



A Comparative study of Port Hinterland Development Strategy on the Free Trade Zone between Taiwan and Korea

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1. Introduction

- Establishment of Taiwanese Free Trade Zones was deemed as one of important projects under the slogan of “***Challenge 2008—prioritize development project of the National***” .
- Taiwan administrative government promulgated the “Act for the Establishment and Management of Free Trade Zone (hereinafter referred to Taiwan’s FTZ Act)” in July 2003.



1.1 Designated Areas of FTZ

- Designated FTZ referred to an area which is situated within :
 1. a controlled district of an international airport or an international seaport under the approval of the Executive Yuan,
 2. an Industrial park, Export Processing Zone, Science-Based industrial Park,
 3. other area nearby the controlled district of an international airport or seaport by means of technological facilities.



1.2 Establishment purpose of FTZ Act

1. develop new operational modal for international logistic and management scheme,
2. accelerate trade liberalization mechanism,
3. upgrade national competitive strength and facilitate national economic development.



1.3 Main Advantages of Taiwan's FTZ

1. Simplify business transaction procedure,
2. Permit free flow of commodities in the FTZ,
3. Exempt from customs administration and custom clearance application,
4. Allow foreign business men who engage in business activity in the FTZ acquiring landing-via of 72 hours
5. Other preferential measures.




1.4 Anticipated performance of FTZ

- According to survey report conducted by Chung-Hua Institution for Economic Research anticipated that export and production figures in 2003 ~ 2007 will increase annual average NT\$ 120 billion and NT\$88 billion,
- and create approximately 170,000 people-time of employment opportunities. In addition, the trading and logistic cost reduction will overpass NT\$200 billion before the 2008.



1.5 Main issues of this paper


- Taiwan and Korea are one of members of four little tiger in Asia already enacted and designated Free Trade Zone in the recent,
- Are there anything difference between establishment objective, designated area, marketing target and incentive measure of port free Trade zone under the similar guideline of export oriented policy ?

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- Compared with other Asia rivals like Korea, designated time of FTZ adjacent to the port in Taiwan seems lagged behind. Existing preferential incentives and good location strength of FTZ being sufficient to induce some foreign or Taiwan firms investment is still remaining a lot of questions. What kind of industry sectors is suitable to become the tenant?



1.6 Studying purposes of this paper

- The purpose of this paper addressed as following:
- Taiwan's port FTZs are composed of 4 Sea ports (Keelung port, Taipei Port, Taichung Port and Kaohsiung port) and 1 Air port were (Taoyuan Air Cargo Park FTZ), their performance of tenant companies numbers and trade transaction numbers are matched with the goal anticipated by government?
- Exiting port FTZ in the respect of implementation and operation are there any issues for majority of tenant companies concerned with?

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- Taiwan and Korea are one of members of four little tiger in Asia already enacted and designated Free Trade Zone in the recent, are there anything difference between establishment objective, designated area, marketing target and incentive measure of port free Trade zone under the similar guideline of export oriented policy ?
 - After comparative analysis on legitimate regulations and fulfilled result between Taiwan and Korea, are there any finding for Taiwan government could revise the current operation and management act and explore some new solutions for the present issues?



2. Definition and Feature of Free Trade Zone

- *2.1. Definition*
- FTZ is a clearly delineated industrial estate which constitutes a free trade enclave in the customs and trade regime of a country, and where foreign manufacturing firms procuring mainly for export, benefit from a certain number of fiscal and financial incentives (ILO/UNCTC, 1998).




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- Free Trade Zone role is typically seen as an instrument for expanding and modernizing the host economy through additional investment/capital formation, technology transfer and employment generation(Kusago and Tzannatios,1998).



2.2 *Feature*

- Most highly developed free trade zones around the world offer a variety of benefits to the companies that operate in them. These benefits include tax exemptions, duty-free imports, and personnel recruitment services (Esteban R. Brenes, Vince Ruddy, Rene Castro, 1997).
- The main advantage of a free trade zone is that it permits the free unhindered import of various materials and components for assembly and manufacture for subsequent export without duties and taxes (Korea Maritime Institute, 2005)

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- After establishment of Free Trade Zone in Taiwan, it will result in several economic effects (Tseng, 2004):
 1. Absorb Foreign capital investment,
 2. Increase foreign currency earnings,
 3. Enlarge Job employment,
 4. Promote technology transfer,
 5. Spur Local industrial economics,
 6. Increase port operating revenue
 7. Attract cargo consolidation and transit trading business.




