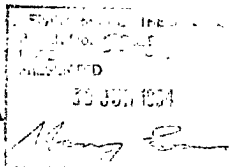




THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA



JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND TRADE

AN ISLAND TIGER:
REPORT OF AN UNOFFICIAL VISIT TO TAIWAN

JUNE 1994

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FOREIGN AFFAIRS, DEFENCE AND TRADE**

**AN ISLAND TIGER:
REPORT OF AN UNOFFICIAL VISIT TO TAIWAN**

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JUNE 1994

MEMBERSHIP OF THE COMMITTEE

37th Parliament
Main Committee

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Deputy Chair: Mr R G Halverson, OBE, MP

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Senator D G C Brownhill
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Hon J C Moore, MP
Hon L R S Price, MP
Hon D W Simmons, MP
Rt Hon I McC Sinclair, MP
Mr W L Taylor, MP

Secretary to the Committee:
Mrs J M Towner

Taiwan Delegation:

Hon D W Simmons, MP - Leader
Mr E J Fitzgibbon, MP
Mr G D Gibson, MP
Mr C Hollis, MP
Rt Hon I McC Sinclair, MP
Mrs J M Towner (Secretary)

CONTENTS

	Page
Membership of the Committee	ii
Introduction	1
Report of the delegation	3
1. Background	3
2. Issues arising from the visit	7
- Future relations with the PRC	7
- Membership of international organisations	8
- Australia/Taiwan relations	10
. Educational links	11
. Environmental protection	12
. Business migration	13
. Wool	13
. Taiwan tourism to Australia	14
. Science and technology	15
. Westpac	16
3. Conclusion	17
Appendices	
1. Program of Visit	18
2. 1972 Australia-PRC Joint Communique	21
3. Westpac Media Release	22

INTRODUCTION

1. Following a visit to Australia in February 1994 by President Liu Sung-pan and Vice President Wang Kin-pyng of the Legislative Yuan, the Ministry of Foreign Affairs of the Republic of China issued an invitation to the Joint Standing Committee on Foreign Affairs, Defence and Trade for seven members to visit Taiwan as guests of the Government.¹ The invitation was later extended to include a secretary for the delegation. The visit took place between 22 and 28 May 1994, and a copy of the itinerary for the visit is at Appendix 1. The visit was unofficial due to Australia's policy of non-recognition of the government in Taiwan.

2. The Committee wishes to place on record its appreciation for the hospitality extended to the delegation, and the detailed program that was organised for the visit. Only one member of the delegation had visited Taiwan before, and for all members it was a great opportunity to discuss the Australia/Taiwan relationship and explore areas in which the relationship can be fostered and encouraged.

3. Two other members of the Joint Standing Committee on Foreign Affairs Defence and Trade, who are also the Chairman and Deputy Chairman of the Senate Standing Committee on Foreign Affairs, Defence and Trade, visited Taiwan in April 1994 on an unofficial visit with a similar program.

4. In any report dealing with Taiwan, the question of terminology arises. The delegation notes that the preferred form of title in Taipei is now 'the Republic of China on Taiwan'; and in less formal terms, simply the 'Republic of China'. Under the guidelines governing contact with Taiwan issued by the Australian government,

¹ Two members of the delegation, Mr R G Halverson, OBE, MP and Hon J C Moore, MP were unable to join the party at the last moment, and so only five members of the Committee actually made the visit.

the use of 'Republic of China', 'China' and 'ROC' are not permitted when referring to Taiwan. For ease of use the delegation has, therefore, chosen to use the term 'Taiwan' throughout this report.

REPORT OF AN UNOFFICIAL VISIT BY MEMBERS OF THE
JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND
TRADE TO TAIWAN, 22 - 28 MAY 1994

1. BACKGROUND²

1.1 The island of Taiwan, located some 130 kilometres off the east coast of mainland China, is one of the world's fastest growing economies. In terms of bilateral trade with Australia, Taiwan is Australia's seventh largest trading partner, with two-way trade in 1992 amounting to A\$4.7billion. The trade balance is well in Australia's favour, with Australia's surplus in 1992 being around \$478m.

