

Taiwan approves huge hi-tech investment in China

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Taiwan's government on Friday gave the green light for a plan by the island's leading flat panel maker AU Optronics Corp. to invest three billion US dollars in China.

"The [Investment](#) Commission approved the case since it meets relevant regulations governing investment on the mainland," the commission said in a statement.

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

The decision came as five Taiwanese flat panel makers, including AU Optronics, were slapped this week with huge price-fixing fines by the European Commission, a move the island's government feared will hurt the industry.

The plan has also attracted 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 cost jobs as the island loses out to China's 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.

Ties between [Taiwan](#) and China have improved markedly since President Ma Ying-jeou came to power in 2008 on a Beijing-friendly platform.

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