



TAIWAN

best innovative partner in Asia

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TECO in Seattle

Outline

1. Taiwan-Washington Economic Relations
2. Why Taiwan
3. Opportunities in Taiwan and linkage with WA



TAIWAN-WASHINGTON ECONOMIC RELATIONS

Taiwan Contributing to Jobs in Washington



1,933 JOBS

Supported by investment from
Taiwan-affiliated companies



12,002 JOBS

Supported by exports
of goods to Taiwan



1,521 JOBS

Supported by exports
of services to Taiwan



**15,456
total jobs**

supported by Taiwan
in Washington



Trade and Investment Ties

\$2.3 billion

Washington's goods
exports to Taiwan in 2018

\$1.2 billion

Investment from Taiwan
to Washington

6th

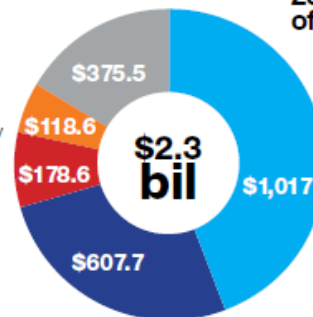
Largest export market for
Washington in the world

4th

Largest market for
Washington in Asia

Taiwan-Affiliated Companies Located in Washington

- 85C Bakery Cafe
- AATTV
- ASA Tours International
- Aspi Group Inc.
- Aspi-Land Surveying & Planning
- Barclay Seafood
- China Airlines Cargo
- China Harbour Restaurant
- Coast Hotel Bellevue
- Composite Solutions
- DCL Management LLC
- Din Tai Fung
- EVA Air
- Everbright USA Inc.
- Evergreen Shipping Agency
- Majestic Superior Logistics
- Reliance Mortgage
- Royal Dental Group
- S.A. International Inc.
- WaferTech
- WPI Real Estate
- Yang Ming Marine Transport Corporation



2018 Washington Exports of Goods to Taiwan



WAFERTECH

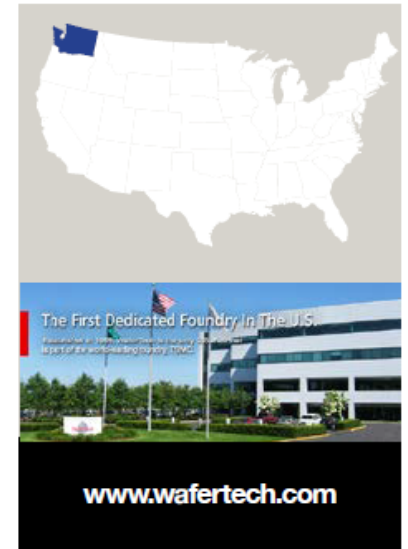
CAMAS, WASHINGTON



Founded in June 1996, WaferTech was the first dedicated semiconductor contract manufacturer, also known as a pure-play foundry, in the United States. WaferTech is located on 260 acres in Camas, Washington, in the Pacific Northwest's Silicon Forest. The company's 1-million-square-foot fabrication complex includes approximately 130,000 square feet of clean room space.

WaferTech's vision is to be the most advanced and largest technology and foundry services provider to fabless companies and IDMs and in partnership with them, to forge a powerful competitive force in the semiconductor industry.

WaferTech is a wholly-owned subsidiary of TSMC and is one of six TSMC manufacturing sites located around the world which comprise the world's largest dedicated semiconductor foundry operation and provides the industry's leading process technology, library and IP options and other leading-edge foundry services. TSMC was founded in 1987 and created the dedicated foundry model. Today, TSMC is the foundry leader in manufacturing capacity, process technology, and customer service.



Taiwan-Washington Economic Relations (cont.)

- Washington's 4th largest trading partner in Asia (1st per capita basis)
- Washington's 6th largest importer of agricultural products, including Cherries (ranks 4th), onions (ranks 2nd), apples and wheat (ranks 3rd)



Washington success stories in Taiwan



Why Taiwan?

