



## Taiwan's role in ensuring political and economic security in Asia Pacific

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### Abstract

From the perspective of geo-politics and geo-economics, the Asia-Pacific region is adjacent to many oceans, in which the Pacific Ocean is the "gateway" connecting the US with the world. Currently, the population in the Asia-Pacific region accounts for about half of the world's population. This is an area with huge oil and gas reserves and the focus of the economic rise of many countries. In its national development strategy, Taiwan considers the Asia-Pacific as an area of strategic importance to Taiwan's security and development. Taiwan's policy towards the Asia-Pacific is to strengthen cooperation with other countries and build the Asia-Pacific into a region of peace, cooperation and development.

**Keywords:** Taiwan, Asia Pacific, security

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### 1. Introduction

Taiwan's economy has continuously developed for more than 40 years at a fast and stable pace, becoming an economic model among developing countries in the world, and at the same time being awarded the title of "Taiwan miracle". But the development also poses urgent requirements, requiring Taiwan to further expand economic cooperation relations with other countries, to attract foreign investment, and increase two-way trade turnover and expand to regional and international markets. In cooperation, Taiwan focuses on promoting its strengths in technology as well as in the field of technical reform in traditional industries and the ability to apply advanced technology. Taiwan's machine tool industry is mainly concentrated within 60km around Taichung city. From manufacturing parts and accessories, to assembling machine tools, Central Taiwan has become the center of the world's only machine tool and spare parts industry. Moreover, thanks to continuous improvements in quality and competitive prices, Made-In-Taiwan spare parts have become increasingly necessary for the machine tool industry of many countries. Including upstream machine tool parts such as ball screws and sliders, Taiwan is the second largest supplier of ball screws in the world. According to preliminary statistics, Taiwan's machine tool export value reached 3.064 billion USD in 2019, of which metal cutting machine tools and metal forming machines contributed about 2.538 billion USD and 52 billion USD, respectively. 6 million USD. From these figures, Taiwan deserves its position in the top 5 of the world's top exporters of machine tools with enterprises that are always innovating technology and recognized by the Taiwan Excellence Award, the machine tool industry of Taiwan not only meets the needs of the Taiwanese market well, but also provides the necessary spare parts for assembling machine tools for many export markets. In terms of political security, Taiwan attaches great importance to negotiations with neighboring countries to delimit the border, settle disputes over territory left by history, strengthen cooperation, and build borders peaceful national boundaries, stabilizing the task of establishing and serving the national construction and development. Thereby, we will have an overview of Taiwan's roles in ensuring security, politics and economy in the Asia-Pacific.

### 2. Overview of the research problem

Currently, Asia accounts for about 61% of world GDP; 48% of international trade; over 48% of the world's foreign direct investment. Because of that importance, major countries all pay great attention to Asia and set strategies for this region, in order to gain strategic advantages for themselves.

According to international analysts, the salient feature of the major countries' strategies for the Asia-Pacific region is both cooperation and struggle, fierce competition in all fields, first of all is about economics; through the policy of diversifying and multilateralizing relations to take advantage of and contain each other, and to enhance influence and dominion over the region. That feature has had a significant impact on the security and stability of this area. Asia - Pacific is the region that recovered the fastest and achieved the highest growth rate after the profound impacts of the global financial-economic crisis. The region's overall growth is expected to outpace the world economy, as increased domestic demand and intra-regional trade help offset the decline in exports to advanced economies. New challenges in the field of security for this region are worrisome, because the Asia-Pacific is a very important region in terms of politics, economy, culture and security in the world gender. Disputes over sea and islands between countries in Northeast Asia still pose a potential risk of tension in bilateral or multilateral security relations in the Asia-Pacific. Taiwan is a country in the Asia-Pacific region - a region with the most dynamic development and also a very important region in terms of politics, economy, culture and security in the world. Taiwan is located in the Northwest Pacific Ocean, located between the Ryukyu Islands of Japan and the Philippine Islands, across the Taiwan Strait, Taiwan has an area of about 36,000 km<sup>2</sup>, making it the 38th largest island on the island. The Eurasian continent also has a maritime border with mainland China, with about 70% of the area being mountainous, while the plains are mainly concentrated in the western coastal area. Due to its location at the intersection between subtropical and tropical climates, Taiwan's natural landscape and ecosystem resources are relatively rich and diverse. Therefore, Taiwan's role depends greatly on ensuring a multilateral foreign policy, taking advantage of external resources on the basis of effectively promoting internal resources. Taiwan has been making efforts with other countries to contribute to the common development of the region. The Republic of China (Taiwan) is a sovereign and independent country that has its own defense force and conducts its own diplomatic relations. As the Constitution of the Republic of China states, Taiwan wishes to "cultivate good neighborly relations with other countries, respect UN conventions and charters, etc., promote international cooperation, protect international justice and ensuring world peace". The ultimate goal of foreign policy is to ensure an enabling environment for national conservation and long-term development.

