

THE SIX-YEAR NATIONAL DEVELOPMENT PLAN
FOR TAIWAN, REPUBLIC OF CHINA
(1991-1996)

BACKGROUND OF THE PLAN

THE RAPID ECONOMIC GROWTH HAS CAUSED THE FOLLOWING PROBLEMS:

1. DETERIORATION OF QUALITY OF LIFE

TRAFFIC CONGESTION, ENVIROMENTAL POLLUTION, RISING CRIME RATE,
LACK OF CULTURAL AND RECREATIONAL FACILITIES.

2. LOSING THE COMPETITIVENESS

SHORTAGE OF LABOR AND DECLINING WORK ETHIC

GOALS OF THE PLAN

1. INCREASING NATIONAL INCOME;
2. PROVIDING SUFFICIENT RESOURCES FOR CONTINUED INDUSTRIAL GROWTH;
3. PROMOTING THE BALANCED REGIONAL DEVELOPMENT;
4. UPGRADING THE QUALITY OF LIFE.

TARGETS OF THE PLAN

ITEM	Unit	1989	1990	Target	
				1991	1996
ECONOMIC GROWTH RATE	%	7.3	5.2	7.0	7.0
GROSS NATIONAL PRODUCT(GNP)	US\$ billion	150.3	161.5	178.6	298.5
PER CAPITA GNP	US\$	7,512	7,990	8,747	13,975
CONSUMER PRICE CHANGE	%	4.4	4.4	5.0	3.5
UNEMPLOYMENT RATE	%	1.6	1.7	2.1	2.3
EXPORTS OF GOODS & SERVICES					
MERCHANDISE EXPORTS (AT FOB PRICES)	US\$ billion	66.2	66.6	70.3	99.4
IMPORTS OF GOODS & SERVICES					
MERCHANDISE IMPORTS (AT CIF PRICES)	US\$ billion	52.3	53.8	59.1	95.5
BALANCE ON MERCHANDISE TRADE	US\$ billion	14.0	12.9	11.2	3.9

APPROXIMATE TOTAL INVESTMENT

US\$ 300 BILLION

MAJOR INVESTMENTS IN SIX-YEAR NATIONAL DEVELOPMENT PLAN

TRANSPORTATION & TELECOMMUNICATIONS	US\$102.8 BILLION
HOUSING	US\$ 44.5 BILLION
ENERGY EXPLORATION	US\$ 37.5 BILLION
SOCIAL SECURITY	US\$ 31.4 BILLION
INDUSTRIAL DEVELOPMENT	US\$ 12.3 BILLION
ENVIRONMENTAL PROTECTION	US\$ 10.7 BILLION
MEDICAL CARE	US\$ 3.9 BILLION

BASIC POLICIES TO SUPPORT THE PLAN

FISCAL POLICY

- 1. INCREASE ISSUANCE OF GOVERNMENT BOND;**
- 2. ENCOURAGE PRIVATE SECTOR PARTICIPATION;**
- 3. IMPROVE AND PROMOTE FLEXIBLE TREASURY MANAGEMENT;**
- 4. PURSUE TAX REFORM AND STREAMLINE THE TAX SYSTEM.**

FINANCIAL POLICY

- 1. STRENGTHEN FINANCIAL STABILITY;**
- 2. CARRY OUT FINANCIAL LIBERALIZATION AND INTERNATIONALIZATION;**
- 3. INSTITUTIONALIZE AND MODERNIZE FINANCIAL OPERATION**
- 4. ENSURE THE SOUND DEVELOPMENT OF THE STOCK MARKET AND FACILITATE THE INTERNATIONAL MOBILITY OF CAPITAL;**
- 5. ENSURE THE SOUND DEVELOPMENT OF FINANCIAL INSTITUTIONS TO PROMOTE FINANCIAL DIVERSIFICATION AND EXPAND THE SCOPE OF FINANCIAL SERVICES.**

INDUSTRIAL DEVELOPMENT POLICY

1. PROMOTE INDUSTRIAL MODERNIZATION INDUSTRY:

INDUSTRY:

ENCOURAGE THE INVESTMENTS IN AUTOMATION, RESEARCH AND DEVELOPMENT.

ENLIST THE FOREIGN HIGH-TECH FIRMS TO UPGRADE DOMESTIC INDUSTRIAL TECHNOLOGY.

SERVICE:

REMOVE UNNECESSARY RESTRICTIONS

UPGRADE MANAGERIAL SKILL.

COMPUTERIZE AND MODERNIZE FINANCIAL OPERATION.

FACILITATE COMMUNICATIONS AND TRANSPORTATION

2. IMPLEMENT ECONOMIC LIBERALIZATION

REVIEW AND ADJUST IMPORT TARIFF STRUCTURE

PRIVATIZE PUBLIC ENTERPRISES

**ENCOURAGE FOREIGN HIGH-TECH COMPANIES TO INVEST IN THE ROC AND
TO COOPERATE WITH LOCAL FIRMS**

**ENCOURAGE OUTWARD INVESTMENT TO ACQUIRE NEW TECHNOLOGY AND
RAW MATERIALS**

**HELP INDUSTRIES THAT ARE NO LONGER COMPETITIVE TO SET UP FOREIGN
PRODUCTION BASES**

3. ENSURE AMPLE SUPPLY OF HIGH-QUALITY MANPOWER .

IMPROVE THE EDUCATIONAL SYSTEM, EXPAND THE HIGHER EDUCATIONAL INSTITUTIONS AND PROMOTE SCIENTIFIC AND TECHNICAL EDUCATION

STREAMLINE THE VOCATIONAL TRAINING SYSTEM AND ON-THE-JOB TRAINING

IMPROVE WORKING CONDITIONS

ENSURE HARMONIOUS INDUSTRIAL RELATIONS

4. ENCOURAGE THE ACCELERATION OF INDUSTRIAL RESTRUCTURING

**INCREASE R&D EXPENDITURES AND STRENGTHEN COOPERATION OF
RESEARCH ORGANIZATIONS**

ENCOURAGE THE ESTABLISHMENT OF VENTURE CAPITAL COMPANIES

5. SECURE STABLE SUPPLY OF ENERGY

**CONTINUE TO BUILD NEW POWER PLANTS, PROMOTE THE USE OF
NATURAL GAS, UPGRADE THE ENERGY STRUCTURE, SECURE ENERGY
SUPPLY, DIVERSIFY SOURCE OF ENERGY IMPORTS**

**ESTABLISH RATIONAL ENERGY-PRICE STRUCTURE, ASSIST CORPORATIONS
TO IMPROVE ENERGY MANAGEMENT PROGRAMS**

STRENGTHEN ENERGY RESEARCH AND PROMOTE ENERGY EDUCATION

**MAJOR PROJECTS UNDER THE SIX-YEAR NATIONAL
DEVELOPMENT PLAN**

TRANSPORTATION AND TELECOMMUNICATIONS

RAILWAY

PROJECT: THE WEST TAIWAN HIGH SPEED RAIL (HSR)

CONTENTS OF THE PROJECT:

1. FROM TAIPEI TO KAOHSIUNG WITH FIVE INTERMEDIATE STOPS;
2. 365 KM IN LENGTH WITH 21KM OF MAINTENANCE TRACK;
3. TRAVEL TIME IS LESS THAN TWO HOURS.

TIME NEEDED:

ESTIMATED TIME NEEDED FOR THE PLANNING, DESIGN AND CONSTRUCTION IS APPROXIMATELY TEN YEARS.

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 13.7 BILLION

AGENCY RESPONSIBLE:

PREPARATORY COMMITTEE OF HSR, MINISTRY OF COMMUNICATIONS

HIGHWAY

PROJECT: THE CONSTRUCTION OF SECOND FREEWAY

CONTENTS OF THE PROJECT:

1. FROM KEELUNG TO PINGTONG;
2. THE TOTAL LENGTH IS ABOUT 435 KM
3. THE NORTH SECTION OF THE FREEWAY IS UNDER CONSTRUCTION AND WILL BE COMPLETED BY 1992.

