

**CHINA'S UNILATERAL PREFERENTIAL
POLICIES FOR TAIWAN (I):
AN OVERVIEW**

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Executive Summary

1. China has extended an olive branch to the Taiwanese public with 31 new policies on Taiwan on 28 February 2018. Twelve policies grant preferential treatment for Taiwanese firms in investment, technological and cooperative ventures with mainland counterparts and 19 items are for easing Taiwanese into life in the Mainland, including work, live, study, find jobs and initiate innovative start-ups.
2. These unilateral preferential policies have little effect on lifting the strain on relations between the Chinese government and Taiwan's Tsai administration as Tsai's administration does not recognise the 1992 consensus which has been the political prerequisite insisted by the Chinese government for restoring relations between the two governments.
3. The 31 preferential policies focus on largely economic, educational and cultural areas. It is a determined and comprehensive effort by mainland China to open up to Taiwan, with the implicit objective of attracting as many Taiwanese as possible to invest, make a career and lead a life in China.
4. At the local level, the Xiamen government has introduced 60 policies to woo Taiwanese to the Mainland. Ma Xiaoguang, the Taiwan Affairs Office spokesman, has hailed Xiamen's measures as "surpassing that of the original 31 policies designed by the central government" as they provide a much better package for Taiwanese residing in China at all levels.
5. The number of Taiwanese businesses in Shanghai and Kunshan (Jiangsu province) has also prompted the local governments to take steps to coordinate with the 31 preferential policies promoted by the central government. The Shanghai city government has already launched 12 equal measures, while Kunshan has implemented 17 of the 31 preferential policies.
6. In response, Taiwan's Vice President of the Executive Yuan Shih Jun-ji (施俊吉) announced on 16 March 2018 that the Taiwanese government had designed a 4-direction, 8-point solution (从 4 大面向, 推动 8 大强台策略), a total of 39 measures to deal with China's 31 preferential policies.