3. Review of Free Trade Zones in Taiwan and Korea

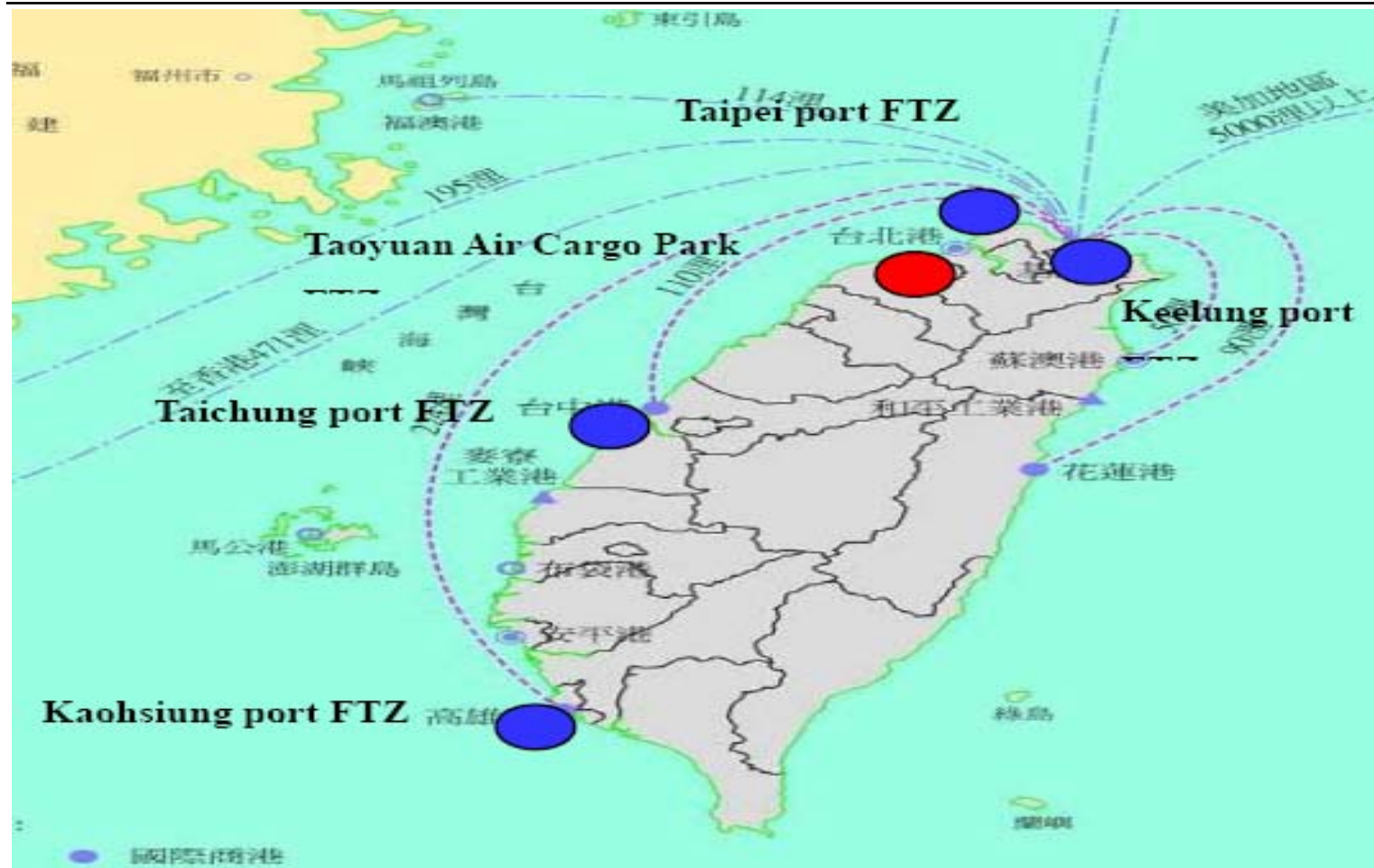
3.1 Port Free Trade Zone in Taiwan

In compliance with Article 1 of “Act for the Establishment and Management of Free Trade Zones” enacted in July 2003 revealed establishment objective of Taiwan’s port Free Trade Zone were aimed for :

- developing the mode of operation for a global logistics and management systems,*
- effecting aggressive promotion of trade liberalization and internationalization,*
- facilitating the smooth flow of personnel, goods, finance, and technology,*
- upgrading the national competitive power,*
- furthering the national economic development(Executive Yuan, 2004*

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- According to aforementioned Act Taiwan government assigned port authority planned and formulated management regulations such as “Regulations Governing Entry, Exit, and Residence in the Keelung Free Trade Zone” in 2004, other four Free Trade Zones including Kaohisiung port, Taipei Port, Taichiung Port and Taoyuan Air Cargo Park were designated by Executive Yuan in the same year of 2005.


