinese Taipei's slow process for establishing minimum residue levels for pesticides, the low level of approved MRLs, and zero tolerance policy for pesticides without established MRLs have resulted in incoming agricultural shipments being stopped at the ports of entry. Some Members have invited Chinese Taipei to notify its SPS measures to the WTO at the draft stage and ensure that sufficient time is given to submit comments and for those comments to be taken into consideration later on.

3.29. Maybe Chinese Taipei could share its thinking on these SPS issues and any plans to expedite and simplify procedures and practices?

3.30. Turning finally to sectoral policies, while Members have shown considerable interest in developments in the financial services sector, as well as in the energy-related incentives and subsidies and initiatives against illegal, unreported and unregulated (IUU) fishing, the call for more liberalization in agricultural policy and measures has remained at the forefront of many Members' concerns.

3.31. Chinese Taipei's objectives for the agricultural sector are set out in its New Agricultural Policy, adopted in December 2016. The overall aim is reportedly to create a multi-functional agricultural sector, rather than merely providing subsidies, as in the past.

3.32. The average applied MFN tariff for agricultural products was 17.8% in 2018. Thirty tariff lines had rates over 100%, mainly as a result of the tariff lines with out-of-quota rates. Special safeguard measures were taken several times during the review period. During Chinese Taipei's previous review, it was observed that there had been a notable increase in price-based special safeguards since 2013; this tendency is also reflected in the current review period.

3.33. And there have been several other areas of interest from Members, such as competition policy, privatization plans, enhancing further IPR legislation and enforcement, and public procurement.

3.34. Chair, some of the challenges observed at the last TPR four years ago persist today.

3.35. One of them is the shrinking of the labour force, although ongoing technological upgrading is expected to maintain productivity gains. The labour force challenge is one that a growing number of WTO Members face and needs to be addressed through various means, including life-long learning. After all, as another Chinese saying goes: "If you are planning for a year, plant rice. If you are planning for a decade, plant trees. If you are planning for a lifetime, educate people".

3.36. Sustained growth in the highly competitive region of Asia depends on implementing productivity enhancing structural reforms, especially those aimed at the shift of the economy from industry to services, with a greater focus on raising quality value added.

3.37. Chinese Taipei has several challenges to tackle. However, and I herewith conclude, Chair, everything I have read and heard in the context of this 4th Trade Policy Review so far, suggests that authorities are taking these challenges seriously and Chinese Taipei is setting for itself the goals to do so. I trust that in five years' time at the 5th TPR, the WTO Membership will be able to take stock of further progress made by Chinese Taipei. Thank you.

4 STATEMENTS BY MEMBERS

EUROPEAN UNION

4.1. Chinese Taipei is an active Member of the WTO. The EU wishes to commend Chinese Taipei for its support to the Organization and for the good work that the Permanent Representative of Chinese Taipei to the WTO and his great team are delivering in Geneva, including the contribution to our cultural education with the wonderful calligraphy and orchid exhibitions. We would be interested, if time allows, hearing about Chinese Taipei's views on how to modernize the WTO.

4.2. Chinese Taipei's economy is vibrant. Unemployment is very low. The economy is very much trade-orientated (the ratio of trade to GDP is 117%) which entails certain risks when the main trading partners face difficulties as detailed in the WTO Secretariat report and this is why the authorities have taken several initiatives to diversify and to modernize the economy, for example with the labour market reform, or the measures aimed at attracting foreign talent. Further information on the impact of these reforms is of interest to the EU.

4.3. Chinese Taipei also tries to diversify and expand its business opportunities overseas with several FTAs in force since the last review, namely with Singapore and New Zealand and a cooperation agreement with Paraguay. Chinese Taipei is also actively pursuing the new Southbound Policy. We would appreciate further insights from Chinese Taipei about the objectives and the results of this initiative.

4.4. Regarding the reforms undertaken during the review period, which the discussant has described, improvements have also been brought for example with establishment of an online public platform allowing the public to inquire of the progress of amendments to regulations and submit comments or the extension of the deadlines for comments on draft legislation. We would also like to stress that the recent notification of the "transparency measures" under the Trade Facilitation Agreement is very welcome and shows the commitment to transparency of the authorities.

4.5. The EU and Chinese Taipei entertain very good relations that go beyond our share of Chinese Taipei's external trade and investment. Our relationship is based on common interests in an open, free and fair rule-based international trading system. We have had several occasions, including very recently in June, to deepen our relations with discussions on a number of topics including investment, intellectual property rights, technical barriers to trade and SPS measures. Given our good bilateral understanding we have limited the number of questions during this TPR (but I note from the opening statement of Chinese Taipei that we still made to the top in this regard). We concentrate on major difficulties that operators continue to face and which were the subject of the Chair's conclusions at the last review.

4.6. For example, while the EU appreciates Chinese Taipei's recent progress for opening its food market to EU products, we remain concerned about the very lengthy and cumbersome authorization procedures which take many years. We also call on Chinese Taipei to recognize systematically the concept of regionalisation in line with the WTO SPS Agreement. Regarding Organics, we have recurrently raised the difficulties that importers face, such as a limited and unclear unilateral recognition of equivalency, limited recognition of certification bodies and strict ex post controls. We look forward to discussing with Chinese Taipei and to find solutions to these problems.

4.7. Regarding procurement, the EU welcomes Chinese Taipei's adoption of the most advantageous tender approach for large procurement and professional construction contracts. The EU encourages further improvements such as the extension of the approach to lower value procurement projects and the expansion of the coverage of the GPA to all six main municipalities. The capacity of EU operators to bid efficiently would also be greatly enhanced if publications of calls were made sufficiently in advance and in English.

4.8. On agriculture, we note that the last Chair conclusions remain valid and we would also appreciate if Chinese Taipei could inform us of its state of preparation of the notifications that remain due.

4.9. On IPR, the EU would call on Chinese Taipei to continue its efforts on enforcement.

4.10. Finally, we would like to thank Chinese Taipei for using the alternative timeline and we wish Chinese Taipei a very productive 4th review.

SINGAPORE

4.11. Over the years, economic relations between Singapore and Chinese Taipei have grown from strength to strength. Chinese Taipei was Singapore's 6th largest trading partner in 2017, with bilateral trade amounting to S\$60.4 billion, which was a 14.9% increase over 2016. As of end-2016, Singapore companies have cumulatively invested S\$7.6 billion in Chinese Taipei, making Chinese Taipei the 10th largest investment destination in Asia for Singapore. Conversely, Chinese Taipei was Singapore's 6th largest source of investments from Asia as of end-2016, with a cumulative value of S\$16.4 billion.

4.12. Economic cooperation spans a diverse range of sectors, including high-tech manufacturing, banking, infrastructure, as well as retail and food services. Chinese Taipei's report for this TPR cites several steps that Chinese Taipei is taking to pursue industrial reform and to also create a business-friendly environment to attract Foreign Direct Investment (FDI). Singapore welcomes these developments and looks forward to the further strengthening of mutual economic cooperation.

4.13. The entry into force of the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP) in 2014 marked a significant milestone in Singapore's economic relations with Chinese Taipei. Among its benefits, ASTEP provides preferential tariff access for exporters, and improved market access for services providers from both sides. ASTEP also strengthens cooperation and exchanges of best practices between both sides on areas such as intellectual property, e-commerce and competition. These create an environment that boost the confidence of businesses and investors from both sides. We are optimistic that ASTEP will continue to bolster the existing strong ties between our business communities.

4.14. As also noted by the Secretariat in its report, the openness of the Chinese Taipei economy to international trade and its integration into the world economy and global value chains are reflected in the steadily high ratio of its trade in goods and services to GDP. Chinese Taipei has ratified the TFA and made its Category A notification; Chinese Taipei has also accepted the revised GPA, and will fully implement the final bound rates relating to the ITA expansion by 2021. We note from the report that an up-to-date notification on domestic support in agriculture is pending, and we urge Chinese Taipei to do so promptly.

4.15. At the WTO, Chinese Taipei has played an active and constructive role in negotiations and in the work of the various committees, including sharing with WTO Members various ideas and research papers of topical interest. Singapore looks forward to continuing our warm and close cooperation with Chinese Taipei and its Mission to the WTO led by Permanent Representative Dr. Cyrus Chu, to uphold the rules-based multilateral trading system. We wish Chinese Taipei every success for this TPR.

HONG KONG, CHINA

4.16. Hong Kong, China (HKC) has a close trade and economic relationship with Chinese Taipei. Chinese Taipei was HKC's 3rd largest trading partner in goods in 2017 and our 6th largest trading partner in services in 2016.

4.17. During the review period, Chinese Taipei has continued to undertake trade and trade-related structural reforms by accelerating systemic adjustments and relaxing regulations; and has maintained its position as one of the world's most competitive economies.

4.18. Regarding trade in services, we appreciate in particular that requirements for foreign professionals have been relaxed with respect to visas, employment, residence, etc. Access to the securities market has also been facilitated by, *inter alia*, streamlining of procedures of account opening and lifting of limits on margin purchases and short sales. As the services industry continues to be the driving force of CT's GDP and employment (with their respective contributions at about 60%), we encourage Chinese Taipei to consider further liberalising its services trade regime to attract foreign direct investment.

4.19. Regarding trade in goods, Chinese Taipei has all its tariff lines bound, and most rates are levied ad valorem. Nonetheless, its tariff structure still consists of specific rates and alternate rates. We would encourage simplification to enhance predictability.

4.20. During the review period, Chinese Taipei has continued to implement various trade facilitation measures. For instance, the Customs-Port-Trade (CPT) Single Window had further integrated inter-agency business services and simplified clearance procedures. In addition, more businesses had been granted authorised economic operator status.

4.21. Meanwhile, protection of intellectual property rights (IPRs) has also been strengthened through legislative amendments in the areas of patents, trademarks and copyrights, including certain alignments with international practices. Further work on trade secrets and copyrights is in progress. Chinese Taipei has also enhanced enforcement of IPRs through action plans, an inter-agency coordination taskforce, and educational activities.

4.22. We note, however, the concerns about copyright protection highlighted in the Secretariat Report. More specifically, there has been a huge amount of stream ripping and illegal downloading activities supported by non-hosted websites and websites offshore; copyright protection is relatively short-term; and the penalties for violation have been relaxed. We encourage Chinese Taipei to take more proactive efforts to improve its copyright regime.

4.23. Agriculture, although accounting for only 1.7% of Chinese Taipei's GDP, continues to be a major recipient of government protection and assistance, through measures such as inbound investment restriction and domestic support. The average applied MFN tariff for agricultural products stands high at 17.8%, compared to the 5.1% for non-agricultural goods. Indeed, 30 tariff lines have rates exceeding 100%. We encourage Chinese Taipei to step up its effort in further liberalizing its agricultural sector.

4.24. We note that Chinese Taipei has submitted up-to-date agriculture-related notifications to the WTO except those regarding domestic support required under Article 18:2 of the Agreement on Agriculture. We urge Chinese Taipei to submit timely notifications for transparency and an effective review of its implementation of commitments.

4.25. Looking ahead, HKC will continue to strengthen economic and trade cooperation with Chinese Taipei.

4.26. We thank Chinese Taipei for their timely response to our questions, and wish the delegation a very successful Trade Policy Review.

CHINA

4.27. Chinese Taipei is one of the global important economic and trading entities. Its economic growth slowed down during the period under review due to the sluggish recovery of global economy and the fact that market demand is yet to pick up. Meanwhile, by pursuing the vision of openness in its trade policy, improving trade facilitation measures and upgrading the business environment, Chinese Taipei's competitiveness has continued to improve, and significant growth has been achieved in its trade volume after 2017.

4.28. Since the previous review, the momentum has been maintained in terms of the close economic and trade interchanges across the Strait. In the field of trade, according to China's Customs statistics, the trade volume across the Strait in 2017 was US\$199.39 billion, increased by 11.3% compared with the same period of last year. Our exports to Chinese Taipei reached US\$43.99 billion, and imports from Chinese Taipei reached US\$155.4 billion. During the period under review, the cross-strait trade status remained unchanged. Chinese Taipei is our seventh biggest trading partner, and we are the biggest trading partner, biggest export market and biggest source of trade surplus of Chinese Taipei. In terms of investment, according to statistics of the Ministry of Commerce of China, as of June 2018, authorized investors from Chinese Taipei have actually invested US\$67.1 billion in an accumulative total of more than 100,000 projects in Mainland China, maintaining the second place in terms of total overseas investment accumulatively absorbed by Mainland China. While 417 enterprises from Mainland China have invested US\$2.5 billion in Chinese Taipei.

