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# Asia-Pacific Perspectives

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## Prospect of New Southbound Policy

*Darson Chiu*

The so called "new southbound policy" has been stressed by the president Tsai, Ing-wen as one of the nation's very important policies for the near future. The current ruling party Democratic Progressive Party released the policy's preliminary scope and framework at its central standing committee meeting in April of 2016. However, the policy was announced in 2015 when the outcome of presidential election was still unknown. "The new southbound policy is Taiwan's new outward-oriented economic strategic plan that puts people at its core, and the government would be pushing bilateral interaction and cooperation of human resources, industries, investments, education, culture, tourism and agriculture between Taiwan, ASEAN and South Asian nations to build a new partnership."

Also, a new southbound policy office was set up and started operating in June, 2016. Accordingly, the office will be a task force whose staff members will come from the Presidential Office or other government agencies, either on special assignments or on loan. Therefore, the office will be in charge of coordinating efforts between different government agencies and putting forward with the policy.

A more specific approach of fulfilling the policy goals is by offering more relaxed visa-entry privileges to tourists from member states of the ASEAN to promote closer relations between ASEAN countries and Taiwan.

For example: a measure approved by the government earlier this month allows citizens of Thailand and Brunei visa-free access to Taiwan starting August 1. And the measure will be implemented on a trial basis for a year. The Executive Yuan announced that the move would extend a policy already in place for ASEAN states like Malaysia and Singapore to other Southeast Asian countries.<sup>1</sup>

Recently, the Ministry of Economic Affairs laid out three major approaches that the government intends to take to move the policy forward. First, to promote trade, the government will sponsor more business matching events and set up more distribution outlets for Taiwanese businesses in ASEAN. Second, to push forward industry cooperation, the ministry intends to sign more memorandums of understanding with ASEAN countries. Third, to help the investment in ASEAN countries, locals will be recruited to facilitate Taiwanese investment in the region. And students from Southeast Asia studying in Taiwan are potential candidates in this "strategic partner exchange" program.

Why has the Tsai administration been planning for such policy? Almost forty percent of Taiwan's exports heading for China. It has been believed by some that it would be too risky by solely relying on one single market. And they have argued that Taiwan needs to diversify its exports to different destinations. It seems everything is just perfect for launching a new southbound policy at the stage of time when the Chinese economy is slowing down. The ASEAN economic community has come in effect since

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<sup>1</sup> In addition, citizens from Cambodia, Indonesia, the Philippines, Vietnam, Myanmar, and Laos who have received visas to Australia, Canada, the Schengen area, Japan, New Zealand, South Korea, the United Kingdom, or the United States over the past 10 years will also be allowed to enter Taiwan visa-free after registering online.



31 December of 2015. And India has been doing great recently. Therefore, the "do not place all eggs in one basket" theory has been implemented.

Although the head of the office announced in public on 12<sup>th</sup> July, 2016 saying the new southbound policy is not about giving up the market of mainland China. On the contrary, it will try to explore the opportunity for both China and Taiwan to jointly working closely together in Southeast Asia. He further distinguished the difference between the original and new southbound policies. The old policy was looking for cost down, and the new policy is looking for added value. The old policy targeted at less expensive land and labors, whereas the new policy is about mutual exchange by also welcoming ASEAN tourists to visit Taiwan and ASEAN investors to invest in Taiwan.

Regarding the prospect (the feasibility and challenges) associated with the new policy, it's a fact that all eyes will be on ASEAN, and it is right to pay greater attention to ASEAN. In terms of economic size, none of the 10 ASEAN members is considered as significant. However, the aggregate estimated GDP of all 10 members in 2015 stood at US\$ 2,454 billion making ASEAN the 6<sup>th</sup> largest economy in the entire world. In addition, the total population as of October 2015 stood at 628.72 million indicating a market with great potential.

By referring to the economic outlook of ASEAN from 2016 to 2020 conducted by EIU, we can see that internal demand will actually contribute more to its future growth rather than external demand. In the next 5 years, contribution from private consumption to growth will stand at 2.88%, and contribution from fixed investment to GDP growth will be around 1.78%. Contribution from government consumption is 0.6%, whereas the net exports will provide negative contribution of minus 0.18% to ASEAN's overall growth. That means ASEAN is different from the Southeast Asia we thought we were very familiar with in the past.

In the future, ASEAN is on the demand side rather than the supply side, whereas it is crucial information for outsiders. Targeting at private consumption and fixed investment would be more adequate business decisions. Therefore, the new southbound policy looking at mutual exchange is correct.

However, we need to note that the new policy is different from the old policy, because it is more difficult to implement. Before the year of 2000, Southeast Asia did not launch any free trade agreement. Taiwanese firms invested in Southeast Asia could import parts and components from enabling firms located in Taiwan. As a result, the old southbound policy did help Taiwan's exports and GDP growth to a certain extent. However, the situation is very different now.

Since 2001, ASEAN has signed FTAs with its trading partners including China, Japan, South Korea, Australia, New Zealand, and India. In addition, ASEAN has been negotiating the RCEP with those partners, and the trade pact is scheduled to be concluded by the end of this year. Furthermore, some ASEAN members like Vietnam involved in TPP, and it was already concluded in October last year waiting to be ratified. The rules of origin would require items traded in the FTA area manufactured with components, intermediate goods, also from the FTA area. Otherwise, there's no tariff-reduction benefit. In that case, Taiwanese investors operating in Southeast Asia will have no incentive to import parts and components from Taiwan. So the new southbound policy will not help pick up Taiwan's economic growth like the old policy used to do.

Consequently, the sufficient condition to have a successful southbound policy is to work under the umbrella of ASEAN plus Taiwan FTA at least. Of course, the best option is for Taiwan to join the second wave of RCEP or TPP negotiation.

*(Dr. Darson Chiu is the Director General of CTPECC.)*



# **Advancing Taiwan's New Southbound Policy from the Perspectives of ASEAN and SAARC**

*Chen-Sheng Ho*

## **Introduction**

Presently, Taiwan is developing the "new southbound policy." The policy seeks to advance relations between Taiwan and South and Southeast Asian nations. Most importantly, the new policy will not only focus on trade and investment but will also emphasize people-to-people, cultural, educational, research and other forms of exchanges. Moreover, tourism and talent cultivation are also included (MOEA 2016).

In order to strengthen the success of the "new southbound policy," it is essential to comprehend the expectations of the South and Southeast Asian nations for economic cooperation. In the case of Southeast Asian nations, ASEAN is the focus. The ASEAN Economic Community Blueprint 2025 is an important source of information to comprehend the emphasis of the ASEAN members on economic issues. As for determining the needs of South Asian nations, the focus is on the South Asian Association for Regional Cooperation (SAARC). From understanding the economic issues of importance to ASEAN and SAARC, Taiwan will have a better idea of how to cooperate with the ASEAN and SAARC members.

## **ASEAN**

### *ASEAN Economic Community Blueprint 2025*

The ASEAN Economic Community Blueprint 2025 has stated that it emphasizes the following priorities: (1) A Highly Integrated and Cohesive Economy; (2) A Competitive, Innovative, and Dynamic ASEAN; (3) Enhanced Connectivity and Sectoral Cooperation; (4) A Resilient, Inclusive, People-Oriented, and People-Centered ASEAN; and (5) A Global ASEAN (ASEAN 2016).

Within each of the priorities, the Blueprint has listed the main elements for advancing the priorities. This article will pay attention to some of the elements that Taiwan can possibly cooperate with ASEAN members. In the section on the priority of "A Highly Integrated and Cohesive Economy," the element of "Enhancing Participation in Global Value Chains" is stated. Specifically, the element is about advancing the participation of ASEAN members in global value chains (GVCs) (ASEAN 2016).

The second priority of the Blueprint is "A Competitive, Innovative, and Dynamic ASEAN." An important element of this priority is "Productivity-Driven Growth, Innovation, Research and Development, and Technology Commercialization." Specifically, ASEAN seeks to create an innovative ASEAN through investment in research and development as well as human capital development. Moreover, ASEAN wants to enhance the competitiveness of micro, small, and medium enterprises (MSMEs) through applying science and technology (S&T) tools. In addition, ASEAN is focusing on entrepreneurship and business incubator programs for commercialization (ASEAN 2016).

The Blueprint's third priority is "Enhanced Connectivity and Sectoral Cooperation." One of the elements of this priority is "Transport." In



particular, ASEAN has related that transport facilitation is important. ASEAN seeks to build an integrated, efficient and competitive logistics and multimodal transportation system, so as to ensure the seamless movement of passengers by road vehicles and cargos. Furthermore, "Information and Communications Technology" is another element for enhancing this priority. ASEAN calls for bridging the digital gap and ensuring that communities and businesses can gain from adopting ICT (ASEAN 2016).

The fourth priority of the Blueprint is the building of "A Resilient, Inclusive, People-Oriented, and People-Centered ASEAN." The main element of this priority is "Strengthening the Role of Micro, Small, and Medium Enterprises." This element is about enhancing MSME development, as ASEAN considers MSMEs to be the backbone of the ASEAN economies. ASEAN seeks to develop a more structured MSME program to strengthen MSME competitiveness and resilience as well as to ensure MSMEs benefit from ASEAN integration. In addition, ASEAN calls for strengthening MSMEs through promoting productivity, technology and innovation as well as to build industry clusters (ASEAN 2016).

Moreover, another significant element is "Public-Private Partnership (PPP)." Particularly, ASEAN wants to advance the PPP agenda for infrastructure initiatives. This element is about the identification of partners to offer technical assistance to ASEAN members to promote an environment conducive to PPP that includes the essential policies, laws, regulations institutions and government capacity (ASEAN 2016).

The fifth priority of the Blueprint is the advancement of "A Global ASEAN." This priority calls for ASEAN to enhance its integration with the global economy through FTAs and comprehensive economic partnership agreements. ASEAN supports the negotiations to conclude the Regional Comprehensive Economic Partnership (RCEP) and the ASEAN-Hong

Kong FTA (AHKFTA). In addition, ASEAN seeks to strengthen economic partnerships with non-FTA Dialogue Partners through enhancing trade and investment work programs (ASEAN 2016).

## **SAARC**

### *Declaration of the 18<sup>th</sup> SAARC Summit*

The SAARC members consist of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. According to the Declaration of the 18<sup>th</sup> SAARC Summit (November 26~27, 2014), the Leaders of the SAARC called for the enhancement of regional integration through the advancement of cooperation in trade, investment, finance, energy, security, infrastructure, connectivity and culture (SAARC 2014). Some of the major areas for SAARC cooperation are presented in the following paragraphs.

In the area of connectivity, the Declaration stated that members wanted to achieve seamless connectivity through the building and upgrading of roads, railways, waterways infrastructure, energy grids, communications and air links. The objective was to promote the efficient cross-border flow of goods, services, capital, technology and people (SAARC 2014).

Moreover, in the area of energy, Leaders called for strengthening power generation, transmission and power trade, including hydropower, natural gas, solar, wind and bio-fuel. Furthermore, the Declaration emphasized agriculture and food security. Leaders sought to promote investment, research and development, and technical cooperation, so as to advance food security and sustainable agriculture. In addition, the Declaration called for cooperation to address natural disasters and climate change. For SAARC, health is an important issue and the focus is on health regulatory systems, emerging diseases, and non-communicable diseases. As for education, the emphasis is



on promoting vocational education and training as well as strengthening the quality of education (SAARC 2014).

With regard to tourism, SAARC Leaders highlighted the importance of making South Asia a tourist destination in a sustainable manner. As for promoting culture, Leaders called for the development of a cultural trail that linked major Buddhist historical sites. In addition, Leaders emphasized the need to facilitate the access of people to holy sites of Islam, Hinduism, Christianity and all other major religions in South Asia (SAARC 2014).

## **Suggestions for Enhancing Cooperation with Members of ASEAN and SAARC**

From understanding Taiwan's new southbound policy, ASEAN Economic Community and SAARC cooperation, it can be said that economic cooperation can occur in many areas between Taiwan and ASEAN members as well as between Taiwan and SAARC members. One suggestion is that our country's government can undertake a comprehensive study. The study will identify the economic issues of importance to members of ASEAN and SAARC. From these economic issues, the study will prioritize the areas for cooperation that Taiwan can play a significant role, on the basis of Taiwan's strengths.

The second suggestion is that our country can use APEC as a platform to enhance economic cooperation with ASEAN members of APEC. Many of the economic issues of importance to ASEAN are also significant for APEC, such as GVCs, connectivity, innovation, and MSME development. Thus our country's capacity building projects in APEC can ensure the participation of ASEAN members of APEC. Moreover, our country's APEC projects can also invite speakers from SAARC members.

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# **Practicing the ASEAN Way in APEC creates a Niche for "Taiwan's New Southbound Policy"**

*Mei-Ling Tsai*

The Association of Southeast Asian Nations (ASEAN) is a core organization in the Asia-Pacific Economic Cooperation (APEC). APEC promotes regional collaboration and economic integration (Chiou 2015). The ASEAN way of interacting amongst its members has been the natural mode of conducting APEC routine operations (Lee 2012). Currently ASEAN has significant influence as there is great interest across the global community to want to interact with ASEAN. The European Union has created better connection with ASEAN through their "capacity-building project" initiated in 2007. Later in 2013, China's "One Belt One Road initiative" offers strategic infrastructure to consolidate its collaboration with ASEAN. Meanwhile, the US government launched the "Young Southeast Asian Leaders Initiative" to strengthen leadership development and promote its networking with ASEAN. To actively engage ASEAN's, Taiwan initiated its "new southbound policy" in 2016. The policy reflects Taiwan's new outward-looking economic strategy through mutual exchanges of various fields. BUT Taiwan needs to be aware the ASEAN way, prepare for how best to engage with ASEAN members, and then successfully build strong, sustainable relationships.

## What is the ASEAN Way?

The ASEAN Way refers to a methodology or approach which solves issues with respect to the cultural norms within Southeast Asia. Since Southeast Asia is a sub-region of Asia, the cultural norms of Southeast Asia are partly influenced by Eastern Ethics. There are different morals and values between Western and Eastern societies (Tiles 2000). As shown in Table 1, Western Ethics is about finding an absolute truth or ideal, whereas Eastern Ethics are very much about the protocol or process, showing of respect and harmony when managing conflicts.

**Table 1. Comparison between Western and Eastern Ethics**

	Western Ethics	Eastern Ethics
Focus	Finding truth, outcome	Protocol, process, and respect
Basis	Greek philosophy	Religious teachings
Emphasis	Logic, cause and effect.	Respect towards family
Roots in	Athens, Rome and Judeo Christianity	Hinduism, Buddhism, Islam, Confucianism and Taoism
Approach	Argumentative	Holistic and cultural
Conflict and Harmony	Good must triumph over Evil	Good and Bad, Light and Dark all exist in equilibrium.

Image Courtesy: [skillsandethics.org](http://skillsandethics.org), [bpmleader.com](http://bpmleader.com).

Moreover, Southeast Asian member states have learned a hard lesson from historical suffering. Harsh experiences during Colonial rule, the Cold War, and China's attempts to export communism have taught these states to cherish state-sovereignty and domestic stability. Therefore, the member-states highly concentrate on nation-building and regime stability. Maintaining cooperative non-interventionist ties with other states is key, when solving regional conflicts. Constructive engagement has commonly been used to encourage gradual changes without embarrassing another member country.



Based on the six core norms (sovereign equality, non-use of force, peaceful settlement of conflict, non-interference, non-intervention, non-involvement of ASEAN organization to address unresolved bilateral conflicts between members, mutual respect and tolerance, and quiet diplomacy), State members in ASEAN constantly utilize consultation, compromise and consensus in informal decision-making processes to solve interstate or intrastate conflicts.

It becomes clear that under the influence of Eastern ethics, the ASEAN Way is a consensus-based, non-confrontational approach to solve problems through personal communication that strengthens relationships. People avoid embarrassing other members in the effort to avoid further conflict. Involvement of more members in regional Integration and cooperation provides greater benefits to ASEAN.

### **How is the ASEAN Way applied in APEC?**

The creation of APEC in 1989 supported the establishment of an open multilateral trade regime in a WTO-consistent manner. More recently functional operations have shown distinct regional characteristics. Three main pillars of APEC's work are trade and investment liberalization, business facilitation, and economic and technical cooperation. Under these three pillars, APEC sets annual targets, and acting through a "process-orientated" forum and form consultative mediation service to solve disputes or conflicts. Each member economy executes a non-binding and informal action voluntarily. Basically, the operation process in APEC follows WHO's guidelines of multilateralism coupled with four major principles: "cooperative security", "open regionalism", "soft regionalism", and "flexible consensus". Consensus-building and consultation in a respectful manner

secures individual members' commitment to economic cooperation in the region. Even though APEC's decisions are consensus-based, the non-binding rules which are designed to build regional trust and confidence cannot be enforced upon individual members to implement in their own institution. Members' voluntary commitment to conduct activities and fulfill obligations relies on peer pressure to monitor the progress of individual commitments. To avoid confrontation, APEC encourages members to settle disputes through consultation.

As mentioned previously, the ASEAN Way involves a consensus-based, non-confrontational approach to solve problems through personal and informal communication. Similarly, a consensus-based, non-confrontational approach has been used in APEC to respect all members and ensure their commitment. APEC provides consultation as an alternative approach to build regional trust.

### **What should Taiwan be aware when marching into ASEAN market?**

Hofstede in 2001 presented a positive correlation between cultural and regional traits. In general, collectivism exists in Eastern cultures and individualism exists in Western cultures. Gorodnichenko and Roland in 2010 reported the cultural impact on economically relevant behaviors. People from collectivistic cultures are specialized in coordination-centered work, prefer to solve conflicts through informal inside groups, show greater collective ability in action, and express better distinction between benevolent and bad rulers. However, those people show a weaker sense of freedom and equality.



Although people in both Taiwan and ASEAN are immersed in a collectivistic culture, after the post-war period, the strong impact of both American and British cultures on decision-making of Taiwanese business executives in the late 20<sup>th</sup> century. Subsequently, Taiwan has become westernized. Continuous improvement of Taiwan's performance in global business has strengthened Taiwanese confidence and changed its typical behavioral approach from collectivism to individualism. More recently, an aggressive media system and an adversarial political system have reinforced this attitudinal change to how Taiwanese deal with conflict management. Confrontational communications in various political events have been broadcasted through various forms of mass media. Intensive transmission of social media has accelerated this transformation of Taiwanese society from collectivism to individualism. Both the increase of national wealth and the diverse assortment of mass media accelerate the tilt of Taiwan's culture toward an individualistic type. People in Taiwan manage conflicts and make decision now no longer the same as they did before.

Dramatic changes of Taiwanese culture in the past decades create a cultural gap between Taiwan and ASEAN in the 21<sup>st</sup> century. When engaging in ASEAN markets nowadays, westernized Taiwan will encounter the eastern culture of ASEAN members. Various levels of cultural misunderstandings may be created with the increased interactions between Taiwan and ASEAN members. The question is whether we have sufficient cultural intelligence to manage the cultural diversity.

## **What can Taiwan learn from APEC when the New Southbound Policy takes off?**

Relatively speaking, Taiwan is still a homogenous society. Although more than 600,000 overseas workers from ASEAN's countries work in Taiwan, their right to speak is very limited. People in Taiwan do not have many chances to interact with these overseas workers on an equal basis, except their traveling experiences in ASEAN's countries. Since people in Taiwan have very limited training in intercultural communication or cultural intelligence, we must learn how to initiate intercultural communication development across regional settings.

APEC is the premier Asia-Pacific economic forum. Because more collectivistic members than individualistic ones compose this organization, the ASEAN way with Eastern ethics has been embedded in the process of interactions among APEC members. This consensus-based, non-confrontational approach is used to facilitate respect among all members and ensure their commitment to the overall objectives and ideals of APEC. Informal consultation provides a personal approach to solve conflicts without embarrassing stakeholders. If the ASEAN Way is at the operational core of APEC, this process used in APEC effectively improves an interactive dialog in intercultural settings. That will be the best approach to practice intercultural communication.

Now, is the time with the New Southbound Policy being implemented that many people in Taiwan should practice the ASEAN Way to appreciate the beauty of ASEAN's cultures and build a decent partnership with ASEAN's people.

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# Physical Connectivity in APEC Connectivity: One Excellent Case Study in Chinese Taipei

*Mu-Hsiang Yu*

## **Introduction**

According to the 2014 APEC Leaders' Declaration, APEC Leaders recognize comprehensive connectivity and infrastructure development will help open up new sources of economic growth, promote cooperation and mutual assistance and advance prosperity and the spirit of community in the Asia-Pacific region. It also commends the achievements already made by APEC in connectivity and infrastructure development cooperation.

APEC Leaders also endorsed the APEC Connectivity Blueprint for 2015~2025 and agreed to implement the APEC Connectivity Blueprint and achieve the overarching goal of strengthening physical, institutional and people-to-people connectivity by taking agreed actions and meeting agreed targets by 2025.

In 2015 APEC Leaders' Declaration, it affirms to take further action to ensure continued implementation of the above-mentioned Blueprint and to promote regional and sub-regional connectivity in the Asia-Pacific region. Furthermore, it emphasizes the importance of investment in quality infrastructure and connectivity to realize our vision for an Asia-Pacific community.



