

# Country Report 2005

During the Apr. of year of 2005, we can understand a lot of IT manufacturers are moving to Mainland China for better cost and environment for profit & business. The political situation never satiable since 2000, the green government even try very hard to improve for the service from the government to the industries, for keep the "root in Taiwan", but after the major election during the end of year. Taiwan in depended voice destroys all effort being effective past 6 month. Intellectual Property Rights Protection on Campus Intellectual property rights protection is not only, an obligation that the Taiwan government commits itself to fulfilling before the international community, but is also closely tied to Taiwan's industrial upgrading and to the enhancement of Taiwan's global competitiveness. It is recognized that IPR protection is a continuous long term task that requires the strenuous and orchestrated efforts among IP-related inter-government

Agencies. As such, the Ministry of Education (MOE) and the Intellectual Property Office (TIPO) of the Ministry of Economic Affairs (MOEA) have been working in close coordination to enhance IP awareness at schools and on university campuses.

Implementing campus IPR protection has always been one of the issues that receives considerable amount of attention from right holder groups and relevant authorities. Photocopying of textbooks and teaching materials beyond the scope of reasonable use as well as the use of pirated software and optical disks are common among students. Other infringements such as downloading and uploading of software, music, and works on the Internet are also observed. IP infringements of these kinds not only exist in Taiwan, but are also rampant elsewhere in the world.

## GNP and Expenditures on GDP

		GNP	GDP	Private	+	+Gross	+	+	Import of
2004		111 463	107 704	66 198	14 653	22 796	310	66 704	62 955
	Q1	28 698	27 529	17 560	3 961	4 821	118	15 327	14 258
	Q2	26 285	25 544	15 354	3 350	5 570	97	16 872	15 699
	Q3	28 135	27 309	17 063	3 606	5 617	- 225	17 236	15 989
	Q4	28 344	27 323	16 221	3 736	6 788	319	17 269	17 009
2005		114 249	111 010	69 412	14 938	23 266	41	69 703	66 351
	Q1	29 220	28 142	18 233	3 991	5 367	- 59	15 585	14 975
	Q2	26 673	25 981	16 096	3 421	5 864	97	16 860	16 357
	Q3	28 409	28 130	18 111	3 685	5 469	- 29	17 536	16 642
	Q4	29 948	28 756	16 972	3 840	6 566	32	19 722	18 376

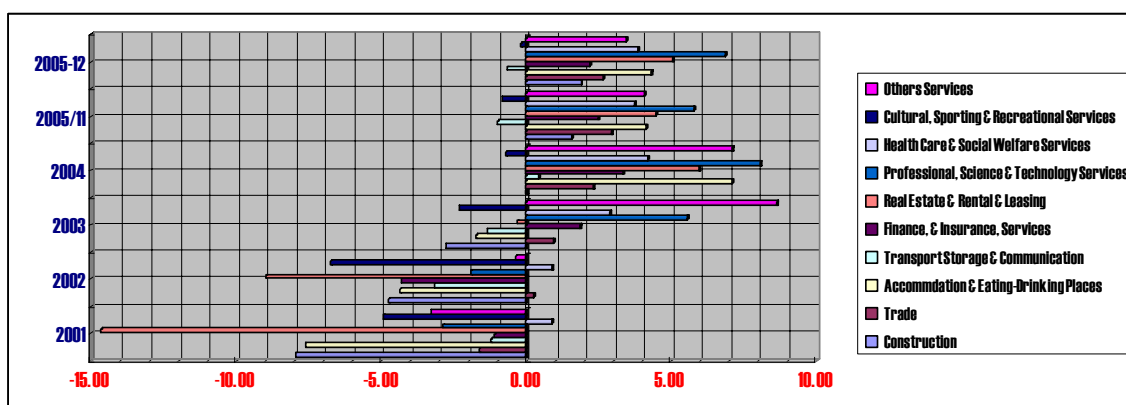
## Annual Change in Employees on Payrolls

Unit: Percentage %

	2001	2002	2003	2004	2005/11	2005-12
Construction	-7.95	-4.75	-2.78	0.06	1.56	1.89
Trade	-1.60	0.26	0.93	2.32	2.96	2.64
Accommodation & Eating-Drinking Places	-7.61	-4.33	-1.72	7.09	4.12	4.34
Transport Storage & Communication	-1.19	-3.17	-1.35	0.41	-0.98	-0.66
Finance, & Insurance, Services	-1.10	-4.32	1.88	3.33	2.48	2.18
Real Estate & Rental & Leasing	-14.66	-8.99	-0.30	5.98	4.48	5.08
Professional, Science & Technology Services	-2.86	-1.88	5.56	8.08	5.77	6.85
Health Care & Social Welfare Services	0.89	0.91	2.89	4.18	3.76	3.84
Cultural, Sporting & Recreational Services	-4.94	-6.73	-2.31	-0.70	-0.82	-0.19
Others Services	-3.27	-0.35	8.66	7.13	4.07	3.44

Remarks: the salary based average from the market, for airfreight industries still demand more than supply for experience staffs

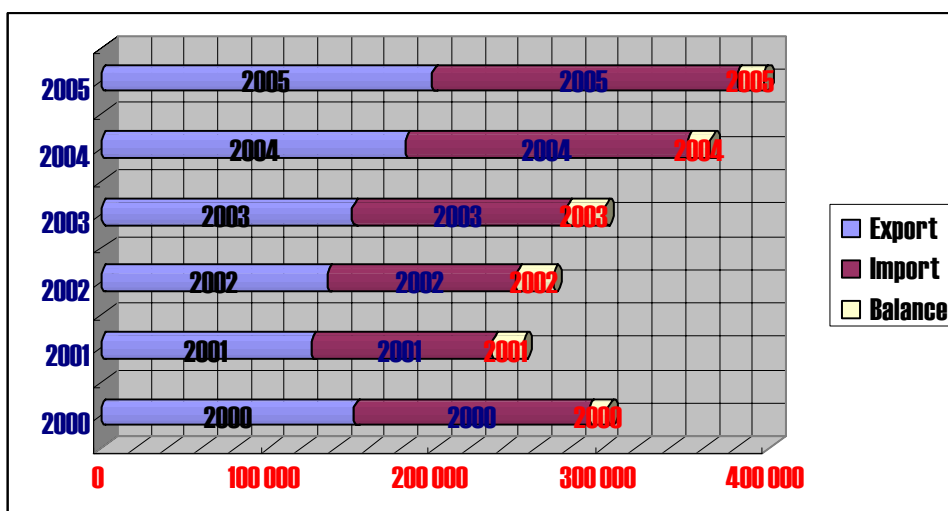
# Country Report 2005



## Foreign Trade analysis

		Total Exports	Total Import	Balance	Export%	Import %	Export order	Change%
	<b>2000</b>	<b>151 950</b>			<b>22.8</b>	<b>26.6</b>	<b>153 424</b>	<b>20.4</b>
	<b>2001</b>	<b>126 314</b>	<b>107 971</b>	<b>18 344</b>	<b>-16.9</b>	<b>-23.3</b>	<b>135 714</b>	<b>-11.5</b>
	<b>2002</b>	<b>135 315</b>	<b>113 245</b>	<b>22 070</b>	<b>7.1</b>	<b>4.9</b>	<b>150 952</b>	<b>11.2</b>
	<b>2003</b>	<b>150 601</b>	<b>128 010</b>	<b>22 590</b>	<b>11.3</b>	<b>13.0</b>	<b>170 028</b>	<b>12.6</b>
	<b>2004</b>	<b>182 370</b>	<b>168 758</b>	<b>13 613</b>	<b>21.1</b>	<b>31.8</b>	<b>215 087</b>	<b>26.5</b>
	<b>2005</b>	<b>198 435</b>	<b>182 616</b>	<b>15 819</b>	<b>8.8</b>	<b>8.2</b>	<b>256 393</b>	<b>19.2</b>
	<b>Jan.</b>	<b>16 112</b>	<b>15 605</b>	<b>507</b>	<b>30.3</b>	<b>47.0</b>	<b>18 422</b>	<b>32.2</b>
	<b>Feb.</b>	<b>12 240</b>	<b>10 932</b>	<b>1 308</b>	<b>-11.5</b>	<b>-17.3</b>	<b>16 193</b>	<b>7.7</b>
	<b>Mar.</b>	<b>16 499</b>	<b>16 255</b>	<b>244</b>	<b>7.0</b>	<b>14.9</b>	<b>20 899</b>	<b>21.2</b>
	<b>Apr.</b>	<b>16 345</b>	<b>15 639</b>	<b>707</b>	<b>11.2</b>	<b>18.7</b>	<b>20 813</b>	<b>15.4</b>
	<b>May</b>	<b>17 133</b>	<b>16 220</b>	<b>914</b>	<b>4.3</b>	<b>11.2</b>	<b>19 520</b>	<b>13.1</b>
	<b>June</b>	<b>15 531</b>	<b>15 073</b>	<b>458</b>	<b>2.3</b>	<b>2.4</b>	<b>20 658</b>	<b>16.7</b>
	<b>July</b>	<b>16 162</b>	<b>15 130</b>	<b>1 033</b>	<b>5.3</b>	<b>9.4</b>	<b>20 152</b>	<b>8.7</b>
	<b>Aug.</b>	<b>16 612</b>	<b>15 512</b>	<b>1 100</b>	<b>7.4</b>	<b>11.1</b>	<b>22 151</b>	<b>22.7</b>
	<b>Sep.</b>	<b>17 001</b>	<b>15 571</b>	<b>1 430</b>	<b>8.7</b>	<b>9.1</b>	<b>23 778</b>	<b>22.0</b>
	<b>Oct.</b>	<b>18 792</b>	<b>16 477</b>	<b>2 315</b>	<b>16.5</b>	<b>9.0</b>	<b>24 612</b>	<b>21.6</b>
	<b>Nov.</b>	<b>18 061</b>	<b>15 873</b>	<b>2 188</b>	<b>10.8</b>	<b>5.6</b>	<b>24 605</b>	<b>24.6</b>
	<b>Dec.</b>	<b>17 945</b>	<b>14 330</b>	<b>3 615</b>	<b>15.3</b>	<b>-10.9</b>	<b>24 590</b>	<b>24.2</b>

# Country Report 2005



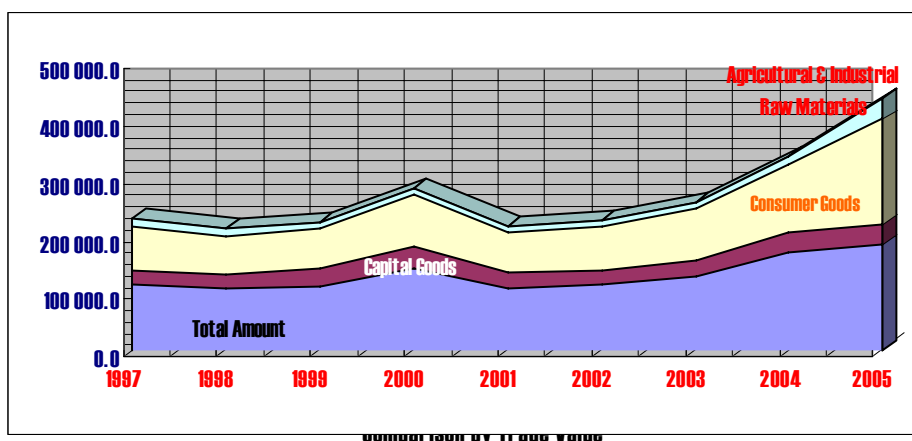
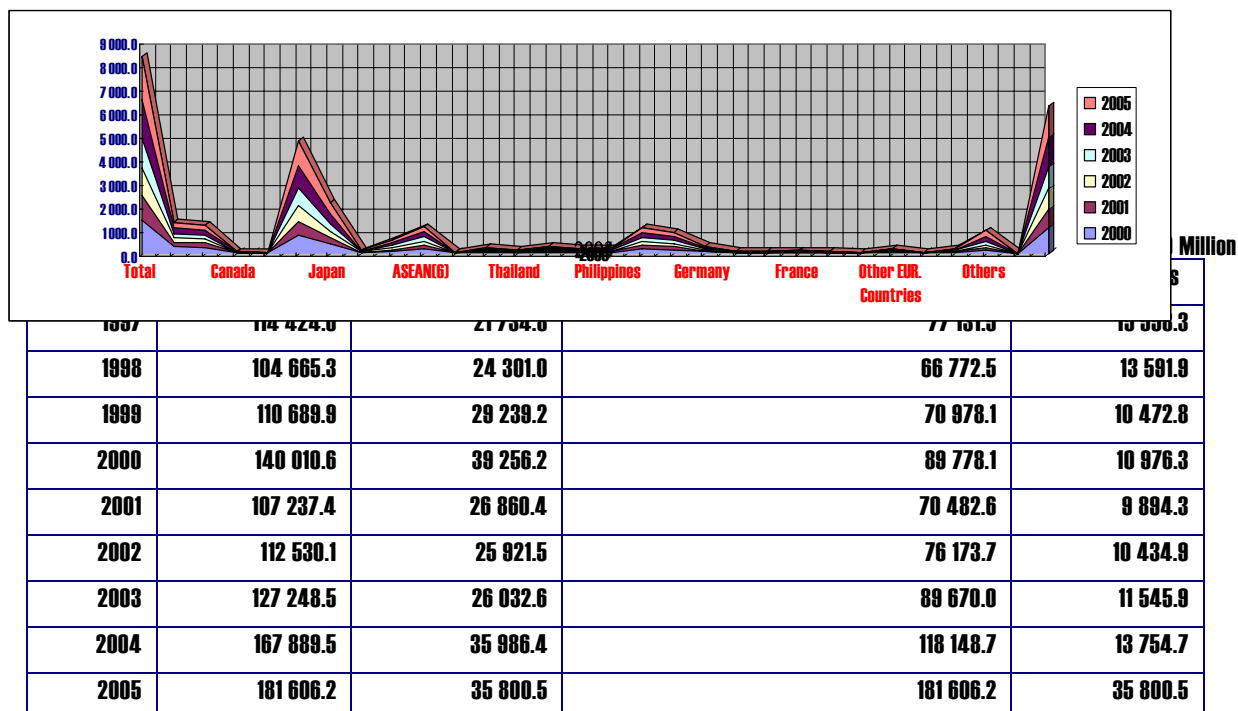
Total Import by Key Trading Partners

