

Beware China's economic invasion

Written by Paul Lin 林 偉

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China used to call the investments and marketing activities of its multinational corporations in other nations an “economic invasion.” However, the real economic invasion is the current international expansion of Chinese corporations, with the Chinese government pulling the strings behind private businesses.

Alibaba Group Holding Ltd chairman Jack Ma's (馬 雲) recent acquisition of Hong Kong's South China Morning Post Publishers Ltd is considered by some to be an attempt to help Beijing improve its image.

When China employs this tactic against Taiwan, it is working toward annexation. It has long been China's understanding that buying off Taiwan is less costly than an all-out military offensive.

For the past seven years, President Ma Ying-jeou (馬 英九) has made a complete mess of the economy. He has used the capital gains tax to destroy the stock market, causing an outflow of Taiwanese capital and keeping the market's price-earnings ratio low, thus making it convenient for China to acquire vital Taiwanese industries.

There is reason to question whether Ma is collaborating with Beijing.

Chinese company Tsinghua Unigroup Inc's bid to take stakes in Siliconware Precision Industries Co and MediaTek Inc — the threat to ban imports of MediaTek products into China says it all — and Minister of Economic Affairs John Deng's (鄭 文 宏) comments on deregulating Chinese acquisitions seem to reflect what Ma has in mind.

The Chinese acquisition campaign could seriously affect Taiwan's national security, but Ma has not said anything about that, which also says something.

Having discovered the intent behind the Chinese acquisitions, the US, South Korea and Australia have taken measures to restrain such investments. However, Taiwan, which has long

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been the prey of the Chinese, finds its government willingly opening its doors to welcome the predator.

Taiwanese must keep an eye on a traitorous government like this.

China stops at nothing in its invasive foreign economic expansion, as evidenced by Indonesia's choice for its high-speed rail project. Since 2008, Japan had been in talks with Indonesia on building a high-speed rail line connecting Jakarta and Bandung, and had begun comprehensive preparations for the preliminary engineering and submitted a geological map. In early September this year, the Indonesian government rejected China's bid, which was submitted only half a year ago. However, after Beijing treated several Indonesian officials to a trip to China, it was awarded the project later that month, despite not having made any preparations for preliminary engineering.

Some Japanese media outlets speculated that Beijing had bribed the Indonesian officials to hand the Japanese studies to China. In return, China would not require the Indonesian government to offer any debt guarantees. It would be a deal between the two nations' private sectors, which means that if in the future the Indonesian company defaults on its payments, China would have a hard time holding Indonesia accountable.

Is an engineering project like this viable or is there a risk that it will be left unfinished?

Tsinghua Unigroup, which aims to grab control of Taiwan's core industry, is a corporation under China's Tsinghua Holdings, and Hu Haifeng (胡海峰), the son of former Chinese president Hu Jintao (胡锦涛), was secretary of Tsinghua Holdings' branch of the Chinese Communist Party.

In 2009, Tsinghua Tongfang Co, a major Chinese computer maker, was placed under investigation for alleged fraud and bribery in Namibia. Two Namibians and one Chinese were arrested in the African nation, and Hu Haifeng was to be investigated as a witness, prompting his dismissal by Tsinghua.

Ma administration officials and some Taiwanese businesspeople have a tendency to shake in

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their boots when they have to deal with China. Do they have the nerve to stop the Chinese economic invasion?

Even if Taiwan Semiconductor Manufacturing Co puts in a considerable effort to prepare to invest in Nanjing, will the company be able to hold its ground when the Chinese government makes threats by arresting its senior managers, as it did years ago to Chimei Innolux Corp, Taiwan's largest LCD panel maker?

If Ma abruptly decides to sell Taiwan out to China so that China will care for him after he retires from his presidency, Taiwanese must take immediate action to stop him.

Slacking off now could result in regrets that could last for centuries.

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Translated by Ethan Zhan

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