



The New Southbound Policy

A Practical Approach Moving Full Steam Ahead



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The New Southbound Policy- A Practical Approach Moving Full Steam Ahead

With regard to Taiwan's economic development, President Tsai Ing-wen has put forward three major initiatives: first, the Forward-looking Infrastructure Development Program, with the aim to expand government spending and promote economic development; second, the Five-Plus-Two Industrial Innovation program, with the aim to restructure and upgrade Taiwan's industries; and third, the New Southbound Policy, with the aim to expand Taiwan's foreign economic and trade relations. The strategic New Southbound Policy is based on Taiwan's economic development needs as well as the principles of mutual benefit and equitable development. It will help Taiwan build its national strength and integrate with the regional economy.

More and more cooperation programs are being formed under the New Southbound Policy. The body in charge of implementing the policy, the New Southbound Policy Task Force, has improved information sharing, resource integration, and interministerial cooperation throughout the government. All walks of society, including private enterprises and academic groups, have actively participated in the implementation of the New Southbound Policy, and public-private sector cooperation has increased the effectiveness of the policy.

Taking into account the needs of partner countries and the interests of Taiwan, the government has also launched many cooperative projects that highlight Taiwan's soft power. For instance, the Ministry of Health and Welfare officially launched the One country, One center framework in June of 2018, appointing six medical centers in Taiwan to coordinate respectively with six partner countries on medical issues. The program seeks to promote cooperation with these countries in such areas as medical personnel training, healthcare bridge-building, and healthcare consultation for Taiwanese expatriates. At the same time, Taiwan will work with these countries to foster culturally sensitive medical care environments, and survey medical regulations and market conditions. By leveraging Taiwan's medical excellence, Taiwan can help its medical and healthcare industries expand globally.

In August of 2018, the Council of Agriculture (COA) established an agricultural demonstration zone in Indonesia to introduce Taiwan's advanced fertilizers, farm machinery, seedlings, and agricultural management techniques, thereby benefiting both countries. Through such accomplishments, the peoples, enterprises, and governments of our partner countries can experience firsthand the substantial benefits of the New Southbound Policy.

In the future, government agencies will continue to enhance our mutually beneficial cooperation with partner countries, especially in such areas as economic and trade cooperation, talent exchange, resource sharing, and regional connectivity. They will focus on the planning, execution, and realization of key large-scale projects.



Regional Agricultural Development

Known throughout the world for its development of advanced agricultural technology, Taiwan has considerably more experience in dealing with the hot and humid environments of subtropical and tropical regions than European countries, the United States, Japan, and other countries located in middle latitudes. For this reason, agriculture has always stood out as one of Taiwan's industries with the most potential for exchanges and cooperation with New Southbound Policy partner countries. Moreover, the dramatic process of global climate change that has taken place over recent years has brought more attention to the use of smart agriculture technologies, including applications for big data in the field. Taiwan's agricultural industry has already started to reap the benefits of using its base of IT and high-tech expertise in the area of smart agriculture, securing progress which has been widely recognized by New Southbound Policy partner countries.



The Council of Agriculture (COA) is actively implementing relevant New Southbound Policy initiatives based on the principles of mutual assistance for mutual benefit, shared agricultural prosperity and sustainable development, and win-win solutions for Taiwan and New Southbound Policy partner countries. The COA has defined four main objectives under which Taiwan will aim to foster regional agricultural prosperity and strengthen its ties with New Southbound Policy partner countries by combining resources and strengths. These four major policy objectives are:

- 1. To comprehensively enhance agricultural cooperation with New Southbound Policy partner countries and promote the export of Taiwan's agricultural materials, machinery, and technologies to these countries;**
- 2. To strengthen bilateral exchanges in agricultural human resources and technologies as well as to nurture the cross-border development of agricultural human resources;**
- 3. To strengthen bilateral agricultural trade and investment, and to encourage Taiwanese businesses (as well as those owned by overseas Taiwanese) to invest in the agricultural sectors of New Southbound Policy partner countries; and**
- 4. To help New Southbound Policy partner countries establish food production zones in order to safeguard regional food security.**

By combining efforts across the public and private sectors, the agricultural initiatives under the New Southbound Policy have already secured concrete gains. For instance, in order to establish a platform for government-to-government connectivity, the COA and Indonesia's Ministry of Agriculture signed an action plan for a modern agricultural demonstration farm on June 28, 2018. The action plan aims to provide technical guidance and vocational training in five areas: irrigation systems development, rice paddy management, duck farming techniques, horticulture, and the organization of farmers' associations. By improving the agricultural knowhow of allies and friendly nations, Taiwan can also increase access to its fertilizer, farm machinery, seeds and other products within New Southbound Policy partner countries.

With regard to personnel exchanges and training programs, Taiwan will adhere to the principle of mutual benefit. Through international organizations and domestic agricultural research institutes, Taiwan can help New Southbound Policy partner countries cultivate professionals and technical experts. The signing of bilateral working holiday agreements with these countries is also expected to help mitigate the labor shortage in Taiwan's agricultural sector while imparting core agricultural knowhow to young people from these countries.