The Government is committed to implementing a steadfast foreign policy, aiming to enhance mutual assistance for the benefit of all parties. Taiwan will build long-term partnerships with allies and countries that share the values of freedom and democracy. Accordingly, the focus on foreign affairs will shift from providing foreign aid to two-way dialogue, with bilateral cooperation projects taking into account the development of industries and markets. Implementing the "New Southern Policy" of President Tsai Ing-wen, Taiwan is trying to expand exchanges with 10 ASEAN member countries, 6 South Asian countries, Australia and New Zealand in the field of economic cooperation. - trade, talent training, resource sharing, regional linkage. The long-term goal is to create a new model of cooperation based on shared interests. The Republic of China (Taiwan) currently has diplomatic relations with 15 countries and substantive relations with many others such as Australia,

Canada, EU countries, Japan, New Zealand and the US. From April 17, 2018 to April 21, 2018, President Tsai Ing-wen visited her diplomatically – the Kingdom of Eswatini to celebrate the 50th anniversary of the African nation's independence and the 50th anniversary of the African nation's independence. Bilateral cooperation. From August 12 to August 20 of the same year, President Tsai Ing-wen visited allies Paraguay and Belize in South America and Central America, respectively. During this trip, she attended the inauguration of Paraguayan President Mario Abdo Benitez and held bilateral talks with the heads of state of the aforementioned countries. From March 21, 2019 to March 28, 2019, President Tsai Ing-wen made the "Ocean Democracy Journey" visit to Palau, Nauru and the Marshall Islands, following her first visit to Marshall Islands, Solomon Islands and Tuvalu in the Pacific Ocean in October 2017. From July 11, 2019 to July 22, 2019, President Tsai Ing-wen has a "Freedom, Democracy, Sustainability" to allies in the Caribbean including Haiti, St. Kitts and Nevis, St. Vincent and the Grenadines, St. Lucia. The President's visit also includes stops in New York and Denver (USA).