1.2 Until 1972 Australia recognised the government of the 'Republic of China', located in Taipei, as the legitimate government of China. On 21 December 1972 Australia formally recognised the People's Republic of China (PRC) and in a Joint Communique (see Appendix 2), recognised the government of the PRC as the sole legal government of China and acknowledged the position of the PRC that Taiwan is a province of China. This policy has been followed by successive Australian governments since 1972. In effect the policy has meant that Australia does not accept the claims of Taiwan to be the legitimate government of China, and does not recognise Taiwan as having that status of a national government. Therefore, the Australian Government can have no official dealings with the 'Republic of China'.

1.3 Despite this policy of non-recognition, the Australian government has supported the development, on an unofficial basis, of commercial and other contacts between Australia and Taiwan, and has encouraged the Australian business community to pursue trade and investment opportunities involving Taiwan. In its

² This section is based on material supplied by the Department of Foreign Affairs and Trade, the Parliamentary Research Service, and the Taipei Economic and Cultural Office.

annual report for 1992-93, the Department of Foreign Affairs and Trade noted that the government has "encouraged the creation of a broad framework for the commercial relationship and the development of a strategy promoting further penetration of the Taiwan market"³

1.4 Diplomatic links with Taiwan were severed following the 1972 recognition of the PRC. The Australian Commerce and Industry Office (ACIO) was established in Taipei in 1981, and operates under the auspices of the Australian Chamber of Commerce. It promotes Australia's trade and investment interests, and also provides visa facilitation and various consular services for Australian citizens. The ACIO in Taipei was upgraded in 1992 and its role expanded.

1.5 Taiwan conducts its trade representations in Australia through the Taipei Economic and Cultural Office (TECO), and has offices in Canberra, Melbourne and Sydney. The operations of both ACIO and TECO have served to minimise the disruption caused by the withdrawal of diplomatic and consular missions that followed the 1972 recognition by Australia of the PRC.

Taiwan's Foreign Relations

1.6 Only 28 countries recognise Taiwan as "The Republic of China", and Taiwan no longer has membership of any UN bodies, following the admission of the PRC in 1971. The PRC has pursued a vigorous policy of attempting to keep Taiwan isolated, but Taiwan has been active diplomatically on the international scene, pursuing a policy of "pragmatic diplomacy" to expand the scope of its foreign relations.⁴ Taiwan participates in a range of organisations and bodies such as the International Olympic Committee, the Asian Development Bank and the Asia Pacific

³ Department of Foreign Affairs and Trade: Annual Report 1992-93, p. 33.

⁴ "The Case for Taipei's UN Representation" by Dr Jason C Hu, p.3.

Economic Cooperation (APEC) under various titles such as "Taipei, China" and "Chinese Taipei". Taiwan also has substantial relations with those countries that do not officially recognise it, focussed usually on trade and investment. In 1990 Taipei had 80 unofficial offices in 50 countries, including Australia.

PRC/Taiwan Relations

1.7 Relations between Taiwan and the PRC have been improving since the mid 1980s. Taiwan today adopts a more realistic approach, having abandoned its original policy of re-capturing the mainland by force, and moving instead to a policy of wishing to see ultimately reunification with the mainland. In 1990 President Lee Teng-hui announced that Taiwan was ready for direct contacts with China on the basis of four conditions: that China become a democratic state, establish a free-market economy, renounce the use of force against Taiwan, and allow Taiwan to conduct its own foreign relations.

1.8 For its part, although the PRC has refused to renounce the right to "solve the Taiwan problem through military means", and has followed a "one country, two systems" policy, it appears to wish to achieve reunification peacefully, and has allowed informal exchanges and visits.

1.9 Since 1987 Taiwan has reduced restrictions on personal contacts with the mainland and has allowed trade and investment (provided that it is conducted indirectly, usually through Hong Kong). In 1990-91 Taiwan established three bodies to deal with the relationship with the PRC:

National Unification Council (NUC)
Mainland Affairs Council (MAC)
Straits Exchange Foundation (SEF).

1.10 In December 1991 the PRC established a 'non-official' Association for

Relations Across the Taiwan Straits (ARATS) to undertake contacts with Taiwan. In April 1993 ARATS and SEF held talks in Singapore on a range of issues including regular consultations, extradition (important because of the number of plane hijackings from the mainland to Taiwan), entry/exit regulations, smuggling and piracy, investment and joint development of energy and resources. These talks are continuing.

