

TAIWAN-EUROPEAN UNION RELATIONS: From Trade-Centric to Comprehensive Partnership

Marc Cheng

(Executive Director, EU-Taiwan Office in Taipei, Taiwan (ROC))

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Due to the European Union's one China policy which recognize the Government of the People's Republic of China (PRC) as the sole legal government of China, there is no diplomatic or formal political relations between the EU and the Republic of China (ROC), Taiwan's official name. The only European state that has kept diplomatic relations with Taiwan is the Holy See. Even lack of official relations with most of the European countries, Taiwan has still established 1 embassy, 21 representative offices and 1 mission in the area of Europe. In 2003, the EU Commission opened a representation in Taipei, the European Economic and Trade Office (EETO). Today, there are 16 EU member states out of 28 are represented in Taipei.

Let's briefly review some basic facts between Taiwan and the EU on the bilateral relations, mainly on the trade relations. Taiwan is the EU's 21st largest trading partner in the world and its sixth largest trading partner in Asia. The EU is the 4th largest trading partner of Taiwan, behind mainland China, Japan and the USA. Comparing to the year 2012, the trade volume in 2013 between Taiwan and the EU-28 with a small increase by 0.84 % reached US\$ 49.1 billion. It reflects positive growth rates both in the EU (0.1 % in 2013) and in Taiwan (2.1% in 2013).

The EU is also the largest provider of Foreign Direct Investment to Taiwan with the accumulated FDI from the EU into Taiwan totaling US\$32.6 billion, accounting for 25.8 % of all foreign investment into Taiwan. Moreover, the EU and Taiwan have developed a close cooperation in the education, scientific, cultural field, and recently also including emerging new areas of cooperation such as nuclear safety.

The youth working holiday program also keep the eyes of young people in Taiwan on the bilateral relations with the European countries. The most recent case is the Taiwan- Slovak working holiday program which was formally launched on 23 October 2014. Slovakia is the first country in Eastern and Central Europe to formally implement a working holiday scheme with Taiwan. Hungary has also completed related local administrative procedures and expected to launch the program early next year.

Even with closer relations in trade and other fields, it's still hard to present the whole picture of Taiwanese views about EU. Many Taiwanese people do not even have a view about EU and if they do, it may be affected by their individual experience of member states of the EU. However, two important events make the people in Taiwan being more aware about the development in Europe and Taiwan-EU relations. They are Schengen visa waiver for Taiwanese passport holders and the rising media coverage of EU due to the Euro crisis.

The visa waiver in 2011 further consolidates the exchanges between Taiwan and Europe. This lucrative incentive has provoked a large growth of Taiwanese tourists to Europe and rising interests of Taiwan public on the EU. The outbreak of Euro crisis has further helped the EU getting a larger media exposure in Taiwan and people were more eager to learn more about the development of EU, however, the negative impact over Taiwan- EU trade relations could not be easily ignored. While facing the global economic downturn, how to create a better trade environment has become one of the priorities of the active countries in field of world trade.

The current Taiwan- EU relations seem strong and close, but it has reached its limits. Both sides all agree that the two sides should start discussions on new initiatives to provide the momentum for bilateral relations, for example, the Economic Cooperation Agreement (ECA) or bilateral investment agreement (BIA). Those are the possible approaches to further strengthen economic ties between Taiwan and Europe. However, it will never simply be a trade issue. The "you know who" reason of EU-Taiwan relations never go away even with the cross-strait detente since 2008. This unspoken factor has influenced and will continue to affect the EU's decision on the new initiatives with political implications with Taiwan.

It is also true that the rapprochement between China and Taiwan did create a better external atmosphere and even open a slight opportunity for Taiwan to normalize its bilateral and multilateral relations. In short, the détente cross the Strait permits the

EU not have to choose between Beijing and Taipei. However, the current positive and expanding relationships between the EU or its member states and Taiwan could not be done without the ongoing efforts and creative thinking from both sides.

The closer EU-Taiwan relations are nurturing connections with various facets of Taiwan's economy, society and culture. In 2008, EU commission agreed to launch the EU Centre networking project in Taiwan. The establishment of EU Centre in Taiwan (EUTW) was considered as one of the important institutional efforts to strengthen the people to people exchanges. With intensive and profound people to people exchanges, both sides could identify mutual interests and new areas of cooperation to consolidate the bilateral relations.

As Europe has been haunted by the sovereign debt crisis ever since 2009, it is not easy for Taiwan to persuade the European counterparts to go beyond the trade-centric bilateral relations. What are the key drivers in the future relationship with the EU, commercial interests, indispensable industrial suppliers, shared values such as democracy, and even the détente across the Strait? Probably, they all are the key drivers. A roadmap to comprehensive partnership is necessary for the future development of Taiwan-EU relations. More contribution of Taiwan could identified in the EU's stakeholder interests, closer Taiwan- EU bilateral relations might be achieved.