

Chinese Taipei's Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- MFN tariff rates of 5 per cent or less are applied to 63 per cent of the tariff lines. 29 per cent of the tariff lines are duty-free.
- Tariff rate quotas are applied for some agricultural products. Import licenses, restrictions and prohibitions are still in force for certain products.
- Reforms are relaxing regulations in the services area, in particular in the financial sector.
- Restrictions on investment for overseas Chinese and foreigners remain in many sectors, but some of them were removed recently.
- Active role in improving customs procedures. The implementation of the CPT Single Window has reduced costs to the private sector by having access to a single platform to submit documents and obtain relevant information to export/import.
- Amendments in regulations to strengthen the intellectual property rights system.
- Continuous efforts to implement regulatory reforms. Improvement in Chinese Taipei performance in areas that are part of the World Bank's Logistics Performance Index and Doing Business.

Summary of Topics

Tariffs

Chinese Taipei reported an average MFN tariff rate of 5.9 per cent. 63 per cent of the tariff lines have MFN rates equivalent to 5 per cent or less. 29 per cent of the tariff lines are duty-free. However, tariff peaks above 30 per cent still remain. On average, agricultural products are facing higher tariffs than industrial products (13.9 per cent vs. 4.2 per cent).

Tariff-rate quotas are still applied to some agricultural products. This regime applies to red beans, liquid milk, peanuts, garlic, pineapple, mangoes, rice, pears and bananas, among other.

Chinese Taipei has reported applied tariff reductions based on the liberalization schedules agreed in the RTA/FTAs where it participates.

Non-Tariff Measures

Import licenses are required for 15 product items. Import prohibitions and restrictions are still applicable for some products. Also, at WTO, Chinese Taipei has reported duty and tax exemptions within designated zones. However, Chinese Taipei mentions that all these measures are compatible with WTO obligations.

* This brief report was prepared with information from Chinese Taipei's submission of 2014 APEC Individual Action Plan (IAP) template; Subsidies – New and Full Notification Pursuant to the Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures – Chinese Taipei (17 July 2013); and information from the Ministry of Economic Affairs.

Services

Chinese Taipei is undergoing reforms to relax regulations for market access. One of the initiatives is the Free Economic Pilot Zones, which plans to provide incentives to attract companies in the areas of smart logistics and international health care, among others.

In the financial sector, Chinese Taipei is allowing foreign securities firms to participate in the domestic or international interbank foreign currency call market since 30 April 2013. Also, securities firms are now allowed to engage in offshore securities business and invest in venture capital management consulting firms. In the telecommunications sector, regulations for local operators representing foreign satellite communication services operators have been relaxed.

Investment

Chinese Taipei revised the Negative List for Investment by Overseas Chinese and Foreign Nationals on 17 June 2013. The review eliminated investment prohibitions in two activities and restrictions in 18 activities such as certain manufacturing of chemical products, fruits and flower production, land transportation (cargo), financial intermediation, legal and accounting services, architecture and engineering services, among others. Currently, foreign investment prohibitions remain in specific activities in 10 industries (e.g. radio and television broadcasting, public notary services) and restrictions to foreign investment remain in activities concerning 16 industries (e.g. rice production, electric power supply, airport ground services, cable television services).

Standards and Conformance

In 2013, Chinese Taipei established or revised 388 food sanitation standards related to residue limits on pesticide/crop combinations, veterinary drugs and food additives.

Chinese Taipei is continuing with its efforts to align domestic standards with international standards. In 2013, Chinese Taipei developed and revised 374 domestic standards following existing policies, as well as industrial innovation and development programs. As of the end of 2013, there were 14,651 domestic standards in existence.

By the end of 2013, five specific trade concerns raised against Chinese Taipei at the WTO SPS Committee had not reported a resolution. The most recent concern involves issues concerning the level of radionuclides for food products. Similarly, five specific trade concerns against Chinese Taipei raised at the WTO TBT Committee had not reported a resolution. Some of the concerns were related to organic products and green mark regulations.

