

PRACE NAUKOWE

Uniwersytetu Ekonomicznego we Wrocławiu

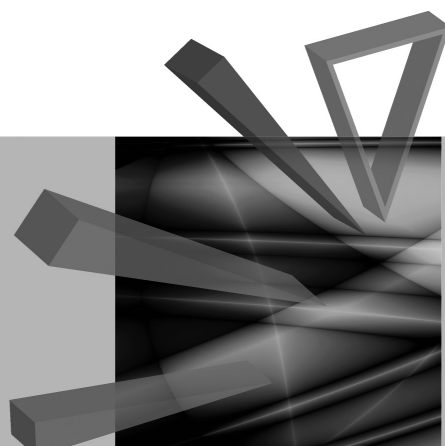
RESEARCH PAPERS

of Wrocław University of Economics

267

Handel i inwestycje w semiglobalnym otoczeniu

Tom 1



Redaktorzy naukowi

**Jan Rymarczyk, Małgorzata Domiter,
Wawrzyniec Michalczyk**



Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu
Wrocław 2012

Recenzenci: Jarosław Kundera, Leon Olszewski, Zdzisław Puślecki,
Kazimierz Starzyk, Krystyna Żołądkiewicz

Redaktorzy Wydawnictwa: Elżbieta Kożuchowska, Aleksandra Śliwka

Redaktor techniczny: Barbara Łopusiewicz

Korektor: Barbara Cibis

Łamanie: Małgorzata Czupryńska

Projekt okładki: Beata Dębska

Publikacja jest dostępna w Internecie na stronach:

www.ibuk.pl, www.ebscohost.com,

The Central and Eastern European Online Library www.ceeol.com,

a także w adnotowanej bibliografii zagadnień ekonomicznych BazEkon

http://kangur.uek.krakow.pl/bazy_ae/bazekon/nowy/index.php

Informacje o naborze artykułów i zasadach recenzowania znajdują się

na stronie internetowej Wydawnictwa

www.wydawnictwo.ue.wroc.pl

Kopiowanie i powielanie w jakiegokolwiek formie wymaga pisemnej zgody Wydawcy

© Copyright by Uniwersytet Ekonomiczny we Wrocławiu

Wrocław 2012

ISSN 1899-3192

ISBN 978-83-7695-235-2 (całość)

ISBN 978-83-7695-239-0 t. 1

Wersja pierwotna: publikacja drukowana

Druk: Drukarnia TOTEM

Spis treści

Wstęp	9
Łukasz Ambroziak: Handel wewnątrzgałęziowy państw Grupy Wyszehradzkiej na przykładzie przemysłu motoryzacyjnego	11
Eric Ambukita: Wielkie gospodarki wschodzące – nowi partnerzy gospodarczy krajów Afryki	25
Anna Barwińska-Małąjowicz: Inwestycje w kapitał ludzki w kontekście <i>brain waste</i>	37
Daša Belkovicsová: Theoretical models of financing tertiary education and its application on example of Slovakia.....	48
Mateusz Benedyk: Wpływ banków centralnych na inwestycje od czasu wybuchu kryzysu finansowego.....	54
Zbigniew Bentyn: Wpływ rozwiązań informatycznych na zmianę zachowań nabywczych klientów oraz rozwiązań logistycznych przedsiębiorstw handlowych.....	63
Joanna Bogolebska: Zarządzanie rezerwami walutowymi Chin – problemy i wyzwania.....	73
Magdalena Broszkiewicz, Paweł Broszkiewicz: Rola ładu korporacyjnego w przeciwdziałaniu manipulacjom na globalnych rynkach kapitałowych .	84
Ignacy H. Chrzanowski: Economics and politics of foreign direct investment. Is it beneficial for the recipient countries?.....	96
Anna Chrzęściewska: Bezpośrednie inwestycje zagraniczne Indii.....	110
Małgorzata Czarnas: Rozwój korporacji transnarodowych na przykładzie Amazon.com.....	121
Elżbieta Czarny, Jerzy Menkes, Katarzyna Śledziwska: PKB i handel państw transformacji w czasie kryzysu gospodarczego	130
Katarzyna Czech: Realizacja celów Strategii Europa 2020 – Polska na tle wybranych krajów UE	140
Tomasz Dorożyński: Znaczenie funduszy strukturalnych Unii Europejskiej dla polskich regionów.....	151
Kamila Drelich: Controlling projektów jako narzędzie współpracy wewnętrzkoncernowej.....	162
Agnieszka Dybizbańska: Konkurencyjność państw strefy euro w kontekście kryzysu gospodarczego.....	170
Katarzyna Dymitrow: Wpływ bezpośrednich inwestycji zagranicznych na rozwój gospodarczy Indii	180

