Taiwan and the EU

The EU has solid relations with Taiwan. Taiwan and the EU have a healthy trade and economic relationship - Taiwan being the EU’s sixth largest trading partner in Asia and the EU being Taiwan’s fifth largest market. The EU is Taiwan's largest source of foreign investment.

Exchanges take place in sectors such as research and technology, information society, education and culture, fisheries, environment, climate change, intellectual property rights and standards and norms.

Consultations between the EU and Taiwan are held every year to discuss issues of mutual concern. The European Economic and Trade Office (EETO) was established in 2003 as the EU's office in Taiwan. 16 member states of the European Union have also established offices in Taipei.

Economic and Trade Relations

Taiwan, as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, has been a member of the World Trade Organisation (WTO) since January 2002. Taiwan is also a party to the WTO Agreement on Government Procurement, the Trade Facilitation Agreement and the Information Technology Agreement. It is also an active participant in on-going Doha-related negotiations and plurilateral initiatives in the framework of WTO, where it has a number of shared interests with the EU.

The EU and Taiwan share an ever closer trade and economic partnership. In 2017, Taiwan became the EU's 16th trading partner in the world. Bilateral trade in goods increased by 9.8% and hit a historical record of €50.2bn. The EU is Taiwan's largest foreign investor. Taiwan is an important trading partner and a key player in the global value-added chains. Innovations in the ICT, AI, smart mobility and green energy sectors offer numerous new business opportunities for European and Taiwanese companies.

Over the last four years, the European Economic and Trade Office has organised with its Taiwanese partners 22 trade-related activities to strengthen the bilateral dialogue and to share experiences between the EU and Taiwan. Through these exchanges, both sides have increased their mutual understanding and opened the door to align further their respective regulations with global standards in order to facilitate their bilateral trade.

Since 2014, the EU - through a service contract awarded to the European Chamber of Commerce Taiwan – is implementing the “European Business and Regulatory Cooperation Programme (EBRC)".
The EBRC has been designed specifically for Taiwan, with the objective of improving regulatory cooperation between the EU and Taiwan and enhancing visibility and projection in Taiwan of European excellence. By advocating EU regulatory principles in areas such as government procurement, IPR, food safety, technical standards, pharmaceuticals, EBRC helps to pave the way for sustainable engagement and cooperation between Europe and Taiwan.

**Trade in Goods**

Following the general trend of growing trade between the EU and the world (8.0% from 2016 to 2017), trade in goods between the EU and Taiwan increased by 9.8% in 2017 reaching a new record of €50.2bn, according to Eurostat figures.

EU exports to Taiwan expanded for the fifth year in a row, increasing 5.4% from 2016 to 2017 to €20.7bn, while overall exports from the EU to the world increased by 7.6% over the same period.

In 2017 the EU imported 13.1% more goods from Taiwan than during the previous year, with a total value of €29.5bn, which is an all-time highest for imports from Taiwan. Meanwhile the EU's overall imports grew by 8.4%.

The strong growth in imports from Taiwan caused a further increase of the EU's trade deficit to €8.9bn. Ireland and France shared trade surplus with Taiwan in 2017, and France and Germany had trade surplus with Taiwan in 2016.

