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TAIWAN TRANSPORTATION ISSUES

Cross-Strait Links

With the rapidly increasing business volumes between Taiwan and the Mainland over the past two years, direct links between the two sides of Taiwan Strait becomes increasingly important. Following USA and Japan, Mainland China was Taiwan's next largest business partner in the year 2001. As U.S. businesses continue to invest in the region, a very commonly seen travel pattern for U.S. business passengers is to fly to Taiwan for an R&D meeting, then onward to Mainland China for their manufacturing business, then back to the States, in a pattern of triangular travel. Current political restrictions, where all travels between Taiwan and the Mainland have to be routed to Hong Kong/Macau or a third country, makes travel and transportation time consuming, and it is also an added financial burden.

The US-Taiwan Business Council supports the normalization of trade between Taiwan and Mainland China, as we believe direct transportation links (by air or sea, for cargo or passenger) are beneficial to both economies. The Council supports the "3 direct links" regardless if our members can operate the cross-strait routes. However, as both Taiwan and Mainland China were admitted to WTO this January after a long wait, we feel that to exclude foreign carriers participating in the transportation link between the two sides of the Strait would be against the spirit of WTO. This is true not only for cargo, but once direct links between Mainland China and Taiwan are established, all foreign air carriers should be allowed the Fifth Freedom Right to serve their loyal customers.

Cargo

If Taiwan is to realize its potential as a regional logistics hub, there needs to be long-term and timely development of Taiwan airport and port cargo facilities, including cargo terminals and cargo aircraft parking. Cargo terminal capacity is not an issue at present, as Cargo Terminal is already completed this year, and 10 additional cargo aircraft parking is being built. However, Taiwan airport development for cargo has a tradition of falling behind demand for several years, and there needs to be better planning of development for cargo facilities.

IATA

The Council would support the effort of Taiwan becoming a member of IATA. The Airline industry is a global business involving many complicated international regulations. IATA is the organization providing the same platform for all member carriers to follow the same practice and regulations. It is important for Taiwan to join this international organization as soon as possible.

Conclusion

The US Taiwan Business Council will continue to support Taiwan as it addresses future challenges in the Transportation sector, and the important implications of direct links between the two sides of Taiwan Strait.