

MOEA 2020 2nd New Economic Development Consulting Meeting

Minutes Abstracts

1. Opportunities for Taiwan :

(1) Global Supply Chain is Reorganizing

1. According to the KPMG's survey, nearly 70% of Taiwanese, Japanese and Korean companies are considering relocating their production bases in China; among them, about 40% of Taiwanese companies are willing to return to Taiwan.
2. According to statistics from the Taiwan External Trade Development Council, before the pandemic, more than 50% of manufacturers would move to other regions due to the US-China trade war, of which about 46.4% were willing to return to Taiwan; after the pandemic, they change their wait-and-see attitude to take action.
3. Based on the American Chamber of Commerce in China report, members who are willing to leave mainland China, will select Taiwan to be an transfer option.

(2) The supply of high-tech talents in Taiwan is the key issue: Many ICT industries choose Taiwan instead of Southeast Asia countries is because they currently are unable to provide a suitable manufacturing environment and enough high-tech talents in that area.

(3) The importance of Taiwan in the global value chain: Taiwan's participation in the global value chain is as high as 67.6%, mainly because Taiwan industrial chain has close cooperation with both

the United States and China.

(4) Taiwan geographical advantage: Taiwan is just between Northeast Asia and Southeast Asia, in an excellent management location. Its manufacturing and scientific technology are among the best in Asia.

2. New positioning of Taiwan industry

Taiwan's resources are limited, and the government should start planning for its industrial or economic development prospects in the post-epidemic era, and to see the possible advantages of Taiwan in the supply chain that would attract companies all over the world.

(1) Taiwan's high value-added manufacturing center: keep high value-added manufacturing and R&D sector in Taiwan; assist middle and low-end and traditional manufacturing industries to move to Southeast Asia.

(2) Taiwan Advanced Semiconductor Manufacturing Center :

A. Taiwan has many advantages, but whether the supply of talents can be improved is a key factor.

B. It is necessary to develop the independence of semiconductor materials and equipment technology; localization of the supply chain; attract foreign investors to Taiwan to invest and cooperate with domestic manufacturers to help the semiconductor supply chain to be more complete.

(3) Attracting companies to come to Taiwan to set up international business centers or corporate digital centers: the future supply chain in various regions will link with digital centers to make decisions. Well prepared digital solutions and digital centers are the key to the long-term development of the industry in the future, Taiwan's advantages are suitable for promoting the development

of " Touchless, unmanned production and unlimited applications" through digital technology under the epidemic.

- (4) Development of a high-level asset management center: Taiwan does not need to replace Hong Kong as an Asian financial center, but it can develop into a high-level asset management center to serve Taiwan's wealthy people with high assets. In addition, Taiwanese companies can also use funds, management, production, and ICT to merge and acquisition Southeast Asian superior brands.
- (5) Identify industries suitable for Taiwan's future development from the six core strategic industries.

3. Strategies for external linkage with Taiwanese firms

- (1) It is necessary to relinkage overseas Taiwanese firms to use Taiwan's superior resources and advantages to set up an operation management and logistic headquarters, and keep value such as brand and R&D in Taiwan.
- (2) Assist overseas Taiwanese firms to return to Taiwan to establish a regional operation headquarters or an international business center to maintain a linkage with Taiwan. Overseas Taiwanese firms can use Taiwan's advantages, orders and purchases in Taiwan, manufacturing in other countries, and it is easier to obtain Taiwan's bank funds.
- (3) Because the insufficient local financial support for Taiwanese firms in Southeast Asia, for assisting Taiwanese firms to expand overseas, it is recommended that to ask Southeast Asia countries to open bank market for Taiwanese bank to serve Taiwanese firms when discussing bilateral economic investment cooperation with these countries.

- (4) Collect industry information in Southeast Asian countries, provide complete investment portfolio suggestions for Taiwanese companies to reduce exploration time, and link with Taiwan's strengths. For example, when Southeast Asian countries change their policies and rise business opportunities for overseas Taiwanese firms to develop advantageous industries in the local area.
- (5) Taiwan government should support Taiwanese firms to develop brands, channels and markets in Southeast Asian, fully promote the digital economy, cultivate core corporate capabilities, and integrate the industrial supply chain.