4.29. Although the volumes of trade and investment cross-strait continued to grow during the period under review, we also note the imbalance reflected by the above-mentioned statistics in economic and trade cooperation. Our trade deficit with Chinese Taipei reached US\$111.41 billion in 2017 and a huge gap also exists in investment. The amount of investment made by enterprises from Mainland China in Chinese Taipei only amounts to 3.7% of the investment made by investors from Chinese Taipei in Mainland China. The important reason for this sharp contrast is that Chinese Taipei has not accorded us the same treatment as accorded to other WTO Members. Its market is much less open to investors from the Mainland China vis-a-vis its high level of openness to other WTO Members. In addition, discriminatory measures still remain in trade, investment and services.

4.30. In the field of trade, as the Secretariat report states that, in 2018, apart from 91 prohibited products on an MFN basis, additional prohibitions apply to direct cross-strait imports of some 2,333 tariff lines (HS 10-digit) by Chinese Taipei, which includes more than 1,300 industrial products and over 900 agricultural products.

4.31. With regard to investment and services, Chinese Taipei adopts a positive list for investors from Mainland China which designates the sectors that mainland investment may enter, and only 51% of service projects and 51% of public construction projects were open to investors from Mainland China. Restrictive measures including high threshold for market access, differentiated treatment, burdensome approval formalities and so-called security review are still imposed in the services sectors that have been liberalized. These factors have prevented the potentials in cross-strait economic and trade cooperation from being further tapped and particularly hindered the economic development of Chinese Taipei itself.

4.32. We call upon Chinese Taipei to fully implement its WTO commitments, rectify its trade policies and practices inconsistent with the WTO rules, eliminate discriminatory measures targeted against us and guarantee that we enjoy equal treatment as other WTO Members, so as to promote cross-strait trade exchanges and economic cooperation in a fair and open manner with win-win outcomes.

4.33. We will also submit some follow-up questions after today's meeting and expect Chinese Taipei to provide replies in due course.

4.34. The Trade Policy Review Mechanism is one of the major functions of the WTO, the operation of which will strengthen the multilateral trading system. We would wish this TPR smooth and successful.

UNITED STATES

4.35. The United States is pleased to welcome the distinguished Head of delegation Ms. Wang with those visiting from Taipei, and to acknowledge Dr. Cyrus Chu and the team here in Geneva during this Trade Policy Review TPR of Chinese Taipei. We acknowledge the thanks and mention of many questions from the U.S., and note that the shoe will be on the other foot in just three months when the U.S. will be under review.

4.36. As the Secretariat notes in its report, Chinese Taipei's openness to international trade and integration with the global economy has resulted in a high ratio of trade in goods and services to GDP. Chinese Taipei continues to play an active role in the WTO and has adopted strategies designed to bring Chinese Taipei's trade policies in line with its goals.

4.37. The United States and Chinese Taipei continue to have strong and diverse trade and investment ties. Chinese Taipei is currently the United States' 11th largest goods trading partner with US\$68.2 billion in total (two way) goods trade during 2017. Trade in services with Chinese Taipei (exports and imports) totalled an estimated US\$17.9 billion in 2017. Top U.S. exports to Chinese Taipei in 2017 include machinery, electrical machinery, and aircraft. Chinese Taipei remains our 7th largest agricultural export market with US\$3.3 billion in exports of agricultural products in 2017.

4.38. Chinese Taipei has been an active and positive partner in multilateral and plurilateral trade liberalization initiatives. Since 2010, Chinese Taipei has positively participated in the WTO Agreement on Government Procurement and has implemented its commitments under the revised

GPA. Additionally, in 2015, Chinese Taipei ratified the WTO Trade Facilitation Agreement and the Information Technology Agreement.

4.39. The United States commends Chinese Taipei on efforts it has made over the past four years to liberalize its trade and investment regime and further integrate with the global economy. For instance, in December 2017, Chinese Taipei passed amendments to the Pharmaceutical Affairs Act that establish an effective mechanism for early resolution of potential patent disputes. We now look forward to swift implementation. Furthermore, beginning in 2016, Chinese Taipei implemented a requirement that all draft regulations or revisions of existing regulations must provide a 60-day notice and comment period. This is very welcome.

4.40. The United States would also like to highlight areas that we believe need greater attention. We remain concerned about Chinese Taipei's failure to remove unwarranted restrictions on pork and beef market access. The United States is also concerned by the growing backlog of applications for the establishment of maximum residue levels to ensure food safety. We urge Chinese Taipei to use science-based international standards and practices and to resume timely issuance of approvals.

4.41. In other areas, the United States encourages Chinese Taipei to more thoroughly examine international standards and to avoid creating technical and sanitary or phytosanitary barriers to trade that discourage imports and investment. The United States also observes a need for sustained progress by Chinese Taipei in improving the transparency and predictability of the investment review process. And pharmaceutical and medical device manufacturers continue to face challenges, including delays in introducing new products to the market, and non-transparent pricing and reimbursement policies.

4.42. On these and other issues, the United States will continue to engage with Chinese Taipei across the forums and initiatives that we have established in order to further break down trade barriers and strengthen our economic ties.

4.43. In closing, we look forward to reviewing and discussing Chinese Taipei's responses to our advanced written questions – thank you for all the efforts to respond – and look forward to a positive and constructive Trade Policy Review.

UKRAINE

4.44. As a Member of Article XII Members Group, Ukraine highly values the effective partnership cooperation with Chinese Taipei across the WTO bodies on trade issues of mutual interest. We acknowledge active and initiative engagement of Chinese Taipei in the ongoing work and multilateral negotiations of the WTO on the number of elements within the current agenda; e-commerce, fishery subsidies to name a few.

4.45. In 2017 the trade turnover between Ukraine and Chinese Taipei amounted to US\$277 million, while trade in goods has reached US\$270 million and trade in services was around US\$7 million. Ukraine trades with Chinese Taipei ferroalloys, timber, sunflower seed oil, mineral products, flat rolled steel and pipes, mineral fertilizers, motorized vehicles etc.

4.46. Within this TPR exercise Ukraine has submitted a number of specific questions seeking clarifications on a range of the following topics, in particular:

- trade and investment regime;
- "New Agricultural Policy";
- Trade Promotion Service Fee;
- Sanitary and phytosanitary measures;
- financial and tourism services;
- intellectual property protection of medical and pharmaceutical inventions;
- Financial Technology Development and Innovative Experimentation Act, etc.

4.47. We would like to express our gratitude for the responses provided, which we have carefully reviewed. In this regard, we would also like to use this review to seek further clarifications on the application procedure for the recognition of a disease-free zone within the territory of an exporting Member.

4.48. In conclusion, I would like to express our appreciation to the delegation of Chinese Taipei and especially to the team of the Mission of Chinese Taipei to the WTO in Geneva for their significant work in preparing for this TPR.

4.49. Ukraine wishes the delegation of Chinese Taipei a successful Trade Policy Review and looks forward to strengthening mutually beneficial trade relationship.

JAPAN

4.50. We would like to express our sincere appreciation for the dedicated efforts made by Chinese Taipei and the WTO Secretariat to prepare the reports shared with the Members in advance of today's review. I would also like to add that we are satisfied with the answers provided by Chinese Taipei to our written questions, which included useful information on existing rules in areas of interest to us such as the construction sector.

4.51. Japan and Chinese Taipei have developed strong economic ties for many years. This is supported by the fact that Chinese Taipei is the fourth largest trading economy for Japan in 2017.

4.52. First of all, we truly appreciate the dedicated efforts made by Chinese Taipei for further liberalization of its economy through means such as: a slight reduction of the MFN tariff rate; enhanced transparency supported by notification to the WTO; and promotion of trade facilitation measures, including adoption of the TFA in 2015. We expect Chinese Taipei to facilitate continuous efforts for supporting an open and transparent multilateral trading system.

4.53. According to the Secretariat report, Chinese Taipei is facing a major slowdown in its economic development during this review period. Its annual GDP growth rate was 2.3% from 2014 to 2017, which is significantly lower than the 4.3% growth rate it achieved from 2002 to 2013. As Chinese Taipei is heavily dependent on exports in its economy, we believe it is important to further promote trade and trade-related structural reforms in order to strengthen its competitiveness in the global market.

4.54. To this effect, we welcome the active participation of Chinese Taipei in the WTO's initiatives for future rule making, such as the Joint Statement initiatives on electronic commerce addressed in MC11. We further welcome the efforts made by Chinese Taipei to submit notifications to the WTO in order to maintain the transparency of its market. According to the Secretariat report, however, notification on domestic support in its agricultural sector is not up to date. We strongly encourage Chinese Taipei to make the necessary update without delay. In addition, we welcome Chinese Taipei's active participation in the global market through pursuing RTAs with many economies.

4.55. Japan does also have some concerns with regard to Chinese Taipei's trade policies. Specifically, we have strong concerns regarding the import ban on food exports from five Japanese prefectures after the accident at Fukushima Daiichi Nuclear Power Station in 2011. Seven years have already passed since the accident, and many WTO members have either eliminated or eased such regulations. We are aware, however, that Chinese Taipei has strengthened its import ban by introducing the additional labelling standard of "prefecture of origin" for all foods from Japan since 2015. Although we understand the importance of food safety, we strongly request that such measures be reviewed and improved. We are also strongly concerned by the high tariffs imposed by Chinese Taipei in the agricultural sector.

4.56. In conclusion, we are convinced that Chinese Taipei can continue to play a significant role in the global economy through further liberalization of its trade and investment environment. We look forward to maintaining close cooperation between our two economies, Japan and Chinese Taipei, and wish Chinese Taipei a successful and productive TPR.

AUSTRALIA

4.57. Chinese Taipei remains an important trading partner for Australia. Australia's supply of resources and primary products to Chinese Taipei, and the significant value of Chinese Taipei's high-technology exports to Australia, continue to underpin our economic relationship.

4.58. In 2017, Chinese Taipei was Australia's eighth-largest merchandise export market, importing close to AU\$9 billion of Australian natural resources, agricultural, lifestyle and other products. In the other direction, Australia imported AU\$4.4 billion worth of merchandise imports from Chinese Taipei in 2017 – including computers, motorcycles and bicycles. Two-way goods trade grew by over 10% in 2017.

4.59. Tourism and education-related travel to Australia from Chinese Taipei remain strong. As a result, the two-way services trade between the two economies has grown to AU\$1.8 billion in 2017, and Chinese Taipei is now Australia's 14th largest services export market. Australia is pleased that the bilateral working holiday-maker arrangement continues to be popular among young travellers from Chinese Taipei. Australia welcomes recent efforts by Chinese Taipei to encourage the movement of foreign professionals, students and youth entrepreneurs to Chinese Taipei by relaxing access restrictions and moving toward mutual recognition arrangements in some sectors.

4.60. Two-way foreign investment between Australia and Chinese Taipei is expanding. In 2016 Australia's Macquarie Capital announced it will be investing AU\$1 billion in Chinese Taipei in offshore wind power. This contributed to overall Australian investment stock in Chinese Taipei rising to 8.2 billion in 2017. Chinese Taipei-based companies are significant investors in several Australian sectors, including mining, agriculture, banking and food and beverage industries. Despite these encouraging signs, there is still significant room for growth.

4.61. Australia welcomes ongoing efforts by Chinese Taipei to liberalize its regulatory settings affecting investment, financial services and the banking sector. Chinese Taipei may wish to consider further liberalization to encourage innovation, domestic investment and higher investment returns. Measures could include: relaxing caps for insurance companies investing in overseas infrastructure; allowing insurance companies to lend to green finance; and enabling employee-choice and privately managed pension funds.

4.62. Like Chinese Taipei, Australia recognizes the importance to our economies of open, competitive and transparent public procurement. We thank Chinese Taipei for its support for Australia's accession to the WTO Agreement on Government Procurement (GPA) and look forward to working with Chinese Taipei on this important committee.

4.63. Australia welcomes efforts by Chinese Taipei to boost regional economic and trade cooperation, including through its New Southbound Policy. Such regional engagement presents opportunities for Chinese Taipei and Australia to deepen their economic and people-to-people linkages, including in the agricultural sector.

4.64. We note that despite Chinese Taipei's intention to pursue liberalization in the agricultural sector, there has been minimal change to the tariff schedule since the last review in 2014. Australia understands Chinese Taipei's motivations - under its New Agricultural Policy - to reinvigorate its own agricultural sector and improve self-sufficiency, rather than merely providing subsidies. However, Australia encourages Chinese Taipei to consider reducing existing subsidies and support to uncompetitive agricultural enterprises.

