

ПОЛІТИЧНІ ПРОБЛЕМИ МІЖНАРОДНИХ ВІДНОСИН

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TAIWAN AS AN ECONOMIC MIRACLE

ЕКОНОМІЧНЕ "ДИВО" ТАЙВАНІЮ: ПРИЧИНИ І НАСЛІДКИ

“ЭКОНОМИЧЕСКОЕ ЧУДО” ТАЙВАНЯ: ПРИЧИНЫ И ПОСЛЕДСТВИЯ

Ignatiev P. M.

Doctor of Political Science, Professor at the Chair of International Regional Studies of the Educational and Scientific Institute of International Relations of Taras Shevchenko National University of Kyiv. E-mail: pavloi@yahoo.com

Ігнат'єв П. М.

Доктор політичних наук, професор кафедри міжнародного регіонаознавства Навчально-наукового інституту міжнародних відносин Київського національного університету імені Тараса Шевченка. E-mail: pavloi@yahoo.com

Игнат'ев П. Н.

Доктор политических наук, профессор кафедры международного регионоведения Учебно-научного института международных отношений Киевского национального университета имени Тараса Шевченко. E-mail: pavloi@yahoo.com

Abstract. *Taiwan is actually ‘overshadowed’ by China and, therefore, has to uphold a sizable defence budget. On the other hand, this small island attracted considerable investments during the Japanese colonial rule in 1895-1945 and after 1949 when the Kuomintang was finally defeated in the civil war and many representatives of the business circles en masse fled from the mainland. The article considers the reasons for the Taiwanese economic miracle that did happen in this barren mountainous territory despite its limited local agriculture developing in a few productive areas and the deficiency of natural resources being suitable for commercial exploitation.*

Key words: *Taiwan, China, technologies, semiconductors, airlines, free economic zones, ports, tourism.*

Анотація. *Тайвань розташований буквально у «китайській тіні» і через це змушений витратити колосальні бюджетні кошти на оборонні потреби. З іншого боку, малому острову вдалося залучити значні інвестиції в японську колоніальну добу в період між 1895 і 1945 рр. і відразу після поразки партії «Гоміньдан» у китайській громадянській війні в 1949 р., коли представники ділових кіл з материкового Китаю масово перебрались на його територію. У статті розглядаються причини тайванського економічного дива, яке відбулося, незважаючи на той чинник, що у межах цього гірського острова сільське господарство розвивається на обмеженій площі, а сам він позбавлений комерційних покладів корисних копалин.*

Ключові слова: *Тайвань, КНР, технології, напівпровідники, авіалінії, вільні економічні зони, порти, туризм.*

Аннотация. *Тайвань расположен в «китайской тени» и из-за этого вынужден тратить существенные бюджетные средства на оборонные нужды. С другой стороны, небольшому острову удалось привлечь значительные инвестиции во время японского колониального периода 1895-1945 гг. и сразу после поражения партии «Гоминьдан» в китайской гражданской войне в 1949 г., когда представители деловых кругов массово*

перебрались сюда из материкового Китая. В статье рассматриваются причины экономического чуда на Тайване, которое действительно имело место, несмотря на то, что на горном острове сельское хозяйство развивается на ограниченной площади, а сам он практически лишен коммерческих месторождений полезных ископаемых.

Ключевые слова: Тайвань, КНР, технологии, полупроводники, авиалинии, свободные экономические зоны, порты, туризм.

Current problem. China considers the Taiwan issue as the last unresolved colonial question of the Japanese and American legacy that is detrimental to national security of the official Beijing. Therefore, the Chinese military expenditures are growing, and the balance of power cannot be seen as shifting in favour of Taiwan. Under present conditions, this small island tries being attractive for investors and developing new fields of economy in order to accumulate funds for defence purposes. As a result, Taiwan boasts considerable GDP and forex reserves, but remains highly dependent on the mainland market, Chinese production basis, and tourists. Today, the economic destinies of China and Taiwan are interrelated, but the political ones are evolving separately.

Research assumption consists in a paradox formed by the existence of both close economic relations and political confrontation between the neighbours. Despite this fact, Taiwan remains quite successful in the economic respect by playing the role of logistic intermediary between China as the ‘world’s factory’ and various external markets. It can also be considered as the main Chinese subcontractor or even the contractor in the high-tech industry.