Unit: US\$ 100 Million

	2000	2001	2002	2003	2004	2005
<b>Total</b>	<b>1 400.1</b>	<b>1 072.4</b>	<b>1 125.3</b>	<b>1 272.5</b>	<b>1 678.9</b>	<b>1 816.1</b>
<b>NAFTA</b>	<b>269.6</b>	<b>196.4</b>	<b>184.0</b>	<b>182.3</b>	<b>232.4</b>	<b>226.6</b>
<b>U.S.A.</b>	<b>251.3</b>	<b>182.3</b>	<b>180.9</b>	<b>168.2</b>	<b>216.3</b>	<b>209.9</b>
<b>Canada</b>	<b>12.8</b>	<b>10.0</b>	<b>9.5</b>	<b>10.8</b>	<b>12.0</b>	<b>13.2</b>
<b>Mexico</b>	<b>5.5</b>	<b>4.2</b>	<b>3.6</b>	<b>3.3</b>	<b>4.1</b>	<b>3.5</b>
<b>Asia</b>	<b>784.8</b>	<b>586.5</b>	<b>640.8</b>	<b>741.1</b>	<b>977.2</b>	<b>1 054.8</b>
<b>Japan</b>	<b>385.6</b>	<b>258.5</b>	<b>272.8</b>	<b>326.4</b>	<b>436.3</b>	<b>459.4</b>
<b>H.K.</b>	<b>21.9</b>	<b>18.5</b>	<b>17.4</b>	<b>17.3</b>	<b>20.9</b>	<b>18.9</b>
<b>Korea</b>	<b>89.9</b>	<b>67.1</b>	<b>77.1</b>	<b>86.9</b>	<b>116.3</b>	<b>132.0</b>
<b>ASEAN(6)</b>	<b>201.9</b>	<b>159.5</b>	<b>165.5</b>	<b>174.3</b>	<b>202.3</b>	<b>210.2</b>
<b>Vietnam</b>	<b>4.7</b>	<b>4.2</b>	<b>4.5</b>	<b>4.5</b>	<b>6.0</b>	<b>6.9</b>
<b>Singapore</b>	<b>50.1</b>	<b>33.7</b>	<b>35.4</b>	<b>38.6</b>	<b>42.9</b>	<b>49.4</b>
<b>Thailand</b>	<b>27.7</b>	<b>21.8</b>	<b>21.7</b>	<b>23.6</b>	<b>27.7</b>	<b>28.7</b>
<b>Malaysia</b>	<b>53.3</b>	<b>42.1</b>	<b>41.5</b>	<b>47.5</b>	<b>54.1</b>	<b>51.9</b>
<b>Indonesia</b>	<b>30.2</b>	<b>25.2</b>	<b>25.9</b>	<b>29.2</b>	<b>41.1</b>	<b>45.4</b>
<b>Philippines</b>	<b>35.9</b>	<b>32.5</b>	<b>36.5</b>	<b>30.8</b>	<b>30.5</b>	<b>27.9</b>
<b>Europe</b>	<b>190.1</b>	<b>149.9</b>	<b>146.4</b>	<b>162.4</b>	<b>213.0</b>	<b>217.9</b>
<b>E.U.</b>	<b>154.8</b>	<b>128.3</b>	<b>120.0</b>	<b>131.0</b>	<b>163.5</b>	<b>170.9</b>
<b>Germany</b>	<b>55.4</b>	<b>42.5</b>	<b>44.2</b>	<b>49.6</b>	<b>58.3</b>	<b>61.5</b>
<b>U.K.</b>	<b>19.4</b>	<b>14.4</b>	<b>13.6</b>	<b>14.2</b>	<b>17.3</b>	<b>16.9</b>
<b>Netherlands</b>	<b>20.9</b>	<b>15.2</b>	<b>14.4</b>	<b>12.9</b>	<b>21.8</b>	<b>20.4</b>
<b>France</b>	<b>18.3</b>	<b>21.3</b>	<b>15.5</b>	<b>16.3</b>	<b>20.9</b>	<b>25.4</b>
<b>Italy</b>	<b>13.9</b>	<b>10.8</b>	<b>10.9</b>	<b>11.3</b>	<b>13.4</b>	<b>14.4</b>
<b>Belgium</b>	<b>5.5</b>	<b>5.1</b>	<b>4.8</b>	<b>4.8</b>	<b>5.6</b>	<b>6.0</b>
<b>Other EUR. Countries</b>	<b>35.3</b>	<b>21.6</b>	<b>26.4</b>	<b>31.4</b>	<b>49.5</b>	<b>47.1</b>

# Country Report 2005

New Zealand	3.8	3.5	3.4	3.8	4.6	5.1
Australia	35.0	30.8	28.3	27.3	34.2	47.2
Others	116.8	105.3	112.4	155.6	217.5	264.5
APEC	1 091.1	804.6	854.1	948.2	1 251.9	1 335.0



Counted in N. T. Dollars (NT\$ Hundred Million)

	2005		2004		Comparison	
	Amount	As % of	Amount	As % of	Amount	As % of
Total Trade Value	119,286.5	100.0	114,453.9	100.0	4,832.6	4.2
Exports	60,840.0	51.0	58,178.0	50.8	2,662.0	4.6
Imports	58,446.5	49.0	56,275.9	49.2	2,170.6	3.9
Trade Balances	2,393.5	---	1,902.1	---	491.4	25.8

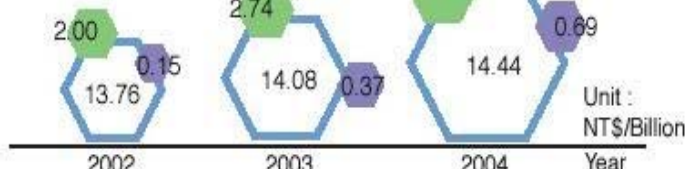
The investment into research and development, which advances the high-tech industry development, has shown the up trend in the last decade. The percentage of research and development budget, in terms of GDP, has grown up from 2.16% in 2001 to 2.30% in 2002. In 2003, the TDP budget was NT\$17.19 billion, increased by NT\$1.33 billion comparing with NT\$15.86 billion in 2002, the growth rate was 8.3%. The research budget of TDP is steadily increased by the year. In the future, the goal for the total budget will be reaching 3% of GDP in accordance with the "Challenge 2008 National Development Priority Plan". Through the investment into the research and development, our nation's industrial research

# Country Report 2005

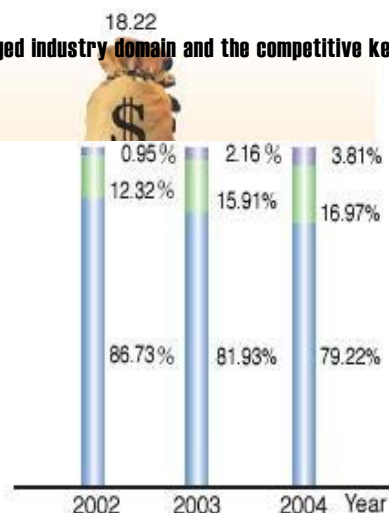
2001 infrastructure and capability will be enhanced, and the newly emerged industry domain and the competitive key core technology will be created.

## Annual TDP Expenditure Allocation

- Corporation Sector
- Industrial Sector
- Academic Sector



Note: Figure for 2004 is provisional. Figures for 2003 and 2002 are actual.



## Comparison by Trade Value

Counted in N. T. Dollars (NT\$ Hundred Million)

	2005		2004		Comparison	
	Amount	As % of	Amount	As % of	Amount	As % of
Total Trade Value	371,000.5	100.0	30,874.7	100.0	29,096.3	8.5
Exports	189,394.4	51.0	14,879.1	48.2	15,379.8	8.8
Imports	181,606.1	49.0	15,995.6	51.8	13,716.5	8.2
Trade Balances	7,788.3	---	-1,116.5	---	1,663.3	27.2

## Composition of Export & Import

Counted in N. T. Dollars (US\$ Hundred Million)

	2005		2004		Comparison	
	Amount	As % of	Amount	As % of	Amount	As % of
Export	189,394.4	100.0	174,014.6	100.0	15,379.8	8.8
Agricultural Products	367.3	0.2	384.3	0.2	-17.0	-4.4
Processed Agricultural Products	2,103.0	1.1	2,078.3	1.2	24.7	1.2
Industrial Products	186,924.1	98.7	171,552.0	98.6	15,372.1	9.0
Heavy Industries	148,439.3	78.4	134,254.4	77.2	14,184.9	10.6
Non-Heavy Industries	38,484.8	20.3	37,297.6	21.4	1,187.2	3.2

## Comparison by Trade Value

Counted in US\$ Hundred Million

	2005		2004		Comparison	
	Amount	As % of	Amount	As % of	Amount	As % of
Imports	181,606.1	100.0	167,889.6	100.0	13,716.5	8.2
Capital Goods	35,800.5	19.7	35,986.3	21.4	-185.8	-0.5
Raw Materials	130,127.6	71.7	118,148.7	70.4	11,978.9	10.1
Consumer Goods	15,678.0	8.6	13,754.6	8.2	1,923.4	14.0

## Comparison by Major Export Trade Partner

Counted in US\$ Hundred Million

Countries (or Areas)	2005			2004			Comparison	
	Exports		Trade	Exports		Trade	Exports	
	Amount	%	Balances	Amount	%	Balances	Amount	Change %
Total	17,171.2	100.0	2,925.8	14,879.1	100.0	-1,116.5	2,292.1	15.4

## Country Report 2005

HKG & China	6,833.1	39.8	4,937.7	5,285.2	35.5	3,407.0	1,547.9	29.3
Direct China	3,927.3		2,176.4	2,885.2		1,170.8		
U.S.A.	220.1	14.1	855.2	2,467.1	16.6	423.5	-47.0	-1.9
Japan	1,320.5	7.7	-2,133.7	1,139.9	7.7	-2,787.1	180.5	15.8
Singapore	700.3	4.1	277.2	549.1	3.7	211.6	151.2	27.5
Korea	518.0	3.0	-543.0	396.7	2.7	-655.5	121.3	30.6
Germany	390.4	2.3	-58.8	412.4	2.8	-120.4	-21.9	-5.3
Thailand	368.0	2.1	134.8	251.6	1.7	36.7	116.3	46.2
Netherlands	358.7	2.1	204.5	410.5	2.8	159.1	-51.8	-12.6
Viet Nam	356.0	2.1	300.1	300.2	2.0	246.8	55.8	18.6
Philippines	354.6	2.1	136.1	283.1	1.9	57.6	71.5	25.2
Malaysia	341.6	2.0	-88.7	361.1	2.4	-94.7	-19.5	-5.4
U Kingdom	266.3	1.6	129.0	283.4	1.9	110.0	-17.1	-6.0
Australia	196.8	1.1	-192.7	196.1	1.3	-143.0	0.8	0.4
Indonesia	176.6	1.0	-173.9	163.9	1.1	-197.8	12.7	7.7
Canada	146.3	0.9	22.4	151.9	1.0	44.0	-5.7	-3.7
Italy	144.0	0.8	35.2	162.4	1.1	43.5	-18.4	-11.3
France	136.5	0.8	-92.9	154.0	1.0	-92.0	-17.5	-11.3
Saudi Arabia	45.6	0.3	-537.9	32.4	0.2	-801.3	13.1	40.5
Kuwait	10.5	0.1	-271.8	7.5	0.1	-358.8	2.9	38.7
Other	2,087.2	12.2	-12.9	1,870.4	12.6	-605.7	216.8	11.6