To help Taiwan's agricultural enterprises effectively develop supply chains in New Southbound Policy partner countries, the COA is actively working with Taiwan's state-owned enterprises, foundations, and marketing companies, thereby enhancing the policy's effectiveness. As a result, Taiwan Fertilizer Co., Taiwan Sugar Co., and Taiwan International Agricultural Development Co. have all invested and developed opportunities in these countries' markets. Taiwan Fertilizer Co., for its part, has already succeeded in exporting its products to Malaysia and Cambodia, and has also signed a cooperative sales agreement with the Indonesian fertilizer manufacturer Pupuk Kaltim Co. By using Indonesia as a base, the company plans to expand into other New Southbound Policy partner country markets, playing a leading role in promoting this policy's aims.

The COA will continue to leverage Taiwan's agricultural strengths to address the needs of New Southbound Policy partner countries while helping Taiwan maintain its agricultural competitiveness and expand market cooperation. By focusing on mutual assistance and a diverse range of exchanges, Taiwan's agricultural industry can serve as the flagship of the New Southbound Policy to promote joint regional prosperity.

Medical and Public Health Cooperation and the Development of Industrial Chains

Over the years, Taiwan has accumulated vast experience and achievements in the field of healthcare. Its public and private healthcare sectors have maintained extensive and long-term cooperative partnerships in Southeast Asia and South Asia. To strengthen comprehensive interaction with countries in these regions, the government introduced the New Southbound Policy in 2016. This not only has allowed Taiwan to share its experience and resources in the fields of economics, trade, and soft infrastructure, but also has fostered a community in which countries benefit each other and enjoy growth together. In light of the importance of healthcare and Taiwan's solid foundation in this field, medical and health cooperation was chosen as one of the five flagship programs of the New Southbound Policy.

The Medical and Public Health Cooperation and Development of Industrial Chains flagship project of the New Southbound Policy currently focuses on six partner countries: India, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. Taiwan will strive to help promote the region's medical care by sharing medical resources and experience under the premise of seeking mutual benefits.

To achieve the above goals, the medical and public health flagship program covers four key areas: 1) talent training, capacity building, and two-way cooperation mechanisms; 2) supply chain connectivity; 3) regional market connectivity; and 4) establishment of a regional epidemic prevention and control network. In addition, a dedicated office for the program has been set up to better integrate information and promote related coordination and cooperation.

Specifically, the talent training, capacity building, and establishment of two-way cooperation mechanisms under this flagship program will center on medical personnel training. By providing doctors from partner countries opportunities to learn advanced medical technologies in Taiwan, the standards of medical care and people's wellbeing in partner countries can be raised. The doctors will also be able to deepen their understanding of and gain confidence in Taiwan's medical system, medical facilities, and medicines. Such interaction will help establish a foundation on which to cultivate a deeply rooted network for health industry connectivity. Regarding supply chain connectivity, Taiwan will promote such endeavors as international patient referrals, cross-industry strategic alliances, and focused marketing through network establishment with partner countries. Taiwan will also encourage foreign manufacturers to build connectivity with their Taiwanese counterparts. To build up regional market connectivity, differences in the legal climate of Taiwan and partner countries will be pinpointed and then adjustments will be made accordingly to strengthen connectivity based on regional medicine and public health regulations and systems, and mutual trust. In addition, Taiwan will promote cooperation to establish two-way certification test management systems, an inspection technology database, and a notification platform. In addition, an epidemic prevention technology transfer center has been created for the construction of a regional epidemic prevention and control network based on the spirit of cross-border epidemic prevention. This will help partner nations improve their ability to identify, diagnose, and investigate infectious diseases, as well as establish information monitoring systems. Taiwan has also promoted the establishment of health service centers to provide comprehensive healthcare services to personnel involved in two-way exchanges under the New Southbound Policy.

To effectively implement the Medical and Public Health Cooperation and the Development of Industrial Chains flagship project, six hospitals from Taiwan will be responsible for coordination

A key initiative: The 1 County 1 Center (1C1C) Project

- ✓ information exchange
- ✓ resources coordination
- ✓ expand cooperation



One medical center in Taiwan has been selected and assigned as the coordination center for cooperation with the target partner country.

with six partner countries: National Cheng Kung University Hospital (India), National Taiwan University Hospital (Indonesia), Chang Bing Show Chwan Memorial Hospital (Malaysia), Buddhist Tzu Chi Medical Foundation Hospital (the Philippines), Changhua Christian Hospital (Thailand), and Veterans General Hospital (Vietnam). Taiwan will learn the needs of partner countries and has set the following six major work items: medical and healthcare personnel training, medical and health industry bridge-building, health consultation services for overseas compatriots, creation of a culturally friendly healthcare environment, survey of regulations on medical and healthcare-related industries and of markets, and integration of related data. The program is designed to help promote two-way capacity building and cooperation in the areas of epidemic prevention systems, medicines, medical equipment, and healthcare services. It is underpinned by some of Taiwan's other strengths, such as its advanced ICT and medical management technology, and accompanied by the development and connectivity of healthcare industries. The project will give the people of partner countries greater access to Taiwan's safe, high-quality, and reasonably priced medicines and medical equipment. At the same time, the project will strengthen mutual understanding of and confidence in each other's laws and regulations, thereby paving the way for mutually beneficial interaction in the future.

