

2018

Taipei Index

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Advertisement

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Seeing Taipei

Taipei City, as the hub of the Asia-Pacific region, is Taiwan's political, economic, and cultural capital. It is thrived on business and meta-culture activities, and is getting excellent reviews on every international rating.

As the trend of globalization moves forward, every city on this planet is competing with each other. Taipei City Government implements six policies to maintain its advantages for future competitions, and they are "increasing industrial efficiency and supporting industrial innovation", "Improving business zoning and encouraging Industrial aggregations", "Driving city renovation and fulfilling city functions", "Building an intelligent city and doubling capital investments", "Attracting private investments and boosting major constructions" and "Optimizing one-stop services and enhancing service efficiency". These policies are creating a convenient and friendly environment for enterprises to settle in, building a city with plenty of business opportunities, and leading the development of key industries such as ICT (Information and Communication Technology), biotechnology, cultural innovation, MICE (Meetings, Incentives, Conferences, and Exhibitions), and medical care.

Setting the goal to build an "intelligent city in new economy", Taipei is dedicated to developing a new economy based on digitalization, intelligence, and environment-friendly. The Nankang Software Industrial Park, the Neihu Technological Park, and the Beitou-Shilin Technological Park (in development) are the bases for Taipei's industrial development. Taipei is injecting innovation energies into city promotion, tourism, medical care, and education. These efforts increase the quality of life for citizens, encourage more business investments, and drive the energy of industrial development.

Taipei is not only known as a city with convenient, safe, healthy, and cultural enrichment lifestyle, but also a place with superior geographical position, highly competent human resources, and comprehensive infrastructure, and it has attracted many well-known international enterprises to setup branch offices for business. In order to aid more international enterprises to see Taipei's competitiveness and business opportunities, we have compiled this "Taipei Business Index 2018" handbook. This handbook introduces Taipei from four different viewpoints, including economic development, social culture, city spaces, and governance. It provides key statistic information regarding industrial motivation, human resources, and quality of life.

In the future, Taipei will keep improving its infrastructure and providing better incentives for investments. It will also develop a more diverse lifestyle and become the most influential "Capital of Innovation" in the Asia-Pacific region. We hereby warmly welcome you to visit Taipei, and to feel the unique dynamism, charm, and friendliness of this city. Furthermore, we welcome you to set a forward base in Taipei for global business competition and share a prosperous future with us.

Summary

Goal

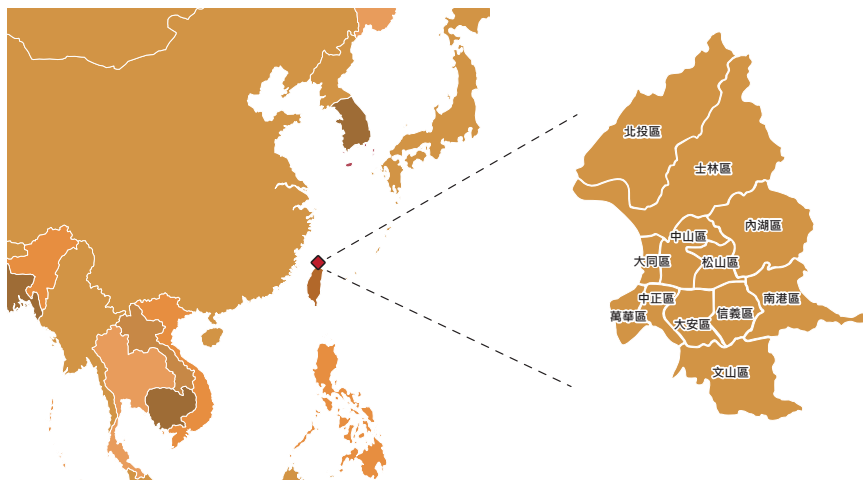
Present the current state of industrial development, human resources, economy, and lifestyle in Taipei through statistic information.

Composition of the Indexes

Well-functioned indicators can objectively reflect trends of local economy and society development. The features of statistic data are measurable, achievable, and result oriented. This handbook is compiled by verified data of economic and lifestyle assessment indexes.

Area	Index
Economy	Employment
	Income and Expenditure
	Industry
	Industry Cluster
	Innovation and Entrepreneurship
	Office Space
Society	Population and Professionals
	Culture and Art
	Quality of Health and Safety
Place	Land Use and Living
	Traffic and Internet
	Environment
Governance	Finance
	Civil Participation

Overview of Taipei



Total Area
271.8
sq. km

Population
2.670
million

Employed
population
1.28
million

Profit-seeking
businesses
228,000

Profit-seeking business
total Revenue
US\$ **405.77**
billion

Taipei City is located in the northern part of Taiwan, and is the political, economic, and cultural development center of the island. It has 12 administrative districts and, together with the neighboring New Taipei City and Keelung City, makes up the Greater Taipei Metropolitan Area. The total population of this area is near 7 million. Since Taipei has quite comprehensive infrastructure, a well-developed traffic network, and located in the heart of the Asia-Pacific region (3 hours flight to cities such as Shanghai, Seoul, and Tokyo), it is an important linkage to local markets of Japan, Korea, and the rising Asia-Pacific areas.

The competitiveness of investment as well as entrepreneurial environment in Taipei is on top of the line. The profit-seeking business income tax is as low as 20%, and the government gives out tax incentives to encourage enterprises to invest more in R&D, to hire more employees, and to cooperate further in business development. In addition, Taipei City Government provides incentives for R&D activities, brand promotions, new business incubation and angel investment.