Taiwan has full membership in 38 multi-governmental organizations (IGOs) and their affiliated agencies, including the World Trade Organization, the Asia-Thailand Economic Cooperation Binh Duong, the Asian Development Bank and the Central American Bank for Economic Integration, and as an observer or otherwise at 20 multi-governmental organizations and their affiliates, including including the Inter-American Development Bank, the European Bank for Reconstruction and Development, and committees of the Organization for Economic Cooperation and Development. Taiwan will make substantial and professional contributions to the international community on the basis of upholding national sovereignty and dignity, promoting the people's welfare, and continuing to seek participation. Participation in intergovernmental organizations, human development and welfare related mechanisms such as World Health Organization, International Civil Aviation Organization, United Nations Framework Convention on Climate Change and the International Criminal Police Organization. These efforts have won the unwavering support of diplomatic allies and like-minded countries. As of April 22, 2020, 170 countries and territories have implemented a preferential regime of visa-free, visa-on-arrival or e-visa for ROC (Taiwan) passport holders. Taiwan has also signed Holiday Labor Agreements with 17 countries. Notably, out of 38 countries included in the US Visa Waiver Program, Taiwan is the only one that does not have official diplomatic relations with the US, which shows the close relationship between the two sides. The Taiwan Relations Act (TRA), passed by the US Congress in 1979, has always been a solid foundation for the Taiwan-US cooperation relationship despite the absence of formal diplomatic relations. The US has repeatedly reiterated its security commitments to Taiwan under the TRA and the "Six Assurances". In 2018, the Taiwan Travel Act was unanimously passed by the US Congress and signed into law by US President Donald J. Trump. This act encourages visits by officials at all levels of the two countries, emphasizing the strong support of the US executive and legislative agencies for Taiwan. In 2020, the Taiwan Allies International Defense and Enhancement Initiative Act (TAIPEI Act) was passed by the US Congress and signed into law by President Trump, demonstrating the US's support for its allies. Taiwan's diplomacy around the world and Taiwan's

participation in international organizations. Taiwan and the United States continue to expand the scope of cooperation between the two countries, bilateral relations have developed into global cooperation. The Republic of China and the Vatican have a longstanding diplomatic relationship, with a shared commitment to religious freedom and humanitarian relief. Taiwan will continue to be an indispensable partner of the Holy See and other countries in their efforts to promote love, charity and world peace, in accordance with the universal values of peace, freedom, and peace. Democracy and respect for human rights. Similarly, on the basis of sharing common values such as democracy, freedom, human rights and the rule of law, Taiwan and the European Union (EU) along with other European countries, have developed cooperation and exchange of ideas. Closely in many fields. For example, Taiwan and the EU have strong economic and trade relations, and the EU is Taiwan's fifth largest trading partner and largest source of foreign direct investment. The two sides are strengthening cooperation in promising fields such as green energy, new technologies and digital transformation. Taiwan and the EU are also expanding cooperation on human rights issues. Through the annual Taiwan-EU Human Rights Consultation, the two sides are working together on topics of mutual interest, including gender equality, LGBT rights and migrant workers' rights. On April 10, 2013, Taiwan signed a fishery cooperation agreement with Japan after 17 rounds of negotiations since 1996, expanding the fishing range of Taiwanese fishing vessels in the waters surrounding the Diaoyutai. On the East China Sea. The solid relationship between the two sides was emphasized by the renaming of the representative office of Japan in Taiwan, from the Exchange Association, Japan to the Japan-Taiwan Exchange Association in January of this year. 2017, and Taiwan's East Asian Relations Association also changed its name to Taiwan-Japan Relations Association in May 2017. Taiwan and Japan held their fourth annual meeting on issues Maritime Dialogue in Taipei on December 2, 2019. Organized under the maritime dialogue mechanism established in 2016, the forum explored cooperation opportunities across various fields such as fisheries and research. In November 2015, Taiwan and the Philippines signed an Agreement to facilitate law enforcement cooperation in fisheries issues to ensure the safety of fishermen on both sides. On July 19, 2016, President Tsai Ing-wen set forth four principles and five actions related to the South China Sea (East Sea) issue. The four principles are: First, disputes in the South China Sea should be resolved peacefully in accordance with international law and the law of the sea, including the United Nations Convention on the Law of the Sea. Second, Taiwan should be included in multilateral mechanisms to resolve disputes. Third, the states concerned have an obligation to protect freedom of navigation and overflight in the region. Ultimately, disputes should be resolved by setting aside differences and promoting common development. Through negotiations conducted on an equal basis, Taiwan is willing to work with all relevant countries to promote peace and stability in the South China Sea, while jointly preserving and developing the South China Sea. Develop resources in the region. The five actions include protecting fishing rights, engaging in multilateral consultations, promoting scientific cooperation, strengthening humanitarian responses, and training experts in the law of the sea. The government is working to turn Thai Binh Island (Taiping) in the Nansha Islands (Spratly) into a humanitarian aid and

