

Taiwan, the Glory Hub in Greater China

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I . Taiwan and ICT Industry

Country & ICT Status

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- Land Area - 36,188 Km²
 - Population - 23.12 million
(70+% resided in urban area)
 - Household - 7.81 million
 - Per capita income
 - US\$ 19,155 (GNP, FY2010)
 - US\$ 35,227 (PPP*, FY2010)
 - Regular Internet users : 10.57 million
 - PC penetration rate : 85.7%*
 - Internet penetration rate : 78.7%*
(* Household basis)
 - Mobile Internet penetration rate: 41.9%
 - Mobile phone penetration rate : 116.6%
 - Digital TV penetration: 31.1%












Taiwan also ...

- ❖ A major procurement center for global ICT companies & buyers.
- ❖ More than 10 products ranked 1st in worldwide ICT product market share.

* PPP= Purchasing Power Parity

Source: Directorate General of Budget, Accounting and Statistics, Executive Yuan,
Department of Statistics, MOI, NCC, III-FIND, compiled by MIC/III, Aug. 2011.

Taiwan's Worldwide Leading ICT Products

 Product 	2010 Worldwide Market Share	 Product 	2010 Worldwide Market Share
Notebook PC 	93.7%	Cable CPE 	95.1%
Motherboard 	94.0%	WLAN NIC 	91.1%
Netbook PC 	88.3%	DSL CPE 	64.3%
Server (System/MB) 	88.7%	IP Phone 	61.0%
LCD Monitor 	71.9%		

❖ In addition, Smartphone and ODD ranked 2nd place in 2010 worldwide ICT product market share.

Source: MIC/III, April 2011.

Excellent Performances in International ICT Rankings

		World	Asian Oceania
	2008 IT Industry Competitiveness	No.2	No.1
	2008 Global E-Government Report	No.2	No.2
	2008 IT Industry Competitiveness	No.7	No.4
	2007- 2008 Networked Readiness Index (NRI) Report	No.17	No.4

Highlights on Taiwan's ICT Best Practice (1/2)

Broadband Internet Penetration

- Households 70 %
- Enterprises 98% (4mg+)

Computerized Household Registration

- Full online computerization of 23M nationals and 7.5M Households registrations
- National presidential election result announced in 4 hours, there are 12.5M voters voting at 14,401 stations

National Health Insurance System

- 23 M citizens holding smart health cards with rich applications
- 550 medical institutes connect to the NHI network with H7 compliance systems

Universal Smart ATM Card

- Each of 73M smart cards can withdraw at 26K ATMs operated by 354 financial institutes
- Each of 9,000 24 hrs convenience stores provide ATM and payment services.

Highlights on Taiwan's ICT Best Practice (2/2)

Internet Tax-filing

- 50% of 4.85M citizens could download all personal income data and file income tax thru internet via authenticated smart ID card
- 97% of 1.83M business entities file tax digitally

Centralized e-Government Procurement system

- All government procurement over USD 3,100 must be submitted to the centralized government network
- 3,099 government agencies submit 50,000 procurement cases to the network per annum

e-Campus

- 80% of 3,391 elementary and junior high school campuses with wireless connection
- Every classroom in elementary and junior high schools equips internet-connected PC and overhead projector

What Taiwan Has Done

Education

SME Online University

- e-Campus Facility
 - 5 Colleges
 - 1,015 Courses
- Members & Visits
 - 384,223 Members
 - 2 million Visits annually
- Learning Effects
 - 1,021 New Members per Week
 - 250,000 Pages per Week
 - 41 Minutes per Visit

Facilitation

Eliminate Digital Divide

- Targeted SME
 - Less Than 20 Employees
 - Rural or Mountain Areas
- Programs
 - Build Websites
 - Implement App Systems
- Nationwide Consulting Teams
 - Application System Implementation Taskforce
 - e-Marketing Taskforce