**Table 1: Trade in goods between the EU and Taiwan in € bn**

*Source: Eurostat*

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<tbody>
<tr>
<td><strong>EU exports to Taiwan</strong></td>
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<tr>
<td>2006</td>
<td>13.2</td>
<td>13.3</td>
<td>11.6</td>
<td>10.0</td>
<td>14.8</td>
<td>16.2</td>
<td>15.8</td>
<td>16.5</td>
<td>17.0</td>
<td>18.5</td>
<td>19.6</td>
<td>20.7</td>
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<tr>
<td>Annual growth rate (%)</td>
<td>0.8</td>
<td>0.8</td>
<td>-12.8</td>
<td>-13.8</td>
<td>48.0</td>
<td>9.5</td>
<td>-2.5</td>
<td>4.4</td>
<td>3.0</td>
<td>8.8</td>
<td>6.0</td>
<td>5.4</td>
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<tr>
<td><strong>EU imports from Taiwan</strong></td>
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<tr>
<td>2006</td>
<td>26.7</td>
<td>26.0</td>
<td>24.1</td>
<td>17.9</td>
<td>24.1</td>
<td>24.2</td>
<td>22.5</td>
<td>22.1</td>
<td>23.2</td>
<td>25.5</td>
<td>26.1</td>
<td>29.5</td>
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<tr>
<td>Annual growth rate (%)</td>
<td>10.8</td>
<td>-2.6</td>
<td>-7.3</td>
<td>-25.7</td>
<td>34.6</td>
<td>0.4</td>
<td>-7.0</td>
<td>-1.8</td>
<td>5.0</td>
<td>9.8</td>
<td>2.2</td>
<td>13.1</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td>2006</td>
<td>39.9</td>
<td>39.3</td>
<td>35.7</td>
<td>27.9</td>
<td>38.9</td>
<td>40.4</td>
<td>38.3</td>
<td>38.6</td>
<td>40.2</td>
<td>43.9</td>
<td>45.7</td>
<td>50.2</td>
</tr>
<tr>
<td>Annual growth rate (%)</td>
<td>7.3</td>
<td>-1.5</td>
<td>-9.2</td>
<td>-21.8</td>
<td>39.4</td>
<td>3.9</td>
<td>-5.2</td>
<td>0.8</td>
<td>4.1</td>
<td>9.4</td>
<td>3.9</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Balance for the EU</strong></td>
<td>-13.5</td>
<td>-12.7</td>
<td>-12.5</td>
<td>-7.9</td>
<td>-9.3</td>
<td>-8</td>
<td>-6.7</td>
<td>-5.6</td>
<td>-6.2</td>
<td>-7.0</td>
<td>-6.4</td>
<td>-8.9</td>
</tr>
</tbody>
</table>
Taiwan's Position as EU Trade Partner

Taiwan has improved its position amongst the EU's trading partners in 2017, both in terms of exports and the overall trade value.

In 2017, Taiwan ranked 21st amongst the EU's export partners, having gained two ranks compared to the previous year. In the same year, Taiwan continues to claim its 13th place amongst EU import partners. Regarding the total trade value, Taiwan has improved from the 19th place in 2016 to the EU's 16th largest trade partner in 2017.

The overall trade between the EU and Taiwan remains relatively small if compared with other actors in the Asia-Pacific region: China ranks 2nd amongst all of the EU's trading partners, accounting for 15.3% share. Japan (rank 6, 3.5% share) and South Korea (rank 8, 2.7% share) are other larger partners in the area. Both Hong Kong and Singapore receive significantly more exports from the EU, but due to Taiwan's stronger role as an EU's supplier, its contribution to the overall EU trade with the world (1.3% share) is comparable to these two trading partners (ranking 17 and 14, 1.3% and 1.4% share).

Trade in Services

Trade in services between the EU and Taiwan in 2016 contracted by 1.25% due to a fall of EU imports of services from Taiwan by 5.5% from 2015. However, the EU's exports services to Taiwan continued to expand for the fourth year in a row since 2013, reaching €4.78bn in 2016, the highest in the past seven years, with an annual growth of 1.6%. The EU continued to share a trade surplus of €1.67 billion for trade in services with Taiwan in 2016 with the growth rate of 18.5% from 2015 to 2016.

The trade in services between the EU and Taiwan has increased by 12.5% from 2010 to 2016, which amounted to €7.9billion in 2016. In the same period (2010-2016), the exports from Taiwan to the EU increased significantly by 26.3%, amounted to €3.12bn. To be more specific, the export of services from Taiwan to the EU reached 2-digit growth rate in 2012 and 2013, but fell slightly by 0.2% in 2014, again grew by 4.2% by 2015, and decreased by 5.6% in 2016.

