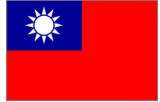


Introduction

Taiwan, a territory of the Republic of China, is an island in East Asia in the Western Pacific Ocean. It is surrounded by the East China Sea, Philippine Sea, and the Taiwan Strait.



Proximate countries include mainland China, the islands of Japan, and the Philippines. The geography of Taiwan is rugged mountains in the east. The government system is a multiparty

democracy; the chief of state is the president, and the head of government is the premier. Taiwan has a free market economy in which the prices of goods and services are determined in a free price system, and there is little government involvement. Taiwan is a member of the Asia-Pacific Economic Cooperation (APEC).



Location: Eastern Asia

Capital City: Taipei (+8 GMT)

Chief of State: President Lai Ching-te

Head of Govt.: Premier Cho Jung-tai

Currency: New Taiwan dollar (TWD)

Major Languages: Mandarin Chinese (official), Taiwanese (Min Nan), Hakka dialects, approximately 16 indigenous languages

Primary Religions: Buddhist 35.3%, Taoist 33.2%, Christian 3.9%, folk (includes Confucian) approximately 10%, none or unspecified 18.2% (2005 est.)

Calling Code: 886

Voltage: 110

Key Websites

Main Government Page: taiwan.gov.tw

Commerce Ministry: moea.gov.tw

Investment Promotion Agency: investtaiwan.nat.gov.tw

Key Economic Facts

Level of Development: Developing

GDP Composition %

Agriculture Services Industry Manufacturing

0 0 0 0

**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	25 / 178
EY Globalization Index	15 / 60
Global Competitiveness Index	11 / 141
Global Enabling Trade Index	35 / 136
Global Manufacturing Competitiveness Index (GMCI)	7 / 40
Index of Economic Freedom	4 / 176
International Logistics Performance Index (LPI)	27 / 160
Inward FDI Potential Index	17 / 139
Networked Readiness Index (NRI)	19 / 139

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Robust external financial position
- Support for R&D through public expenditure
- 4th largest electronics producer in the world
- Diversified FDI portfolio in Asia

Weaknesses

- Strained cross-straits relations
- Concentration in technology sector and Chinese demand
- Stagnant wage growth, low labor productivity and brain drain
- Lack of competitiveness in the services sector
- Infrastructure gap compared to other advanced Asian economies
- Ageing population
- Diplomatic isolation

U.S. Embassy

The U.S. maintains unofficial ties with the people in Taiwan through the American Institute in Taiwan (AIT), a private nonprofit corporation, which performs citizen and consular services. Visit www.ait.org.tw/en/ for more information.