

Contact Taiwan Program

National Development Council

September, 2015

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1. Origin of Plan

(1) Basis

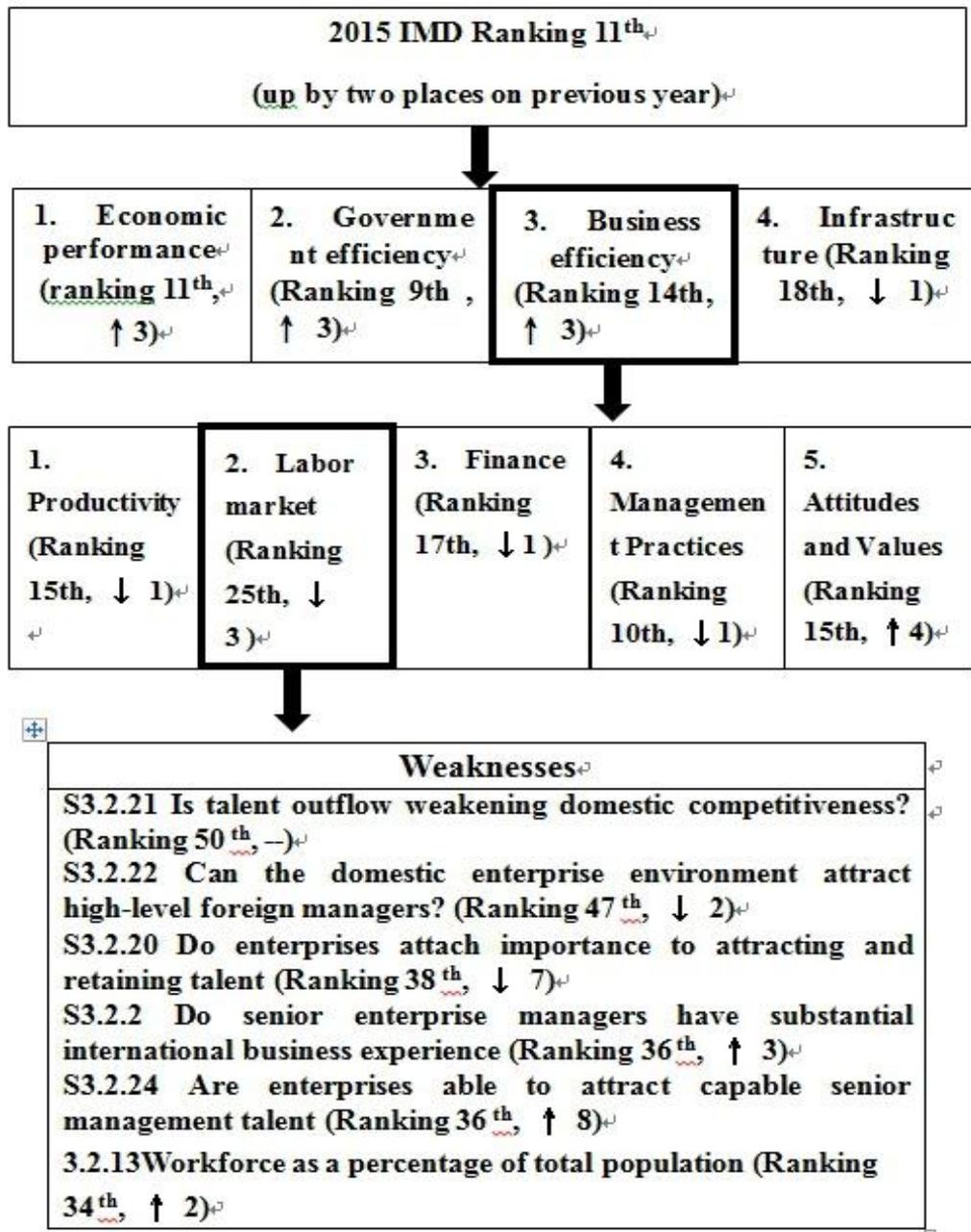
Taking into account that competition between countries for talent and enterprise headhunting is increasingly intense, at the 4th Meeting of the “Board of Talent Policy, Executive Yuan” on January 20, 2015, Premier Mao gave the following instructions to the National Development Council(NDC) with regards the “Strategy for the Global Competition for Talent” put forward by the NDC: establish a promotion group to enhance the strategy for the global competition for talent and, with respect to the aspects of strengthening global talent attraction, improving the conditions for recruiting talent and building a friendly environment, put forward concrete measures.