Economy

Employment

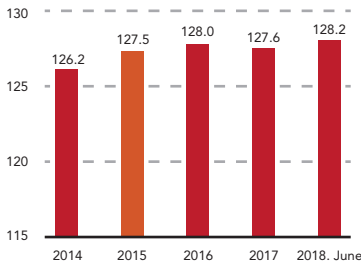
The employment market of Taipei is quite strong; the number of employed population is very high, and the trend is growing with new record setting every year. Currently 11.2% of Taiwan's total employed population are working in Taipei, while the city is keeping its unemployment rate below 4%.

Since the majority of Taipei population are young adults, the supply of workforce is abundant. The labor force is exceeding 1.32 million, and it will reach to 2 million if includes the labor force who commute to Taipei from Greater Taipei Metropolitan Area.

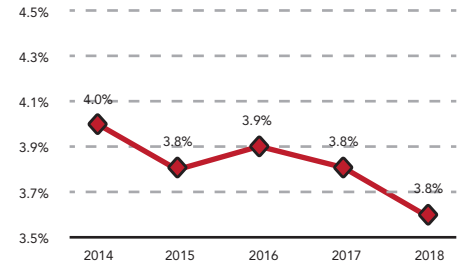
Based on the 2017 data of labor force distribution in industrial sectors, the majority of workforce, 80.9%, was in Tertiary industry sector (services); the next was in secondary industry sector (manufacturing), 18.9%; primary industry sector (agriculture and fishing) made up the lowest population ratio, 0.2%. From the data of different industries, the top 3 industries with majority labor force were Retail and Wholesale, Manufacturing, and Education Services

2013-2018 Taipei City Employment

(Units: 10,000 people)

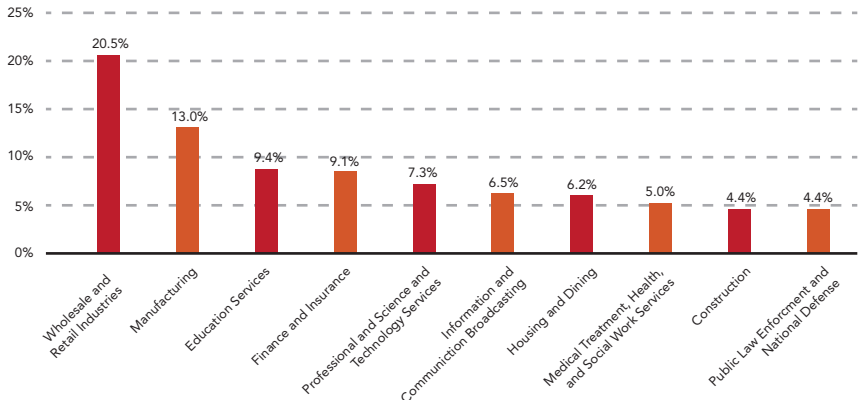


2014-2018 Taipei City Unemployment Rate



2017 Taipei Workforce Distribution: Top 10 industries

(unit: %)

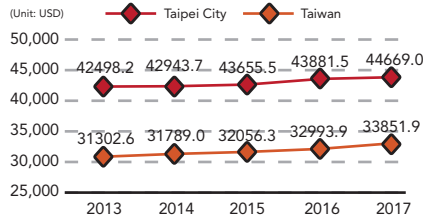


Economy

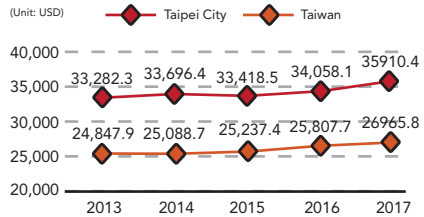
Income and Expenditure

The potential of purchasing power of Taipei City residents cannot be underestimated. The average disposable income of a family in Taipei was 1.3 times above the national average. For the annual disposable income, it was USD 24,009 per resident in average. If we distinguished the individual income level of the Taipei City residents by industry sectors, the top 3 income earners were from Finance and Insurance (USD 33,906), Medical Treatment, Health, and Social Work service(USD 32,326), and Manufacturing (USD 28,981). The average household expenditure on goods and service was also 1.3 times above the national average. The average annual expenditure per resident was USD 11,659.

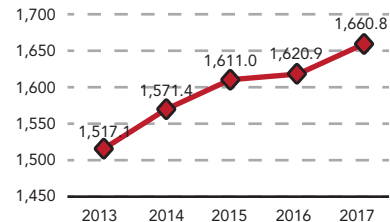
2013-2017 Taiwan and Taipei City Average Disposable Income per Household



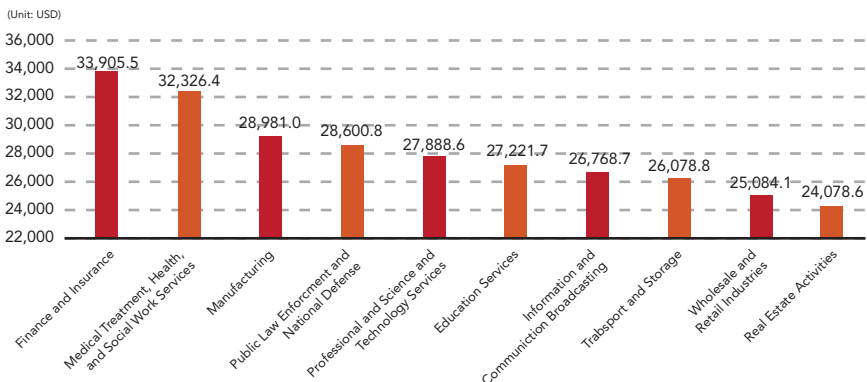
2013-2017 Taiwan and Taipei City Average Consumption per Household



Taiwan 2013-2017 Employed workers' Average Salary (Unit: USD)



2017 10 Industries With the Most Disposable Income



Economy

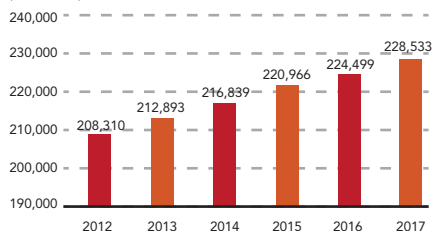
Industry

Taipei City has abundant industrial power, and the number of businesses is continuously growing. In 2017, the number of operating businesses in Taipei has already reached 16.3% of the national total. Out of the Taiwan's top 500 companies with the largest capital, 281 of them (56.2%) have chosen to be registered in Taipei. The total revenue of businesses in Taipei has exceeded USD 400 billion, a 31.0% of the national total, and it equals to USD 150,000 per resident.

