

Recent News

Academia Sinica proposed key recommendations on how to revitalize Taiwan's economy

Academia Sinica announced its Taiwan Industrial Reform and Competition Strategy Proposal on October 5, 2017; Vice President Chin-Shing Huang hosted the press conference. He was joined by Academicians Ping Wang and Chang-Tai Hsieh who presented the proposal on behalf of their research group.

Taiwan in the 21st century faces a constantly shrinking international presence. It can only rely on its strengths in trade to fight for international limelight.

However, Taiwan's economic situation certainly faces enormous challenges. Its economic growth rate has reduced rapidly. In the past ten years, its average economic growth rate has dropped to 3.82%, which is lower than other Asian countries (South Korea and Singapore). Its nominal national income is also relatively low and the annual growth rate for salary in Taiwan has plummeted to only 1%. As a result, workers in Taiwan cannot feel Taiwan's economic growth.

Taiwan's dire economic situation begs the following question: Which industries should we focus on in order to spur economic growth and revitalize Taiwan's economy?

The research group at Academia Sinica in charge of completing the Taiwan Industrial Reform and Competition Strategy Proposal spent more than a year trying to answer this pressing question.

In their quest for answers, the team investigated different aspects of Taiwan's economy such as the added value of Taiwan's currently existing industries, international competitiveness, industrial safety, job creation, effectiveness of government agencies, talent recruitment, and emerging industries (biotechnology and energy).

In the proposal, the research team identified seven important industries in Taiwan as top-priority for stimulating Taiwan's economy: the semiconductor industry, the panel industry, the machinery industry, the upper and middle stream of the petrochemical industry, biotechnology, the pharmaceutical and medical industry, green energy industry (solar power and offshore wind power), and the financial services industry.

The research team hopes that the Taiwan Industrial Reform and Competition Strategy Proposal can serve as a useful tool to guide the current government administration in terms of bringing economic prosperity back to Taiwan.

In the end, the research group believes that the ultimate driving forces behind industrial

transformation are innovation, the enhancement of soft skills, and organizational capital.

For industries to continue to grow, cultivation of talent, revolution of environmental impact assessment (EIA), the reformation of the tax system, and improvement in administration efficiency are all indispensable and must complement one another.

In the 21st century, Taiwan must face the challenges of economic reform, promoting investment, and raising wages.

Overcoming these difficulties requires new ways of thinking and innovative methods. Most importantly, government agencies and enterprises need to cooperate to cope with the overwhelming impact that the Internet brings, maintain the competitiveness of Taiwanese industries, and lay the foundation of long-term economic growth in Taiwan.