

Taiwan to approve three billion dollar China plant: report

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Taiwan's Premier Wu Den-yih has confirmed that a landmark China-bound investment project worth three billion US dollars has passed much of the government screening procedure, local media reported Sunday.

Wu's remarks suggest that the project proposed by the island's leading flat-screen manufacturer AU Optronics Corp would soon receive the government's go-ahead, the Commercial Times said.

The premier said the project had been submitted to the Investment Commission to "go through the rubberstamp procedure," the paper reported.

"No delay has been made."

The Times said the Investment Commission was expected to officially approve the project before the month's end.

The project, which was submitted to the government eight months ago, proposes the construction of a liquid crystal display plant in China's eastern Kunshan city.

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.

Taipei 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 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.

China still refuses to renounce the possible use of force against the island in its long-stated goal of re-taking Taiwan, which has ruled itself since the end of a civil war in 1949.

Despite this, Taiwanese businesses are among the biggest overseas players in mainland China, with at least 80 billion dollars invested.

Ties between Taiwan and [China](#) have improved markedly since Ma Ying-jeou of the China-friendly Kuomintang came to power in 2008 on promises of beefing up trade links and allowing in more Chinese tourists.

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