Based on the 2017 data of industries in Taipei City, Wholesale and Retail had the most quantity of companies and the largest total revenue. Accommodation and Food Service took the 2nd place in the category of quantity of companies, and followed by Professional, Science, and Technology Services. As for the total revenue category, Finance and Insurance took the 2nd place, and Manufacturing came in next.

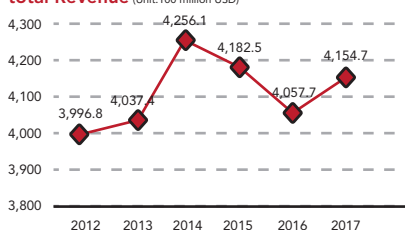
2012-2017 Taipei profit-seeking business quantity

(Unit: Number)



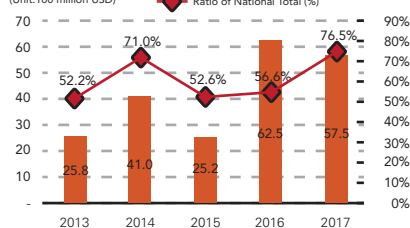
2012-2017 Taipei profit-seeking business total Revenue

(Unit: 100 million USD)



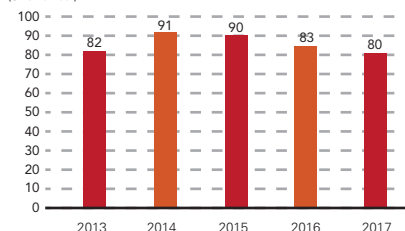
2013-2017 Foreign Direct Investment (FDI) in Taipei City

(Unit: 100 million USD)



2013-2017 Quantity of Enterprise Headquarters in Taipei City

(Unit: Number)



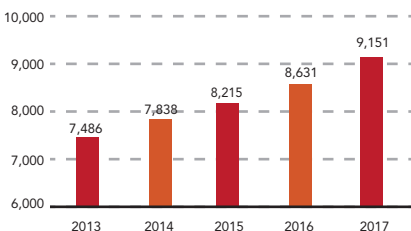
Taipei City is very attractive to foreign investments. Out of the 516 foreign businesses that came to Taiwan in 2017, 346 of them chose to settle in Taipei, a 67.1% of total. The Foreign Direct Investment (FDI) in Taipei City had reached 76.5% of the national total, a record high in these years. Taipei City Government has been aggressively attracting foreign investments, especially in knowledge-intensive industries such as Medical Care, Biotech, and ICT. According to the statistical data from 2010 to 2016, the top 5 industries which attracted the most FDI were Computer Integration Systems Services, Wholesale of Pharmaceutical and Medical Goods, Investment Advisory Services, Wholesale Trade, and Management Consultancy Activities. Taipei was

successfully aiding key industries to attract attentions from investors all over the world. In 2017, the "Statute for Industrial Innovation" has passed the legislative stage. It lays out 3 tax benefits, including half of the investment from angel investor is tax deductible, limited partnership venture will not be subject to income tax, and employee stock compensation as well as technology shares are not subject to income tax until they are transferred to the other buyers. These incentives are meant to encourage more venture investments by angel investors and attract more international capitals to be invested in Taiwan.

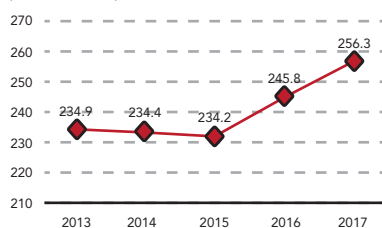
Statute for Industrial Innovation	
Tax Benefits for Limited Partnership	For a venture capital enterprise incorporated in accordance with the Limited Partnership Act, if the total capital contributed exceeds NTD 300 million, and using each year's funds equal to at least 50% of the aggregate capital contributions received in that year within the territory of the R.O.C., and the accumulated sum invested in innovative startups accounts for 30 percent or more of the total capital contribution received by the enterprise or reaches NT\$300 million, pass-through taxation can be applied on this limited partnership.
Tax Benefits for Angel Investor	An individual invests in domestic innovative startups which have been incorporated for less than two years, and acquires and holds the new shares issued by the company for two years, up to 50 percent of the investment may be excluded from the individual's consolidated income for the year. The aggregate amount excludable from an individual's consolidated income each year in accordance with this paragraph shall not exceed NTD 3 million.
Tax deferral for Stock-based employee compensation	Stock-based employee compensation (includes shares issued as employee compensation, employee stock options at cash capital increase, treasury shares redeemed for issuance to employees, share subscription warrants issued to employees, and new restricted stock award shares issued to employees) will be subject to be declared for income tax assessment when the shares are transferred or delivered to securities depository accounts. Current rule of 5 year income tax defer will be no longer applied.
Tax deferral for shares acquired by creators of domestic academic or research institution	To encourage the utilization of the results on scientific research, shares acquired by or distributed to the creators (such as professors, R&D members) of a domestic academic or research institution are only subject to income taxation until those shares are transferred to the other buyers.
Innovation procurement	A government agency/institution may specify in the tender documentation that priority shall be given to procurement of software, innovative products or services.
Intangible assets evaluation System	To promote the circulation and utilization of the results of innovation or R&D sponsored by the government agency/institution, establish and manage valuation databases of intangible assets, and promote the investment in or financing with intangible assets.

