



臺美夥伴  
緊密相連

**TAIWAN**  
MATTERS FOR  
AMERICA  
MATTERS FOR  
**TAIWAN**



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# TAIWAN MATTERS FOR AMERICA/ AMERICA MATTERS FOR TAIWAN

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The **East-West Center** promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options. The Center's Washington, DC office focuses on preparing the United States for an era of growing Asia Pacific prominence.

The **American Chamber of Commerce in Taiwan** is the most impactful and influential international business organization in Taiwan, with over 1,000 members from more than 500 companies in the global business community. Many members have been in Taiwan for decades and are deeply vested in the economy's success. Founded in 1951, the organization drives innovation with advocacy, networking, and information sharing. AmCham Taiwan cares deeply about innovation, competitiveness, efficient governance, democracy, and stability. The Chamber works to strengthen the international business community through its organization of around 200 high-quality, diverse events annually. In addition, AmCham creates content—such as the monthly *Taiwan Business TOPICS* magazine, *Taiwan White Paper*, and *Business Climate Survey*—that helps business leaders become better informed about Taiwan.

## PUBLICATION DESIGN AND ILLUSTRATION

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This project maps the trade, investment, employment, business, diplomacy, security, education, tourism, and people-to-people connections between the United States and Taiwan at the national, state, and local levels. Part of the *Asia Matters for America* initiative, this publication and the AsiaMattersforAmerica.org website are resources for understanding the robust and dynamic US-Taiwan relationship.

## AsiaMattersforAmerica.org/Taiwan

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## Highlights

### THE UNITED STATES AND TAIWAN IN PROFILE

#### The United States and Taiwan Have Enjoyed a Robust Unofficial Relationship for Over 40 Years

No official diplomatic relations exist between the United States and Taiwan (officially known as the Republic of China). However, informal relations are maintained by the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO). Private sector, academic, and civil society bonds are deep and broad.

### TRADE

#### Taiwan Is Consistently One of the Top Ten Largest Global Trade Partners of the United States

The United States and Taiwan traded \$106.2 billion in goods and services in 2020. US exports amounted to \$39.5 billion, up 4% from 2011, and exports from Taiwan to the United States were \$66.7 billion, up 25% from 2018.

### INVESTMENT

#### US FDI in Taiwan Has Doubled Since 2018, Amounting to \$31.5 Billion

Since 2015, Taiwanese investment in the United States has also doubled, amounting to \$13.7 billion, and is slated to double again by 2025 with the completion of semiconductor manufacturing facilities in Arizona.

### AGRICULTURE

#### Taiwan Is the 8<sup>th</sup> Largest Agricultural Export Market for the United States

In 2020, the United States exported \$3.3 billion in agricultural products to Taiwan. Taiwan is among the world's highest per capita consumers of US foods, rivaling even neighbors such as Mexico.

### JOBS

#### US Exports to Taiwan Support Over 200,000 US Jobs

California, Texas, Washington, New York, and Illinois have the highest numbers of jobs supported by US exports to Taiwan, while US multinational enterprises (MNEs) in Taiwan employ nearly 100,000 people.

## 重點摘要

### 美台關係概況

美國與台灣的非官方關係超過40年，堅若磐石。美國、台灣（正式名稱為中華民國）間雖無邦交，卻有美國在台協會（American Institute in Taiwan, AIT）、駐美國台北經濟文化代表處（Taipei Economic and Cultural Representative Office, TECRO）維繫非正式關係。雙方在私部門、學術界及公民社會的交流既深且廣。

### 貿易

台灣長期名列美國全球貿易夥伴前十位。2020年，美台之間貨品及服務貿易總額高達1,062億美元。美國對台出口額約395億美元，較2011年提高4%；從台灣進口總額則有667億美元，較2018年增加25%。

### 投資

2018年以來，美國對台直接投資總額已增加一倍，達315億美元。自2015年，台灣對美投資也加倍，金額已達137億美元。2025年位於亞利桑那州的半導體廠興建完成後，台灣對美投資總額將再倍增。

### 農業

台灣是美國第八大農業出口市場。2020年，美國向台灣輸出33億美元農業產品。台灣的美國食品人均消費量在世界名列前茅，可與美國鄰國墨西哥比擬。

### 就業

美國對台出口，創造超過20萬個美國就業機會。美國對台出口所支持的就業人口，以加州、德州、華盛頓州、紐約州及伊利諾州最多，美商跨國企業則在台灣聘僱近10萬人。

## Highlights

### SEMICONDUCTORS

#### The Taiwan and US Semiconductor Industries Are Highly Interdependent

Taiwan is responsible for 20% of global wafer capacity and produces 92% of the world's most sophisticated semiconductor products. In 2020, Taiwan was the recipient of 45% of US exports of semiconductor equipment.

### TECHNOLOGY LEADERSHIP

#### Taiwan Has a Vast Entrepreneurial Community, with Countless Technologies Transferred from the United States

Intermediate goods such as semi-finished products, parts, and capital goods make up 86% of Taiwan's exports to the United States.

### SECURITY

#### The United States and Taiwan Cooperate on Military Training and Exercises

Taiwan has participated in US military exercises, including the Balance Tamper exercise between US and Taiwanese special forces in 2020, a cyber-war exercise in 2019, and a Coast Guard Working Group in 2021. In addition, the United States continues to approve substantial Foreign Military Sales of arms critical to Taiwan's self-defense.

### DEMOCRACY AND GOOD GOVERNANCE

#### The United States and Taiwan Share a Commitment to Democracy and Human Rights

The introduction of democratic processes in Taiwan has over the years given rise to strong rule of law, respect for human rights, and an independent judiciary—all of which are shared values with the United States.

### ENVIRONMENT AND CLIMATE CHANGE

#### Taiwan and the United States Actively Cooperate on the Environment

The US-Taiwan International Environmental Partnership (IEP) was established in 2014. Through the IEP, the United States Environmental Protection Agency and Taiwan Environmental Protection Administration work with environmental agencies, non-governmental organizations, and other stakeholders in more than 40 countries in the Indo-Pacific and across the world.