The medical and public health objectives of this program do not just aim to expand market access or promote investment. Instead, they seek to meet the needs of both Taiwan's advanced industries and partner countries. Taiwan is committed to building close partnerships with these countries, ensuring the welfare of all people, and demonstrating to partner countries in the region that Taiwan is willing to share, innovate, and serve. Taiwan and its partner countries can work together to achieve related Sustainable Development Goals and build up a sense of community.

Industrial Talent Development

The New Southbound Policy Flagship Program for Industrial Talent Development embraces a new approach to people-to-people connectivity. With people-centeredness, bilateral exchange, and joint resource sharing as the objectives, the program helps Taiwanese industries implant high-quality human resources in partner countries and enables the youth of these countries to realize their dreams of studying abroad. This will help realize mutually beneficial educational cooperation and regional economic development.

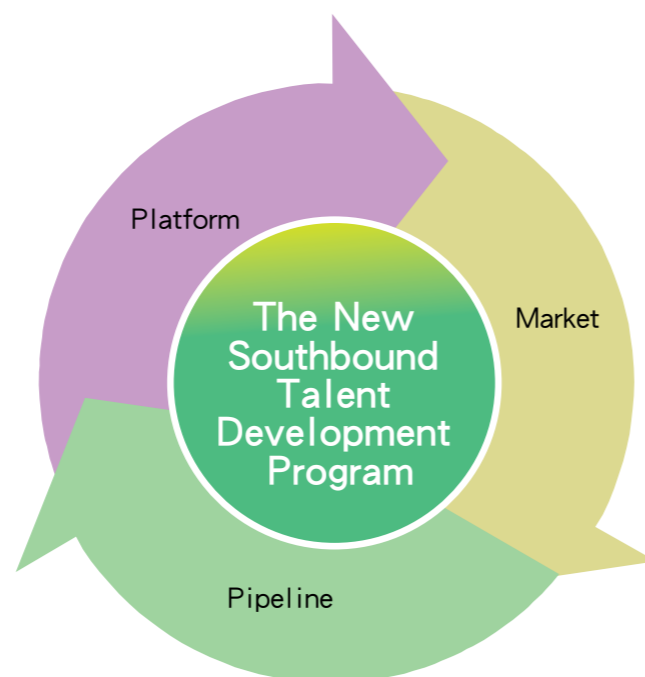
Two-way connectivity platform

1. Establishment of industry-education connectivity platforms in major ASEAN and South Asian countries:
In 2018, Taiwan established centers to promote the regional economy, trade, cultural exchanges, and industrial resources in seven countries: India, Indonesia, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam; deepened its engagement with local industries and enterprises engaged in trade; linked the program to the need for local Taiwanese enterprises to foster talent; held industry-related activities; organized and integrated resource platforms; established talent databases; and helped teachers and students from Taiwan go to partner countries to conduct fieldwork and research.
2. Reinforcement of Taiwan's international links under the New Southbound Policy and creation of two-way educational exchange platforms:
In 2018, Taiwan established Taiwan Connection bases in eight countries: India, Indonesia, Malaysia, Myanmar, New Zealand, Sri Lanka, Thailand, and Vietnam; enlisted the aid of schools and institutions experienced in conducting long-term exchanges with tertiary schools or academic institutions in New Southbound partner countries; established bilateral education cooperation platforms; and expanded and deepened substantive educational partnerships in order to further develop diversified exchanges with partner countries.

Diversified approaches toward talent cultivation

The Flagship Program for Industrial Talent Development has taken into account the need for talent cultivation and technical training for industrial development in both Taiwan and its New Southbound Policy partner countries. Taiwan seeks to foster talent for both long-term and short-term needs and get a solid grasp of the demand for educational services in ASEAN and South Asian countries, as well as Australia and New Zealand. It hopes to guide its universities and colleges to formulate diverse talent cultivation plans based on the principles of knowing oneself and one's counterpart, and joint prosperity.

