

TAIWAN

By a Special Contributor

Taiwan's two major worries stem from China's "trade invasion" with cheap goods and President Jiang Zemin's political expansionism. From time to time Beijing's statements that Taiwan's independent status can not survive for long and ultimately reunification will be achieved, have kept up the uncertainties. Taiwan's companies had earlier received encouragement to set up factories in mainland China and this fact by itself was responsible for China's favourable trade balance with the US. The wholesale transfer of factories making everything from Nike sneakers to high-tech products like computers had given China an edge over other countries in the US market.

With threats of forcible annexation, Taiwan's economy has remained hamstrung and the aim of becoming a hub for Asia-Pacific business by 2000 has remained unfulfilled. Taiwan has been trying to speed up infrastructure development by welcoming foreign investment and technology and encouraging private enterprise.

Taiwan has become, over the years, a major repository of gold by consciously following

foreign trade policies that stimulated the import of unwrought metal free of duty. The island has four gold mines with an estimated metal content of 100 t. Three of the mines are located in the central mountain range, while the fourth one is in Pingfeng mountain in the north.

Taiwan has substantial reserves of coal estimated at 180 Mt, but coal production is modest, around 600,000 t/y. Annual imports are large, around 16 Mt, the main supplier being South Africa. The requirements of the steel industry were increasing in view of the expansion of some steel plants, including state-owned China Steel Corp., which now has a capacity of 8 Mt/y. A large integrated steel plant with a capacity of 7 Mt/y was built last year at Taichung in central Taiwan. The An Feng and Yieh Loong groups have proposals to erect steel plants with capacities of 4 Mt/y and 6 Mt/y respectively. Taiwan has large reserves of natural gas estimated at 19,500 million m³. The country's gas requirements of 5 million m³/d per day, more than 50% of which were imported, are being gradually met from domestic production.