Countries (or Areas)	Comparison by Major Export Trade Partner						Counted in US\$ Hundred Million	
	2005			2004			Comparison	
	Imports		Total	Imports		Total	Amount	Annual Change Rate (%)
	Amount	As % of		Amount	As % of			
<b>Total</b>	<b>14,245.4</b>		<b>100.0</b>	<b>15,995.6</b>		<b>100.0</b>	<b>-1,750.2</b>	<b>-10.9</b>
Direct tradewith China	1,750.9			1,714.4				
Hong Kong & China	1,895.4		13.3	1,878.2		11.7	17.2	0.9
U.S.A.	1,565.0		11.0	2,043.6		12.8	-478.6	-23.4
Japan	3,454.2		24.2	3,927.0		24.6	-472.8	-12.0
Singapore	423.2		3.0	337.6		2.1	85.6	25.4
Korea	1,061.0		7.4	1,052.3		6.6	8.8	0.8
Germany	449.3		3.2	532.8		3.3	-83.5	-15.7
Thailand	233.2		1.6	214.9		1.3	18.3	8.5
Netherlands	154.2		1.1	251.4		1.6	-97.2	-38.7
Viet Nam	56.0		0.4	53.4		0.3	2.6	4.8
Philippines	218.5		1.5	225.5		1.4	-7.0	-3.1

## Country Report 2005

Malaysia	430.3	3.0	455.8	2.8	-25.5	-5.6
U Kingdom	137.3	1.0	173.4	1.1	-36.2	-20.9
Australia	389.6	2.7	339.1	2.1	50.5	14.9
Indonesia	350.5	2.5	361.7	2.3	-11.2	-3.1
Canada	123.9	0.9	107.9	0.7	16.0	14.8
Italy	108.8	0.8	118.9	0.7	-10.2	-8.5
France	229.4	1.6	246.0	1.5	-16.6	-6.7
Saudi Arabia	583.5	4.1	833.7	5.2	-250.2	-30.0
Kuwait	282.3	2.0	366.3	2.3	-84.0	-22.9
Other	2,100.1	14.7	2,476.1	15.5	-376.0	-15.2

Comparison by Major Import Trade Partner					Counted in US\$ Hundred Million	
	2005		2004		Comparison	
	Amount	% of	Amount	%	Amount	Annual Change %
<b>Total</b>	189,394.4	100.0	174,014.6	100.0	15,379.8	8.8
<b>1. Animals and Animal Products</b>	1,629.6	0.9	1,562.2	0.9	67.4	4.3
<b>Fishery Products</b>	1,440.2	0.8	1,403.9	0.8	36.3	2.6
<b>2. Vegetable Products</b>	274.3	0.1	285.7	0.2	-11.4	-4.0
<b>3. Prepared Foodstuffs, Beverages and Tobacco Products</b>	534.7	0.3	527.5	0.3	7.2	1.4
<b>4. Chemicals</b>	9,862.6	5.2	7,716.0	4.4	2,146.6	27.8
<b>5. Plastics and Articles Thereof ; Rubber and Articles etcereof.</b>	14,602.7	7.7	12,538.5	7.2	2,064.2	16.5
(1) Plastic Products	2,996.6	1.6	2,848.5	1.6	148.1	5.2
(2) Rubber and Articles Thereof	1,839.9	1.0	1,557.1	0.9	282.8	18.2
<b>6. Leather and Fur Products</b>	953.1	0.5	964.0	0.6	-10.9	-1.1
<b>7. Wood, Articles of Wood &amp; Allied Products, and Plywood</b>	285.5	0.2	324.5	0.2	-39.0	-12.0
Plywood	19.6	0.0	21.1	0.0	-1.5	-7.1
<b>8. Textile Products</b>	11,812.0	6.2	12,539.4	7.2	-727.4	-5.8
(1) Fibre, Yarn, Linen and Fabric	8,642.2	4.6	8,948.2	5.1	-306.0	-3.4
(2) Garments	943.8	0.5	1,301.6	0.7	-357.8	-27.5
(3) Other Textile Products	2,226.0	1.2	2,289.6	1.3	-63.6	-2.8
<b>9. Footwear, Headgear, Umbrellas, Artificial Flowers etcan Hair</b>	529.4	0.3	615.1	0.4	-85.7	-13.9
Footwear	365.5	0.2	408.2	0.2	-42.7	-10.5
<b>10. Articles of Stone, Plaster, Cement Ceramic, Glass and Articles Thereof</b>	1,225.1	0.6	1,200.0	0.7	25.1	2.1

# Country Report 2005

Ceramic Products	80.5	0.0	86.5	0.0	-6.0	-6.9
11. Basic Metals and Articles Thereof	20,313.4	10.7	18,324.5	10.5	1,988.9	10.9
(1) Iron & Steel and Articles Thereof	13,180.4	7.0	11,977.1	6.9	1,203.3	10.0
(2) Metal Products (Excluding (1) )	7,133.0	3.8	6,347.4	3.6	785.6	12.4
12. Machineries and Electrical Equip.	90,962.8	48.0	87,867.9	50.5	3,094.9	3.5
(1) Electronic Products	45,716.8	24.1	40,533.4	23.3	5,183.4	12.8
(2) Machineries	12,784.2	6.8	11,973.1	6.9	811.1	6.8
(3) Electrical Machinery Products	9,069.1	4.8	8,062.0	4.6	1,007.1	12.5
(4) Information & Communication Products	10,480.6	5.5	12,795.4	7.4	-2,314.8	-18.1
(5) Household Electrical Appliances	545.0	0.3	494.6	0.3	50.4	10.2
13. Vehicles, Aircraft, Vessels and Associated Transport Equipments	7,215.9	3.8	6,484.5	3.7	731.4	11.3
14. Precision Instruments, Clocks and Watches, Musical Instruments	13,622.2	7.2	11,512.8	6.6	2,109.4	18.3
(1) Optical, Photographic, Measuring, Medical Instruments, etc	12,762.0	6.7	10,647.3	6.1	2,114.7	19.9
(2) Clocks and Watches	66.5	0.0	73.9	0.0	-7.4	-10.0
15. Toys, Games and Sports Requisites; Parts and Accessories Thereof	1,781.8	0.9	1,839.7	1.1	-57.9	-3.1
16. Others	13,789.3	7.3	9,712.3	5.6	4,077.0	42.0
Furniture	1,281.5	0.7	1,265.8	0.7	15.7	1.2

## 1. Internal Factor & Human Resources

After President Chen was reelected in 2004, the Executive Yuan took heed of his call for a policy of "uniting Taiwan, stabilizing cross-strait relations, seeking social harmony, and reinvigorating the economy" that he made in his inaugural speech on May 20, and carried on the spirit of innovation with the second stage of the New Century National Development Plan aimed at building Taiwan into a "green silicon island." This second stage extends the "green silicon island" concept of the previous stage, offering a pragmatic assessment of the external challenges facing Taiwan, such as global competition in knowledge and innovation and the "magnet effect" of China's economy, as well as responding appropriately to major domestic issues, such as a graying society, ecological conservation, and ethnic harmony. Besides the continued emphasis on knowledge, sustainability, and justice, the second-stage plan puts a premium on the values of humanity and life and stresses openness, innovation, compassion, tolerance, and harmony with nature in national construction. It is hoped that by so doing we can build Taiwan into a healthy and richly humanistic "green silicon island," an innovative Taiwan of excellence and prosperity, a just Taiwan of tolerance and compassion, a maritime Taiwan of diversity and openness, a dynamic Taiwan of speed and efficiency, and a sustainable Taiwan of green ideals and vitality.

### Concepts and Substance

#### 1.1. Basic concepts and administrative focus

- ✓ Emphasize a balance between the environment and technology so as to achieve unity between economic development and environmental protection, while strengthening people's humanistic values.
- ✓ Underline the values of humanity and life in national development based on openness, innovation, symbiosis, cooperation, and harmony with nature as well as the three elements of knowledge, sustainability, and justice.
- ✓ Align the administrative focus on an equilateral triangle model to achieve the goal of a healthy Taiwan by balancing economic development, social justice, and a humanistic environment.

#### 1.2. Main substance

- ✓ Knowledge: Emphasize openness and innovation to strengthen the deployment of strategic global alliances, while demonstrating the advantages of brainpower and creativity to enable Taiwan to perform outstandingly in the international knowledge-based playing field.



# Country Report 2005

- ✓ **Equity and justice** : Stress symbiosis and cooperation, development of a sound and secure network of social services, respect communal equality and harmony, and shape a new society of fairness and justice
- ✓ **Sustainability** : Promote harmony between people and nature, restore Taiwan's natural ecology,
- ✓ **Act on international norms for environmental protection, and encourage green production and consumption to transform Taiwan into a sustainable island.**

## 1.3 Vision and Targets of National Development

- ✓ **Framework for a new vision** :With the final aim of having a richly humanistic "green silicon island," the second stage strives to build a healthy Taiwan in hopes that in the 21st century Taiwan would enjoy inventive brainpower, a just heart, maritime ambition, brimming vitality, and sustainable lifestyle to forge the following:
- ✓ **An innovative Taiwan of excellence and prosperity** Transform Taiwan from an "OEM factory" into a "fountain of creativity;" let both SIT (services in Taiwan) and MIT (made in Taiwan) enjoy a world-class reputation for their quality and reliability; and help culturally creative industries prosper.
- ✓ **A just Taiwan of tolerance and compassion** further strengthen public identity, social ethics, and community power; and establish a framework for a sound and secure network of social services.
- ✓ **A maritime Taiwan of diversity and openness** Connect Taiwan's economic system, human resources, and infrastructure with those of the rest of the world to put Taiwan in line with advanced countries; highlight the diverse origins of Taiwan's culture by showing its unique cultural charm to the world; and realize the concept of "ethnic diversity and national unity."
- ✓ **A dynamic Taiwan of speed and efficiency** Provide fast and convenient transportation to make all areas along the western transport corridor within a single day of travel; construct an e-society; thoroughly revamp the government's structure; and offer the people highly efficient and reliable public services through a government with power commensurate to its responsibilities.
- ✓ **A sustainable Taiwan of green ideals and vitality** gradually restore the ceaseless natural cycle of life in Taiwan's ecology; create a comfortable, close-to-nature living space and lifestyle; and strive to serve as the best possible guardian of the global environment and upholder of international norms on environmental protection.

**1.4 Confidence Issue:** Taiwan's long-term friendship with the United States, Japan and our allies in the world has been founded on the safeguarding of our common interests. More importantly, it is an alliance of core values that we share: freedom, democracy, human rights and peace.

**1.5 Taiwan's democratic development:** peace and stability in the Taiwan Strait, remains a focal point of international attention. On behalf of our government and people, I would like to once again express our heartfelt gratitude for the friendship that has been extended to us--reminding me of the old adage "together though apart."The people of Taiwan embrace peace. Needless to say, Taiwan's national security is of greater concern to us than to anyone else in the world. Faced with an ever-increasing military threat from across the Strait, it is imperative for all the people, including political adversaries, to forge a strong will to defend ourselves, proactively strengthening our defense equipment and upgrading our self-defense capabilities. It is our sincere hope that our friends in the international arena will continue to render their valuable attention and assistance to the cause of peace in the Taiwan Strait and stability in the Asia-Pacific Region.

**1.6 Taiwan stands ready to continue in its role as active participant and contributor to international society--this is the right of Taiwan's 23 million people; likewise, it is our duty as citizens of the world community. In the global campaign against terrorism, Taiwan has never been absent. In international humanitarian assistance efforts, Taiwan has always been there. Other recent accomplishments include the founding of the Pacific Democratic Alliance and the establishment of the Taiwan Foundation for Democracy. We can show a vigorous record of participation in international non-governmental organizations (NGO's), in addition to our collaboration with other members of the global village in advocacy and defense of the universal values of freedom, democracy and human rights.**

**1.7 At present, Taiwan is the world's fifteenth largest trading nation, with high rankings in international competitiveness. Yet, it took twelve years of strenuous effort for Taiwan to become the 144th member of the World Trade Organization (WTO). We are still fighting relentlessly to join the World Health Organization (WHO). Last year's outbreak of the SARS epidemic has taught the world a hard lesson, that we are all equals in sickness and disease. Nevertheless, despite the WHO's creed that health care, encompassing medicine, public health and disease control is a basic human right and should heed no borders, Taiwan remains unjustly locked out.**

## 1.8 Macroeconomic targets

Macroeconomic Targets	2005-2008	2005-2015
Average GDP growth rate	4.9%	4.6%
Per capita GDP	US\$18,000 (2008)	US\$27,000 (2015)
Employment rate increase	1.4%	1.2%
Unemployment rate	4.0% (2008)	4.0% (2015)

# Country Report 2005

## 2. Taiwan's International Competitiveness

2.1. IMD rating: Taiwan's overall ranking of competitiveness is 11th worldwide and 3rd in Asia.

According to World Competitiveness Yearbook 2005, published by the International Institute of Management Development in Switzerland (IMD), Taiwan's overall competitiveness ranks 11th in the world and 3rd in Asia among 30 countries and areas with a population of over 20 million. Four criteria are examined for the ranking: business efficiency, economic performance, government efficiency, and infrastructure.

(Web: <http://www01.imd.ch/>)

2.2 WEF rating: Taiwan's growth competitiveness ranks No. 5 worldwide and No. 1 in Asia.

The World Economic Forum (WEF) released on September 28, 2005, the Global Competitiveness Report 2005~2006, in which Taiwan ranks fifth in the world and first in Asia among 117 countries and territories surveyed for the report. The ranking is based on a country's progress and performance in macroeconomic environment, public institutions, and technology sector.