Clusterization

Form SME e-Communities

- Rural e-Community
 - Co-own Website
 - Share Operating & Marketing Costs
- Industry-specific e-Supply Chain
- Link to International e-Marketplace
 - Export through International e-Marketplace
 - Train Professional e-Traders

Look into the Future

Opportunities

- Domestic B2C Online Market Growth Rate 20% Per Annum^(*)
- Global B2C Online Market Growth Rate 15% Per Annum^(*)
- China B2B Online Market Access
- Growing Prevalence on Smart Cellular Phones

Threats

- Fierce Price Competition
- Cyber Crime Rampancy
- Fake & Knockoff Products Popularity
- Government Intense Regulation on Privacy

Challenges

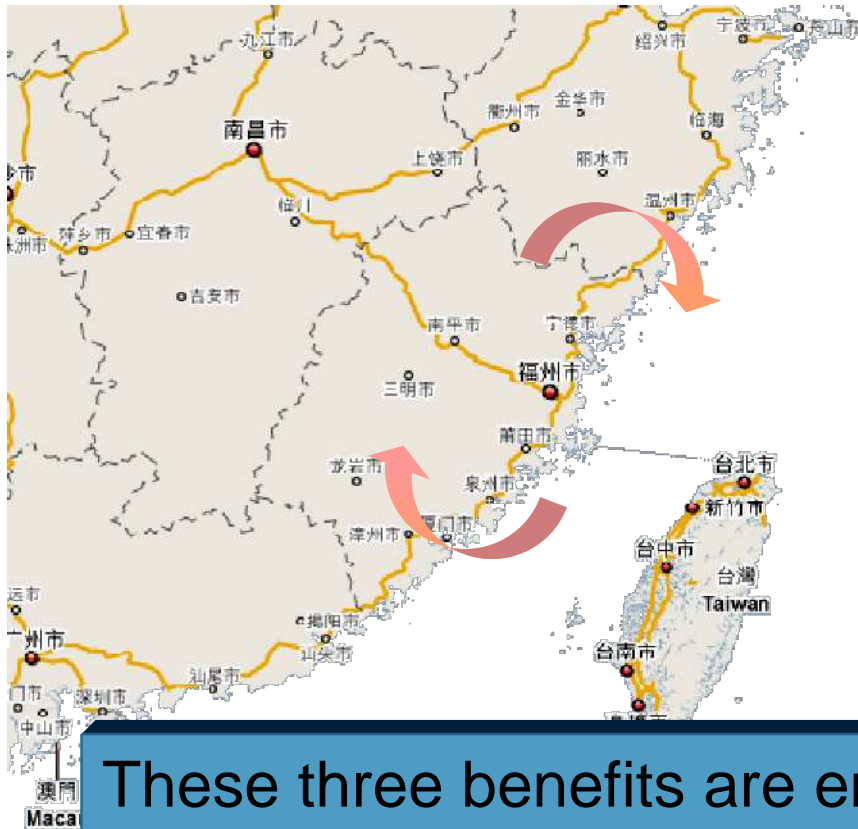
- Continuous Product Sourcing
- Skills on Content Enrichment
- Search Engine Optimization
- Cross-border Delivery Logistics & Cost
- Cost on Information Security

*source : III/MIC

II . ECFA Triggers Taiwan as the Hub in Greater China

The Economic Cooperation Framework Agreement (ECFA) is a preferential trade agreement between the governments of the People's Republic of China (mainland China) and the Republic of China (Taiwan) that aims at reducing tariffs and commercial barriers between the two sides

Taiwan Benefits Significantly Post-ECFA



- Reduced cross-straight import/export tariffs
- Taiwan's intellectual property rights are better protected
- Taiwan-based R&D centers receive government support

These three benefits are encouraging Taiwan-based R&D centers and High-Value Added Manufacturing helping Taiwan become a global innovation center and an economic hub for the Asian-Pacific Region.

