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For Immediate Release

AmCham Taipei Business Climate Survey Calls for Faster Pace of Reforms

The seventh annual Business Climate Survey released today by the American Chamber of Commerce in Taipei includes findings that may be useful reference for the Taiwan government in setting economic policy directions. The survey of top executives of AmCham Taipei member companies was conducted between October and December 2016, and the results cited both strengths and weaknesses affecting the business environment in Taiwan.

On the positive side, some two-thirds of companies were profitable in 2016 and many expanded their employment headcount, continuing the trend of previous surveys. “Our companies regard Taiwan as a good place to do business because of such attributes as its industrious and well-educated workforce and its safe and hospitable living environment,” said Chamber Chairman Albert Chang. “A high proportion of respondents reported that their companies performed well financially and remain positive about investing in Taiwan over the next five years. They are likely to increase investment and expand employment.”

About 47% of respondents said they expected their entity’s level of investment in Taiwan to increase in the coming year. That degree of investment willingness has not yet returned to the level of roughly 50% reported between 2013 and 2015. “Many factors may have contributed to that decline,” said Chang, “including the sluggish state of the world and Taiwan economies, and uncertainties over whether Taiwan will be able to avoid marginalization by gaining entry into international trade agreements.”

Based on the survey results, Chang said there is a need for the government to “pick up the pace” in addressing the main factors identified by respondents as impacting their business operations. The number-one area of concern mentioned this year was “governmental bureaucracy” and other regulatory issues such as the “lack of clarity in labor laws,” “inconsistent regulatory interpretations,” “inconsistent application of the Rule of Law,” and “inadequate/outdated laws.” In addition to regulatory difficulties, respondents referred to “China-Taiwan government relations” as a key factor seriously impacting their businesses.

This year’s survey results underscore the critical value of international trade agreements for Taiwan’s overall business environment and development. “Respondents expressed strong support for Taiwan’s participation in bilateral or multilateral trade and investment agreements to strengthen Taiwan’s economic cooperation with its trade partners,” Chang said, “We encourage Taiwan to stay on track in trade talks with the United States through the Trade and Investment Framework Agreement (TIFA) and to look for more opportunities for bilateral negotiations.” In the period since the Survey was taken, prospects for the Trans-Pacific Partnership (TPP) have dimmed considerably, raising new possibilities such as a U.S.-Taiwan free trade agreement.



With looming uncertainty in the international arena, it is even more urgent for Taiwan to boost its attractiveness for foreign investment by speeding up its regulatory reforms and removing trade barriers. “We hope that the government will move forward with vigor by making visible progress on the priority areas and industries identified by President Tsai to make Taiwan competitive as an attractive foreign investment destination,” said Albert Chang.

In recognition of the regulatory progress made in 2016, Chang thanked Premier Lin Chuan and his team for taking actions based on AmCham Taipei’s last year’s BCS results, especially the extension of the public comment period for new regulations from 14 to 60 days. “This is one of the most encouraging and welcome steps of the past year,” said Chang. Companies have been submitting their responses on relevant laws since the 60-day period took effect on October 1, 2016. Chang also credited the National Development Council (NDC) and office of the Digital Minister for providing the public with the “join.gov.tw” e-platform to register comments or concerns about draft laws and amendments.

The Business Climate Survey was conducted with the assistance of the firm Independent Marketing & Research. The 412 voting representatives of AmCham Taipei member companies (generally the top executive) were invited to participate, and 173 took part for a 42% response rate.

About AmCham Taipei

Founded in 1951, the American Chamber of Commerce in Taipei (AmCham Taipei) is a non-profit, non-partisan business organization dedicated to promoting the interests of international business in Taiwan. With around 1000 members representing more than 500 companies and 25 committees advocating for various industry interests, AmCham speaks with collective authority on international business matters in every sector of the economy.

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