Geography location of Taiwan's port FTZ



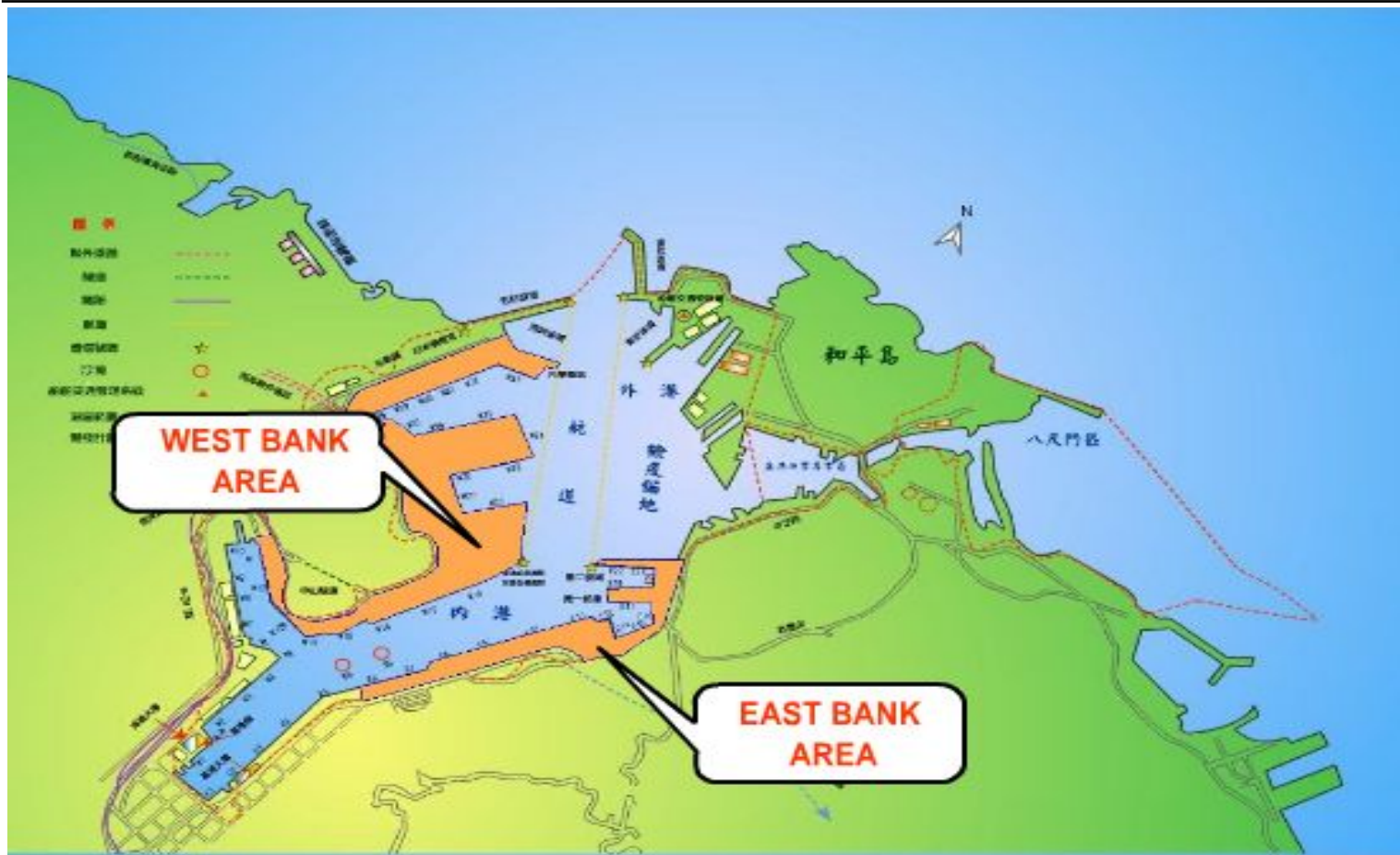


(1). Keelung port Free Trade Zone

- Keelung Harbor is a primary destination for regional shipping and a transshipment point for deep-sea shipping routes. It handled 2,128,815 TEUs in 2006, accounting for 16% of Taiwan's total container handling capacity. Keelung Harbor offers convenient transportation access, with direct links to Taipei and beyond via the Sun Yat-sen Freeway, Second Northern Freeway, Taipei-Keelung Highway, and the railway, as well as access to the Lanyang Plain and Suao Harbor to the east via the Coastal Highway. Keelung Harbor is adjacent to three large industrial zones, the Northern Taiwan Technology Park. Container yards, and other related facilities that can provide supporting services.

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- Keelung port Free Trade Zone is to cover an area of 67 hectares, including 53 hectares around West Wharfs 11 to 33 and more than 14 hectares around East Wharfs 6 to 22. It is expected to start operating in September the year, and to go into full operating in January 2006. It will initially engage in existing operations such as distribution, transshipment, and freight forwarding, with international logistics, freight consolidation, repackaging, packaging, repair, assembly, and other value-added services being added later on.