Po-Kai Fang: Taiwan's strategy of integrating into global and regional economy	190
Bartosz Fortuński: Proekologiczne podejście do energetyki i jej wpływ na handel zagraniczny Unii Europejskiej	200
Joanna Garlińska-Bielawska, Magdalena Opiola: Handel Maquiladora w kontekście obecnego kryzysu gospodarczego	210
Jadwiga Gierczycka: Wpływ kryzysu w strefie euro na sytuację gospodarczą Polski	221
Małgorzata Grącik-Zajaczkowski: Kraje rozwijające się w ramach rundy WTO z Doha	230
Bohdan Jeliński: Rekonfiguracja gospodarki globalnej (dynamika, mechanizmy, struktury)	241
Bogusław Kaczmarek, Katarzyna Święcicka: Potencjał rozwojowy (inwestycyjny) MŚP na terenie województwa łódzkiego	253
Barbara Klimas: Inwestycje w kapitał wiedzy jako wyzwanie dla polityki państwa w globalizującej się gospodarce	260
Szymon Kłopocki: Lokalna i globalna współpraca firm w klastrze	272
Irena Kociszewska, Monika Kamińska: Zagraniczne inwestycje bezpośrednie w Polsce w latach 2007-2010	282
Aneta Kosztowniak: Przepływy BIZ i zmiany struktury akumulacji kapitału a wzrost gospodarczy w krajach wschodzących i rozwijających się	295
Anetta Kuna-Marszałek: Rola ekoinnowacji w strategii działania przedsiębiorstw na przykładzie systemów zarządzania środowiskiem	309
Jarosław Kuśpit: Rozwój stosunków gospodarczych z zagranicą krajów byłego ZSRR	320
Andżelika Kuźnar: Dobra niematerialne oparte na wiedzy jako czynnik wzrostu innowacyjności Unii Europejskiej	330

Summaries

Łukasz Ambroziak: Intra-industry trade of the Visegrad Countries: the case of automotive industry	24
Eric Ambukita: Big emerging economies – new economic partners for African countries	36
Anna Barwińska-Malajowicz: Investments in human capital in the context of “brain waste”	46
Daša Belkovicsová: Teoretyczne modele finansowania szkolnictwa wyższego i ich zastosowanie na przykładzie Słowacji	53
Mateusz Benedyk: Influence of central banks policies on investments since the financial crisis	62