TIME NEEDED:

TO BE COMPLETED BY 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 21.2 BILLION

AGENCY RESPONSIBLE:

MINISTRY OF COMMUNICATIONS

URBAN TRANSPORTATION

PROJECT: THE TAIPEI RAPID TRANSIT SYSTEM

CONTENTS OF THE PROJECT:

THE INITIAL NETWORK CONSISTS OF SEVEN LINES,
TOTALLING 84.7 KM.

TIME NEEDED:

COMPLETED BY 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$16.5 BILLION

AGENCY RESPONSIBLE:

TAIPEI RAPID TRANSIT SYSTEM BUREAU, TAIPEI CITY
GOVERNMENT

URBAN TRANSPORTATION

PROJECT: THE KAOHSIUNG RAPID TRANSIT SYSTEM

CONTENTS OF THE PROJECT:

THE INITIAL NETWORK CONSISTS OF FOUR LINES,
TOTALLING 77.7KM.

TIME NEEDED:

COMPLETED BY 2000

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 6.8 BILLION

AGENCY RESPONSIBLE:

PREPARATORY COMMITTEE OF KAOHSIUNG RAPID TRANSIT SYSTEM BUREAU,
KAOHSIUNG CITY GOVERNMENT

AIR SERVICE

PROJECT: EXPANSION AND MODERNIZATION OF AIR SERVICE

CONTENTS OF THE PROJECT:

1. EXPANSION OF CKS, KAOHSIUNG AND OTHER LOCAL AIRPORTS.
2. EXPANSION AND MODERNIZATION OF AIRPLANES.

TIME NEEDED:

TO BE COMPLETED BY 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 5.5 BILLION

AGENCY RESPONSIBLE:

CIVIL AERONAUTICS ADMINISTRATION, MINISTRY OF COMMUNICATIONS

TELECOMMUNICATIONS

PROJECT: EXPANSION AND MODERNIZATION OF TELECOMMUNICATIONS SERVICE

CONTENTS OF THE PROJECT:

1. EXPANSION OF LOCAL TELEPHONE SERVICES.
2. DIGITALIZATION OF EXISTING NETWORK.
3. EXPANSION OF OPTICAL FIBER TRANSMISSION CABLES TO ENHANCE NETWORK RELIABILITY.
4. INTEGRATION OF TELECOMMUNICATION AND COMPUTER TECHNOLOGIES.

TIME NEEDED:

FROM 1992 TO 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 7.4 BILLION

AGENCY RESPONSIBLE:

DIRECTORATE GENERAL OF TELECOMMUNICATIONS

ENVIRONMENTAL PROTECTION

ENVIRONMENTAL PROTECTION

PROJECT: POLLUTION CONTROL.

CONTENTS OF THE PROJECT:

1. PREVENTION & TREATMENT OF AIR POLLUTION.
2. PREVENTION & TREATMENT OF WATER POLLUTION.
3. EXPANSION OF GARBAGE DISPOSAL FACILITIES.

TIME NEEDED:

FROM 1992 TO 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$10.7 BILLION

AGENCY RESPONSIBLE:

ENVIRONMENTAL PROTECTION ADMINISTRATION

TAIWAN PROVINCIAL GOVERNMENT

TAIPEI CITY GOVERNMENT

KAOHSIUNG CITY GOVERNMENT

ENERGY EXPLORATION

ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF FOURTH NUCLEAR POWER PLANT

CONTENTS OF THE PROJECT:

CAPACITY: 2000 MWE.

TIME NEEDED:

EXPECTED TO BE COMPLETED BY 1999.

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 6.29 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY

ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF THERMAL POWER PLANT

CONTENTS OF THE PROJECT:

1. TAICHUNG FOSSIL NO.1-4
2. TAICHUNG FOSSIL NO.5-8
3. NANPU COMBINED CYCLE NO.1-6
4. HSINTA COMBINED CYCLE NO.1-6
5. SUA0 FOSSIL NO.1-2

TIME NEEDED:

FROM 1987 TO 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$21.79 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY

ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF HYDRO POWER PLANT

CONTENTS OF THE PROJECT:

1. MINGTAN PUMPED STORAGE
2. MA AN PROJECT
3. LIYUTAN RESERVOIR PROJECT

TIME NEEDED:

FROM 1987 TO 1996

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$46.1 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY