

2011

南台灣白皮書

SOUTHERN TAIWAN WHITE PAPER



CREATING A GREATER KAOHSIUNG

THE 2011 EDITION OF THE AMCHAM KAOHSIUNG WHITE PAPER INCLUDES PINGTUNG COUNTY

[March 17th, 2011]

The American Chamber of Commerce - Kaohsiung

Brian Aiello - President

This publication would not have been possible without contributions from our sponsors.



©2011 Copyright AmCham – Kaohsiung

This document may not be reprinted in part or in whole without the expressed approval of AmCham-Kaohsiung

ACKNOWLEDGEMENTS

AmCham Kaohsiung is proud to publish its second annual White Paper in 2011. The excellent response and support we received while creating it merits acknowledgement. Officials from the City of Kaohsiung headed by Mayor Chen Chu, the Southern Branch of the Executive Yuan headed by Mr. Lo Shih Hsiung, and Pingtung County Vice Magistrate Jhong Jia Bing each set aside time to meet with AmCham members for related discussions and provided us with a wealth of information and cooperation. We wish to express our appreciation and thanks to all of the officials who got involved. Their combined efforts provided us with an exceptionally complete government perspective on a number of issues. AmCham Kaohsiung would also like to thank Ms. Frances Lee, from the National Immigration Agency, Kaohsiung City First Special Operation Brigade for supplying us with statistical data used in this report. We received so much cooperation, insight and support from many key industry leaders during the entire process of putting this paper together. In addition, AmCham Kaohsiung members and friends contributed a great deal of time gathering information and offering their perspectives based on their own related industries. We would also like to express our appreciation and thanks for all the efforts and support from the American Institute in Taiwan (AIT), who were always tireless in their efforts to help in facilitating our project. And finally, we would like to thank our colleagues at AmCham Taipei for their valuable assistance in reviewing this publication and giving us the benefit of their many years of creating their well-respected annual White Papers. Thanks to all of you who took the time and made the effort to get involved and share your opinions, expertise, and experiences for the sake of a better future in southern Taiwan.

Although the Southern Taiwan White Paper represents the immediate business interests of AmCham Kaohsiung members and the local business community, its ultimate goal is to foster the upgrading of Taiwan's economic conditions to the benefit of both local and multinational businesses. In light of recent events such as the Economic Cooperation Framework Agreement (ECFA) and the Kaohsiung City/County merger last December, this White Paper carries greater significance because it deals with issues that are critically important to creating a solid foundation for the future growth of Kaohsiung and southern Taiwan. It is also in the interest of the Taiwan public at large, as it encourages the growth of a broad spectrum of high-quality goods and services to improve the quality of life for all Taiwan residents.

AmCham Kaohsiung's goal is to enhance understanding, communication, cooperation, and commitment for a better future. Thank you for your attention.

Table of Contents

INTRODUCTION.....	page 4
KEY RECOMMENDATIONS.....	page 5
EXECUTIVE SUMMARY.....	page 8

TOPICS

Travel and Tourism.....	page 15
Kaohsiung Convention Center.....	page 18
The K-POP Center.....	page 20
Yacht Manufacturing Center.....	page 21
The Number 7 Freeway.....	page 22
Harbor Renovation.....	page 23
International Cruise Center and Homeport.....	page 24
Kaohsiung International Airport.....	page 25
Petro-Chemical.....	page 26
Business and Investment Development.....	page 27
ECFA.....	page 28
Developing a “Solar South”.....	page 29
Gentlemen, Start Your Engines!.....	page 30
Emergency Medical Technicians/Transport.....	page 32
Power for the People.....	page 34
Private Schools in Kaohsiung.....	page 36
Particularly in PingTung.....	page 37
The Ongoing Beef with US Beef.....	page 40
CONCLUSION.....	page 41

INTRODUCTION

2010 was a very busy year for Kaohsiung City. The ECFA was signed, elections were held, and the former city and county were officially merged on December 25th.

Now that these three events are in the history books, it is time to look forward into creating a Greater Kaohsiung.

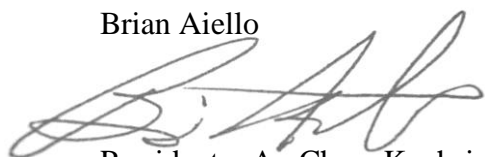
The end of 2010, and beginning of 2011, brought significant steps in making Greater Kaohsiung a world-class city. With the cooperation between the central and local governments, and businesses, 9 major projects (details of each are included in this White Paper) are now in various stages of activity. When completed, the city will reach a new level of commerce, trade and economic development in addition to raising the quality of life for all who live in and visit this region of Taiwan.

Airport, harbor and marina modernization and internationalization efforts to make them as user-friendly to the world as possible are underway. Shipping, tourism, foreign investment and a series of well thought-out plans are coming together, with the goal of firmly establishing Greater Kaohsiung as a place where cargo will be trans-shipped, people will vacation, companies will invest, and corporate leaders and staff will relocate and live, and where high-tech and clean energy manufacturing will be among the many highlights in the city's portfolio.

For Greater Kaohsiung to become truly great, it must continue its efforts to Connect, Communicate, Coordinate, Cooperate and Compete. Each aspect of developing the future of Greater Kaohsiung needs to maintain this "5-C" policy. To that end, each aspect of this white paper is interrelated as are the communities in which we live. We must approach our future with a clear vision of the big picture, knowing that every single detail of Greater Kaohsiung is fully dependent on the successful implementation of several programs, projects and initiatives.

Throughout all these improvements and developments, significant opportunities are available for Taiwan entrepreneurs, American businesses and international corporations that should not be overlooked nor underestimated.

Brian Aiello



President – AmCham Kaohsiung.

This second edition of the Southern Taiwan White Paper is written and published by the American Chamber of Commerce in Kaohsiung (AmCham – Kaohsiung). It includes an overall assessment of Southern Taiwan's business climate, a review of the current priority issues for 2011 identified by the Chamber, as well as recommendations for each topic. The primary purposes of AmCham-Kaohsiung's annual white paper are understanding, information, and advocacy. This document outlines suggestions to the Taiwan government and public on issues that have a significant impact on the business environment in southern Taiwan. It is also used to inform government officials, elected representatives, and other interested parties in the United States about Taiwan's business climate.

KEY RECOMMENDATIONS

KEY RECOMMENDATIONS

2011 will certainly be a year of new opportunities and challenges for southern Taiwan. After the signing of ECFA, mayoral elections and the year-end merging of Kaohsiung City and County, there is much work to be done. The merger into “Greater Kaohsiung” will require great attention to standardizing everything from tourism to taxes to trash collection.

- Work towards creating accurate assessments of present and future transportation requirements, especially around the areas where new major construction projects will dramatically increase tourism and commercial activities.
- Look for new ways to cooperate with Sister Cities to enhance current relationships and learn from their successes and mistakes in their efforts to become more environment-friendly, more competitive, safer and more attractive to tourism.
- Implement planning to enhance supportive enterprises around The Kaohsiung Convention/Exhibition Center to create an international complex that should include both local and internationally themed restaurants and shopping areas that would be centered around one or more international hotels, that are physically connected to the Convention Center via a fully

enclosed, temperature controlled bridge that will minimize traffic and maximizing convenience. Make this the most environment-friendly and convenient Convention Center possible to attract a constant flow of exhibitions and visitors.

- Focus on developing a music and arts “village” around the K-POP Center that will make Kaohsiung a must stop for popular international artists.
- Develop the Yacht Manufacturing Center to be the most environment-friendly luxury yacht and boating center in the world, where international boat shows will rival any other; a place where the efficient design, manufacture and sale of yachts are second to none.
- Provide a mobile app that would allow drivers to get a detailed overview of congested areas to avoid and suggested alternative routes via mobile GPS units or smartphones. Provide upgraded message boards in more locations throughout the southern Taiwan highway system. This can be done without text (display simple graphics) so language is not an issue.
- Ensure that easy access and support industries are designed into the Kaohsiung International Harbor Renovation / Expansion

Project to accommodate future growth and that a long-term upgrade of the area is planned out to ensure that the harbor can grow to its full potential.