supply base in the South China Sea. Since taking responsibility for maintaining the government's presence on Thai Binh Island as well as the Dongsha Islands (Pratas) in 2000, the Coast Guard Agency (CGA) under the Oceanic Commission has continued to perform its duties. Disaster response, humanitarian aid and assistance to individuals at home and abroad. CGA is committed to strengthening cooperation with neighboring countries in line with Government policy, working with all stakeholders to promote peace and stability in the South China Sea. With an area of 0.51 km<sup>2</sup>, Thai Binh Island can sustain human life and has its own economic life. It also meets the criteria of an island as defined in Article 121 of the United Nations Convention on the Law of the Sea (UNCLOS), which provides for the ROC's full rights to the territorial sea, an area contiguous border, a 200 nm exclusive economic zone and a continental shelf under UNCLOS.

As a model citizen in global society, Taiwan will continue to promote humanitarian assistance and disease control, and actively participate in international efforts to respond to climate change. Postmodernism, terrorism and transnational crime. Looking to the future, Taiwan will build long-term partnerships with allies and like-minded countries by promoting government-level exchanges, business investment and exchanges people, working with partners around the world to promote and promote the values of peace, freedom, democracy and human rights. Taiwan's response to the Covid-19 pandemic, such as implementing mandatory quarantines, high-tech contact tracing, and transparent information sharing, is now known as Taiwan's model globally. Taiwan's success has opened up opportunities for close cooperation with countries with similar views on the research and development of coronavirus vaccines through the Central Research Institute (AS) - the research agency leading the country - also sharing medical masks, forehead thermometers, gloves, goggles, protective suits, quick test kits and more. Agreements with countries around the world on aid and the exchange of essential medical supplies have been widely covered in the media, helping Taiwan have more international friends. Social changes, economic liberalization and democratic transition in Taiwan have created an enabling environment for the private sector and NGOs to thrive. Civil society today plays a key role in ensuring good governance and allowing Taiwan to exercise its soft power on the international stage. NGOs have enhanced Taiwan's status by participating in various international cooperation projects in line with the United Nations Sustainable Development Goals.

### 3. Status

In the context of the global epidemic, Taiwan emerged as a bright spot thanks to its rapid and timely epidemic prevention efforts just before the World Health Organization (WHO) announced the epidemic as well as other measures. Epidemic control tracing measures worth learning. Although effective disease prevention and containment has facilitated the continuation of economic activities within Taiwan, the extent of the impact of the COVID-19 pandemic on an outward-looking economy depends on the market. What will a large foreign school look like? We will strive to answer the above questions and provide some measures to rescue and adjust Taiwan's economy in the face of the difficult-to-control pandemic situation, reshaping the global production structure as well as economic tension. The US-China relationship is fierce and unpredictable.

### ▪ **Impact on the domestic economy**

Thanks to an effective prevention and tracing strategy, the impact of the pandemic on Taiwan's domestic economy is generally under control. Like all other economies, aviation and tourism are the two industries hardest hit by COVID-19 in Taiwan. In the first three months of 2020 alone, foreign arrivals to Taiwan dropped by 57%, and Taiwan's two largest airlines (China Airline and Eva Air) suffered significant financial losses, many local hotels the unsustainable side must close. Sales in the hotel and restaurant services industry fell 6.6% in the first quarter, up to 6,000 jobs were cut, over 20% of workers were unpaid. Despite the losses, the service industries in Taiwan still outperformed many other economies thanks to the effects of the government's stimulus policies. Effective domestic market stimulus measures have played an important role in helping the non-manufacturing PMI maintain a positive growth momentum from the bottom point of 40.4% in February/February. 2020 surged to a peak of 59.4% in August 2020. Specifically, in order to minimize the damage caused by the reduction and closure of international runways, Taiwan has promoted many domestic tourism promotions, especially tours to Penghu (an island on the Strait of Taiwan Sea) to use the domestic market to save the aviation and tourism industries. With the sports industry, as soon as the epidemic prevention measures are initially effective, the 2020 Professional Baseball tournament and many other sports activities will continue allowing fans to watch live with the requirement of only using half the work. Capacity of stadiums. After the epidemic was under control, restrictions were also gradually eased, allowing more people to participate.