The New Southbound Talent Development Program



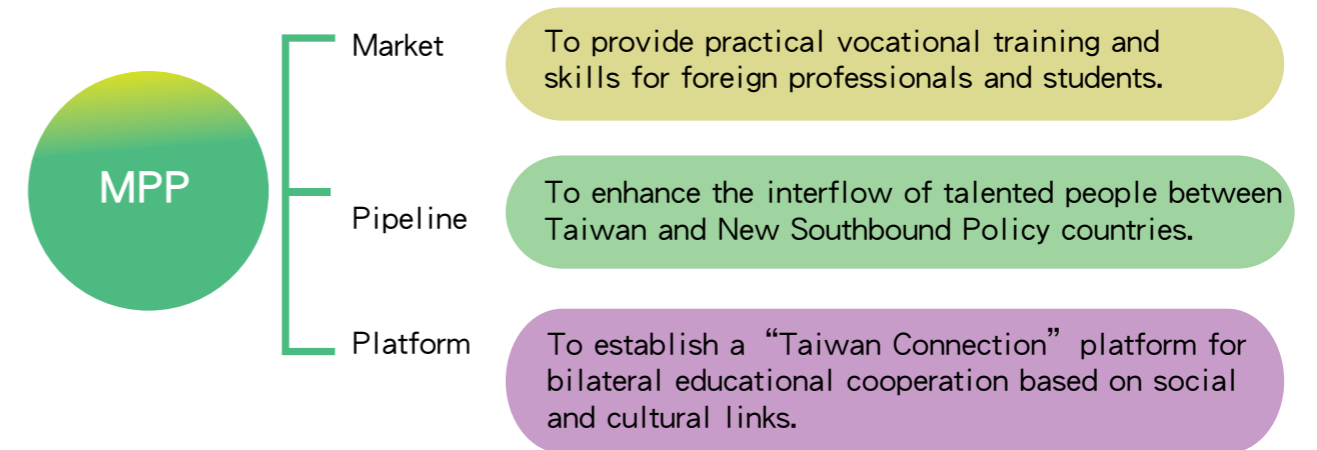
1. Leveraging Taiwan's exceptional vocational education to foster skill development among the youth of New Southbound Policy partner countries:
Taiwan is providing assistance to domestic technical colleges to open special industry-academia cooperative classes (degree programs, short-term technical training programs, and programs for middle and high-level technicians as seed instructors) for students from partner countries. Colleges are developing customized courses and degree programs to meet the human resources development needs of the industries of New Southbound Policy partner countries. Assistance in obtaining internships or, after graduation, job opportunity information, is also available.
2. Providing short-term exchange channels for youth from New Southbound Policy partner countries:
For foreign students, Taiwan is also subsidizing its colleges and universities to open preparatory courses (including language and basic subjects), joint degree programs, summer school courses, and short-term internships. These programs aim to provide foreign youth the opportunity to experience Taiwan's culture or take part in various themed activities, while learning more about the advantages of the higher education and post-graduation employment opportunities in Taiwan.
3. Expanding technical training available to foreign youth and offering vocational classes to overseas compatriot youth:
In line with the needs of industrial development, Taiwan's high caliber schools are encouraged to open up academic disciplines to meet the needs of compatriots and Taiwanese companies overseas, and strengthen their recruitment of youth from ASEAN countries, which are major potential sources of foreign students.
4. Cultivating seed technical instructors and experts in partner countries:
Taiwan hopes to help ASEAN and South Asian countries cultivate high-level professionals needed for their economic development. To this end, it has increased the exchange of visits with management teams at job training institutions in New Southbound Policy partner countries and has dispatched experts to provide technical support for the establishment of vocational training centers there. Taiwan also subsidizes domestic colleges and universities to organize high-level specialized classes in Taiwan for personnel from partner countries to conduct short-term research on cross-disciplinary or topic-oriented subjects. Taiwan has launched the Delta MOOCx course, an integrated program existing both online (virtual) and offline (real), to better provide instructors of automation-related disciplines from New Southbound Policy partner countries with on-the-job training opportunities.
5. Cultivating college instructors and government officials from ASEAN and South Asian countries:
The government subsidizes top caliber colleges and universities through the Elite Scholarship Program so that up to 100 lecturers from Southeast Asian and South Asian universities can pursue a graduate degree in Taiwan. In addition, the Elite Study Program was launched to offer outstanding individuals from New Southbound Policy partner countries the chance to study in Taiwan. Through the program, Taiwan is working with partner governments to select college lecturers or high-level officials to come to Taiwan for advanced study.

Creating a win-win in resource sharing

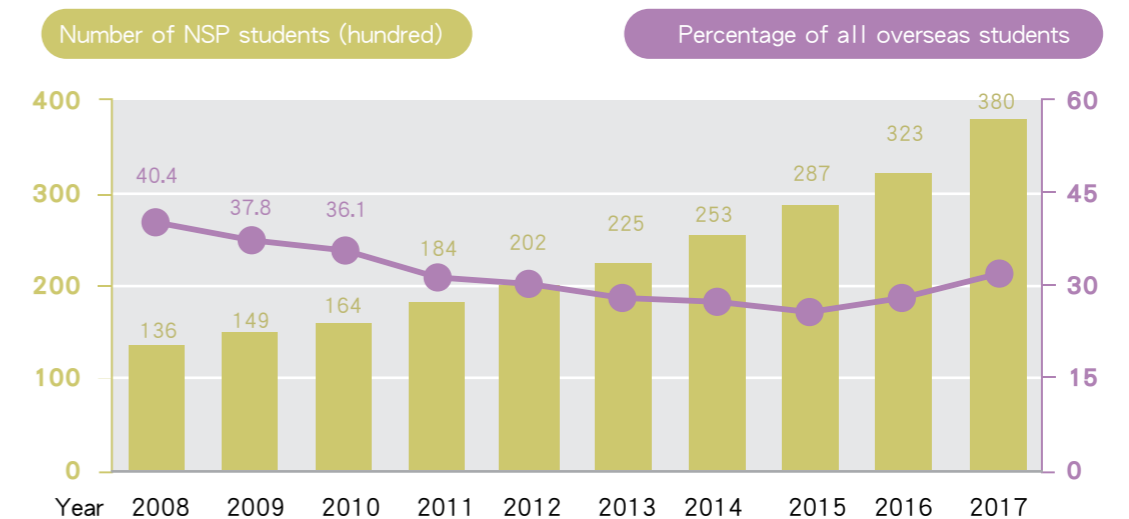
Employing a two-way, diversified, and win-win approach, the New Southbound Policy Flagship Program for Industrial Talent Development seeks to build up rich pools of talent. At the same time, it will strengthen Taiwan's strategic partnerships, bilateral interaction, and alliances with partner countries. This in turn will help promote cooperation in talent cultivation and regional economic development that is mutually beneficial and a win-win for all parties.