- Take steps to ensure that efficient access to and from the Kaohsiung International Cruise Ship Homeport are in place, with mass transit being a “best” option to and from the airport, hotels and tourist areas. The key factors are making sure visitors can easily find accommodations, ground transport, shopping and tourist attractions. A “GTC” or “Ground Transportation Counter” that can coordinate all options is essential for success, as is an accommodation counter with direct access to local hotels via telephone hot lines (with hotel shuttle pick-up service), telecom center where visitors can purchase local phone company “SIM” cards, and rental car counter would be up to world-class standards. Make it easy, convenient and pleasant to visit Kaohsiung.
- Utilize the current top 10 list of international airports as a reference standard for the Kaohsiung International Airport Renovation/Expansion Project, with the goal of equaling the best qualities from each in designing the new airport so that KHH can replace one of those on the top 10 list.
- Organize visits from American companies to Greater Kaohsiung

with coordination by government agencies such as TAITRA, AIT, MOFA, MOEA, as well as AmCham for the purpose of discussing the great investment opportunities here. The proposed development of clean, high-tech industrial and science parks should be well-defined for potential investors.

- Work with initiatives, low cost financing and grants to help our traditional Petro-Chemical industries modernize in ways that will not cause any unnecessary mass exodus that will harm local economies and employment, while giving them the resources they need to become more in line with the environmental vision for southern Taiwan.
- Continue outstanding efforts to enhance Business Development: Kaohsiung has made great strides in putting together investment packages, such as in the brochure entitled, “Invest in Kaohsiung Access to Asia”. This valuable document needs to be updated and corrected, and made available for download online, along with individual downloadable files for each investment zone. Having easy access to comprehensive investment information is vital to attracting new opportunities in the city. This information needs to be able to create interest and “sell” the area(s). Steps need to be taken to improve its exposure by linking it to all city web sites and via online search engines.

- Do give serious consideration to “typhoon-proofing” areas where new solar power development will take place. With the excellent amount of sunshine days in this part of Taiwan, solar technology is a natural industry to promote. Wind, water and flood control measures must be put in place to eliminate concerns from potential investors.
- Develop partnerships between American and Taiwan companies regarding the growing emphasis on solar power centers for both Greater Kaohsiung and PingTung, where the geography, climate and people are all perfect for development together.
- Explore additional clean energy resources such as wind, water and geothermal, so that more of the power needed to meet current and future demands comes from renewables and environment-friendly sources.
- Establish relationships that will help to create a true motorsports complex in Da-Peng Bay, Pingtung. This project represents significant opportunities for the US, which is welcome by local government leaders who understand the potential two-way benefits that such partnerships can yield. Development of this project should be all-inclusive so that when completed, it will become an international and domestic favorite destination, with a number of world-class, officially sanctioned events each year.
- Continue to promote a more global approach and perspective for education in Taiwan (Internationally Oriented Education) that will focus on future workforce requirements in the education system in order to best prepare students for the jobs that will be available once their education is finished. Continue to push for changes that will make it easier for quality teachers to work in the area. Utilize available resources to create a survey for foreign education workers to provide feedback that will help to increase the availability and effectiveness of the foreign education workforce.
- Establish a program for new fully equipped emergency medical response vehicles to replace existing ambulances. Create a multi-phased project that will create an initial group of certified trainers who will then fully train and certify EMTs here, so that lives can be saved.

EXECUTIVE SUMMARY

Creating a Greater Kaohsiung

Difficult Challenges Ahead

- Greater Kaohsiung needs to seriously address traffic congestion and parking related to areas of future development.
- Competition from China will continue to place more emphasis and demands on Taiwan's creativity and business abilities, even with any benefits that come from the signing of the ECFA.
- A transition from Kaohsiung's traditional heavy industry manufacturing base to a cleaner, higher-tech economy will lead to real sustainable growth and economic development. Focus should be on renewable energy, foreign investment, tourism, and corporate relocation to Kaohsiung.
- However, petro-chemical industries that are part of southern Taiwan's DNA cannot be simply pushed away under the dream for a cleaner environment. Steps need to be taken to make every effort to maintain this traditional economic base while providing support and resources to assist

upgrades to make them cleaner and more efficient.

ECFA and the WTO

- The Economic Cooperation Framework Agreement (ECFA) is now a fact of life. Southern Taiwan needs to take full advantage of ECFA's benefits to enhance development while taking steps to minimize any negative impact. The entrepreneurial spirit and creativity of the people in Taiwan will surely find innovative ways to make this agreement work in favor of the domestic economy.
- Taiwan must use ECFA to strengthen its business base while ensuring protection of intellectual property rights and continuing to promote a more stable situation in Asia. The door is now open to form new trade agreements throughout the world, and Taiwan must aggressively go after each opportunity for growth.
- At the same time, Taiwan needs to gain a full understanding of how signing trade agreements

like ECFA can open doors for additional trading partners and agreements, and make it more difficult for China to build protective barriers against trade with Taiwan.

- Manufacturing in Taiwan needs to give its strongest consideration to promoting the “Made in Taiwan” brand as a world leader, while working to provide a better understanding and compliance with global standards to SMEs. Think “Made in Taiwan, Used Everywhere”

Providing a Balance

- Education and training must be an ongoing developmental project and a vital part of southern Taiwan’s future. Educate and train according to future needs so that when students make the transition into the workforce, they are best prepared with the talents and skills that are most needed.
- Renewable and sustainable energy will dominate the economy for decades to come. Taiwan must seize this opportunity to be a world leader in clean energy so that we can exchange ideas and technologies with our friends, develop innovative solutions and export a better future to our neighbors. Southern Taiwan has ideal

conditions for the development of clean energy technologies, demo projects, and integration.

- Job losses will continue to be both a challenge and an opportunity for real growth. The Greater Kaohsiung and Central governments, and educational institutions must work together to provide training programs for those who lose jobs; at the same time, redirecting the overall education system to suit the career needs of Taiwan’s future.
- The government must continue to work very closely with the business community and citizens to promote and provide education and training in international best practices since this is where the greatest growth potential exists.
- Integration of English and Japanese for signage and increasing public proficiency is also a big part of the ongoing upgrade in the south so that it will maximize its ability to attract foreign investment and growth. Much has been done in the last year, but efforts need to be, expanded and improved.
- Continue efforts in creating online portals and easily accessible resources that accomplish 2 main goals; clearly showing how this is the best place for investment and why

international business wants to establish itself in Asia by coming here. Stress quality of life, quality of our workforce and quality of our products.

Education

- Continue with developing a “Model E-Learning” program to ensure that students and teachers receive proper equipment and software training to reap the maximum benefits this can provide.
- Continue and expand ongoing dialogs between the local government and educators to ensure learning institutions get what they need after the merger to prepare students for careers in green technology, science, engineering, high-tech, and the sports, leisure, and tourism industries.
- Continue and expand ongoing relationships between Greater Kaohsiung and its “Sister Cities” to ensure greater exchanges and cooperation. Guam might be a perfect candidate as a new Sister City with PingTung.
- Continue working with local schools and foreign teachers in order to better understand what is best for students, and how to more easily allow for more native English speakers to teach

classes in all subjects to broaden the mindset of students and best prepare them for the future.

- Continue to promote and expand an Internationally Oriented Education. As with many primary and secondary schools, and the vast majority of university courses that utilize American textbooks, a multi-layered approach with source material coming from a number of different countries is proven to give students a world-class perspective on curriculum at any grade. This leads to better opportunities and career choices.