Zbigniew Bentyn: The impact of information solutions on the change of customers' behavior and trading companies logistics.....	72
Joanna Bogolebska: Management of foreign reserves in China – problems and challenges.....	83
Magdalena Broszkiewicz, Paweł Broszkiewicz: The role of corporate governance in solving the problem of manipulations on the global capital markets.....	95
Ignacy H. Chrzanowski: Ekonomiczne i polityczne aspekty zagranicznych inwestycji bezpośrednich. Czy są one korzystne dla odbiorców?.....	109
Anna Chrzęściewska: Foreign Direct Investment outflows from India.....	120
Małgorzata Czarnas: Development of transnational corporations on the example of Amazon.com.....	129
Elżbieta Czarny, Jerzy Menkes, Katarzyna Śledziwska: GDP and trade of transformation countries in the time of the economic crisis.....	139
Katarzyna Czech: Implementation of goals of the Europe 2020 strategy – Poland compared to selected EU countries.....	150
Tomasz Dorożyński: The role of EU structural funds for regions in Poland..	161
Kamila Drelich: Controlling of projects as the instrument of intercompany cooperation.....	169
Agnieszka Dybizbańska: Competitiveness of the euro zone countries in the context of economic crisis.....	179
Katarzyna Dymitrow: The influence of direct foreign investments on the economic development of India.....	189
Po-Kai Fang: Tajwan: globalna i regionalna strategia integracji ekonomicznej.....	199
Bartosz Fortuński: Environmental approach to energy and its impact on foreign trade of the European Union.....	209
Joanna Garlińska-Bielawska, Magdalena Opiola: Trade under Maquiladoras in conjunction with the current economic crisis.....	220
Jadwiga Gierczycka: Impact of the crisis in the euro zone on the economic situation of Poland.....	229
Małgorzata Grącik-Zajaczkowski: Developing countries in the WTO Doha round.....	240
Bohdan Jeliński: Global economy reconfiguration.....	252
Bogusław Kaczmarek, Katarzyna Święcicka: An investment potential of SME in the area of Łódź Voivodeship.....	259
Barbara Klimas: Investments in knowledge capital as a challenge for the state policy in the globalizing economy.....	271
Szymon Kłopocki: Local and global firm cooperation in clusters.....	281
Irena Kociszewska, Monika Kamińska: Foreign direct investments in Poland between 2007-2010.....	294

Aneta Kosztowniak: FDI flows and changes of structure of capital accumulation vs. economic growth in the emerging and developing countries.....	308
Anetta Kuna-Marszalek: The role of eco-innovations in business strategy as an example of environmental management systems	318
Jarosław Kuśpit: The development of economic relations with foreign countries of the former USSR	329
Andżelika Kuźnar: Intangibles based on knowledge as a factor of the innovation growth of the European Union	339

Po-Kai Fang

Wrocław University

TAIWAN'S STRATEGY OF INTEGRATING INTO GLOBAL AND REGIONAL ECONOMY

Summary: Free trade has been promoted in the world economy during the last several decades. Taiwan's unfavorable diplomatic relations with China not only result in its loss in competitiveness in the global market, but also in marginalization from regional integrations and the world economy. The purpose of the following paper is to demonstrate what the Taiwanese government has done and will do in order to push its market into global and regional economy.

Keywords: Taiwan, China, regional cooperation, Economic Cooperation Framework Agreement (ECFA).

1. Introduction

Over the last five decades the idea of economic integration has been playing an important role in the global economy and is still the major trend in the world today. With the continuous progress of globalization and regional integration, the trend of inter-regional and intra-regional economic integrations is an inevitable wave both in the global and regional economy. For example, regional trade agreements in the Asia-Pacific region have grown rapidly over the past ten years and are creating a complex web of intersecting bilateral and multilateral trade agreements.

In the last few years China, as a strong country, both economically and politically, has been playing an important role among those Asian countries in the wave of regional economic integration. Particularly, since 2001 China has been one of the WTO members and the Chinese government's attitude has played a crucial role in the decision making process in economic affairs in this region. Thus, in such a changing regional environment where China is the leading power, Taiwan as an economy highly dependent upon international trade, surely would lose its competitiveness in global markets. Its international space would be further constricted due to its unfavorable diplomatic relations with China. This has forced Taiwan not to join the major regional blocs or to sign any FTAs with other important trading partners.

The purpose of the following paper is to demonstrate what the Taiwanese government has done and will do in order to push its market into the global and the regional economy.

2. An overview of Taiwan's foreign trade in 2011

Due to the shortage of natural resources and a relatively small domestic market, foreign trade has been the engine of Taiwan's rapid growth since the 1960s with the government actively implementing export-oriented policies. As a result, there is a highly dependent relation between foreign trade and economic growth and any fluctuations in world demand could easily change Taiwan's economy, including the trade diversion effect from its trading partners, especially those countries in Asia which accounted for 69% and 56% of total exports and imports in 2011 (see Table 1).