Due to aggregation effect and enormous investment in R&D activities, the key industries of the nation, ICT and biotech, have seen continuously increase in the quantity of enterprises as well as employees. The quantity of employees in these industries had exceeded 105,000 in 2015, and the gross revenue had exceeded USD 30 billion. Taipei has built up a unique environment for MICE industry, due to the fact that it is the capital and the largest metropolitan of the nation, has the most sophisticated traffic network on the island, and has successfully combining resources of international exhibitions with tourism activities. It brought in over USD 170 million in economic benefit to Taipei. In addition, as the most vigorous city of cultural event and arts development in Chinese community, Taipei City has attracted many domestic and foreign tourists each year, and it has brought in huge business opportunities for its culture and innovative industries.

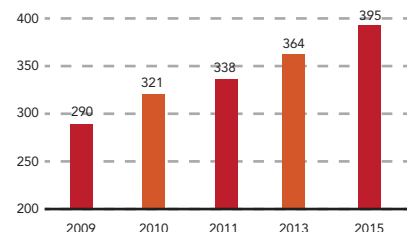
2013-2017 Quantity of Information and Communication Technology businesses in Taipei City (Unit: Number)



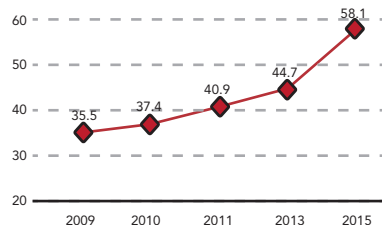
2013-2017 Revenue for Taipei Information and Communication Technology Industry (Unit: 100 million USD)



2009-2015 Quantity of Biotechnology Companies in Taipei City (Unit: Number)



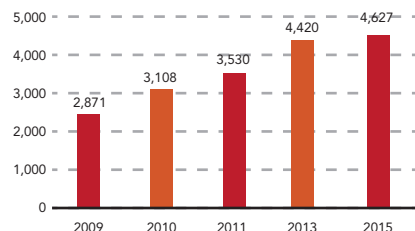
2009-2015 Revenue for Taipei Biotechnology Industry (Unit: 100 million)



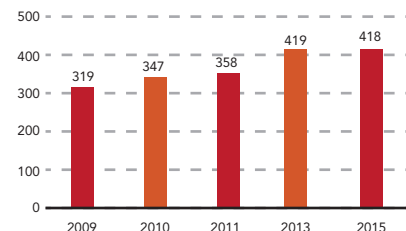
Economy

Industry Cluster

2009-2015 Quantity of enterprises in Neihu Technology Park (Unit: Number)

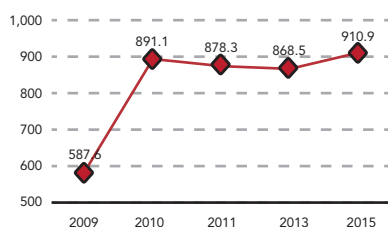


2009-2015 Quantity of enterprises in Nankang Software Park (Unit: Number)



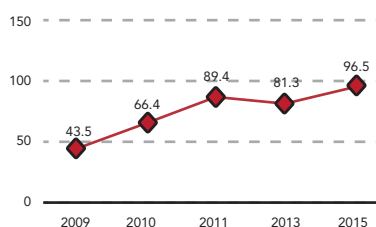
2009-2015 Revenue of Neihu Technology Park

(Unit: 100 million USD)

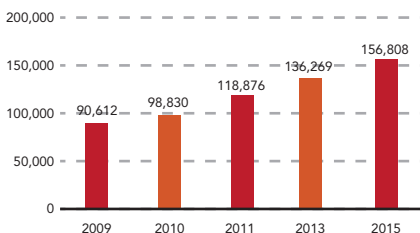


2009-2015 Revenue of Nankang Software Park

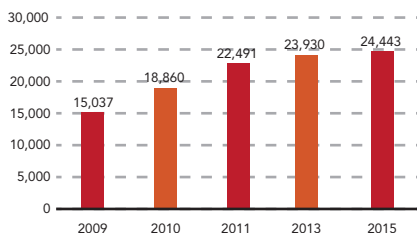
(Unit: 100 million USD)



2009-2015 Employee headcounts of Neihu Technology Park (Unit: Number)




2009-2015 Employee headcounts of Nankang Software Park (Unit: Number)



In order to catch the upward wind of the industrial globalization, Taipei City Government makes a plan for the Taipei Technology Park, a zone that connects key industries, such as ICT and biotech, into a network, and creates more opportunities and advantages for these industries to face the global competition.

The Taipei Technology Park is comprised by the Nankang Software Park, the Neihu Technological Park and the South Dawan Industrial Park. The Neihu Technological Park has the largest area among all, and it currently occupies 81.95 hectares. Since it was developed at the earliest, many enterprises chose the Neihu Technological Park



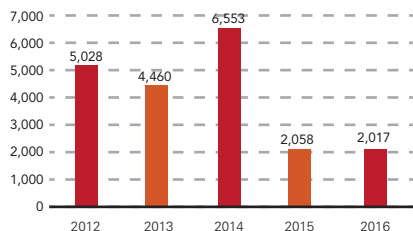
to set up their headquarters and R&D centers. The Nankang Software Park is set to be the "Software Development Center of Asia-Pacific Region", and most of the companies resided in this area are in biotech, IC design, or digital content/software industries. The Nankang Software Park has 8.1 hectares; it provides a fully functional business environment, and constantly introduce companies provided supportive services into this park to improve its functions even further. The residential quantity, the employee worked in, and the overall annual revenue of the companies in both the Neihu and Nankang parks are continuously setting new record every year, and the scale of the industries and business opportunities are growing as well. In the future, the implementation of the Eastern District Project and the completion of the Nankang Mega Station will be the center of this developing area, with the National Biotechnology Research Park of Academia Sinica and Nankang Biotechnology Park surrounded. The energy of this area will fuel the Taipei City with new economic power.