## 重點摘要

### 半導體

台美半導體產業發展相輔相成

台灣生產全球約20%的晶圓，世界最精密的半導體產品，92%由台灣製造。2020年，台灣占美國半導體設備出口總額的45%。

### 科技優勢

台灣自美國引進無數新技術，讓創業社群蓬勃發展。

台灣輸美貨品約86%屬於資本財與半成品、零件等中間財。

### 國防安全

美台聯合軍事演訓

台灣參與美方軍事操演，如2020年美軍與台灣特戰部隊共同參與「Balance Tamper」演訓、2019年網路作戰訓練，及2021年成立海巡工作小組。美國也持續對台軍售，規模可觀，有助台灣自主防衛。

### 民主與良善治理

美台皆致力於守護民主人權價值

台灣建立民主體制多年，崇尚法治，尊重人權，司法獨立，皆為與美國共享且重視的價值。

### 環境與氣候變遷

台美積極合作推展環境事務

2014年，美台國際環境夥伴計畫（US-Taiwan International Environmental Partnership, IEP）啟動。美、台環保署藉此計畫與印太地區及全球超過40國環保機構、非政府組織及相關單位合作。

## Highlights

### HEALTHCARE

#### Twelve Major US Pharmaceutical Companies Have Significant Operations and Investments in Taiwan

Taiwan has world-class healthcare, ranking 13<sup>th</sup> in the 2021 World Index of Healthcare Innovation. US medical technology and pharmaceuticals deliver world-class outcomes to Taiwanese patients, enjoying leading market positions.

### POPULATION

#### There Are More Than 204,000 Taiwanese Americans in the United States

Since 2015, the Taiwanese American population has grown more than 12% in total. Over 4,000 Taiwanese become naturalized American citizens each year.

### TRAVEL AND TOURISM

#### The United States Is the 5<sup>th</sup> Largest Source of Tourists to Taiwan

Taiwan is the 6<sup>th</sup> largest source of visitors to the United States from the Indo-Pacific. More than 500,000 Taiwanese visited the United States in 2019.

### EDUCATIONAL EXCHANGE

#### Over 24,000 Taiwanese Students Study in the United States

Taiwanese students are the 7<sup>th</sup> largest group of international students in the United States.

### SISTER PARTNERSHIPS

#### Taiwan and the United States Share Nearly 90 Sister City and State Relationships

Sister partnerships connect 12 Taiwanese cities and counties to 35 US states, cities, and counties.

## 重點摘要

### 醫療照護

12家美國主要藥廠在台灣大規模營運、投資

台灣擁有世界級的醫療水準，在2021年「世界醫療創新指數」排第13名。美商醫療科技及製藥企業為台灣病人提供世界一流的療效，在台灣市場居領先地位。

### 人口

台裔美國公民超過20.4萬人

2015年以來，台裔美籍人口成長超過12%，每年有超過4,000位台灣人歸化為美國公民。

### 觀光旅遊

美國是台灣第五大觀光客來源國

台灣也是美國在印太地區第六大訪客來源。2019年有超過50萬名台灣人造訪美國。

### 教育交流

留美台灣學生超過2.4萬人

台灣留美學生人數，在留美國際學生裡排名第七。

### 姊妹城市締盟

台美之間締結了近90個姊妹市/州關係

姊妹城市夥伴關係，連結台灣12個縣市與美國35個州、市及郡

## The United States and Taiwan Have Enjoyed a Robust Unofficial Relationship for Over 40 Years

Relations between the United States and Taiwan (officially known as the Republic of China) are governed by the Taiwan Relations Act (TRA), which was passed by Congress in 1979; three Joint Communiques between the United States and the People's Republic of China (China); and the “Six Assurances” relayed to the Taiwanese president. The United States does not support Taiwan formally declaring its intention to remain permanently separate from China but does support the peaceful resolution of cross-strait differences, opposes unilateral changes to the status quo by either side, and encourages both sides to continue their constructive dialogue on the basis of dignity and respect.

No official diplomatic relations exist between the United States and Taiwan, but informal relations are maintained by the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO). Aside from the main office in Washington, DC, TECRO oversees 12 other offices in Atlanta, Boston, Chicago, Denver, Honolulu, Houston, Los Angeles, Miami, New York, San Francisco, Seattle, and Guam. Taiwan President Tsai Ing-Wen has made a number of unofficial visits to the United States, as have Cabinet members. Numerous US officials have also visited Taiwan, including Former Under Secretary of State Keith Krach and Former Health and Human Services Secretary Alex Azar. US Presidents or Vice Presidents have not visited since relations were formally dissolved in 1979.

An island roughly the size of Maryland, Taiwan competes with the world's largest economies at the global level and is the 21<sup>st</sup> largest economy in the world. Taiwan has one of the most sophisticated technological infrastructures in the Indo-Pacific and strong industrial manufacturing sectors.

In recent years, Taiwan has actively participated as a member in the Asia-Pacific Economic Cooperation (APEC)\*, Asia Development Bank (ADB)\*, and the World Trade Organization (WTO)\*. Although Taiwan is excluded from many multilateral organizations such as the United Nations and the World Health Organization (WHO), Taiwan makes an effort to be a responsible partner with the United States and the international community by upholding international standards.

In the areas of science and technology cooperation, the United States and Taiwan have hundreds of joint projects and agreements. A new Science and Technology Agreement (STA) was signed in December 2020 to expand and reaffirm cooperation in science, technology, and innovation.

\*Taiwan is known as “Chinese Taipei,” “Taiwan, China,” or “Special Customs Territory of Taiwan, Penghu, Kinmen, and Matsu” in these organizations.

Sources: World Bank, 2020 data; US Department of State; Taiwan Ministry of Foreign Affairs; American Institute in Taiwan; Taipei Economic and Cultural Representative Office, International Monetary Fund, Taiwan National Statistics, Stockholm International Peace Research Institute, Taiwan Ministry of Finance, Taiwan National Statistics, Taiwan Ministry of Economic Affairs

Numbers rounded throughout publication. All monetary values are in US\$ unless otherwise noted. Whenever possible, most recent available data is used, except in cases in which the data was significantly impacted by COVID-19. For the most up-to-date data, please visit [AsiaMattersforAmerica.org](http://AsiaMattersforAmerica.org)

## 美國與台灣的非官方關係超過40年，堅若磐石

美國、台灣（正式名稱為中華民國）間雖無邦交，卻有美國在台協會（American Institute in Taiwan, AIT）、駐美國台北經濟文化代表處（Taipei Economic and Cultural Representative Office, TECRO）維繫非正式關係。雙方在私部門、學術界及公民社會的交流既深且廣。