1.11 Personal contacts between Taiwan and China have grown remarkably since restrictions were eased. Between November 1987 and June 1992 it was estimated that around 4.5 million Taiwan residents visiting the mainland, and spent over US\$8 billion. In 1992 visits to China accounted for over one third of the estimated 4.2 million departures by Taiwan residents. The flow has been affected recently following the murder of 24 Taiwan tourists at Lake Qian-dao in Zhejiang Province in late March 1994. The Taiwan Travel Agents' Association moved to suspend tour groups to the mainland for nearly a month as a reaction to a perceived lack of security for Taiwanese visitors to the mainland.

1.12 Taiwan estimates that its investments in mainland China total something in the order of US \$14 billion. Statistically, Taiwan is the second largest investor in mainland China, after Hong Kong.

Relations with the United States of America

1.13 The Taiwan/USA relationship has been of particular importance to Taiwan since 1950, in large part being based on the United States being its sole security guarantor. Under a Mutual Defence Treaty between 1950 and 1979 the US promised to protect Taiwan from invasion and provided much of the aid for Taiwan's early economic growth. Since January 1979, when the US broke off relations with Taiwan and abrogated the 1954 Mutual Defence Treaty, US/Taiwan relations have been regulated by the Taiwan Relations Act and the Shanghai communique. The Taiwan Relations Act allows for unofficial relations, and

stipulates that the US will 'make available to Taiwan such defence articles and defence services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defence capability.' The bilateral relationship is managed through unofficial representative offices in Taipei and in the USA, and the Taiwan lobby remains a very influential foreign relations group in Washington.

1.14 The USA is Taiwan's largest trading partner and has enjoyed favoured access to the Taiwan market for many years. However, if Taiwan were to join GATT, special trading relations such as those with the United States would have to be reviewed.

2. ISSUES ARISING FROM THE VISIT

Future relations with the PRC

2.1 The future nature of relations between Taiwan and the PRC was raised in a number of calls during the visit, and in particular in the context of the different attitudes adopted by the ruling Kuomintang (KMT) party and its main opposition, the Democratic Progressive Party (DPP). Premier Lien Chan briefed the delegation on the approach taken by the KMT - namely, that while the party supports reunification at some stage in the future, it is still considered to be a considerable time off, and that in the meantime dialogue with the PRC should be encouraged. Premier Lien referred to the establishment of organisations on both sides of the Taiwan Strait to deal with problems that arise from increased contact. He noted that while some agreement had been reached, it was necessary to continue the process.

2.2 This theme was also evident during discussions with Hon Fang Chin-yen, Vice Minister of Foreign Affairs who noted that the PRC remained critical of Taiwan because it was perceived as creating two Chinas. However, in reality there has been

this split since 1949. Minister Fang stressed that although the PRC maintains that Taiwan is a province of China, the PRC has never exercised control of the island, collected taxes, issued visas for entry etc. Minister Fang stressed that in regard to reunification, there was a need to rearrange the political relationship between the two countries, but that both sides would have to move towards the same goal. At present he felt that there appeared little indication that the PRC was prepared to change its views, and was therefore faced with a dilemma that by its very intransigence, it forced Taiwan to move not towards reunification, but rather towards independence, raising with it the question of possible military intervention by the PRC.

2.3 Support for independence is, according to public opinion polls in Taiwan, now at about 20 per cent. The opposition DPP, in discussions with the delegation, made the distinction that their policy was not to declare independence, as they already believe Taiwan is independent, but rather to seek **recognition** by other countries of this independence. The DPP argued that pursuing the goal of reunification was contrary to the direction in which the country was heading. They believe that Taiwan is independent in all but name only, and that it should move to bring reality and recognition into line. Critics of this stance claim that such a move would only provoke the PRC into possible military action, and that such a declaration of independence would in any event have few practical benefits for Taiwan - recognition in international fora would still continue to be blocked by the PRC. There also appeared to be a universally held belief that should the PRC intervene militarily there would be little likely immediate assistance forthcoming from either the United Nations or the United States.