Analysis of the latest publications. *Michael C.Y. Ling and Perry Wong* claim that in 1966 Taiwan became the first player to introduce the free economic zone offering a tax holiday and developed infrastructure in order to attract foreign capital in steel and petrochemical industries in the 1970-ies. The funds were also invested in R & D in order to create gigantic semiconductor corporations [1]. *Anne Welle-Strand, Pei-Fen Chen and Graeme Ball* point out that colonial Japanese reforms, evacuation of gold reserves from the mainland conducted by the Kuomintang in 1949 and generous US assistance played a key role in economic growth of the island [2]. *Tibor Scitovsky* finds out striking similarities between Taiwan and South Korea, as the latter introduced new types of rice and constructed paved roads during the Japanese occupation. Japanese property confiscated after the end of World War II also contributed to the growth of young Taiwanese economy. The influence of Japan is highlighted as well in the similar editorial article published by Taiwan Today. It mentions the takeover of Japanese enterprises done by the local authorities after the War, the development of textile and fibre industries, the assembly of radio- and TV-sets at the request of Japanese multinationals, the introduction of the first semiconductor foundry in 1967 and, finally, the intensification of people-to-people exchanges with China after 2010 [3]. Some local news outlets, e.g. Focus Taiwan, Taiwan News, Taipei Times, and sites devoted to high-tech industries of East Asia were also used by the author while preparing this research.

Taiwan is a small player with the land area of about 36 thousand sq. km and the population of over 23.487 million people. This narrow mountainous island is 400 km long, and it acutely lacks fertile land [4]. The map shows that it has strategic location at the crossroads of China, that is ‘hanging over’ Taiwanese landmass to the West and North, the Philippines – the northernmost country of Southeast Asia – to the South, and the Ryukyu Islands hosting US military bases to the Northeast. Taiwan is separated from China by the Taiwan Strait that is 160-km-wide. From time to time, US destroyers are moving through the Strait in order to notify the Chinese leadership that most other countries view this area as international waters being open to all vessels, so the freedom of navigation should be respected by all regional states [5].

The island consists of the coastal narrow plain in the West and the hilly terrain with dense vegetation covering rest of the regions. As a result, the largest land area is covered by mountain ranges and there are many hot springs being generally found in regions of volcanic activity [6]. The majority of locals are crammed into limited space next to the Western coast. Because of this, the population density remains relatively high in the West and all main urbanized centres are also

located there. These are the de facto capital Taipei with 7.8 million residents, Kaohsiung having 1.5 million inhabitants, and Taichung with roughly 1 million people [7].

Taiwan is literally swimming in the water and constantly suffering from several natural calamities like typhoons, earthquakes and landslides, since it belongs to the Pacific Ring of Fire. For example, the 2018 Lloyd's City Risk Index ranks Taipei among the most dangerous cities for insurers because of constant threats of windstorms and earthquakes and permanent possibility of major conflict with China [8]. All these factors are negatively influencing the development of the island.

Taiwan is known for astonishing economic growth despite its land area and population are modest in size. For instance, its forex reserves exceeded USD 543 billion in 2021 that allowed this actor with 23.4 million people to rise to the 5th position across the world, next to giant India having 1.4 billion residents [9]. Taiwan GDP is also extremely high, since this player has well-developed and export-oriented economy represented by manufacturing industries which produce numerous high-tech goods. In 2021, it constituted approximately USD 789 billion, or more than TWD 22 trillion. GDP per capita is equal to about USD 34,500 dollars being one of the highest GDP per capita rates in Asia [10].

The Western part of the island boasts of more developed infrastructure. The port city of Kaohsiung in the Southwest functions as the main 'window' to the outside world. It includes 6 container terminals, an extensive area for bulk cargoes, numerous storage facilities and the export processing zone. In 2020, Kaohsiung was ranked 17th out of 50 world's busiest ports and dominated over the top German hub of Hamburg by having the output of 9.6 million standard containers [11]. Kaohsiung's district Cianjhen is the historic site where the first economic zone and industrial park were created in 1966. This policy represented an attempt to diversify the economy and to develop heavy industry using such tools as customs simplified procedures, tax holidays and efficient single window governmental services for investors [12]. In 2017, the Van Oord corporation, that had made the name for itself constructing the archipelago of artificial islands in Dubai, extended the land area of the Kaohsiung operational zone by 250 hectares with the help of sand dredging. Now, the port can accommodate mega-ships carrying 22,000 containers [13].

