

## Trump can lend a hand as Taiwan pivots east

Written by Huang Tien-lin 黃天麟  
Thursday, 08 December 2016 07:24

---

When US president-elect Donald Trump was first elected, the pan-blue media referred to him as “a mad man,” “a clown” and talked about his unpredictability. Judging from his family, faith and statements, I said that his election was a good thing for Taiwan. Sure enough, less than one month later, there was good news for Taiwan as President Tsai Ing-wen (蔡英文) talked to Trump over the telephone.

Tweeting about their conversation, Trump referred to Tsai as “the president of Taiwan.” Newspapers around the world reported on this historical call, and the world is now watching to see how Taiwan and Tsai follow up this positive atmosphere.

There is no doubt that Trump’s presidency will work to “Make America great again” and he firmly believes that the first priority should be to bring back manufacturing to the US. He wants to cut corporate tax from 35 percent to 15 percent, and he even visited air-conditioner manufacturer Carrier Corp, which decided to keep about 1,000 jobs which it intended to move to Mexico.

As Tsai’s government wants to promote its “five plus two” policy — building an Asian Silicon Valley, “intelligent” machinery, “green” energy technology, biomedicine and national defense, in addition to establishing a new agricultural paradigm and a circular economy — information security and the Internet economy — the question of how to work with the Trump administration’s new direction has become an important consideration.

Trump is concerned about China’s trade surplus with the US, which stood at US\$365.6 billion last year, as well as the fact that China’s GDP is set to overtake the US’ before long. This is why he called China a currency manipulator during the election campaign and said that the US’ employment problems are the result of unfair trade.

A trade war between the US and China now seems almost inevitable, and that would be a heavy blow to Taiwanese original equipment manufacturers in China. The US trade deficit with Taiwan is the country’s 14th-largest, and Taiwan is one of the Asian countries Trump is accusing of stealing US job opportunities. Therefore, before Trump takes aim at Taiwan, one of the most urgent issues is to encourage businesses to “move east.”

## Trump can lend a hand as Taiwan pivots east

Written by Huang Tien-lin 黃天麟

Thursday, 08 December 2016 07:24

---

Trump does not want free-trade agreements, he wants fair trade agreements. Engaging with the US on these conditions will be the most important approach to consolidating Taiwan-US political and economic relations.

Taiwan's economic miracle during the 1980s was the result of an economic model that focused on technological integration with Japan and targeting the US. Taiwan's lost 16 years are the result of the "active opening" and go east policies, which caused Taiwan to get bogged down in the "one China market" swamp.

Although the government's "new southbound policy" is one remedy, pressure from China is making it difficult to negotiate trade agreements with ASEAN nations. Perhaps the government will now be able to leverage the pressure created by Trump's focus on making the US great again to reverse the mistaken focus on integration with China and instead look toward Japan and the US, partly by working with Trump's policies, partly by raising the technological level and competitiveness of Taiwanese industry.

Companies could begin to focus on using Japan and the US as portals to bring them into Southeast Asian markets, thus bringing the southbound policy to fruition and killing three birds with one stone.

A focus on cooperation with Japan and the US would require business and the government to invest more of its knowledge, determination and resources, but it is the only way to bring Taiwan onto the world markets.

*Huang Tien-lin is former Presidential Office adviser.*

Translated by Perry Svensson

Source: [Taipei Times - Editorials 2016/12/08](#)