Customs Procedures

Chinese Taipei has been making good progress in implementing measures and promoting programs to facilitate and secure trade. For example, the number of Authorized Economic Operators went up from 401 in 2011 to 603 in November 2013. In addition, the Customs-Port-Trade (CPT) Single Window became available since August 2013. It integrates systems from three Ministries and serves as an exchange and sharing information platform for the private and public sectors. The CPT Single Window also allows participating government agencies to verify documents through its information sharing mechanism.

Intellectual Property Rights

Among the actions to strengthen intellectual property rights, Chinese Taipei amended the Trade Secrets Act in February 2013, which adds provisions on criminal liability and higher penalties for attempts to use misappropriated trade secrets in foreign jurisdictions. The Patent Act was also amended in June 2013. The amendment introduces the continuation of rights system, which allows applicants to get their rights recognized under the utility model patent and the innovation patent at the same time for the same creation, and obtain monetary compensation through punitive damages for cases of intentional infringement of the patent rights.

During 2012 and 2013, Chinese Taipei proceeded with the full implementation of the Patent Prosecution Highway (PPH) Program with the United States and the PPH Mottainai Pilot Program with Japan and Spain.

Competition Policy

The new Organic Act of the Fair Trade Commission entered into force in February 2012. The Act restructures the organization of the Fair Trade Commission and establishes that the nomination of the Commissioners is subject to approval by the Legislative, instead of being approved by the President.

Government Procurement

Chinese Taipei deposited its Instrument of Acceptance regarding the revised WTO Agreement on Government Procurement on 18 November 2013. Chinese Taipei also reported that its RTA/FTAs with New Zealand and Singapore include chapters covering this area.

Deregulation/Regulatory Review

As part of its strategy to gain competitiveness, Chinese Taipei implemented extensive reforms in several economic and financial areas. From May 2008 to November 2013, 866 deregulations were carried out.

The review of existing regulations identified to prioritize the need of reforms in the following areas: 1) attracting high-caliber foreign professionals; 2) improving the tax environment; 3) simplifying administrative procedures; 4) strengthening protection of IPR; and 6) easing restrictions on fund use and business scope of financial institutions.

Dispute Mediation

Chinese Taipei has reported that recent investment arrangements and partnership agreements with other APEC economies include mechanisms by which private parties can choose to submit their disputes. Some of the agreements include clauses on investment arbitration between investors and host governments and enforcement of arbitral awards. Others include comprehensive chapters on dispute settlement.

Mobility of Business People

Passport holders from 43 economies, including eight APEC economies, are visa exempted for maximum stays of 30 or 90 days. On 1 January 2012, Chinese Taipei launched the Automated Immigration Inspection System (E-Gate) for local residents for immigration clearance. The E-Gate

uses facial images and fingerprints to verify travellers' identities. The E-Gate system was extended for foreign residents in Chinese Taipei on 3 September 2012.

RTA/FTAs

Among the new developments after the 2012 Bogor Goals Progress Report, Chinese Taipei reported that under the Cross-Strait Economic Cooperation Framework Agreement, an investment agreement entered into force on 1 February 2013 and a trade in services agreement was signed on 21 June 2013. In addition, Chinese Taipei has four agreements in force¹, and reported two new economic cooperation agreements signed in 2013 with New Zealand and Singapore.

Supply Chain Connectivity

According to the World Bank's Logistics Performance Index 2012, Chinese Taipei moved up three places in customs clearance efficiency, two places for logistics services, and one place for infrastructure.

Chinese Taipei also reported efforts to enhance logistics services capabilities of Free Trade Zones by using information and communication technology. Chinese Taipei has also developed a new cold-chain transportation technology to facilitate the transportation of frozen goods. Over 30 companies have utilized this technology so far.

Ease of Doing Business (EoDB)

Chinese Taipei has been using the World Bank's Doing Business report as guidance to carry out reforms to improve the business environment. In particular, the main implemented reforms have targeted the areas of starting a business, dealing with construction permits, protecting investors and paying taxes. Overall performance advanced 30 positions between 2009 and -2013.

¹ Chinese Taipei's RTA/FTAs in force are the following ones: Chinese Taipei–El Salvador–Honduras (2008), Chinese Taipei–Guatemala (2006), Chinese Taipei–Nicaragua (2007), and Chinese Taipei–Panama (2004).