The efficient logistics policy is at the heart of this economic success. Thus, Taiwan acts as a player in the maritime trade that is perfectly capable of moving its own products and goods from the numerous Chinese free economic zones overseas. Today, the island has three important shipping lines – Evergreen, Yang Ming, and Wan Hai being more marginal player. Having 333 ships, Evergreen Marine is best known for its capacity to handle 1.2 million standard containers and is ranked 7th in the world by the tonnage. On the other hand, the second largest Taiwanese carrier Yang Ming is not far away: it is ranked 10th and has 95 ships that can carry 616 thousand containers at its disposal [14].

The historic example of Evergreen Marine, whose container ships are painted in green, shows how such companies become quite successful. This enterprise was founded back in 1968; later, in 1975, it opened the supply lines to serve two main destinations: East Asia – Western Hemisphere and East Asia – Europe. Subsequently, it rented container terminals in Colon (in the North of Panama) and Taranto (the city located in the South of Italy near Brindisi and connected to the Italian railway system) in addition to its own large operational zones in the Kaohsiung and Taichung ports. By doing so, Evergreen Marine became an important logistics middleman having its own storage facilities in Europe and Latin America which can be used to serve the top destinations of the Chinese and Taiwanese external trade with the European countries and the US [15].

Taiwan is known worldwide as the supplier of spare parts and electronic components; so, only several local corporations are represented by famous brands. For example, Taiwan-based smartphone maker HTC, established in 1997, gradually lost its popularity among consumers in the face of strong competition from the American, Chinese and Korean producers. In order to survive, the struggling company sold its R&D unit to Google for USD 1.1 billion in 2017. Today, some former HTC engineers that left with the unit are working as Google's designers of Pixel smartphones. But the rest of HTC manpower and the leadership of the corporation decided to

continue developing mobile devices and also invested money in virtual reality computer helmets in order to stay afloat. This area of entertainment is new, so the company's success is not guaranteed [16].

Another Taiwanese manufacturer Asus (established in 1989) tried to fill the void with the models of sophisticated and expensive ZenFone and Rog smartphones. Moreover, Asus is among the top sellers of normal or gaming laptops and related equipment like motherboards and computer screens. Since its creation, the corporation has presented many unique inventions in order to gain the ground against international competitors. In this respect, one should name introduction of flip phones, laptops with webcams, computers for game enthusiasts having great graphic cards, smartphones with improved sound quality, sophisticated motherboards, and, finally, – ultrabooks [17]. On the other hand, the IBM rival Acer is a highly respected Taiwanese brand that was introduced in 1976 and became associated with home computers, multimedia computers, ultrabooks, and generous sponsorship of sport events. The corporation became successful in 1986 when it developed the first Chinese language user computer, outsourced some of its production factories to locations overseas in order to make electronics cheaper and bought several competitor facilities in computer assembly [18]. As we can see, many Taiwanese electronic brands are among the oldest in the world, but they are quite innovative and still working.

There are several extremely successful companies which are playing the roles of spare parts providers for the famous world brands. As the 'world's factory' China is located very close to Taiwan, this is the crucial factor. In order to fulfil the orders of their own producers of electronics, as well as of the foreign ones, the Chinese enterprises have to rely on the Taiwanese chips. For example, Mediatek is the name to reckon with among the producers of relatively cheap processors for smartphones having low internal memory and limited hard disk drives that are popular in China and in developing countries of the world. In 2021, this corporation controlled a whopping 37 per cent of international market for those components in the category below 5G [19].

Taiwan semiconductor manufacturing company (TSMC) is the world's top producer of semiconductors with record-breaking market capitalization of USD 578 billion in 2021. The winning formula used by this giant is simple: the corporation manufactures the largest global number of chips by receiving direct orders from third parties and fulfilling them at the lowest price that is possible due to the high production output. The TSMC investments are subsequently channelled into R&D and production of the world's smallest processors which are created with the use of new technology known as the extreme ultraviolet lithography. These ultra-tiny chips are not only the most powerful and advanced, but also very energy-saving. As a result, TSMC remains an absolute leader in the field, since only very rich multinationals are in position to finance the construction of even one foundry for chips [20].

The famous California brand Apple has been teaming up with TSMC since 2014 when iPhone 6 was presented. That has led to the strong annual growth of the shares of both corporations. For example, Apple made 21 per cent of profits of this Taiwanese enterprise and ordered almost all types of TSMC-produced chips in 2020. This success is reflected in the Taiwanese stock exchange where the shares of influential TSMC account for at least 30 per cent of the SE general value. By the way, the stocks of other players in this field, like United Microelectronics and Nanya's Technology, are also quite valuable [21].