2020: Taiwan is Asia-Pacific's ICT Hub

Taiwan's Business and Investment Friendly Environment

- ❖ Corporate tax rate reduced to **17%** , now matching the Singapore rate and near Hong Kong's 16.5%. Our 17% comes in much lower than neighborhood economic entities
- ❖ **Science Parks and Product Incubation Centers** facilitate new service and product development
- ❖ **181** Manufacturing Centers, **3** Science Parks, **10** Product Assembly Centers, **5** Free-trade Ports forming a highly productive exporting environment
- ❖ Stable and mature: legal system, securities trading, IP rights protections and education system
- ❖ Stable and plentiful transportation networks link Taiwan and the entire East-Asian Pacific Island Chain giving Taiwan a critical role in this area's trade economy

Taiwan Business in China

1. 10% of China's industrial exports are from Taiwanese Companies ;
70% of Taiwan's overseas investment is in China
2. 10 of the leading 20 China-based exporters are Taiwanese Companies
3. Taiwan Companies successfully integrate China-based Manufacturing with their supply chain
4. The World's largest investor in China
5. Long-term business investments in China having tremendous depth and breadth have formed strong business associations and networks

*(in Hundred Millions)

Rank	Company	Exports* (US\$ (%))
1	鴻富錦精密工業(深圳)	262.2 (1.8)
2	達豐(上海)電腦	250.4 (1.8)
4	名碩電腦(蘇州)	80.6 (0.6)
6	英順達科技	59.9 (0.4)
7	仁寶資訊工業(昆山)	52.3 (0.4)
9	緯新資通(昆山)	51.0 (0.4)
13	群康科技(深圳)	44.8 (0.3)
14	鴻富錦精密電子(烟台)	43.7 (0.3)
17	鴻富泰精密電子(烟台)	40.6 (0.3)
18	冠捷電子(福建)	39.8 (0.3)



Taiwan Companies Finding Success in China

- ❖ Easy communication and common cultural history
- ❖ Growing familiarity with China law and policies is reducing risk
- ❖ Cooperation Platform: Remove investment limits, allow China investment in Taiwan
- ❖ Bringing domain expertise like finance, healthcare, logistics, and security
- ❖ ECFA will enhance and accelerate cross-straight economic development



III. Overview of CISA

About CISA

- ❖ Founded in August 26th, 1983
- ❖ Taiwan's sole representative body of information service industries
- ❖ 750 corporate members comprise domestic, international companies and R&D institutes in software development, distribution, information, security and network service businesses.
- ❖ around 75 full-time staffs to serve its members, promote IT , and work with the government

Purposes & Service Scopes

❖ Purposes

- Appeal to the government for industrial favorable policies
- Promote information technology applications and expand the information service markets
- Improve competitiveness of the industrial and commercial sectors
- Form member consensus and line up common interests
- Facilitate international cooperation

❖ Service Scopes

- Maintain Close Relationship with the Government
 - Create Business Opportunities for Members
 - Facilitate Information Exchange among Members
 - Engage Government Contracts
 - Promote International Cooperation
-

CISA actively participates in ASOCIO

- ❖ One of the founding members of the Asian-Oceanian Computing Industry Organization (ASOCIO)
- ❖ Hosted 1994 ASOCIO ICT Summit in Taipei Grand Hotel in November.
- ❖ Hosted 2010 ASOCIO ICT Summit in TICC Taipei 1n December 1 -3.
 - President Ma kicked off the opening with an energized speech and attended the exhibition.
 - In ASOCIO's 26 year history this year marked the first time all 22 member economics attended along with over 851 visitors from Asian ICT Industry.



IV. Conclusions

- ❖ From trading to innovation, Taiwan is playing a key role as East Asia's international hub.
- ❖ “Give me a place to stand, and I will move the Earth.” (Archimedes) In the post-ECFA era, Taiwan is a very solid place to stand.
- ❖ On behalf of myself and the chairman of CISA, let me say that we welcome you to do business with CISA.

Thank You

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Insight with an Asian Perspective