-Advantages Offered by Taiwan's Investment Environment



Global Rankings

#4 Best Destination for Investment

(2019 BERI Report)

#13 Ease of Doing Business

(2019 World Bank Doing Business Report)

#3 State of Cluster Development

(2019 World Economic Forum Global Competitiveness Report)



Talent

49% of Total Population has a Bachelor's Degree or Higher

#3 Talent Ranking in Asia
(2019 IMD Talent Ranking)

#2 Worldwide in Educational Attainment
(2019 IMD Talent Ranking)



IP Protection

- IP Regulations Meet International Standards
- IP Police Dedicated to Enforcement
- Trade Secrets Protection
- Respect for IP Protection



Leading Industries

- Semiconductors
- Displays
- Machine Parts
- Electronic Parts
- Auto Parts

Why Taiwan?

-Investment Incentives

Tax Incentives

- Business Income Tax 20%
- R&D Investment Deduction (up to 15%)
- 5G/Smart Machinery Investment Deduction (up to 5%)
- Patents & Copyright Royalties Are Income Tax Exempt
- Support for Developing Smart Machinery/5G

Incentives for Global Talent

- Provides Retirement, Health Insurance and Tax Benefits
- Relaxed Work, Visa and Residency Regulations
- Relaxed Residency Regulations for Parents, Spouses and Children

R&D Subsidies

- A+ Industrial Innovative R&D Program
- Taiwan Industry Innovation Platform Program
- Global Innovation and R&D Partnership Program
- Advanced Technology Research Plan
- Small Business Innovation Research (SBIR)

Special Zone Incentives

- Free Trade Zones (FTZs)
- Science & Industrial Parks
- Agriculture Technology Parks
- Export Processing Zones (EPZs)

Taiwan's Strengths

■ How Taiwan fights against COVID-19

- **Set up 60 surgical mask production lines in 25 days**

Made possible by Taiwan's comprehensive supply chain and strong machinery cluster

- **Established a surgical mask rationing system with real-time map**

Tapped into comprehensive health database and public-private collaboration

- **Best healthcare systems in world**
(as ranked by CEOWORLD, 2019)