(Web: <http://www.weforum.org/>)

2.3. EIU rating: Taiwan's business environment is ranked "very good."

In the two publications released by the Economist Intelligence Unit (EIU)--Country Forecast - Global Outlook (August 2005) and Country Forecast-Taiwan (September 2005), Taiwan is ranked 19th among 60 countries and areas surveyed by the EIU, No. 5 among the 16 countries in Australasia, and NO. 3 in Asia. The rating forecasts a country's perspective of business for the next five years from 2005 to 2009. Taiwan is ranked "very good" for business from its previous outlook of "good."

(Web: <http://www.eiu.com/>)

2.4. BERI rating: Taiwan's investment climate ranks 5th worldwide.

The Investment Climate Risk Evaluation Report published by the Business Environment Risk Intelligence (BERI) in 2005 ranks Taiwan's investment climate as No.5 worldwide along with Norway among 50 countries polled for the survey. Taiwan's investment climate is also ranked the top 1A level, which means very low-risk and suitable for investment.

(Web: <http://www.beri.com/>)

Reference from Government report: Image from external point of view

## 2.5 BELIEVE IN TAIWAN –

All peoples live in Taiwan must continue to foster national competitiveness and cultivate an atmosphere of humanitarianism, environmental protection, and sustainable development. PERSIST WITH REFORM and shall forge ahead in response to the people's demand for reform in our political and judicial system, in the educational system, and in our financial and fiscal infrastructures; for improvement in the quality of our media; and, for comprehensive social reform. Shall be empowered by our faith in Taiwan; and we shall persevere in striving to achieve our goals. The efforts put forth today will translate into an enduring legacy for the future generations: a just new Taiwan where social justice, economic justice, fairness in our judicial system, gender justice, and international justice are realized. But because of the confidence crisis, started from Apr. of 2005, considerable amount of manufacturers started to move out from this island, cause for the result of decrease of air logistics requirement.

### History of Cargo Volume

Year	Arrival Cargo	Departure Cargo
2000	572105260	636733220
2001	637199035	552674216
2002	756859596	623888462
2003	828705106	671365771
2004	1023548368	677472045
2005	1056332142	648985495

### History of Aircraft Volume

# Country Report 2005

Year	Regular In	Temp In	Regular out	Temp out	Total
2000	54107	3730	54165	3693	115695
2001	57379	4585	57369	4583	123916
2002	62062	4162	62075	4129	132428
2003	58875	3964	58883	3970	125692
2004	68586	5890	68593	5869	148938
2005	70994	5311	70989	5313	152607

Remarks: the space demand is decreased from Apr. of 2005, the commodity flow take over the position of material flow on air logistics.

### 3. National Statistics:

#### 3.1 Taiwan Leading Index

year\month	1	2	3	4	5	6	7	8	9	10	11	12
2000	116.8	117.8	115.8	114.9	113.5	112.6	111.4	110.9	110.7	107.8	107.0	106.0
2001	102.7	101.5	99.8	98.8	98.0	98.4	98.3	99.5	98.3	100.3	101.8	102.7
2002	105.1	105.4	107.0	109.4	110.5	110.8	110.4	109.4	110.9	109.9	109.6	108.4
2003	106.8	106.9	106.3	105.6	105.1	106.2	108.2	108.4	109.4	111.5	111.8	113.8
2004	114.5	116.1	117.5	119.0	118.0	116.2	115.8	114.7	115.1	113.6	112.2	111.0
2005	108.5	106.7	106.9	104.8	105.8	107.5	107.3	108.4	108.8	107.7r	109.2r	109.9p

Remarks: Leading Index Components

1. Subject to set the based on 1776 as 100
2. Customs Data and Monetary Aggregate M1B are based on US Million Dollar as unit.
3. Average Monthly Working Hours.MFG
4. Floor Area Permitted for Building Construction in Taiwan Area
5. Stock Price Index
6. Wholesale Price Index

#### 3.2 Taiwan Business Indicators

##### 3.2.1 In March 2005

Taiwan's business indicators displayed a continued softening on both the financial and real sides of the economy. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the leading index and the coincident index decreased by 0.4% and 1.4%, respectively. The monitoring indicators flashed "yellow-green" for the first time since July 2003, signaling the economy's continued shift to a slower pace.

1. **Leading Indicators.** The leading index stood at 106.3 (2001=100), down 0.4% from February, based on revised data. Among the seven indicators that make up the leading index, three that made positive contribution were customs-cleared exports\*, money supply M1B\*, and floor area of building construction permits. The components that declined are average work hours in the manufacturing sector, manufacturers' new orders\*, stock prices\*, and wholesale price change from six months earlier. (Note: components marked with an asterisk indicate year-on-year change rate)

2. **Coincident Indicators.** The coincident index stood at 109.2 (2001=100), based on revised data, declining 1.4% from February. Among the six indicators that make up the coincident index, one that made positive contribution was average monthly wage of manufacturing workers\*. Four components that made negative contribution were industrial production\*, manufacturing production\*, manufacturing sales, and bank clearings\*. Domestic freight was not included due to data availability.

3. **The Monitoring Indicators.** The total score of the monitoring indicators fell by two points to 21 points in March. Among the nine indicators, three showed changes in their individual light signals, one with gain and two with losses. The improvement was recorded in customs-cleared exports, while industrial production fell two points and non-agricultural employment fell one point. The light signals for M1B money supply, direct and indirect finance, bank clearings and remittances, stock prices, manufacturing new orders and manufacturing inventory remained unchanged.

4. **Business Expectations.** A survey of manufacturers for March indicated that 19% of manufacturing businesses expected the economy to be better over the next three months, down from the revised 23% a month earlier, while another 7% held a negative view, down from 10% a month earlier; 74% of the manufacturers surveyed expected the economy's performance to remain unchanged, up from the revised 67% of the February survey.

#### 3.2.2

# Country Report 2005

In June 2005, Taiwan's business cycle indicators presented a reversal of their previous year-long downward trend. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the Leading index and the coincident index rose 1.5% and 1.0%, respectively, from the previous month. Although the monitoring indicators continued to flash "yellow-blue," their score was two points higher than in May. The improvement of all three indicators provides further evidence that the economy is picking up vitality and entering a new phase of accelerating growth.

**1. Leading Indicators.** The leading index stood at 107.4 (2001=100), increasing 1.5% from May, based on revised data. Among the seven indicators that make up the composite index, all but one made positive contribution. Those showed improvement were wholesale price change from six months earlier, stock prices\*, money supply M1B\*, floor area of building construction permits, manufacturers' new orders\* and customs-cleared exports\*. The component that made negative contribution was average work hours in the manufacturing sector. (Note: components marked with an asterisk indicate year-on-year change rate)

**2. Coincident Indicators.** The coincident index stood at 110.2 (2001=100), increasing 1.0% from May, based on revised data. Among the six indicators that make up the composite index, four that made positive contribution were bank clearings\*, industrial production\*, manufacturing sales, and manufacturing production\*. The component that made negative contribution was average monthly wage of

2 manufacturing workers\*. Domestic freight was not included due to data availability.

**3. The Monitoring Indicators.** The total score of the monitoring indicators in June gained two points to 20. Among the nine indicators, two showed advances in their individual light signals. The improvement was recorded in M1B money supply and industrial production. The light signals for direct and indirect finance, bank clearings and remittances, stock prices, manufacturing new orders, customs-cleared exports, manufacturing inventory and non-agricultural employment remained unchanged.

**4. Business Expectations.** A survey of manufacturers for June indicated that 21% of manufacturing businesses expected the economy to be better over the next three months, up from the revised 18% a month earlier, while another 16% held a negative view, down from 17% a month earlier; 63% of the manufacturers surveyed expected the economy's performance to remain unchanged, down from the revised 65% of the May survey.

## 3.2.3.

In September 2005 Taiwan's business indicators continued to display signs of an upturn in the economy. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the leading index and the coincident index rose 0.2% and 0.5%, respectively, from the previous month. The monitoring indicators flashed "green" for the second consecutive month in September, after the ending of a five-month period of "yellow-green." The improvement of the indicators provides further evidence that the economy is picking up.

**1. Leading Indicators.** The leading index stood at 108.8 (2001=100), increasing 0.2% from August, based on revised data. Among the seven indicators that make up the composite index, four that made positive contribution were customs-cleared exports\*, wholesale price change from six months earlier, floor area of building construction permits, and average work hours in the manufacturing sector. The components that made negative contribution were stock prices\*, money supply M1B\* and manufacturers' new orders\*. (Note: components marked with an asterisk indicate year-on-year change rate)

**2. Coincident Indicators.** The coincident index stood at 112.5 (2001=100), increasing 0.5% from August, based on revised data. Among the six indicators that make up the composite index, three that made positive contribution were manufacturing sales, manufacturing production\*, and industrial production\*. Two that made negative contribution were bank clearings\* and average monthly wage of manufacturing workers\*. Domestic freight was not included due to data availability.

**3. The Monitoring Indicators.** The total score recorded 23 in September, remaining at the same level in August. Among the nine indicators, four showed changes in their individual light signals, two with gains and two with loss. The improvement was recorded in direct and indirect finance and manufacturing inventory. The fall was recorded in bank clearings and remittances and manufacturing new orders. The light signals for M1B money supply, stock prices, customs-cleared exports, industrial production and non-agricultural employment remained unchanged.

**4. Business Expectations.** A survey of manufacturers for September indicated that 9% of manufacturing businesses expected the economy to be better over the next three months, down from 19% a month earlier, while another 25% held a negative view, up from the revised 16% a month earlier; 66% of the manufacturers surveyed expected the economy's performance to remain unchanged, up from the revised 65% of the August survey.

## 3.2.4

In December 2005

Taiwan's business indicators continued to display upturns on the real side of the economy. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the leading index and the coincident index increased 0.6% and 1.0%, respectively, from the previous month. The monitoring indicators flashed "green" for the fifth consecutive month in December, reflecting the steadily gathering momentum of the economy.

# Country Report 2005

**1. Leading Indicators.** The leading index stood at 109.9 (2001=100), increasing 0.6% from November, based on revised data. Among the seven indicators that make up the composite index, four that made positive contribution were customs-cleared exports\*, money supply M1B\*, stock prices\*, and wholesale price change from six months earlier. Three that made negative contribution were floor area of building construction permits, average work hours in the manufacturing sector and manufacturing new orders\*. (Note: components marked with an asterisk indicate year-on-year change rate)

**2. Coincident Indicators.** The coincident index stood at 114.6 (2001=100), increasing 1.0% from November, based on revised data. Among the six indicators that make up the composite index, five that made positive contribution were bank clearings\*, industrial production\*, manufacturing sales, manufacturing production\* and average monthly wage of manufacturing workers\*. Domestic freight was not included due to data unavailability.

**3. The Monitoring Indicators.** The total score recorded 26 in December, up 2 points from the previous month. Among the nine indicators, four 2 showed changes in their individual light signals, three with gains and one with loss. The improvement was recorded in money supply M1B, customs-cleared exports and industrial production. The fall was seen in manufacturing inventory. Light signals for direct and indirect finance, bank clearings and remittances, stock prices, manufacturing new orders, and non-agricultural employment remained unchanged.

**4. Business Expectations.** A survey of manufacturers for December indicated that 14% of manufacturing businesses expected the economy to be better over the next three months, up from 11% a month earlier, while another 18% held a negative view, down from 21% a month earlier; and 68% of the manufacturers surveyed expected the economy's performance to remain unchanged, the same as November survey.

## 4. Trade Statistics 2005

### International Trade compared by Value

Year	2005		2004		Comparison	
	Amount	As % of Total	Amount	As%of Total	Amount	Change %
<b>1.Counted in N. T. Dollars (NT\$ 100 Million)</b>						
Total Trade Value	119,286.5	100.0	114,453.9	100.0	4,832.6	4.2
Exports	60,840.0	51.0	58,178.0	50.8	2,662.0	4.6
Imports	58,446.5	49.0	56,275.9	49.2	2,170.6	3.9
Trade Balances	2,393.5	---	1,902.1	---	491.4	25.8
<b>2.Counted in U. S. Dollars (US\$ Million)</b>						
Total Trade Value	371,000.5	100.0	341,904.2	100.0	29,096.3	8.5
Exports	189,394.4	51.0	174,014.6	50.9	15,379.8	8.8
Imports	181,606.1	49.0	167,889.6	49.1	13,716.5	8.2
Trade Balances	7,788.3	---	6,125.0	---	1,663.3	27.2

### International Trade compared by Commodity

Commodity	Amount	As % Total	Amount	As % of Total	Amount	Change %
Exports	189,394.4	100.0	174,014.6	100.0	15,379.8	8.8
Agricultural Products	367.3	0.2	384.3	0.2	-17.0	-4.4
Processed Agricultural Products	2,103.0	1.1	2,078.3	1.2	24.7	1.2
Industrial Products	186,924.1	98.7	171,552.0	98.6	15,372.1	9.0
Heavy Industries	148,439.3	78.4	134,254.4	77.2	14,184.9	10.6
Non-Heavy Industries	38,484.8	20.3	37,297.6	21.4	1,187.2	3.2
Imports	181,606.1	100.0	167,889.6	100.0	13,716.5	8.2
Capital Goods	35,800.5	19.7	35,986.3	21.4	-185.8	-0.5

# Country Report 2005

Raw Materials	130,127.6	71.7	118,148.7	70.4	11,978.9	10.1
Consumer Goods	15,678.0	8.6	13,754.6	8.2	1,923.4	14.0

UPDATE: 2006/01/10

## India – Japan – Taiwan Section

### Preface

The “India-Japan-Taiwan Triologue: Prospects for Democratic Cooperation” on November 12, 2004 aims to promote awareness of potential areas of tripartite cooperation between India, Japan and Taiwan in areas of economic growth and trade, high-tech industry, democratic development as well as other inter-regional issues of vital interest to each country. Following the fourth round of “US-Japan-Taiwan Trilateral Strategic Dialogue” in January 2004 (which incorporated Taiwan into the U.S-Japan security cooperation), this “India-Japan-Taiwan Triologue” is the second important three-way dialogue organized by the Department of Foreign Policy Studies of Taiwan Think tank. Both meetings address issues pertinent to the development of the Asia-Pacific region, and the “India-Japan-Taiwan Triologue” in particular focuses on establishing a constructive relationship between the oceanic and the mainland democratic nations in the Asia-Pacific.