4.65. In its report, Chinese Taipei has reaffirmed its commitment to maintaining the core values of the WTO, and its support for the development and expansion of multilateral trade. Australia continues to work closely with Chinese Taipei on MC11 joint statement initiatives, including on e-Commerce, services domestic regulation, MSMEs and women's economic empowerment. Australia also welcomes Chinese Taipei's 2016 ratification of the Trade Facilitation Agreement.

4.66. Australia commends Chinese Taipei's strong record of notifications to the WTO, but notes that its domestic support notification is currently outstanding and encourages Chinese Taipei to submit this in a timely manner.

4.67. During the review period, Chinese Taipei has also participated actively in plurilateral fora including APEC, the Agreement on Government Procurement (GPA), and the Trade in Services Agreement (TiSA). We note Chinese Taipei's efforts to identify discrepancies between its own policy settings and the standards required by plurilateral trade agreements. These efforts have led Chinese Taipei to undertake beneficial internal work to review and liberalize its regulatory systems. While

recognizing the obstacles, Australia encourages Chinese Taipei to take further steps towards unilateral trade and investment liberalisation wherever possible.

4.68. For this review, Australia has submitted a number of questions. We thank Chinese Taipei for the answers provided.

4.69. We wish Chinese Taipei a successful and constructive Trade Policy Review.

GUATEMALA

4.70. In accordance with the report provided by the Secretariat, we have observed that, since Chinese Taipei's last trade policy review, the situation in the different areas of its macroeconomy has remained positive, owing to the implementation of sound measures to boost economic growth.

4.71. It is also important to note that, during this review period, Chinese Taipei ratified the Agreement on Trade Facilitation, and has sought to develop measures to promote the effective implementation of this Agreement.

4.72. In order to give comprehensive support to the innovation and development sector, and to small and medium-sized enterprises, Chinese Taipei has continued not to impose taxes on outgoing merchandise, and has preserved tax concessions, grants and contributions that facilitate the integration of these sectors into new trade markets.

4.73. Manufactured goods have played a key role in Chinese Taipei's economic development, accounting for 30% of its GDP.

4.74. Although services are in low demand within Chinese Taipei's domestic economy, they are becoming one of its main exports. Banking sector legislation has been improved, thus enhancing the risk profile in investment banking.

4.75. The Secretariat report highlights the work carried out in recent years by Chinese Taipei with regard to the tourism sector, through the application of its "Tourism 2020" policy. This policy examines the possibility of establishing strategies to improve tourism, such as the promotion and creation of new routes to attract visitors to the territory. It will benefit the employment sector through the creation of more jobs, as well as the investment sector.

4.76. As regards intellectual property, it should be noted that Chinese Taipei has carried out legislative reforms on patents, trademarks and copyright, which have strengthened the intellectual property system and established mechanisms that have increased the effectiveness of the administrative process to obtain such rights.

4.77. Concerning bilateral relations between Guatemala and Chinese Taipei, it should be noted that 1 July 2018 marked 12 years since the entry into force of the free trade agreement between Guatemala and Chinese Taipei, which further strengthened bilateral trade relations.

4.78. In 2017, Guatemala ranked 62nd out of Chinese Taipei's trading partners for exports and imports. In the same year, Chinese Taipei was Guatemala's 27th most important trading partner for exports and 22nd for imports. The main goods that Guatemala exports to Chinese Taipei are, in order of importance: sugar; coffee; sugar molasses; cardboard; shrimp and lobster; metal waste and scrap; unmanufactured tobacco; aluminium; fresh, dried and frozen fruit; and clothing.

4.79. The main goods that Guatemala imports from Chinese Taipei include: miscellaneous chemical products; vehicles and transport equipment; plastics and plastic products; textiles; machinery and electronic devices; sheet and wire; toys; sports equipment; household and office furniture; surgical equipment; clothing; and tyres and tubes.

4.80. In conclusion, Guatemala hopes that Chinese Taipei will continue to increase its economic growth and development through the application of its economic and trade policies.

4.81. We welcome the replies to our questions, which we will forward to our capital for analysis and comment.

4.82. We wish the delegation representing Chinese Taipei today a successful conclusion to this trade policy review.

CANADA

4.83. Allow me to extend a warm welcome to the delegation of Chinese Taipei, on the occasion of its fourth trade policy review. I would like to begin by congratulating Chinese Taipei for its ongoing efforts to liberalize its economy and eliminate barriers to trade by supporting a rules-based multilateral system.

4.84. Since acceding to the WTO in 2002, and in particular since its last trade policy review in 2014, Chinese Taipei has continued to implement key reforms to meet its WTO obligations, and this is something Canada would like to commend.

4.85. We also applaud the continuous and proactive participation of Chinese Taipei in the WTO, underlining its commitment to open, rules-based and predictable international trade. In this regard, we note positively that Chinese Taipei is taking an active role in the MSMEs and eCommerce joint initiatives announced on the margins of MC11.

4.86. Chinese Taipei also has a good track record in its notifications, and we would like to encourage it to continue this good practice by submitting its most recent notifications on agricultural domestic support.

4.87. As you know, Canada actively supports progressive elements, such as women's economic empowerment, in the context of international trade. We are therefore grateful for Chinese Taipei's support for the Buenos Aires Declaration on Trade and Women's Economic Empowerment and look forward to working with Chinese Taipei and other WTO Members to fully implement the declaration.

4.88. Chinese Taipei's commitments to developing the strong fundamentals of an outward-looking economy, resulting in the resilience of its export-led economy, and its ability to maintain macro-financial stability is praiseworthy. Canada continues to enjoy strong bilateral trade between our two economies and support the growth of our people-to-people ties with Chinese Taipei.

4.89. Trade Policy Reviews success rely on open and frank dialogue between peers, so given the limited time at hand I will focus on three areas of Chinese Taipei's trade policy, which are of importance for Canada: food standards on imports, certificates of origin, and industrial policy.

4.90. First, with regards to food standards on imports, as all in this room know Canada is a major exporter of agricultural and agri-food products. As with many of the Members present, Canada maintains robust regulatory standards and food safety measures to ensure we export the highest quality agricultural and agri-food products.

4.91. The fact that Chinese Taipei continues to have slow processing times for Maximum Residue Levels (MRLs) of pesticides on imports and in some circumstances a zero tolerance level for pesticides on imports is of concern to us. We encourage Chinese Taipei to adopt a science-based risk approach to MRLs in order to facilitate market access, such as the CODEX standards. We would also welcome clarifications on Chinese Taipei's amendments to ban genetically-modified food in school meals, and its decision to extend its 2016 New Agricultural Policy's "Big Granary Project" to apply only to non-GMO grain products.

4.92. Second, Canada supports the World Bank's efforts to report on the "ease of doing business" within domestic economies in their flagship publication Doing Business. The 2018 edition reports that organizations operating in Chinese Taipei can now issue their own certificates of origin. While this may decrease processing times, we wonder how Chinese Taipei intends to maintain the integrity of electronic certificates, including what measures are planned in the case of fraudulent issuance of certificates of origin.

4.93. Third, in light of our goal of increasing trade and economic ties with Chinese Taipei, we welcome further clarity on certain cornerstone pieces of its industrial policies, including its "Five Plus Two" Innovative Industries Plan, which seeks to increase cross-industry integration to improve input

productivity. Such enabling mechanisms should allow for domestic industries to be more competitive without creating barriers for foreign exporters, which we see as a positive measure.

4.94. Chinese Taipei has indicated that it seeks to work with international partners to cooperate in seven economic sectors. We welcome clarity on potential incentives and timelines for their implementation to encourage private enterprise to increase trade in these sectors. In addition, following the launch of the Forward-looking Infrastructure Development Program in 2017 and the growing focus on infrastructure development, it is our hope that Chinese Taipei will review its procurement methods and procedures to ensure transparency and fairness to all WTO parties.

4.95. In conclusion, Canada would like to express our sincere thanks to Chinese Taipei for engaging in this Trade Policy Review, as it is an integral function of the WTO and an important mechanism to improve transparency and accountability amongst its Members. We take this opportunity to commend the use of the alternate timelines for this TPR. Based on Chinese Taipei's impressive economic achievements to date, we believe it has both the capacity and the motivation to improve its trade policies and be a model economy within the rules-based, global economic order.

4.96. In this regard, we are confident that the exchanges of views during this review will provide useful and constructive suggestions for Chinese Taipei – and we wish our colleagues a successful Trade Policy Review.

SWITZERLAND

4.97. Chinese Taipei has been an active Member of the WTO whose participation in virtually all bodies of the Organization is highly appreciated by all of us. This positive role is underpinned by a good record on transparency with only a handful of notifications still pending.

4.98. It gives me pleasure to note that the economic relations between Switzerland and Chinese Taipei continue to intensify. Bilateral trade was given a renewed impetus in the years following the accession of the Separate Customs Territory to the WTO in 2002. The last two years have seen another significant increase, especially when it comes to the importation into Switzerland of products originating in the Customs Territory. Frequently imported goods are mobile phones and machines, whereas we mostly export pharmaceuticals and precious metals. There has also been an uptick in Swiss investment in Chinese Taipei. Swiss companies operating there generated well over 17'000 jobs.

4.99. We see even more potential in the economy of Chinese Taipei. Few Members can boast an equal array of solid economic fundamentals. Firmly embedded in global value chains, Chinese Taipei has more or less succeeded in holding its favourable position on the global competitiveness indices. Its GDP growth does fluctuate a bit but remains persistently in positive territory. Inflation is low and the traditionally modest unemployment rate has managed to go down even further during the review period. Most importantly, the current account generates surpluses as the Territory's savings rate generously exceeds domestic investment. In light of this, Chinese Taipei's fiscal position is sound, thereby giving it sufficient fiscal space to feel comfortable about engaging in reforms to secure the economy's future.

4.100. We get a sense that Chinese Taipei has indeed begun in investing in the future. A sizeable long-term Construction Project is to contribute to upgrading the economy's infrastructure. Additional investment is to be channelled into industrial innovation programmes. One wonders whether the fiscal cushions might enable the authorities to loosen its dependence on the tariff as a significant source of tax revenue. It will be interesting to observe to what extent the ongoing labour market reforms will create more flexible framework conditions, which are conducive to meeting emerging challenges. The enhancement of productivity will be key to maintaining the Customs Territory's wealth and prosperity against the backdrop of demographic ageing.

4.101. Experience by many countries shows that one way of improving productivity rates is by attracting foreign capital. Inbound investment can inject new and innovative ideas of doing business. Often it stiffens competition in the recipient economy and leads to better overall performance. We note that Chinese Taipei intends to continue its policy of attracting FDI. But the political process of creating more favourable conditions for FDI seems to have stalled. Members will continue to observe

future developments to see if a simple post-investment registration system might see the light of day.

4.102. One factor limiting investor's choice is the importance of state-owned enterprises in the economy of Chinese Taipei. Companies owned by the public sector appear to be assuming an even greater weight in economic life than in the past. It is questionable, though, whether these types of companies usually belong to the more productive sectors of the economy. Moves to privatize can be part and parcel of a state-of-the-art economic policy aimed at revamping productivity.

4.103. The Secretariat's report has observed that the public sector – for better or for worse - plays an active role in a myriad of ways in the economy of the Separate Customs Territory. Many activities may benefit from special incentives. The question may be asked to what extent they might be detrimental to a level-playing field for all economic actors by being selective or even misguided. Competition is best assured by offering the same framework conditions for all. On the other hand, we observed that Chinese Taipei has made great strides in strengthening its competition policy.

4.104. It has also been pointed out that the Chinese Taipei's tariff structure is complicated and the handling of certain goods at customs may be cumbersome. We would like to thank the delegation of Chinese Taipei for having provided information on how there are additional plans for simplifying things for exporters and importers alike. Just as we are grateful to our colleagues from Chinese Taipei for having provided timely and comprehensive answers to all of our questions within the very useful alternative timeline.

4.105. Before concluding, let me also highlight the Customs Territory's commitment with respect to the reform of fossil fuel subsidies. Switzerland wishes Chinese Taipei a successful outcome of this Trade Policy Review.

NEW ZEALAND

4.106. Chinese Taipei is a significant Asia-Pacific economy, and is an important economic partner for New Zealand. Two-way trade is substantial, and is underpinned by the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Cooperation or ANZTEC, which entered into force in December 2013. Since ANZTEC entered into force two-way goods and trade has increased by over 20%. Chinese Taipei is now our 12th largest trading partner with two-way trade exceeding two billion dollars.