Consequently, through coordination of the various response measures of related agencies and formulating countermeasures with respect to the issues of domestic industry talent and technology loss that the National Security Council, Office of the President is concerned about, the report to strengthen the strategy for the global competition for talent was drawn up. An oral report was presented to Premier Mao on May 21, 2015 and the report presented and discussed at the President’s monthly fiscal and economic policy meeting on June 11 and the 1st Meeting of the Board of Population and Talent Policy, Executive Yuan, on July 28. In accordance with related resolutions the Contact Taiwan program (this program hereafter) was then amended and was approved by the Executive Yuan on September 8th.

(2) Promotion Background

In the 2015 International Institute for Management Development (IMD) *IMD World Competitiveness Yearbook 2015*, of the 61 countries rated,

Taiwan was 11th. Although this was a move up of two places on the year before, the “labor market efficiency” category in the Business Efficiency criteria has continued to fall since 2011, showing the problems of the insufficient supply of skilled labor and senior managers in Taiwan, and the difficulty of attracting foreign high-level technical talent of the domestic environment, seriously affecting Taiwan’s competitiveness (Fig. 1). In order to promote the sustainable development of Taiwan’s competitiveness the government should proactively attract excellent foreign talent to Taiwan and also retain domestic talent to inject new vitality and creativity into Taiwan’s economy.



Note: ↵

1. S shows that a criterion indicator was a questionnaire survey criterion. ↵
2. Weaknesses are the subfactors in four main factors for which countries rank lowest that are listed by the IMD in each country report. ↵

Fig. 1 2015 IMD Ranking ↵

A. External challenge- various countries actively competing for talent

In the last few decades, Taiwan was able to achieve its world-renowned economic miracle on the strength of its human resources. Today, Taiwan faces a highly-competitive international environment, with neighboring countries/regions such as Singapore, China, South Korea and Hong Kong headhunting in Taiwan, making Taiwan a talent bank for other countries, a situation that is not advantageous to Taiwan's development. Various strategies and plans have been promoted by neighboring countries to actively attract talent, including:

- i. Singapore: Established Contact Singapore, with offices around the world recruiting foreign talent and entrepreneurs.
- ii. China: Has long-term overseas bases for talent recruitment and has launched various talent recruitment plans including the 1000Plan from 2008: The Recruitment Program of Global Experts, to bring in the talent needed by key industries and laboratories in various fields. In 2011, the 1000 Youth Plan was executed and it attracted 2000 talented young people
- iii. South Korea: Launched the Foreign Professional Introduction Business Support Program in 2012, which helps SMEs and startups bring in foreign key technical professionals. In 2014 the Overseas Outstanding Talent Attraction Plan was launched, promoting various strategic recruitment measures for categories such as teaching and

research, enterprise talent and overseas student talent.

- iv. Hong Kong implemented the Quality Migrant Admission Scheme in 2006, providing work permits to talent from China and overseas and also graduates of renowned international universities.

Apart from the aforementioned policies promoted by various governments, they are also actively seeking to recruit talent in Taiwan, especially large-scale headhunting from enterprises in China. The result has been that, in recent years, Taiwan's companies have faced talent loss, leaking of commercial secrets and other problems. The weakening of Taiwan's talent competitiveness has become the main risk of cross-strait industrial cooperation. With China actively headhunting in Taiwan for key industry talent, plus the fact that cross-strait division of labor is gradually transforming into mutual competition, IC design and IC contract manufacturing, machine tools and high-level key electronic components and parts industries are facing ever-increasing talent loss risk.