Taiwan Think tank believes that an India-Japan-Taiwan strategic triangle will not only strengthen India-Taiwan and Japan-Taiwan relations, but also enhance interaction between India and Japan. More significantly, this trilateral cooperation will undoubtedly consolidate the alliance of core values that each of these three countries shares: freedom, democracy, human rights and peace.

#### Economic and Trade Cooperation

Japan and Taiwan have enjoyed a sustained period of economic and trade cooperation for number of decades already. In the 1980s, scholars used the “Flying Geese Model” to explain the upriver and downriver technological cooperation model between the two countries. However, during the past ten years, Japan has faced a technology bottleneck, while Taiwan’s high-tech industry has been growing rapidly. Since then, the nature of economic and trade cooperation between Taiwan and Japan has been changing.

After initiating economic reforms of its own since 1991, India has become very competitive in the global market; in addition, foreign investments in India and in India’s software industry in particular have grown significantly. Along with China, India has become another economic power that has attracted international attention due to its recent progress. On the grounds that the industries in Taiwan and India are complimentary, ways in economic and trade cooperation between the two countries can be deepened is becoming an issue of increasing relevance to both, and with this in mind we aim to further the discussion. The “India-Japan-Taiwan Triologue” will emphasize how to take advantage of these complementarities so as to maximize economic benefits for India, Japan and Taiwan within the context of Asian regional cooperation.

#### Scientific and Technological Cooperation

Taiwan, Japan and India have the most developed scientific and technological industries in the Asia-Pacific region. It is necessary to discuss whether it is possible for the three countries to become scientific and technological strategic allies. Taiwan and Japan have already developed a very good scientific and technological basis for cooperation. India has had a great interest in East Asia since its “Look East Policy,” and Taiwan and India have developed a very good relationship through information-technological collaboration between their software and hardware industries. Therefore, we will discuss ways in which we can combine Taiwan and Japan’s technological cooperation in the 80s with Taiwan and India’s burgeoning scientific and technological collaboration in the current period, in order to form the proper partnerships for the 21st century that will ensure prosperity for all three countries as they use Taiwan as a common platform.

#### Democratic Cooperation

Taiwan, Japan and India are the three big democratic communities in Asia. The population in the three countries is about 65% of those who enjoy democracy in the world. However, the three countries face various problems in relation to democratic governance and institution-building. Therefore, India, Japan and Taiwan will have to share democratic governing experiences with each other for broadening and strengthening their continued experience with democratization. This conference will also explore a way that will not only enable the three countries to establish a democratic league, but also enforce their ability to rule more democratically at home, enlarge the space for regional participation, as well as construct a favorable environment for creating a new maritime democratic Asian-Pacific strategic order through trilateral cooperation in economy, trade, technology, and democracy. The “India-Japan-Taiwan Triologue” is the first forum created for these three most experienced democratic countries in Asia to interact, cooperate and have a dialogue with each other, and therefore it has its own historical significance. We look forward to the establishment of an “Asian Value Alliance” consisting of India, Japan and Taiwan, which we hope will take shape after this meaningful triologue.

VALUE OF ROC EXPORTS & IMPORTS	
BY PRODUCT / COUNTRY	
REPORT ID : FSCE01R	PRINT DATE : 2006/3/23

# Country Report 2005

IMPORT/EXPORT : IMPORT		TIME PERIOD : 2006/01 - 2006/01			
COUNTRY(REGION) : IN-(INDIA)				UNIT : US\$	
CCC_CODE : Total-		Total			
CODE NO	COUNTRY NAME	2005/01 - 2005/01	2006/01 - 2006/01	RANKING	GROWTH RATE(%)
IN	INDIA	83,693,786	102,610,429	1	22.602
SOURCE : DIRECTORATE GENERAL OF CUSTOMS, MINISTRY OF FINANCE, ROC					
REMARKS : --- MEANS NO DATA IS AVAILABLE OR DATA CANNOT BE REPRESENTED NUMERICALLY					
VALUE OF ROC EXPORTS & IMPORTS					
BY PRODUCT / COUNTRY					
REPORT ID : FSCE01R			PRINT DATE : 2006/3/23		
IMPORT/EXPORT : IMPORT		TIME PERIOD : 2006/01 - 2006/01			
COUNTRY(REGION) : IN-(INDIA)				UNIT : KG	
CCC_CODE : Total-		Total			

CODE NO	COUNTRY NAME	2005/01 - 2005/01	2006/01 - 2006/01	RANKING	GROWTH RATE(%)
IN	INDIA	100,425,164	163,076,881	1	62.386
SOURCE : DIRECTORATE GENERAL OF CUSTOMS, MINISTRY OF FINANCE, ROC					
REMARKS : --- MEANS NO DATA IS AVAILABLE OR DATA CANNOT BE REPRESENTED NUMERICALLY					
VALUE OF ROC EXPORTS & IMPORTS					
BY PRODUCT / COUNTRY					
REPORT ID : FSCE01R			PRINT DATE : 2006/3/23		
IMPORT/EXPORT : EXPORT		TIME PERIOD : 2006/01 - 2006/01			
COUNTRY(REGION) : IN-(INDIA)				UNIT : US\$	
CCC_CODE : Total-		Total			

CODE NO	COUNTRY NAME	2004/01 - 2004/12	2005/01 - 2005/12	RANKING	RATE(%)
IN	INDIA	1,069,777,972	1,567,765,091	1	46.551
SOURCE : DIRECTORATE GENERAL OF CUSTOMS, MINISTRY OF FINANCE, ROC					
REMARKS : --- MEANS NO DATA IS AVAILABLE OR DATA CANNOT BE REPRESENTED NUMERICALLY					
VALUE OF ROC EXPORTS & IMPORTS					
BY PRODUCT / COUNTRY					
REPORT ID : FSCE01R			PRINT DATE : 2006/3/23		
IMPORT/EXPORT : EXPORT		TIME PERIOD : 2005/01 - 2005/12			
COUNTRY(REGION) : IN-(INDIA)				UNIT : KG	
CCC_CODE : Total-		Total			
CODE NO	COUNTRY NAME	2004/01 - 2004/12	2005/01 - 2005/12	RANKING	GROWTH RATE(%)
IN	INDIA	415,073,073	1,140,046,274	1	174.662

SOURCE : DIRECTORATE GENERAL OF CUSTOMS, MINISTRY OF FINANCE, ROC

REMARKS : --- MEANS NO DATA IS AVAILABLE OR DATA CANNOT BE REPRESENTED NUMERICALLY

TOP TEN EXPORTERS / IMPORTERS	TOP TEN FOR EXCELLENT EXPORT GROWTH
FORMOSA PETROCHEMICAL CORPORATION	AU OPTRONICS CORP.
QUANTA COMPUTER INC.	ARDENTEC CORPORATION
AU OPTRONICS CORP.	FORMOSAN RUBBER GROUP INCORPORATE
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	JVAN AN INTERNATIONAL COMPANY, LTD.
TEXAS INSTRUMENTS TAIWAN LTD.	SILITECH TECHNOLOGY CORPORATION

# Country Report 2005

ASUSTEK COMPUTER INCORPORATION	FORD LIO HO MOTOR CO., LTD.
COMPAL ELECTRONICS, INC.	QUANTA DISPLAY INCORPORATION
CHI MEI OPTOELECTRONICS CORP.	TYAN COMPUTER CORPORATION
CHINA STEEL CORPORATION	VIA OPTICAL SOLUTION, INC.
FORMOSA CHEMICALS & FIBRE CORP.	SANYO ENERGY (TAIWAN) CO., LTD.

## FORMOSA PETROCHEMICAL CORPORATION

Address : FORMOSA INDUSTRIAL PARK NO.101, MAILIAO, YUNLIN COUNTY, TAIWAN, R.O.C.

Tel : 02-2712-2211

Fax : 02-2712-3590

E-Mail : eychiou@fpcc.com.tw

WWW.URL : www.ftpp.com.tw

Export	
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being
2711	Petroleum gases and other gaseous hydrocarbons
2901	Acyclic hydrocarbons
2909	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined) and their halogenated, sulphonated, nitrated or nitrosated derivatives
2503	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur
2707	Oils and other products of the distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals
8419	achinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising pasteuris
Import	
2709	Petroleum oils and oils obtained from bituminous minerals, crude
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being
2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
2711	Petroleum gases and other gaseous hydrocarbons
2901	Acyclic hydrocarbons
3815	Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included
2905	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves
8413	Pumps for liquids, whether or not fitted with a measuring device; liquid elevators
8483	Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball or roller screw; gear boxes and other speed changers, including torque converters; flywheels and pul
8426	Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane
3824	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included
8414	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filter
8419	achinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising pasteuris
8406	Steam turbines and other vapour turbines
8484	Gaskets and similar joints of metal sheeting combined with Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in compos
8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter
2519	Natural magnesium carbonate (Magnesite); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure
3811	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and other prepared additives, for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral
7304	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel

QUANTA COMPUTER INC



# Country Report 2005

<b>QUANTA COMPUTER INC.</b>
<b>Address : NO.4,WEN MING 1 ST., KUEI SHAN HSIANG TAO YUAN SHIEN</b>
<b>Tel : 03-3280050</b>
<b>Fax : 03-3972178</b>

Import	
8542	Electronic integrated circuits and microassemblies
8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included
9013	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter
8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machines of headings Nos.84.69 to 84.72
8504	Electrical transformers, static converters (for example, rectifiers) and inductors
8531	Electric sound or visual signalling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading No.85.12 or 85.30
8532	Electrical capacitors, fixed, variable or adjustable (pre-set)
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not
8507	Electric accumulators, including separators therefor, whether or not rectangular (including square)
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, junction boxes), for a volt
8506	Primary cells and primary batteries
8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers; audio-frequen
8479	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter
9030	Microscopes, spectrum analysers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading No.90.28; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, co
8541	Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals
8517	Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line system; videophones
8534	Printed circuit
8525	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and
8529	Parts suitable for use solely or principally with the apparatus of headings Nos.85.25 to 85.28
8412	Other engines and motors

Export	
8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included
8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machines of headings Nos.84.69 to 84.72
8525	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and
8529	Parts suitable for use solely or principally with the apparatus of headings Nos.85.25 to 85.28
8542	Electronic integrated circuits and microassemblies
8517	Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line system; videophones
8507	Electric accumulators, including separators therefor, whether or not rectangular (including square)
8506	Primary cells and primary batteries
8470	Calculating machines and pocket-size data recording, reproducing and displaying machines with calculating functions accounting machines, postage-franking machines ticket-issuing machines and similar machines, incorporating a calculating d
8480	Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds),

# Country Report 2005

	metal carbides, glass, mineral materials, rubber or plastics
8528	Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors
8504	Electrical transformers, static converters (for example, rectifiers) and inductors
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not
7322	Radiators for central heating, not electrically heated, and parts thereof, of iron or steel; air heaters and hot air distributors (including distributors which can also distribute fresh or conditioned air), not electrically heated, incorpo
9031	Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this Chapter; profile projectors
8534	Printed circuit
9899	Special transactions not classed by kind
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, junction boxes), for a volt
7318	Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel
8531	Electric sound or visual signalling apparatus (for example, bells, sirens, indicator panels, burglar or fire alarms), other than those of heading No.85.12 or 85.30

## Objective and Performance of Commerce & Industry Electronic Floodgate At Present Stage

### 1. Origin

In order to enhance commerce and industry administration management operation efficiency and to enhance service performance to the people by MOEA, the Executive Yuan approved the "National Commerce and Industry Management Information System Overall Plan" and based on the content of the approved plan, the Central Government will uniformly develop and establish the "National Commerce and Industry Management Information System". In addition, under the commerce and industry organization system, the three major business managements including company registration, factory registration and operating business registration that are closely related to people will be computerized and will strengthen the national commerce and industry registration information infrastructure and internal administration integration and restructure. Presently, with this as foundation stone, the government continues to expedite e-commerce and electronic floodgate plan to enhance its institutions and service to the people.