Table 1. Trade with various continents in 2011 (areas)¹

Continents (or areas)	Total Exports		Total Imports		Trade
	Amount	As % of total	Amount	As % of Total	Balances
Total	308,299.3	100.0	281,605.2	100.0	26,694.1
Asia	212,837.1	69.0	157,860.2	56.1	54,976.9
Middle East	7,525.1	2.4	36,054.0	12.8	-28,528.9
Africa	2,944.4	1.0	10,581.3	3.8	-7,636.9
Oceania	4,438.5	1.4	11,929.9	4.2	-7,491.4
Europe	31,213.9	10.1	29,590.1	10.5	1,623.8
North America	38,936.9	12.6	27,782.4	9.9	11,154.5
Central America	2,479.7	0.8	1,604.1	0.6	875.6
South America	4,523.3	1.5	6,090.3	2.2	-1,567.0
others	3,400.4	1.2	112.9	0.1	3,287.5

Source compiled from Ministry of Finance, R.O.C.

In 2011, Taiwan ranked as the 20th largest in the world by purchasing power parity (PPP) with US\$ 885.3 billion. The total trade value was US\$ 589.9 billion within US\$ 308.2 billion in export (the world's 19th largest) and US\$ 281.6 billion in import (the world's 20th largest).² As the same statistic shown, the share of industrial goods in total exports has risen to 98.8%, while there was only 0.3% in agricultural products and 0.9% in processed agricultural products.³ The major export partners are China with Hong Kong (40.2%), the United States (11.8%), Japan (5.9%) and Singapore (5.5%). The portion of raw materials accounted for 77.2% in the total import composition in 2011, followed by capital goods and consumer goods with a share of 14.5%

¹ Ministry of Finance, ROC, Summary of exports and imports for December 2011, Department of Statistics, Taipei, 2012-01-16, <http://www.mof.gov.tw/engweb/public/Attachment/21914561983.XLS>, accessed date: 04 March 2012.

² Ibidem.

³ Ibidem.

and 8.3%.⁴ The major import partners are Japan (18.5%), China with Hong Kong (16.1%), the United States (9.1%) and Korea (6.3%) (see Table 2 and Table 3).

Table 2. Trade with major trading partners in 2011⁵

Countries	Total Exports		Total Imports	
	Amount	As % of Total	Amount	As % of Total
Total	308,299.3	100.0	281,605.2	100.0
China & Hong Kong	124,053.7	40.2	45,282.9	16.1
U.S.A.	36,365.4	11.8	25,758.6	9.1
Japan	18,238.4	5.9	52,210.5	18.5
Singapore	16,880.6	5.5	7,958.2	2.8
Korea	12,382.1	4.0	17,865.7	6.3

Source: compiled from Ministry of Finance, R.O.C.

Table 3. Composition of exports and imports in 2011⁶

Exports	Amount	As % of Total	Imports	Amount	As % of Total
Agricultural products	898.5	0.3	Capital goods	40,733.3	14.5
Processed agricultural products	2,666.8	0.9	Raw materials	217,440.2	77.2
Industrial products	304,734.0	98.8	Consumer goods	23,431.7	8.3

Source: compiled from Ministry of Finance, R.O.C.

3. Before signing of ECFA⁷

Since 1st of January, 2002 Taiwan joined the WTO as its 144th member under the names “Chinese Taipei” and “The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.” Ten years after joining the WTO, the Taiwanese government

⁴ Ibidem.

⁵ Ibidem

⁶ Ibidem

⁷ ECFA (Economic Cooperation Framework Agreement) is a preferential trade agreement between the governments of the People’s Republic of China and the Republic of China (Taiwan). The first meeting on ECFA began on January 26th, 2010 in Beijing. After 5 rounds of talks on June 29th, 2010 both sides concluded with signing of ECFA, which came into force on September 29th in the same year. Source from: Po-Kai Fang, *Taiwan’s Free Trade Agreements Strategy*, unpublished master dissertation, University of Wrocław, Wrocław 2011, p. 53-54.

has already successfully signed four free trade agreements with its political allies in Central and Southern America, Panama, Guatemala, Nicaragua, Honduras and El Salvador (see Table 4). This strategic move was to minimize Taiwan's economic dependence on China. The Taiwanese government wanted to provide the opportunity for Taiwanese businessmen to expand their processed products to the United States through these countries after the DR-CAFTA came into force in 2009 in order to decrease the situation that its trade and economy was overly depending on China since 2004.