According to estimates in a study commissioned by the Ministry of Labor in 2012, 500,000 to 1 million people from Taiwan work in China, with most young high-level professionals and managers.

B. Internal issue— limited effectiveness of talent retention and recruitment measures

Despite the implementation of various measures in Taiwan in recent years, there is still room for improvement with respect to the effectiveness of talent retention and recruitment measures. Ministry of Labor figures show that

the number of foreign professionals with work permits working in Taiwan has maintained an average of over 20,000 per year in recent years; the number was still only 28,668 (Fig. 2) as of April 2015, just 0.25% of the total employed population and with average annual growth of 4%. Specialists and technical personnel account for 15,000 of the total, the second highest are foreign cram school teachers, accounting for 5,000. The various talent retention and recruiting measures implemented in Taiwan are:

- i. Taiwan Talent Recruitment Mission: In light of the ever increasing importance of human resources, from 2003, Taiwan Talent Recruitment Missions have been held by the Executive Yuan, comprised of representatives from government agencies and several dozen domestic companies.
- ii. Three visa card program: Emulating the US Green Card and EU Blue Card, from December 2008 three visa cards, namely Academic and Business Travel Card, Employment Pass Card, and the “Plum Blossom” Permanent Residency Card have been issued to important international figures, high-level professionals and entrepreneurs investing in Taiwan.
- iii. Flexible Merit Pay/Performance-Related Program to Recruit and Retain Special Outstanding and Talented Faculty for Taiwanese Universities: This program has been implemented since 2010 by the Ministry of Education, changing from the former unified salary method, strengthening talent retention and recruitment incentives.
- iv. Easing of restrictions on investment using technology as capital and part-time work: The Fundamental Science and Technology Act was

amended in February, 2012; in line with the amendment/addition of items 4 and 5 of Article 17, the Rules Governing Part-time work by Scientific Researchers and Investment Using Technology as Capital (draft) were drawn up.

- v. Amendment of the Trade Secrets Act, adding criminal responsibility: Amendment of Article 13-1 to 13-4 of the Trade Secrets Act was passed on a third reading on January 11, 2013, adding criminal liability, giving effective protection to trade secrets and preventing destructive competition between enterprises or commercial espionage.
- vi. Easing of restrictions of hiring maids by foreigners: The requirements for hiring foreign maids by foreign white collar professionals were eased at the end of 2012. Foreign white collar professionals who earn a monthly salary of over NT\$150,000 or annual salary of over NT\$2 million and have employed a foreign maid for more than one year overseas can apply to employ a foreign maid in Taiwan; since March 2014, foreign white collar professionals have been allowed to bring their current maid to Taiwan and do not need to meet the requirement of having employed the maid for at least one year.
- vii. Points and quota-based system for foreign and overseas Chinese graduates to stay in Taiwan: The system for foreign and overseas Chinese graduates to stay and work in Taiwan was implemented in July, 2014 and replaced the previous minimum salary requirement (NT\$ 37,619). The points and quota-based system rates foreign and Overseas Chinese graduates (including people from Hong Kong and Macao) of a Taiwan university (hold bachelor's degree or above), and is not limited

to new graduates; points are awarded in eight different categories, including degree, work experience, monthly salary, professional skills, Chinese and foreign language ability, overseas living experience, and degree of support for the government’s industrial. The application is made by the prospective employer. Any applicant that scores over 70 points can stay and work in Taiwan.

- viii. Establishing of “Entrepreneur Visa”: The “Entrepreneur Visa” has been issued since July, 2015, making staying in Taiwan and entry/exit more convenient, facilitating the introduction of startup businesses by foreign individuals and teams in Taiwan. Prior to the issue of the Entrepreneur Visa foreigners with tourist or business visa could only remain in Taiwan for three to six months; with the Entrepreneur Visa, they can stay for one year; If their business actually operates, in the second year they can extend the visa by two more years. The visa makes staying in Taiwan more convenient and will drive the development of startups.