1. Offering open customized courses to foster talent:
Taiwan has created the New Southbound Policy Taiwan Scholarship and the Government-sponsored New Southbound Policy Scholarship to further boost two-way talent exchange. To better meet the industrial needs of ASEAN and South Asian countries, specialized academia-industry cooperative classes for youth from New Southbound Policy partner countries have also been set in motion. These programs aim to meet the industrial talent and educational market needs of partner countries through customized professional training programs.
2. Establishing a database of talent from New Southbound Policy partner countries:
Taiwan will maintain contact with youth from New Southbound Policy partner countries who have studied or conducted research in Taiwan (including recipients of the Taiwan Scholarship, Huayu Enrichment Scholarship, and Taiwan Experience Education Program Scholarship). By creating an online platform, Taiwan can amass rich pools of talent from partner countries.
3. Helping overseas Taiwanese compatriot students and foreign students in Taiwan gain internships and post-graduation employment opportunities:
An internship matching program for overseas compatriot students and foreign students in Taiwan has been created. The functions of the Contact Taiwan website, which aims to help attract foreign talent to Taiwan, will be further strengthened.
4. Creating a platform for overseas Taiwanese enterprises in New Southbound Policy partner countries to register and post job opportunities:
Since the launch of the platform, more than 40 job opportunities have been posted by the Department of Investment Services under the Ministry of Economic Affairs, which collects such information from Taiwanese businesses in Indonesia, the Philippines, Thailand, and Vietnam. This should help migrant workers continue to work for Taiwanese businesses in their home country after returning home.

Pillars of the New Southbound Policy in Education



2008-2017 Students from New Southbound Policy partner countries studying at the colleges and universities in Taiwan



Industrial Innovation and Cooperation

The Flagship Program for Industrial Innovation and Cooperation is part of an effort to accelerate industrial upgrading and transition, centering on the Asian Silicon Valley, smart machinery, and green energy technology components of the Five Plus Two Innovative Industries initiative. It aims to establish Asia-Pacific industrial supply chain partnerships, promote turnkey projects, provide assistance to small and medium-sized enterprises, and enhance the image of Taiwan's industries through Four Major Innovation Sectors and Three Specific Strategies. While implementing the Five Plus Two initiative, Taiwan seeks to foster stronger industrial ties with New Southbound Policy partner nations, expand cooperation in industrial innovation and domestic market development, and build partnerships based on mutual benefits and prosperity, paving the way for deeper industrial connectivity with and greater access to the regional market.

The Four Major Innovation Sectors comprise forging partnerships through Asia-Pacific industrial supply chains, advancing cooperation with partner countries to help create an Asian Silicon Valley, building regional industrial supply chains for smart machinery, and creating an environmentally friendly Asia through green energy technology. The core idea is to boost interactions and strengthen industrial links between Taiwan and partner countries. Reciprocal and mutually beneficial relations will be established with each nation, taking into consideration their different industrial strengths, local conditions, and Taiwan's competitive industries. On the one hand, Taiwan aims to expand technological, financial, and personnel exchanges with partner nations. On the other, it is looking to work with them on market testing and cooperation projects that leverage its innovations and products to upgrade industries in these countries.



The Three Specific Strategies were developed around the concept that New Southbound Policy partners are an extension of Taiwan's domestic market. They focus on the needs of these countries' people and are geared towards developing their markets. Therefore, collaboration must be planned in accordance with local market requirements in areas that are ripe for industrial innovation and integration such as solar power, smart cities, green transportation, food processing, and textiles. Such efforts present Taiwan with an opportunity to promote its national image through its soft and economic power—in culture, tourism, healthcare, agriculture, and industry, and thereby foster a deeper understanding of Taiwan and instill a sense of trust in Taiwan's products, services, and companies. The flagship program aims to achieve these goals through the Three Specific Strategies—system integration and turnkey projects, SME collaborative networks, and innovative marketing and promotion to enhance Taiwan's image. At present, multifaceted projects are underway to establish a science park in India and smart classrooms in Vietnam, as well as to train people in machine tool manufacturing in Indonesia.