Meanwhile, Taiwan's manufacturing sector, despite being negatively affected in the three months of March, April and May 2020, soon established a recovery momentum in the following months. It is reflected in the manufacturing PMI that bottomed in May 2020 at 44.8%, but the recovery in the following months in all manufacturing has helped this index increase rapidly and reach a high level. 57.7% in September 2020. If compared with other Northeast Asian economies such as Korea, China and Japan, Taiwan has maintained a fairly stable industrial production capacity, much higher than Korea and Japan.. This is reflected in the fact that Taiwan has only 3 months with PMI below 50%, while this index of South Korea and Japan throughout the first 9 months of 2020 are below 50%.

### ▪ **Impact on foreign trade**

The outbreak has had a strong impact on the global market, border closure measures have also led to supply chain disruptions and a significant impact on Taiwan's import and export activities. Although there are some industries that are negatively affected such as aviation and tourism; machinery components; chemistry; and auto parts; However, the changing demand structure during the pandemic period has boosted exports in some other areas and brought certain positive impacts on Taiwan's foreign trade. Statistical indicators show that export activities in the first 9 months of 2020 still reached 248.1 billion USD, maintaining a growth rate of 2.45% over the same period last year, while Taiwan's imports of goods decreased. Slightly 0.74% with a total import value of 207.8 billion USD. Taiwan's export structure also saw an increase in the share of capital and intermediate goods exports along with a decline in consumer goods. However, due to epidemic control measures such as border

closure and social distancing, Taiwan's export market structure has changed slightly, such as increasing exports to the US and China while decreasing in other countries. EU, ASEAN, Japan market. Basically, Taiwan's export situation in 2020 is still quite stable and only slightly affected by the pandemic. Specifically, according to the preliminary data of MOEA, Taiwan's total export value still increased by 3.67% in the first quarter, a slight decrease of 2.43% in the second quarter and increased by 6.02% in the second quarter of 2020. This fact is thanks to the increase in the demand for working from home, finding work and entertainment solutions during the epidemic period, as well as deploying 5G technology that has helped Taiwanese businesses increase sales to Taiwan. Electronic products. It is thanks to the offsetting export growth of these industry groups that the total exports of Taiwan-based companies in September 2020 increased by 9.36% over the same period last year, reaching 30.7 billion USD.

In contrast to the stagnation of international travel and air transport, exports of electronic products and information and telecommunications equipment from Taiwan have become continuously growing industry groups with The largest export value accounted for over 40% of Taiwan's total export turnover in the first 9 months of 2020. Although these industries have maintained good growth rates in the previous period, the first 9 months of 2020 have proven themselves. Witnessed a spectacular growth of 16.75% over the same period last year with an export value of 124.3 billion USD. Thanks to the soaring sales in the first quarters of 2020, the increase in orders and investment expansion of TSMC, Taiwan's most important semiconductor company, contributed up to 13% of total private investment and contributed 6% of Taiwan's GDP in the first 7 months of 2020.

