



May 16th, 2017
For Immediate Release

AmCham Taipei comments on US-Taiwan trade deficits

President Trump recently issued an Executive Order directing the Department of Commerce and the Office of the U.S. Trade Representative to work with other relevant agencies within the U.S. government to produce an Omnibus Report on Significant Trade Deficits. A public hearing relevant to the report will be conducted on May 18. Taiwan has been identified as one of the foreign trading partners with which the U.S. have significant trade deficits, and the U.S.-Taiwan trade relationship will therefore be investigated as part of the research for the Omnibus Report.

In response to this investigation, the American Chamber of Commerce in Taipei (AmCham Taipei) would like to point out that U.S. and Taiwan enjoy a robust economic and commercial relationship. Taiwan is not only the United States' 10th largest trading partner but also its 8th largest market for exports of intellectual property worldwide. Further, based on AmCham Taipei's Business Climate Survey in 2017, American companies reported that their businesses performed well financially in 2016 and remain bullish about investing in Taiwan over the next five years.

While we urge the relevant U.S. agencies to find ways to balance the trade deficit with Taiwan, we hope the officials from these agencies will take the following facts into consideration and continuously engage Taiwan to open its market by creating a regulatory friendly and transparent environment in which foreign businesses can operate. The trade facts with Taiwan are:

- In terms of goods imported from the U.S. per capita, Taiwan is 5th out of the 13 countries on the list at US\$1,110 per person. This compares to the E.U. at US\$526 per person, Japan at US\$499, Korea at US\$830 per person, and China at just US\$84 per person. Even Australia, which is not on the Commerce/USTR list, is lower than Taiwan at US\$967. Taiwan's figure is especially impressive considering that there is no Free Trade Agreement (FTA) with the U.S.
- Taiwan ranks 3rd in terms of the trade deficit's ratio to total two-way trade in goods--at 20%. Only Canada (2%) and Mexico (12%) are better than Taiwan. The E.U. is a close 4th at 21% but places like Japan are at 35%, Ireland at 65%, and China and SEA countries all near or above 50%.
- Finally, in the total trade (goods) deficit of US\$840 billion with all the countries on the list, Taiwan is US\$13.3 billion, or just 1.58%. Only two other places matter less to the total deficit among these countries.



Again, we encourage the U.S. government to continue strengthening the bilateral economic and commercial ties that the U.S. has enjoyed with Taiwan through high-level exchanges including the annual Trade and Investment Framework Agreement (TIFA) talk or through forming a new bilateral free & fair trade agreement.

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 26 committees advocating for various industry interests, AmCham speaks with collective authority on international business matters in every sector of the economy.

For more information, please contact:

Erica Lai
ericalai@amcham.com.tw
(02) 2718-8226 Ext. 213

Amy Chang
amychang@amcham.com.tw
(02) 2718-8226 Ext. 314