Amending Regulations for a Better Post-Merger Business Climate

- Existing regulations need to be standardized, simplified, and streamlined, with a dual focus on what will benefit business and residents alike, and best promote solid growth.
- Regulatory efforts must be attractive and friendly to foreign investment while ensuring long-term domestic business growth. Look at what steps have been done in cities that are the most effective at attracting foreign investment and model local regulations to be competitive with the most successful policies.

- Coordinate tax benefits and incentives with changes in land acquisition regulations and ensure the availability of domestic project financing to non-Taiwanese, in order to promote new business and expansion. Local measures should be comparable with those cities that are the most successful at attracting, and keeping new foreign business.
- Greater Kaohsiung's local government and the Ministry of Economic Affairs Industrial Development need to continue their cooperation in order to best serve the future growth of southern Taiwan.
- An all-inclusive business registry system designed to make it easier to attract foreign investment and establish new businesses needs to be put in place, easy to access and use, and regularly updated.

US Beef

- Ongoing issues regarding imports of US Beef into Taiwan and the related unsuccessful negotiations to resolve them are disappointing and unfortunate. We hope that things can be put into perspective; get back on track, and trade issues can move forward.

Cooperative Associations

- Expand co-op associations in Southern Taiwan comprised of key individuals from a cross-section of society, including;
 - Industry leaders with their knowledge and experience with all aspects of their industry;
 - Commercial leaders to advise and coordinate supporting industries such as entertainment, leisure activities, hotels, and restaurants;
 - Local authorities such as police or Port Authority to tie in security, safety, and protocols;
 - City planners to coordinate, regulate, and execute activities;
 - Academics to provide ecological and environmental impact data.
- The main purpose of these cooperative associations is to bring about the maximum sustainable development of Greater Kaohsiung based upon comprehensive input.

Private School Education

- Much work remains to be done in order to better educate other departments in Kaohsiung City Government and the general public on the needs and values of private schools in Kaohsiung. It is essential for Kaohsiung to encourage/support international schools if we want to truly be an international city. Many local international schools need continual assistance from the Kaohsiung City Government in the areas of land, facilities and in obtaining permits to renovate or build on existing campuses. Private schools must reach out to assist the community, and the community needs to embrace private schools that are dedicated to being a positive partner in raising the children of Kaohsiung. Public and private schools have many programs, resources, staff, and ideas that can be shared and, in doing so, will benefit all students. Working together for quality education for all students should be the call for all educators and governmental officials.

Local Education Enhancements

- High level educational institutions that offer degrees in the arts are well suited for many students in the south. Upgrades to “National

University” status will provide better funding and career opportunities.

Power for the People

- With the expected increases for energy that will come from completion of the variety of projects and continuing development of the tourist industry, future energy needs need to be determined, planned for, funded and built in order to meet these demands. Focusing on clean and alternative energy sources, upgrading existing facilities, and allowing for innovative methods of conserving and generating electricity should be a priority,

The Big Picture

- Greater Kaohsiung must continue its efforts to firmly establish and maintain its six (6) key advantages, namely:
 1. Excellent geographical position and logistics;
 2. Outstanding sea and airports with a natural advantage of good year-round weather;
 3. Comprehensive industry clusters;
 4. Abundant manpower supply;
 5. An extensive industry transportation network;
 6. Complete provisions for foreign businessmen including excellent accommodations, restaurants, mass transit, and entertainment.

Special Note

The American Chamber of Commerce would like to congratulate the participating members of Greater Kaohsiung in their outstanding efforts to attract a large variety of international competitors for bids on 3 major projects that will help to change Kaohsiung Harbor into a great tourist destination. We acknowledge the tremendous efforts by the judges as well, who looked at the excellent proposals and made their choices according to what was deemed to be best for the city. During a press conference, the seven jurors expressed praise for the breadth of countries represented in the bidding pool and the world-class quality of designs submitted, reflecting the growing focus of global firms on Taiwan's architecture competitions. We strongly encourage participation in their efforts to create innovative, efficient, and environment-friendly solutions to meet the needs of the future of southern Taiwan. For those who did not have winning bids; your efforts were amazing, creative and extraordinary and you should be proud of your efforts. Keep trying for future bids on additional projects. Congratulations to the winners.

1) Kaohsiung Maritime Cultural & Popular Music Center

Announcement Date: January 18, 2011; Spanish firm Manuel Alvarez Monteserin Lahoz and Taiwan partner HOY Architects & Associates outlasted the field of 134 bidders to take home the award for the planning, design and supervision of the US\$151.5 million construction project. Among the five short-listed firms in the competition, Chicago-based Studio Gang Architects, Ltd. and its Taiwan partner J.J. Pan and Partners won the 3rd place prize, and Atlanta-based Mack Scogin Merrill Elam Architects with Taiwan partner Fei & Cheng Associates won a 4th place honorable mention award. The construction phase of the project is scheduled to commence in 2011 and run through the end of 2015.

2) Port and Cruise Service Center

Announcement Date: December 10, 2010; Kaohsiung Harbor Bureau (Taiwan Ministry of Transportation and Communications) officials announced the results of the architecture design competition for the to-be-built Port and Cruise Service Center. NYC-based Reiser + Umemoto RUR Architecture and Taiwan partner Fei & Cheng Associates outlasted the field of 94 bidders from 23 countries to win the competition. The second place consolation prize also went to a NYC-based firm, Asymptote Architecture and its Taiwan partner Artech Architects. *American suppliers should do their best to connect with follow-up procurement opportunities during the US\$94 million construction phase of the project, scheduled to break ground in 2011.

3) Kaohsiung Convention & Exhibition Center

Kaohsiung City lacks a facility to attract international-level exhibitions and trade events. In 2006, the Taiwan Ministry of Economic Affairs announced an allocation of approximately USD \$95 million (NTD \$3 billion) to construct the Kaohsiung Convention & Exhibition Center to be implemented by the Kaohsiung City Government Public Works Bureau. The new facility will sit on 11 acres (4.5 hectares) of waterfront real estate at Kaohsiung Harbor adjacent to the Kaohsiung Software Park and include an exhibition hall with space for 1,500 standard booths, a 2,000-seat auditorium, two large conference halls, and numerous smaller conference rooms. Since 2006, the design tendering process came in fits and starts, reportedly due to underfunding and lack of experience in international tendering, but reports indicate the fifth attempt was successful and Australian firm COX Architecture along with its Taiwan partners (Ricky Liu Architects and Lee Ming Construction) won the competition.

TOPICS

1. Travel & Tourism

Progress in Travel & Tourism (leisure industries) has been the case in a number of areas, with no less than 9 major projects in various states of fulfillment that will impact travel, manufacturing and tourism. While these projects clearly demonstrate a serious commitment from both the central and local governments, certain common issues needs to be addressed; access, transportation infrastructure, parking, and mass transit, each having additional focus on the environmental impact of the significant increase in tourists and their vehicles that will be the result of these wonderful development projects. Traffic needs to move throughout the city as efficiently as possible if we are to maintain safety and prevent excessive air pollution due to standing traffic. This means a fully integrated, computer controlled traffic light and monitoring system. By using cameras to keep an eye out for accidents and/or traffic jams, traffic lights that are completely coordinated and controlled by computer to maximize traffic movement and safety, we can ensure that vehicular traffic problems are prevented wherever possible. Mass transit system success is directly tied to convenience and cost, so it must provide good service at a good price. For those who use personal transportation (cars, motorcycles and scooters), adequate parking must be provided. As in most developed places in the world today, the number of parking spaces must be calculated to make sure that legal parking will be available for those who need it. New building construction projects should always include more than enough parking spaces for their busiest expected day to day operations. Fortunately, Kaohsiung has an excellent "Sister City" program which creates outstanding relationships with many cities including Portland, Oregon and San Francisco, California (which have a great deal of experience and expertise in traffic management and environmental responsibility) that

have a history of being most helpful in sharing their knowledge. These cities, along with others like Miami, Florida (one of the best in America for water conservation) and Fort Lauderdale, Florida (a mecca for the luxury yachting industry and tourism) would make excellent development advisors for helping Kaohsiung to nurture its own future travel, tourism and leisure activities industry while ensuring that environmental concerns are addressed.

