

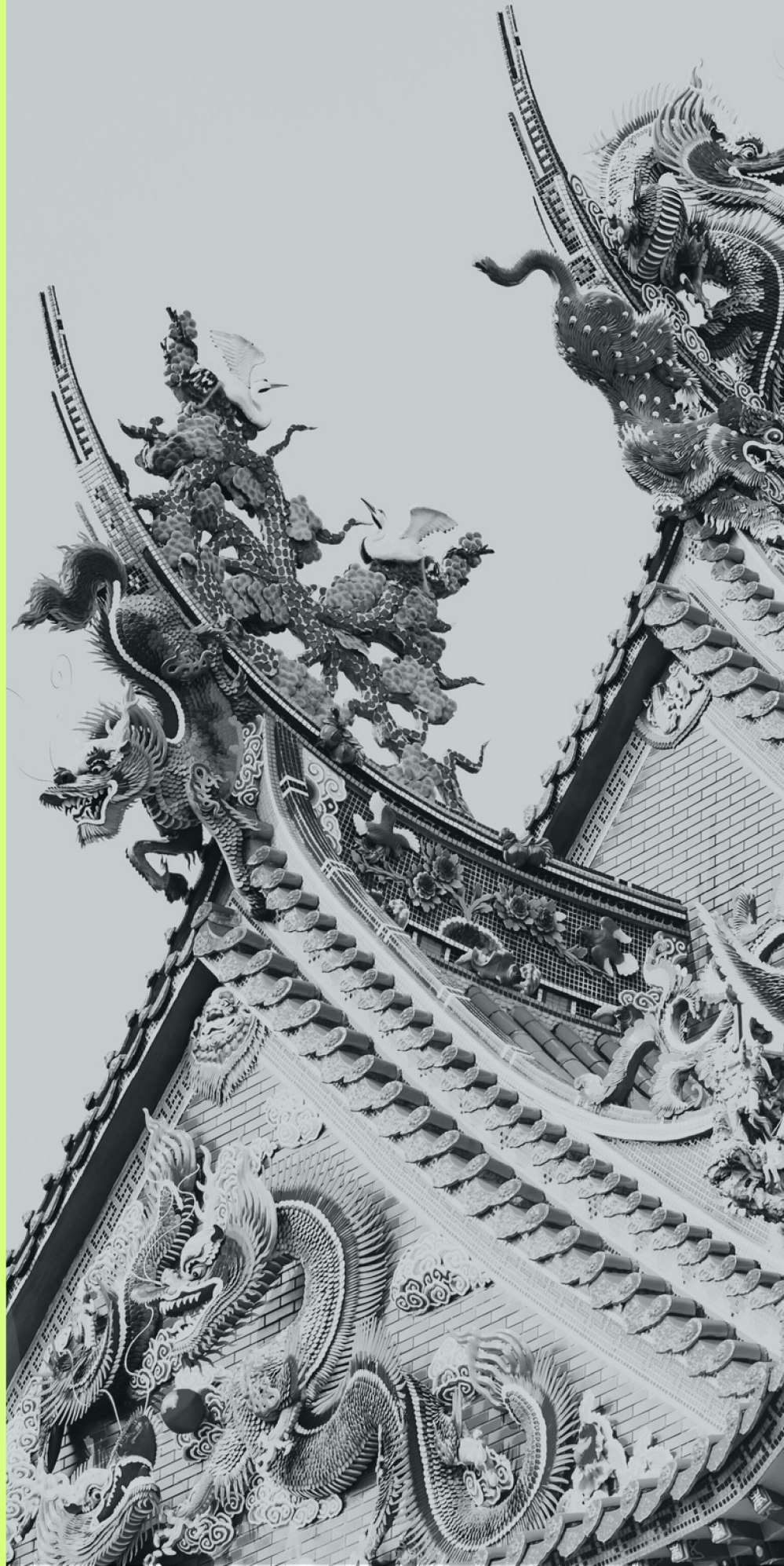
PACIFIC
COUNCIL
DELEGATION PROGRAM

International Delegation Report

TAIWAN

NOVEMBER 2023

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Trip Overview

In November 2023, the Pacific Council on International Policy organized a delegation to Taiwan. The themes of the trip included: Taiwanese security, cross-strait relations with China, Taiwan's upcoming Presidential elections, the media landscape in Taiwan, U.S. influence and the bilateral relationship with Taiwan as well as informative discussions with executives from the semiconductor industry.

The delegation began with a briefing from the American Institute Taiwan. Later, delegates deepened their understanding of Taiwanese culture and art through a visit to the National Palace Museum. The following four days were comprised of meetings and discussions with political, business and media leaders in Taiwan.

Delegates were able to experience Taiwan's sporting culture at a New Taipei King's basketball game, generously made possible by Shirley and Walter Wang. The trip concluded with an incredible evening at the Taiwan Philharmonic, one of Asia's leading orchestras since their founding in 1986.



Delegates had the unique opportunity to engage in discussions with a variety of regional experts over a dinner graciously arranged by Mr. Charles Chen, a member of the Pacific Council's Board of Directors. Experts included:



Dr. Tien Hung-Mao

- Senior Advisor to the R.O.C. (Taiwan) President
- President and Chairman of the Board, Institute for National Policy Research
- Former Minister of Foreign Affairs



Dr. Harry Harding

- Professor Emeritus and Professor Emeritus of Public Policy and a Senior Fellow in the Miller Center of Public Affairs at UVA
- Adjunct Chair Professor in the College of Social Science, National Chengchi University in Taipei



Dr. Syaru Shirley Lin

- Founder & Chair of Center for Asia-Pacific Resilience and Innovation

Dr. Roy Chun Lee, Deputy Minister of Foreign Affairs, generously hosted our delegation for a luncheon at the Ministry of Foreign Affairs. Additional meetings included engagements with leaders from both Taiwanese and American media outlets and briefings with business leaders from Taiwan Semiconductor Manufacturing Company Ltd. (TSMC) and ASML Holding N.V. Furthermore, delegates had the opportunity to meet with civil society groups such as the Taiwan Institute for Economic Research (TIER) and the Taiwan Institute for Sustainable Energy (TAISE).