The flagship program, which is based on the New Southbound Policy and the Five Plus Two initiative, has innovation and industrial upgrading at its core. Externally, the program will be propelled by broad-ranging exports to and the extension of Taiwan's domestic market into partner countries. Through the Four Major Innovation Sectors and the Three Specific Strategies, platforms will be established to match industrial collaboration opportunities and boost trade, investment, and industrial exchanges. The flagship program will both stimulate and harness the enormous consumer markets of partner nations as well as their demand for innovative and creative industries. This, in turn, will ensure the development and competitiveness of Taiwan's economy while strengthening industrial supply chain partnerships with New Southbound Policy countries. A new economic cooperation model will be created by redefining the role of all parties concerned in industrial innovation supply chains, injecting momentum into their economies, jointly developing local markets, bolstering bilateral cooperation, and forging reciprocal long-term partnerships.





Yushan Forum

For the New Southbound Policy, the key to success lies not merely in cooperation initiatives introduced by the government, but more so in the integration of private sector resources and strengthening of linkages between the civil societies of Taiwan and partner countries. For this purpose, the Yushan Forum was created as a key platform for regional dialogue that highlights distinctive aspects of Taiwan's development.

Most major Asian regional forums focus on military, political, economic, security, and other traditional diplomatic issues. Non-traditional social development issues garner little attention. Therefore, the Yushan Forum was launched to allow Taiwan to share its soft power and experience in civil society development through Asia-Pacific regional discourse on and collaboration in agriculture, healthcare, education, technology, disaster prevention and rescue, and SMEs.

The first Yushan Forum was held from October 11 to 12, 2017, with "Asian Dialogue for Innovation and Progress" as its theme. In her address to the forum, President Tsai Ing-wen made five commitments toward advancing regional peace and development—to help New Southbound Policy partner countries nurture human resources, share Taiwan's industrial development experience, assist with infrastructure projects, facilitate access to partner countries by Taiwanese small and medium-sized enterprises and nongovernmental organizations, and deepen international cooperation by joining forces with like-minded nations in the region. President Tsai also announced that the Taiwan-Asia Exchange Foundation (TAEF) would be established as administrator of the Yushan Forum, which would become a regular event for regional dialogue.

Following planning and preparations by the Ministry of Foreign Affairs, the TAEF began operations in August 2018. It will organize regular regional exchanges between Taiwan and nations in Southeast and

South Asia, as well as Australia and New Zealand. As an essential platform, the Foundation promotes dialogue and cooperation between think tanks, academia, and policymakers across the region, as well as exchanges between representatives of civil society such as NGOs and young leaders.

The TAEF's main task is hosting the Yushan Forum every year. It also engages in joint endeavors with the National Culture and Arts Foundation, Prospect Foundation, Taiwan Alliance in International Development, Taiwan External Trade Development Council, the Taiwan ASEAN Studies Center, and National Chengchi University's Center for Southeast Asian Studies. Together these think tanks and NGOs form a coalition called the Asia Engagement Consortium, whose aim is to strengthen Taiwan's international linkages.

In addition to hosting the Yushan Forum, the Foundation is also seeking greater cooperation with Southeast and South Asian nations in areas such as culture, youth, NGOs, think tanks and regional resilience. Chairman Dr. Michael Hsiao (蕭新煌) thinks that the work of the TAEF is to "promote public diplomacy," and that it can invigorate the partnership between Taiwan and NSP partner countries.

The 2018 Yushan Forum has as its theme "Working Together for Regional Prosperity." This two-day event will showcase the government's success in advancing the New Southbound Policy through collaboration in education, healthcare, agriculture, and innovation. It will also highlight the dynamic support received from think tanks, NGOs, and youth in the form of private-sector and cultural exchanges. The forum is expected to create greater opportunity for dialogue and cooperation between Taiwan and countries in the Asia-Pacific region.

Cross-border e-Commerce

Burgeoning cross-border e-commerce is a driving force for the global economy and trade. The New Southbound Policy aims to enhance collaboration, talent exchange, resource sharing, and regional connectivity between Taiwan and the economies of South and Southeast Asia, as well as Australia and New Zealand. It encourages cross-border e-commerce partnerships and seeks to assist partner countries in developing their e-commerce. It also allows Taiwan to combine cross-border e-commerce with a click-and-mortar strategy to make high-quality Taiwanese products available while boosting domestic demand in these markets. This two-pronged strategy is expected to create benefits for all economies.

The NSP Prospective Areas—Cross-border e-Commerce Work Plan involves three main components: market development, talent cultivation, and upgrading the e-commerce landscape. Concrete approaches are planned and implemented to ensure that this new form of trade will strengthen industrial linkages between Taiwan and New Southbound Policy partners, and meet the broad range of demand in new markets. Businesses will be compelled to upgrade their operations and develop positive brand images in order to gain a strong foothold in international markets.