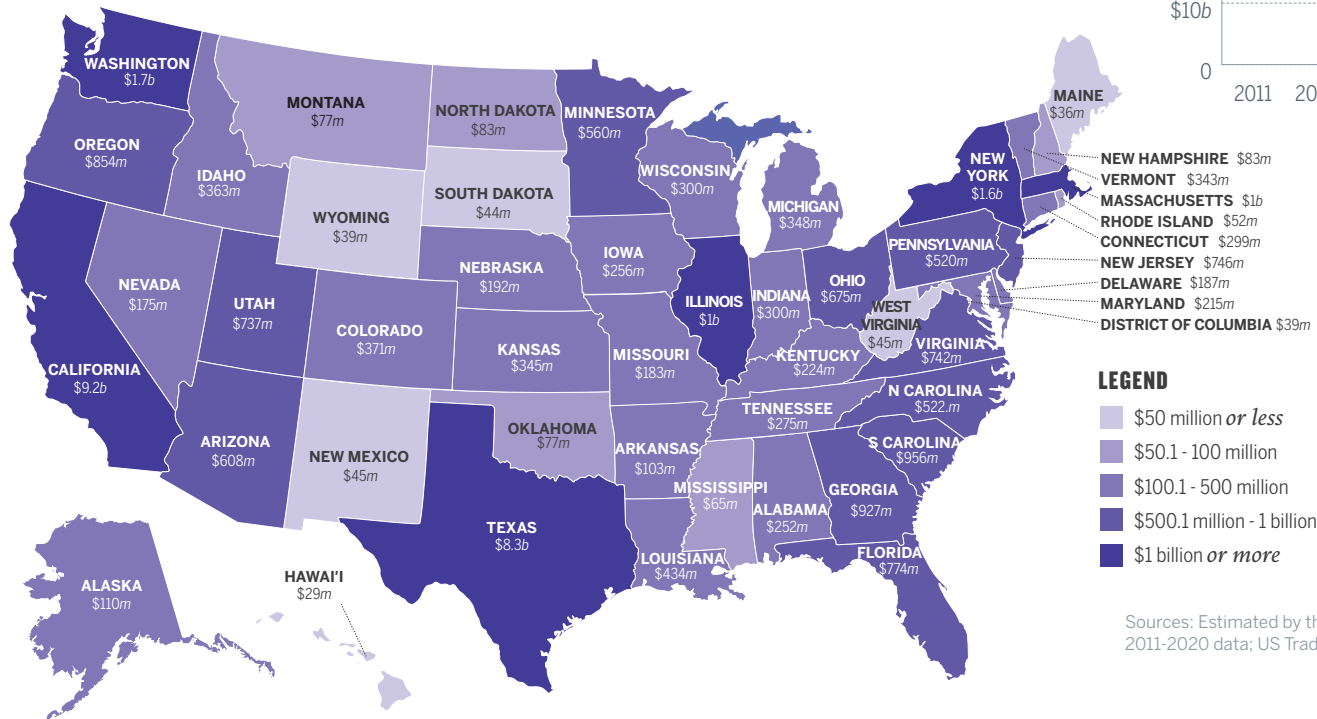
INDICATOR	UNITED STATES	TAIWAN
Population	329 million	24 million
GDP, current prices	\$20.95 trillion	\$669 billion
GDP per capita, current prices	\$63,593	\$28,383
Total Exports of Goods and Services	\$2.12 trillion	\$345.1 billion
Total Imports of Goods and Services	\$2.78 trillion	\$286.1 billion
FDI, net outflows (BoP)	\$311.7 billion	\$11.8 billion
FDI, net inflows (BoP)	\$211.3 billion	\$9.1 billion
Military Expenditure (% of GDP)	3.7%	1.9%
Life Expectancy	79	80.9
Internet Penetration (% of population)	89%	86%

# Taiwan Is Consistently One of the Top Ten Largest Global Trade Partners of the United States

The United States and Taiwan traded \$106.2 billion in goods and services in 2020. US exports amounted to \$39.5 billion, up 4% from 2011, and imports from Taiwan were \$66.7 billion, up 25% from 2018. Taiwan holds a trade surplus of \$27.3 billion with the United States.

Although the United States and Taiwan do not have a bilateral free trade agreement (FTA), the topic has been discussed. In 1994, the United States and Taiwan concluded a Trade and Investment Framework Agreement (TIFA). This agreement serves as a periodic high-level forum to discuss major bilateral trade and investment issues, address disputes, and expand commercial ties. Past agenda items include market access, intellectual property rights protection, labor and environmental issues, and trade capacity building. In November 2020, the inaugural US-Taiwan Economic Prosperity Partnership Dialogue (EPPD) was held to discuss a broad range of economic issues including the Clean Network, 5G networks and telecommunications security, supply chains, investment screening, clean infrastructure cooperation, renewable energy, global health, science and technology, women's economic empowerment, education, and entrepreneurship.

## US GOODS AND SERVICES EXPORTS TO TAIWAN BY STATE







## Taiwan Is the 8<sup>th</sup> Largest Agricultural Export Market for the United States

Taiwan is among the world's highest per capita consumers of US foods, rivaling even regional neighbor Mexico. The United States is the largest supplier of agricultural products to Taiwan, accounting for 29% of Taiwan's total agricultural imports in 2020. In 2020, the United States exported \$3.3 billion worth of agricultural products to Taiwan.

### TOP US CONSUMER-ORIENTED PRODUCTS TO TAIWAN, 2020

Beef & Beef Products	\$552m
Poultry Meat & Prods. (ex. eggs)	\$223m
Fresh Fruit	\$196m
Food Preparations	\$132m
Dairy Products	\$121m
Non-Alcoholic Bev. (ex. juices)	\$81m
Processed Vegetables	\$76m
Tree Nuts	\$67m
Fresh Vegetables	\$66m
Pork & Pork Products	\$54m