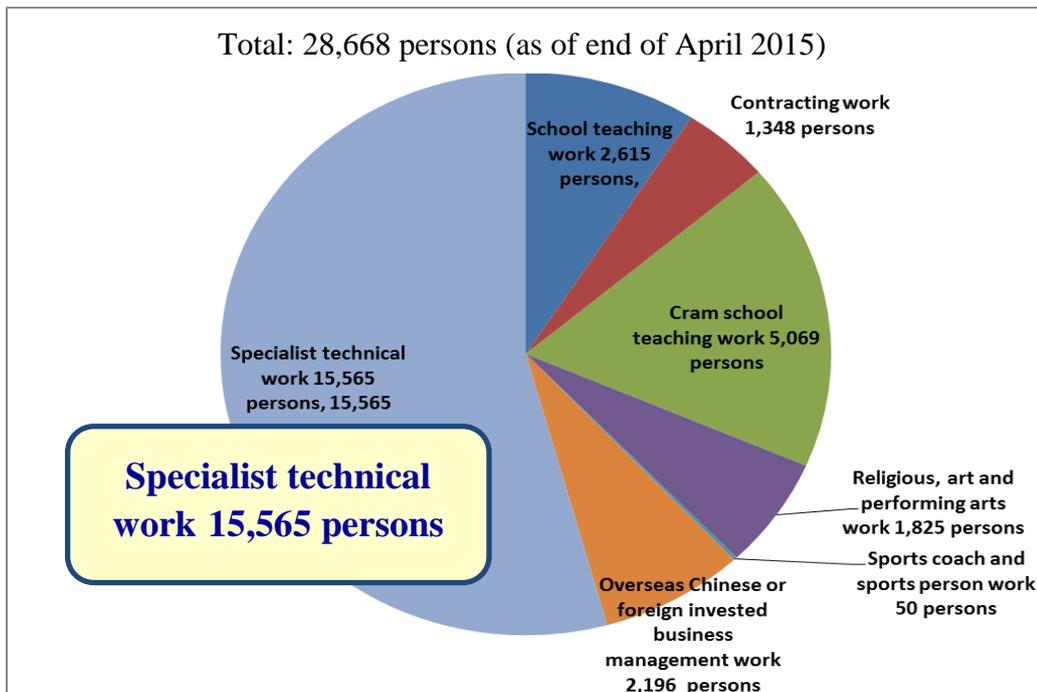


Fig. 2 Number of holders of valid work permits

C. Environment for retaining and attracting talent in urgent need of improvement

- i. Lack of active and integrated global talent recruitment effort: In the past Taiwan has not systematically tracked overseas talent information for a long period of time and has lacked a talent recruitment effort with integrated planning, with the result that overseas foreign student, overseas Chinese, foreign student and foreign professional information has not been grasped and a network for contacting overseas talent not been built.
- ii. Domestic salary level uncompetitive: Over half of workers and enterprise human resources managers think that the main reason for Taiwan's talent loss is "salary level uncompetitive"; in 2010 Expensing of Employee Profit-Sharing and taxing of employee stock bonus according to market value and other regulations were adopted; employee stock bonus income is now added to ordinary individual income and subject to a progressive tax rate, reducing the incentive power of employee rewards.
- iii. Internationalized friendly environment in need of improvement: Taiwan's foreign language environment, the foreign language ability of the people and international view are in need of improvement; there is also room for improvement with respect to foreigners' work, living, tax, health insurance and their children's education.

2. Objectives

(1) Attract Talent

The government will actively assist industry, academia and research units by using a joint virtual-real promotion method and deregulation and a more active approach to bring talent to Taiwan, let talent get to know Taiwan and be willing to work and live in Taiwan. (See Fig. 3 for framework diagram)

(2) Retain Talent

After talent comes to Taiwan it is important that an active effort is made to make them stay. Through the establishment of a global talent competitiveness mechanism, this program will plan national talent requirements, target key talent for important industries for recruitment, and improve the global talent competitiveness conditions of academia and research and enterprise in Taiwan, build a friendly international talent competitiveness environment and implement other innovative strategies, the aim being to achieve more consensus, implement reform and turn Taiwan’s talent crisis into opportunity.