Table 2: Trade in services between the EU and Taiwan in € bn

Source: Eurostat

<table>
<thead>
<tr>
<th></th>
<th>Total trade amount in services (€ billion)</th>
<th>Growth rate</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>EU's Imports</td>
<td>EU's Exports</td>
</tr>
<tr>
<td>2010</td>
<td>2.47</td>
<td>4.54</td>
</tr>
<tr>
<td>2011</td>
<td>2.37</td>
<td>3.90</td>
</tr>
<tr>
<td>2012</td>
<td>2.71</td>
<td>4.29</td>
</tr>
<tr>
<td>2013</td>
<td>3.17</td>
<td>4.20</td>
</tr>
<tr>
<td>2014</td>
<td>3.17</td>
<td>4.64</td>
</tr>
<tr>
<td>2015</td>
<td>3.30</td>
<td>4.71</td>
</tr>
<tr>
<td>2016</td>
<td>3.12</td>
<td>4.78</td>
</tr>
</tbody>
</table>
**Investment**

As in the years before, the EU experienced low inward Taiwanese investment in 2016. Taiwan's FDI flows to the EU experienced a slight increase by 4% to € 0.35bn. In 2016, EU FDI flows to Taiwan rose by 93% to € 7.24bn.

Worldwide FDI flows to Taiwan in 2017 amounted to US$7.51bn, of which US$3.34bn or 43.0% came from the EU, remains the biggest foreign investor.

According to statistics released by Taiwan government, investments from the Netherlands accounted for 56.7% of FDI flows from the EU to Taiwan in 2017, followed by the United Kingdom (33.8% share), Germany (4.7% share) and France (1.5% share).

In 2017 the United Kingdom became the primary target for Taiwanese FDI to the EU, accounting for a 22.6% share of all investments. Germany ranks 2nd with a share of 15.3% before the Netherlands (6.4% share) and France (1.7% share).

For further information on EU-Taiwan trade and investment relations:

- [2018_eu-taiwan_relations_en.pdf](#)
- [European Commission webpage](#)

**Human Rights**

Human dignity, freedom, democracy, equality, the rule of law and respect for human rights are the values on which the European Union is founded. Embedded in the Treaty on European Union, they have been reinforced by the Charter of Fundamental Rights.

These values also apply to the EU's foreign policy: Europe helps as much as possible to protect universal values across the world, through agreements, dialogues, cooperation projects, and also thanks thanks to funding from the European Instrument for Democracy and Human Rights.

An overview of the EU's Human rights policy and more in-depth information can be found at:

The EU's Human Rights policy across the world is summarized here:

The EU also, in particular, promotes the abolition of the death penalty worldwide. On this specific issue, you can refer to:

**Research and Innovation**

The EU has a long tradition of excellence in Research and Innovation, and the [Innovation Union](#) is at the heart of Europe 2020's strategy - the EU's blueprint to drive economic growth and to create jobs, the top priority of the European Commission. The Innovation Union is one of the seven flagship
initiatives of the strategy. The goal is to remove obstacles to innovation, to strengthen the EU's global position in new technologies and to foster cooperation between the private and public sector at all levels – European institutions, national and regional authorities – through Innovation Partnerships. Europe accounts for a quarter of global expenditure on research. R&I activities are supported both at national level by each of the EU's 28 Member States and at the EU level. The EU's research policy started in 1984 with the multi-annual budget Framework Programmes. The current R&I framework programme Horizon 2020 started in 2014 and will run up to 2020.

The EU and Taiwan have a successful track record of cooperation in R&I based on the fact that both share many research priorities and face similar societal challenges – ageing societies, sustainable food security, climate change, energy - and both see cooperation as necessary to promote the excellence in science and to increase the competitiveness of their industries and the access to international markets. In addition, Taiwan holds a significant position in the global Information and Communication Technology (ICT) field - a cross-cutting and enabling technology. The government of Taiwan has heavily invested in projects in R&I building a large technological capability. Taiwan is a world leader in the semiconductor industry, which has a major strategic importance. There is hardly an industry nowadays that can succeed without the use of microchips.

Horizon 2020 offers to Taiwanese researchers a unique gateway to Europe's world-leading scientific networks. The objective of the EU's research policy is to enhance research cooperation not only between EU countries but also to encourage worldwide joint projects with non-European partners. Taiwanese participation is welcome in these collaborative research projects under the Calls for Proposals of Horizon 2020. Researchers in any part of the world may participate in Horizon 2020.

The EU is also working to create a single European Research Area (ERA), a unified research area open to the world in which researchers, scientific knowledge and technology will circulate freely across borders. It aims to help the EU and its Member States strengthen their scientific and technological bases.