Membership of international organisations (UN, GATT, WTO)

2.4 Also raised in a number of meetings with the delegation was Taiwan's desire to play a more constructive role on the international scene, and its desire for membership of international organisations, in particular the United Nations. Foreign Minister Fredrick Chien argued quite forcefully that Taiwan has every

qualification to have full membership of international organisations, and that the only reason why it does not have it is the PRC's attitude that there is only one China, namely the PRC, with Taiwan being only a province. Minister Chien noted that of 190 countries in the world, 184 had membership of the United Nations. Those who are not members generally fall into two groups - those who do not wish to join the UN (eg Switzerland), and those who are too small to join and who are unable to meet their financial responsibilities as UN members. The only country of any significance not to have UN membership is Taiwan.

2.5 The delegation had considerable sympathy for the views expressed by Taiwan, as there are a number of examples where there has been parallel representation for divided countries (eg. the two Germanys and the two Koreas). The delegation was also impressed with Taiwan's desire to play a constructive role, not only in their immediate region, but also in the wider international arena. However, the delegation was also conscious of the political reality of the PRC having a veto as a member of the Security Council in the UN. Even if Taiwan were to declare its independence, and avoid military action against it by the PRC, and then apply as a new member under Article 4 of the United Nations Charter, such an application would have to go through the Security Council and would be subject to veto by the PRC. The challenge remains, as a number of senior Taiwanese ministers noted, how to give some 21 million people a voice in international affairs.

2.6 Taiwan is also seeking, in parallel with China, to accede to the General Agreement on Tariffs and Trade (GATT), and wishes to also be an original member of the World Trade Organisation (WTO). Australia has taken a position supporting Taiwan's application to join GATT, provided that Taiwan brings its policies into conformity with GATT rules. This matter was discussed with a number of ministers during the delegation's visit to Taiwan, with specific concerns about Taiwan's restrictive practices, particularly in regard to agricultural items (eg. Australian apples), being raised by the delegation. The position taken by Taiwan was that it was in the process of opening its markets, but that agriculture posed particular difficulties for Taiwan. They argued for a transition period (of anywhere up to 5 or

6 years) as it was impossible, in their view, to abolish existing quota systems overnight. Farmers in Taiwan account for approximately 14 per cent of the population, yet agriculture now only accounts for some 3 per cent of GNP⁵. They are, however, a significant political force, and changes have to be made incrementally.

2.7 The delegation felt that it would be far more beneficial for Taiwan to pursue membership of GATT and the WTO, as these were achievable and would provide another forum for Taiwan to participate on an international level. The problem of a veto by the PRC on GATT accession for Taiwan does not arise. The delegation also believes that there would be advantages for Taiwan were it able to join GATT and the WTO before the PRC. The delegation, however, was not convinced that Taiwan should be given such an extended transition period within which to comply with GATT conditions.

Australia/Taiwan relations

2.8 The current informal arrangements existing between Australia and Taiwan appear to be working well. The non-recognition of Taiwan has not stopped the development of a strong trade relationship, and other aspects of the relationship are also progressing. This is due in no small part to the calibre of people staffing the ACIO and TECO offices. The delegation was most impressed with the ACIO staff in Taipei and noted the high level of Chinese language proficiency among staff and the access enjoyed by senior staff to key decision makers.

2.9 While acknowledging the Australian Government's policy of non-recognition of Taiwan, the delegation believes it is important that Australia continue to build links with Taiwan. To this end, the delegation would like to see a continuing series of reciprocal Parliament to Parliament contacts arranged. This would be

⁵ Dept of Foreign Affairs & Trade: "Country Economic Brief: Taiwan", Nov 1993, p.17.

particularly useful as Taiwan's fledgling democracy strengthens and their experience of a multi-party system grows.

Educational links

2.10 Education has played a major role in Taiwan's economic success. In 1993 the percentage of Government expenditure (all levels of government) on education was 18.43% of total outgoings. Government expenditure as a percentage of GNP in 1992 was 7.9%.⁶ They have gone from a situation in 1950 where 43.9% of the population was illiterate and only 8.79% of the population went on to post-primary education, to that in 1991, with an illiteracy rate of 6.4%; and 58.43% of the population undertaking post-primary education.⁷ Taiwan is potentially a significant market for Australian educational services, although at present the number of Taiwanese students studying in Australia is comparatively low (approximately 1800 this year, with over 50% undertaking short-term English courses; this compares with some 24,000 undertaking further study in the USA.) The Taiwan Government has not financed students to study in Australia to date, but according to Dr Yu Yuh-chao (Director, Bureau of International Cultural and Educational Relations, Ministry of Education) this may occur in the next few years. The UMAP (University Mobility in Asia and the Pacific) program, discussed at APEC, is another vehicle that offers the potential for a greater exchange of students between Taiwan and Australia.