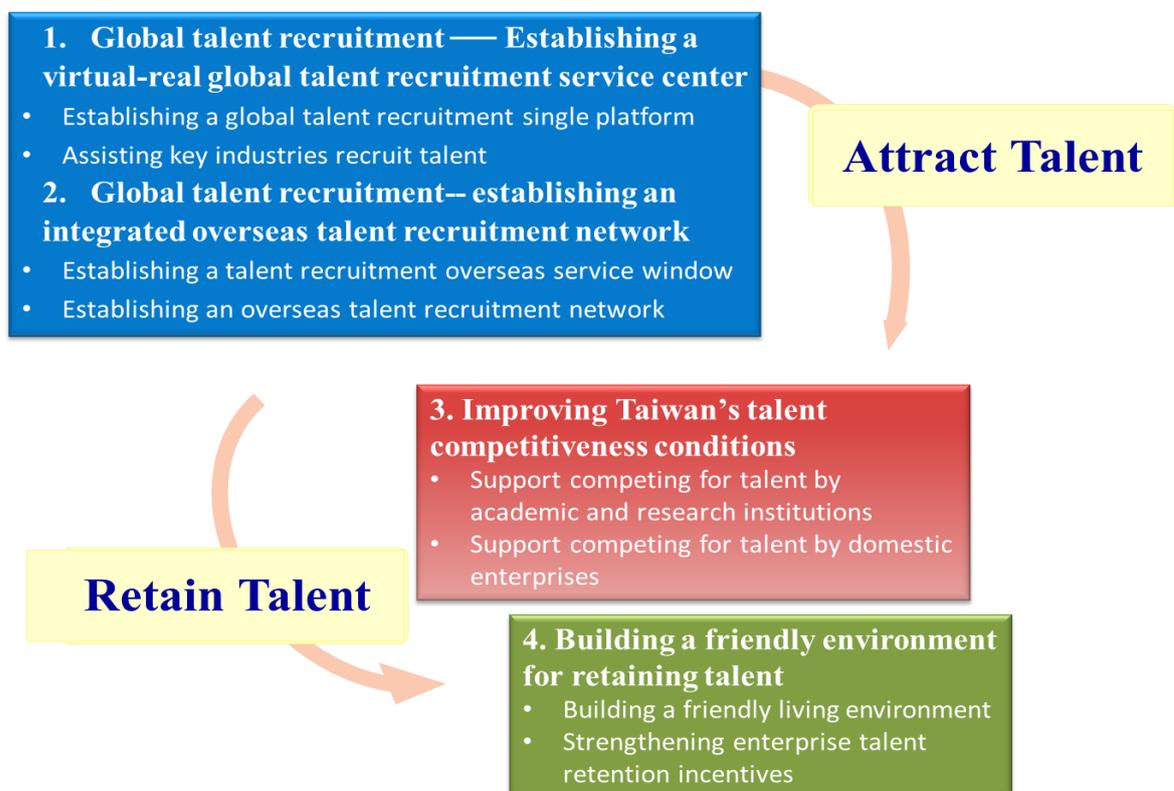


Fig. 3 Objective framework diagram

3. Concrete Measures

(1) Global talent recruitment - Establishing a virtual-real global talent recruitment service center