Designated Area of Keelung port FTZ



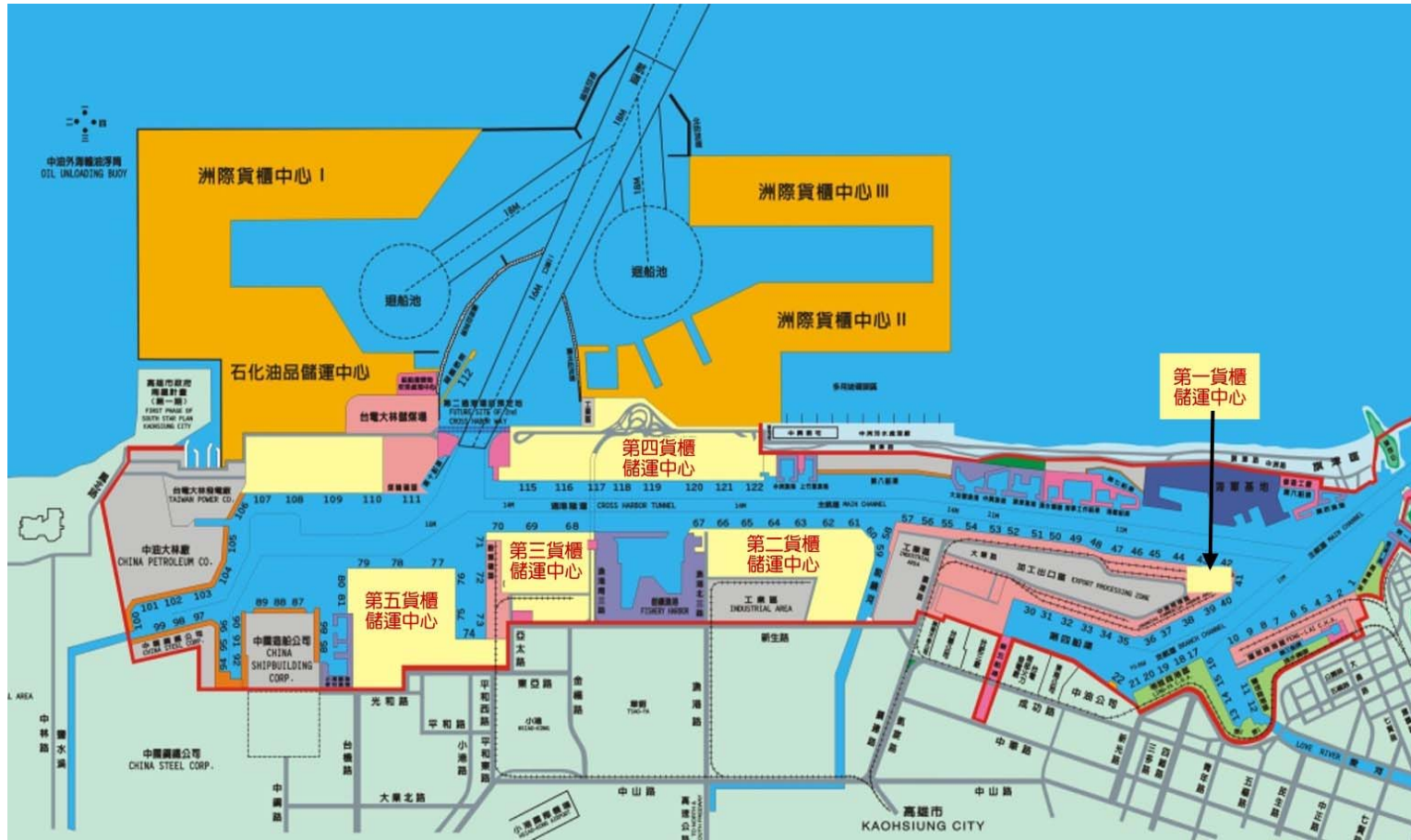


(2). Kaoshiung port Free Trade Zone

- The total container handling throughput reached 9,774,670 TEUs in 2006, accounting for 73% of Taiwan's total container handling figure. As port operation market has opened for private sector on Jan. 1998, the stevedoring costs of port's cargo have dropped sharply and its efficiency has continuously improved.
- The harbor's Offshore Shipping Center, currently the only one in Taiwan, began providing transshipment services for ships sailing between Taiwan and mainland China in April 1997, the statistics of container handled volume soared from 127,509 TEUs of 1997 to 661,826 TEUs of 2005.

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- Kaohsiung port Free Trade Zone has a designated area of 397.69 hectares and begin to operating in January 2005. As the port free trade zone continues to provide container-related operation tasks, designated scope of FTZ is confined to wharf 34-35 area, the back area of the third container center, the land around the elevated interchanger at the fourth container center, and the area at the rear of wharf 122 for the expansion of international logistics and other services.

Designated Area of Kaoshiung port FTZ





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- Keelung and Kaohsiung port free trade zones will attract an initial investment of about NT\$4.56 billion and generate at least 900 jobs. Companies operating in the zones will add around NT\$1.9 billion in annual production value.
 - According to the Keelung Harbor Bureau's plan, Keelung Port free trade zone will attract about NT\$1.15 billion in investment and generate direct and indirect jobs for 2,100 persons (350 of them direct). Production value inside the port free trade zone will increase by approximately NT\$700 million.



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- The Kaohsiung Harbor Bureau predicts that the port free trade zone will integrate with neighboring areas including the multifunction trade park, the economic processing zone, Taiwan Sugar's Kaohsiung logistics park, Kaohsiung International Airport, and inland container yards to produce a multiplier effect.
 - Kaohsiung Port free trade zone will attract approximately NT\$3.45 billion in new investment, provide 500 new jobs, and boost the production value of port free trade zone enterprises by about NT\$1.2 billion.



Table 2
Designated Area of Keelung port Free Trade Zone

Area	Development Scope	Land Area (ha)
Area 1	West Wharfs 11-33	53
Area 2	East Wharfs 6-22	14
Total		67

Source: Keelung Harbor Bureau, Free Trade Zone, <http://www.klhb.gov.tw/>

Table 3

Development Area of Kaohsiung Port free trade zone

Harbor Control Area	No. of Plots	Land Area(sq. m.)
Jhongdao Commercial Harbor Area (first container center)	8	190,146.00
Cianjhen Commercial Harbor Area (second container center)	23	512,321.00
Siaogang and Daren Commercial Harbor Area (third and fifth container centers)	76	2,219,277.98
Jhongsing Commercial Harbor Area (fourth container center)	359	1,145,180.11
Total	476	3,976,925.09

Source: Kaohsiung Harbor Bureau, Free Trade Zone, <http://www.khb.gov.tw/>.