South Korea is widely known as the Republic of Samsung, and Taiwan can be called the Land of Foxconn, as this corporation plays a major role in the assembly of smartphones for Apple and other popular brands. It was created in 1974; in the 2000-s, it became a trusted Apple's contractor due to its innovative technologies and punctuality. Foxconn has more than 1 million workers at its disposal and owns a giant factory in Zhengzhou (the Henan province) that remains one of the largest in China. This famous facility is known as iPhone city and can be considered as the economic hub of the province [22]. In 2021, the Apple leaders asked Foxconn to go ahead with the production of the latest iPhone 13, and the assembly of the most expensive and largest Apple phones became the responsibility of this Taiwanese corporation [23].

Taiwan is self-reliant having 21 million tons of steel in 2021, and China Steel Corporation is considered the most important local player giving roughly two thirds of the national output. In general, a small island is ranked 11th in the world and has the position above such established producers as Ukraine, Mexico and France by annual steel tonnage [24].

Another specialization of Taiwan is the production of gasoline and chemicals despite the fact that local land is poor in natural resources. The state enterprise CPC Corp. and family-owned Formosa Plastics Group are the two most important actors in this field. Formosa Plastics Group is the top producer of chemicals, resins and plastics with a strong presence in the US, China and Vietnam. This corporation also controls the fleet containing 65 ships for transportation of chemicals and crude oil, as well as the refinery located in the private Mailiao port that is the deepest in Taiwan [25].

On the other hand, the state-owned and more inward-oriented CPC Corp. operates Taoyuan and Dalin refineries in the far North and in the Southwest of the island which have aggregate output of 600,000 barrels (by the way, Dalin is considerably larger industrial object that produces the two thirds of local fuel in the vicinity of the largest Taiwanese port of Kaohsiung). At least 1,898 gas stations out of 2,494 that are present in Taiwan belong to CPC Corp. and its partners. This player also owns and operates two LNG terminals and the extensive net of gas pipelines located along the Western coast and, thus, considered the main provider of energy security [26].

The island with a small population and relatively narrow internal market of cars decided to be a contractor of foreign corporations and functions as an important provider of car parts for the US, Japanese and Chinese producers nowadays. As we already know, the competitive advantage of Taiwan is linked to the most inexpensive computer chips for automotive industry. However, the other strengths of local small and medium enterprises can be found in the fields of autolamps, headlights and collision parts (bumpers) production [27].

Bicycles are extremely popular in some countries of East and Southeast Asia. Being located at the crossroads of the two regions, island is known as the Bicycle Kingdom while exporting 2 million of expensive bikes, around 580,000 e-bikes and a countless number of spare parts on the annual basis. Many expensive and middle class bicycles are assembled in Taiwan. Among those products, the e-bikes are becoming increasingly popular in the world, since they are better suited for hilly terrain and handy for people having health problems. Today, Giant, Merida, BESV and Volando are the famous Taiwanese brands that are in great demand abroad [28].

In general, semiconductors, computers and computer parts, car parts, gasoline, smartphones, bikes and e-bikes, steel products and chemicals are the products which the Taiwanese corporations are predominantly selling abroad.

On the other hand, import requirements remain considerable. As it is widely known, the mountainous island is dependent on foreign coal, crude oil and LNG, foodstuffs and cars. Products of the last category are rather expensive, since they are almost completely imported from Japan. In 2020, about 457,000 cars were sold in Taiwan: in the opinion of Taiwanese consumers, the Toyota, Nissan and Honda models were the most popular and reliable. For example, Toyota sold 146,000 cars and became the undisputed leader of the market. But local producers want to win over their Japanese counterparts, and Foxconn, in cooperation with Yulon Motor and several multinationals with the expertise in this field, unveiled electric car, jeep and bus in 2021 [29].

Local agriculture contributes only 2 per cent to GDP that is extremely unusual for Asia. This field of economics is poorly developed because of mountainous topography, unfavourable typhoon-prone weather conditions and relatively old population. Despite this, Taiwan remains an important importer of tractors and other types of sophisticated agricultural machinery [30]. It also depends on the wheat grain from the US or Australia, the beef from the US, Australia and New Zealand, as well as on the corn for livestock breeding from the US and Brazil [31].

Taiwan can be considered a long-time user of nuclear power. Currently, it is counting on several outdated reactors that are producing only 12.7 per cent of the island's electricity. In 2025, all such facilities should be closed down (probably, under the influence of the Fukushima Daiichi nuclear accident of 2011 and the electoral promise of current President Tsai Ing-Wen to carry out

the revolution in this field) and new LNG-receiving terminals are to be erected to increase the import of gas instead. The electricity is cheap, but as the renewable sources represent only a small share of power generation market, growing import of LNG may cause price hikes [32]. Thus, the island is among the largest importers of liquefied natural gas having two active CPC Corp. terminals. Every year, local consumers are buying at least 18 million tons of this fuel which mainly comes from Qatar, Australia and Russia, and Qatar is supplying the largest volumes [33].

In general, the island is ready to get away with thermal and nuclear plants in favour of green energy, even at the exorbitant costs. The governmental energy transition promotion scheme stipulates that at least 20 per cent of electricity should be generated by renewable sources and 50 per cent – by imported LNG, with the construction of strategic gas storage facilities being considered as the top priority of energy security, in 2025. Enlargement of current LNG-receiving terminals and construction of new ones is also underway and it will be synchronized with the shutdown of old coal-fired power plants [34].

Services remain the integral part of the Taiwan economy and international tourism is very important in this respect. For example, visitors can see one of the highest skyscrapers in the world, known as Taipei-101, located among relatively modest houses in the East of the capital. It was constructed as a traditional Chinese pagoda in 2004 and distinguished for green shining glass. But the building looks like a growing bamboo from a great distance. With the height of 508 metres, this masterpiece of engineering is considered the highest structure in the zone of natural calamities [35].

Foreign tourists are striving to get inside, since Taipei-101 constructed at the cost of USD 1.8 billion hosts an expensive shopping mall and a unique heavy golden-painted ball having the weight of 616 tons that is fixed at the top of the building in order to prevent it from shaking during quakes or gusts of powerful wind. The Taiwan stock exchange is also located here that makes Taipei-101 the main destination for business tourists. Moreover, one can reach the open platform at an elevation of 460 metres and experience devastating winds while being securely fastened to the fence. During New Year celebrations, namely this high-rise becomes the hub of social life, since the stuff of the building organizes numerous fireworks [36].

One of the city's eastern districts hosts the National Palace Museum which is universally known. It was originally opened for public in the Forbidden City of Beijing in 1925 and contained the treasures of several Chinese dynasties. However, the nationalists evacuated the most precious artworks to Taiwan during the last stage of the Chinese Civil War and displayed them in the specially constructed palace with yellow façade and green roof in Northeast Taipei in 1965. This building can be found in calm area surrounded by mountains and has underground storage facilities at its disposal. In general, around 600,000 artifacts had been transferred to the island by the end of 1949, and the Forbidden City lost all its treasures, so many palaces and pavilions are standing empty even today [37]. Of course, the leaders of the Communist Party of China are extremely keen on returning this largest global collection of Chinese masterpieces in order to increase tourist attractiveness of Beijing. In 2021, record-breaking 56 UNESCO World Heritage sites were counted in China: in this respect, it may want to win over its closest competitor Italy and the return of such outstanding artworks from Taiwan is intended to help it to achieve this objective [38].

The second city to be most known among the foreigners is Tainan which is located to the North of Kaohsiung. It was established in approximately 1620 and considered the cultural capital of the island due to such attractions as four old city gates (like in Seoul's district of Gangbok), canals, the very first Taiwanese Confucius temple, the Dutch fortifications, and historic buildings of foreign trade missions [39].

Being located right in the middle of Taiwan and surrounded by mountains, hazy and scenic Soon Moon Lake is the largest body of water here. It can be found at the altitude of 748 metres in wild area where numerous birds are present. The shores of the Lake are adorned with relatively new temples and provide perfect infrastructure for day travelers presented by numerous roads for bikes, hiking trails, promenades, and ropeways. This is the centre of festivals and the top holiday destination for residents of urbanized areas during weekends [40].

Transport infrastructure in the West is capable of serving the locals and foreigners. Taiwan, as Japan-oriented player, became the very first foreign customer of bullet train services that had been introduced in Japan before the 1964 Olympic Games. Back in 2007, the Japanese consortium developed the railroad for such trains stretching along a 345-km-long 'Western corridor' which concentrated almost all the population of the island. The line snaked around the Western coast from the North to the South, between the cities of Taipei and Kaohsiung. Kawasaki Heavy Industries, Ltd. has provided 30 700T bullet trains along with rail cars [41]. Despite the fact that the Taiwan North-South High Speed Rail Project became too expensive with the price tag of USD 16.5 billion, bullet trains satisfied travel needs of 600 million passengers and showed high efficiency during March 2007 – January 2020 [42].