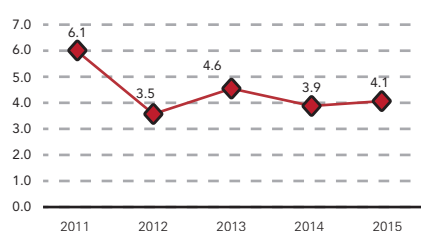
Economy

Innovation and Entrepreneurship

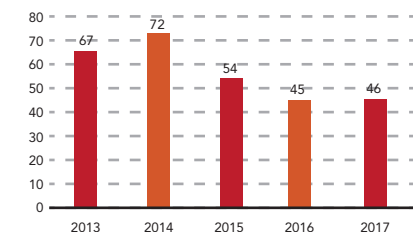
2012-2016 Quantity of Taipei City patent registrations
(Unit: Number)



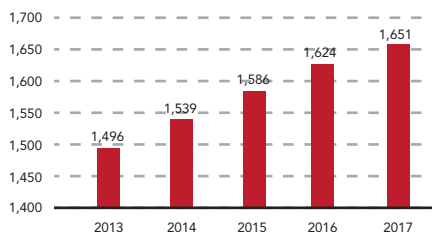
2011-2015 Amount of VC Domestic Investments
(Unit: 100 million USD)



2013-2017 Quantity of R&D Centers in Taipei City
(Unit: Number)



2013-2017 Quantity of IPO filings in Taiwan
(Unit: Number)



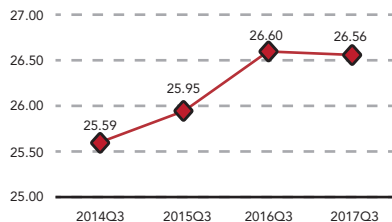
To improve its product quality, process efficiency, and business profits, enterprise usually invest large amount of capital and manpower in order to achieve technology breakthrough. In 2017, there were 250 enterprises establishing R&D centers in Taiwan, and 46 of them were located in Taipei, a 18.4% of the national total. For the top 20 enterprises which spent the most R&D budget nationwide in 2017, the overall R&D budget was USD 11 billion. 9 of these 20 companies established their headquarters in Taipei, and the R&D budget of these companies was USD 3 billion. For the entrepreneurship activities, there are more than 200 venture capital firms located in Taiwan. The total venture investment in 2015 was 354 projects, and each project was invested in USD 997,000 in average. The statistical data show that 80% of these venture investment projects were in Taipei. When a company grows into a certain size, public listing of the stock is an important step for attracting more capitals to support company's future growth, and it also reflects the financial healthiness of the company. The public listed companies in Taipei was about 30.2% of the nation total in 2016. Many new companies still compete for going public every year.

Economy

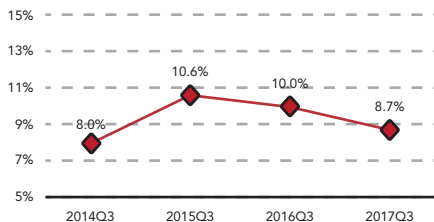
Office Space

2014-2017 Taipei Grade A Office Rents

(Unit: USD/Square meter/month)



2014-2017 Vacancy Rate of Taipei Grade A Office



The office space in Taipei is primarily used by the finance, electronic, and medical industries. Most of the requests for lease are for small office space. In 2017, the grade A office market had new supply of space around 215,000 square meters, and the rent was less than half of that in neighboring cities like Tokyo or Hong Kong.

Although recent office rent in Taipei City has slightly increased, the monthly rent per square meter is still kept as low as USD 14.52. The office rents in Neihu Technology Park and Nankang Software Park are below average, the monthly rent per square meter is USD 12.78 and USD 14.10, respectively.

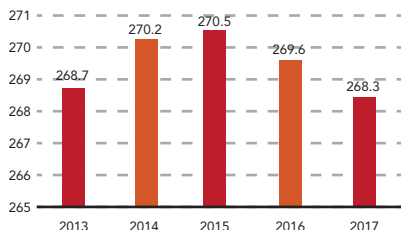
In addition, Taipei City has comprehensive infrastructure. The water supply is stable, and the cost is as low as USD 0.39 per unit. The cost of electricity for business use is only USD 0.077 per unit, lower than the cost of the cities in Japan or Korea. The cost for business and the operating environment in Taipei City are very competitive.



Population and Professionals

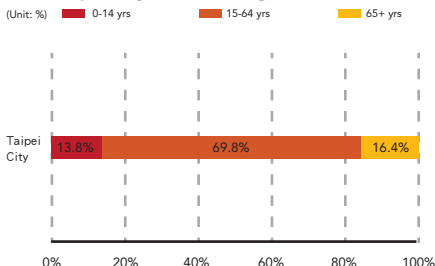
2013-2017 Population of Taipei City

(Unit: 10,000 people)



2017 Taipei City Residents Age Distribution

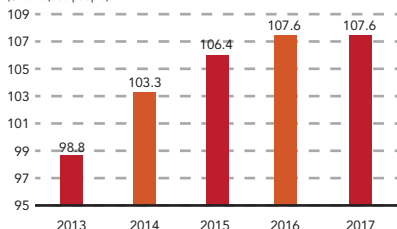
(Unit: %)



The population of Taipei City is close to 2.7 million. For the last 5 years, the ratio of senior residents over 65 years old had slightly increased from 13.0% to 16.4%. The ratio of young residents under 15 years old had slightly decreased from 14.3% to 13.8%. The ratio of the residents between 15 to 64 years old had slightly decreased from 72.6% to 69.8%. As for the labor force participation rate, it had increased to 57.4%. Particularly, the labor force participation rate for female had reached 51.6%, a new record for Taipei City.