Along with electronic products, equipment and machinery also saw an annual growth of 6.7% to USD 1.78 billion. This growth is due to a number of countries that have brought the epidemic under control and efforts to ease the blockade and efforts to restore production and resume previously delayed orders. Meanwhile, in July 2020 compared to the same period last year, chemical orders lost 22.7% in value, falling to 1.43 billion USD, metal products decreased by 5.4 % to 2.04 billion USD, while plastic products decreased by 4.7%. The reality is that, with economic stagnation and a sharp drop in oil prices due to fierce international competition, chemical products will continue to suffer as long as the global oversupply is not resolved. In general, with the prospect of increasing demand for 5G network deployment, application of artificial intelligence fields, products for virtual reality activities, learning and working from home will continue to be a driving force. Main export force for Taiwan. However, the US-China tensions and US sanctions on Chinese companies are likely to have a negative impact on Taiwan's exports of electronics, telecommunications and information equipment due to China is the main market for Taiwanese information and communication technology (ICT) companies.

### ▪ **Impact on economic growth**

As reflected in the figure below, it can be seen that if the first quarter of 2020 witnessed a positive growth rate, even higher than the first quarter of 2019, the global economic downturn due to COVID-19 has caused an increase in GDP growth. Taiwan's second-quarter growth shrank by 0.58% according to preliminary estimates by DGBAS. Although the estimates

of the IMF and WB both forecast a decline in Taiwan's GDP in 2020, Taiwan's forecasters still forecast positive growth and according to the September 2020 forecast DGBAS, Taiwan still has the potential to achieve 1.56% growth in 2020. The difference in this prediction comes from the fact that Taiwan has well controlled the epidemic, the bailout and economic stimulus packages already in place. Positive results help boost domestic demand, especially e-commerce boom, delivery and other needs arising from staying at home. In addition, leader Tsai Ing-wen's economic strategy to promote domestic demand since 2016 has also contributed to bringing positive effects to Taiwan when focusing on developing the domestic market. This change has partly offset the negative impact of COVID-19. However, in the face of a sharp drop in the price of crude oil and related products, Taiwan's consumer price index (CPI) is also facing deflationary pressure at a forecast of 0.32% in 2020. This deflation will continue to negatively affect Taiwan's investment and future growth prospects.

Overall, thanks to effective economic programs and advantages in the ICT and communications equipment industries for 5G deployment, Taiwan's international organizations and forecasters are optimistic. on the island's economic growth prospects in the years 2021-2022. In the view of TIER and Taiwan research institutions, Taiwan's economic recovery may follow a V or a U. Optimistic views on the post-pandemic situation of Taiwan's economic recovery are based on Effective disease control and adaptation capabilities have helped the island establish a strong position in the global supply chain. Moreover, with a high competitive advantage in the international market, Taiwan's semiconductor-related products are becoming an important pillar contributing about 30% of total exports and 14% of the economy's GDP. Taiwan economy 2020.

#### 4. Solution

The Asia-Pacific is a region with a very complex political-security environment. The region is filled with politically diverse countries with different interests and beliefs. This is also an area with the presence of many world powers with an increasing concentration of interests and the ability to compete fiercely for power. Not only are that, in the region, there many potential conflicts and conflicts in both politics and security. The risks of conflict here are not only between big countries and big countries, big countries with small countries, but also between small countries and even within some countries. Due to the relatively large scale of conflicts, the number of which are quite large and the level of contradictions quite deep, until 2025, it is likely that the situation in the Asia-Pacific region will remain unstable and complicated with unpredictable developments. Such political security environment will certainly create many threats to the peace, security and stability of the whole world, region and countries in the region.

Taiwan is known as one of the four Asian Dragons that maintained high growth rates and rapid industrialization between the 1960s and 1990s. According to the 2017-2018 Global Competitiveness Report of the World Economic Forum According to the World Economic Forum (WEF), Taiwan's economy ranks 15th globally and 4th in Asia. With the strong development of the IoT industry, at present, Taiwan is considered the Asian Silicon Valley. Over the years, Taiwan has made great strides in developing green industry and renewable energy, bringing efficiency in

economic growth and solving social and environmental problems. Especially, the influence and significant contribution to political and economic security in Asia Pacific during the stressful epidemic period.