The commerce and industry electronic floodgate system of MOEA is processed based on the "Datamation/networking of Government Interim Expedition Plan" passed in the examination meeting No. 2535 of Executive Yuan on 1997.11.13. According to the Executive Yuan meeting prompt: "various institutions shall cope with the execution of this plan to establish network connection operation method as soon as possible, ...reduce usage volume of various books and hard effort shall be spent towards the direction of exemption from using books and certificates, exemption from using transcripts", ...establish a single window service as the goal of "document acceptance at one place, full scale service".

### 2. Objective

The objective of 2001 commerce and industry electronic floodgate system of MOEA is to complete the "Large scale administration information system electronic floodgate function standard" planned by the Research and Development Examination Committee of Executive Yuan and shall base on the "Company registration electronic floodgate system" as the test main body to achieve the following work objectives:

1. Develop and establish information provider part of company registration electronic floodgate system of MOEA and information requirement end system. The company registration information of MOEA and CD image file of the company registration list is the area of information provision. In addition, three information providing test units will be provided to conduct cross unit on-line inquiry and to provide examination and file transmission function (for function description see remark).

2. Utilization institution certification and establish information safety system.

# Country Report 2005

3. Complete company registration information XML format planning so as to achieve a phase objective of co-sharing of information and reduction in volume of certificate and transcript.

(Remark) Function description:

On-line inquiry – general inquiry

On-line examination – replace transcript and certificate. System will employ the information to provide organization with electronic signature and source information storage. Electronic signature is to replace the application of barrier protection

File transmission—exchange of large volume of data so as to supply to data requirement unit to conduct processing on digital data on its own.

3. Expected benefit

Three information requirement and test processing units: Investigation Bureau of Ministry of Legal Affairs, Head Tariff Bureau of Ministry of Finance and Public Engineering Committee of Executive Yuan. After July 2001, through electronic floodgate system, under a safe information exchange environment, company registration information of MOEA and source company registration form photocopy can be read and the following benefits can be obtained: :

- ✓ Reduction in volume and certificate transcript
- ✓ Accelerate business handling time efficiency
- ✓ Reduce quantity of to and fro traveling of official documents
- ✓ Save manpower and time for information handling

## Origination and Ideas of Business Modernization Plan

Problem Happens...						
Evolution of Economic Stage:  Farming  Industrialization  Commercialization	Consumption increases in proportion with the national income.	Socioeconomic is undergoing change	Out-of-date management idea; Outmoded, small, and disordered operation	Impact	arises from internationalization and capitalization	
Problem Develops....						
Low sales efficiency and service quality						
Consequences of Problem ...						
The emergence of business service is getting urgent	Large-scale business, chain store, Internet business, multiple shop, versatile product à consumer-oriented	Different concepts about values promote the demands for recreation.	Old system and new system arise surges, violations and disorder, and aren't incorporated into modern life.	Distribution undergoes revolution and foreign investment penetrate into the channels.		

# Country Report 2005

<b>Solution of Problem ....</b>						
<b>Business Modernization &amp; Automation</b>						
<b>Realization &amp; Promotion ...</b>						
<b>To construe a world of modernized business</b>	<b>Support</b>	<b>Value-added Distribution Network Piloting System</b>	<b>Establish</b>	<b>Central Material Distribution Institute</b>	<b>Set up a system to promote, offer consultancy and encourage businesses modernization</b>	<b>More emphasis on training of personnel for business modernization</b>
<b>Counteractions....</b>						
<ul style="list-style-type: none"> <li>✓ Discuss, establish and amend regulations on the issue of business.</li> <li>✓ Set a plan for business development on the issues of software/hardware/facility and service quality.</li> <li>✓ Promote bar code and establish a database for nation-wide commodities.</li> <li>✓ Decide the standard and criteria for business document &amp; electronic data exchange(EDI).</li> <li>✓ Investigate and research current business environment and future demands</li> <li>✓ Integrate wholesale and retail-sale</li> <li>✓ Introduce or develop technology for information distribution(POS, EDS)</li> <li>✓ Support Value-added Distribution Network Center(VAN)</li> <li>✓ Research and investigate possibility and functionality of cargo distribution zone</li> <li>✓ Introduce or develop techniques for commodity distribution</li> <li>✓ Support to establish automatic commodity distribution center</li> <li>✓ Offer loan advantages and investment off-set</li> <li>✓ Have more efforts on training of business personnel</li> <li>✓ Hold seminars, discussion, site-visiting meetings(to distribute techniques and skills) and exhibitions</li> <li>✓ Offer consultancy and management advice.</li> <li>✓ Promote exchanges of local businesses with international organizations.</li> <li>✓ Integrate and offer assistance to establish demonstrating systems</li> <li>✓ Upgrade traditional business management techniques</li> <li>✓ Establish other relevant business service organizations</li> </ul>						

## **The Commerce Automation Project**

1. The commerce automation project were implemented on the basis of:

- a. The executive Yuan meeting No. 2122 of 1988 whereby the Chief of Executive Yuan had instructed to continually carry on automation project in order to solve the labor shortage problem.
- b. On Dec. 6, 1989, the Executive Yuan approved "the 10 years plan of the ROC industrial automation", which included the launching of automation of 1st class agriculture & fishery industries, 2nd class manufacturing, and construction and the 3rd class industries including service commerce etc. totaling 4 categories.
- c. The 2218th meeting of the Executive Yuan which approved to include the commerce automation into "The 6 years plan of national construction" as one of the main governmental ruling plan.

2. Commerce automation target by phase

3. The frame work of Commerce Automation Project
4. The establishment of commerce automation environment
5. The technological development of commerce automation
6. The concept and goal of commerce VAN
7. "AUTOMATION" of warehousing facility, distribution & delivery
8. "Standardized Content" of Commercial document, Electronic data
9. Distribution center type and delivery mode
10. Commercial Trade and money transfer "Networking"

# Country Report 2005

## **11. Phase I achievement of commerce automation project**

Implemented "the applicable guideline for investment incentive at the private-sector on the purchasing of automated production equipment, pollution control equipment and its technology in the wholesale and retail industries", and the implementation guideline of "financial loan for the purchasing of automated equipment and technical assistance." There were 539 applications of which 439 were approved totaling NT\$570,000,000.

### **11-1: Merchandise Bar Code**

### **11-2: Achievement of merchandise bar code implementation**

### **11-3: Achievement of commerce Electronic Data Interchange (EDI) initial system**

### **11-4: Electronic Order System (EOS) initial system and Electronic merchandise pick-up auxiliary system**

### **11-5: The linking status of Commerce EOS Value Added Network (VAN)**

### **11-6: Achievement of VAN inter-linking implementation**

### **11-7: Achievement of development for merchandise distribution technology**

### **11-8: Distribution technical assistance and its application result**

### **11-9: Achievement of commerce automation personnel training**

### **11-10: Achievement of Commerce Information service team**

## **12. Phase II development strategy of commerce automation project**

### **12-1: Actively pushing for the establishment of NII electronic trading environment**

### **12-2: Development concept of electronic commerce**

### **12-3: Establishment of Commerce Quick Response & Efficient Consumer Response**

### **12-4: Concept of Quick Response (QR) system**

### **12-5: Expand the distribution channel and develop the technological integration**

### **12-6: Integrate the organization framework for the launching of supporting task**

### **12-7: Integrate the supporting targeted system.**

## **13. Summary**

# Country Report 2005

## 5.1.2 The projected benefit of Commerce Automation

### 1. Economical benefit:

- a. The commerce automation will strengthen economic liberalization. It can expand marketing channel and promote sales of domestic agriculture and industrial products.
- b. When every store and shop are automated, tax can be more effectively collected, thus, an ideal of fair taxation for every citizen can be reached.
- c. It will reduce the garbage handling volume in the metropolitan area.
- d. It can raise the trade speed and efficiency.

### 2. Social benefit:

- a. It can provide country fellow with safe and hygiene foods.
- b. It can greatly reduce labors moving work, thus meet the principle of a progress society.
- c. It can raise the quality of life owing to automatic consumer behavior.
- d. It can protect the interests of producers and consumers owing to downright distribution and delivery system.

### 3. Environmental benefit:

- a. It can greatly reduce the metro and home garbage pollution.
- b. It can minimize the vehicle trips thus improves transportation and reduce pollution owing to efficient wholesale distribution operation.

## 5.1.3 The index of achievement of Commerce Automation

### 1. Overall index

#### Capital invested on automation

- Ratio of automation equipment made locally.
- The product value after investment in automation.
- The productivity after investment in automation.

### 2. Planned achievement index

#### Ratio of Bar code popularity.

- Ratio of Bar code application.
- The number of POS user.
- The number of EOS user.
- The number of VAN user.
- The number of standard user of enterprise using EDI.
- The quantity and number of merchandise data bank
- The number of automated freight loading and unloading locations.
- The number of automated merchandise-sorting system.
- The number of merchandise distribution center.
- The number of enterprise using standard accounting.
- The number of enterprise using automatic accounting system.
- The willingness of enterprise to accept information standard.

### 3. The index of individual achievement:

#### The index of goods spoilage.

- The index of goods sale cycle.
- The index of inventory cycle.
- The index of cash flow cycle.
- The index of warehouse efficiency.

# Country Report 2005

The index of advance time needed to order.  
 The index of ratio of good sold.  
 The index of ratio of goods rejected.  
 The index of ratio of goods using automated equipment for loading and unloading.  
 The index of speed of goods supplied.  
 Individual average Value Added Index.  
 The index of ratio of goods unsold after expiring date.  
 The index of delivery activity efficiency.

Government plan to do status index survey once every two years for the purpose of setting up assessment basis of our achievement.

## Ocean Freight Section

### Ocean Freight on 2005

#### Port of Keelung

#### Keelung Harbor Bureau offers fees discounts

As of today, Keelung Harbor Bureau is offering contract discounts on use of its floating cranes to shipping companies that transport by lighters servicing the west and east bank terminals for unloading and loading charges. (See graph below) Shipping companies can reduce capital costs and the on-land burden. Shipping companies with an interest in these bargains are asked to make advance inquiries by calling 2420-6287 and request wharf warehousing.

East Bank and West Bank storage and floating crane contracting fees :

#### I、Transit container Unit: TEU

Operation scheme	Rate (NT\$)
1. East and West Bank importation	3,512
2. East Bank importation, West Bank FAS	3,264
3. East Bank FAS, West Bank importation	2,826
4. East and West Bank FAS	2,578

#### II、Transshipment Container Unit: TEU

Operation scheme	Rate (NT\$)
1. East and West Bank importation	3,128
2. East Bank importation, West Bank FAS	2,943
3. East Bank FAS, West Bank importation	2,669
4. East and West Bank FAS	2,484

#### Note on contracting:

1. The cost for West Bank goods include one loading or unloading charge, machine usage fees, storage and literage.
2. Securing of goods (tie down), management and towing are the responsibility of logistics companies.
3. East coast charges include one packaging and loading and unloading, machine use fee, machine usage fee, storage fee and crane, tying, management a towing fee.
4. Contracting fees are paid directly to the Bureau. East Bank fees should be paid by other arrangements.

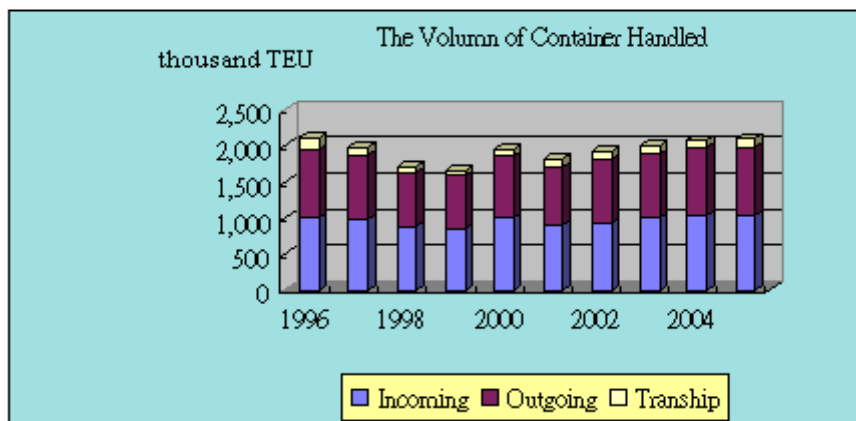
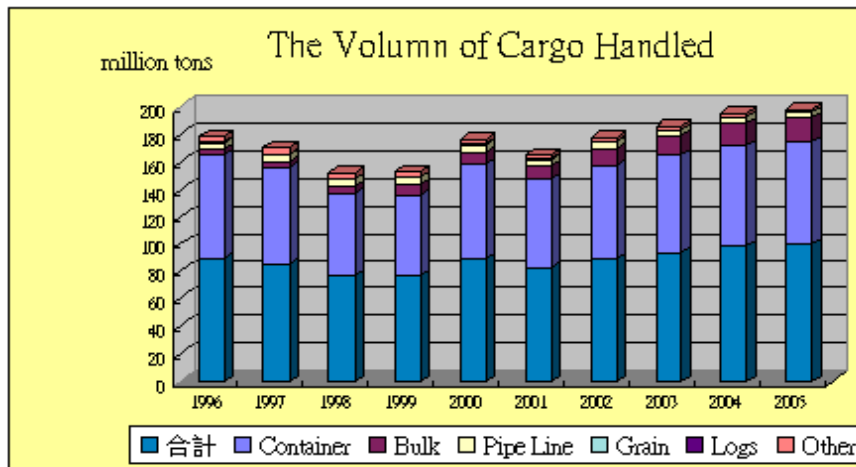
Year of 2005	Incoming Vessels	Tonnage	No. of Container H a n d l e d