2.11 In addition to UMAP, the Australian Government has announced the establishment of the Australian International Education Foundation (AIEF), a new government-industry body. Its key role is "the national promotion and marketing of Australian education overseas, assisting Australian education institutions to

⁶ Educational Statistical Indicators, Republic of China, 1993, Ministry of Education, p.50

⁷ Ibid, p.28.

provide services in overseas countries seeking to develop their own education and training systems, and government-to-government liaison on international education issues."⁸ The delegation hopes that initiatives such as AIEF will raise the profile of Australia as a provider of high quality education services, in areas such as Taiwan.

Environmental protection

2.12 To any visitor to Taipei, it is apparent that the Taiwan Government is facing major problems in the area of environmental protection. The city is surrounded by mountains, but throughout the delegation's visit, except after heavy rain, the mountains were obscured by the heavy air pollution. The Keelung River, close to the hotel where the delegation stayed, was near stagnant, malodorous and devoid of any signs of life.

2.13 The delegation held discussions with Mr Lin Yeou Jou, Secretary General of the Environmental Protection Administration. With a population density of 580 people per square kilometre (the second highest in the world), Taiwan is facing major challenges in air pollution control, waste water control and solid waste management. The EPA is currently working on a national environment plan, and hopes to see a positive improvement in the state of the environment in Taiwan before the turn of the century. The delegation discussed the legislative basis for the EPA, its powers of enforcement, and some of the programs that they have instituted together with the particular difficulties faced in dealing with such a concentrated population, and rapid industrial growth.

2.14 The delegation believes there is great potential for Australian companies with expertise in pollution control and waste disposal technology to assist the Taiwanese

authorities in their efforts to improve the environment. Also, environmental assistance may be one area whose cooperative assistance between the CSIRO and domestic environmental agencies in Australia and their counterpart organisations in Taiwan could well be developed.

Business migration

2.15 In 1991-92 some 2,300 Taiwan business migrants and their families came to Australia and the majority settled in Queensland (51%), followed by New South Wales (29%) and Victoria (14%). The delegation met with a number of Taiwan business people during the visit and discussed issues relating to investment between Australia and Taiwan, and how to improve business links. The delegation was pleased to note ACIO's attempts to reinvigorate the ROC-Australia Trade Association and strengthen its role in encouraging trade. The delegation welcomes and supports business migrants from Taiwan to Australia and believes they have a significant contribution to make to the Australian economy and community.

Wool

2.16 Taiwan is an important and growing customer for Australian greasy wool. Involved in all stages of wool processing the industry is geared towards re-export, with an increasing emphasis on Taiwan-owned mills in China. These are producing not only for export but also to satisfy that country's rapidly expanding domestic market. With China this year expected to be Australia's number one purchaser of wool and Taiwan number six their combined importance to the Australian wool industry is apparent.

2.17 One member of the delegation met representatives from the International Wool Secretariat and Taiwanese wool scours, top makers, spinners, weavers and garment manufacturers. Concerns expressed include the future reliability of raw wool supply and the effect of price volatility. Even recent modest Australian auction

⁸ Hon K C Beazley, MP: Press Release 9793 - Federal Government Announces New Australian International Education Foundation. p. 2.

prices rises for wool were said to have led to some synthetic substitution. As with other commodities, Taiwan is a major purchaser and is in a position to influence significantly greasy wool purchases by China.

Taiwan tourism to Australia

2.18 Taiwan is the fastest growing tourist market for Australia, with arrivals having grown by nearly 60 percent to over 100,000 per year in 1993. This growth has been complemented by an increase in direct air links between Australia and Taiwan. It is estimated that by the year 2000, approximately 315,000 Taiwanese will visit Australia each year,⁹ making Taiwan the next largest source of tourists to Australia after Japan.