Meeting Report

Our meetings began with a briefing at the American Institute Taiwan led by Mr. Richard Jao, Political Chief. The team at AIT detailed the unique importance of Taiwanese American relations and explained how their work primarily falls into four categories. First, supporting Taiwanese self-defense. Second, ensuring global supply chains are maintained. Third, promoting Taiwan where appropriate in the international arena and at multilateral gatherings. Fourth, helping facilitate people to people exchanges between Taiwan and the U.S to enable more bilateral understanding.

Delegates met with the leadership from Common Wealth Magazine, led by Ms. Yi-Shan Chen, Editor in Chief. She provided a comprehensive overview of Taiwan's economic and political landscape including their upcoming Presidential elections in January 2024. The magazine was established in 1981 after the U.S. broke formal diplomatic relations. Common Wealth covers economics, finance, politics, and international affairs. Discussions focused on Taiwan's open economy and commitment to free-trade, their heavy reliance on semiconductor exports, and the need for diversification to ensure economic resilience post-pandemic. Additionally, delegates discussed concerns surrounding China's military activity in the Taiwan strait and China's use of Gray Zone tactics in the region.

At the Taiwan Institute of Economic Research, discussions were led by Dr. Chien-Yi Chang, President of TIER. Delegates learned about the institute's history, research areas, and challenges. Topics included the institute's focus on U.S.-China relations, Net-Zero economy, AI, and national security. Notable challenges discussed were post-COVID labor rights, cross-strait relations, and concerns about intellectual property theft from China.

On Wednesday, delegates focused their time on gaining knowledge of the semiconductor industry and its critical importance from both from a technological and political standpoint. Pacific Council Board of Directors Co-Chair, Mr. Rob Lovelace, arranged a briefing for delegates with his colleague, Ms. Chitra Gopal, Equity Investment Analyst at the Capital Group.

Mr. Lovelace and Ms. Gopal provided key industry perspective on microchips, the semiconductor supply chain, and the significance of Taiwan's security for the stability of the technology supply chain. Discussions centered on the complex nature of semiconductor production, the role of key players like TSMC, Intel, and Samsung, and the potential security implications of a Chinese incursion on Taiwan's technology sector.

During the meeting with ASML, led by Mr. Peter Cheang, Strategic Marketing Director, discussions focused on ASML's role in supporting chip manufacturing and the interconnected nature of global supply chains. Emphasis was placed on the collaborative approach needed in the semiconductor industry and the security concerns associated with the production of mature chips.



At Taiwan Semiconductor Manufacturing Company, delegates met with Mr. Wendell Huang, Chief Financial Officer, Mr. Jeff Hsu, Director of Investor Relations and Ms. Sylvia Fang, General Counsel. Discussions centered around TSMC's dominance in the industry and their pioneering role in driving innovation through the establishment of fabless semiconductor foundries. Delegates also had the unique opportunity to hear from TSMC about their expansion and progress developing fabs, or fabrication facilities, in Arizona and Europe. TSMC emphasized their four guiding principles as a key part of their continued success, known as ICIC (Integrity, Commitment, Innovation and Customer Trust).



Thursday morning was comprised of a visit to the Taipei Port Container Terminal (TPCT). The briefing was led by the President of TPCT, Mr. Davis Kao. TPCT was founded in 2003 by three major marine exporters: Evergreen Group, Wan Hai Group and Yang Ming Group. TPCT's geographic location provides unique access to the Asia-Pacific region as well as ports on the West Coast of the U.S. In 2022, TPCT was responsible for 12.19% of all port activity throughout Taiwan. Kaoshiung in southern Taiwan remains the principal international port with 64.61% of port activity.

Later, delegates had the opportunity to participate in a discussion with two Los Angeles Times journalists, Mr. Scott Kraft, Editor-at-Large and Ms. Stephanie Yang, China Correspondent. Both provided exceptional insights on the media landscape in Taiwan and the challenges covering China from an American publication.

The final day of the trip began with a visit to National Taiwan University. Dr. Hsiao-Wei Yuan, Vice President for International Affairs, and Dr. Rocky Ling-Xiang Wu, CEO of SciTech Power Research, provided insights into the university's history, its carbon neutrality goals, and its role as a leading educational and research institution in Taiwan.





Our briefings concluded at the Taiwan Institute for Sustainable Energy (TAISE) where Ambassador-at-Large Dr. Eugene Chien, Chairman of TAISE, provided delegates with incredible insights on the history of sustainability in Taiwan, energy security, and the future of clean energy. Discussions touched on the challenges for changing the public mindset around sustainability, lifestyle transitions, and Taiwan's import dependency as a security concern. Additionally, TAISE speakers spoke about the importance of water management and stored energy in case of a supply line disruption or in the event of a foreign invasion.

The Pacific Council's trip to Taiwan offered valuable insights into the multifaceted aspects of the country, spanning economic, political, technological, and educational dimensions. These meetings provided a comprehensive understanding of Taiwan's challenges, strengths, and its critical role to the global community. A special thank you to Mr. Charles Chen and Mr. Rob Lovelace who made significant portions of the trip possible through their generosity and efforts.