### SELECTED STORY

#### NEW USE FOR MICHIGAN CHERRIES IN TAIWAN

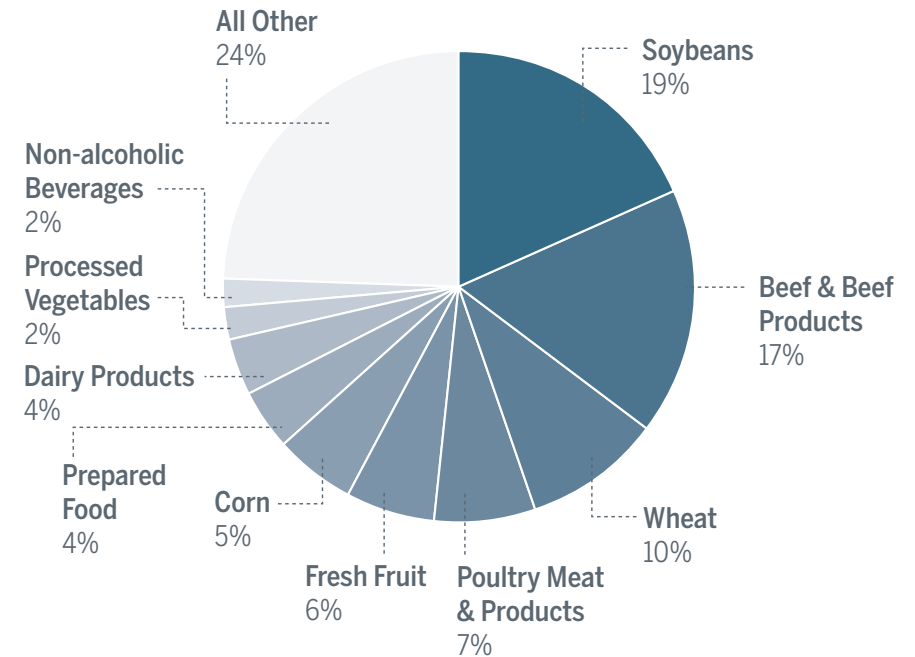
Taiwan is the United States' 5<sup>th</sup> largest market for cherry exports, with over 50% of imported cherries in Taiwan originating from the United States representing over \$43 million of exports in 2021. In 2020, the US Agricultural Trade Office worked to successfully remove a burdensome 15% tax on tart cherry juice. Opening the door for one of Michigan state's signature agricultural products, with Michigan growers representing 75% of US tart cherry production.

A new product in the Taiwan market, Michigan cherries have even been used in the brewing of craft beer—also a nascent industry in Taiwan. Local craft beer brewers have been experimenting with the now duty-free fruit to make unique tart cherry-flavored sour beers, benefiting both Taiwanese consumers and US farmers.

## 台灣是美國第八大農業出口市場

2020年，美國向台灣輸出33億美元農業產品。台灣的美國食品人均消費量在世界名列前茅，可與美國鄰國墨西哥比擬。

### BREAKDOWN OF US AGRICULTURAL EXPORTS TO TAIWAN



Source: Agricultural Trade Office, American Institute in Taiwan; US Department of Agriculture, Foreign Agricultural Service; Michigan Farm News/Farm News



## The Taiwan and US Semiconductor Industries Are Highly Interdependent

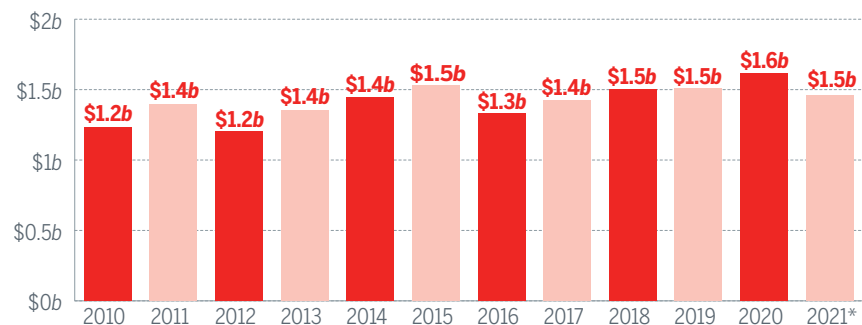
Taiwan not only boasts some of the world's strongest semiconductor manufacturing capabilities, but it is also host to a comprehensive semiconductor industry cluster, which includes testing and packaging, materials production, and capital equipment and machinery. As a global chipmaking powerhouse, Taiwan is responsible for 20% of global wafer capacity and produces 92% of the world's most sophisticated semiconductor products, used in everything from mobile phones to automobiles.

Taiwan relies heavily on imports of capital equipment and machinery from the United States to support its world-renowned foundry model, which produces chips for the United States' top fabless design firms. In 2020, Taiwan was the recipient of 45% of US exports of semiconductor equipment.

In 2019, Taiwan accounted for 10% of front-end semiconductor wafer capacity of US-headquartered firms, just behind Singapore at 17% and the United States at 44%. All of the United States' top semiconductor firms have significant operations in Taiwan, and plan to invest more in Taiwan over the coming years.

Total exports of electronic integrated circuits to the United States in 2020 amounted to \$1.6 billion.

### EXPORTS OF ELECTRONIC INTEGRATED CIRCUITS TO THE UNITED STATES



## 台美半導體產業發展相輔相成

台灣生產全球約20%的晶圓，世界最精密的半導體產品，92%由台灣製造。2020年，台灣占美國半導體設備出口總額的45%。

### TAIWAN'S IMPORTS OF SEMICONDUCTOR CAPITAL EQUIPMENT AND MACHINERY 2015-2020

	2015	2016	2017	2018	2019	2020*
<b>Total</b>	\$12.9b	\$16.7b	\$15.6b	\$15b	\$23.2b	\$23b
<b>From United States</b>	\$4.1b	\$4.4b	\$4.4b	\$3.8b	\$4.9b	\$5.1b
<b>% of Total</b>	32%	26%	28%	25%	21%	22%

### SELECTED STORIES

#### TWO-WAY INVESTMENT IN SEMICONDUCTORS

##### MICRON

US-headquartered computer memory and data storage firm Micron Technology has conducted sales and technology service operations in Taiwan since 1997. In 2008, it began conducting its own manufacturing in Taiwan. The company now operates sales and technical support, fabrication, and back-end facilities, which when combined constitute the company's DRAM Center of Excellence. Micron Taiwan employs a team of over 9,000 employees, making it the island's largest foreign employer and investor.

##### TAIWAN SEMICONDUCTOR MANUFACTURING CO. (TSMC)

The Taiwan Semiconductor Manufacturing Co. (TSMC), ranked 3<sup>rd</sup> in IC Insights' *May 2021 Top-15 Semiconductor Companies* report, is the world's largest contract chipmaker. In 2021, TSMC began construction of a planned \$12 billion fab in Arizona, which will produce semiconductors on the 5nm process node. The investment is expected to lead to the creation of 1,900 US jobs and numerous opportunities for American and Taiwanese suppliers and other companies within the chip industry.

Sources: Taiwan Customs Administration (2021/09), Semiconductor Industry Association, Industry, Science and Technology International Strategy Center (ISTI), ITRI

\* Preliminary data

## Taiwan Has a Vast Entrepreneurial Community, with Countless Technologies Transferred from the United States

Taiwan's "economic miracle"—the period of rapid industrial and economic growth that took place on the island in the 1970s and 1980s—was in large part the work of industrious local manufacturers. For years, Taiwanese contract manufacturers pushed out billions of dollars' worth of inputs, components, and finished products for some of the United States' biggest tech brands, including Apple, Microsoft, Dell Computer, and Hewlett Packard. In fact, 86% of Taiwan's exports to the United States consist of intermediate goods such as semi-finished products, parts, and capital goods that American companies then use to create products for the US market. Up to 75% of electric vehicle maker Tesla's supply chain for components is composed of Taiwanese firms.