A. Establishing a global talent recruitment single platform

- i. The Contact Taiwan Center has been established: Provides one-stop talent recruitment services in contrast to single point talent recruitment efforts by separate units in the past. A dedicated manager provides special case foreign talent matching employment services, advisory services (assessment before arriving in Taiwan, entry formalities, living assistance in Taiwan) at every stage and follows up results.
- ii. In unison with the Executive Yuan Global Business Solicitation and Talent Recruitment Joint Services Center, Contact Taiwan, the national level single network platform, is Taiwan's single external talent recruitment window for national brands. The platform has the following functions: 1. One stop multi language service 2. Provides advisory services to foreigners with respect to working and living in Taiwan 3. Interactive App employment matchmaking service 4. Employs Internet platforms such as LinkedIn to publicize and supplement overseas and domestic talent banks. In addition, with respect to national talent demand, related government agencies compile the needs of R&D talent in the key industries and key areas. Also, with respect to talent supply, overseas talent banks have been established, including overseas talent from Taiwan, overseas Chinese, overseas Chinese and foreign students in Taiwan and foreign talent with experience of living in Taiwan, and key industry talent databases actively established.

B. Assisting key industries recruit talent

- i. The high-level key industries targeted by this program are Productivity 4.0, high-level manufacturing equipment, advanced electronic parts and components manufacturing (including IC design and semiconductor manufacturing), smart systems integrated applications (including: big data/ internet of things/ cloud service), 5G & forward-looking communication technology, biotechnology and medical equipment, renewable energy, product and user experience design, creative forward-looking research and development and global financial service.
- ii. In line with national industrial development strategy and needs of enterprise talent recruitment and in combination with the power of domestic industry organizations or through the cooperation platforms with various countries, recruitment of specific talent or teams in target countries can promote innovation and upgrading of Taiwan's industry.
- iii. By platforms such as Taiwan–Japan Industrial Cooperation Promotion Office, we are able to connect with the Japan Old Bones Network and also recruit retired craftsmen in key industries to facilitate enterprise upgrading and transformation.
- iv. Actively promoting the Headstart Taiwan program and Taiwan Silicon Valley Technology Fund Investment Program; through the Innovation and Entrepreneurship Center in Silicon Valley, assisting enterprises to build strategic alliances with Silicon Valley and bring in key technologies and young entrepreneurs to Taiwan.
- v. Utilizing industrial cooperation plans,encouraging acquisition of

overseas enterprises or through related technology transfer plans, we are able to bring in overseas key technologies and high-level talent (such as Japanese retired craftsmen in the machinery industry and Indian software talent) for Taiwan's enterprises, also provide SME assistance for talent recruitment and employment incentives and subsidies (such as interview transport expenses to Taiwan), in order to build a complete industry supply chain and strengthen industrial competitiveness.

(2) Global talent recruitment-- establishing an integrated overseas talent recruitment network

A. Establishing an overseas talent recruitment service window

- i. Related representative offices report to the personnel based overseas from related agencies about current overseas talent recruitment programs and implementation situation.
- ii. Talent recruitment service windows established through 29 Taiwan representative offices overseas, each window establishes an overseas talent network (towards technology, academia, trade, overseas Chinese) to serve as a talent recruitment outpost.

B. Establishing overseas talent recruitment networks

- i. Establish cooperation channels with overseas technology, trade and academic associations and actively promote exchange of talent recruitment information such as vacant positions at enterprises and academic and research institutions in Taiwan, talent resumes and talent recruitment services between foreign associations and enterprises and academic and research institutions in Taiwan.

- ii. Encourage overseas Chinese students to return to work in Taiwan and help supplement overseas talent data banks and the future national level single network platform, Contact Taiwan.

(3) Improving Taiwan's talent competitiveness conditions

A. Support academic and research institutions to compete for talent

- i. Adjusting the existing flexible salary system, changing the unified, equal subsidy method, increasing talent recruitment fund proportion, and implementing deregulation, to assist government cooperation scientific research establishments recruit foreign talent, to allow international key technology and talent to be grasped
- ii. With reference to international salary levels, establishing a performance-oriented flexible salary system, and at the same time, establishing a graded subsidy mechanism, increasing subsidy level distance and implementing salary differentiation.
- iii. Bringing government corporation scientific research institutions within the applicable scope of flexible salary systems and formulating related deregulations; promoting the Global Networking Plan and other programs to recruit education, research and higher education management talent with international influence, in order to assist academic and research institutions establishing salary systems with international competitiveness.
- iv. Nurture domestic talent by encouraging innovative R&D talent recruited by government corporations to teach at universities as part

time lecturers.

