



**Recent Developments in China's Relations
with Taiwan and North Korea**

**Panel I: Cross-Strait Economic and Political
Issues**

ADDENDUM

Testimony before the U.S.-China Economic and Security Review Commission

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Testimony Addendum

Congressional Action on Industry-to-Industry Collaboration

To fully realize the potential of industry-to-industry collaboration, the United States Congress could take steps to facilitate joint ventures between private companies from Taiwan and the United States. These companies have already been striving to create meaningful and prosperous partnerships, and Congressional action can serve to truly bolster the relationship between the United States and Taiwan.

In the fall of 2013, Vincent Siew – former Vice President of Taiwan and prominent economic advisor to President Ma Ying-jeou – led a trade delegation to the United States. The delegation included senior leaders from many of Taiwan’s leading companies, and was intended to foster collaborative industry development. While in the United States, the delegation held discussions with U.S. business leaders that focused on several burgeoning areas, including the development and expansion of green energy, cloud computing and cybersecurity, the financial sector and Taiwan’s role as a regional financial hub, as well as bilateral, regional, and multilateral trade agreements.

Further development of the industries included in this discussion could have significant impact on the economies of both the U.S. and Taiwan, and can therefore serve as starting points for Congressional action. Congressional leaders from the U.S. states most impacted by development in these fields – such as New York, California, Washington, and Illinois – have a clear and vested interest in the success of U.S.-Taiwan collaboration on these issues and should act to facilitate such industry-to-industry connections.

One easy way that Congress can help is by participating in future business-to-business meetings, like the Vincent Siew led delegation from 2013. Throughout the meeting, representatives from both U.S. and Taiwan based companies expressed the desire for continued interaction, and that the summit should serve as a launch pad for future business collaborations. By having Congressional support in the future and having members of Congress meet with the visiting delegations, there would be even greater impetus for major companies from both Taiwan and the United States to participate in the already successful exchanges. Many members from the states impacted have already participated in the Taiwan Caucus or have otherwise supported Taiwan, and support for industry-to-industry meetings is an important contribution to the growth of both U.S. and Taiwan based companies.

Additional Recommendations on the U.S.-Taiwan Economic Relationship

The U.S.-Taiwan economic relationship is currently ripe for Congressional action. The economic future of Taiwan is still undetermined, and with President Ma leaving office in 2016, major decisions will have to be made by political leaders both in Taiwan and in the United States. During the Ma administration, Taiwan has moved much closer economically to China, and this has, in many ways, come at the expense of U.S.-Taiwan trade relations. While, from a Taiwan perspective, this shift made sense, the United States should now push to maintain meaningful trade relations with Taiwan. One such way is negotiating in a Bilateral Investment Agreement in preparation for admitting Taiwan into the Trans-Pacific Partnership (TPP).

The U.S.-Taiwan Business Council, in participation with the government of Taiwan and U.S.-based companies, is working to further U.S. investment in Taiwan by holding a series of economic investment conferences in the coming year. These conferences will highlight several developing areas where U.S. companies can enter or develop their role in the Taiwan market. The focus of these conferences will range from the development of 3D printing, to private equity, to intellectual property protection, energy, and will help support Taiwan’s bid to join the TPP. The events will each feature senior U.S. and Taiwan officials, and would be greatly benefitted by Congressional support, be it from members attending and agreeing to speak at the conferences, to the Congressional committee staff supporting and facilitating the launch of the seminar series.

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With Congressional support for Taiwan's TPP bid, be it at the macro level, or at the more micro level such as the U.S.-Taiwan Business Council's investment seminars, Congressional support for Taiwan serves not only to entrench Taiwan's free market economy in the Asia-Pacific but also serves to support the numerous U.S. companies that have significant business interests in Taiwan.