

# Taiwan relaxes law on tech production in China

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Taiwan further relaxed controls Friday on local high-tech companies expanding into China, with the aim of allowing them to compete with giants like Intel and Samsung on the mainland market.

Under the new regulations, Taiwanese manufacturers will be permitted to open a total of three plants manufacturing chips more advanced than were previously allowed.

But local chip makers will still be required to keep their Taiwan-produced technology a generation ahead of that made in mainland China, Chu Ping, spokeswoman for the Investment Commission, told AFP.

This is based on fears the island could lose a competitive edge over China, which still regards Taiwan as part of its territory awaiting reunification—though ties have warmed since Ma Ying-jeou of the Beijing-friendly Kuomintang party came to power in 2008.

Taiwan Semiconductor Manufacturing Co is the world's leading microchip maker providing tailor-made services, counting Apple among its clients and the likes of Samsung and Intel among its rivals.

"Intel and Samsung have been investing in the mainland for a year, so our relaxing is already a bit late," Chu said.

Taiwan's opposition, which favours independence from Beijing, has repeatedly warned against easing controls, fearing closer economic

integration.

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