B. Support domestic enterprise talent competing

- i. Changing the model of using R&D subsidies mainly for buying equipment rather than investing in talent, helping enterprises introduce foreign key technology and innovative R&D talent.
- ii. With respect to the Small Business Innovation Research program, A+ Industrial Innovative R&D program and Industrial Upgrading Innovation Platform Guidance Plan, and other programs subsidizing the new recruitment of master and doctorate level talent, with the amount of subsidy to not exceed 50% of the total plan budget. This is expected to improve the salary conditions for the recruitment of high-level R&D talent.

(4) Building a friendly environment for retaining talent

A. Building a friendly living environment

- i. Simplifying the work and residency process: amending the Employment Services Act, exempting those foreigners who hold permanent residence from the requirement to apply for a work permit; amending The Reviewing Standards and Employment Qualifications for Foreigners Engaging in the Jobs Specified in Items 8 to 11, Paragraph 1 to Article 46 of the Employment Service Act adding a points and quota based system, assisting the spouses of foreign talent apply for work permits.
- ii. Assist foreign talent to live in Taiwan: encourage universities to provide allowances for retaining and attracting foreign talent and

adopt a flexible salary system.

- iii. Waive the waiting period for providing foreign new born babies health insurance coverage under the national health scheme: The National Health Insurance Act has been amended to make the time point foreign newborns are covered by National Health Insurance the same as Taiwanese newborns.
- iv. Strengthening of retirement protection for foreign talent: Amendment of the Nationality Act, allowing those who have made a special contribution to Taiwan or high-level professional talent to retain their existing nationality when they apply for ROC nationality.
- v. Other friendly measures: “double identification document” no longer limited to foreign passport. Foreigners can apply to open a bank or post office account and for telecom services with their residence permit and another identifying document.

B. Strengthening enterprise talent retention incentives

Promotion of industry-academia cooperation to nurture and retain key technical personnel: With respect to key areas (IC design and IC contract manufacturing, machine tools, high-level electronic components and parts industry,) horizontally integrating the existing industry-academia cooperation resources, and actively cooperating with enterprises and industry associations to nurture and retain the key technology R&D talent for key industries.

4. Roles of Agencies

Key work		Main and assisting organization
1. Global talent recruitment - Establishing a virtual-real global talent recruitment service center (Global Recruitment Work Group)		
1.1	Remodeling overseas talent data banks	MOE, MOFA, MOEA, OCAC, MOST, NDC
1.2	Establishing an overseas talent recruitment network matching platform	MOEA, MOE, MOST, MOFA, and related agencies
1.3	Establish the Executive Yuan Global Business Solicitation and Talent Recruitment Joint Services Center	MOEA, Executive Yuan Global Business Solicitation and Talent Recruitment Joint Services Center, NDC, MOI, MOL, MOHW, MOST, MOFA and related agencies
1.4	Holding global talent recruitment events	MOEA, MOE, MOST
1.5	Planning national talent needs and assist key industries recruit talent.	MOEA
2. Global talent recruitment-- establishing an integrated overseas talent recruitment network (Overseas Network Work Group)		
2.1	Building a talent recruitment overseas services window	MOFA, MOEA, MOE, MOST, OCAC
2.2	Establishing an overseas talent recruitment network	MOFA, MOEA, MOE, MOST, OCAC
2.3	Matching of overseas talent return to work in Taiwan	MOEA, MOFA, MOE, MOST, OCAC
3. Improving Taiwan's talent competitiveness conditions (Talent Competiveness Conditions Work Group)		
3.1	Adjustment of the flexible salary system	MOE, MOST, MOEA, COA, MOHW
3.2	Integration of resources for injection into elite talent recruitment measures	MOE
3.3	Supporting recruitment of international innovative R&D talent by SMEs	MOEA
4. Building a friendly environment for retaining talent (Talent Retention Environment Work Group)		
4.1	Strengthening retirement protection for outstanding foreign talent	MOI
4.2	Making the process for entry of foreign talent into Taiwan to work and live more convenient.	MOL, MOI
4.3	A foreign talent-friendly living environment	