#### ▪ Prevention and control of epidemic situation

The first is epidemic prevention. Thanks to the early detection of the outbreak in Wuhan (China in December 2019), Taiwan quickly deployed an epidemic prevention system and quickly controlled the epidemic, imported cases, and monitored the effectiveness of the epidemic. Results of individual transmission in the community. Along with effective control of science and technology, 2020 after the first entry on January 21, 2019, the Taiwanese government issued a ban on the export of masks to ensure the supply of masks for demand. Domestic. Face masks are limited daily based on even or odd numbers of personal identification numbers. At the same time, the government encourages companies to invest resources in the production of masks, medical equipment and drugs. It is these timely measures that have helped Taiwan avoid the fever of masks, medical supplies and necessities. Taiwan also promotes mask diplomacy such as requiring all officials when appearing in front of the media to wear masks Under the New Southern Policy, masks and medical equipment have been donated and donated. To allies in the European Union, the United States, Latin America and Africa, and 18 countries. In the context that efforts to expand international space are being hindered by China, COVID-19 era diplomacy programs such as mask diplomacy or sharing Taiwan's epidemic prevention and response model, despite China's harshness, established Taiwan's positivity in the international arena

#### ▪ Solve the industrial situation in the whole country that is affected

When industries and businesses are severely affected by the epidemic, the government will implement disaster relief plans regardless of industry, with the aim of equitably distributing benefits and solving problems. In the near future, the industrial base will be strengthened and public support projects will be enhanced. Taiwan has provided companies and workers with financial support worth 300 billion TWD (about 10 billion USD) in the form of loans to continue production, as well as interest rate support. Debt deferral for small and medium enterprises (SMEs); support banks to reduce or exempt interest rates for SMEs that have borrowed previously; and loans to help workers. Taiwan also has a timely impact on stable capital markets. After the Taiwan stock market fell 13.1% in early March 2020, with a strong retreat of foreign investors, the National Stabilization Fund decided to step in to stabilize the stock market. Securities and avoid disruptions that could cause crises in the financial system. Taiwan also offers tax breaks for businesses, such as allowing businesses to overpay; tax breaks for small businesses; allow businesses to deduct COVID-19 losses from taxable income; extension of tax payment time; Tax deductions for businesses that pay regular employees; allowances are not included in taxable income. In particular, to promote training and employment support during the period of stagnation caused by COVID-19, the Taiwanese government also provides subsidies to retrain workers when they lose their jobs. Employers are also entitled to a portion of workers' compensation when unemployed workers receive regular unemployment benefits. Businesses also receive a

number of other supports to stabilize employees and encourage a balanced work-life relationship for employees. These support packages are also designed to ensure stability and take advantage of opportunities to upgrade the industry during the crisis caused by the pandemic. Thanks to these countermeasures, Taiwan's economy grew 2.2% in the first quarter of 2020, even as exports fell.

#### ▪ Stimulating the economy in the region

To mitigate the negative impact of the outbreak, Taiwan has enacted the COVID-19 Pandemic Prevention, Relief and Recovery Special Act. On February 25, 2020, along with an initial stimulus package of TWD 60 billion, later increased to TWD 150 billion (approximately \$5 billion). These stimulus packages will support everyone from households and disadvantaged groups to businesses and industry in the form of individual tax cuts, household expense subsidies, public relief and cut corporate taxes. By July 2020, the global epidemic had adversely affected many areas of Taiwan's economy, so the School of Administration continued to provide an additional NT\$210 billion (\$7.1 billion) package for epidemic prevention, disaster relief and economic stimulus, including wage subsidies. Grants provide workers and businesses with funding to develop and purchase vaccines. The Ministry of Economy (MOEA) is offering coupons until December 31, 2020, to encourage people to increase purchases, with a particular focus on sectors hit hard by the pandemic, such as agriculture or tourism. These coupons are not only for Taiwanese people, but also for foreigners whose spouse is Taiwanese. These solutions are intended to provide relief to businesses that have been hit hard by the pandemic, in the face of the threat of the COVID-19 pandemic, establish total precautions early and ensure the island is safe.