4.107. We appreciate that Chinese Taipei shares New Zealand's strong commitment to the rules-based multilateral trading system, which we see as essential to our collective future prosperity. New Zealand and Chinese Taipei enjoy close collaboration across a range of WTO work streams. Chinese Taipei's commitment across the WTO system is evidenced by its ratification of the Trade Facilitation Agreement in 2015, as well as its active participation in the Information Technology Agreement II, the Government Procurement Agreement, and the Environmental Goods Agreement negotiations, to mention a few.

4.108. Chinese Taipei continues to demonstrate this commitment by participating in several joint statement processes to come out of MC11, including on trade and women's economic empowerment, services domestic regulation, e-commerce and MSMEs.

4.109. New Zealand emphasizes the importance of transparency in the WTO, and therefore in up to date notifications. Accordingly, we commend Chinese Taipei on its notification record in many areas, but encourage bringing all notifications up to date, including in the area of agricultural domestic support, which I note Chinese Taipei has indicated it will provide in the coming months.

4.110. New Zealand commends Chinese Taipei for the positive strides it has made during the review period. We have noted the recent advancements Chinese Taipei has made in terms of its trade facilitation and customs clearance mechanisms, which are having a practical impact on the ease of doing business.

4.111. In particular, we welcome Chinese Taipei's initiatives on pursuing trade policy that contributes to environmental protection and sustainable development. New Zealand thanks Chinese Taipei's for its commitment to advancing Fossil Fuel Subsidy Reform at the WTO and its support for

the Ministerial statement in Buenos Aires. In the area of fisheries subsidies, we encourage Chinese Taipei to continue strengthening its legal framework to implement stronger actions on deterring IUU fishing activities.

4.112. New Zealand is a strong supporter of the Trade Policy Review Mechanism. These instruments play an essential role in allowing Members to better understand and review the policies and practices of other WTO Members. New Zealand appreciates Chinese Taipei's continued commitment to the multilateral trading system and we welcome the positive steps that Chinese Taipei has taken in the four years since the last trade policy review. We look forward to further discussion this week, including on the issues raised in our questions. We wish Chinese Taipei a successful Trade Policy Review.

BRAZIL

4.113. Chinese Taipei is very much linked to the global economy and it has remained one of the world's most competitive economies in the last few years. On the other hand, the economy's reliance on external markets has also made Chinese Taipei more vulnerable to external shocks.

4.114. Therefore, as the world economy has experienced a general slowdown since the last Trade Policy Review, the relative growth of the Chinese Taipei's economy has been moving at a slower pace than before. Nevertheless, Chinese Taipei has shown resilience and was able to maintain a steady, albeit smaller, growth of its economy, bolstered in part by successful governmental stimulus actions.

4.115. In the WTO, Chinese Taipei plays a pragmatic and positive role, commensurate with the importance of international trade for its economy. It is noteworthy that Chinese Taipei has never been a respondent in a WTO dispute settlement case, but has recently increased its profile in this area by initiating three disputes, all of them dealing with trade remedies, within the period of review.

4.116. With regard to notifications, while Chinese Taipei has mostly complied with its obligations, Brazil would like to express concerns with regard to notifications on domestic support. The last period for which there has been a notification is 2011-2012. We would urge Chinese Taipei's authorities to provide the relevant notifications as soon as possible.

4.117. Brazil would also like to recall it has submitted questions regarding Chinese Taipei's practices in the SPS area, particularly regarding maximum residue levels, and is grateful for the written responses provided, which will be carefully reviewed.

4.118. Brazil remains Chinese Taipei's main trading partner in Latin America and is the third source of the Chinese Taipei's food imports and agricultural products in general. Brazil's main exports to Chinese Taipei are, besides food products, iron ore and crude oil, and its main imports are integrated circuits and transmitters. Trade flows between Chinese Taipei and Brazil have remained stable and evenly distributed between 2014 and 2017, reaching an amount of US\$3.8 billion in 2017. With regard to investments, the tech company AOC has manufacturing plants in the Manaus Free Trade Zone. In 2017 Cal-Comp (Kinpo) group and the Qualcomm/ASE Group invested almost US\$300 million in Brazil. Overall, however, bilateral investment flows are still below their full potential and could be further increased in the coming years with the deepening of bilateral relations.

4.119. Let me conclude by wishing the delegation of Chinese Taipei a successful conclusion of this Trade Policy Review.

KINGDOM OF SAUDI ARABIA

4.120. Chinese Taipei economy remains strong, open and competitive. Its GDP annual average rate for the period 2014-17 reached 2.3%, and is expected to continue to grow by close to 4% in 2018 and 2019

4.121. Chinese Taipei has undertaken structural reforms to increase efficiency and competitiveness and broaden diversity within its economy. These reforms included several areas such as fiscal and monetary policies, trade facilitation, taxation, investment, competition policy and intellectual property rights.

4.122. The Kingdom of Saudi Arabia commends Chinese Taipei for its development plan for the period 2017-2020, the 5+2 Industrial Innovation Plan, the New Southbound Policy and the Forward-Looking Infrastructure Development Programme. All these efforts confirm the strong determination of Chinese Taipei to enhance the openness of its economy to international trade and its integration into the global value chains.

4.123. The Kingdom of Saudi Arabia submitted some questions to Chinese Taipei regarding these programs and reforms and will be happy to receive Chinese Taipei's replies to these questions.

4.124. The Kingdom of Saudi Arabia and Chinese Taipei are important trading partners, the value of trade exchange between the Kingdom of Saudi Arabia and Chinese Taipei has reached US\$7 billion.

4.125. The Kingdom of Saudi Arabia has historically been the largest supplier of oil and petroleum and chemical products to Chinese Taipei and imports different products, including information technology equipment, spare parts and accessories, machinery and textile products from Chinese Taipei.

4.126. Since joining the WTO, Chinese Taipei plays an active role in strengthening the multilateral trading system.

4.127. I wish the delegation of Chinese Taipei a very successful Trade Policy Review.

COLOMBIA

4.128. We note the robust economic performance of Chinese Taipei during the period under review, in which GDP grew at an average rate of 2.3%, levels of unemployment and inflation were low, and savings represented a significant share of GDP.

4.129. We also note that, in the four years since its last trade policy review, Chinese Taipei has maintained a trade policy which is open and oriented towards the external sector, which reflects an economy that is dynamic and highly integrated into global trade, and which has positively overcome the difficulties of international demand. Chinese Taipei is an important investor at global level and promotes foreign investment as a driver of its economic growth.

4.130. We observe that Chinese Taipei has adopted a number of domestic reforms to facilitate trade and promote investment, including the implementation of the commitments arising from the Agreement on Trade Facilitation, through which it has set a standard for the use and mutual recognition of authorized economic operators. We also note that, at the regulatory level, it has sought to harmonize technical regulations and standards, and certification, with international rules and standards.

4.131. In terms of its participation in the WTO, Chinese Taipei has played a constructive and proactive role in the regular bodies, and has demonstrated commitment to strengthening the multilateral trading system. According to the Secretariat report, it has complied properly with notification commitments, although some notifications on domestic support remain pending in the Committee on Agriculture.

4.132. Furthermore, we recognize the transparency and predictability of the tariff structure, and the efforts to eliminate dispersion, although there are still some tariff peaks and restrictive tariffs on certain products in the agricultural sector.

4.133. We note the active participation of Chinese Taipei in several of the ongoing negotiations, and the constructive commitment that it has demonstrated in trade liberalization initiatives, for both goods and services, as was the case for the Information Technology Agreement. We also note its active participation in and contributions to the discussions in the Organization regarding e-commerce and the digital economy in general.

4.134. These contributions by Chinese Taipei are consistent with policies on innovation, development and industrial modernization, which take into account the importance of a knowledge-based economy.

4.135. Trade between Colombia and Chinese Taipei has been growing in recent years. Colombian exports increased by 120% in 2017, compared with the previous year, and 35% of these sales were of non-mining goods. Exports of agro-industry goods, such as coffee and coffee preparations, hides, skins and flowers also rose.

4.136. Based on the reports prepared, Colombia submitted questions on several points of interest concerning Chinese Taipei's economic and trade policies, such as the programmes to increase competitiveness and productivity in the industrial sector, innovation incentives, and trade facilitation measures, such as the application of mechanisms for the mutual recognition of authorized economic operators.

4.137. We welcome the replies given, which we will examine in detail.

4.138. I would like to end this statement by wishing Chinese Taipei and its delegation a successful trade policy review, and thank the team in Geneva for its excellent working relations and cooperation with our Mission.

THAILAND

4.139. Thailand and Chinese Taipei have maintained the close and cordial economic relations, underpinned by strong trade and investment flows. In 2017, total trade between the two economies amounted to US\$12.2 billion, expanding by 16.2% from 2016. Chinese Taipei was the fifth largest supplying market of Thailand, with total imports reached US\$8.2 billion, and the nineteenth largest export destination, with total exports of US\$4 billion. With respect to investment, Chinese Taipei continued to be Thailand's fifth largest external source of foreign direct investment valued at US\$697 million.

4.140. Thailand appreciates the commendable performance of Chinese Taipei's open economy since its last Trade Policy Review. Its integration into the world economy and global value chains has indicated the increasingly significant role of trade in its economy, amounting to 117.7% of GDP. Chinese Taipei has maintained its position among the world's most competitive economies, with high living standards. Chinese Taipei has implemented transparent and predictable trade policies and has taken steps to continually improve its regulatory framework and business environment. We believe that these efforts will contribute to sustainable and resilient growth to Chinese Taipei's export-led economy.

4.141. Thailand welcomes structural reforms in the areas of trade facilitation, taxation, competition policy and intellectual property rights undertaken during the review period. In addition to Chinese Taipei's development plan for the period 2017-2020, key economic strategies have been implemented to drive innovation, promote regional cooperation and meet long-term infrastructural needs. These initiatives will certainly provide a new engine for economic growth and bring tremendous benefits to its trading partners.

4.142. Thailand very much values the proactive role of Chinese Taipei in the WTO. Chinese Taipei has maintained a strong record of notifications to the WTO, although an up to date notification on domestic support to agriculture is pending. Chinese Taipei ratified the Trade Facilitation Agreement in 2015 and has implemented the ITA Expansion Agreement. Chinese Taipei's continuous supports for E-commerce and MSMEs as well as unilateral trade preferences granting to LDCs also deserve positive mention.

4.143. In this review, Thailand submitted a set of questions, covering the policies and measures of our interests such as a post-investment registration mechanism, an establishment of branches of overseas banks, price support-guaranteed purchases of rice and online trading platform for agricultural products. We would like to thank Chinese Taipei for timely responses to our questions and will study them in detail with great interest.

4.144. Thailand has always enjoyed excellent working relations and cooperation with Permanent Representative Dr. Cyrus Chu's very capable team in Geneva. We look forward to continuing this, in our common goal of upholding the multilateral trading system. We wish Chinese Taipei a successful forth Trade Policy Review.

ARGENTINA

4.145. Argentina observes with great interest that, since its last trade policy review in 2014, Chinese Taipei's main macroeconomic variables have remained relatively stable.

4.146. Bilateral trade exceeded USD 550 million in 2017, growing by 11.6% compared with the previous year. This positive trend continued in the first two months of 2018, with total bilateral trade amounting to over USD 110 million, representing a 44.5% increase compared with January-February 2017.

4.147. The main goods exported from Argentina to Chinese Taipei are grain corn, skins and hides, and shrimp and prawns, which represented over 56% of bilateral trade in 2017. Imports from Chinese Taipei consisted primarily of electronic and technological goods (digital video signal receiver-decoders, memory boards, data storage devices, processors and controllers).

4.148. It is important to mention the reforms undertaken regarding trade facilitation, taxation and competition policy, as well as the efforts to promote foreign direct investment (FDI) and improve the domestic regulatory environment for business.

4.149. Regarding development-oriented reforms, we note the implementation of the Four-Year National Development Plan (2017-2020), the New Southbound Policy and the "5+2" Industrial Innovation Plan. We also welcome the reforms aimed at preventing illegal, unreported, and unregulated fishing.

4.150. We wish to point out that, during the period under review, Chinese Taipei ratified the Agreement on Trade Facilitation, adopted amendments to clarify legislation on customs, improved the integration of online operations with the Customs-Port-Trade Single Window, facilitated the exchange of certificates of origin, and introduced expeditious customs clearance services. We also note that the regulatory framework on competition policy has undergone large-scale reforms.

4.151. Argentina is paying close attention to the protection granted for a number of agricultural goods through the application of high tariffs. These tariffs are, on average, more than three times higher than those granted for industrial goods (17.8% for agricultural goods compared with 5.1% for non-agricultural goods in 2018). Tariff peaks continue to be applied to agricultural goods, which, in some cases, exceed 1,000%. We are also concerned by the use of various support mechanisms and the increased application of tariff quotas, which rose from 47.1% to 56.5% in the period 2015-2016.