		MOE, MOHW, FSC, NCC, NDC
4.4	Strengthening domestic enterprise talent retention incentives	MOEA, MOST

5. Highlights of Each Quarter

Quarter	work group	work highlight
3Q, 2015	Global Recruitment Work Group	<ul style="list-style-type: none"> ● Executive Yuan Global Business Solicitation and Talent Recruitment Joint Services Center officially opened on August 7, 2017
	Overseas Network Work Group	<ul style="list-style-type: none"> ● Completing establishment of Board of Talent Recruitment ● Completing of collection of the policies and concrete measures for recruiting and attracting foreign talent overseas ● Completing of building of cooperation channels with overseas technology, trade and academic associations ● Assisting with supplementing overseas talent data banks and the Contact Taiwan website
4Q, 2015	Global Recruitment Work Group	<ul style="list-style-type: none"> ● Integration of related agencies, stock taking and collecting of all public and private sector overseas talent data and establishment of data banks ● Completing of establishment of an overseas talent matching single window platform ● Completing of publication of the Internet matching platform ● Completing of holding of domestic and overseas talent recruitment activities and promotional work
	Overseas Network Work Group	<ul style="list-style-type: none"> ● Completing of talent recruitment courses for training of personnel stationed overseas to increase their professional ability ● Completing of assistance with planning of business solicitation and talent recruitment, Taiwan foreign and overseas Chinese talent matching, and overseas technology talent and domestic enterprise matching, and other activities
	Talent Competiveness Conditions Work Group	<ul style="list-style-type: none"> ● Completing of the formulation of a flexible salary and international market salary level linking mechanism
	Talent Retention Environment Work Group	<ul style="list-style-type: none"> ● Completing of formulation of measures to solve problems of living in Taiwan for foreign talent
1Q 2016	Talent Retention Environment Work Group	<ul style="list-style-type: none"> ● Completing of work permit application deregulation ● Completing of strengthening of employment assistance given to spouses of foreign talent ● Completing of deregulation to solve the problem of national health insurance coverage for new born babies of foreign talent

		<ul style="list-style-type: none"> ● Completing establishing of an educational and research institute salary and international market salary linking mechanism ● Completing adjustment of flexible salary system talent retention and recruitment proportion
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6. Funding

- (1) Related work plans will be funded from the general budget
- (2) For other funding that needs to be raised the MOEA will apply to the Board of Science and Technology, the Executive Yuan for funding from the Cross-agency Scientific Development Fund.

7. Expected Results

- (1) Establish Executive Yuan Global Business Solicitation and Talent Recruitment Joint Services Center, providing one-stop talent recruitment services and bringing into play overall talent recruitment synergy.
- (2) Establish a national level global recruitment Internet platform, Contact Taiwan, creating Taiwan's national brand external talent recruitment single window.
- (3) Adjust the subsidy method and talent recruitment funding proportion of the flexible salary system, grasp international key technology and talent.
- (4) Build an internationally-competitiveness salary system, assisting academic and research institutions attract outstanding international talent.
- (5) Build a friendly and convenient living environment and strengthen protection of the rights and interests of foreign talent.
- (6) Strengthen enterprise talent retention incentives, nurture and retain key technical talent and assist enterprises cope with headhunting by Mainland

Chinese companies.

8. Duration and Evaluation

- (1) Duration: One year from date of approval by the Executive Yuan
- (2) Evaluation mechanism: The progress of the program and evaluation of its results will be submitted on a quarterly basis by the Talent Competitiveness Enhancement Promotion Group of the Board of Population and Talent Policy, Executive Yuan, and the program will be subject to a periodic rolling review.