

FOR IMMEDIATE RELEASE

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US-TAIWAN BUSINESS COUNCIL CALLS FOR REMOVING TAIWAN FROM THE 301 PRIORITY WATCH LIST AND FOR THE RESUMPTION OF TIFA TALKS

Taiwan has made significant headway over the past 12 months in protecting intellectual property rights. The US-Taiwan Business Council recognizes this effort and the significantly improved environment for IPR protection in Taiwan, and therefore supports removing Taiwan from the Special 301 Priority Watch List, provided that recent progress in curtailing IPR infringements is sustained.

The Taiwan leadership - including President Chen, Premier Yu, and the members of the Legislative Yuan - has demonstrated their understanding of the importance of IPR protection by passing crucial amendments to the Copyright Law, providing IPR-specific training for judges and prosecutors, the planned creation of a dedicated IPR court, as well as by increasing policing of the problem on Taiwan's streets and at its ports. It is important that these efforts continue, and for piracy and counterfeiting rates to be significantly reduced on a permanent basis. The Council and its members will continue to closely monitor progress in this area.

In response to the progress made by Taiwan over the past 6 months in the broader trade relationship, the US-Taiwan Business Council is also calling for a resumption of talks under the 1994 Trade and Industry Framework Agreement (TIFA), talks that have been suspended since 2002. The US-Taiwan Business Council supported the suspension when invoked to move Taiwan towards resolution of outstanding trade concerns. However, given the progress exhibited by Taiwan this year, the Council recommends resuming senior-level TIFA discussions. The Council has four main reasons for adopting this position:

1. Taiwan has made progress on each of the four issues of concern to the U.S.; agriculture, pharmaceuticals, telecommunications, and intellectual property rights protection. The recent passage of the amendments to the Copyright Law in Taiwan's Legislative Yuan addressed a top U.S. priority, and is a welcome development for the American business community. Taiwan has also taken concrete steps in the other key areas of concern.
2. Taiwan has shown good faith over the past few months, and has not only addressed some U.S. concerns, but has also shown willingness to resolve remaining issues. Additional and accelerated progress can come through a resumption of expanded engagement and dialogue, such as through renewed TIFA talks.
3. As our 8th largest trading partner, and as an essential partner in the global business network, there is no doubt that a healthy trade dialogue with Taiwan is necessary. The two sides should have a forum for regular senior-level discussions on commercial and economic issues to spur bilateral trade and investment.
4. The issue of Taiwan and China is one of the most sensitive security issues in American foreign policy. The increasingly integrated trilateral economic relationship provides the foundation for dialogue and peace, but an extended period with no senior level economic dialogue with one of the parties is counterproductive to the economic, political, and security interests of the United States.

The Council's President, Rupert Hammond-Chambers, commented that "we have just passed through a challenging period in US-Taiwan trade relations, with a significant reduction in dialogue as a consequence of U.S. frustration over a lack of movement in the key areas of bilateral trade relations. Taiwan has done much to improve upon that situation in 2004 by addressing important areas such as increased IPR protection. The Council feels it is important to restart discussions under the TIFA framework to add further momentum to the improving trade relationship."

About the US-Taiwan Business Council:

The US-Taiwan Business Council (www.us-taiwan.org) is a membership-based non-profit association founded in 1976. The Council provides its members with business intelligence, access to a network of companies involved in business between Taiwan and the United States, and serves as a vital representative in dealing with investment, business development, and intellectual property matters.

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