## **One Excellence Case for Promoting in APEC: Developing an ETC system in Chinese Taipei**

In reality, the APEC Connectivity Blueprint has recognized the importance of quality elements of infrastructure, good practices, and principles, and people-centered investment, as well as PPP financing, as important cross-sectoral issues under "Physical Connectivity".

From the perspective of "Physical Connectivity", Our Electronic Toll Collection (ETC) in Freeway is an excellent case for promoting in APEC.

It's a BOT/PPP project, which is called "Private Sector Involvement in Development of Electronic Toll Collection (ETC) System" cooperated with Taiwan Area National Freeway Bureau (TANFB). It endeavors to reach the objectives of efficient transportation improvement and management by intelligent and smart features of ETC system.

In addition, it attempts to some aspirational targets for Individual pillars of physical connectivity in APEC Connectivity Blueprint. Specifically, those pillars place importance on Public and Private Partnership (PPP), the quality of infrastructure, and good practices and principles such as on sustainability, financial soundness and accountability.

In accordance with TANFB, Taiwan has the world's largest electronic toll road network with ETC coverage of 926 kilometers. Taiwan is also the first in the world with a nationwide ETC network. First launched in 2006 as an optional payment method utilizing infrared separate on board units, the ETC system has culminated nearly a decade of hard work in earning users' trust and achieving operational excellence.

In 2012, it took 10 months to transit from a manual flat-rate pay-per-use to electronic distance-based toll collection on all national freeways by adopting the radio frequency identification (RFID) technology.

The benefits of switching to electronic toll collection are vast, three examples are summarized below:

First, the installation of the system in Taiwan has reduced CO<sub>2</sub> emissions by 350,000 metric tons a year-equivalent to the amount of CO<sub>2</sub> captured by trees in 45 parks the size of New York's Central Park-and saved 150 million liters of fuel, enough to fill 60 Olympic-sized swimming pools. In terms of bills, the system has created added benefits of NT\$2.4 billion (US\$73.9 million) per year in carbon reduction and energy conservation according to TANFB estimates.

Secondly, Our ETC system record an average of 14 million transactions per day, with an tolling accuracy rate of 99.97% and detection accuracy of 99.9% respectively, the highest in the world, according to government statistics.

Thirdly, it boosts freeway traffic flows, and the drivers can forget the thing of the past while sitting in their cars in a traffic jam at a toll booth. Hence, It has resulted in time saving over 375,000 hrs/Day after ETC went online. Since then, utilization has also grown from 40 percent to over 94 percent now and 75 percent of all vehicles nationwide enrolled in the system at present.

The above-mentioned benefits and achievements led to our Taiwan-designed ETC system winning the International Bridge, Tunnel and Turnpike Association's Toll Excellence Award in August 31, 2015. For its accident-free implementation, operational efficiency and service quality, the system was also honored by the U.S.-based organization in the category of Customer Service and Marketing Outreach.

Although some of the former workers in Taiwan's toll booths were dissatisfied with the offer and staged protest demonstrations, they were given the choice of a five-month severance package or the option to join



private sector (Far Eastern Electronic Toll Collection, FETC) in another capacity at the same pay level as their former position. The system is also named recipient of an Intelligent Transport System award for pioneering advancement at ITS World Congress Oct. 5-9, 2015 in France.

## **Conclusion**

ETC is now moving to export its eTag system overseas in cooperation with System Integration Promotion Alliance (SIPA). FETC has signed an agreement with the Vietnamese government since 2014 under which FETC will advise Vietnam on the installation and operation of an ETC system. Vietnamese officials highly commended Taiwan's ability to execute a "multiple-lane free-flow mechanism" on freeways.

In addition to its project in Vietnam, FETC is also making arrangements with Philippine, Malaysia and Thailand to make technical transfers and operational advisory through "Turnkey Business".<sup>1</sup>

We think that it will be beneficial to promote cooperation and mutual assistance with economies in South-East Asia. Hopefully, we expect to advance prosperity and the spirit of community in the Asia-Pacific region by our quality and intelligent transportation infrastructure.

*(Mu-Hsiang Yu is an Assistant Research Fellow of International Affairs Department, TIER)*

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<sup>1</sup> A turnkey business is an arrangement where the provider assumes responsibility for all required setup and ultimately provides the business to the new operator only upon completion of immediate operation. A turnkey business often already has a proven, successful business and merely requires investment capital and labor.

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