# Country Report 2005

	V.	G.R.T.	(M.t.)	(TEU)
January	794	8,985,342	8,844,384	183,444.75
February	556	6,714,388	5,538,406	120,651.25
March	762	9,131,419	8,365,265	177,443.25
April	835	9,333,772	8,439,205	177,870.75
May	811	9,099,442	8,579,698	181,862.00
June	810	9,265,444	8,747,467	181,588.00
July	808	9,031,833	7,980,071	168,313.25
August	881	9,500,994	8,194,643	171,906.00
September	833	9,108,753	8,183,985	171,183.25
October	794	9,023,460	8,950,852	187,183.75
November	784	9,164,200	8,502,981	181,889.75
December	788	9,128,109	8,839,690	188,121.75
2004	9,494	108,071,319	97,765,969	2,070,192.00
2005	9,456	107,487,156	99,166,647	2,091,457.75

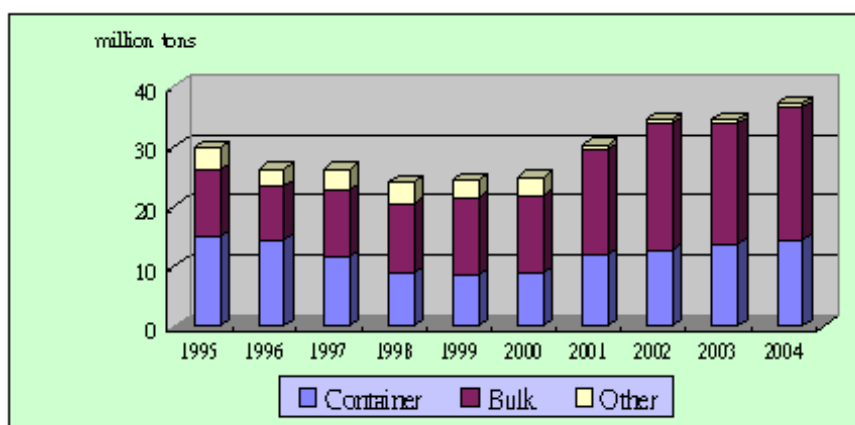
Recently Update: 2006/2/10

Data Source: Accounting & Statistics Dept. of Keelung Harbor Bureau





# Country Report 2005



Port of Taichung  
Inbound and Outbound Vessels

Month	Total		Inbound		Outbound	
	Number of	Total Tonnage	Number	Total Tonnage	Number of V e s s e l s	Total Tonnage
2006/1	1,012	13,342,328	501	6,594,200	511	6,748,128
2005/12	1,030	13,262,507	519	6,674,883	511	6,587,624
2005/11	994	13,112,281	497	6,534,176	497	6,578,105
2005/10	988	12,775,462	494	6,471,030	494	6,304,432
2005/9	943	12,615,019	472	6,250,225	471	6,364,794
2005/8	978	12,878,615	488	6,480,524	490	6,398,091
2005/7	997	12,936,323	501	6,473,863	496	6,462,460
2005/6	990	12,966,278	492	6,429,517	498	6,536,761
2005/5	979	13,197,938	491	6,607,160	488	6,590,778
2005/4	992	12,921,092	491	6,423,202	501	6,497,890
2005/3	1,018	13,036,176	512	6,525,752	506	6,510,424
2005/2	769	10,400,643	386	5,262,188	383	5,138,455

Year	Total		Inbound		Outbound	
	Number of	Total Tonnage	Number	Total Tonnage	Number of V e s s e l s	Total Tonnage
2006	1,012	13,342,328	501	6,594,200	511	6,748,128
2005	11,722	153,541,491	5,865	76,827,909	5,857	76,713,582
2004	11,901	155,884,250	5,950	77,923,500	5,951	77,960,750
2003	11,508	157,117,669	5,752	78,596,281	5,756	78,521,388

## Country Report 2005

2002	11,081	153,563,862	5,546	76,875,956	5,535	76,687,906
2001	10,684	142,286,231	5,343	71,021,435	5,351	71,264,796
2000	11,664	153,097,910	5,833	76,537,659	5,831	76,560,251
1999	11,545	150,764,036	5,769	75,353,636	5,776	75,410,400
1998	11,274	139,833,432	5,640	69,948,179	5,634	69,885,253
1997	10,737	137,926,702	5,369	68,996,136	5,368	68,930,566
1996	9,445	118,106,701	4,721	59,013,066	4,724	59,093,635
1995	8,172	99,018,098	4,088	49,531,016	4,084	49,487,082
1994	7,565	88,583,187	3,780	44,228,092	3,785	44,355,095
1993	7,073	79,733,715	3,538	39,961,068	3,535	39,772,647
1992	6,538	70,784,829	3,268	35,333,564	3,270	35,451,265
1991	5,234	57,374,136	2,620	28,724,285	2,614	28,649,851

### Port of KHH

Kaohsiung Harbor Bureau (KHB) efforts to recruit companies to set up business in the newly opened Free Trade Zone (FTZ) saw seven firms licensed at the close of November 2005. An eighth firm, Trade-Van Information Services, was approved in December. In related news, APL's Taiwan Branch has plans to transfer operational responsibilities for its leased Wharf No. 68 to Shihjeh Ocean Shipping Corp. and will apply to commence warehousing, storage, logistics and multiple country consolidation (MCC) operations in the Free Trade Zone. APL is currently making relevant preparations. The eight (8) companies currently licensed for FTZ operations include Eastern Media International Corporation (ETITC), Kaochun Stevedoring, Inc., Huichan International Logistics, Lien Hai Terminal and Stevedoring, Taiwan Hanjin Cargo, American President Lines (APL, Taiwan Branch), Wanhai Lines and Trade-Van Information Services. The FTZ currently covers 397.69 hectares and incorporates Port Container Terminals 1 through 5. The Harbor Bureau, looking to further expand investment recruitment efforts, has drafted plans to absorb the Jhongdao District into the FTZ as well. Ministry of Transportation approval of the application currently under review could allow FTZ operations in Jhongdao to commence as early as March. Trade-Van, a professional technical services provider, is positioned to deliver information and customer-related services to FTZ firms. Trade-Van also plans to offer automated Customs clearance services and is participating in the development and implementation of related FTZ infrastructure work in order to provide real-time Customs clearance information and integrate data exchange capabilities into Customs clearance procedures. To better service clients in southern Taiwan, Trade-Van opened a Kaohsiung service center in September 2005. While its current focus is on promoting Customs automation, the firm is actively working to build capacity in related areas including value-added Customs services, Internet-based freight clearance services, digitalized trade services, single control-window services and logistics services so that client data entered once remains valid and is applied automatically throughout the cargo receipt and clearance process.

The Kaohsiung Harbor Bureau will release on 10 February 2006 the Instructions to Tenderers document for Phase-1 of the Kaohsiung International Container Terminal (ICT). Both Chinese and English language versions of the document will be available. The KHB will at the same time also make available for purchase a packet of relevant investment forms and documents. This public release is an important step in KHB's implementation of the "Plan to Encourage Private Sector Participation in the Construction and Operation of Phase-I of the Kaohsiung International Container Terminal". The ICT represents a cornerstone in Taiwan's continued economic development and is designed to sustain and enhance the Port of Kaohsiung's competitive edge. Interested investors will have six months in which to prepare tender submissions. Tender consideration is open to firms or consortia with up to 100% foreign-ownership. Tender process results should be finalized by the end of 2006. At least one berth, with adjacent facilities, should begin operations by the end of 2011, with the remainder coming on line by the close of 2013. The selected investor will be awarded a 50-year concession for operations within the ICT. The Kaohsiung Harbor Bureau welcomes interested shippers and terminal operators from around the world to consider this opportunity and submit tender proposals. This project, the KHB's largest investment in recent years, will develop a total of 74.8 hectares. Based on a "Build-Operate-Transfer" (BOT) format, the project will leverage over NT\$12 billion in private sector capital to construct 4 new container berths along 1,500m of waterline and install container yards and supporting facilities along a 475m deep swathe behind the berths. Berths will be dredged to CDL -16m and throughput capacity at the completed ICT will be a minimum 2 million TEU annually. Private sector investment will cover construction of berths and adjacent storage and auxiliary facilities, purchase and installation of terminal equipment, and the execution of related design and land improvement work. The government will be responsible for road improvements necessary to link the ICT with the external transportation grid and relevant dredging in public waters adjacent to ICT piers. The successful tenderer, either an individual company or consortium, shall establish a concession company that will be authorized by the KHB to operate berthing, stevedoring, transshipment, transportation, storage, and container maintenance businesses within the ICT. The new terminal's strong competitive position, direct access to external transportation networks, highly advantageous investment terms, and a range of government-provided financial and tax benefits all combine to deliver an exceptionally attractive investment opportunity. The Port of Kaohsiung is located at the nexus of main Asia Pacific

# Country Report 2005

trade routes. Strategic location, deep harbor waters, low tidal variance, a relatively large number of working days per year, a highly skilled and experienced stevedoring service sector, and the port's professional and dedicated service ethic have already convinced many of the world's leading shipping companies to establish operations at the Port of Kaohsiung. The completion of the port's International Container Terminal, with its deep berths and advanced handling infrastructure, will ensure the KHB's ability to service the needs of the world's newest generation of post-Panamax containerships and future competitiveness. We look for the ICT to take the Port of Kaohsiung to an entirely new level of competitiveness and service for our customers and to ensure sustainable growth in our container handling operations. To download or read the Instructions to Tenderers or to obtain further information regarding investment in the Port of Kaohsiung ICT, please visit our website at <http://www.khb.gov.tw> or the ROC Public Construction Commission's homepage at <http://www.pcc.gov.tw>.

Unit: M.T. Updated on Mar.2006

Year	Total	Import	Export
2005(Jan-Dec)	137,920,331	94,375,576	43,544,755
Jan	14,028,995	10,165,139	3,863,856
Feb	9,582,836	6,515,483	3,067,353
Mar	13,218,902	9,399,102	3,819,800
Apr	11,931,546	8,507,027	3,424,519
May	12,759,499	9,000,078	3,759,421
June	12,248,572	8,308,483	3,940,089
July	11,385,580	7,919,877	3,465,703
Aug	9,973,394	6,513,873	3,459,521
Sep	10,773,872	7,155,134	3,618,738
Oct	10,808,959	6,996,400	3,812,559
Nov	10,194,816	6,568,921	3,625,895
Dec	11,013,291	7,325,990	3,687,301

## Breakdown of Outgoing Goods (by goods)

Unit: M.T. Updated on Mar.2006

Year	Total	Foreign						
		Mineral	Chemical	Plastic	Textile	Base Metal	Mechanic	other
2004	44,013,275	5,376,518	2,753,033	4,872,546	1,473,384	11,436,947	1,650,976	3,148,882
2005(Jan-Dec)	43,544,755	6,178,554	3,199,988	5,126,603	1,321,776	10,965,251	1,633,497	3,114,537
Jan	3,863,856	579,569	246,750	420,460	101,588	1,012,733	139,941	251,132
Feb	3,067,353	450,296	219,541	352,974	86,130	836,742	106,190	187,387
Mar	3,819,800	394,605	284,759	452,146	115,062	1,069,292	140,589	308,940
Apr	3,424,519	427,004	245,789	398,887	109,532	1,000,672	137,430	245,038
May	3,759,421	491,446	259,964	413,664	116,115	1,023,991	152,120	311,481
June	3,940,089	1,058,490	252,600	465,438	107,171	813,879	134,759	248,209
July	3,465,703	524,148	291,698	437,748	112,938	822,570	132,917	307,389
Aug	3,459,521	310,399	282,541	441,425	123,560	871,026	143,774	237,396
Sep	3,618,738	525,060	276,390	430,544	117,043	848,706	129,503	244,318
Oct	3,812,559	418,508	296,720	435,899	119,501	944,030	145,501	267,074
Nov	3,625,895	441,962	267,599	431,971	103,947	916,147	131,620	280,136
Dec	3,687,301	557,067	275,637	445,447	109,189	805,463	139,153	226,037

## Breakdown of Container Traffic (In TEU)

Year	Total	Import	Export
2004	152,467,944	108,454,669	44,013,275
2005(Jan-Dec)	137,920,331	94,375,576	43,544,755
Jan	14,028,995	10,165,139	3,863,856
Feb	9,582,836	6,515,483	3,067,353

## Country Report 2005

Mar	13,218,902	9,399,102	3,819,800
Apr	11,931,546	8,507,027	3,424,519
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Sep	10,773,872	7,155,134	3,618,738
Oct	10,808,959	6,996,400	3,812,559
Nov	10,194,816	6,568,921	3,625,895
Dec	11,013,291	7,325,990	3,687,301

Information courtesy from: KHB/ROC

The business in ocean decreased against past year, also the trend showing more manufacturer will moved out soon or later, the port offer discount service rate to welcome the by past Taiwan port.