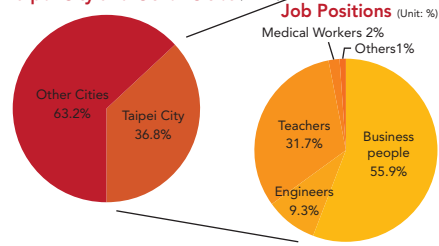
2013-2017 Headcounts of Employees in Taipei who Possess a College Degree or Higher

(Unit: 10,000 people)



2017 Ratio of Foreign Professionals Working in Taipei City and Other Cities

(Unit: %)



Higher education is a common resource in Taipei. 75.5% of the Taipei residents have had higher education or further, and the ratio is 1.7 times above the national average. The education resource is also abundant in Taipei, and the quantity of university and college is close to 30. Taipei City has attracted the most outstanding people in the nation, and gathers many professionals with high-tech talent. In 2016, the workforce with college degree or higher had exceeded 1 million in Taipei. The professionals in ICT, science, and medical fields was as many as 243,000. They are the core strength of technology innovation and business profit in Taipei.

Taipei is one of the most important cities in Asia. It has attracted professionals from many countries to work and stay, and this enriches the diversity of professional workers in Taipei. Among those 15,000 international specialists who worked in Taiwan in 2017, 5,500 or so were working in Taipei. Among them, 55.9% were business professionals, 31.7% were teachers, and 9.3% were engineers.

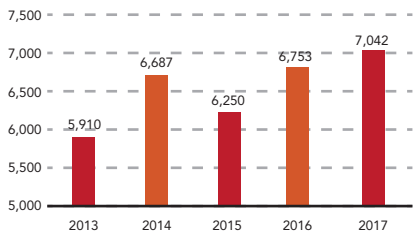
In order to attract more international professionals to live and work in Taiwan,

the Legislative Yuan passed the "Act for the Recruitment and Employment of Foreign Professionals" on February 8, 2018. It loosens the original restrictions to foreigners for work, visa, and residency permission in Taiwan, and also it lays out the plan for retirement, health insurance, and tax benefits. The goals are to assist domestic enterprises to deploy globally, to enhance the technology innovation of local industries, to expand the international vision of the domestic residents, and to increase job opportunities.

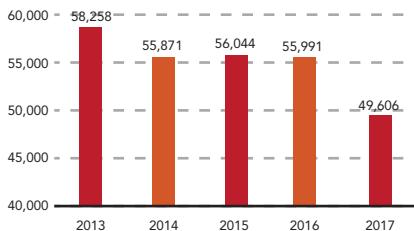
Act for the Recruitment and Employment of Foreign Professionals	
Relaxation on Job, Visa, and Residency Regulations	<ul style="list-style-type: none"> ◆ For a foreign professional who plans to engage in professional work in Taiwan, and who needs a long period to seek employment, issue an "employment seeking visa" to grant him/her to stay for up to a maximum period of six months ◆ For a foreign professional who has been approved for permanent residence, relax the requirement to reside in Taiwan for at least 183 days each year.
Relaxation on Special Professional Requirements	<ul style="list-style-type: none"> ◆ A foreign special professional who plans to engage in professional work within the State may apply to the National Immigration Agency, Ministry of the Interior, for a four-in-one Employment Gold Card that combines work permit, resident visa, Alien Resident Certificate and re-entry permit. ◆ The employment permit of a foreign special professional hired to engage in professional work shall be for a term of up to five years. When continuation of the employment is necessary, the employer may apply for an extension.
Residency of Parent, Spouse, and Children	<ul style="list-style-type: none"> ◆ Where a foreign senior professional applies for permanent residency, the person's spouse and minor children may apply for permanent residency. A lineal ascendant of a foreign special professional or the person's spouse may apply for a visitor visa, and the length of stay may be extended to a maximum of one year.
Retirement Guarantee	<ul style="list-style-type: none"> ◆ Foreign professionals who are hired to engage in professional work, and who have been approved for permanent residence, shall be included in the retirement pension system. A foreign professional who is currently employed as a full-time, qualified, paid teacher within the authorized manning strength of a public school, and who has been approved for permanent residency, shall have his/her retirement governed by the retirement regulations for public school teachers, and may opt for either a one-time lump sum pension payment or a monthly pension.
Health Insurance	<ul style="list-style-type: none"> ◆ A foreign professional's spouse and minor children, and children over twenty years old who are unable to live independently due to physical or mental disability, having obtained documentary proof of residence, shall participate in National Health Insurance without being subject to the requirement of a full six months of residence.
Tax Benefit	<ul style="list-style-type: none"> ◆ A foreign special professional who has for the first time been approved to reside in Taiwan for the purpose of work, and having salary income of more than NTD 3 million, then within 3 years the part of salary income above NTD 3 million shall be halved in amount in the computation of total income for the assessment of individual income tax liability.