Taiwanese manufacturers make some of the world's leading-edge products for use in electronics, automobiles, telecommunications, and countless other areas. Prospects for American businesses seeking high-quality suppliers include:

- Electric vehicles
- Internet of Things (IoT)
- 5G equipment
- Aerospace technology



ITRI's North America branch in San Jose.  
Photo Credit: ITRI

## 台灣自美國引進無數新技術，讓創業社群蓬勃發展

台灣輸美貨品約86%屬於資本財與半成品、零件等中間財。

### SELECTED STORIES

#### TAIWAN'S ITRI CREATES LINKAGES BETWEEN TAIWAN AND US TECH

The semi-governmental Industrial Technology Research Institute (ITRI), founded in 1973, has played an instrumental role in shaping the development of Taiwan's information technology and other export-oriented industries. Its North American branch, located in San Jose, California, has fostered over 30 Silicon Valley startups and facilitated R&D collaboration with universities and research institutions across the United States. Through their work with ITRI, American clients and partners are given access to the institute's in-house technologies and R&D capabilities, as well as Taiwan's well-developed supply chain network and industry clusters.

#### US AND TAIWAN TACKLE SUPPLY CHAIN RESILIENCE

Until recently, much of the manufacturing processes of Taiwan's biggest companies, such as Foxconn and Quanta Computer, took place in China. However, the US-China trade dispute and the COVID-19 pandemic have pushed businesses to diversify their operations, with many choosing to reshore high-end manufacturing to Taiwan, while diverting lower-end production to Southeast Asian locations, such as Vietnam. Such diversification makes US supply chains in Taiwan more resilient. In addition, the American Institute in Taiwan has partnered with the semi-governmental Taiwan External Trade Development Council (TAITRA) to further promote supply chain resiliency through literature, workshops, and other forums.

#### MORRIS CHANG, FOUNDER OF TAIWAN SEMICONDUCTOR MANUFACTURING CO.

TSMC Founder Morris Chang's story personifies the close relationship between the United States and Taiwan chip industries. A native of China, Chang was educated in the United States, earning undergraduate and master's degrees from MIT and a PhD from Stanford. As an engineer and manager at Texas Instruments, he rose through the ranks to become group vice president, and then accepted the position of president and COO at General Instrument. In the 1980s, the Taiwan government recruited him to become chairman and president of ITRI. With government support and utilizing his strong background in the US semiconductor industry, he then founded TSMC, the world's first—and still largest—semiconductor foundry. Instead of promoting their own brands, foundries produce on contract for other companies. TSMC has been a world leader in developing semiconductor technology and is a prime supplier to many of the most important US companies in the tech sector.

Source: American Chamber of Commerce in Taiwan

## The United States and Taiwan Cooperate on Military Training and Exercises

Although the United States and Taiwan do not maintain official ties, the Taiwan Relations Act of 1979 enshrines a commitment for the United States to assist Taiwan in maintaining its self-defense capability. In a September 2020 statement by then Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell, the Six Assurances were summarized as: “First, the United States has set no date for ending arms sales to Taiwan. Second, the United States has not agreed to prior consultation with Beijing on arms sales to Taiwan. Third, the United States has not agreed on any mediation role between Beijing and Taipei. Fourth, the United States has not agreed to revise the Taiwan Relations Act. Fifth, the United States has not agreed to take any position regarding sovereignty over Taiwan. And sixth, the United States will never pressure Taiwan to negotiate with Beijing.”

The United States has continued sales of defense equipment to Taiwan with the most recent major arms package, approved in August 2021, valued at \$750 million. The US Department of Defense has created numerous training opportunities for members of the Taiwan military and has permitted them to attend US military colleges such as the Air War College and the Marine Corps Staff and Command College.

Taiwan has also participated in US military exercises including the Balance Tamper exercise between the US Army Special Forces and Taiwanese Green Berets in 2020, and a cyber-war exercise in 2019. In 2021 Taiwan and the United States established a Coast Guard Working Group to enhance cooperation and information sharing in maritime activities, the first meeting of which was held in August 2021.

## 美台聯合軍事演訓

台灣參與美方軍事操演，如2020年美軍與台灣特戰部隊共同參與「Balance Tamper」演訓、2019年網路作戰訓練，及2021年成立海巡工作小組。美國也持續對台軍售，規模可觀，有助台灣自主防衛。

### SELECTED RECENT MAJOR ARMS PACKAGES APPROVED

2021	\$750m	155mm M109A6 Paladin Medium Self-Propelled Howitzer System and related equipment
2020	\$2.4b	100 Harpoon Coastal Defense Systems (HCDS)
2020	\$1b	AGM-84H Standoff Land Attack Missile Expanded Response (SLAM-ER) Missiles and related equipment
2020	\$8b	F-16C/D Block 70 aircraft and related equipment and support
2019	\$2b	M1A2T Abrams Tanks and related equipment and support
2019	\$500m	Continuation of a pilot training program and maintenance/logistics support for F-16 aircraft



F-16V Aircraft are among the wide range of defense equipment sold to Taiwan. Photo Credit: Andrew Chen

Sources: Stockholm International Peace Research Institute, 2010-2019 data; US Departments of State and Defense, TECRO

## The United States and Taiwan Share a Commitment to Democracy and Human Rights

Taiwan's mostly peaceful transition from an authoritarian regime to a vibrant liberal democracy in the 1980s-1990s make it a shining example for other regional neighbors undergoing their own political transformations. The introduction of democratic processes in Taiwan has given rise to strong rule of law, respect for human rights, and an independent judiciary—all of which are shared values with the United States.

Since 1996, Taiwan has held free elections for the presidency and national legislature every four years and has undergone three peaceful transitions of power between presidents. All citizens aged 20 and above are allowed to vote. The island has an active civil society, and the presence of peaceful protests, petitions, and referendums demonstrates a high regard for free speech and expression.

### THE IMPORTANCE OF THE UNITED STATES TO TAIWAN'S DEMOCRACY CANNOT BE UNDERSTATED

The United States served as a mentor and role model to Taiwan over the course its democratization process. Since 1996, the State Department's annual *Country Reports on Human Rights Practices* have tracked Taiwan's substantial progress in this area. In addition, gradual improvements to Taiwan's democracy over the years have helped garner more overt support from US officials and members of Congress, including support for arms sales to Taiwan. These factors have helped inform and create momentum to further enhance Taiwan's democratic processes and institutions and made it a paradigm of democracy in the Indo-Pacific. In recognition of Taiwan's democratic achievements, the United States invited Taiwan to participate in its *Summit for Democracy* in December 2021.