The components of the plan are:

For market development, efforts are made through a national e-commerce portal called Taiwantrade to provide matching services between Taiwanese businesses and online retail platforms and vendors of partner countries, maintain an e-commerce service database, strengthen Taiwanese firms' operations in these markets, create online vendor clusters for SMEs, increase exposure of Taiwan's products through social media, and employ big data analytics to enable precision marketing. Taiwantrade is expected to assist 25,000 businesses, generate at least US\$530 million in business opportunities in the New Southbound Policy market, and list more than 5,000 Taiwanese items on partner countries' e-commerce platforms every year.

For talent cultivation, Taiwan has launched several initiatives, including industry-academia cooperation to facilitate practical work experience, online and practical courses to upgrade digital marketing skills, an Asia-Pacific e-commerce forum to engage businesses from partner countries, and nurturing of human resources for internet innovation. These programs are expected to provide training to at least 5,000 people each year.

To upgrade digital marketing infrastructure, Taiwan has developed a cross-border e-commerce platform. It provides information on laws and regulations in the New Southbound market, commissions lawyers and accountants to provide professional consultation services, and assists in eliminating trade barriers. It also works to consolidate domestic and overseas cross-border e-commerce platforms. From 2017 to 2020, two warehouses will be built in partner countries every year so as to shorten delivery times and reduce logistics costs for cross-border operators.

Under the NSP Prospective Areas—Cross-border e-Commerce Work Plan, Taiwan's products will be introduced to businesses and consumers in partner countries in an efficient and cost-effective way through e-commerce platforms at home and abroad, thereby increasing connectivity between Taiwan and partner countries.



Tourism

Following the launch of the New Southbound Policy, the Ministry of Transportation and Communications introduced two initiatives: Tourism 2020—A Sustainable Tourism Development Strategy for Taiwan, and the New Southbound Policy Prospective Areas—Tourism Plan. A four-pronged strategy was developed to attract, guide, and retain tourists from partner countries, as well as encourage repeat tourists. It promotes first-hand experience of Taiwan's culture, history, ecology, and hospitality and—through tourism and soft-power exchanges—seeks to enhance friendship and familiarity between the people of Taiwan and partner countries.



The Tourism Plan is designed to expand mutual visits and exchanges through market segmentation, global marketing, and visa relaxation. It will also establish new tourism offices, attract high-spending tourists, promote academia-industry cooperation, encourage new immigrants and overseas compatriot and foreign students to work in the tourism sector, and increase direct air links and the number of direct flights.

To develop the tourism market, the MOTC convened a meeting for related ministries and agencies, local governments, and tourism associations to discuss overseas marketing and resource integration so as to attract visitors from major cities in target markets, including India, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. Efforts have been made to raise Taiwan's international profile, and local internet celebrities in these countries have been invited to help generate interest in Taiwan.

Furthermore, measures have been taken to reduce barriers and boost tourism. Trial visa-free entry programs were launched for Bruneian and Thai nationals in July 2016 and for Philippine nationals in November 2017. Electronic visas are issued to nationals from Cambodia, India, Indonesia, Laos, Myanmar, and Vietnam who meet certain criteria. The Civil Aeronautics Administration has also expanded the implementation of differential aircraft landing fees, encouraging airlines to extend their services to airports other than Taipei Songshan Airport and Taiwan Taoyuan International Airport. In 2017, Thai Smile Airways, Thai Tiger Airways, and JC (Cambodia) International Airlines launched operations in Taiwan, according greater convenience to travelers from the New Southbound Policy region.

In terms of strategic deployment, the Tourism Bureau set up three service centers in the New Southbound Policy market, serving predominantly Buddhist countries from Bangkok, countries with large Muslim populations from Kuala Lumpur, and English-speaking countries from Singapore. Marketing strategies included organizing religious and cultural tours for Thai and Vietnamese visitors, creating a Muslim-friendly travel environment for Indonesian and Malaysian tourists, and strengthening multifaceted campaigns targeting English-speaking communities in India, the Philippines, and Singapore. Promotional efforts are further enhanced with support from friendly

local organizations, Taiwanese businesses, and alumni of Taiwanese educational institutions. In 2017, Southeast Asian companies applied for subsidies for a total of 20,659 employees to join tours of Taiwan. This represented a 74.07 percent increase from 2016, highlighting Taiwan's success in attracting high-spending tourist groups.

The government is promoting Muslim-friendly tours and working with the private sector to launch special east coast tours of Hualien and Taitung; southern Taiwan and offshore tours of Tainan, Kaohsiung, Pingtung, and Penghu; and tours of indigenous communities in the mountains and along the coast. Travel information has been made available in Southeast Asian languages. To develop tourism professionals, new immigrants and overseas compatriot and foreign students from partner countries are encouraged to become tour guides, with the former receiving assistance in acquiring required certification and the latter in obtaining internships and extending their stay in Taiwan. Local tour guides are also encouraged to receive language training and interpretation subsidies are provided to Southeast Asian tourist groups. To ensure better service, tour guide certification tests have been revised, certification courses opened for special languages, briefings held at universities with large numbers of overseas compatriot and foreign students and for new immigrant groups, and training provided to tour assistants for Southeast Asian groups.