4.152. During this trade policy review, we submitted questions relating to Chinese Taipei's Customs Act, the registration of importers and exporters with the Bureau of Foreign Trade, the establishment of a ceiling for transmission fees, and the legislative procedure to modify tariffs. The replies provided will be analysed by our authorities in Buenos Aires.

4.153. In conclusion, while reiterating our appreciation of this new opportunity to exchange points of view and comments on the trade policy and practices of Chinese Taipei, we would like to draw attention once again to the relevance of this exercise in transparency, in all its aspects, and wish the authorities of Chinese Taipei a successful conclusion to this review.

HONDURAS

4.154. Honduras has enjoyed strong ties of friendship and cooperation with Chinese Taipei for over 77 years, and our relationship is becoming increasingly stronger and more stable. We continue to work on matters of common interest at different levels, including the interests of this Organization.

4.155. For many years, the Technical Mission of Chinese Taipei has set up technical assistance projects in Honduras in various areas, including social welfare, health, education, agricultural development, medicine, trade promotion and cultural exchanges.

4.156. Regarding education, in recent years, Chinese Taipei has provided many scholarship opportunities for young Hondurans. Each year, between 30 and 40 students are given the important

opportunity to study in Chinese Taipei, learn the language, and broaden their perspectives on another continent.

4.157. We wish to draw attention to the implementation of the One Town, One Product project sponsored by Chinese Taipei, which aims to make Honduran handicrafts more competitive, and which has had remarkable results. The project has benefited over 900 entrepreneurs specialized in different products in 27 municipalities nationwide, enabling them to make goods with greater value added, which reflect cultural identity and which are linked to our vision for the country and our national plan.

4.158. Furthermore, the Taiwan Sugar Corporation, which is a business consortium in the field of biotechnology, has made several visits to our country to explore the possibility of marketing avocados on a large scale.

4.159. In parallel, the consortium, Dong Jyu Group, echoing the presidential programme entitled "Honduras 20/20", is investing in housing, livestock, mining, food processing, tourism and aquaculture. Other enterprises, such as Wenhua International, Universal Plastic & Pack, Full House Electrical Switches and Speco Honduras, have invested significantly in our country.

4.160. It is pleasing to know that it is currently possible to drink a good cup of Honduran coffee in many places in Chinese Taipei, including on the high-speed train.

4.161. Chinese Taipei is a potential market for Honduras and, as indicated in the current reports, our bilateral relations are currently governed by the free trade agreement between El Salvador, Honduras and Chinese Taipei, which has been in force for Honduras and Chinese Taipei since 15 July 2008, and which has enabled us to increase our trade. In 2017, our exports amounted to over USD 57 million and included shrimp, coffee, cast iron, cane sugar, and recovered paper and paperboard, while our imports amounted to over USD 69 million and included ethylene terephthalate, flavoured milk, and vehicle parts and accessories.

4.162. Regarding the policy reports submitted, we note the Four-Year National Development Plan (2017-2020), the New Southbound Policy, the "5+2" Industrial Innovation Plan, and the Financial Technology Development and Innovative Experimentation Act.

4.163. We also note the efforts made by Chinese Taipei through the introduction of an energy transition policy to reduce greenhouse gas emissions, and the adoption of reform policies to fulfil the 2030 Agenda for Sustainable Development and attain the Sustainable Development Goals (SDGs).

4.164. We see that Chinese Taipei:

- Ranks 15th out of 140 in the competitiveness ranking;
- is 31st out of the 176 economies ranked in the Corruption Perceptions Index (CPI) by Transparency International;
- holds one of the top positions in the Customs Transparency Index of the Global Enabling Trade Report; and
- is in 15th place in the Doing Business report.

4.165. Furthermore, Chinese Taipei is the world's top producer of Pacific saury and is among the world's major suppliers of grouper and tilapia.

4.166. We welcome the replies to the questions that we submitted during this review, which we will forward to our capital for analysis.

4.167. Honduras commends the authorities of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu for their significant achievements during the period under review, and we wish them the best of success in the future.

REPUBLIC OF KOREA

4.168. Korea and Chinese Taipei are currently benefiting from a robust and strongly interlinked economic relationship. In 2017, Chinese Taipei was Korea's 7th largest trading partner, while Korea stands as Chinese Taipei's 5th largest trading partner. Our total bilateral trade volume has remained stable at a level of US\$30 billion since 2010. In addition, such bilateral trade is complementary in nature. Intra-industry trade forms a large part of our bilateral trade. As of 2017, half of the top ten trading goods of the two Members consisted of the same products such as semiconductors and chemicals.

4.169. As the Secretariat Report indicated, thanks to the relatively strong fundamental and well developed outward looking economy, Chinese Taipei has maintained macro-financial stability and demonstrated the resilience of its export-led economy. We believe that Chinese Taipei will continue to address the challenges that have arisen through its ongoing reforms.

4.170. During the review period, Chinese Taipei has continued to pursue open and interconnected trade at the bilateral, regional and multilateral level. In particular, Chinese Taipei has been a strong supporter of the multilateral trade system and implemented its obligations under the WTO. It has ratified and implemented the WTO Trade Facilitation Agreement (TFA) and has maintained a strong record of notifications to the WTO.

4.171. My delegation has submitted, albeit somewhat late, our written questions on the following two points. First, Chinese Taipei has persisted with a restrictive measure under which Korean shipping companies are not allowed to navigate the Japan-Chinese Taipei route, despite allowing other Member's shipping companies to pass through the route. This issue was raised during the previous TPR meeting. Second, Korean companies claim that they are being excluded from bidding for the railway project by Chinese Taipei.

4.172. My delegation looks forward to receiving replies to these issues in due course.

4.173. Korea hopes to continuously develop our economic relationship with Chinese Taipei. In addition, we expect Chinese Taipei to continue to contribute towards strengthening the multilateral trading system.

4.174. With this, we would like to express our deep appreciation to the Chinese Taipei delegation for its hard work and wish the delegation every success in this TPR.

PHILIPPINES

4.175. Chinese Taipei became the Philippines' 8th major trading partner and second largest source of investments in 2017. Total bilateral trade between our two economies reached US\$7.19 billion in 2017, with semiconductor devices and digital monolithic integrated circuits as our top traded commodities. Philippine exports to Chinese Taipei rose by 7.15%, from US\$2.13 billion in 2016 to US\$2.28 billion in 2017, while our imports from Chinese Taipei declined slightly from US\$5.18 billion in 2016 to US\$4.91 billion in 2017.

4.176. Chinese Taipei has been through a cyclical growth path since its last Trade Policy Review in 2014, with an annual average GDP growth rate of 2.3% for the period 2014-2017. However, due to its relatively strong fundamentals and well-developed outward-looking economy, Chinese Taipei was able to maintain macro-financial stability and ensure the resilience of its export-led economy. The openness of its economy to international trade, and its integration into the world economy and global value chains, continue to be reflected by the steadily high ratio of its trade in goods and services to GDP, which stood at 117.7% in 2017.

4.177. Chinese Taipei is an active Member of the WTO since its accession in January 2002. It is a signatory to the Civil Aircraft and Information Technology Agreements, as well as a party to the Government Procurement Agreement. It has also ratified the Trade Facilitation Agreement and the Protocol Amending the TRIPS Agreement. At MC11, it has joined the Ministerial Statements on Electronic Commerce, Services Domestic Regulation, Trade and Women's Economic Empowerment, Fossil Fuel Reform, and the Declaration in Support of the Multilateral Trading System. Chinese Taipei

is also an active member of the Friends of MSMEs Group signing the Joint Declaration on the Establishment of a WTO Informal Work Programme for MSMEs.

4.178. Similar to the Philippines, Chinese Taipei's economy is also largely driven by small- and medium-sized enterprises (SMEs). These SMEs benefit from specific production assistance measures through the support of the Small and Medium Enterprise Administration (SMEA) of the Ministry of Economic Affairs (MOEA). SMEA aims to create a healthy environment for the development and growth of SMEs by helping them improve their operation environments, promoting mutual cooperation, and assisting them in striving for growth with their own efforts.

4.179. The Philippines recognizes Chinese Taipei's Five-Plus-Two Industries Innovation Plan, which serves as its primary industrial development policy that has identified seven (5+2) innovative industrial pillars. This Plan seeks to transform industrial innovation, moving towards high-value-added, service-oriented and solutions-oriented business models.

4.180. The Philippines has submitted some advanced written questions on the Chinese Taipei trade policy review reports, and we kindly thank them in advance for their written responses.

4.181. In closing, the Philippines looks forward to further enhancing the mutually beneficial economic relations between our two economies in the appropriate fora.

VIET NAM

4.182. Since the last Trade Policy Review in 2014, Chinese Taipei has remained one of the most competitive economies in the world, mainly fuelled by a strong manufacturing sector and persistent export-led growth strategy.

4.183. Viet Nam wishes to highlight the advancements Chinese Taipei has made during the review period. Structural reforms in various areas, such as trade facilitation, taxation, competition policy and intellectual property rights, have helped stabilise the economy and the recovery is bringing about positive achievements with significant GDP growth, controlled inflation, and decreased unemployment rate.

4.184. We really appreciate that although protectionism is rising in some parts of the world, Chinese Taipei retains its outward-looking attitude and commitment for strong integration into the world economy. The openness of the territory to foreign investment, reinforced by introduction of new incentives and facilitation measures, continues to guarantee its key position in the robust and dynamic global and regional supply chains.

4.185. Regarding the bilateral trade and investment relations between Viet Nam and Chinese Taipei, we are very pleased that Chinese Taipei is a longstanding economic partner of Viet Nam. Our economic cooperation is strong and has much potential to advance. Chinese Taipei is Viet Nam's fifth largest trade partner in 2017. The trade volume between Viet Nam and Chinese Taipei reached US\$15.28 billion last year, up by 13.1% as compared to that of 2016.

4.186. In terms of investment, Chinese Taipei ranks fourth out of 126 economies which pour investment into Viet Nam. The investment of Chinese Taipei's investors covers numerous sectors, ranging from manufacturing to real estate and services.

4.187. The bilateral trade relation between Viet Nam and Chinese Taipei can achieve better development outcomes if certain impediments are duly addressed. Those obstructions mainly come from current regulations of Chinese Taipei that directly affect export products of Viet Nam and have raised serious concerns to our farmers and enterprises. Therefore, we would like to draw our Chinese Taipei colleagues' great attention to the following issues.

4.188. Firstly, Chinese Taipei is kindly requested to promptly review its sanitary and phytosanitary measures to assure its conformity with international standards and regulations. Unnecessary trade obstacles should be removed and appropriate trade facilitation measures should be made to advance trade of agricultural products. Review report should be sent to Chinese Taipei's concerned trading partners.

4.189. Secondly, we urge Chinese Taipei to speed up the review of pest risk analysis reports of such fresh fruits as rambutan, mango, lychee, longan and pomelo, whose registration application has been submitted so that these products of Viet Nam can soon be exported to Chinese Taipei.

4.190. Thirdly, we kindly request Chinese Taipei to implement the mutually agreed solutions regarding the examination and verification of origin of Vietnamese agricultural products, inform Vietnamese competent authorities in advance of the intended verification and share the results with us, and clear consignments if no infringement is confirmed.

4.191. Viet Nam appreciates the active and very constructive engagement of Chinese Taipei in support of the multilateral trading system and the positive contributions of Permanent Representative Dr. C. Y. Cyrus Chu and his able team. Chinese Taipei has proven to be a reliable partner in the ongoing work and multilateral negotiations of the WTO.

4.192. In conclusion, we wish Chinese Taipei every success in its economic and social development and the delegation of Chinese Taipei a successful Trade Policy Review.

REPUBLIC OF MOLDOVA

4.193. The Republic of Moldova is pleased to note Chinese Taipei's endeavour to support an open and integrated international trade and appreciates the proven commitment to build a strong trade policy based on regional connectivity and economic growth. The wise choice of economic policies has maintained the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's economy relatively stable since its last Trade Policy Review in 2014.

4.194. Chinese Taipei is now considered one of the most competitive economies in the world with one of the highest living standards. The monetary reform undertaken in 2014 has stimulated the growth and stability of the financial environment. The World Bank Doing Business Index ranks Chinese Taipei's economy on place 15. As of March 2017, Chinese Taipei is the fifth largest holder of foreign exchange reserves. Also, the decrease of the Gross external debt from 33.5% of GDP in 2014 to 32.5% in 2016 is praiseworthy.