World-leading medical personnel and advanced equipment

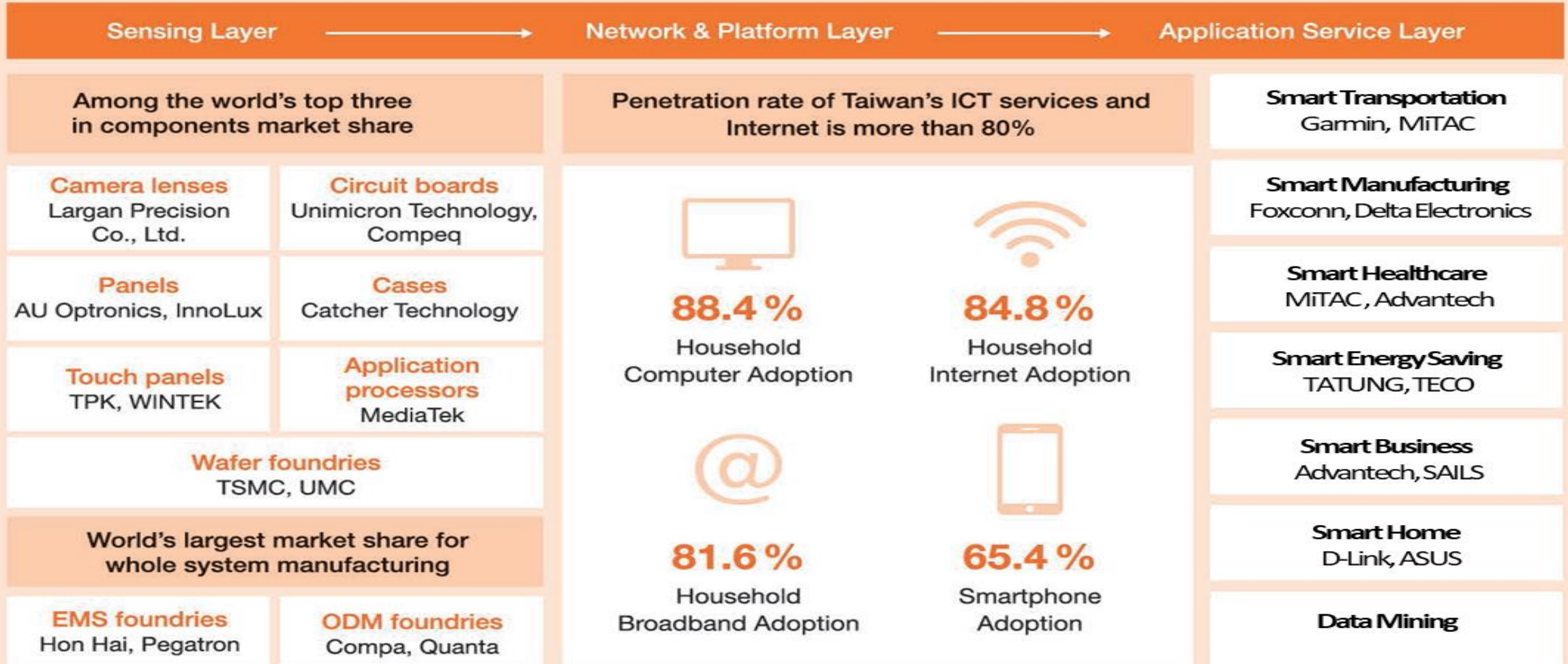


**Taiwan Garner's Praise
from International Media for COVID-19 Response**

Opportunities in Taiwan

-Internet of Things (IOT)

Taiwan's Outstanding ICT Application Environment and Industrial Ecology