In 2017, Taiwan welcomed a total of 2,284,000 visitors from the New Southbound Policy region, an increase of 496,000, or year-on-year growth of 27.63 percent. In the same year, Taiwanese citizens made 2,474,000 trips to these countries, registering an increase of 240,000, or year-on-year growth of 10.8 percent. Through tourism exchanges and increased mutual visits, Taiwan and its partner countries will enhance friendship, familiarity, and understanding between their peoples. This will also bolster the export of Taiwan's tourism services and peripheral industries as well as raise the standards of domestic production and employment.

Boosting the number of two-way visits to 5 millions in 2018

| | Inbound travelers from New Southbound Policy partner countries | Outbound travelers to New Southbound Policy partner countries | Mutual visits of Taiwan & New Southbound Policy partner countries |
|------|--|---|---|
| 2015 | 1,551,937 | 2,096,196 | 3,648,133 |
| 2016 | 1,789,503 | 2,233,784 | 4,023,287 |
| 2017 | 2,284,382 | 2,474,412 | 4,758,794 |

Infrastructure

Taiwan boasts world-class expertise in infrastructure development and its businesses are well-versed in international procurement rules. By leveraging its competitive edge and targeting selected markets, Taiwan is well-positioned to secure business opportunities in the New Southbound Policy region. In September 2016, the Executive Yuan approved the NSP Promotion Plan, listing infrastructure as one of the potential areas for cooperation and setting an annual target for contracts totaling at least NT\$20 billion (US\$667 million).



The government is pursuing this goal by offering assistance to engineering and construction companies expanding into overseas markets. It organizes export missions to tender bids, provides support for firms to set up offices overseas, bolsters the operation of the syndicated loan platform, convenes meetings on globalization of the infrastructure industry, and integrates these efforts with the official development assistance program. Progress is monitored regularly to ensure that schedules are met and obstacles are removed.

After surveys of Taiwan's export potential and partner countries' infrastructure needs, five key areas for cooperation have been identified for which Taiwan could provide consulting or construction services. These include power plants, petrochemical plants, intelligent transportation system (ITS) or electronic toll collection (ETC) systems, urban rail transport, and environmental engineering.

Power plants

In the course of energy development, Taiwan has reduced carbon emissions and moved into alternative energy by investing in green energy such as hydroelectric power, pumped-storage hydroelectricity, wind turbines, and solar energy. With such experience, Taiwan's energy companies have provided consulting and construction services to Indonesia, Malaysia, the Philippines, and Thailand in the building of solar power plants and cogeneration power plants.

Petrochemical plants

In recent years, Taiwan's petrochemical industry has used its mature technology know-how to build oil refining petrochemical plants and liquefied natural gas terminals in Indonesia, Malaysia, Oman, Thailand, and the United States.

ITS and ETC

Taiwan set three world records in its development of an electronic toll collection system: it was the first nation to install a comprehensive ETC system on all national freeways, to implement full conversion to

electronic barrier-free toll collection, and to possess an ETC-equipped roadway network covering 926 km. In 2015, this ETC system won the Toll Excellence Award in the United States, attracting worldwide interest. Taiwan has since won contracts to build ETC systems in Malaysia, the Philippines, and Vietnam.

Rail transport

With their experience in the development of high speed rail and mass rapid transit systems, Taiwan's suppliers excel at the planning and design of rail projects, drawing up mechanical and electrical system specifications, procurement strategies, and contract management. Taiwan's consulting and construction companies as well as Taipei Metro have provided services in subway construction and personnel training in Indonesia, Malaysia, and Singapore.

Environmental engineering

To ensure the sustainable use of land and the health of people, Taiwan has committed significant resources to building incinerators and ensuring soil and groundwater pollution control, thereby achieving balanced economic growth and environmental sustainability. Taiwan's consulting and construction firms have participated in related projects in Indonesia and Thailand.

The achievements of engineering companies in New Southbound Policy partner countries

| Year | 2015 | 2016 | 2017 | 2018 (up to July) |
|--|------|------|------|----------------------|
| Contracts | 4 | 13 | 17 | 20 |
| Total value of contracts (Billion NT\$) | 15.6 | 23.9 | 25.2 | 25 |

Conclusion

The spirit of the New Southbound Policy is upheld through Taiwan's leveraging of its soft power to contribute to regional development. In addition to promoting flagship plans and opening up prospective areas, Taiwan is also gradually working on new cooperation initiatives as well as planning measures in other fields.

According to international economic forecasts, New Southbound Policy partner countries will enjoy stable governments and robust economic performance in the foreseeable future, allowing their infrastructure development and markets to thrive. Overall international developments are conducive to promoting the New Southbound Policy. Cooperation between Taiwan and these countries will be more focused and incessantly innovative. Government agencies will devote greater attention to these efforts and work hand-in-hand with businesses and other sectors of society to consolidate and better utilize resources to achieve win-win scenarios, thus creating a sense of community throughout the region.



The New Southbound Policy

A Practical Approach Moving
Full Steam Ahead

