

Growth Strategy in Taiwan

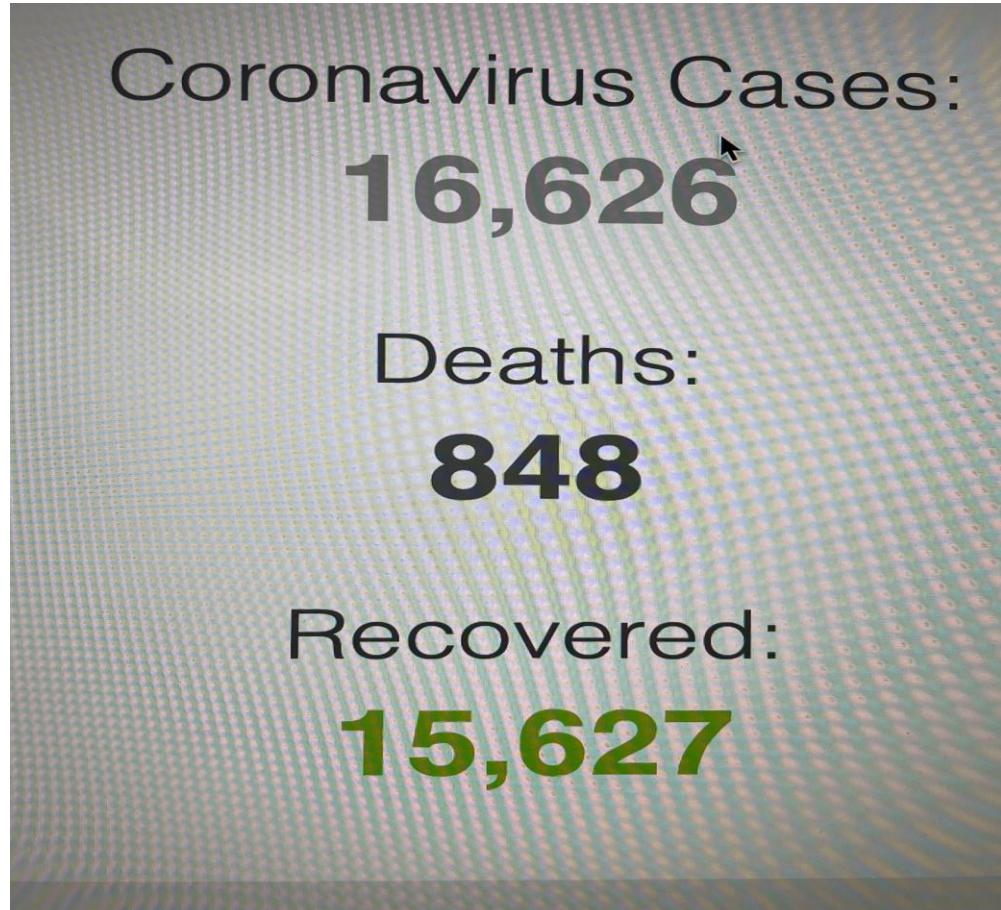
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Briefing Outline

- Taiwan's Economic Growth under the on-going Pandemic and Vaccination.
- Taiwan's Digitalization
- The Cost and Benefits of Clean-technology-based economic growth
- the Role of SMEs and Start-ups in Taiwan's Economic Growth & Promotion Strategy

Sound COVID-Fighting, but Insufficient Vaccination Coverage



- the “precision-prevention” model of strategies: including tight border controls, strict quarantine policy, procurement of anti-pandemic medical supplies, and public campaign on health awareness (mandatory face-mask wearing in public, maintaining proper social distance, and handwashing procedures).
- In addition, the medical facilities and a national health insurance program along with the utilization of technology and big data to enhance enforcement.
- Due to insufficient supply, vaccination coverage rates: (as of 2021.11.29)
 - 1st dose: 70%
 - 2nd dose: 30.9%

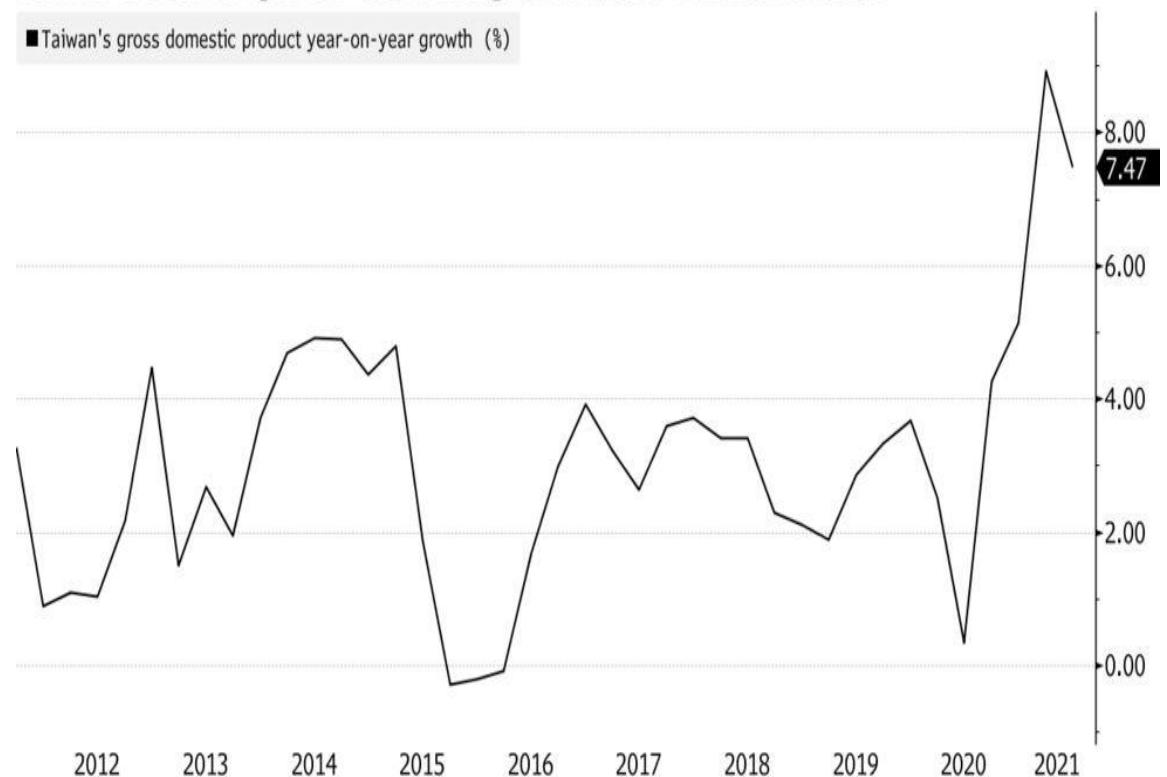
Taiwan's Economic Growth

- Taiwan's exporters will benefit from a persistent global shortage in semiconductors in 2022, but moderating external demand elsewhere will cause Taiwan's real GDP to slow to 3.2%, from an estimated 5.7% in 2021.
- The government's new stimulus voucher scheme is expected to spur private consumption, which will offset slower trade & investment growth.

Strong Expansion

Taiwan's second-quarter economic growth beats market forecast

■ Taiwan's gross domestic product year-on-year growth (%)



Source: Taiwan Directorate General of Budget Accounting and Statistics »

Cost & Benefit of Clean-Technology based Economic Growth

- According to Deloitte's Report on "Taiwan's Turning Point":
 - The cost of doing nothing is economically devastating--US\$1.4 trillion lost from Taiwan's economy by 2070;
 - The benefit of acting on climate change is the new economic engine---US\$1.3 trillion added to Taiwan's economy by 2070;
 - A gain of US\$165 billion alone --- equivalent to 3 times the entire market value of the Hon Hai Precision Industry, one of Taiwan's largest electronic manufacturers.
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Alert on Economic Sustainability & ESG

- Over the past few years, widely discussed topics in the business community include: climate change, carbon footprint, carbon neutrality, net zero, green credit and supply chain greening, etc.
- COVID-19 is expected to serve as a wake-up call that GDP growth alone does not equal national success.
- “Shareholder Primacy” is somewhat sidelined;
- “GDP and Beyond” – which highlights the concept of economic well-being, including everything from income distribution to healthcare and macroeconomic sustainability.

Taiwan's Digital Strategy

- 2021.02.05: a “[White Paper on Digital Transformation](#)” for the Taiwanese capital to stay competitive in the post-COVID era.
- Five Areas for Transformation: digital infrastructure, digital talent nurturing, digital transformation assistance for businesses, the development of a stay-at-home economy, and contactless services.
- The initiatives include: a big data center and 5G test field, upgrading commercial districts, promoting online entertainment, encouraging digital payments, and enhancing remote medical care. Meanwhile, the government of Taipei is mulling issuing digital infrastructure bonds to realize the digital vision.

Roles of SMEs & Start-Ups & Key Promotion Strategy

- There are about 1.4 million small and medium-sized enterprises (SMEs) in Taiwan, accounting for over 97% of all enterprises. Hence, SMEs play a very significant role in promoting Taiwan's economic development and employment.
- Providing diverse learning resources and tailor-made counseling to encourage innovation and sandbox experiments;
- Enhancing the entrepreneurial ecosystem;
- Boosting sound financing system for SMEs;
- Strengthening international connection and cooperation.

The End

Thank you!