- Taiwan's IOT Output Value reached USD **43.3 Billion** in 2019

Linkage with Washington State

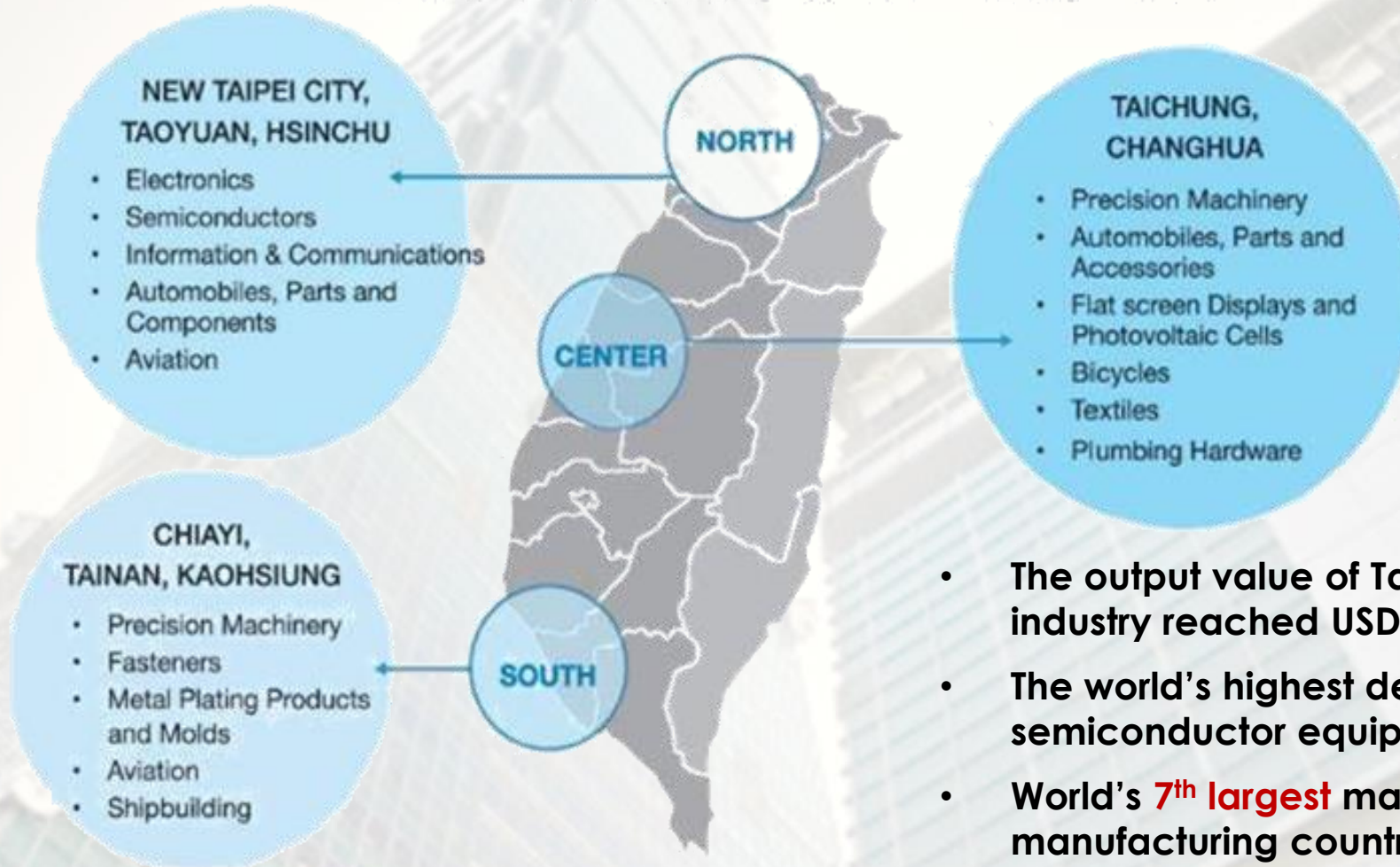
- WA: birthplace of Microsoft, Amazon, Zillow and Expedia and home to countless engineering offices, more than 14,000 ICT companies.
- WA 5G Open Innovation Lab