4.195. We note with satisfaction that the business environment of Chinese Taipei is improving and appreciate the measures taken in order to promote reforms in support of SMEs, to encourage start-ups and entrepreneurs and alleviate the restrictions on the recruitment of overseas professionals. Also, we commend the increase in transparency and public participation in the process of trade policy formulation that has been observed since the establishment of an online public policy platform.

4.196. The efforts undertaken by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu in support of trade facilitation are much appreciated: the notification of the WTO Trade Facilitation Agreement in 2015, the adoption of the clarifying amendments to the Customs Act, the enhancement of integration of online operations with the Customs-Port-Trade Single Window, facilitation in the exchange of certificates of origin, and the introduction of expeditious customs clearance services.

4.197. We also appreciate the conclusion of two new FTAs with Singapore and New Zealand, as well as the Cooperation Agreement with Paraguay. Efforts to expand RTAs contributed to the reduction of the simple average preferential tariff rate from half to less than a third of the MFN average applied tariff rate. We are confident that the Chinese Taipei will continue to increase its network of RTAs and play a significant role in the global trading system.

4.198. The Republic of Moldova is pleased to observe an outstanding record of notifications to the WTO and we are looking forward to an up-to-date notification on domestic support to agriculture in due time.

4.199. Also, we note a slight decrease of the simple average applied MFN tariff rate from 7.8% in 2013 to 7.2% in 2018, as a result of a reduction of average ad valorem equivalent (AVEs) rates, the implementation of the expansion of the Information Technology Agreement (ITA) and tariff nomenclature changes. All tariff rates/lines are bound and binding commitments relating to the ITA expansion are to be fully implemented by 2021.

4.200. Currently, the trade flows between Moldova and Chinese Taipei are fairly modest. But we hope to see further expansion of exports of Moldovan products to the Chinese Taipei market, including wine, textiles and organic products.

4.201. We look forward to continue further strengthening our economic relations with the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu across WTO Agreements. Allow us to extend our great appreciation to Dr. Cyrus Chu, Permanent Representative of Chinese Taipei and his team from Geneva for their impressive work in this House and for their valuable contribution to the multilateral trade system. We wish to the Chinese Taipei's delegation the utmost success during this trade policy review cycle.

INDIA

4.202. During the period under review for 2014-17, the GDP of Chinese Taipei continued to grow at a varying rate ranging from 0.8% to 4% with an average annual rate of 2.3%. Chinese Taipei is also amongst the most competitive economies with a high living standard. It is also highly integrated in the global value chains which is reflected by the steady high ratio of its trade to GDP. However, the rate of GDP growth relatively has slowed down from the average of 4.3% during the period of last review due to competition from emerging economies, restrictions on inbound direct investments, need for increased expenditure on R&D and over reliance on exports as a driver of economic growth. The other challenges for the economy include shrinking of the labour force, need to continue to shift the economy from industry to services with a focus on raising quality and value and other geo-political risks. We commend the efforts and measures taken by the authorities of Chinese Taipei to continue to keep the economy on a path of the growth and orient the trade driven economy to maintain competitiveness by introducing trade related structural reforms and other measures.

4.203. India has vibrant trade and investment relations with Chinese Taipei. India's trade with Chinese Taipei has continued to grow albeit with periods of fluctuation and stood at US\$6.08 billion in 2017-18. There is considerable potential to promote India's trade with Chinese Taipei in areas like electrical machinery, chemicals, electronics, computer hardware, agricultural products, marine products, textiles, automobiles and pharmaceuticals. A number of companies from Chinese Taipei are also investing in projects in India. There is considerable potential to further strengthen cooperation in areas including e-commerce, new and renewable energy, electric vehicles, electronics & IT, food processing and cold chain logistics.

4.204. We also wish to highlight a few issues which are impacting the potential of India's trade with Chinese Taipei. These include:

- The stringent sanitary and phytosanitary measures and entry standards in Chinese Taipei are impacting the trade of Indian agricultural products like sphagnum moss, sesame, black tea, processed food, fruits and vegetables.
- The complex regulatory procedures are also affecting export of Indian pharmaceuticals, chemicals and other products to Chinese Taipei.

4.205. We would urge the authorities in Chinese Taipei to look into all these issues for mutual benefit.

4.206. To conclude, we look forward to working closely with the authorities of Chinese Taipei for further expanding and harnessing the potential of our trade and investment ties for mutual benefit. We wish the delegation of Chinese Taipei a productive and successful TPR.

TAJIKISTAN

4.207. The economic relations with Chinese Taipei along with other economies of the region are among the important directions of the foreign policy of Tajikistan.

4.208. During January-June 2018 Tajikistan's foreign trade turnover with Chinese Taipei amounted to US\$17.4 million. Export constitutes US\$16.6 million and import US\$0.8 million.

4.209. The expansion of trade cooperation with Chinese Taipei is in the interest of both states. It is important to make use of available opportunities for the development of trade ties between Tajikistan and Chinese Taipei.

4.210. Here, I would like to point out number of important areas of cooperation between Tajikistan and Chinese Taipei, including production of essential oils, telecommunication, electric machines and equipment, establishment of joint ventures for development of mineral resources, and tourism and so on.

4.211. This fourth Trade Policy Review of Chinese Taipei provides an excellent opportunity to improve our understanding of its trade regime.

4.212. Allow me to highlight some key points of TP reports. Chinese Taipei relatively strong and well-developed economy has helped to maintain macro-financial stability. Annual GDP average growth rate for the period 2014-17 stood at 2.3%. Chinese Taipei remains a highly developed outward-oriented trade-driven economy. It is relatively well diversified, with the services sector constituting the backbone of the economy. Manufacturing remains a pillar of Chinese Taipei's economy, accounting for around 30% of GDP, close to 27% of employment and more than 90% of merchandise exports. The share of services in GDP and its share in total employment remained relatively stable during the period under review, and were 60% and 59.3%, respectively in 2017. During the review period, trade and trade-related structural reforms in the areas of trade facilitation, taxation, competition policy and intellectual property rights were undertaken. Chinese Taipei has maintained a strong record of notifications to the WTO, although an up-to-date notification on domestic support to agriculture is pending.

4.213. Chinese Taipei, as an active Member of the WTO, has taken commitment to improve trade facilitation processes. This commitment to improve trade facilitation was reflected in its ratification of the WTO Trade Facilitation Agreement in 2015.

4.214. Since 2014, it participated as a complainant in three new WTO dispute settlement cases and reserved its third-party rights in 22 cases.

4.215. My delegation acknowledges Chinese Taipei's continued efforts to improve the business environment and facilitate foreign trade. The continuing shift of the economy from industry to services and continued regulatory reforms would increase its ability to respond to growing external competition. We are confident that by its active participation Chinese Taipei will remain committed to maintain the core values of the WTO and continue to support the development and expansion of multilateral trading system.

4.216. In conclusion, I wish Chinese Taipei a very productive and successful trade policy review exercise.

CENTRAL AFRICAN REPUBLIC ON BEHALF OF THE LDC GROUP

4.217. Chinese Taipei is one of the most open and competitive economies. It is highly integrated into global value chains, and is the 15th economy in which it is easiest to do business, according to the World Bank.

4.218. Despite the global economic slowdown following the financial crisis, Chinese Taipei has remained resilient, with average annual growth of 2.3% during the review period covering the years 2014 to 2017.

4.219. The example of Chinese Taipei's resistant economy in a fragile global economic environment is relevant, insofar as the territory rapidly introduced adjustment measures to stimulate its economy and increase growth, through the implementation of four-year development plans.

4.220. The main objectives of the plans are to ease regulations, introduce structural reforms, develop infrastructure, broaden the scope of trade policy, and diversify foreign markets, particularly through the opening-up of trade with South Asia and Oceania.

4.221. Not only has Chinese Taipei taken relevant measures to enhance its economic development; it is also, like the LDC Group, an active stakeholder in and defender of the multilateral trading system.

4.222. Chinese Taipei is particularly aware of the benefits that it draws from trade facilitation and an open trading system based on the principle of fairness.

4.223. Against this background, and in order to support growth-oriented world trade, Chinese Taipei contributes to various Aid for Trade programmes and provides assistance to developing country Members, including LDCs, and to bodies linked to the WTO.

4.224. As a beneficiary, the LDC Group welcomes these contributions, as well as the initiatives introduced to give preferences to LDCs in terms of duty-free and quota-free market access. The LDC Group hopes that these preferences will be increased in the future.

4.225. On behalf of the LDC Group, the Central African Republic wishes Chinese Taipei every success in its initiatives for economic reform and in its trade policy review.

PERU

4.226. My delegation welcomes the high level of economic development achieved by Chinese Taipei in terms of per capita income, the reduction of unemployment and inequality, and the high standard to which it conducts business, in addition to other important achievements referred to in the Secretariat report. We also note the major economic policies which were implemented during the period under review to achieve more rapid and sustainable growth, and which concern monetary and fiscal matters, industrial innovation, the promotion of renewable energy, the protection of forests, and the rationalization of the fisheries sector. We trust that these policies will lead to even higher levels of economic development.

4.227. Annual trade between Peru and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has remained significant. For several years, it has amounted to around USD 700 million, and involves a wide variety of goods. Peruvian exports to the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu include non-traditional export products from the areas of agriculture, metalworking, chemicals and textiles. In this regard, we hope that our trade will continue to grow and become more diverse, for the benefit of our economies. The economic cooperation efforts between Peru and the Member under review also involve our joint participation in the Asia-Pacific Economic Cooperation (APEC) forum and the negotiations on the Trade in Services Agreement (TISA). Peru remains highly interested in the development of both initiatives.

4.228. My delegation has not submitted any questions during this review. However, we note the references made in the reports to the high level of public intervention in various sectors and the restrictions placed on investments in several areas of the economy. In this regard, it should be pointed out that increased openness and private-sector participation have clearly served as tools to accelerate growth in certain economies, such as that of Peru. We also wish to mention the lowering of significantly high tariffs, particularly those for fisheries and agricultural goods, including non-traditional export products exported by Peru. We also recommend the simplification of the different charges associated with the importation of goods, to increase the transparency and predictability of the trade regime.

4.229. It is important to draw attention to the outstanding work carried out in this Organization by the delegation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, which is without doubt one of the delegations that participates the most actively and constructively in discussions, and which submits many formal communications that express interesting and relevant points of view.

4.230. Before concluding, the Peruvian delegation would once again like to wish Chinese Taipei all the best in achieving its development objectives, and a successful trade policy review.

PARAGUAY

4.231. Chinese Taipei has maintained its position as one of the most competitive and open economies in the world, with strong trade and a genuinely export-oriented production platform. Open trade practices have continued to be one of its main drivers of economic growth, together with global and regional connectivity, and its effective integration into global value chains and outward-oriented trade. As a result, its GDP has grown at an annual rate of between 0.8% (2015) and 4% (2014), with an annual average increase of 2.3% between 2014 and 2017. Its dynamic services sector has played a key role in this performance, accounting for 65% of GDP and 60% of employment.

4.232. The current situation faced by the multilateral trading system has clearly resulted in a slowdown in trade with Chinese Taipei's main trading partners, which has yielded encouraging but cyclical economic results.

4.233. However, I would like to congratulate Chinese Taipei's authorities on the structural trade reforms that they have implemented in recent years to address this slowdown. We particularly welcome the reforms linked to trade facilitation, which were implemented through the ratification of the WTO Agreement on Trade Facilitation in 2015, the adoption of a Customs Act that regulates the implementation of this Agreement, the introduction of measures to enhance the integration of online operations with the Customs-Port-Trade Single Window, the facilitation of the exchange of certificates of origin, and the introduction of expeditious customs clearance services. We believe that all of these trade facilitation measures will be of great benefit to all Members.

4.234. I wish to draw attention to our excellent bilateral relations with Chinese Taipei, in which we have promoted strong economic, political, cultural and trade cooperation. I must also mention that Paraguay and Chinese Taipei have signed major economic agreements, such as an agreement on air transport, an agreement establishing a mutual investment guarantee, an agreement to prevent double taxation and tax evasion with regard to income tax, and an agreement on economic cooperation.

4.235. During the period under review, trade flows in both directions have increased. However, levels of trade are considerably below their potential. The main products exported from Paraguay to Chinese Taipei are cereals and oilseeds, meat, various foodstuffs and charcoal.

