

The administration of Tsai Ing-wen (蔡英文), who is to be inaugurated as president today, is seeking to bolster its economic ties with ASEAN through its “new southbound policy,” but turning toward ASEAN is just one of the many options Tsai could choose to help resolve an economic slowdown that has plagued the nation for so many years.

Tsai’s administration inherits a giant mess created by President Ma Ying-jeou’s (馬英九) economic over-reliance on China for the past eight years, because Ma believed that as long as he played second fiddle to China’s plans for commerce across the Taiwan Strait, he could boost the nation’s exports and harvest the revenue generated by Chinese tourists.

According to statistics released by the Executive Yuan last month, 40 percent of the nation’s exports last year went to China, but they declined 12.4 percent year-on-year, which shows how out of proportion the destination of exports were.

In addition, as small operators in the tourism industry have learned, direct flights between Taiwan and China, established by Ma, have damaged the environment and added to traffic problems, but have not helped businesses grow much, as most of the revenue generated by Chinese tourists goes to Chinese tourism companies by way of their heavy-handed “one-dragon” approach: monopolizing restaurants, souvenir shops, hotels and shuttle buses.

Given the special political relationship between Taiwan and China, the economy is also a political issue and many are worried that the expected change in the chemistry between Taipei and Beijing after Tsai’s inauguration will sour the economic ties Ma established during his time in office.

However, the antidote to the nation’s weak economy is not to be found in China, but rather in the rest of the world.

With Ma’s tunnel vision having hindered the nation’s progress, the challenges facing Tsai mean her administration needs to come up with a more concrete economic policy than that unveiled on Tuesday by New Southbound Policy Office Director James Huang (黃錦星), which turned out to be somewhat diffuse and abstract. With many members of ASEAN already having developed

a strong economic reliance on China, the Tsai administration will have to come up with a more comprehensive plan.

While new policymakers look to ASEAN for trade and tourism, they should also consider establishing such ties with other nations; for example India — a vast nation that has received little attention. With its population of 1.25 billion, a rapidly expanding manufacturing industry and its goal to supplant China as the world's largest original equipment manufacturing hub, India is a market Taiwan needs to tap into.

The Indian government has implemented policies to expand photovoltaics and significantly lowered tariffs on imported solar-power modules. Taiwan is an international leader in this field, both in terms of production volume and technology.

Scooter and car manufacturing, which Taiwan has proven adept at, could also provide a competitive edge, given the number of Indians who own vehicles — there seems to be no reason that Taiwan, with its low-cost, high-quality scooters, should not boost its stake in the market when Japanese firms, such as Honda and Yamaha, have achieved commercial success there.

Apart from China, there are 193 countries with which the Tsai administration could establish or deepen business ties, and it is important that she sees the bigger picture to help Taiwan break free from China's disproportionately large economic influence.

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