Culture and Art

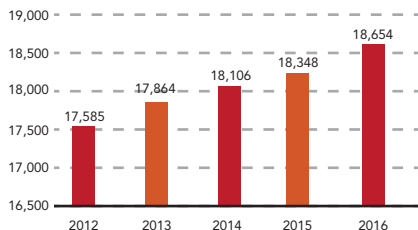
2013-2017 Taipei City Art and Culture Performances (Unit: 1)



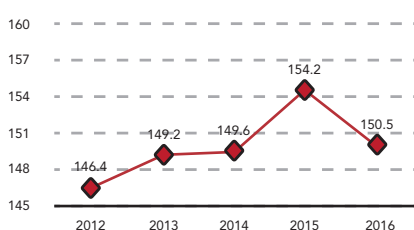
2011-2015 Taipei City Art and Culture Performance Attendance (Unit: 1 attendee)



2012-2016 Quantity of Art and Creative Industry businesses in Taipei City (Unit: Number)



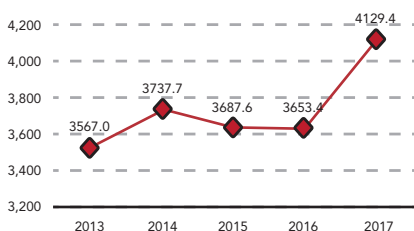
2012-2016 Revenue for Taipei City Art and Creative Industry (Unit: 100 million USD)



Taipei has been the center of the art and cultural activities in Taiwan for years, and it is the city where culture flourishes the most in the Chinese community. Art villages in Taipei provide places for intercultural communication, and multiple cultural attractions, such as the Taipei Arena, the National Theater, the National Concert Hall, and several cultural creativity parks, have provided performing stages for art and culture events. Taipei also hosts several art and cultural ceremonies which are very influential in Chinese community. For example, the Golden Horse Awards, the first and the most prestigious Chinese movie awards in the world, and the Golden Melody Awards, the music awards for Mandarin music and performers.

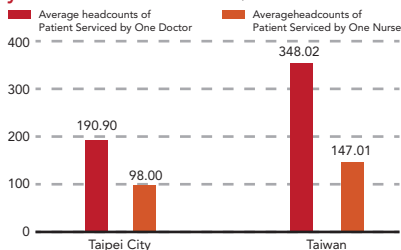
As Taiwan's capital of art and cultural activities, the quantity of companies in the cultural and creative industry in Taipei have been continuously growing for several years, and so is their revenue. In 2016, 12.0% of the art and cultural events were taken place in Taipei, and the attendees of these events were 22.7% of the national total. The expenditure on leisure, cultural, and educational activities of a Taipei family was 1.5 times the national average, 10.7% of the total household expenditure, and 7% of the household income. The residents in Taipei enjoy the art and cultural events very much.

2013-2017 Taipei City Family leisure, cultural, and education expenditure (Unit: USD)



Quality of Health and Safety

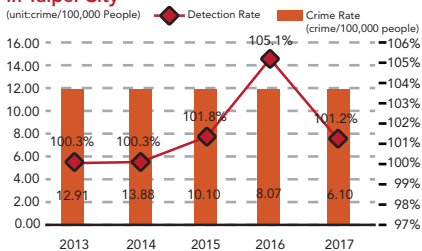
2017 Average headcounts of Patient Served by Medical Professionals (unit:person)



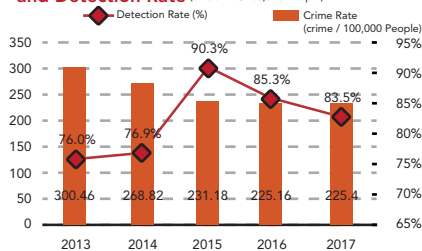
There are 36 hospitals, 8 of them are medical centers, and 3,542 clinics located in Taipei City. The quantity of the medical practices in Taipei is 15.8% of national total. In average, there are 203 medical professionals to serve every 10,000 residents, and it is 1.6 times the national average. The density of medical professionals is as high as 200 per square kilometer, and it is way above the national average, which is 8 per square kilometer. The availability of medical resources in Taipei City is the top of the nation.

National Health Insurance Plan is a mandated social benefit administrated by Taiwan government. The coverage of the health insurance is 99% nationwide, and the coverage for Taipei residents has exceeded 99.5%. For a non-resident, one is eligible to be covered by the National Health Insurance Plan when the length of stay has exceeded 6 months. For a foreigner who is legally hired to work in Taiwan, one can be covered by the National Health Insurance Plan on the first day of the employment, and share the same medical resources and benefits as any Taiwan citizen.

2013-2017 Crime Rate and Detection Rate in Taipei City (unit:crime/100,000 People)



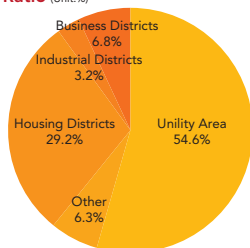
2013-2017 Rate of Violent Crimes in Taipei and Detection Rate (unit:crime/100,000 People)



The crime rates of violence and theft in Taipei are gradually dropping in recent years. The detection rate of violent crime is keeping above 100% (including cases from other jurisdictions). The detection rate for theft also reaches above 83%. There are more than 7,000 police officers assigned in Taipei City, which is 11.2% of the nation's police force. In average there are 28.4 police officers for every 10,000 residents. Therefore, the urban security index in the 2017 Numebo database revealed that Taipei City was ranked on 3rd, which indicated that Taipei is a very safe place to stay and work.