2.19 The question of a charge of \$52 for "visa facilitation", levied by ACIO, was raised with the delegation as a possible future impediment to this tourist growth. The delegation raised this question with ACIO staff and was advised that as there was no Australian embassy in Taiwan, the ACIO accepted visa applications and forwarded them to Hong Kong for processing by Australian immigration authorities located at that post. The service had a turn-around time of two days, and the fee was considered reasonable given that other methods of obtaining visas would be much less timely and certainly more costly. In addition, the funds raised by levying this fee went to offset the cost of running the ACIO office and providing other services as well. The delegation accepts that this fee is a valid charge, but would like to see greater issuing of multiple-entry visas for Taiwanese travelling to Australia, to help amortise the cost of the facilitation fee. On its return to Australia, the delegation received verbal advice from the Department of Immigration and Ethnic Affairs that there was no impediment to multiple-entry visas of this kind being issued, and that it was within the discretion of the issuing post.

2.20 Of more concern, however, is the apparent need for passengers from Taiwan,

⁹Figure supplied by TECO.

transiting through Australia, to have a visa regardless of whether they actually leave the aircraft or not. **The delegation believes that this matter should be examined by Australian immigration authorities with a view to removing the requirement for transit passengers to obtain a visa.**

2.21 The Taiwan Tourist Bureau also raised with the delegation difficulties being experienced by Taiwanese on arrival in Australia in completing the Chinese language customs forms. The problem has arisen because the forms are written using "short form" characters, and while understood by mainland Chinese, are almost incomprehensible to the Taiwanese. **The delegation therefore recommends that the Customs Bureau issue customs declaration forms using traditional Chinese characters.**

Science and technology

2.22 As part of its program, the delegation visited the Hsinchu Science Park. While at the Park the delegation was briefed by the Deputy Director General, Chao-Chin Tung, and also visited one of the companies located in the complex, Micro Electronics Technology Inc. The Science Park, located on 1000 acres and adjacent to two major universities, has as its prime role the attraction of high technology companies and the facilitation of their establishment in Taiwan. In addition to creating a favourable business climate, financial incentives are offered to companies in the form of grants and tax concessions. There are currently 155 companies in the Park, 115 funded by Taiwan capital, 31 by USA capital, 4 from Asia and 5 from Europe. A requirement that each company must invest in Research and Development has been vital to the success of the Park and the companies located there.

2.23 The delegation was most impressed with the structure of the Science Park, the facilities provided (including housing and schools for workers) and believes there could be potential for great links to be established between Australian universities

and associated science and technology parks, and that at Hsinchu. While the delegation is aware that there are some links between Hsinchu and some Australian universities, there is great opportunity for increased links with the CSIRO and other science parks associated with universities. The delegation believes this matter should be investigated further by the Board of CSIRO and the Australian Vice-Chancellors Committee (AVCC).

Westpac

2.24 The only negative element in the relationship as perceived by the delegation, was its discovery that Westpac Banking Corporation, the first Australian bank to open in Taiwan, is withdrawing from the banking sector in Taiwan, and is contracted to sell its branch operation in Taipei. Westpac has justified this decision as part of its 'strategic redirection of its global institutional banking activities.' While the bank has acknowledged business in this and several other Asian markets has been profitable, they are 'not central to supporting our customer and market objectives in Asia.'¹⁰

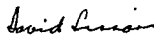
2.25 The delegation acknowledges that Westpac has a right to make commercial decisions as it sees fit. However, what concerned the delegation was that Westpac was potentially sacrificing long-term advantage for a short-term gain, by removing itself from what is likely to be a major market in the future. Westpac has been at the forefront of innovation in banking services and was one of the first Australian commercial institutions to expand into the Asian market. The delegation is very concerned that by withdrawing, and in particular by selling their banking license to a European institution, the wrong signals are being sent as to Australia's interest in Asia, not only to Taiwan but other countries in the region. **The delegation regrets the decision taken by Westpac, and recommends that the House of Representatives Committee on Banking, Finance and Public Administration conduct**

an inquiry into the overseas operations of Australian banks, particularly in Taiwan and other Asian countries.

3. CONCLUSION

3.1 The economic miracle that is Taiwan shows little sign of faltering. With a strong economy, Taiwan looks certain to continue its economic success and influence in the Asian region. For Australia's part, it is vital that we maintain a productive and mutually beneficial relationship with this dynamic trading entity.

