



National Security Bureau Director-General Yang Kuo-chiang answers questions from lawmakers yesterday at the Legislative Yuan in Taipei.

Photo: CNA

The nation's high-tech sector is under serious threat of industrial espionage as Chinese intelligence operatives target local companies for infiltration and collection of proprietary information, National Security Bureau (NSB) Director-General Yang Kuo-chiang (楊國章) told legislators yesterday.

Yang made the remarks during a question-and-answer session at a meeting of the legislature's Foreign Affairs and National Defense Committee meeting.

New Power Party Legislator Freddy Lim (林錫山) said he has grave concerns over Chinese espionage operations, because there have been numerous cases involving Chinese spies luring members of the nation's armed forces into leaking classified military information.

"In addition to our military, which Taiwanese industries have been most seriously affected by Chinese spy infiltration?" Lim asked. "I would like to know, because I want these businesses to be alert to this danger so they can be more careful when hiring new workers."

Yang said that the semiconductor and other tech sectors are the most likely targets.

Lim said that these sectors are key to the nation's economy, and "yet President Ma Ying-jeou

() wants to open up the nation's technology sector for investment by Chinese business. This is just absurd."

Democratic Progressive Party (DPP) Legislator Wang Ting-yu () said that Yang and the bureau should block bids by Chinese investors and companies to buy out Taiwanese tech businesses.

Wang was referring to the Investment Commission, which is tasked with the review, assessment and monitoring of foreign investment, and where the bureau has a representative seat.

He said the semiconductor sector is a pillar of the nation's economy and the bureau should veto investment applications from China.

"Taiwan is a leader in IC design and we must not allow know-how and proprietary technology to be taken over by China. It is well-known that most large Chinese businesses are backed by financial capital from the Chinese government," Wang said.

"So this is a national security issue and a serious threat to Taiwan's economic development. Therefore, the NSB must not permit Chinese investment in the IC sector," he added.

DPP Legislator Chiu Chih-wei () also asked Yang about the potential impact on cross-strait ties if China is not satisfied with president-elect Tsai Ing-wen's () inauguration speech on May 20.

Yang said Beijing might shut down existing negotiation channels, prohibit Chinese tourists from visiting Taiwan, or take diplomatic action if it is unhappy with Tsai's speech, Yang said.

The president would have to work with other senior government officials to make a response should China take any of the above three actions against Taiwan, Yang said.

Chinese spies targeting tech firms: NSB

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