Table 4. Overview of Taiwan's FTAs with five countries in Central and Southern America⁸

FTA Name	Counseling Process	Date of Signature	Date of Entry into Force
Panama and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (bilateral)	In October 2002 the first round of counseling started. Totally, five rounds of counseling and a special session for agriculture were held.	21-Aug-2003	01-Jan-2004
Guatemala and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (bilateral)	In March 2005 the first round of counseling started. Totally, four rounds of counseling were held.	22-Sep-2005	01-Jul-2006
Nicaragua and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (bilateral)	In September 2004 the first round of counseling started. Totally, four rounds of counseling were held.	16-Jun-2006	01-Jan-2008
Honduras - El Salvador and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (plurilateral)	In May 2006 the first round of counseling started. Totally, four rounds of counseling were held.	07-May-2007	01-Mar-2008 (El Salvador) 15-Jul-2008 (Honduras)

Source: compiled from Po-Kai Fang, *Taiwan's Free Trade Agreements Strategy*.

However, the total trade value among Taiwan and these five countries did neither have considerable influence nor bring huge economic benefits to Taiwan's economy, even though the total value of these five countries did have a significant growth in the first two years after the FTAs came into force. Through this kind of economic cooperation the Taiwanese government wanted to strengthen its diplomatic relations with its allies in order to prevent the Chinese government from influencing those allies to change their political viewpoint.

⁸ Ibidem, p. 29.

Furthermore, since China's rapid economic rise and its energetic participation in regional economic integration after being one of the WTO members in 2001, the Chinese government used its influence on economic powers to prevent other countries from signing any FTAs with Taiwan according to the definition of signing FTA as a "country to country" affair given by the Chinese government. This means that countries seeking diplomatic or economic relations with the PRC should follow the "One China Policy"⁹ and break official relations with the ROC. Thus, many countries which were interested in China's market or worried about pressure from the Chinese government turned to signing FTAs with the PRC instead of with Taiwan.

Table 5. What Taiwan confronted/will confront in the next 10 years¹⁰

Countries	Dates	Terms
ASEAN + China FTA	1 Jan. 2005, began implanting tariff reductions on goods	1 Jan. 2010, zero tariff on most goods.
ASEAN + South Korea FTA	1 July 2007, began implementing tariff reductions on goods.	1 July 2010, zero tariff on 90% of goods.
ASEAN + India FTA	entered into force Mar. 2010	Between 2013 and 2016, mutual reduction of import tariffs on 80% of goods.
ASEAN + Japan FTA	Dec. 2008	By 2018, zero tariff on 91% of goods.
Japan + Vietnam EPA	Oct. 2009	By 2019, zero tariff on 92% of total bilateral trade goods.
ASEAN + Australia & New Zealand FTA	Jan. 2010	By 2020, zero tariff on 96% of goods.
South Korea + USA FTA	Signed June 2007. Pending approval of respective National Assemblies.	95% of South Korea and USA industrial and consumer goods will be exempt from tariffs within 3 years of FTA implementation
South Korea + EU FTA	To be signed in Q1 2010 (initialed 15 Oct. 2009)	
South Korea + India FTA	Entered into force 1 Jan. 2010.	India commits to tariff cuts/exemptions for 85% of South Korean goods, while South Korea commits to tariff cuts/exemptions for 93% of Indian goods.

Source: compiled from Bureau of Foreign Trade, MOEA, R.O.C.

⁹ One China Policy – the policy in which both the PRC and the ROC governments claim that there is one, undivided sovereignty of China, and claim themselves as the sole legitimate representative of that sovereignty. According to this policy, the PRC government declares that foreign powers do not have the right to get involved in issues between Taiwan and China because the Cross-Strait problem is the part of domestic subjects, not international affairs. One-China policy: <http://www.chinadetail.com/ChinaWorld/TaiwanDemographicsOneChinapolicy.php>. Accessed date: 05 March 2012.

¹⁰ Po-Kai Fang, op. cit. p. 48-49.