Table 4

Estimated overall economic effects of Taiwan port free trade zones

Unit: Million NTD

	2003	2004	2005	2006	2007	Total
Investment Capital Amount	2,000	3,500	4,000	5,000	5,500	20,000
Relevant industrial investment						281,441
Job employment						169,359
Export trading	120,742	124,950	129,304	133,811	138,474	647,281
Import Trading	82,207	85,072	88,037	91,105	94,280	440,701
Production Value	115,291	119,309	123,467	127,770	132,223	618,060

Sources: Center for Economic Deregulation and Innovation (2006), FTZs in Taiwan, Executive Yuan, <http://www.cepd.gov.tw/>.

Table 5
Anticipated performance of Kaohsiung and Keelung Port FTZ

Free trade zone Details		Kaohsiung	Keelung
Area(hectares)		398	67
Corporate Investment (NT\$ million)	Additional investment	3,450	1,115
Production Value of Tenant Enterprises (NT\$ million)	Additional value	1,200	694
No. of Employees (1,000)	Additional personnel	0.5	0.4
No. of Tenant Enterprises		10	28
Date of Application		Oct. 2003	Dec. 2003
Projected Beginning of Operations		Jan. 2005	Sept. 2004
Projected Date of Full Operation		Jan. 2005	Jan. 2006


Sources: Center for Economic Deregulation and Innovation (2006), FTZs in Taiwan, Executive Yuan, <http://www.cepd.gov.tw/>.

Total Trade number of Free Trade Zone

Unit: NT\$1,000

	2006			2007(1-7)		
	Import	Export	Sub- trade	Import	Export	Sub-total
Keelung Port FTZ	50,195	18,993	69,188	675,592	681,827	1,357,419
Taipei Port FTZ	3,052,689	1,378,341	4,431,030	1,172,440	1,742,439	2,914,879
Kaohsiung Port FTZ	4,464,397	3,008,376	7,472,773	1,377,268	1,809,167	3,186,435
Taichung Port FTZ	715,307	407,887	1,123,194	803,610	554,419	1,358,029
Taoyuan Air Cargo Park FTZ	68,646	991,581	1,060,227	8,561,650	73,787,835	82,349,485
Total	8,351,234	5,805,178	14,156,412	12,590,560	78,575,687	91,166,247

Source: Ministry of Transportations and Communications, Statistics of Free Trade Zone, <http://www.motc.gov.tw>.



Tenant companies numbers of Free Trade Zone


Port Name	Operation date	2005	2006	2007.6
Keelung Port FTZ	2004.9.	4	8	13
Taipei Port FTZ	2005.6	1	1	1
Kaohsiung Port FTZ	2005.1	7	11	15
Taichung Port FTZ	2005.12	3	7	12
Taoyuan Air Cargo Park FTZ	2005.11	5	75	79
Total Amount		20	102	120

Source: Ministry of Transportations and Communications, Statistics of Free Trade Zone,
<http://www.motc.gov.tw>.