Kaohsiung Mayor Chen Chu visited Baolai hot spring area on January 27, 2011, and presided over a seminar to discuss reconstruction progress and tourism development plans. Baolai used to be one of the popular tourist spots in Southern Taiwan due to its famous hot springs but damage brought by Typhoon Morakot in September 2010 led to the closure of local hot spring business and stagnation of tourism. In the seminar, Chen promised the completion of eight bridges with access to Baolai by August 2012 and a shuttle bus plan to connect tourists from Zouying High Speed Rail to Baolai.

With the merger, venues such as the Lio-Guei hot springs, the Mei-Lon Hakka community and all it has to offer, as well as the first-class E-DA World Complex, all of which offer outstanding attractions for tourist and travelers alike are now part of the resources of Greater Kaohsiung. The city government needs to take the opportunity to build bridges with such venues, embrace and utilize these new resources to strengthen the overall appeal of Greater Kaohsiung. With all areas that have a great future as tourist stops, care must be taken to ensure that the locations are actively promoted by the new administration, and added to the wonderful variety of sites within the old Kaohsiung City, to expand the ability of Greater Kaohsiung to continue to nurture its tourist industry. They need to be well-kept, up to standards that inspire confidence from travellers, and easy to get to. Tour group company promotional material, bus information, mass transit stations and info, road signs and

maps all need to show identical information for road names and other reference points.

Globalization of Kaohsiung

Academic experts from local universities at a recent seminar on the globalization of Kaohsiung suggested that the city administration focus on revitalizing the economy by developing a free trade zone, the sports industry, and the trade show and convention industry. The scholars also suggested that the government work with the private sector to co-develop cruises and tourism to transform the city from an industrial and agricultural hub into an international modern green city.

Recommendation: One of the key recommendations of this year's White Paper is to ensure that traffic, parking and environmental surveys be accomplished with the goal of better understanding future demands for efficient transportation to and from areas of the city where development projects will result in attracting thousands of visitors daily. This will prioritize the need to establish the most efficient methods for moving people into, out from and around the city. Access by air needs to be modernized; mass transit (MRT, HSR & Buses) needs to have services expanded to include extended routes and passenger capacities to meet increasing demands and coverage of the expanded Greater Kaohsiung. Languages for signage, information kiosks, etc. must include Mandarin Chinese, English and Japanese to ensure easy access to a world of foreign visitors. Look for new ways to cooperate with Sister Cities to enhance current relationships and learn from their successes and mistakes in their efforts to become more environment-friendly, more competitive and more attractive to tourism.

2. Kaohsiung Convention/Exhibition Center

The Kaohsiung Convention/Exhibition Center has the potential for bringing the world to Kaohsiung, and bringing Kaohsiung to the world. With the development of the Kaohsiung Software Park and Yacht Manufacturing Center, the newly upgraded University of Hospitality and the determination to bring the solar industry to Kaohsiung as one of its green technology centerpieces, the convention center can host a number of high-quality, world-class international events every year. But, in order to maximize its potential, the Center needs to ensure convenient access to accommodations, cuisine, and entertainment and leisure activities. The most promising and proven methods for accomplishing intensive development while lowering environmental degradation need to be employed. It is essential for this facility to be attractive, environment-friendly, and convenient in order for it to bring the maximum benefit to the city, its people and the business community. From the perspective of potential exhibitors and organizers, the venue must hold the promise to bring in large numbers of targeted visitors who are likely to buy products, attend conferences and forums, etc. that will be included at the event. From the point of view of potential visitors, the site needs to be easy to get to with convenient access by all means of transportation; it needs to have adequate parking, plenty of clean restrooms and places to buy snacks, coffee and tea, meals and merchandise, and have reasonably priced accommodations available nearby. From the local business point of view, the numbers of visitors and frequency of events must give entrepreneurs reason to create shopping areas, restaurants, activities etc. that will be sure to meet the needs of those who attend the events.

Adjacent to the site of the Center is a rather large vacant lot that was once used for heavy industry. A large international hotel chain should be recruited as a partner to build a first-class complex that would include high quality accommodations, restaurants and shopping with a distinctively international theme that is joined with local specialties to create an international and local

experience. The reason for this is simple. Venues like this attract large numbers of international events, and participants who value variety, quality and convenience along with price when determining whether or not to join. Using the most popular convention and exhibition destinations as models, the Kaohsiung Center should be able to employ all the best ideas and methods of execution that can be adapted here. Create a venue where everything you need is easily within walking distance, but the array of attractions, markets, and local specialties within Greater Kaohsiung will also draw visitors who are looking for culture, adventure and discovery of the area's local flavor.

Recommendation: Across the street from the site where the Conference/Exhibition Center will be built, should be the future home to an international complex surrounded by one or more renown hotels (one high-end and one mid-priced) that are physically connected to the Convention Center via a fully enclosed, temperature controlled bridge. Create a connected full-service international hotel/restaurant/shopping complex to ensure the most future use of the venue and attraction for foreign investment. Foreign exhibitors and visitors should be able to arrive at the airport and find convenient MRT or Shuttle-buses that will deliver them to the center itself, or to other area hotels. If guests choose to stay at this site, access to and from the exhibition area can be by foot, regardless of weather conditions, making it extremely convenient and environment-friendly. This project will be used to attract not only large numbers of trade partners around the world, but also foreign investment and relocation of facilities into the Kaohsiung area. Therefore, we must put our best foot forward in this project by making sure that when it is completed, any foreigner will easily be able to see why Greater Kaohsiung is the city where they want to be for living and doing business in Asia.

3. The K-POP Center

The K-POP (Kaohsiung Pop Music) Center in the harbor will be the future home for music and related activities in the city, and surely one of the city's major "hot spots". It will also be a centerpiece for Kaohsiung as its location "bridges" the older downtown with the new commercial powerhouse along Wu-Fu, Jung-San and Jhong-Hwa Roads. It will also bridge the music scene with other artistic media in a central location that will attract a wide variety of visitors. In order to get the most benefit from this venue, organizers need to look for top domestic and international talent to ensure sold-out events. Once completed, any musical act coming to Taipei or Taichung should also want to book the K-POP Center too. Bringing world-class music talent and events to the K-POP will also help lift virtually all business in the area including restaurants, shopping and hotels. This will help to attract new businesses, with a large percentage being foreign, into the area, making it a more international yet decidedly local-flavored place for music lovers of all ages. Focus in this part of the city should be on promoting the arts and culture related to music. The surrounding area should be consistent with this in order to receive the greatest return. Greater Kaohsiung, like most places in Taiwan, has two valuable natural resources; its people and its culture. Everyone who visits for the first time seems to come away with the same feelings about the people and culture of the city; the genuine warmth and friendliness of its people and the rich diversity that comes together to form its culture.

Recommendation; focus on creating a music and arts center in this city district that will nurture the culture of music and make Kaohsiung an essential stop for popular international musical artists on tour in Asia and a place for all artists to thrive.