As more and more of Taiwan's main trade countries signed FTAs with each other; the Taiwanese government began to sense more pressure and impact from the trade diversion effect brought on by those FTAs from which Taiwan was excluded (see Table 5). For example, Korea and Taiwan have around 70% to 80% overlap in export market and industry. Once, 30% of Taiwan's industrial goods exported in America will be threatened by the Korea and U.S. FTA, while 45% of goods exported in EU market will be threatened by the Korea and EU FTA¹¹. In addition, according to the report made by Taiwan External Trade Development Council, when the Korea and EU FTA completely enter into force, 94% of Korean products to the EU will have zero tariffs, while Taiwanese goods will still pay 55% of the tariffs¹².

To avoid marginalization and loss of competitiveness in the global and regional markets, the government actively looked for any opportunities to open FTA negotiations with its main trading countries. Therefore, with the consideration of pushing Taiwan into the global and regional economy and breaking out of the containment from Chinese government in the international society, the Taiwanese government decided to open negotiations with China (including Hong Kong) and the United States. What motivated the Chinese government to open negotiations with these two countries in the first place? First of all, the United States was Taiwan's largest trade partner in the 90's and the government believed that if Taiwan had concluded a trade agreement with the United States, other countries would have followed in their path. Second, the Taiwanese government expected that having a trade agreement with China would, more or less, soften relations between the two countries. Potential FTA negotiations between Taiwan and other countries would be met with less opposition from China.

4. Signing of ECFA

In the beginning, the idea to negotiate FTAs with the United States and China seemed feasible in helping Taiwan to integrate into the world and the regional economy. However, the FTA negotiations with the United States may not have proved fruitful. FTA between the U.S. and Taiwan could easily cause significant changes in the present relationships between the United States and China or between China and Taiwan, since the Chinese government considers FTA a "country to country" agreement. China could suspect that through FTA with Taiwan, the United States would be attempting to intervene in its domestic affairs. Also, the U.S. government had its own strategic and internal affairs' considerations and signing FTA with Taiwan was not on its list of priorities. Thus, without any indications from the U.S. government

¹¹ Daniel D.N. Liu, *The Trend of Global Regional Integration*, [in:] *ECFA: A New Win-win Situation for Cross-Strait Relationship*, (ed.) Cyrus C. Y. Chu, Prospect Foundation, Taipei 2009, p.29-59.

¹² Jean Yen, *The Korea and the EU Free Trade Agreement will enter into force in July*, <http://www.nownews.com/2011/05/25/11490-2715224.htm>. Accessed date: 05 March 2012.

about opening FTA negotiation with Taiwan, the best choice for Taiwanese government to break through the political stalemate at that time was to begin a bilateral FTA negotiation with the Chinese government.¹³ Moreover, as a result of the negative economic growth caused by the global financial and economic crisis in 2008 and the 2010 finalization of the ASEAN + 3 (ASEAN + China, Japan, and Korea) economic deal as the first stage of a common market, Taiwan's economy suffered significant damage in trade¹⁴. In consequence, the Taiwanese government was driven to open a pseudo free trade agreement with China in early 2009 in order to revive its economy.

After five rounds of talks, on June 29 2010 Chinese and Taiwanese government concluded the Cross-Taiwan Strait "Economic Cooperation Framework Agreement (ECFA)" which came into force in September in the same year. This agreement could be regarded as the breaking point of Taiwan's wider participation in the region. According to the Taiwanese government, the major objections of ECFA are to promote the normalization of the Cross-Strait economic and trade relations without any political concerns, to avoid Taiwan being marginalized from the global and regional market, and to increase Taiwan's position as a platform for regional investment¹⁵.

However, the ECFA was not complete FTA because of the early harvest program. The main purpose of the early harvest program was to advance the implementation of FTAs' trade benefit through the reductions of tariff for specified items at an early date, while most of FTAs signed and came into force after reaching a consensus on all issues. In the case of ECFA, the further negotiation on the liberalization of trade in goods and services, dispute settlement, investment agreement will not begin until 6 months after ECFA has come into force.