4.236. I am pleased that Paraguay has maintained strong ties with Chinese Taipei in terms of cultural and technological exchange. In this regard, I would like to mention the creation, in 2018, of the Taiwan-Paraguay Polytechnic University, through Law No. 6.096 of 31 May 2018. The Polytechnic University will aim to become a higher education institution that is nationally and internationally renowned for its academic quality and innovation. This status will be achieved through the application of theoretical and practical knowledge, accredited academic programmes, and cutting-edge educational technology that meets the expectations of society and young Paraguayan entrepreneurs who want to make an effective entry into the labour market. The courses will follow educational plans used in highly prestigious universities in Chinese Taipei, and the teaching faculty will comprise professors from Chinese Taipei with experience in disciplines related mainly to engineering.

4.237. Regarding the questions submitted by Members during the review, Paraguay would like to know more about those relating to specific trade concerns and the data used to support the ban on genetically-modified ingredients in the area of technical barriers to trade. We also wish to know more about the questions on the procedures to establish the maximum residue levels (MRLs) for pesticides, contaminants and veterinary medicines that do not meet international reference standards (Codex Alimentarius, the World Organisation for Animal Health (OIE), and the International Plant Protection Convention (IPPC)), and the questions on the traceability system for genetically modified food raw materials with regard to sanitary and phytosanitary measures.

4.238. Within the WTO, we appreciate Chinese Taipei's support for the multilateral trading system and we draw attention to the joint work carried out by Paraguay and Chinese Taipei on e-commerce, investment facilitation and support for micro, small and medium-sized enterprises. In this regard, Paraguay wishes to reiterate what was said by both Members at the Buenos Aires Ministerial Conference in December 2017 on their deep dedication to multilateralism and their commitment to

the rules-based multilateral trading system and open trade. Paraguay supports these priority areas and once again urges all Members to push forward the WTO's objectives and address the challenges of the 21st century.

4.239. On behalf of my delegation, I wish to once again congratulate those leading this review and the authorities of Chinese Taipei for their continuously active participation in and contribution to the work of this Organization.

TURKEY

4.240. As a trade-driven economy, Chinese Taipei continues to be a very open economy and remains among the most competitive economies in the world.

4.241. In addition, according to the World Bank's Doing Business Report, it was ranked in the 15th place in 2018. It is also recognized as having one of the most efficient IPR enforcement system in the region.

4.242. In addition, Chinese Taipei successfully attracts inbound investments especially in services sectors and electronic manufacturing through liberalization policies and trade agreements. Outbound direct investment flows from Chinese Taipei is also steadily growing, where Turkey also started to be a destination for investors.

4.243. The trade facilitation developments including the ratification of the TFA and the improvements of the Customs-Port-Trade Single Window are also significant steps taken in expediting customs clearance services.

4.244. The macroeconomic policies which help Chinese Taipei take its place in various global value chains is no doubt effective.

4.245. Since the last review, Chinese Taipei had a modest annual growth rate of 2.3%, which seems to be limited mainly by the slowdown in world trade.

4.246. Due to weak internal demand and falling global oil prices, average current account surplus increased in the review period. We see that unemployment rate also dropped to 3.8% in this period, which is a sign to existing industrial capacity.

4.247. Being also vulnerable to developments in the global economy and responding the strong competition from emerging economies seem as the main challenges ahead of Chinese Taipei.

4.248. To overcome these challenges, we believe that the ongoing reforms to increase the flexibility and effectiveness of institutions, the 17th midterm development plan for the period 2017-2020 and the 5+2 Industrial Innovation Plan are important blueprints.

4.249. On the other hand, importing nearly 98% of its energy supply, Chinese Taipei is highly sensitive to global energy prices. The success of the reform programme which aims to increase the share of domestically produced renewable energy to 20% in the overall energy mix by 2025 will be important in this aspect.

4.250. Chinese Taipei is a valuable trading partner of Turkey in the East Asia and we think there are still ample opportunities to exploit in trade, investments and tourism. In 2017, our bilateral trade volume realized US\$2.2 billion.

4.251. However, in our bilateral trade, Turkey is experiencing a big deficit, which is not sustainable in the long run. We believe this unbalanced trade pattern has to move towards a balance and we should work together to improve and balance our bilateral relations, with regard to trade in goods, services and investments. We note that easing the procedures and further liberalization for agricultural goods to Chinese Taipei will help in this regard.

4.252. Chinese Taipei is always providing utmost support to uphold multilateral system and actively involved in the discussions at the WTO with a constructive approach.

4.253. At this point, let us also applaud our colleagues working in the Geneva Mission for their hard work and valuable contribution to the activities under this roof.

4.254. Finally, we would like to mention our appreciation to be given the opportunity to make our points known on the trade policy of Chinese Taipei and we wish them a very successful review.

5 REPLIES BY THE REPRESENTATIVE OF THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU AND ADDITIONAL COMMENTS

5.1. First of all, on behalf of my government, I would like to express our sincere gratitude to the Chair, the discussant, the Secretariat and Members for your valuable comments and contributions to our Trade Policy Review.

5.2. We come to this Trade Policy Review with a goal to further enhance the transparency of our trade policy and to seek feedback from all Members. We very much appreciate the insightful and constructive comments from Ambassador Marc Vanheukelen and nearly 30 delegations that either took the floor or shared their written statements with us.

5.3. Some Members recognize our efforts to extend the public consultation period for new legislation to 60 days, and a user-friendly website has been established to facilitate open discussion. Members also made positive comments on our Customs-Port-Trade Single Window. Several Members expressed their interests in our innovative development and deregulation of financial services, including the financial sandbox mechanism, and the streamline on opening banking accounts. We are pleased to receive the recognition from Members on our economic and trade developments that took place during the review period.

5.4. We are also pleased that our Aid for Trade programmes are well-received from our partners, we will continue our efforts to respond to the needs of developing and LDCs for sustainable development, and assist their further integration into the global trading system. We would also like to state that my government would not claim the special and differential treatment granted to developing country Members in the future rounds of WTO negotiations.

5.5. Now, I would also like to take this opportunity to respond to a few concerns raised on Wednesday.

Food safety and SPS

5.6. First, with regard to our SPS measures, I understand some Members are concerned about our food safety standards and relevant import regulations. During the review period, a series of food safety incidents happened in the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu. Food safety has therefore become a highly sensitive issue for us. As a result, consumers, consumer protection groups and legislators are highly concerned about the safety of food and related products. To ensure the food safety and rebuild consumer confidence, we will continue to conduct risk assessment, risk communication and necessary risk management in order to protect public health and ensure our measures are in line with WTO rules.

5.7. Second, we are currently building an online inquiry system for MRL applications to improve transparency and efficiency. The system is expected to launch by the end of this year. Very soon, applicants will be able to track the progress of the application online. I would also like to let you know that this week we issued a revised standard for pesticides residues in food, which added and modified forty-three residue levels to various agricultural products for 10 kinds of pesticides.

5.8. Third, we notice that some Members expressed their concerns on the issue of disease-free zoning. As a Member of the WTO and OIE, we recognize the zoning principle and follow the international standards and conduct risk assessments based on scientific evidences to evaluate all applications.

IPR

5.9. Fourth, as some Members stated on Wednesday, my government has been actively modernizing IPR legal framework in recent years in order to provide right holders with more comprehensive protection of their interests. In addition, we have been eagerly engaging in international cooperation on IPR matters with many Members. Those achievements are widely accepted and accredited. However, as the Internet is constantly evolving, online infringement is an issue we must continue to make efforts on enforcement and online piracy combatting.

Agriculture

5.10. Fifth, regarding notification of our domestic support, we attach great importance to transparency, and will submit our notification on the domestic support of agriculture as soon as possible.

5.11. Sixth, some Members inquired about our progress on combatting IUU fishing activities. We fully support sustainable management of marine resources. Thus, we have actively participated in the WTO negotiation on fishery subsidy. We also firmly support the elimination of subsidies that contribute to IUU fishing. Furthermore, in the early 2017, we promulgated the Act for Distant Water Fisheries, the Act of Govern Investment in the Operation of Foreign Flag Vessels, and amended the Fisheries Act and several related regulations in order to strengthen the management of fishing vessels and fishery sector. With these efforts, we are confident that the IUU fishing activities will be effectively eradicated.

Transportation

5.12. Lastly, one Member raised concerns regarding the exclusion from bidding for our railway project and opening of shipping route. Actually, several transport-related contracts have been awarded to the Member's suppliers from 2017 to 2018. And we are willing to discuss the issue of opening of shipping route with that Member.

Conclusion

5.13. This concludes our brief response to some of the important issues you raised on Wednesday. We will respond to other questions submitted after the deadline within 30 days. Every question, comment and feedback we received contributes to our efforts to further promote trade liberalization and improve the domestic business environment.

5.14. Finally, on behalf of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, I would like to express our sincerest appreciation to the Chair, our discussant Ambassador Marc Vanheukelen, the Secretariat and all Members. Thank you very much.

DISCUSSANT

5.15. First, I would like to thank Vice-Minister Ms. Wang and the Permanent Representative Dr. Chu and both of their teams for all the hard work you have put into this TPR in providing answers to the over 400 questions by 22 Members. I understand that in meantime you have received some additional and follow-up questions, for which you will provide answers within the timelines foreseen for this exercise.

5.16. I would like to organize my comments today as the discussant with a look back to the main messages we heard on the first day – both positive as well as some critical – that Chinese Taipei could take back home for further reflection and consideration. These comments probably will not do full justice to the very comprehensive discussion we had and should be therefore regarded more as an "executive summary" of the main recurrent points raised.

5.17. Perhaps the first thing to flag is the clear common denominator that all Members in this room shared and specifically mentioned in their statements. It is the constructive role and participation of Chinese Taipei in the work of this Organization – both everyday work and negotiations and the new initiatives - and its continued commitment to open and rules-based multilateral trading system.

5.18. I also heard praises for Chinese Taipei's strong fundamentals of an outward-looking economy, the resilience of its export-led economy, and its macro-financial stability. It was universally observed that Chinese Taipei is among the world's most competitive and prosperous economies and remains open to international trade and is well integrated into the world economy and global value chains. In this regard it is of great systemic interest to hear the announcement the Vice-Minister of Economic Affairs just made that Chinese Taipei will not ask for special and differential treatment in future WTO negotiations.

5.19. Members also took a strong interest in the new initiatives that have been adopted during the period under review to boost the economy and improve competitiveness of Chinese Taipei: the Development Plan (2017-2020), the "5+2" Industrial Innovation Plan, the Forward-Looking Infrastructure Development Programme and the ongoing labour market reforms will create more flexible framework conditions, that will be conducive to meeting emerging challenges.

5.20. Chinese Taipei's regional connectivity and integration was mentioned too on several occasions, specifically the new Southbound Policy.

5.21. We heard appreciation for the non-reciprocal preferences to all LDCs and contributions to Aid-for-Trade and other assistance initiatives. Members welcomed that during the review period, trade and trade-related structural reforms in, for instance, the areas of trade facilitation, taxation, competition policy and intellectual property rights were undertaken.

5.22. However, Trade Policy Review is not only an exercise of praise. Vice-Minister, you said yourself in your opening statement on Wednesday that you "believe that questions and critiques are the best driving force for progress". Most Members mentioned some areas where there is still scope for improvements in terms of balance or diversification or further liberalization of their trade relations with Chinese Taipei. I would now like to highlight a few of these areas.

5.23. The area that stood out most is the SPS regime. We heard concerns about the consideration of international standards when establishing restrictions on imports from countries with animal disease; regulatory measures to improve food safety of locally produced food items; delays on issue of sanitary certificate for unprocessed imported foodstuffs; restrictions on certain imports of beef, pork and poultry products and slow processing times for Maximum Residue Levels (MRLs) of pesticides on imports and in some circumstances a zero tolerance level for pesticides on imports. Here as well some new and promising announcements were made this morning by Chinese Taipei.

5.24. While Members welcomed the ratification of the WTO Trade Facilitation Agreement in 2015 and several other trade facilitation efforts, we also heard a few expressions of concern about burdensome import procedures and high cost or delays caused by international or domestic transportation.

5.25. Several Members also noted that production of various agricultural products remains protected by high tariffs (up to 1,059.6%), special safeguard measures and various support mechanisms and encouraged Chinese Taipei to consider reducing protection and existing subsidies and support. All Members also strongly encouraged submitting the most recent notifications on agricultural domestic support that is still pending.

5.26. Ongoing efforts by Chinese Taipei to liberalize its regulatory settings affecting investment environment and the establishment of an online public policy platform were welcomed by many and it is hoped that the post-investment registration mechanism will be soon implemented. As the services industry continues to be the driving force of GDP and employment, Chinese Taipei was also encouraged to consider further liberalizing its services trade regime to attract foreign direct investment.

5.27. While it was overall positively noted that Chinese Taipei has made an appropriate implementation of TRIPS and strengthened its IPR protection, more efforts were recommended to combat the problems of counterfeiting and piracy. Chinese Taipei was also called on to review its public procurement methods and procedures to ensure transparency and fairness to all WTO parties on a few occasions.

