

BUSINESSEUROPE



Hearing

EU-Taiwan Trade Relations: State of Play and Future Opportunities

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Why is Taiwan important?

- Relatively small but dynamic economy
- Major EU trade partner (15th, 1.4%)
- Highly competitive economy
 - Taiwanese firms comprise roughly 80% of global laptop production
 - 19 entries in the OECD list of top 250 ICT firms
- Access to Chinese market access



Potential for European Businesses

- Goods trade
 - Taiwan plays an important role in Information and Communications Technologies supply chains
- Services trade
 - EU services exports to South Korea and Hong Kong are more than double EU service exports to Taiwan
- Foreign Direct Investment (FDI)
 - Much lower compared to South Korea



Problems for European Businesses

- International Standards
- Trade with China
- Regulation of Services and investment
- Procurement markets



Conditions for an FTA

Economic criteria:

- actual level of tariffs and non-tariff barriers on industrial goods
- existing barriers to effective trade in services
- economic potential of future partners



Conditions for an FTA (cont'd)

Coverage:

- Symmetric tariff dismantling
- Full product coverage
- Services covering all modes of supply
- Investment
- IPR rules and enforcement
- Competition policy
- Disciplines on procurement
- Regulatory barriers



EU's trade policy in Asia

FTAs:

- Concluded: Korea
- Ongoing negotiations: Singapore, Malaysia
- Suspended: ASEAN
- Potential new ones: Japan, Indonesia

Others:

- EPA with Pacific islands
- Consultation on bilateral investment agreement with China



Which way forward?

Opportunities:

- Much improved bilateral relationship with China:
 - ECFA
 - Increased trade and business exchanges
- Expand trade and investment between EU and Taiwan
- Potential benefits for Taiwan and China

Challenges to be addressed:

- political relationship Taiwan – China
- defensive interests