**Horizon 2020**

- Horizon 2020 is the current Research and Innovation framework programme of the EU. With a budget of EUR 77 billion - to be distributed from 2014 to 2020- it is the EU's largest funding programme ever dedicated to R&I. Horizon 2020 marks an important increase in funding compared to the period of 2007-2013 (7th Framework Programme) of around 27%. Horizon 2020 marks also a breakthrough in the R&I policy by putting together for the first time all Research and Innovation funding at EU level under a single common strategic framework.

- Horizon 2020 is built around 3 pillars: Excellent Science, Industrial Leadership and Societal Challenges.

- Horizon 2020 is fully open to collaboration between researchers from across the globe. In line with the strategic principle set by Commissioner Moedas, in charge of Research, Science and Innovation: "Horizon 2020 is open to innovation, open to science and open to the world".
How the EU and Taiwan work together in research and innovation

1. Through the regular Horizon 2020 calls for proposals, where Taiwanese participants can join projects in any area. Taiwan research institutions have been active participants in the EU's research framework programmes with a good history of collaboration in FP5, FP6 and FP7. With 31 in FP7 and 22 Taiwanese participants in cooperative research projects in the 2014/2015 calls in Horizon 2020 in a broad range of areas, there is still a lot more that can be done to further build and strengthen EU-Taiwan research relations.

Taiwan is regarded by the Commission as a high-income partner. This means that Taiwanese participants are welcome but at their own cost with the usual exceptions foreseen in Horizon 2020 rules for participation. Taiwanese participants need to provide the resources needed for their part of the project work, either from their own funds or funds received from Taiwanese ministries, agencies and other organisations. Since 2003 the Taiwanese government co-funds Taiwanese researchers participating in EU framework programmes. Please note, however, that funding is available for Taiwanese researchers in many of the individual fellowship and research grant schemes of Horizon 2020.

The areas of robotics, micro and nano-electronics, and ICT in general, digital security, personalized healthcare and medicine, smart cities and communities, competitive low-carbon energy, energy efficiency, blue growth with special emphasis on unlocking the potential of seas and oceans, offer good potential for future cooperation.

2. Through "coordinated" calls for proposals. Such a call has been issued in the ICT sector - a targeted opening on 5G for Taiwanese organisations has been included in the current ICT - Horizon 2020 Work Programme.
3. Through individual fellowship and research grants schemes for talented researchers. Individual researchers can take part in mobility programmes under the Marie Skłodowska-Curie Actions (MSCA) and the European Research Council (ERC) grants for the highest quality researchers. Mobility of students, faculty and researchers is also supported through Erasmus+.

**National Contact Point (NCP) in Taiwan**

- The National Contact Point in Taiwan was established in 2008. It was a milestone in cooperation in R&I between the EU and Taiwan, since the NCP plays an important role in facilitating the participation of Taiwanese researchers in the Research Framework Programme of the EU and provide assistance to outstanding local R&I teams.

- The NCP functions as a service center bridging researchers in Taiwan and R&I capacities with researchers in the EU and matching-up projects helping universities, companies and institutions to apply for Horizon 2020 projects.

**Environment & Climate Change**

**Protecting, preserving and improving the world around us**

The EU has some of the highest environmental standards in the world, developed over decades to address a wide range of issues. Today the main priorities are combating climate change, preserving biodiversity, reducing health problems from pollution and using natural resources more responsibly. While aimed at protecting the environment, these goals can contribute to economic growth by fostering innovation and enterprise. We also hope that the experiences gained over the decade can be shared with friends in Taiwan.

**Climate change**

The EU has been at the forefront of international efforts towards a global climate deal. The EU has played a key role in brokering the historic agreement in Paris on 14 December 2015, where 195 countries adopted the first-ever universal, legally binding global climate deal. The ambitious and balanced agreement, the first major multilateral deal of the 21st century, sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.

The European Economic and Trade office regularly liaises with the Environmental Protection Administration Taiwan, NGOs, think tanks and academic institutions in the field of climate change, in order to clearly convey the EU’s position on climate change and to promote domestic action in these areas through organising events, seminars and visits.

