



Edward Pei

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Senate Committee on Transportation and International Affairs
Thursday, February 28, 2008 at 12:40 P.M. – CR 414
In Support of SCR 53 / SR 27 –Entering into a Free Trade Agreement
with Taiwan

Aloha Chair English and members of the committee:

As commercial and trade advocates, we believe that the United States should promote free trade with all nations, including Taiwan, provided that it is mutually beneficial.

Why will a United States-Taiwan Free Trade Agreement (FTA) benefit both the U.S. and Taiwan? Here are some current statistics I would like to share with you:

1. Taiwan is the 9th largest trading partner, 11th largest export market and 5th largest farm products market for the U.S. In particular, Taiwan is a leading destination for U.S. exports of electrical machinery, optical instruments and parts, aircraft and parts, organic chemicals, plastics and agricultural products. The U.S. is one of Taiwan's leading sources of imports, second only to Japan.
2. In 2006, the trade flow between the United States and Taiwan reached \$61.2 billion. The United States is the largest source of foreign investment in Taiwan. In 2006, the cumulative U.S. investment in Taiwan exceeded \$15 billion.
3. The FTA opens up many opportunities for U.S. companies to expand their business in the Taiwanese market, such as agriculture, telecommunications, services, tourism and education.
4. An FTA between the U.S. and Taiwan would also enable U.S. firms to leverage Taiwan's role as a gateway to Asia, providing a platform from which to export goods and services into the greater China region and Southeast Asia.

We believe that entering into a Free Trade Agreement will benefit both the U.S. and Taiwan and enhance the strong relationship between the two democratic countries by expanding trade, providing new opportunities for investment and the development of new technologies, promoting security, and expanding economic ties. Thus, we seek your support for this resolution.

Thank you for allowing me the opportunity to testify.

Carol Tsai

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Aloha Chair English and members of the committee:

I support urging the U.S. government to enter into a free trade agreement with Taiwan. I would like to emphasize the benefits to Hawaii from this agreement:

Hawaii's agricultural products, such as macadamia nuts, Kona coffee and tropical flowers, are very popular in Taiwan. The signing of Taiwan-USA FTA would improve access of products to the Taiwan market through tariff reductions, open market and other trade facilitation measures.

Taiwan purchases \$2.6 billion worth of agricultural products from the U.S. annually. With this Free Trade Agreement in place, Taiwan will import more agricultural products from Hawaii. The agreement will not only help stimulate diversified agricultural in Hawaii, which has been our goal since loosing our traditional sugar and pineapple industries, it will also facilitate Hawaiian products and services in entering the Asian Pacific markets via Taiwan. Thank you for allowing me the opportunity to testify.