

Taiwan to let China firms invest in LCD makers: report

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Chinese firms will be allowed to own up to a fifth of Taiwan's flat-screen makers as the island further eases its controls on investments from the mainland, local media reported Monday.

In yet another sign of fast warming ties with Beijing, Taiwan's economic ministry last month completed its screening of a proposal for opening up to Chinese investors, the Commercial Times said.

Under the proposal, which must get the cabinet's final approval, Chinese home appliance manufacturers will be permitted to hold up to 20 percent of Taiwan's LCD (liquid crystal display) makers, it said.

But the investments will not be permitted if the transactions make Chinese investors the single biggest shareholders, the report rgadded.

The measures will help Taiwanese flat-screen makers forge alliances with Chinese home appliance firms and help them tap China's vast market, it said, explaining why the government has decided to lift its ban.

A spokesman for Taiwan's economic ministry declined to comment on the report when reached by AFP.

[Taiwan](#) in June 2009 partially lifted a decades-old ban on [investment](#) in the island by Chinese companies or individuals amid rapidly improving ties following the election of Beijing-friendly Ma Ying-jeou as president

in 2008.

Despite the opening, accumulated Chinese investment streams to Taiwan are less than one thousandth the money going in the other direction.

As of December, Chinese firms had made 102 investments on the island worth \$131.83 million, Taiwan's Investment Commission said.

Meanwhile, Taiwan businesses have funnelled an estimated \$150 billion to the mainland since the government eased controls on China-bound investment in 1991, local media have said.

[China](#) still regards Taiwan as part of its territory awaiting reunification although the island has governed itself since 1949 at the end of a civil war.

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