5.28. Chair, this TPR has allowed Members to learn about the recent developments in Chinese Taipei as well as given them opportunity improve the understanding of Chinese Taipei's trade policy and express a few suggestions on the practices where they still see possible room for further improvements. This is the very purpose of the Trade Policy Review exercise, and the TPR of this week has demonstrated again its usefulness.

5.29. I trust that Chinese Taipei takes advantage of this exercise and will take some of these remarks back home as "a plan of action" to build upon the success already achieved and guide it in its next steps to further liberalize its trade and investment policy.

5.30. I would be amiss if I did not conclude with another Chinese proverb: "A goal without deadline is only a wish. A dream with a deadline becomes a goal". That next deadline is now the 5th Trade Policy Review of Chinese Taipei in 5 years time.

5.31. Let me close by thanking Chinese Taipei once again to have given me the honour to be the discussant for this Review. Thank you.

ESWATINI

5.32. The Kingdom of Eswatini has had an enduring strong and mutually beneficial relationship with Chinese Taipei that has spanned all of 5 decades. The two of us have cooperated closely in the areas of education, health, agriculture, economic development, amongst others, and in light of this partnership, we are very pleased to be part of her 4th Trade Policy Review. My delegation further notes with appreciation that in the period under review, Chinese Taipei's economy has continued to progress toward trade and investment liberalization and further integration into the global economy and economic diversification.

5.33. We further note that it has maintained its position among the world's most competitive economies, and hence the highest living standards it enjoys. We commend Chinese Taipei for the trade and trade-related structural reforms in the areas of trade facilitation, taxation, competition policy and intellectual property rights that were undertaken.

5.34. My delegation also acknowledges the critical role played by Trade Facilitation in any regional integration initiative, as well as the positive impact that reforms in these areas have on improving an economy's ease of doing business. As such, my delegation commends Chinese Taipei for its ratification of the Trade Facilitation Agreement, in 2015; the enhancement of integration of online operations with the Customs-Port-Trade Single Window; facilitation in the exchange of certificates of origin; and also the introduction of expeditious customs clearance services, amongst others.

5.35. While commending the progress made by Chinese Taipei, from the last Trade Policy Review in 2014, we further encourage them to double their efforts in fast-tracking improvements in the relevant areas of concern such as the domestic environment for ease of doing business, as we have witnessed a slight drop from 11th position to 15th position. As others have stated before us, Chinese Taipei is also encouraged to expedite its efforts in strengthening regulatory transparency, removing perceived discriminatory trade barriers and facilitating regulatory harmonization in accordance with international standards.

5.36. In conclusion, my delegation reiterates its support for the ambitious trade and development agenda of Chinese Taipei and wishes ongoing success as it continues to implement elements of its trade and economic reform agenda. We wish a successful Trade Policy Review and wish the entire delegation a safe trip back to Taipei.

EUROPEAN UNION

5.37. The EU would like to thank the delegation of Chinese Taipei for the comprehensive replies to our apparently quite numerous questions after all. We thank Chinese Taipei again for using the alternative timeline which has allowed us to review the replies in advance of the meeting and we do not have any follow-up questions.

5.38. In our statement on the first day, we asked Chinese Taipei to help us in looking forward to fruitful discussion on the future of this Organization and, in this regard, we do welcome the announcement Chinese Taipei about not claiming special and differential treatment in future WTO negotiations. This constitutes an important announcement and it demonstrates much needed leadership in this Organization.

5.39. The EU firmly believes in the need for flexible approaches in this Organization which take into account the actual developmental needs of each individual Member while allowing us to make progress in the negotiating pillar of our Organization. As such, this is an important step in the broader context of our conversation on WTO modernization and we are looking forward and confident that together we can bring this dialogue further.

5.40. We took also good note of Chinese Taipei's remarks on various issues that we have raised in our statement on the first day, such as the notification on the agricultural domestic support – the EU attaches great importance to transparency– and some SPS related matters.

5.41. Coming back to the announcement on special and differential treatment, in this regard we also take note of the steps undertaken by Chinese Taipei on fishery subsidies and on fishery management. It is a very important announcement as well and we look forward to cooperate with Chinese Taipei in reaching an agreement here in Geneva as we committed to do in Buenos Aires by 2019.

5.42. In conclusion, we hope that Chinese Taipei will make full use of the remarks and recommendations of the WTO Members as well as the discussant to continue with the reforms and further improving its trade and investment policy in order to achieve its goals of sustained economic growth and increased productivity. We would like to thank again the Secretariat, the Chinese Taipei delegation, in particular the Mission here in Geneva and you, Minister, for the efforts and the work that you have put in all of this exercise. And we look forward to taking further stock of the progress achieved by Chinese Taipei at the next TPR in 5 years' time.

JAPAN

5.43. Japan commends the statement delivered by the Vice Minister, Ms. Mei-Hua Wang this morning that Chinese Taipei will not ask S&D treatment in any future negotiations.

5.44. Japan believes that this is a real epoch-making statement which will contribute greatly to the ongoing discussion on the S&D at the WTO.

5.45. Japan expects that other emerging Members will follow Chinese Taipei.

5.46. Also, Japan truly appreciates the continuous efforts of Chinese Taipei for the liberalization of its market.

UNITED STATES

5.47. We would like to sincerely thank you, Chair, the team's head of delegation, Ms. Wang, and Ambassador Vanheukelen for your clear and insightful remarks this morning. And we would like to express our appreciation to the entire delegation of Chinese Taipei for the constructive and diligent efforts in this fourth Trade Policy Review with a special recognition for Dr. Chu and our Geneva-based colleagues.

5.48. We appreciate the summary given of the discussion from Day 1 of this TPR and the detailed and informative responses received to our 48 previously submitted questions. Our authorities in Washington are still studying them closely and could not resist submitting an additional six follow-up questions this morning.

5.49. Without going into an exhaustive description of those follow-up questions this morning, we will mention now that the questions address export financing programmes which cover agricultural products, SPS measures including any plans to improve the process for establishing minimum residue levels of pesticides to avoid unnecessary delays, and questions about possible reforms to competition law.

5.50. Thank you to the delegation for addressing some of the issues of importance raised by the United States, including liberalization of the trade and investment regime and much appreciated efforts to further improve transparency through requirements for notice in common periods with respect to draft and revised regulations.

5.51. In addition, the US takes good note and welcomes the statement by Ms. Wang this morning that Chinese Taipei will not claim special and differential treatment in future negotiations. We look forward to following up with our colleagues from Chinese Taipei to learn more and explore the implications of this.

5.52. As mentioned on Day 1 of this TPR, the United States would like to highlight its concern about unwarranted restrictions on beef and pork market access. We would also encourage alignment of SPS measures with science-based international standards and practices and a commitment to address more timely issuance of approvals.

5.53. We have also noted well other themes with widespread interest in this TPR discussion, such as anticipated notifications with regard to domestic support for agriculture, government procurement and the role of large conglomerate. Washington follows these and other issues with great interest.

5.54. The United States very much appreciates its robust relationship with Chinese Taipei in trade and beyond, including our 153 sister cities and many cultural and education exchange opportunities. We greatly value our strong commercial and investment ties, and appreciate the delegation's proactive engagement here in many efforts such as fishery subsidies, services negotiations and efforts through trade liberalization and capacity building.

5.55. We would like to congratulate the delegation and the TPR division's team on a successful TPR and to wish everyone travelling back to Taipei a safe and pleasant journey. We look forward to continued cooperative work with our friends here.

MS. MEI HUA WANG (HEAD OF DELEGATION)

5.56. As we come towards the end of this meeting, I would like to thank all of you who have provided us with valuable comments. We will endeavour to provide answers to the questions submitted after the deadline or made orally at this meeting. We will also welcome follow-up communications with all fellow WTO Members in the multilateral and bilateral forum. Thank you again for the hospitality and friendship offered to my delegation. I wish you all the best.

6 CONCLUDING REMARKS BY THE CHAIRPERSON

6.1. The fourth Trade Policy Review of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) has offered us a good opportunity to deepen our understanding of recent developments in, and challenges to, its trade, economic, and investment policies. Since its last review in 2014, Chinese Taipei's initiatives to further integrate into the multilateral trading system have been greatly appreciated. Indeed, the more than 400 advance written questions submitted by 22 Members and the 29 delegations that took the floor during the two days of the meeting underline the importance attached by Members to Chinese Taipei's trade and investment policies and practices.

6.2. I would like to thank the Chinese Taipei delegation, led by the Vice Minister, Ministry of Economic Affairs, Ms. Mei-Hua Wang, for its active participation in this exercise. Also, I would like to thank our discussant Ambassador Marc Vanheukelen of the European Union for his insightful remarks, and all the delegations that took the floor for their valuable contributions to this Review.

6.3. Members commended Chinese Taipei for its macroeconomic management and for the reforms undertaken so far that ensured strong, albeit fluctuating, growth coupled with low inflation and dropping unemployment, as well as the resilience of its outward-oriented competitive economy and high living standards. Members acknowledged Chinese Taipei's integration into the world economy and global value chains as well as the beneficial effects of structural reforms in various areas. Some Members encouraged further reforms to cope with increased competition from emerging economies.

6.4. Chinese Taipei was commended for its transparent and predictable trade policies as well as its initiatives to create a friendlier business and investment environment including: investment regime liberalization; support to SMEs and entrepreneurs; increased transparency in the process of developing regulations; and reduction of restrictions on the recruitment of overseas professionals. Chinese Taipei was encouraged to: improve the transparency and predictability of its investment review process and/or to move forward with a simpler post-investment registration system; continue removing investment barriers; and apply a non-discriminatory regime towards foreign investors and traders.

6.5. Chinese Taipei has remained committed to an open and rules-based multilateral trading system while expanding regional and extra-regional integration through recent RTAs signed with Singapore, New Zealand and Paraguay, and a New Southbound Policy, for which more information was sought. Members highly appreciated Chinese Taipei's active and constructive participation in the WTO's work including in the areas of e-commerce, services domestic regulation, investment facilitation, MSMEs and Environmental Goods Agreement negotiations. They also commended its expanding WTO commitments including through the ratification of the Trade Facilitation Agreement (TFA), the implementation of ITA 2 by 2021 and the acceptance of the revised GPA, as well as for supporting LDCs. Members acknowledged Chinese Taipei's strong record of WTO notification while urging the submission of an up-to-date notification on domestic support in agriculture.

6.6. Members appreciated Chinese Taipei's trade facilitation initiatives, for example in the areas of legislative amendments, single window, Authorized Economic Operators and certificates of origin, and encouraged continuous improvements. Members noted its comprehensive tariff binding coverage and the slight decrease of the simple average MFN applied tariff rate but also the persisting complexity of the tariff structure. Several concerns were expressed about certain TBT and SPS requirements, and certain Members urged the removal or review of a number of measures on food, medicines and chemicals, including those relating to Maximum Residue Levels and genetically modified food, as well as to ensure their scientific basis and alignment to international standards. Chinese Taipei was encouraged to undertake improvements in public procurement, including the expansion of the coverage of its GPA commitments. The persistence of public sector involvement in the economy was noted and further privatization was encouraged. Members appreciated the strengthening and enforcement enhancement of intellectual property rights; nevertheless, due to persisting concerns, they encouraged Chinese Taipei to continue these efforts in certain IPR areas.

6.7. As at the time of its previous Review, Chinese Taipei was urged to further liberalize its agriculture sector, with concerns being expressed about high tariffs, tariff rate quotas and subsidies. Chinese Taipei was applauded for, and encouraged to continue with efforts to tackle illegal, unreported and unregulated (IUU) fisheries. Members were interested in hearing more about Chinese Taipei's energy reform programme and any incentives being offered under the Five Plus-Two

Industries Innovation Plan. Members noted reforms undertaken in the banking, securities and the Fintech segments, and considered that there was further scope for financial services liberalization and indeed services liberalization more generally. Chinese Taipei was also asked to remove certain shipping restrictions.

6.8. The delegation from Chinese Taipei provided answers to several of these issues. It also stated that Chinese Taipei will not claim the special and differential treatment granted to developing country Members in future negotiations in the WTO.

6.9. The above are some of the key issues that had emerged in our discussion. I hope that the Chinese Taipei delegation will take into account and further reflect on the many constructive comments, both broad and detailed, that it has received during this Review. Finally, I would like to thank all those that participated in our discussion, and I look forward to receiving the answers from Chinese Taipei to any outstanding questions within the next month, at which point the Review will be successfully concluded.
