

# Taiwan to approve China flat-screen plan this month: report

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Taiwan is expected to approve a flat-screen maker's huge Chinese investment plan this month in another sign of the island easing high-tech controls on its formerly bitter rival, a report said Sunday.

The economic ministry has completed much of the screening for AU Optronics' application to build a three billion US dollar flat-screen plant in China's eastern Kunshan city, the state Central News Agency said.

The plan has drawn special attention as it is seen by many as a barometer of the government's relaxation of long-standing restrictions on high-tech investment by local companies in China.

"Only some tiny issues remain to be solved," an economic ministry official was quoted as saying, adding that the application is expected to be approved this month if the company provides required documents soon.

[AU Optronics](#), a leading liquid crystal display manufacturer, filed the application to the government six months ago, and rumours of a government go-ahead have circulated for some time.

But last week the company was not on the list of local high-tech companies seeking official approval for their China-bound investments, touching off complaints from AU Optronics Chairman K.Y. Lee.

Taiwan relaxed the rules earlier this year, but local high-tech firms such

as AU Optronics still need to keep more advanced technologies at home when applying to invest in China.

Taiwan's opposition, which favours independence from [Beijing](#), has repeatedly warned against easing controls, fearing closer economic integration will mean job losses as the island loses out to China's relatively cheaper workforce.

But Taiwan's high-tech businesses have increasingly called for the rules to be relaxed, pointing out that their competitors from [South Korea](#) and Japan have been stepping up activity in China.

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