4. The Kaohsiung Yacht Manufacturing Center

In late April of 2010, Kaohsiung City Mayor Chen Chu and Taiwan Yacht Manufacturer's Association John Wu signed an MOU for development of the Kaohsiung's Yacht Manufacturing Center (KYMC). This brings together some of the world's top luxury ship manufacturers into one multi-faceted location which will utilize clean energy technologies wherever possible. All the partners in this project should work towards making it the most environment-friendly, complete and largest yacht manufacturing centers in the world. By using state of the art renewable energy technologies, recyclable materials and facility designs that will maximize efficiency with an eye towards doing so in the most environmentally responsible manner, the KYMC looks to be a real gem in the crown that is Greater Kaohsiung's future. This new project should look to build on the notoriety that has been generated by the Kaohsiung Solar Stadium (built for the 2009 World Games), which has been rated as the number 1 sports stadium in the world because of its more than 8800 solar panels and its use of 100% recyclable materials. The KYMC will be perfect to act as host for international boat shows that can rival those of Fort Lauderdale, and as a key starting point for any number of leisure yachting activities. This project seems to be on-target in terms of meeting the demands of tomorrow's growing luxury ship trade; and doing so with serious environmental responsibility.

Recommendation: Develop this as the most environment-friendly luxury yacht and boating center in the world, where international boat shows will rival any other, and the efficient design, manufacture and sale of yachts are second to none. There is no doubt that yachting is an expensive activity. It also represents a significant income opportunity for its manufacturers, service providers, exhibition organizers, and the cities that host these activities. Make our city the best place in the world to see and buy these amazing boats, for both domestic and international clients.

5. The Number 7 Freeway Project

The Number 7 Freeway Project will help connect the harbor area with Taiwan's existing freeway network. Anyone who commutes to or from the southern end of the number 1 Freeway knows how many trucks use this main artery daily. This traffic, however annoying at times, is vital to the economy. But, frequent traffic jams create hot tempers, accidents, lost time, and increased air pollution from vehicles sitting in bumper-to-bumper traffic. Therefore, effective access to and from the harbor, airport and local support industries is essential for much of Taiwan's industrial and commercial success. The idea behind the "Number 7 Freeway Project" is to eliminate all major traffic bottlenecks south of the number 10 freeway, by providing a direct roadway from the Number 10 all the way to the harbor. While this should create a significant improvement in the traffic patterns south of the #10, additional bottlenecks need to be addressed as new industrial, commercial and research clusters continue to be developed and filled up. There would be little point in simply moving a point of congestion from one location to another. In order to reduce emissions from motor vehicles, lower driver frustration and fatigue, increase the overall flow of traffic and the movement of goods, the Number 7 Freeway needs to be able to handle traffic in a most efficient manner; eliminating the bottlenecks south of Number 10 without creating new ones. One of the most effective measures to lower emissions, travel time, driver fatigue and frustration and fossil fuel consumption is to provide efficient roads that are designed and maintained with the idea of keeping traffic moving efficiently.

Recommendation: Provide a mobile GPS and smartphone app that would allow drivers to get a detailed overview of congested areas to avoid and suggested alternative routes. This can be done without text (using display simple graphics) so language is not an issue.

6. Kaohsiung International Harbor Renovation/Expansion Project

Kaohsiung International Harbor Renovation/Expansion Project looks to return the harbor to its top spot in the world. This project is also keeping environmental issues well in focus and should result in a green shipping hub for Asia. The new harbor will be extensively improved and will offer competitive advantages for transshipping as well as for imports/exports of goods. Featured in a new National Geographic special about Megacities, this project to create an expanded, state-of-the-art gateway to Asian shipping is on target to be one of the most environment-friendly in the world. The efficient moving of cargo, loading and offloading, transshipping and all related port activities, creates what is certainly one of the most complex operations in the world today. Massive numbers of containers are in a constant state of movement as the world becomes more dependent on its imports and exports to maintain and grow its economy. Kaohsiung is blessed to be situated in a truly strategic location for trade to and from Asia. With a well-protected geography and good weather, the harbor has an unrivaled potential for moving cargo to and from the world. However, ships continue to get larger as they strive to carry more profitable loads, and Kaohsiung Harbor needs a serious upgrade in order to compete. This project will do that, and more.

Recommendation: Ensure that access and support industries are designed to accommodate future growth and that a long-term upgrade of the area is planned out to ensure that the harbor can grow to its full potential. Infrastructure, environment, efficiency are perhaps the most important keys to the success of this project. Taiwan's economy relies heavily on how well this harbor functions, so this is an extremely important project for Kaohsiung and Taiwan.

7. Kaohsiung International Cruise Ship Port

The Kaohsiung International Cruise Ship Homeport is a major project that can propel Kaohsiung's tourist industry. Ocean cruises have been a major choice for travel in the decades before air-travel. It was romantic and slow paced enough to give justification to the expression, "Getting there is half the fun". However, air travel replaced it as the world became more fast-paced; business wanted less time spent on travel and more time spend on meetings and making deals; and vacationers wanted to more time at their destination, and less time getting there. The cruise ship industry fought back by designing incredible ships that rivaled any vacation destination by including so many of the best features of prime vacation spots right on the ship. Coupled with a new diversity of stops and cruise ports, the industry can now offer very complete and competitive packages that attract many back to the magic, romance and mystery of an ocean cruise vacation. One of the most popular features of these cruises is that they typically have a "one price pays everything" policy which makes planning a vacation budget easier. The resurgence of cruises also offers wonderful opportunities for cities having ports. The advantage to Greater Kaohsiung of being a home port is that it guaranties large numbers of tourist visits each year.

Recommendation: Ensure that efficient access to and from the port is in place with mass transit options to and from the airport, hotels and tourist areas. The key factors are to make sure visitors can easily find transportation, accommodations, shopping and tourist activity options. A "Ground Transportation Counter" that can coordinate all options is essential for success, as is an accommodation counter with direct access to local hotels via telephone hot lines (with hotel shuttle pick-up service), telecom center where visitors can purchase local phone company "SIM" cards, and rental car counter would be up to world-class standards. Make it easy, convenient and pleasant to visit Kaohsiung.

8. Kaohsiung International Airport Renovation/Expansion Project

The Kaohsiung International Airport Renovation/Expansion Project is both sorely needed and long overdue. This project is critical for growth in tourism and commerce. The new airport must be equal to other notable examples which include a good variety of local and international products, duty-free shops, restaurants, quality lounges and a world-class approach in its design and execution. Six of the 2010 top 10 airports are located in Asia. This means that Asia is a very important stop for international travel and business.

Recommendation: The goal is that by using the current top 10 list as shown below, as a reference standard for KHH, Kaohsiung can strive to equal the best qualities from each in designing the new airport so that KHH can replace one of those on the top 10 list:

<u>2010 RANKING</u>	<u>WORLD'S TOP 10 AIRPORTS</u>	<u>2009 RANKING</u>
1	Singapore Changi Airport	3
2	Incheon International Airport	1
3	Hong Kong International Airport	2
4	Munich Airport	5
5	Kuala Lumpur International Airport	7
6	Zurich Airport	4
7	Amsterdam Schiphol Airport	8
8	Beijing Capital International Airport	17
9	Auckland Int'l Airport	10
10	Bangkok Suvarnabhumi Airport	16

Specific areas to focus on are in the following categories:

Best Immigration Service, Best Baggage Delivery, Best Airport Shopping, Best Leisure Amenities, Best Security Processing, Best International Transit, Best Terminal Cleanliness, Best Airport Washrooms, and Best Airport Dining.

9. Petro-Chemical Industry

Petro-Chemical – What is perhaps really troubling, particularly for chemical and other traditional industries which have long been the backbone of local economy, is the sense that they are somehow not as appreciated as they should be by the local government and general public amid the increasing focus on environmental issues. Kaohsiung, with its strong roots as an industrial city, has been talking about transformation, attracting tourism, carbon reduction and such for several years, and is now actively involved in pursuing a number of related initiatives. While all these projects and programs are much the dreams of both government and the general public alike, and deservedly so, the reality is what the city wants to do with the so-called traditional industries (including the combined satellite industries) seems to be at odds with preserving its history of being the very foundation of this city's economic activities. The chemical industry needs the local government to keep in mind the importance of policy consistency no matter what transformation initiatives are on the agenda. Specifically, the continued supply of feedstock is critical to the continuing operation and positive economic impact of the industry. The facilitation of communication between the industry and local communities is vital for the future as community education eliminates misunderstandings; strong relationships between industry and community lead to a more symbiotic relationship. It seems sure there are ways that an industrial city transforms itself while keeping in tune with what it's been good at all along. In addition, the city government seems having a vision to drastically curb (or reduce) carbon emissions. While the petro-chemical industry is certainly not against this, their hope is that this will not lead to taxation on emissions. A unilateral taxation act by local government, if it happens at all, would just make local industries less competitive and eventually drive them off. Cooperation can result in workable solutions.

Recommendation: Work with initiatives, low cost financing and grants to help our traditional industries modernize in a way that will not cause any unnecessary mass exodus that will harm local economies and employment.

10. Business and Investment Development

Business Development – Kaohsiung has made great strides in developing and putting together an investment package, which is highlighted in a brochure entitled, “Invest in Kaohsiung Access to Asia”. Along with its website, <http://invest.kcg.gov.tw>, a good variety of information is offered to those who might be interested in bringing their business to the city. This valuable document needs to be regularly updated and corrected, and made available for download online. Also, individual downloadable file need to be created for each of the investment zones found at, <http://invest.kcg.gov.tw/eng/Design.aspx?CID=1190> since having easy access to comprehensive investment information is vital to attracting new opportunities in the city. This information needs to be more complete, with illustrations being in English as well as Chinese, and created with the idea that it must not only include dry data, but must be able to create interest and “sell” the area(s). Each must also be consistent in its format and content. Also, each link needs to be in English and Chinese, as some of them currently only are in Chinese. As of February 14th, 2011, the site counter only showed 510 visitors. Steps need to be taken to improve its exposure by linking it to all city web sites and via online search engines. By looking at presentation materials from cities around the world that compete for foreign investment, Greater Kaohsiung should look to create materials and presentations that are well thought out, highly competitive, and without any significant mistakes. Steps should be taken to have materials reviewed by persons whose native language is that of the target recipient. This is your first impression; there will never be any opportunity to make up for a bad first impression, so this is extremely important to get right. After you get it right, you need to get it read. Having it on a web page is not the only thing that needs to be done. The city needs to target potential investors, organize delegations, exhibitions and visits to key areas where opportunities can provide the best return.

11.ECFA

ECFA – will no doubt be debated for years to come. In January of 1994, (NAFTA) the North American Free Trade Agreement was launched amid controversy and much debate. After 17 years, it is still a common topic for discussion regarding its overall benefit to America, Mexico and Canada. It proved to be a very complicated agreement that many failed to understand. However, it is judged to have been an overall success even though problems made it difficult at times. We can expect nothing less with ECFA. However, now is no longer the time for debate on whether or not it should be signed. ECFA is a fact of life. What is needed now requires the unbiased review of any positive impact with the mindset of optimizing any benefits and finding new ways to benefit within the scope of this agreement. Also, the same unbiased review must focus on any negative impact, with the goal of minimizing and overcoming any issues in the most positive manner. According to Mayor Chen's office, some 1200 jobs have been lost in the early days following the signing of ECFA; although specific details of the sectors that were affected were not disclosed at the time this report was written. In PingTung County, the initial impact has been positive but with a negative undertone. Although ECFA has resulted in a significant increase in tourist from China, pressure to lower prices (and quality) has caused a difficult dilemma. Do hotels and restaurants lower prices and quality to gain this new business at the real risk of losing their traditional cliental, or do they maintain the current structure and lose the opportunity in tourism. Information on travel into Kaohsiung does show a more than 400% increase in tourist travel from China since 2008, however an almost equal reduction in entry from other countries during the same period is a disturbing trend. This might be a temporary result of catering to a new market, but it is worth further research. While focusing on tourism from China is relatively fast and easy, don't exclude the rest of the world in the process of bending over backwards for quick revenue.

12. Developing a “Solar South”

New business opportunities in clean energy for southern Taiwan, focusing on Kaohsiung and PingTung are well underway. Both Kaohsiung and PingTung have solar initiatives in place or in works. (Additional details specific to PingTung can be found in topic 17, on page 37). There are certain advantages in developing solar technology in both Greater Kaohsiung and PingTung; both areas have great sun and many sunshine days per year. In terms of typhoon activity, cities located west of the mountains are somewhat better protected from most of the tropical storms that are common to Taiwan, so providing protecting against storm damage should be easier here than in other places in Taiwan. Another distinct advantage comes from the tremendous success and fame generated by the solar stadium that was a highlight of the 2009 World Games. Rated as the number 1 sport stadium in the world, due to its architectural design, use of over 8800 solar panels, the fact that it can generate 75% or more of the power it needs for any event, and that it is reportedly constructed using 100% recyclable materials. This makes it a clean energy magnet for potential clients and investors alike. This venue needs to be prominent in the news, by staging concerts and other high quality events that will generate interest and income for years to come. In terms of providing examples of how the Kaohsiung World Games Stadium can be a useful tool for creating business opportunities, Brazil will host the World Cup in 2014 and the Olympic Games in 2016. They will have a total of 9 sports stadiums (6 existing and 3 new); and they are most interested duplicating our solution.

Recommendation: with the excellent amount of sunshine days in this region of Taiwan, solar technology is a natural industry to promote. Damage caused by typhoons in the past must be taken into consideration to ensure that development of solar parks can withstand future typhoons. Wind, water and flood control measures must be put in place to eliminate concerns from potential investors.

13. Gentlemen, start your engines!

Another interesting project that deserves serious consideration for its potential of becoming a major attraction for tourists and business is the planned motor racing complex in Da-Peng Bay, PingTung. What is envisioned would include 3 distinctive racing circuits; modified oval, road course and ¼ mile drag strip, all in one location. The challenges are many. Individual race course design should be done so that sanctioning by the various racing associations can be achieved. Proper planning and design for emergency medical facilities as well as world-class training for safety crews are essential. Planning for support industries such as hotels, restaurants, shopping and additional leisure time activities is a must for this area. Easy access via road, rail and air are also critical to attract large numbers of visitors to this site for racing events. This concept represents an outstanding opportunity for American and international racing associations to participate in all phases of this project. Merchandising is an important part of the racing industry as are aftermarket and performance parts. Adding this to the array of other on-site attractions will help to draw visitors into what can be called the Motorsports Mecca of Taiwan and Asia. Exhibition races should be set up with the various associations to help jump-start this complex, as bringing international racing into the area will also bring in tourism. Training, consultation, partnerships, materials, medical and emergency equipment, related motor sports marketing and merchandising, restaurants and hotels can find Taiwan to be an excellent market as this is a popular sport among many in Asia. Having this complex in Da-Peng Bay would be an ideal location as development could be done without delay. However, infrastructure, such as road, rail and air access must be developed as well, in order to make it convenient for visitors to attend events.

The list of potential partners in this endeavor includes the following;

The NHRA (National Hot Rod Association), KYMCO (who is already a partner/sponsor of the NHRA), IHRA, FIA (Federation Internationale De L'automobile), FIA World Touring Car Championship, Moto GP, GRAND-AM Road Racing, NASCAR, United States Endurance Racing Association, Honda Racing (open wheel, drifting, and 1/4 mile drag racing), American Le Mans Series, Automobile Club De L'ouest (Le Mans, France), DTM Series (Germany/Europe), BTCC - British Touring Car Championship, ADAC, motorsport (largest European automobile club), and ADAC, Nuerburg Ring 24h-Race (Germany).