3.2 The delegation was clearly impressed with the rate of change in Taiwan - not only in the economic sphere, but also in political and foreign relations terms. While acknowledging the realities of the PRC's policy towards Taiwan, the delegation believes Australia should continue to do all that it can to assist Taiwan to participate in fora such as GATT and APEC and make a contribution to regional events.


David Simmons, MP
Delegation Leader

¹⁰ Westpac Media Release, 9 March 1993 (see Appendix 3).

Appendix 1

Visit of the Delegation of the Joint Standing Committee on Foreign Affairs, Defence and Trade, Parliament of Australia

22-28 May 1994

(Items marked [] were not part of the program arranged by Taiwan but were arranged by individual members of the group, and were attended by one or more members of the group.)

Sunday 22 May 1994

19:15 Arrive at CKS International Airport, Taipei. Proceed to Hotel.

Night Free.

Monday 23 May 1994

08:30 Briefing with Australian Commerce and Industry Office (ACIO) representatives at Hotel.

10:15 Call on H E Lien Chan, Premier.

11:00 Call on Hon Liu Chao-Shiuan, Minister of Transportation and Communications.

12:00 Call on Hon Fang Chin-yen, Political Vice Minister of Foreign Affairs.

12:30 Luncheon hosted by Hon Fang Chin-yen.

14:30 Call at ACIO.

16:00 Call on Mr Yeh Tien-Hsing, Deputy Director General of Government Information Office, Executive Yuan.

Night Free.

Tuesday, 24 May 1994

09:30 Call on Dr Yu Yuh-Chao, Director of Bureau of International Cultural & Educational Relations, Ministry of Education.

11:00 Call on Hon Sheu Ke-Sheng, Vice Minister of Economic Affairs.

12:00 Lunch hosted by Dr Lin Bih-Jaw, Director, Institute of International Relations, National Chen-chi University.

14:00 Visit Chang Foundation Arts Museum.

15:15 Call on Mr Hunter Eu, Deputy Director General, Tourism Bureau.

16:30 Call on Mr Ronie H K Huang, Secretary General of China External Trade Development Council. Visit Taipei World Trade Centre.

Night [Dinner with Taiwanese businessman.]

Wednesday, 25 May 1994

09:00 Call at Chung-shan Institute of Science and Technology, Ministry of National Defence.

Noon Lunch.

15:00 Call on H E Fredrick Chien, Minister of Foreign Affairs.

15:45 Visit Chiang Kai-Shek Memorial Hall.

Night [Dinner with members of the Opposition DPP Party].

Thursday 26 May 1994

09:30 Call on Hon Chang Lung-sheng, Administrator, Environmental Protection Administration, Executive Yuan.

10:40 Call on Mr Chen Fun-Ming, Director, Dept of Propaganda, Democratic Progress Party.

Appendix: 2

Noon Lunch.

14:30 Call on Dr Sun Chen, Minister of Defence.

16:00 Call on Mr Wang Jin-pyng, Vice-President of Legislative Yuan.

18:30 Cocktail party hosted by Mr Colin Heseltine, Senior Representative, ACIO.

Friday 27 May 1994

09:30 Call at Hsinchu Scientific Industrial Park.

10:30 Visit Micro Electronics Technology Inc.

Noon [Visit CSR Joint Venture Cement Factory.]

16:30 Call on Hon Vincent Siew, Chairman, Council for Economic Planning and Development, Executive Yuan.

Night [Dinner with Grand Master Hsing Yun, Buddhist Association or dinner with Taiwan Wool Buyers.]

Saturday 28 May 1994

09:30 Visit National Palace Museum.

Noon Lunch hosted by Mr W S Wang, Director of Chinese National Association of Industry & Commerce.

Afternoon Free.

Evening Dinner.

21:10 Depart for Australia.

THE FOLLOWING IS THE TEXT OF THE JOINT COMMUNIQUE OF THE AUSTRALIAN GOVERNMENT AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA CONCERNING THE ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN AUSTRALIA AND CHINA.

The Australian Government and the Government of the People's Republic of China, in conformity with the interests and common desire of the two peoples, have decided upon mutual recognition and the establishment of diplomatic relations as from 21 December 1972.

The two Governments agree to develop diplomatic relations, friendship and co-operation between the two countries on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence.

