

Taiwan president pokes the bear by saying the nation needs to lessen its supply chain dependency on China

Tsai Ing-wen also expressed desire to attract external tech talent in rare interview.

Taiwan's need to pull in external tech talent and the nation's supply chain dependence on China were two topics covered in a rare interview with President Tsai Ing-wen by Japanese outlet *Bungei Shunju*.

Taiwan's semiconductor industry dominates the global marketplace with homegrown giants like TSMC and in 2020 claimed 70 per cent of the world's OEMs. Tsai attributed (see transcript – in traditional Chinese) this success to its mature industrial clusters and concentration on foundries as a business model, which faces little competition.

One struggle that concerns Tsai is keeping up with high-tech talent, particularly as Taiwan's semiconductor companies continue to set up manufacturing plants overseas.

"It is very difficult to rely solely on Taiwan to provide excellent talents," said Tsai.

The nation is working to boost digital and language skills among the Taiwanese. Attracting international talent is also a goal with the government hoping to establish a common "talent pool" with nations where Taiwanese companies have operations.

Tsai envisions a future of cooperation with these nations. "If the advantages of Taiwanese companies can be combined with the strengths of Japan and the United States, they can play complementary roles in development," said the president.

Tsai described the government's approach to China as "maintaining the status quo," except for when it comes to supply chain dependency.

“Taiwan has also adopted a position that it should not rely excessively on China for its production bases and markets, and consider various risks, so that trade and investment can develop in a diversified manner,” said Tsai.

“Although many Taiwanese companies now have production bases in China, in the future, it is necessary to diversify their trading partners and investment locations.”

Chinese state media outlet The Global Times also covered the interview, clearly expressing its disapproval with the headline “Tsai tries to belittle Chinese mainland’s importance to Taiwan economy: experts”. The article said any attempt to decouple the economies of Taiwan and China was “infeasible and impractical” and said Tsai’s remarks showed her intention to follow the US government.

The videoconference interview, which also touched on COVID-19, vaccines, Hong Kong, and the Uyghur population, was the first time Tsai has spoken to a foreign media outlet since January 2020. ®

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