5. After the signing of ECFA

Thanks to the ECFA a lot of countries which previously kept a wait-and-see approach, now have a greater willingness to invest in Taiwan and develop closer economic relations with the nation. For instance, ROC and Singapore began talks on an economic agreement in 2010. Also the Taiwan-Japan Bilateral Investment Arrangement was signed in September of 2011.¹⁶ Although the Taiwanese government states that positive effects have been felt since ECFA entered into force, the government understood that ECFA was not a panacea for Taiwan's economy. Therefore, in 2011

¹³ F. Yi-hua Kan, *ECFA and Beyond: Taiwan's Role in the Emerging China-Centered Regionalism*, Prospect Foundation Newsletter No.7, Cross-Strait Interflow Prospect Foundation, Taipei, 2010, accessed date: 06 March 2012, <http://www.pf.org.tw>.

¹⁴ J. F. Copper, *The China-Taiwan Economic Cooperation Framework Agreement: Politics, not just Economics*, EAI Background Brief, No. 548, 2010-08-06, p.1-2.

¹⁵ *Ibidem*.

¹⁶ Office of the President, ROC, *President Ma meets delegation from National Committee on American Foreign Policy*, Office of the President, ROC, Taipei 2011-10-19, accessed date: 08 March 2012, <http://english.president.gov.tw>.

the present government of the ROC unveiled its “Golden Decade, National Visions” plans by implementing the “four assurances¹⁷” and upon that basis accomplishing the “eight visions for the nation¹⁸” in order to achieve a robust economy for the nation’s development over the coming ten years.

Within the “Golden Decade” plans, the government announced several policy objectives for innovating technologies, encouraging scientific research, adjusting the economic structure, improving employment, and stabilizing prices and modernizing agriculture in order to transform and enhance Taiwan’s business and investment conditions in the international community.

For instance, the government passed the Industrial Innovation Act and lowered the business income tax rate from 25% to 17%, which is lower than anywhere else in the world except for Ireland and Hong Kong. In order to establish a more attractive environment to foreign investors, the government continued to relax economic policies, such as eliminating the minimum capital requirement for starting a new business and eliminating the minimum limit for the allocation of capital by foreign companies.¹⁹

What is more, signing of ECFA has provided Taiwan’s business with a set of advantages over other leading competitors in the Mainland China market. Following signing of ECFA, international enterprises that cooperate with Taiwan in deploying in the Asian market can easily enter the Chinese market under preferential conditions and set up regional logistics centers, R&D, and operations headquarters where they can enjoy a business environment that enables them to secure more sustainable benefits. Thus, enhancing a “hub for business operations in the Asia-Pacific region” in the coming years will be the next step to build up Taiwan while linking with the Asia-Pacific region and deploying globally after actively participating in regional economic integration. Furthermore, the present government is striving to create the conditions for Taiwan to secure entry into the Trans-Pacific Partnership (TPP)²⁰ within the next

¹⁷ Four assurances are: 1) to ensure that the sovereignty of the Republic of China remains independent and unimpaired, 2) to ensure the safety and prosperity of Taiwan, 3) to ensure ethnic harmony and cross-strait peace, and 4) to ensure a sustainable environment and a just society. Source from: Office of the President, ROC, *President Ma holds press conference to explain his vision for a ‘golden decade’*, Office of the President, ROC, Taipei, 2011-10-19, accessed date: 09 March 2012, <http://english.president.gov.tw>.

¹⁸ Eight visions for the nation are: 1) a robust economy, 2) a just society, 3) clean and competent government, 4) high-quality culture and education, 5) environmental sustainability, 6) well-rounded development, 7) cross-strait peace, and 8) friendly relations with the international community. J.F. Copper..., *op. cit.*

¹⁹ Bureau of Foreign Trade, *ECFA's Win-Win-Win: Taiwan, Mainland China and Global Trading Partners*, Taipei, 2010, p.1.

²⁰ The Trans-Pacific Partnership, known as the Trans-Pacific Strategic Economic Partnership Agreement, is a multilateral free agreement among Brunei, Chile, New Zealand and Singapore, with negotiations under way for Australia, Malaysia, Peru, the U.S. and Vietnam to enter. It aims to further liberalize the economies of the Asia-Pacific region. Recently, Canada, Japan, Mexico have also ex-

decade. Although at this moment Taiwan is not ready to bid for TPP membership, the government is approaching the matter step by step in order to increase Taiwan's share in the world economy.

6. Conclusion

A lot of observers are highly optimistic about Taiwan's future. The national competitiveness rankings announced by IMD in 2011 indicated that thanks to signing of ECFA the island's economic performance ranked 8th among 59 selected economies. It is hard to say whether ECFA is a solution for the island's economy; however, it did push Taiwan to a favorable position in the rapid East Asian economic integration and allowed Taiwan's business to compete more fairly against its competitors from other countries. But somehow the attitude of the Chinese government still plays a key role in impeding Taiwan's entrance in the global and regional economy.

Literature

- Bureau of Foreign Trade, *ECFA's Win-Win-Win: Taiwan, Mainland China and Global Trading Partners*, Taipei 2010.
- Chan R., *President Ma unveils 10-year plan for Taiwan*, Government Information Office, ROC, Taipei 2011-09-30.
- Chang M., *Ma targets TPP membership for Taiwan*, Government Information Office, ROC, Taipei 2011-11-15.
- Chen-Yuan Tung, *The Regional Trade Arrangement and Taiwan's Strategy*, The Institute of International Relations, National Chengchi University, Taipei 2003.
- Copper J.F., *The China-Taiwan Economic Cooperation Framework Agreement: Politics, not just Economics*, EAI Background Brief, No. 548, 2010-08-06.
- Liu D. D.N., *Negotiation – the Next Stage for ECFA*, Prospect Foundation Newsletter No.1, Cross-Strait Interflow Prospect Foundation, Taipei 2010.
- Liu D.D.N., *The Trend of Global Regional Integration*, [in:] *ECFA: A New Win-win Situation for Cross-Strait Relationship*, (ed.) Cyrus C. Y. Chu (Ed.), Prospect Foundation, Taipei 2009.
- Executive Yuan, ROC*, "The Republic of China Yearbook" 2011, Government Information Office, R.O.C.: Taiwan 2011.
- Office of the President, ROC, *President Ma holds press conference to explain his vision for a "golden decade"*, Office of the President, ROC, Taipei 2011-10-19.
- Office of the President, ROC, *President Ma meets delegation from National Committee on American Foreign Policy*, Office of the President, ROC, Taipei 2011-10-19.
- Office of the President, ROC, *President Ma meets delegation from National Committee on American Foreign Policy*, Office of the President, ROC, Taipei 2011-10-19.
- Po-Kai Fang, *Taiwan's Free Trade Agreements Strategy*, unpublished master dissertation, University of Wrocław, Wrocław 2011.

pressed interest in TPP membership. Some observers believe the TPP membership will expand U.S. trade with Asia while strengthening U.S. ties with the region. Source from: I. F. Fergusson & Bruce Vaughn, *The Trans-Pacific Partnership Agreement*, Congressional Research Service, 2010.

Yi-hua Kan F., *ECFA and Beyond: Taiwan's Role in the Emerging China-Centered Regionalism*, Prospect Foundation Newsletter No.7, Cross-Strait Interflow Prospect Foundation, Taipei 2010.

TAJWAN: GLOBALNA I REGIONALNA STRATEGIA INTEGRACJI EKONOMICZNEJ

Streszczenie: Idea wolnego handlu i liberalizmu w sferze ekonomicznej była aktywnie promowana w ostatnich dekadach przez różne gremia i instytucje. Jednak w przypadku Tajwanu niekorzystne relacje dyplomatyczne z Chinami implikowały nie tylko zmniejszenie konkurencyjności i obecności tego kraju na rynkach międzynarodowych, ale także skutkowały postępującą marginalizacją w szerszych procesach regionalnej i globalnej integracji. Z tego względu celem niniejszego opracowania jest próba zarysowania głównych działań rządu Tajwanu (obecnych i planowanych) zmierzających do zwiększenia partycypacji państwa w procesach integracyjnych w wymiarze regionalnym i globalnym.

Słowa kluczowe: Tajwan, Chiny, współpraca regionalna, Porozumienie o Współpracy Ekonomicznej.