Recommendation: this project will result in significant opportunities for US companies to import equipment, parts, technology and services to Taiwan, which is in line with America's NEI (National Export Initiative). American involvement is welcome for this project by local government leaders who understand the potential two-way benefits that such partnerships can yield. This project represents a great opportunity for American companies to help build the motorsports industry here in Taiwan while growing the economy back home. In addition, venues like Kuala Lumpur, Singapore and Dubai clearly demonstrate Asia's potential as a growth market for motorsports. Even NASCAR has done exhibition racing in Japan, which is another market Taiwan can easily tap into with a high-quality racing complex. Development of this project must be all-inclusive so that when completed, it will become an international and domestic favorite vacation destination, with several world-class, officially sanctioned events each year. The immediate area surrounding the racing complex must be carefully thought out with the idea that the finished project might be something with a "Disney meets Daytona" style atmosphere, combining a full sensory treat for everyone.

14. Emergency Medical Technicians and Transportation

There are many facets to the tourist industry. Leisure activities, entertainment, hotels, restaurants, shopping and marketplaces, cultural attractions, museums, transportation, and natural resources all play an important role in the potential for establishing, nurturing and developing a successful tourist industry. However, additional aspects play a more indirect role in helping to foster confidence and enhance safety and security in a tourist destination. Access to telecommunications and internet resources, reliable means of understanding local rules and emergency procedures that follow internationally accepted practices, a courteous and alert police force, an efficient rapid response fire department and an effective well-trained and equipped emergency medical transport system are vital to a growing and successful tourist industry. This is true in virtually every major tourist destination around the world, and it should also be true of the growing, young tourist industry in southern Taiwan. Although tourists have been coming here for decades in small numbers, recent data shows a more than 400% increase in travellers from Mainland China alone (from 314,914 in 2008 to 1,325,300 in 2010) coming to Kaohsiung. In addition to expected increases in tourism, efforts to attract foreign investment and relocation of industries and businesses to the area will also increase the population of both foreign and Taiwanese workers coming to where the jobs are. Added to the newly increased Kaohsiung City population that was the result of the merger (up from 1.5 million to 2.773 million), it is likely that the need for a high quality, rapid action, emergency medical response system will become more and more important to public health and safety, which is something that is considered when tourist destinations are reviewed and rated. Greater Kaohsiung has 2 distinct challenges in this regard; equipment and training. Currently, there are 2 different types of ambulances used in the city; the most common of which is poorly equipped to handle any real medical crisis.

In addition, drivers and EMTs (Emergency Medical Technicians) need to be trained, tested and certified to meet international standards in accordance with their job. Having a world-class emergency medical response system using fully equipped ambulances with advanced communications systems that allow vital information to be transmitted to the receiving hospital in order to save crucial minutes in emergency situations would result in saved lives. Public safety service bulletins are also well worth the investment since lives can be saved, secondary injuries and trauma can be minimized, and general safety can be improved. The population needs to learn about what a fully equipped and trained ambulance can do to save lives, and what are the appropriate actions for the variety of common situations that come with emergency situations. An enhanced emergency medical response system will save lives, increase tourist confidence and help improve the quality of life; all great reasons for making sure this becomes a near-future priority.

Recommendation: Emergency Medical Technicians (EMTs) should be selected from the highest qualified pool available. Only the top should be accepted into a training program's first phase, which would send them to one of Kaohsiung's Sister City members where a program can be established for training and certifying these initial candidates. This initial group should undergo extensive training in order to become certified EMT trainers themselves. Once this first phase is underway, negotiations can begin between the city and central government and the variety of foreign organizations to acquire standardized and fully equipped ambulances to be used in Greater Kaohsiung, beginning in areas where records show the greatest need for advanced ambulance and EMT care. Phase 2 would see training begin with local existing ambulance crews, who would be trained and certified as EMTs and made fully competent to use all the equipment that is included in the new ambulances. Phase 3 would see this program repeated throughout southern Taiwan, bringing newly equipped and trained EMTs.

15. Power for the People

With all the excellent plans and projects in various stages of development and construction, some questions come to mind.

1. What kind of additional power is going to be needed for these new facilities and the people who will visit and staff them?

Electricity production in southern Taiwan accounts for 33% of the total produced on the island, with more than 28.5% in electricity consumption; a 4.5% surplus. There are no new projects planned for the near future. However, there will be a regeneration project for the Dalin Fossil-fuel Power Station, which will build two once-through type boiler coal-fired units with a capacity of 800 MW each to replace the current unit #'s 1~5.

2. Has there been any research or planning that determines future energy demands for the next 5 years and beyond as the projects mentioned earlier in this report are completed and start to draw large numbers of visitors to the area, and where will this power come from (fossil-fuels, solar, wind, hydro-electric, nuclear, geo-thermal)?

Some solar and wind power generation projects will be established in the area.

3. What steps are being taken to meet the needs of the future?
 - a. Continued efforts to complete Lungmen nuclear power project as soon as possible.
 - b. Power upgrades to the newer nuclear power units.
 - c. Initiate the construction project of two new units in the Taichung Fossil Power Station.
4. What are the greatest needs for Tai-Power to meet future electricity demands?

To reduce CO₂ generation, build more clean energy projects, and establish more regeneration projects to replace the old fossil-fuel units that will be retired.

Recommendation: demands for more electricity will dramatically increase with each major project's completion during the next 5 years. There are certain things that must be clearly focused on now, as these projects are developed. The first thing that should be addressed is to determine future demands in energy, so that new facilities can be designed and built to handle increases in load. Lowering energy usage via conservation is also an effective method of meeting future energy demands. Taiwan was forward minded when it moved away from incandescent to fluorescent lighting. Now the big push needs to be towards LED lighting, which is now a very efficient and mature technology that is readily available. Moving to the latest generation LED technology for indoor and office lighting, outdoor street and street sign lighting, high-power stadium lighting, etc. will significantly help to reduce energy consumption and lower carbon emissions that come from burning fossil fuels to generate electricity. Research and pilot "Smart-Grid" programs should be established and publicized to make sure that the general population knows what new technologies are coming, and what benefits they bring. In terms of power generation; solar, wind, geothermal and tidal power needs further acceptance, implementation and government assistance to ensure its successful integration into mainstream Taiwan life. This will lead to technology and product export opportunities on a global scale, so we need to be able to demonstrate not only individual technologies, but integrated technologies that offer the best solutions. Utilizing new technologies for improving efficiencies with existing fossil fuel systems should also be a priority as often these might be available as a reasonable low cost near-term solution. New power generation can come from solar farms, wind farms and other means that have become quite familiar to many, however using multiple small-scale wind turbines can offer an outstanding solution for residential and office supplemental electricity production. Efforts should be made to promote the idea of making each home a power generator. It is often the case that electricity usage drops significantly in residential buildings during daytime hours, since most adults are at work and their children at school. If rooftop solar and small wind turbines are installed on these buildings, power coming from them can feed into the power grid and help supply electricity to offices and commercial and industrial sites. Recycling spent nuclear fuel is also worth looking into if the configurations of Taiwan's nuclear power plants are able to take advantage of this process.

16.Private Schools in Kaohsiung

The City of Kaohsiung has been working closely with local, private schools in an attempt to better communicate between private and public schools and work together for the benefit of all students in our community. The Department of Education has hosted several events this year that showcased the talents of private and public school students. Under the current Department of Education leadership, many positive changes have taken place to support private schools. The International Police Department has visited private schools, provided police coverage at private school events when asked, and continually has offered support in numerous other ways. The efforts of these Departments are greatly appreciated by the private school administrators, parents, students and staff.