**Culture & Education**
Europe Fair

Europe Fair is the largest outreach event to celebrate Europe Day (9th May) with the Taiwanese public. The objective of the fair is to promote the EU and its Member States to the Taiwanese public with booths showcasing European culture, cuisine, foods and drinks, as well as interactive games, and on-site live performances. In 2018, the Fair ran from 5-6 May, 11.00-21.00, at Xinyi Xiangti Plaza, which is a major shopping district in Taipei. The fair comprised 60 booths, including the EU, 15 Member States and 37 commercial booths, and attracted over 90,000 visitors throughout the two days. The Fair was an excellent example of EU-Taiwan collaboration, as it was a joint effort by the 16 Member States’ office in Taiwan, as well as the Ministry of Foreign Affairs, the Ministry of Culture, and the Taipei City Government.

Find out more on the Europe Fair Facebook Page.

European Film Festival Taiwan (TEFF)

The European Film Festival Taiwan has been organised annually since 2005. It started from a classical film festival profile: 35 mm film format, public advertising, and tickets sales, and evolved into today's format of using free of charge DVD screenings at universities, local governments and cultural centres. In 2017, there were 15 films being screened in 25 venues in 13 cities all across Taiwan. The TEFF not only showcases the rich, diverse cultures of the European countries, but also offers Taiwanese movie goers an excellent opportunity to enjoy free European movies from different countries.

The TEFF is organised by the European Economic and Trade Office (EETO) and Infine Art and Culture Exchange (INFINE), with the support of the Ministry of Foreign Affairs, Ministry of Culture, and Taipei City Government Department of Culture. For more information, please visit or the TEFF Facebook Page.

Book Exhibition

The European Economic and Trade Office started to take part in the Taipei International Book Exhibition (TIBE), one of the largest book fairs both in Asia and in the Chinese speaking world, by hosting an EU pavilion since 2013. The objectives of the EU pavilion are to introduce the richness of EU cultures to the Taiwanese public through literature and books.

Small events and activities are also held in the EU pavilion to engage with the public. For instance we organised 9 sessions of 'Authors' Salon' for Taiwanese authors who wrote about life, culture, travel or study in the EU to share their experiences with the public; and the 'EU board game' was played at the pavilion. If you ever go to the book fair, don't forget to visit the EU pavilion to see what activities are on!

European Education Fair in Taiwan (EEFT)

The European Education Fair in Taiwan is an initiative devoted to promoting high quality education opportunities in Europe. It has been organised since 2002, giving European countries a chance to introduce their higher education institutions and to provide Taiwanese students with information regarding visa regulations, travelling and scholarships. Taiwanese students can also find suitable academic institutions, amongst more than 120 exhibitors from over 12 European countries that would develop their knowledge and skills to equip themselves with the necessary competencies to pursue better careers.

The EEFT is jointly organised by the British Council Taiwan, Campus France Taiwan / French Office in
Taipei, DAAD German Academic Exchange Service Information Centre Taipei, and European Economic and Trade Office. It is the largest foreign education fair in Taiwan and one of largest European education fairs organised by official institutions in the Asia Pacific region.

For more information, please visit or the EEFT Facebook Page.

EU and the Cross-Strait relationship

The EU pursues a “One China” policy and recognises the government of the People’s Republic of China as the sole legal government of China. However, it recognises Taiwan as an economic and commercial entity, has solid relations with Taiwan in non-political areas and maintains exchanges in various technical fields, such as economic relations, science, education and culture. In line with the EU’s “One China” policy, the European Economic and Trade Office is not engaged in relations of a diplomatic nature.

The EU supports the peaceful resolution of differences between Taiwan and the People’s Republic of China, rejecting the use or threat of force. It urges both sides to maintain constructive dialogue, and to eschew dogmatic positions. The EU insists that any arrangement between Beijing and Taipei can only be achieved on a mutually acceptable basis, with reference also to the wishes of the Taiwanese population.

The EU believes that increasing economic integration between the People’s Republic of China and Taiwan can make a substantial contribution to creating a more favourable climate for maintaining dialogue and the eventual resolution of the Taiwan question.

Documents

Taiwan Factfile 2016

See also

Asia and the EU
www.eeas.europa.eu

Source URL: