

Reunification by trade?

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- FTAS: Free-Trade Agreements
- Most nations recognize China and fear to sign FTAS with Taiwan lest they incur China's wrath
- Huang Ching-peng (Bureau of Foreign Trade):
"the world's 230-odd bilateral or multilateral trade pacts are harming the export-dependent island's economy"

ASEAN+1

- ASEAN+1 will be signed next year: trade agreements between China and the Association of South-East Asian Nations
- Taiwan's exports to China face tariffs ranging from 5% to 15%
- If ASEAN+3 (ASEAN+1 plus Japan and South Korea) is signed in the future, the disadvantage would worsen

- ECFA: Economic Cooperation Framework Agreement
- President Ma wants an outline agreement in place before ASEAN+1 comes into force with the details worked out and implemented bit by bit after that

Political costs

- Mr Ma insists that the proposed pact would make it easier for Taiwan to sign free-trade accords with third parties
- China still asserts that Taiwan is an integral part of PRC
- There is no guarantee, however, that China will not lean on members of other FTAS to keep Taiwan out anyway

In the long run

- Mr Ma has promised that when the deal is negotiated, the wording will not compromise the island's political stance
- China watchers: increasingly sophisticated government in Beijing is not likely to make heavy-handed political demands
- In the long run China hopes that economic interdependency and goodwill will eventually encourage the island to return to the fold