### DEMOCRACY RANKINGS

Over the past several years, Taiwan has consistently received one of the highest scores in terms of political rights and civil liberties from Washington, DC-based Freedom House. Taiwan was ranked the 2<sup>nd</sup> freest jurisdiction in Asia—behind Japan—and 7<sup>th</sup> in the world in the 2021 *Freedom in the World Report*. The *Democracy Index 2020* report issued by the Economist Intelligence Unit (EIU) considered Taiwan “the year's biggest winner,” as its score rose more than any other country in the EIU's index. In the report Taiwan's global ranking rose from 31<sup>st</sup> place to 11<sup>th</sup> overall, and the EIU changed its designation of Taiwan from “flawed democracy” to “full democracy.”

## 美台皆致力於守護民主人權價值

台灣建立民主體制多年，崇尚法治，尊重人權，司法獨立，皆為與美國共享且重視的價值。

### SELECTED STORY

#### THE GCTF BRINGS TAIWAN'S EXPERTISE TO THE WORLD

In 2015, the United States and Taiwan signed a memorandum of understanding to establish the Global Cooperation & Training Framework (GCTF), a major initiative that allows Taiwan to share its expertise, strengths, and experience with countries across the globe. Over the following six years, the GCTF has held more than 30 workshops on topics including public health, law enforcement, women's empowerment, energy efficiency, cybersecurity, and others. Around 2,500 officials and experts from 88 countries have joined these workshops. In 2019, Japan joined the GCTF as a full partner, and has acted as co-host to all events held through the program since then. Australia joined as a full partner in October 2021, and other countries have co-hosted GCTF workshops.

### FREEDOM HOUSE GLOBAL FREEDOM SCORE (OUT OF 100) 2017-2020

	2017	2018	2019	2020*
Taiwan	93	93	93	94
United States	89	86	86	83

### INTERNET FREEDOM RANKINGS OF MAJOR INDO-PACIFIC DEMOCRACIES (OUT OF 100)

1	Taiwan	80
2	Japan	76
3	Australia	74
4	South Korea	67
5	Philippines	65
6	India	49

Source: Freedom on the Net 2021 Report, Freedom House  
\*Preliminary data

## Taiwan and the United States Actively Cooperate on the Environment

The US Environmental Protection Agency (US EPA) and the Environmental Protection Administration Taiwan (EPA Taiwan) have partnered on a wide range of projects over the past three decades. These collaborations not only tackle environmental issues in Taiwan but also aim to provide assistance and training to countries throughout the Indo-Pacific and globally.

All initiatives are carried out under the umbrella of the US-Taiwan International Environmental Partnership (IEP), established in 2014 during the visit of then US EPA Administrator Gina McCarthy to Taiwan. Through the IEP, the US EPA and EPA Taiwan work with environmental agencies, non-governmental organizations, and other stakeholders in more than 40 countries in the Indo-Pacific and across the world. The partnership has expanded in recent years, with Taiwan's Ministry of Education, Ministry of Health & Welfare, Ministry of Economic Affairs, and Ocean Affairs Council all joining in 2019. Areas of environmental cooperation include air quality management, waste management, soil and groundwater contamination remediation, environmental enforcement, mercury monitoring, greenhouse gas reduction, and environmental education and children's health.

### KEY ENVIRONMENTAL COLLABORATIONS BETWEEN US AND TAIWAN 2010-2020

- International E-Waste Management Network (IEMN), 2011
- Asia Pacific Mercury Monitoring Network (APMMN), 2012
- US-Taiwan Eco-Campus Partnership, 2012
- Global Environmental Education Partnership (GEEP), 2014
- Asia-Pacific Children's Health Initiative, 2017
- Kids Making Sense, 2018
- South & Southeast Asia – Air Improvements in the Region (SSEA-AIR), 2019

## 台美積極合作推展環境事務

2014年，美台國際環境夥伴計畫（US-Taiwan International Environmental Partnership, IEP）啟動。美、台環保署藉此計畫與印太地區及全球超過40國環保機構、非政府組織及相關單位合作。



Former US EPA Coordinator Gina McCarthy during her visit to Taiwan in 2014.  
Photo Credit: US EPA

### SELECTED STORY

#### THE UNITED STATES AND TAIWAN PURSUE CLIMATE CHANGE ACTION

US EPA, EPA Taiwan, and their community of IEP partners are launching a private-public partnership to address opportunities and challenges involving climate change, e-waste management, environmental education, and more. Research institutes, non-profits, and leading business chambers will join this initiative to help the United States and Taiwan support one another and drive constructive change regionally and globally. As countries around the world continue to hold high-level dialogues on how to mitigate climate change, IEP partners will show the global community how to move from climate deliberation to climate action.

Source: American Chamber of Commerce in Taiwan

## Twelve Major US Pharmaceutical Companies Have Significant Operations and Investments in Taiwan

Taiwan has an outstanding national healthcare system, ranking 13<sup>th</sup> in the 2021 World Index of Healthcare Innovation, while US medical technology and pharmaceuticals deliver world-class outcomes to Taiwanese patients, and enjoy leading market positions. All Taiwanese citizens are covered by comprehensive universal single-payer healthcare through the National Health Insurance system. Health records are stored electronically in a central database managed by the National Health Insurance Administration, earning Taiwan plaudits for its use of digital technology in health.

Taiwan is also becoming a growing base in the Indo-Pacific for healthcare and biopharmaceutical research and development, particularly in terms of clinical trials.

Over 70% of Taiwan's medical device market consists of imports. Of that, the United States holds an approximate 35% market share.