The Australian Government recognises the Government of the People's Republic of China as the sole legal Government of China, acknowledges the position of the Chinese Government that Taiwan is a province of the People's Republic of China, and has decided to remove its official representation from Taiwan before 25 January 1973.

The Government of the People's Republic of China appreciates the above stand of the Australian Government.

The two Governments have agreed to exchange Ambassadors as soon as the administrative formalities and practical arrangements have been completed, and to provide each other with all the necessary assistance for the establishment and performance of the functions of diplomatic missions in their respective capitals on the basis of equality and mutual benefit and in accordance with international law and practice.

For the Australian Government
(signed) Alan Renouf

Australian Ambassador to France

For the Government of the People's Republic of China

(signed) Huang Chen
Ambassador of the People's Republic of China to France

Paris, 21 December 1972.



Appendix: 3 Media Release

9 March 1993

WESTPAC REFOCUSES WHOLESALE BANKING STRATEGY

Westpac Banking Corporation has finalised plans for the strategic redirection of its global institutional banking activities.

The Bank's Institutional Banking Group will now concentrate on its strong corporate banking franchises and its global financial markets operation in Australia, New Zealand, America, Europe, Japan, Hong Kong and Singapore.

As part of the Bank's overall recovery program, Westpac Managing Director, Mr Robert Joss, said today the Bank would focus on its core businesses in these regions.

He said: "We believe our global strategy should be to concentrate on those businesses in which we have a clear competitive advantage and which offer significant prospects for growth.

There are very real gains in having the Bank's wholesale banking activities managed by a single global business unit, the Institutional Banking Group, headed by Mr Owen Van Der Wall.

Mr Van Der Wall said today: "Westpac is a leading Australian bank in AUD/NZD financial markets and corporate banking activities.

"In addition, within Australia and New Zealand we have a strong and valuable client base in the corporate and government sectors. Offshore, we have an excellent position with institutions doing business with our home markets. The combination of these two elements provides an excellent base to ensure Westpac remains the best Australian bank in the wholesale sector."

The Bank's focus is now on the following customer base:

- Australian corporate relationships both in and outside Australia;
- Foreign-based corporations and institutions with whom the Bank conducts a valued relationship in Australia and New Zealand;
- Global banks which are valued counter-parties in the financial markets and valued correspondents;
- Institutional investors active in the foreign exchange and securities markets.

.../2

America:

The Americas Division corporate banking strategy is to support the Bank's corporate franchise in Australia and New Zealand and complement the global financial markets business.

All activity which had previously been conducted in six US offices, will be consolidated into the Bank's New York office by 30 September 1994 or earlier.

Europe:

As previously announced, the Bank has already repositioned its business to concentrate on corporate banking activity with Australian and New Zealand connections and other key relationships that support financial markets activity.

The financial markets operation in London is a well established, successful business and is a key contributor to Westpac's global network.

Asia:

The Bank's core businesses centre on its financial markets operations in Tokyo, Hong Kong and Singapore and in providing banking services for Australian and New Zealand based customers operating in Asia.

Asian institutions doing business in the home markets will be supported from these three branches as well as from Sydney.

Westpac plans to sell its branch operations in Seoul (South Korea), Taipei (Taiwan) and its interest in the joint venture PT Westpac Panin Bank in Jakarta (Indonesia).

It will also sell the businesses of its subsidiary AGC in Indonesia, Taiwan, Hong Kong and Thailand and divest its interests in Singapore and Malaysia.

Mr Joss said: "The Bank and AGC businesses in these markets have been profitable, but are not central to supporting our customer and market objectives in Asia. The Bank and AGC will now focus on opportunities in their home markets."

He said the intent is to pursue an orderly sale program to ensure maximum value for the shareholder. Therefore the Group's businesses in Asia will continue to operate as going concerns and will write new business as usual.

Mr Joss confirmed that discussions had already commenced with appropriate authorities in each country.

.../3

Westpac has appointed Standard Chartered Australia Limited to assist the Bank in arranging and effecting the sales of these businesses.

Mr Joss said: "Asia is strategically important to our business customers. We are therefore organising ourselves in a very focused and efficient way to deliver the necessary financial services to enable our Australian and New Zealand business customers to compete successfully in Asia.

"Our Institutional Banking Group will now only focus on those areas offshore that directly relate to our goal of being Australia's best business bank."

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