THE SIX-YEAR NATIONAL DEVELOPMENT PLAN
FOR TAIWAN, REPUBLIC OF CHINA
BACKGROUND OF THE PLAN

THE RAPID ECONOMIC GROWTH HAS CAUSED THE FOLLOWING PROBLEMS:

1. DETERIORATION OF QUALITY OF LIFE
   TRAFFIC CONGESTION, ENVIRONMENTAL 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

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Unit</th>
<th>1989</th>
<th>1990</th>
<th>Target 1991</th>
<th>Target 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC GROWTH RATE</td>
<td>%</td>
<td>7.3</td>
<td>5.2</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>GROSS NATIONAL PRODUCT (GNP)</td>
<td>US$ billion</td>
<td>150.3</td>
<td>161.5</td>
<td>178.6</td>
<td>298.5</td>
</tr>
<tr>
<td>PER CAPITA GNP</td>
<td>US$</td>
<td>7,512</td>
<td>7,990</td>
<td>8,747</td>
<td>13,975</td>
</tr>
<tr>
<td>CONSUMER PRICE CHANGE</td>
<td>%</td>
<td>4.4</td>
<td>4.4</td>
<td>5.0</td>
<td>3.5</td>
</tr>
<tr>
<td>UNEMPLOYMENT RATE</td>
<td>%</td>
<td>1.6</td>
<td>1.7</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td>EXPORTS OF GOODS &amp; SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MERCHANDISE EXPORTS (AT FOB PRICES)</td>
<td>US$ billion</td>
<td>66.2</td>
<td>66.6</td>
<td>70.3</td>
<td>99.4</td>
</tr>
<tr>
<td>IMPORTS OF GOODS &amp; SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MERCHANDISE IMPORTS (AT CIF PRICES)</td>
<td>US$ billion</td>
<td>52.3</td>
<td>53.8</td>
<td>59.1</td>
<td>95.5</td>
</tr>
<tr>
<td>BALANCE ON MERCHANDISE TRADE</td>
<td>US$ billion</td>
<td>14.0</td>
<td>12.9</td>
<td>11.2</td>
<td>3.9</td>
</tr>
</tbody>
</table>
APPROXIMATE TOTAL INVESTMENT
US$ 300 BILLION
### Major Investments in Six-Year National Development Plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation &amp; Telecommunications</td>
<td>US$102.8 Billion</td>
</tr>
<tr>
<td>Housing</td>
<td>US$ 44.5 Billion</td>
</tr>
<tr>
<td>Energy Exploration</td>
<td>US$ 37.5 Billion</td>
</tr>
<tr>
<td>Social Security</td>
<td>US$ 31.4 Billion</td>
</tr>
<tr>
<td>Industrial Development</td>
<td>US$ 12.3 Billion</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>US$ 10.7 Billion</td>
</tr>
<tr>
<td>Medical Care</td>
<td>US$ 3.9 Billion</td>
</tr>
</tbody>
</table>
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 PINGTON;
2. THE TOTAL LENGTH IS ABOUT 435 KM

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. SUAO 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