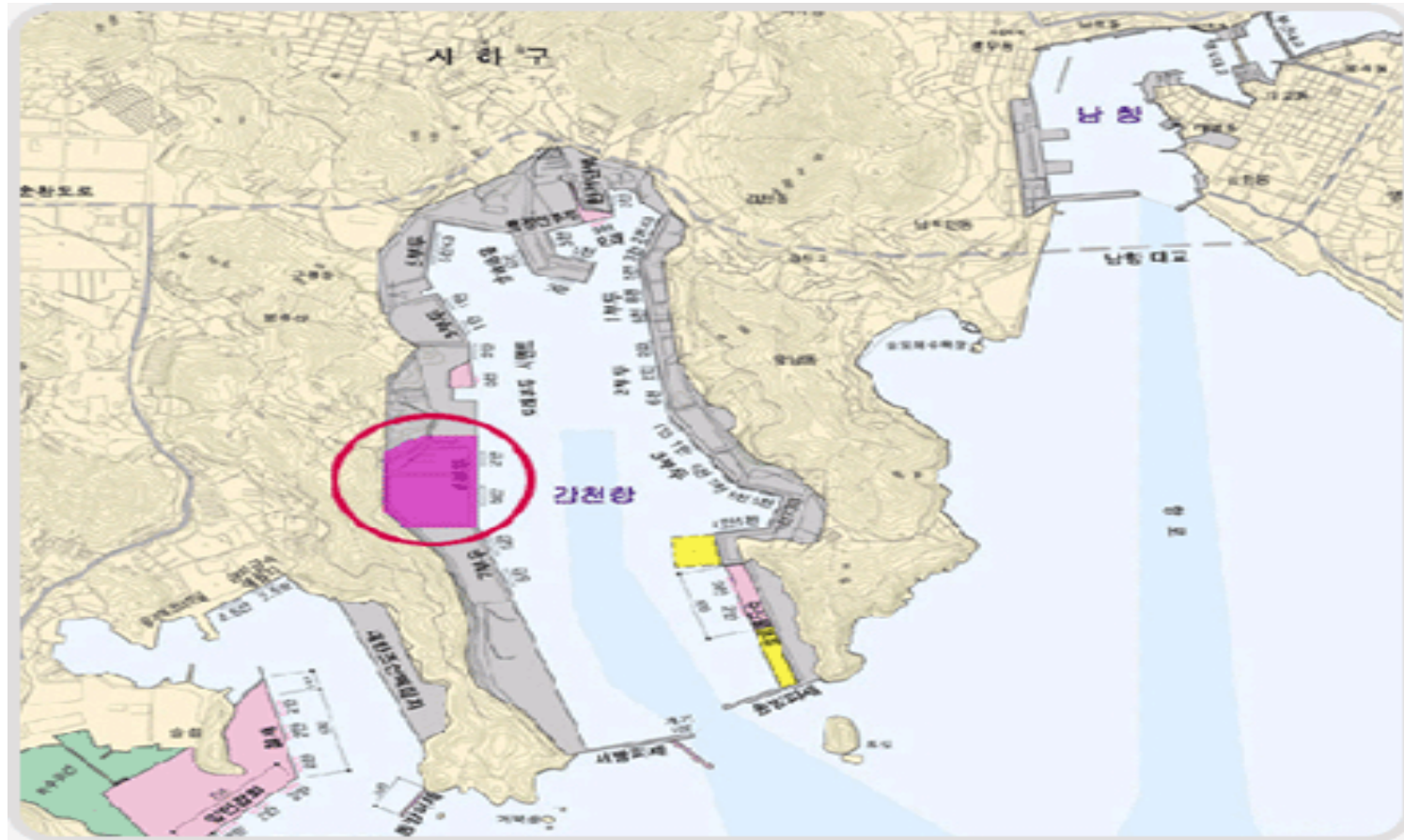



3.2 Port Free Trade Zone in Korea

- For attracting global logistics firms and cargoes to the airports and seaport (including their hinterland) Korea has introduced the customs free zone system to promote aforementioned airports and seaport as international logistics centers of Northeast Asia.
- The act on designation and management of customs free zones for building international logistics centers (hereinafter refer to the act on customs free zone) was enacted in 1999, and specific area within the Busan port and Gwangyang port were designated as customs free zones(CFZ) in January 2002 and managed UNCTAD(2004).

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- The Act on the Establishment of Export Free Zones which was enacted by the Act No. 2180 on January 1, 1970 was wholly amended into the Act on the Designation of Free Trade Zones on January 12, 2000, and the title of the latter was changed into the “Act on the Designation and Management of Free Trade Zones” on March 22, 2004.

Designated Area of Busan port FTZ



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- The term “Free Trade Zone” in Korea means a zone in which free activities of manufacture, logistics, distribution and trade are guaranteed with the legal assistance of special cases prescribed by relevant Acts, including the Customs Act and the Foreign Trade Act(Article 1).
 - The purpose of this Act is to accelerate the attraction of foreign investment, the promotion of trade, the smoothness of international logistics and the development of regions, etc. by designating and operating free trade zones in which free activities of manufacture, logistics, distribution and trade, etc. are guaranteed in order to contribute to developing the national economy (Article 2).

Designated Area of Free Trade Zone

Busan Port		Gwangyanport	Incheon Port
Designated Area	Proposed Area	Designated Area	Designated Area
PECT Gamchon Busan Newport	Yondan(near terminal) West Gamchon	PECT Phase1 and Phase2-1 Pase(ii-2, iii-1,2)	Incheon(terminal 1-8) Sotuth port container terminal
5,451,000m ²	868,000 m ²	6,755,00 m ²	2,294,000 m ²

Source: MOMAF(2002), The integrated plan of the port hinterland development,
<http://www.momaf.go.kr/main/main.asp>.

Creation effect of employment of port FTZ(2011 base)

(unit: 1000 m², person, 1000TEU)

	Hinterland		Shipping		Port		Total employment
	Area	employment	TEU	employment	TEU	employment	
Gwangyang	3028	36036	1473	368	1473	658	37062
Busan	4395	52308	2179	545	2179	973	53826
Total	7423	88344	3652	913	3652	1631	90888

Source: MOMAF(2002), The integrated plan of the port hinterland development,
<http://www.momaf.go.kr/main/main.asp>.

Creation effect of value added of port FTZ(2011 base)

(unit:1000 m²,100 million wom,1000TEU)

	Hinterland		Shipping		Port		Total Value added
	Area	Value added	TEU	Value added	TEU	Value added	
Gwangyang	3028	40985	1473	5692	1473	1547	48224
Busan	4395	59492	2179	8420	2179	2288	70200
Total	7423	100477	3652	14112	3652	3835	118424

Source: MOMAF(2002), The integrated plan of the port hinterland development,
<http://www.momaf.go.kr/main/main.asp>.




4. Comparison of Port Free Trade Zones between Taiwan and Korea

After reviewed establishment purpose and incentive measures of Port FTZ between Taiwan and Korea, a number of opinions can be summarized as:

1. Taiwan and Korea government used to adopt similar preferential incentives of encouraging Tenant enterprises import raw material or semi-finished goods from domestic or foreign into FTZ for processing, assembling and distributing, then re-export to other countries for acquiring foreign currency under the guidance of export-oriented economic policy ;
2. As for designated scope aspect of port FTZ, Korea's port FTZ is confined to smaller area or port hinterland, however those of Taiwan's port FTZ has concluded main container terminal in the port including front land and hinterland;

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3. legitimate industrial sectors of Korea's port FTZ contain from global logistics, simple processing, trade dealer, international transport forwarder and wholesaler, but enterprise categories of Taiwan port FTZ are more diversify than Korea case extension from trading, warehousing, logistics, collecting, disturbing containers, transiting, repairing and fabricating, processing, manufacturing, displaying or technologic services ; non-FTZ enterprises referred to any financial, stevedoring, catering, hotel, business conference, transshipment another other companies;

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4. the goods imported by FTZ enterprises in Taiwan should be exempted from customs duty, commodity tax, business tax, tobacco and wine tax, public health and welfare dues on tobacco products, trade promotion service fees, and harbor service dues, hence main preferential incentives are merely beneficial to import cargo.
 5. FTZ enterprises in Korea could acquire not only aforementioned exemption or reduction of custom taxes on goods, but also Exemption of customs duties on construction materials, Exemption of enterprise taxes involving corporate tax, income tax, acquisition tax, registration tax, property tax, composite land tax, Exemption of Traffic-incurred charge and The state or local governments may furnish funds necessary to facilitate technology development activities and the training of manpower by located enterprise in free trade zone.
 6. Korea provide tenant companies more attracting incentive measures than Taiwan's offering, it seems current incentive conditions of Taiwan's FTZ need to revise in a respond to sever pressure of surrounding competitors.



Comparative analysis on port Free Trade Zone between Taiwan and Korea

Dimension	Taiwan's port Free Trade Zone	Korea's port Free Trade Zone
Promulgated Regulations	Act for the Establishment and Management of Free Trade Zones	Act on designation and management of free trade zones
Establishment Objective	For developing the mode of operation for a global logistic and management systems, effecting aggressive promotion of trade liberalization and internationalization, facilitating the smooth flow of personnel, goods, finance, and technology, upgrading the national competitive power, and furthering the national economic development.	to accelerate the attraction of foreign investment, the promotion of trade, the smoothness of international logistics and the development of regions, etc. by designating and operating free trade zones in which free activities of manufacture, logistics, distribution and trade, etc. are guaranteed in order to contribute to developing the national economy



Governance Institution	Ministry of Transportation and Communications	Ministry of Commerce, Industry and Energy
Designated Area	<ol style="list-style-type: none"><li data-bbox="745 435 1330 624">1. The controlled district of an international airport or an international seaport under the approval of the Executive Yuan,<li data-bbox="745 632 1330 1308">2. Or of an adjacent area demarcated as a controlled area, and an industrial park, Export Processing Zone, Science-Based industrial Park, and other area approved by the Executive Yuan for the establishment of a controlled district for the purpose of conducting domestic and foreign business activities where the comprehensive goods tracking system can be connected with the controlled district of an international airport or seaport by means of technological facilities.	<ol style="list-style-type: none"><li data-bbox="1368 435 1742 475">1. An industrial complex,<li data-bbox="1368 507 1865 547">2. Airport. Harbor and hinterland,<li data-bbox="1368 579 1720 619">3. Distribution complex<li data-bbox="1368 651 1637 691">4. Cargo Terminal



Tenant enterprises	trading, warehousing, logistics, collecting and distribution (cargo of containers, transiting, transshipment, forwarding, customs clearance, assembling, sorting, packaging, repairing and fabricating, processing, manufacturing, displaying, or technological service	Manufacturing business, wholesale business, stevedoring, transporting, storing and exhibiting, supporting business, public institution, state organ
Preferential incentives	<ol style="list-style-type: none">1. Exempted from customs duty, commodity tax, business tax, tobacco and wine tax, public health and welfare dues on tobacco products, trade promotion service fees, and harbor service dues.2. Machineries and equipment to be transported overseas into a free Trade Zone by a FTZ enterprise for its own use shall be exempted from customs duty, commodity tax, business tax, trade promotion service fees, and harbor service dues provided.	<ol style="list-style-type: none">1. Levying custom duties on Good produced, Exemption and refund of customs duties including liquor tax, special consumption tax act, the liquor tax, special consumption tax , traffic tax, value-added tax and zero rated value added tax.2. Exemption of customs duties on construction materials, Exemption of enterprise taxes involving corporate tax, income tax, acquisition tax, registration tax, property tax, composite land tax, Exemption of Traffic-incurred charge3. The state or local governments may furnish funds necessary to facilitate technology development activities and the training of manpower by located enterprise in free trade zone.



5. Conclusion


- Although Taiwan's port FTZ has implemented several years since central government designated Keelung port as a formal Free Trade Zone emergence in 2004, whereas there are a lot of uncertain problems need to resolve urgently.
- Applying two approaches (literature review and personal interview techniques) to explore the problems and solutions, the former is to review exiting relevant regulation of Taiwan's FTZ(Act for the establishment and management of free trade zones)" and Korea' FTZ(Act on designation and management of free trade zones)



5.1 Conclusions of literature review

1. Korea FTZs were classified into production facility zone, logistics facility zone and a support facility. Port FTZ used to define as logistics facilities zone setting up a number of distribution parks due to the limited of old harbor's port hinterland (such as Port of Busan, port of Keelung or Port of Kaohsiung) adjacent to the developed spatial location of urban city. Nevertheless, some new harbors or current harbors embedded with widespread port hinterland (e.g., Port of Busan New-Port or port of Gwanyang, or Port of Taichung) can be designed inside by production facilities and support facilities zone except logistic facilities zone.

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2. Marketing target of port FTZs in Taiwan and Korea is focusing on logistic service provider in charge of handling transit cargo with value-added activities(assembling, labeling, inspection, assortment, consolidating, etc.) via logistic center or CFS(Container Freight Station), they have offered potential customer more preferential investment measures.
 3. As for a Tenant enterprise in Korea's port FTZ are more attracting than Taiwan's case in the respect of incentives conditions, they could obtain a series of tax exemption or reduction referring to Custom Act or Corporate Act and other Financial Aids from Local government.


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4. A foreign enterprise willing to enter Korea port FTZ could enjoy more cheap land leasing fee than domestic enterprise, for instance, Leasing charges of state-owned port hinterland and building in Port FTZ promulgated by Ministry of Maritime Affairs and Fisheries in July 2007 addressing basic leasing charge for tenant company is W\$ 300 per m², Preferential leasing charge for foreign company operating logistic activities is W\$150 per m² in Busan port FTZ; Basic leasing charge and preferential leasing charge in Gwanyang port FTZ is W\$200 per m² and W\$30 per m² respectively.


On the contrary, no matter foreign or domestic company is applying some standard of leasing charge approximately NT\$2000/m² according to the exiting regulations of Taiwan's port FTZ.





5.2 Conclusions of personal interview

1. Due to unstable political atmosphere between Taiwan government and Mainland China, “Three Links” talk has no any further progressed over decade. Especially for sea cargo across Taiwan Strait should be delivered via a third place like Hong Kong or Japanese island, it arises numerous operating expenses and sailing time for Taiwanese and Mainland China carriers. If both side of governments are willing to held high-level official dialogue on “ Three link” issues sincerely, the preliminary goal of free trade zone for attracting transit cargos and value added logistic service providing across Taiwan Strait can easily achieve.

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2. Customs office may team up a combined audit taskforce to conduct inspection of the autonomous management being performed by a free trade zone enterprise in respect of its good control and management, on-line computerized customs clearance and other account-related operation and may also conduct physical inventory of the goods involved (Article 19 of Taiwan' FTZ regulation). In other words, Custom office should inspect free trade zone enterprise at any time for avoiding smuggling or other illegal cases happening occasionally, but free trade zone is deemed as outside of custom territory, if custom offices interfering in private business activities by the public power maybe decrease investment intention of domestic or foreign enterprises, hence the deregulation of custom inspection system is necessarily fulfilling based on risk management measures.

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3. Free trade zone referred to an area which is situated within a controlled district of an international airport or an international seaport under the approval of the Executive Yuan, of an adjacent area demarcated as a controlled area, and an industrial park, Export processing zones, Science-Based industrial park, and other areas(Article 3). Under this regulation any government administration which located in or adjacent to international port has qualification to become a free trade zone management institution, this problems happened to Taichung port and Kaohsiung port case, because harbor bureau and administration of Economic Export zone located within the port applying for free trade zone at the same time, and their marketing targets are similarity of concentrating on international logistic service provider and warehouse operator. The result is that both of them become the rival using the same cutting throat way by lower land rental fee and management expenses to attract domestic or foreign enterprises. Our government should set up inter-organizational meeting on asking two administrative institutions to form a partner relationship to expediting development of free trade zone.

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4. Business personnel from Mainland China, Hong Kong, or Macao may apply for entry into the free trade zone in accordance with relevant acts and regulation concerning the cross strait relationship. Besides, according to “Act for permitting international companies inviting Mainland personal to Taiwan for doing business and related activity” stipulated any Mainland China personnel who has been permitted after the application by a free trade zone enterprise on his behalf filed to and forwarded by the management authority of the free trade zone may apply for the entry visa in advance, a business visit area is restricted to free trade zone district, except for transport to/from airport and seaport, lodging on free trade zone, holiday travel activities. It seems not convenience for Mainland China businessmen to make a business or travel trip, it will diminish the possibility of doing business with each other. Such regulation should be revised and ease the restriction on entrance permission for Mainland China people if no any security problem consideration

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5. 5% of the total employees hired by a free trade zone enterprise shall be aborigines (Article 12), the protection of Taiwanese aborigines is government policy performed over ten decade, however our government using public power to interfere in labor recruiting matter seems not appropriate, It may hinder the investment intentions of foreign companies entering into free trade zone. For lessening labor expenses of enterprises, our government could consider the possibility of increasing the number of foreigner workers hired in free trade zone companies.

Thanks for Your Attention
With best Patience