### MAJOR US PHARMACEUTICAL COMPANIES IN TAIWAN

AbbVie	Janssen
Amgen	Merck Sharp & Dohme
Biogen	3M
Bristol-Myers Squibb	Organon
Eli Lilly	Pfizer
Gilead	Viatrix

### TAIWAN PHARMACEUTICAL IMPORTS

	2018	2019	2020	2021*
<b>Total Imports</b>	\$2.5b	\$3.1b	\$3.3b	\$3b
<b>Imports From United States</b>	\$895m	\$931m	\$956m	\$956m

Source Major Pharmaceutical Companies: International Research-based Pharmaceutical Association

Source Medical Devices: Commercial Section, American Institute in Taiwan

\*Preliminary data

## 12家美國主要藥廠在台灣大規模營運、投資

台灣擁有世界級的醫療水準，在2021年

「世界醫療創新指數」排第13名。美商醫療科技及製藥企業為台灣病人提供世界一流的療效，在台灣市場居領先地位。

### SELECTED STORIES

#### MUTUAL ASSISTANCE DURING THE COVID-19 PANDEMIC

In the wake of the global outbreak of COVID-19, Taiwan proved itself to be a compassionate friend and ally to countries around the world. After ramping up production of facemasks between January and May 2020 to nearly 20 million per day, it began donating its surplus supply of masks and other personal protective equipment to other countries. In April 2020, Taiwan pledged to provide 100,000 facemasks to the United States per week. Ultimately, Taiwan donated millions of masks, as well as other vital medical equipment and supplies, to its partners in the United States.

Taiwan and the United States also agreed in March 2020 to partner on a range of COVID-19 prevention and control activities, including researching, developing, and producing rapid tests, vaccines, and medicines to treat the virus. Taiwan and the United States are also exchanging contact tracing techniques and technology, jointly holding conferences with scientists and experts, and providing each other with medical supplies and equipment.

In terms of vaccines, the United States reciprocated Taiwan's generosity in the earlier stages of the pandemic with a donation of 2.5 million doses of the Moderna vaccine in May 2021, followed by another 1.5 million doses in October. Taiwanese vaccine maker Medigen Vaccine Biologics Corp. developed its domestically produced COVID-19 vaccine with the help of the US National Institutes of Health (NIH).

#### WORKING TOGETHER TO REDUCE COMMERCIAL BARRIERS

While Taiwan has made great strides in improving its protection of intellectual property, until recently it lacked a patent linkage mechanism, an important tool in protecting patented drugs. However, following years of collective efforts between the American Institute in Taiwan's Commercial Section, the international biopharmaceutical industry, AmCham Taiwan, and various US government agencies, Taiwan passed an amendment to its Pharmaceutical Affairs Act in 2018 that created a patent linkage system closely aligned with that of the United States. The mechanism, implemented in August 2019, prohibits the manufacture or import of generics while the original drug's patent is still valid and blocks such drugs from being reimbursed under Taiwan's National Health Insurance scheme.







## Over 24,000 Taiwanese Students Study in the United States

Taiwanese students are the 7<sup>th</sup> largest group of international students in the United States, with 31% of Taiwanese students pursuing undergraduate degrees and 39% pursuing graduate degrees. In the 2018/2019 academic year, 1,270 American students studied in Taiwan. Americans studying abroad in Taiwan increased by 48% from the previous academic year.

Taiwan universities have partnerships with over 150 US universities and research institutions. In the United States, there are 15 universities with Taiwan studies programs, including four in California and three in Texas.

### TOP 10 STATES

TAIWANESE STUDENTS BY STATE			TAIWAN STUDIES PROGRAMS	
1	California	6,538	University of Washington, Taiwan Studies	
2	New York	2,771	UCLA, Taiwan Studies	
3	Massachusetts	1,687	Stanford, Project on Taiwan in the Indo-Pacific Region	
4	Washington	1,545	UCSB, Center for Taiwan Studies	
5	Texas	1,436	Harvard Fairbank Center, Taiwan Studies Project	
6	Pennsylvania	1,118	UT Austin, Taiwan Studies Program	
7	Illinois	1,076	Indiana University at Bloomington, MOU with Taipei Economic and Cultural Office	
8	Indiana	726	UT Dallas, MOU with Taipei Economic and Cultural Office	
9	Michigan	642	University of St. Thomas Houston, Taiwan Studies Center	
10	Florida	635	Boston University, MOU with Taipei Economic and Cultural Office	
			University of South Carolina, Taiwan Academy	
			George Washington University, Taiwan Education and Research Program	
			Oregon State University, Chiu Scholarly Exchange Program	
			NYU US Asia Law Institute, Cross-Strait Relations Program	
			UCSD, Taiwan Studies Center	



Photo Credit: American Institute in Taiwan

## 留美台灣學生超過2.4萬人

台灣留美學生人數，在留美國際學生裡排名第七。

### SELECTED STORIES

#### US-TAIWAN EDUCATION INITIATIVE

The US-Taiwan Education Initiative (USTEI), jointly launched by the two partners in December 2020, aims to expand English and Mandarin language instruction, while maintaining academic freedom.

Under the USTEI, Fulbright programs will be expanded to enable more Chinese-language instructors to go to the United States, and Taiwan's Test of Chinese as a Foreign Language test will be promoted as the standard Mandarin proficiency exam in the United States. The Taiwan government has also recently launched a program to open Taiwan Centers for Mandarin Learning in locations across the United States. The first five of a planned 15 schools started operations in the fall of 2021. The Centers are designed to help develop goodwill for Taiwan in the United States, while strictly avoiding the political content that caused China's controversial Confucius Institutes to become unwelcome on many campuses.

USTEI will help Taiwan work toward its goal of becoming bilingual by 2030 by enhancing English-language programming and training local teachers in English content-based instruction. It will also seek to increase the number of English instructors in Taiwan.

#### CREATING PEOPLE-TO-PEOPLE PROFESSIONAL CONNECTIONS

For many years before China opened its doors to US scholars, nearly every budding American Sinologist spent time in Taiwan for Mandarin language study and/or research. The result was that most future American government officials, academics, and other specialists dealing with the greater China region had at least a basic understanding of Taiwan and an appreciation for its achievements. In recent decades, however, the opportunity to forge that understanding has been lost as the bulk of the language study and academic research shifted to China.