Besides the three-way leverage policy to stimulate the economy, the country also implemented an easy monetary policy, giving priority to cutting interest rates for SMEs so that these businesses can continue to operate. In March 2020, the central bank cut the discount rate, mortgage rate and non-mortgage rate by 0.25 percentage points to 1.125%, respectively; 1.5% and 3.375%. The bank also provides an additional fund of NT\$200 billion and an interest rate of 1% lower than the mortgage rate to support credit for SMEs. At the same time, the bank also strives to establish a flexible financial environment to facilitate the implementation of special support programs for SMEs. The Central Bank also closely monitors the epidemic situation and adjusts monetary policy along with giving appropriate advice on the economic and financial situation to facilitate the implementation of bailout and economic stimulus packages., along with economic stimulus measures, Taiwan is also taking advantage of the opportunities of digital transformation in the world during the pandemic to develop creative industries that are important in the industrial revolution. Fourth Industrial Revolution, such as promoting the implementation of the 5 + 2 industrial innovation plan (focusing on the green energy, defense and space sectors, biotechnology, modern agriculture, and economics) Taiwan circular economy endeavors to attract investment from both Taiwanese companies and to encourage large or innovative companies to invest in Taiwan, promoting the goal of making Taiwan a "Vung Tau-Valley of Taiwan". Asian Silicon"

Taiwan is looking for solutions to its high-income trap and ways to tackle the decline of the middle class. China seems

to be the answer, but it can also be a danger. China's rise in influence could provide an opportunity for it to weaken the institutions that are key to democracy's success. For Taiwan's success story to be sustainable, Taiwan must maintain its leadership position in semiconductors, diversify its economy so that a broader segment of society can enjoy its success, and increase strengthen relations with more economic partners. To achieve these goals, the United States and Taiwan bilateral trade deal needs to be reached, especially as President Tsai has used a lot of his political capital to allow the import of US pork and beef which is a prerequisite for the US to achieve this. that. Taiwan must also integrate more fully into the international community, including joining WHO to prepare for the next pandemic and becoming part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership to prepare for changes in the global supply chain. Taiwan 's path to a sustainable economic future depends not only on a capable government, a hardworking people, and a more global outlook, but also on the support of the community International. Taiwan can't resist the pull of the Chinese economy unless like-minded democracies can eventually face their own version of Taiwan's dilemma with China make concerted efforts to protect Taiwan's sovereignty and prosperity.

#### 5. Conclusion

The Asian region is rich in economic potential and is facing great advantages for development, but there are still many conflicts, ethnic and religious conflicts, disputes over territorial sovereignty and natural resources. However, separatism, terrorism, nuclear proliferation. There are many potential "hot spots" that threaten regional and world security and stability. Public opinion believes that maintaining a secure, stable and cooperative environment is the "key" for the development of the region in the past time, as well as in the future. This is in line with the trend of peace, cooperation and development of the times, and is an urgent aspiration for the development of nation-states. Therefore, more than ever, Taiwan needs to be deeply aware of the importance, interests and responsibilities for regional security and stability, and strengthen regional, inter-regional and international cooperation., in the spirit of absolute compliance with international law, the UN Charter, respect for independence, sovereignty, territorial integrity, non-interference in other countries' internal affairs; not threaten to use force in international relations; settle disagreements and disputes by peaceful negotiation; equality and mutual benefit, to jointly deal with challenges and risks, to build Asia-Pacific peace, stability, cooperation and development.

The international context in the second decade of the 21st century will have many opportunities intertwined with challenges. Asia-Pacific will remain a dynamically developing region. As a member of ASEAN, on the one hand, Taiwan needs to continue to innovate and restructure its economy and fully integrate into the global economy, on the other hand, given the geographical position of Taiwan in particular and ASEAN in general. in the Asia-Pacific region should take advantage of creating a dynamic triangle between China, the US and ASEAN

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