### Airfreight Section:

#### Air Freight 2005 Result compared with year of 2004

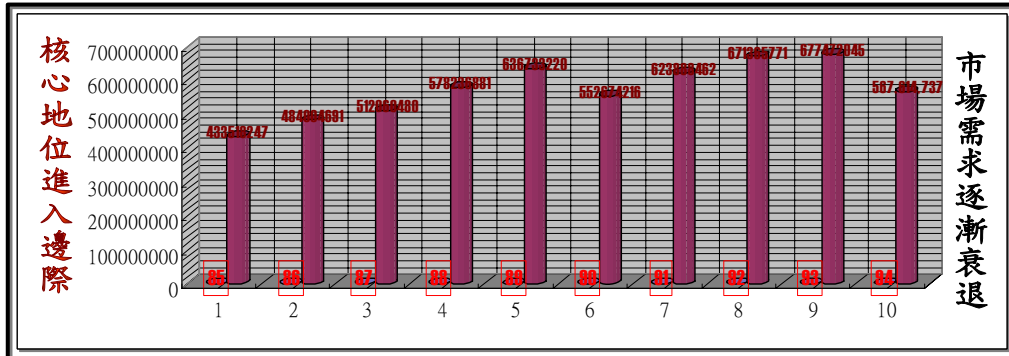
Rank	2004		2005	
	weight	Market Share	Weight	Market share
1	27,437,019	4.50%	36,961,366	6.51%
2	2,5186,318	4.13%	22,310,605	3.93%
3	20,892,161	3.43%	19,772,670	3.48%
4	17,216,475	2.83%	17,533,279	3.09%
5	15,892,176	2.61%	14,952,376	2.63%
6	14,654,901	2.41%	13,631,055	2.40%
7	14,473,484	2.38%	13,112,220	2.31%
8	12,743,008	2.09%	12,993,050	2.29%
9	12,706,153	2.09%	12,979,774	2.29%
10	12,512,675	2.05%	12,534,878	2.21%
11	12,464,926	2.05%	12,401,446	2.18%
12	12,399,721	2.03%	12,200,204	2.15%
13	11,929,723	1.96%	11,528,226	2.03%
14	11,899,445	1.95%	11,076,284	1.95%
15	11,708,434	1.92%	10,707,110	1.89%
16	10,873,719	1.78%	10,435,802	1.84%
17	10,357,846	1.70%	9,932,416	1.75%
18	10,007,235	1.64%	9,067,231	1.60%
19	9,678,311	1.59%	8,665,000	1.53%
20	9,123,048	1.50%	7,667,906	1.35%
21	8,758,682	1.44%	7,638,327	1.35%
Total market		100%	567,614,737	100%

According the record of end of year 2005, We have 870 members in our association, the first 21 members occupied more than 50% of the market. The market leader occupied 6.51% of market, almost 50% of increasing against year of 2004. 879

# Country Report 2005

## Managing Director's Report 2005

### The Market Requirement of Taiwan Air Logistics 台灣航空貨運市場需求分析



- The contribution that international trade makes to sound and stable economic development is fundamental to APEC reason for existing, and is reflected in the long-term goal of achieving free and open trade between member countries.
- After the year of Y2K, the year of 2001 airfreight turnover & demand decreased against year of 2000, on year of 2005 the international trade physical movement by air only had 0.22% increased against the year of 2004.

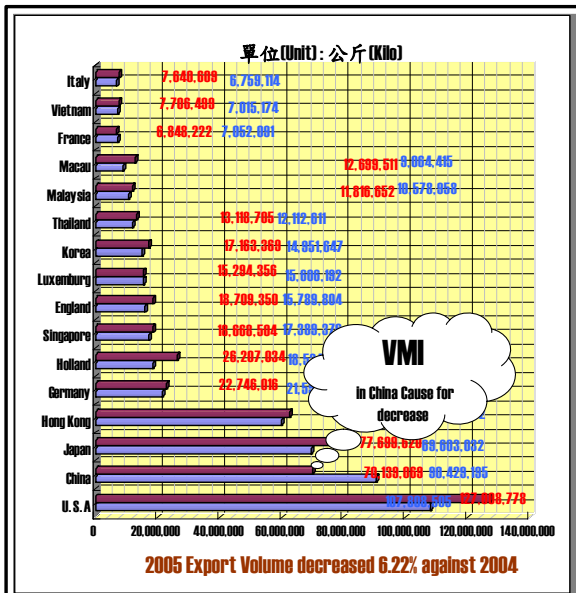
鮑執行長學超報告

The Air cargo market demand start to decreasing since factory outsourcing or moved outside of this country.

## 空運運籌與物流前瞻

10

大陸已取代美國領先地位



Unit Kilo	2005	2004
U.S.A	107,808,505	127,008,778
Japan	69,603,032	77,689,620
Germany	21,557,813	22,746,016
Holland	18,534,489	26,207,034
Singapore	17,388,376	18,668,504
England	15,789,804	18,709,350
Luxembury	15,606,192	15,294,356
Korea	14,951,647	17,163,369
Thailand	12,112,611	13,118,705
Malaysia	10,578,958	11,816,652
France	7,052,091	6,848,222
Vietnam	7,015,174	7,706,499
Italy	6,758,114	7,640,609

壹、空運運籌與物流發展概況

- 實體管理服務 (Entity Management Service)
- 共同管理服務 (Common Management Service)
- 實體對映 (Entity Mapping)
- 共同資料模式 (Common Data Model)
- 存取服務 (Access Service)

資訊來源：依據民航局資料台北市航空貨運承攬商業同業公會整理

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鮑執行長學超報告

China become to number 2 of our destination, if combined the volume Hong Kong, Macau & China together.

# Country Report 2005

## 空運運籌與物流前瞻

11

單位(Unit):  
公斤(Kilo)

### Air Import Market

Trade Partner	Year 2005 Total	Market Share	Year 2004 Total	Market Share
Japan	100,860,379	22.48%	115,913,094	25.10%
U.S.A	72,985,844	16.27%	72,594,415	15.72%
Hong Kong	53,728,802	11.98%	45,719,967	9.90%
Thailand	24,665,991	5.50%	23,280,525	5.04%
Macau	18,147,589	4.05%	16,780,043	3.63%
China	17,577,385	3.82%	16,373,287	3.55%
Korea	16,910,658	3.77%	23,100,810	5.00%
Singapore	15,855,185	3.53%	17,788,525	3.85%
Luxemburg	14,928,976	3.33%	16,109,653	3.49%
Philippines	14,504,941	3.23%	11,605,534	2.51%
Indonesia	10,220,094	2.28%	7,770,723	1.68%
Germany	9,265,118	2.07%	9,862,064	2.14%
Malaysia	7,341,504	1.64%	7,987,412	1.73%
England	6,926,575	1.54%	6,830,487	1.48%

空運進口供應市場分析

壹、空運運籌與物流發展概況

資訊來源：依據民航局資料台北市航空貨運承攬商業同業公會整理

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鮑執行長學超報告

Same as export, the import from the record of year of 2005, the Great China Area is our number 2 supplier, the material flow decreasing & commodity flow take over the position on those share moved to China.

Few business fads have peaked and plummeted with the rapidity of Internet technology, in general, and B2B e-commerce and e-marketplaces, more specifically. Energized by the success of consumer auction sites and by savings from early e-procurement efforts, industry exchanges took off in mid-1998. By the end of the year 2000 more than 1,500 e-marketplaces had been announced.

The traditional supply chain often includes more than one company in a series of supplier-customer relationships. It is often defined as the series of links and shared processes that involve all activities from the acquisition of raw materials to the delivery of finished goods to the end consumer. Raw materials enter into a manufacturing organization via a supply system and are transformed into finished goods. The finished goods are then supplied to customers through a distribution system. Generally several companies are linked together in this process, each adding value to the product as it moves through the supply chain.

The underlying enabler of supply chain integration is the fast and timely exchange of information between supply chain partners. This information may take the form of transactional documents such as purchase orders, ship notices, and invoices, as well as planning-related documents like demand forecasts, production plans and inventory reports. It is this sharing and coordination of information and planning activities that can enable cost reduction, value enhancement, and the execution of advanced collaborative planning activities.

In the past, the cost and complexity of executing electronic data interchange (EDI) transactions made this type of information exchange suitable for only the largest corporations. The ubiquity of Internet-based communication tools now makes it possible for organizations of all sizes to exchange information. However, challenges still exist and being able to successfully deal with all the new technologies is one of these challenges. The good news is that this data exchange challenge can be overcome; and the opportunities become endless once companies are able to exchange information efficiently with their suppliers, customers, and partners. Applications like vendor managed inventory (VMI), collaborative planning, e-procurement, shipment tracking and tracing, electronic order management, and bill presentment and payment can be built Info-Guide – supply chain management.

The innovation must comply the International Cole Market requirement, follow up the workflow of Global Logistics,

Module standard copy to same type of service. Several third-party, for-hire carriers have launched customizable web pages that enable customers to access real-time shipment information and customize their data output.

#### Taiwan

Major Exports: commodities: Electronic Products 23.3%, Basic Metals 10.5%, Other Machineries and Electronical Equipments 8.1%, Informaiton & Communication Products 7.4%, Textile Products 7.2%, (Plastic & Rubber Products 7.2%, Machineries 6.9%, Precision Instruments 6.6% (2004 est.) partners: China 19.55%, Hong Kong 17.14%, USA 16.16%, Japan 7.59%, EU Countries 13.47% (2004 est.)

Major Imports: commodities: Electronic Product 18.2%, Minerals (Crude Petroleum) 13.7%, Basic Metals 11.0%, Machinery 10.5%, Chemicals 10.5%, Precision Instruments 7.5% (2004 est.) partners: Japan 26.0%, US 12.9%, China 9.9%, South Kore 6.9%, EU countries 12.7%

## Country Report 2005

Terminal	Import	Export	Transit	Transit in Ramp	O/B Courier	Express import	Express export	total
<b>TACT 2004</b>	226,098,525	269,833,879	130,015,434	0	2,679,529	19,485,748	9,884,638	657,997,753
<b>2005</b>	227,947,822	244,540,326	140,826,344	0	0	20,344,179	16,667,381	650,426,052
<b>Ratio</b>	0.82	-9.37	8.39	0	-100	4.41	68.62	-1.15
<b>ECT 2004</b>	33,828,231	145,459,071	2,688,121	0	0	1,258,768	762,616	183,996,807
<b>2005</b>	26,077,169	137,201,880	8,010,519	0	0	1,947,316	6,332,127	179,569,011
<b>Ratio</b>	-22.91	-5.68	198	0	0	54.7	730.32	-2.41
<b>FTZ 2004</b>	73,507,607	131,251,500	1,967,659	0	0	0	0	206,726,766
<b>2005</b>	53,789,930	130,651,293	4,194,831	0	0	0	0	188,636,054
<b>Ratio</b>	-26.82	-0.46	113.19	0	0	0	0	-8.75
<b>EGAC 2004</b>	102,735,261	58,741,037	207,258,820	0	0	19,066,319	17,934,854	405,736,291
<b>2005</b>	117,979,095	55,221,238	202,728,050	0	0	23,222,920	16,250,280	415,401,583
<b>Ratio</b>	14.84	-5.99	-2.19	0	0	21.8	-9.39	2.38
<b>Fedex 2004</b>	0	0	0	0	0	13,555,719	24,705,154	38,260,873
<b>2005</b>	0	0	0	0	0	14,100,295	23,051,745	37,152,040
<b>Ratio</b>	0	0	0	0	0	4.02	-6.69	-2.9
<b>UPS 2004</b>	0	0	2,513,835	0	0	3,509,419	9,487,407	15,510,661
<b>2005</b>	0	0	1,665,852	0	0	4,117,432	11,974,885	17,758,169
<b>Ratio</b>	0	0	-33.73	0	0	17.33	26.22	14.49
<b>CKS</b>	436,169,624	605,285,487	344,443,869	180,481,052	2,679,529	56,875,973	62,774,669	1,688,710,203
	425,794,016	567,614,737	357,525,596	203,504,088	0	63,732,142	74,276,418	1,692,446,997
<b>total</b>	-2.38%	-6.22%	3.8%	12.76%	-100%	12.05%	18.32%	0.22%

Starting from the month of Apr, 2005, Major high tech factory moved to China for better solution, cause for the new situation of air cargo market, Except the express cargo, both Taiwan export & Import under decreasing of 2.38% & 6.22% against Year 2004.

### Conclusion:

1. LSU / LSP & Airlines relationship Changed from P2A to P2P
2. Air freight demand will continue to grow but will be volatile
3. Tight supply versus demand is projected to continue for several years – resulting in stronger yields
4. Higher fuel costs will require higher yields, but will make efficient fleets more competitive over the long term
5. SD Consolidation will continue in the industry making scale and scope of operations important competitive factors
6. Carriers with greater market reach and diversification will better able to profit by the market circumstances and be better equipped to weather any volatility
7. Medium Size LSP market dies away, Integrated seven industry unifies continue management forever, blue Ocean tactic rings universe roam.

End of report by Samson Pao, Secretary General / The association of Airfreight Forwarding & Logistics