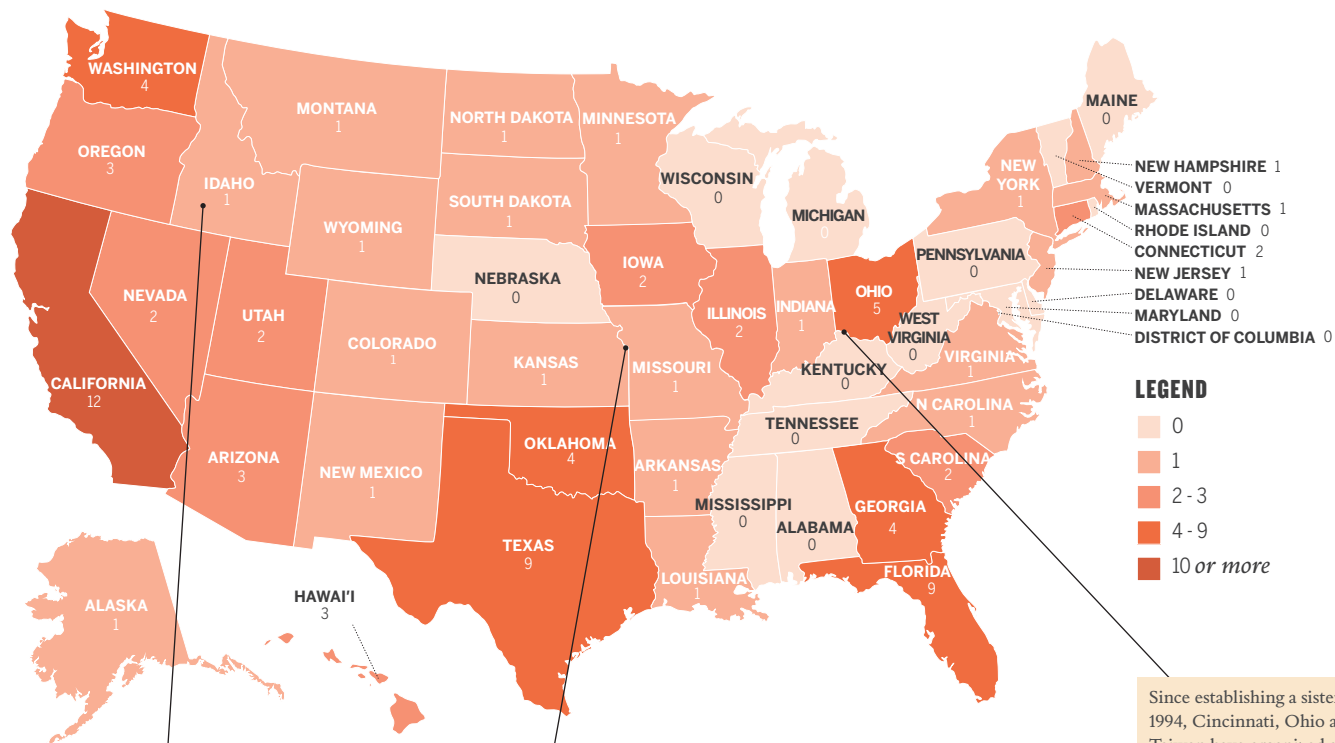
Legislation known as the Taiwan Fellowship Act now before Congress would help to rebuild that expertise at a time when recognition of Taiwan's economic and strategic importance is growing. Modeled on a highly successful program run in Japan for many years by the Mansfield Foundation, the new program would enable selected civil servants from a variety of United States government agencies to spend two years in Taiwan—first receiving training in language and Taiwanese society and culture and then being assigned to a Taiwan government department related to their area of specialty. The personal contacts the participants develop should help smooth interaction between the two countries for years to come.

The project's initiators hope eventually it will also operate in the other direction, enabling Taiwanese talent to be embedded for a period in US government offices.

## Taiwan and the United States Share Nearly 90 Sister City and State Relationships

Sister partnerships connect 12 Taiwanese cities and counties to 35 US states, cities, and counties. Sister relationships foster civic and people-to-people relationships, as well as commercial ties between states, cities, and other jurisdictions in the United States and those abroad. California, Florida, and Texas have the most connections with Taiwan of all US states. California has 12 sister city, county, and state relationships, and Florida and Texas each have nine.

### SISTER PARTNERSHIPS BETWEEN THE UNITED STATES AND TAIWAN



Idaho shares a sister state relationship with Taiwan, which is one of its largest trading partners and purchasers of agricultural, lumber, and mineral products.

Tainan, Taiwan donated personal protective equipment to its sister city Kansas City, Kansas to help its fight against the COVID-19 pandemic.

## 台美之間締結了近90個姊妹市/州關係

姊妹城市夥伴關係，連結台灣12個縣市與美國35個州、市及郡。

### SELECTED US-TAIWAN PARTNERSHIPS

**Hualien** with Albuquerque (NM), Bellevue (WA)

**Kaohsiung** with Seattle (WA), Honolulu (HI), Little Rock (AR), Colorado Springs (CO), Fort Lauderdale and Pensacola (FL), Macon (GA), Tulsa (OK), Portland (OR), San Antonio (TX)

**New Taipei City** with Cincinnati (OH) and Monterey Park and Monterey (CA)

**Taichung** with Austin (TX), New Haven (CT), Tucson (AZ), Reno (NV) San Diego (CA), Columbus (GA), Baton Rouge (LA), Manchester (NH), Columbia (SC), Tacoma (WA), Cheyenne (WY)

**Taipei** with Boston (MA), Dallas and Houston (TX), Phoenix (AZ), Cleveland (OH), Indianapolis (IN), Los Angeles and San Francisco (CA), Atlanta (GA), Oklahoma City (OK)

### NOTABLE TAIWANESE AMERICANS

Ted W. Lieu – US Representative, California 33<sup>rd</sup> District

Steve Chen – Entrepreneur, co-founder of YouTube

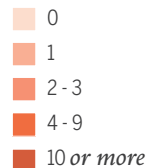
Lucy Liu – Actress, Director, and Producer for Film and Television, Artist

Emily Hsiu-ching Chang – Journalist, Anchor for Bloomberg Technology

Steven Chu – Former US Secretary of Energy, Nobel Laureate in Physics

Jeremy Lin – First Taiwanese-American basketball player in the NBA

#### LEGEND



Since establishing a sister city relationship in 1994, Cincinnati, Ohio and New Taipei City, Taiwan have organized a bi-directional Youth Ambassador Program, where 15 to 30 students participate in an exchange program in the host city for two to three weeks.

Sources: American Chamber of Commerce in Taiwan; Sister Cities International (SCI), 2019 data; individual sister city associations; For more information on sister cities, please visit our website: [AsiaMattersforAmerica.org](http://AsiaMattersforAmerica.org)

## **TAIWAN MATTERS FOR AMERICA/AMERICA MATTERS FOR TAIWAN**

### **臺美夥伴 緊密相連**

This project maps the trade, investment, employment, business, diplomacy, security, education, tourism, and people-to-people connections between the United States and Taiwan at the national, state, and local levels. Part of the *Asia Matters for America* initiative, this publication and the [AsiaMattersforAmerica.org](http://AsiaMattersforAmerica.org) website are resources for understanding the robust and dynamic US-Taiwan relationship.

The Asia Matters for America initiative is coordinated by the East-West Center in Washington, and can be contacted at:

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