Since 1996, the Northern region of the island has been served by the system of Taipei Mass Rapid Transit (TMRT) that is connected to the Taiwan international airport located in the Northwest of Taiwan via a separate link. It consists of 6 lines, 131 stations and 152 km of railroads and several branches are interconnected for the convenience of commuters. Moreover, numerous stations are well-known for their sculptures and paintings helping passengers to relax underground, as well as for the green gardens located outside for those who are jogging [43]. All in all, the success of TMRT forced other considerable cities like Kaohsiung and Taoyuan following the suit with similar projects in 2008; and today they can boast of well-developed infrastructure [44].

The Taoyuan international airport to the West of Taiwanese capital is the main transport hub for travelers to the island; it counts on two terminals. Taiwan is located at the crossroads of Japan, China, South Korea and the Philippines that explains a relative tourist success of the island. In 2019, the airport served 41.34 million passengers, but that number considerably deteriorated and constituted only 7.35 million people in the Covid-affected year of 2020. It is also the top Asian cargo hub with 2.1 million tons handled during the same period, probably due to the growing demand for semiconductors and electronic parts exported from the island to the world markets [45].

In 2021, Samsung C & T Corporation, which is known for its successful airport projects in China and Mongolia, obtained the right to build the third gigantic terminal with the capacity of 45 million passengers in the next several years. As the airport was introduced in 1979, that enlargement was badly needed because of growing passenger and cargo traffic. The price of the project is USD 1.56 billion, but it will allow Taiwan becoming a principal travel hub of East Asia and attracting more tourists from outside the region [46].

A small island boasts of two air passenger carriers, China Airlines and Eva Air (Evergreen Air), which are relatively successful in transportation of perishable goods and high-tech products and are known for their young fleet. China Airlines founded in 1959 is considered the largest carrier in Taiwan with 10.9 thousand workers. It boasts of the fleet of 83 aircrafts, including 21 cargo planes. The vast majority of aircrafts are used for long-distance flights. Among them, there are new 14 Airbus A-350 jets standing out as the latest arrivals with fuel-saving technologies [47].

Eva Air is a relative newcomer to the island, since the company commenced its operations only in 1989. Today, it controls almost the same number of employees as its counterpart. Eva Air has around 80 planes (including 34 Boeing 777-300 jumbo jets) at its disposal and expects to operate 21 efficient Boeing -787 planes (10 of them are currently in service) in order to save funds spent on fuel in the nearest future [48]. According to the internationally-acclaimed Skytrax Awards, this Taiwanese carrier was ranked 7th best airline in the world in 2021, as it has such distinctions as excellent budget class, cleanness onboard and well-trained crew [49].

By any account, the strategy to develop cargo flights can be considered successful in the age of coronavirus for both Taiwanese airlines, and they will never go bankrupt.

In 2019, 11.84 million tourists visited Taiwan, including 2.71 million of Chinese citizens. Because of this dependence, the Chinese government sometimes limits group trips to the island responding so to political tensions. Local leaders are trying to lessen the dependence on the Chinese market introducing the New Southbound Policy of 2016 that emphasizes development of cultural ties, education, trade and liberalization of visa regime with 18 countries belonging to Southeast Asia and South Asia regions, Australia and New Zealand [50].

As a result, versatile Taiwan can be considered a truly Asian Tiger and the most essential world rankings are proving this. The 2021 World Competitiveness Yearbook ranks it 8th in the world [51]. In the 2020 Ease of Doing Business ranking, it was recorded the 15th position and stood out for the easiness of getting construction permits and the supply of electricity [52]. It is currently No. 6 in the 2021 Economic Freedom ranking, as it is known for limited governmental participation in economy, negligible corruption and low public debt [53].

Conclusion. On the whole, the world-class infrastructure, free economic zones, developed shipping companies and airlines fulfilling well-established cargo operations, the culture of hard work, investments in R & D and the readiness to become subcontractors contributing to the success of famous brands based in China or elsewhere are the factors influencing the stunning economic story of Taiwan. The most important lessons that can be learnt after the Taiwanese example are the necessity to find one's own niche in the world economy and to produce in-demand goods, to develop facilities for transportation of products and services, to cooperate with multinationals from the third countries while constructing complex devices, to join and share Chinese success by investing in China and by serving as the intermediary between China and the world markets.

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