Opportunities in Taiwan

-Smart Machinery

Taiwan's smart machinery application industry clusters



- The output value of Taiwan's machinery industry reached USD **36.67 Billion** in 2019
- The world's highest demand for semiconductor equipment
- World's **7th largest** machine tool manufacturing country

Linkage with Washington State

- One-third of WA's agricultural commodities are exported, 75% going to Asia markets. Food manufacturing is a \$12 billion industry, second-largest manufacturing industry.
- Example: TM Robot food processing cobots



Opportunities in Taiwan

-Biomedicine

Biomedical R&D Cluster

Taipei New Taipei

Medical electronics
Medical imaging

Hsinchu

ICT
Advanced devices

Taichung

Minimal invasive &
smart assistive devices

Tainan

Devices used for
bone grafting for
dental Implants

Kaohsiung

Tropical medicine

High Value Niche Drug Production Clusters

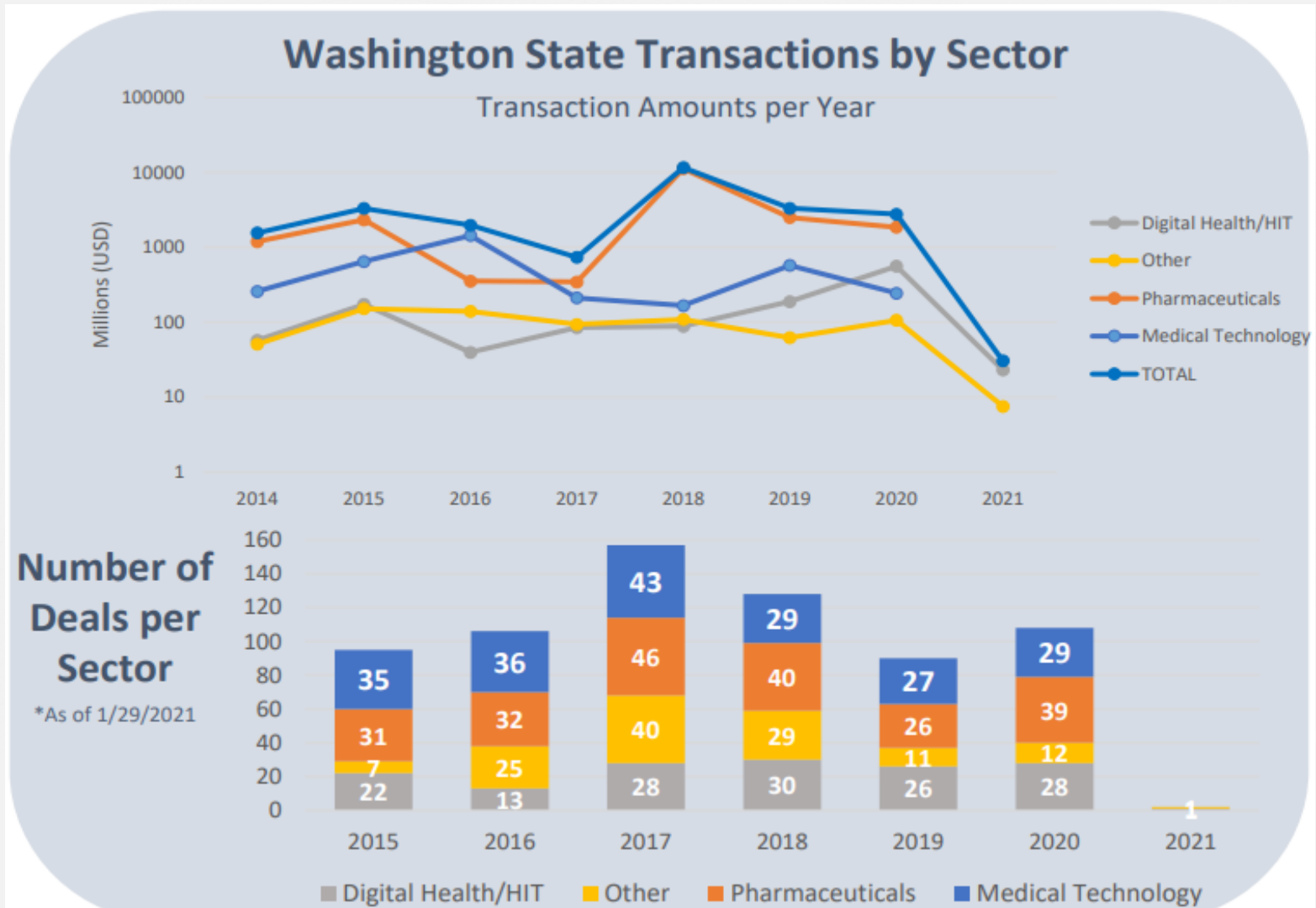


- **Applied Biotech**
596 companies
USD **3.49 Billion**
- **Pharmaceutical**
358 companies
USD **2.67 Billion**
- **Medical Equipment**
1,128 companies
USD **5.31 Billion**

Source: 2019 Biotechnology Industry in Taiwan,
Industrial Development Bureau, MOEA

Linkage with Washington State

- Life science employment jumped 17.4% in recent years in Greater Seattle.



Opportunities in Taiwan

-Green Energy

Green Energy to account for 20% of Taiwan's energy mix by 2025 with Huge Potential to Grow Even Further

	2019	2025
Renewable energy	6.8% (wind power 15%)	20%
Nuclear energy	11.8%	0%
Coal	46.1%	30%
Fuel gas	35.3%	50%

Source: Risk Society and Policy Research Center, National Taiwan University

Business Opportunities in Renewable Energy Sector:

- photovoltaic: USD\$40 billion
- wind power: USD\$20.45 billion

Examples of FDI: Ørsted (Denmark), Van Oord (Dutch), Heerema (Dutch)



Taiwan's First offshore wind power facility was launched in Nov. 2019

(Photo Credit: Formosa 1 Wind Power Co. Ltd)

Linkage with Washington State

- WA's ambitious effort to become 100% reliant on non-carbon energy by 2045.
- Taiwan's Gogoro, MOTECH, etc



A nighttime photograph of a city skyline. The Taipei 101 skyscraper is the central focus, illuminated with blue and white lights. A large, vibrant firework display is exploding from the top of the building, with streaks of red, white, and blue light radiating outwards. The background shows other city buildings, including the Freedom Tower (One World Trade Center) to the right, and a dense urban landscape with various lights and structures.

Thank you!

Questions? Comments?