What Does Taiwan Need to do to Join the TPP and Improve its Credibility on Trade Issues with the U.S.?

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I. The Word in Washington

II. Issues Affecting the U.S. Business Community in Taiwan

III. External and Domestic Political Considerations

IV. Conclusions
AmCham’s Position

- TPP participation would bring substantial benefit to the Taiwan economy – and exclusion would be devastating for Taiwan’s trade and investment.

- The 2013 Taiwan White Paper urges President Ma to launch a national campaign to promote TPP membership.
Improved Environment

• Taiwan has been able to negotiate FTAs with New Zealand and Singapore without Chinese interference.

• The beef problem with the U.S. has been largely resolved, opening the way for TIFA talk resumption.
Beef stands in the way
• Two TIFA working groups – on investment and TBTs – are now getting down to business.

• Progress in resolving TIFA items will be an important factor in judging Taiwan’s readiness for TPP.
• TPP negotiations are making faster progress than was expected. Japan’s entry has been a positive development.

• Candidates will soon be lining up for second-round accession. Taiwan appears less ready than many others. Some 135 laws and regulations would need revision.
• Concern that pork will be the new beef. Taiwan is not facing the issue head-on. Pork may be tough political issue in Taiwan, but it is in the U.S. as well.

• Although pork may not hold up the TIFA process, it could well be a show-stopper for TPP or a bilateral investment agreement if not handled well.
U.S. business community issues

• Foreign investment approval process.
• Cross-border data flows.
• Unique-to-Taiwan regulations, deviating from standard international practice.
• Market access for innovative pharmaceuticals and medical devices.
• Non-recognition of U.S.-licensed chiropractic doctors.
External political factors

• Formal U.S. position is that TPP is open to any APEC economy willing to accept the high standards.
• China’s attitude toward Taiwan in the TPP is still an unknown.
• Taiwan may need to make a particularly attractive offer in its TPP bid to counter any worries about China backlash.
Domestic political factors

- Reformist elements promoting deregulation have been gaining traction.
- The government needs to be more effective in public communication of benefits of trade pacts.
- It is in DPP’s strategic interest to support TPP as counterweight to economic reliance on China.
Conclusions

- Taiwan government must show political will and leadership to push changes necessary for TPP.
- Preparatory work needs to start now.
- Detailed work to assure place in the second round can begin as soon as TPP text is announced.
- Taiwan deserves TPP membership and it would be in best interest of U.S. as well.
Thank You!