Recommendation: Much work remains to be done in order to better educate other departments in Kaohsiung City Government and the general public on the needs and values of private schools in Kaohsiung. It is essential for Kaohsiung to encourage and support international schools if we want to truly be an international city. Many local international schools need continual assistance from the Kaohsiung City Government in the areas of land, facilities and in obtaining permits to renovate or build on existing campuses. Private schools must reach out to assist the community, and the community needs to embrace private schools that are dedicated to being a positive partner in raising the children of Kaohsiung. Public and private schools have many programs, resources, staff, and ideas that can be shared and, in doing so, will benefit all students. Working together for quality education for all Kaohsiung students should be the call for all educators and governmental officials.

17.Particularly in PingTung

PingTung is a county which is looking to develop into one of Taiwan's leading areas for clean energy, aboriginal arts and culture, motorsports and tourism. However, in order to reach their intended goals, help is needed from all domestic sectors including the central and local government, industry, commerce and residents, as well as international input, investment and cooperation in a number of areas. This section focuses on specific topics that are regarded to be the most critical at this time for PingTung County. Certain items have also been mentioned elsewhere in this White Paper.

1. Clean energy is a priority for the future of PingTung County, with their goal of becoming number 1 in Taiwan for Solar. Typhoon Morakot caused catastrophic damage, especially in areas previously used for fish farming. These ruined areas are to be converted to solar, with a projected value of more than 25 megawatts, with the cooperation of some 20 companies on a 40 acre plot of land. Total investment is estimated at NTD\$2Billion. Current plans also include having 3 companies focus on the local development of the raw materials for this project. Currently, investment is coming from both Chinese and Japanese firms. PingTung County hopes to attract American firms as well.

2. PingTung County would like the MOEA to assist, especially in areas hit hard by the typhoon with the greatest emphasis on developing new industries within the County.

3. Gaming (which was a serious consideration for development in the county) went to PungWu, so PingTung County is looking to develop new ways to attract tourism. One priority consideration will be in the construction of a world-class racing facility that can be used for a variety of automotive and motorcycle racing events. This site will be built on the old airfield. County officials expressed to AmCham Kaohsiung its desire to seek out American racing

associations to help in the design and sanctioning of the tracks; training and equipping safety squads; and offering insight into the requirements for medical facilities and hotels, restaurants, etc. This will also be an excellent opportunity for American motorsports to export their technology, knowhow and products to Taiwan. The general reaction in Taiwan to the idea of having a fully sanctioned array of motorsport racing in southern Taiwan is extremely positive. One issue also raised is the need for infrastructure upgrades, especially in new roads, to facilitate this development. There is potential in this project for a real tourist and motorsport enthusiast destination that can also support a number of race related and motorsport themed stores and restaurants if developed correctly. As such, it should be of interest to a number of American and international racing organizations, related merchandising including after-market performance products and collectibles, and franchises that are commonly found nearby motorsport venues in America. Perhaps Da-Peng Bay can become the Taiwan “Daytona Beach”. For additional details, see topic 13.

4. The military airbase in PingTung will be split to include a commercial airfield in the hopes of giving greater access to the area from around Taiwan and beyond. In terms of maximizing the potential of tourism development, access is one of the most essential factors; typically, improving access means large scale infrastructure projects that require time and funding to complete. By clearly understanding the variety of planned projects and how they might best fit together, infrastructure improvements might be accomplished in a more efficient and timely manner.

5. ECFA has provided benefits to PingTung in the area of tourism, but with some unexpected negative impact. The vast majority of foreign tourists visiting Pingtung are from mainland China, which has caused the unexpected problem of maintaining quality hotels and restaurant to tourists that seem to demand low

prices. Many hotels and restaurants have lost their traditional client base as a result of trying to meet the demand for lower prices. Others have decided to maintain their traditional quality and pricing, thus excluding them from the Chinese tourist trade. At the time of this publication, no negative impact in agriculture has been seen in Pingtung County due to the signing of ECFA. In fact, the county's fishing industry is looking to improve by taking advantage of new markets in China.

6. Education – the County now has 3 vocational universities, which are limited in what they can offer and what financial assistance they can receive from the central government. They hope to have these institutions upgraded to be a part of the national university system. Currently, many local students must go to Taipei or other cities to receive higher education, only to return home to work with their degrees. It is hoped that by upgrading the local schools, students and their families can save money by having local students receive their degrees closer to home. The local aboriginal population in PingTung is significant and the County wants to be able to promote programs in higher education for these people in arts as well as science, in order to best serve local talents and skills. They would also like to see educational channels for special students with advanced talents. It was also mentioned that they would like to see local businesses adopt practices that would result in increases in scholarships for underprivileged students.

7. Since PingTung and Guam have similar weather and local industries, can a “sister-city” program be established between the two?

Key development opportunities exist in development projects in PingTung County for President Obama's NEI (National Export Initiative), namely in the racing facility, solar industry, restaurants, hotels and leisure industries.

18.The Ongoing Beef with US Beef

Ongoing issues regarding imports of US Beef into Taiwan and the related unsuccessful negotiations to resolve them are disappointing and unfortunate. This matter is fraught with controversy, hidden issues and a host of potential dead ends, traps and no-win scenarios. Unfortunately, the current situation has reached the point where it has become extraordinarily difficult to move forward. Pressure coming from both sides has made compromises nearly impossible with principles and policies looking to get in the way of common sense and the greater good. However, there seem to be good arguments on both sides, and it would be counterproductive to attempt to downplay or discount the views or policies on either the US or Taiwan side without angering the other. So, what can we say? We hope that each individual aspect can be put into perspective; put back on track, and settled. This will probably require immediate, short-term and permanent decisions and actions so that bigger and more important trade issues can move forward. Since the signing of ECFA, Taiwan does need to be very aggressive in taking advantage of opportunities to enhance trade around the world and being competitive with other countries. Trade agreements can only raise Taiwan's stature throughout the world as a viable and responsible trade partner. Agreements reached using WTO protocols must be honored, not locally amended after the fact. At the same time, the public should be aware of potential trade agreements and efforts to promote the benefits of reaching agreements should be clearly understood by the general public. If regulatory issues require further actions, scheduling for action should not be forgotten or put on the back burner, especially if larger issues depend on the efficient resolution of these points. In any free market society around the world, which meat a consumer buys is for the most part, entirely self-determined according to personal taste and the amount of money a person has to spend on a given product. Why should Taiwan be any different? One interesting development in southern Taiwan is that US Beef seems to be showing up, and even promoted in more restaurants and shops than one year ago. Is this due to increased consumer demand?

CONCLUSION

The first months following merger between Kaohsiung City and County should be for communication between business, government and academia. It should also be a time for setting the foundation and framework for a smooth transition in standardizing what was once two separate systems into a single Greater Kaohsiung set of policies. Cooperative groups are vital to bring together a comprehensive approach for the many areas of development, such as the ones mentioned in this report. Integration of more environment-friendly technologies into everyday living, developing the Leisure and Tourism industries into a significant economic engine, retraining workers who lose their jobs due to ECFA and/or merger related activities, and giving educators all the tools they need to best prepare students for meeting the challenges of the future are all essential for the future growth of Greater Kaohsiung, PingTung and all of southern Taiwan. Focus on improving environment, quality of life, and economic opportunities should be paramount. The future for southern Taiwan will see a greater emphasis on tourism and green energy; the groundwork for a bright future must therefore be laid now.

The portal for attracting foreign investment, which should be coordinated into an all-inclusive single web site with links included in all government web pages, needs regular updating and tweaking to make a very good effort even better.

Greater Kaohsiung must continue to work to firmly establish and maintain its six (6) key advantages, namely:

1. Excellent geographical position and logistics;
2. Outstanding sea and airports with a natural advantage of good year-round weather;
3. Comprehensive industry clusters;
4. Abundant manpower supply;
5. An extensive industry transportation network; and,
6. Complete provisions for foreign businessmen including excellent accommodations, restaurants, mass transit, and entertainment.

The American Chamber of Commerce – Kaohsiung



American Chamber of Commerce - Kaohsiung

高雄美國商會