Land Use and Living

2017 Taipei City Development District Area Ratio (Unit:%)

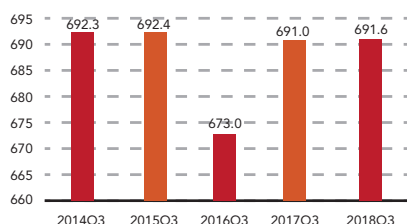


Taipei City has the highest population density in Taiwan. The overall area of the city is around 271.8 square kilometers, and the population density is 9,872 residents per square kilometer. The urban land in Taipei is occupied 47.8% of overall area. Based on the conditions such as location, land use plan, and future development potential, the land divides into utility area, housing district, business district, and industrial district. The total area of houses in Taipei City is as high as 217.7 square

kilometers. 44.6% is used for residential area, and the rest is used for business or other purpose.

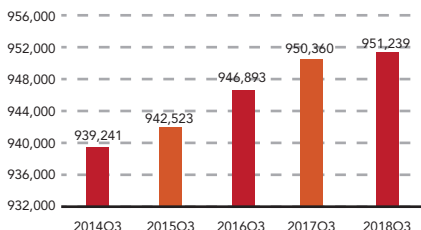
2014-2018 Average Housing Prices in Taipei City

(Unit: 1,000 USD)

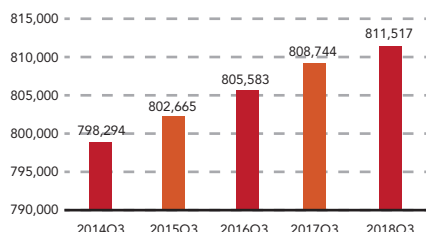


2014-2018 Quantity of Houses in Taipei

(Unit: number)

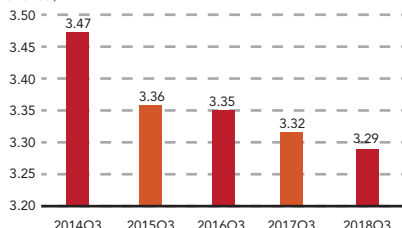


2014-2018 Quantity of Families in Taipei with Household Registration (Unit: number)




2014-2018 Average headcounts of people in Taipei Families with Household Registration

(Unit: number)



The inflation of the real estate price in Taipei has been slowing down. Using 2014 as the baseline, the real estate price index in the third quarter of 2018 had decreased to 99%. The number of household registration kept increasing, and it reached around 1.05million household.

The total quantity of house available in the third quarter of 2018 was increased compared to the same period in a year before. The total quantity of house under new construction, expansion, remodeling, and repairs was 2,094 units, which increased 22.5% compared to the same period in a year before. The real estate



transactions were more often than usual, and the transactions was increased 13.2% compared to the same period in a year before.

As for the rental market, using 2011 as the baseline, the domestic rental index in the first quarter of 2017 was increased to 104.5%, a new record high. The rent of a studio in Taipei was USD 16.6 per square meter per month in average.

In order to assist reaching justice of residency, the Taipei City Government is aggressively plan to build more public housing. Currently there are 11 sites of public housing that have been rent out, 13 sites are still under construction, and 17 sites are still in plan. The goal is to provide 20,000 families to reside in these housing projects.



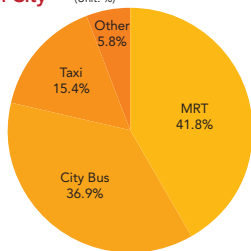
Traffic and Internet

Taipei City has a convenient and advanced public transportation system. Based on a 2016 survey, 42.8% of the Taipei residents were taking public transportation as their major transport method for travel. It was the highest ratio among cities in Taiwan. The most frequent used transport systems were MRT and city bus, and usage rate for both systems was as high as 78.7%. The MRT route network covers all districts in Taipei City and some districts in New Taipei City. The total length of the MRT routes is around 131.1 kilometers, and the punctuality rate is 99.5%. City bus system has organized nearly 262 routes around the city and the neighboring areas, and it creates a highly-developed transportation network within the Greater Taipei Metropolitan Area.

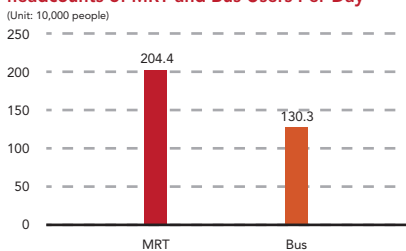
Aside from MRT and city bus, the major public transportation to other cities are railways (TRA) and Taiwan High Speed Rail (HSR). Both systems are passing through Taipei, and they connect major cities and towns within Taiwan. The TRA and HSR stations in Taipei City are the busiest stations of all, and have more daily passengers than other stations. It reveals that many commuters are traveling between Taipei City and the neighboring areas every day.

Taipei also owns a well-designed bicycle sharing system and bicycle trails. There are currently 400 bicycle sharing stops (U-Bike) within the city, and more than 13,000 bicycles available for sharing. The total length of the bicycle trails in Taipei is 390.7 kilometers. It reveals the determination of the Taipei City Government to carry out its green transportation policy.

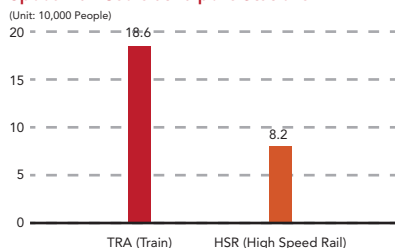
2016 Public Transportation Usage Rate in Taipei City
(Unit: %)



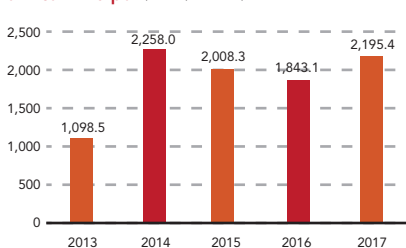
2017 Greater Taipei Metropolitan Area Average headcounts of MRT and Bus Users Per Day
(Unit: 10,000 people)



2016 Average headcounts of Train and High Speed Rail Users at Taipei's Stations
(Unit: 10,000 People)

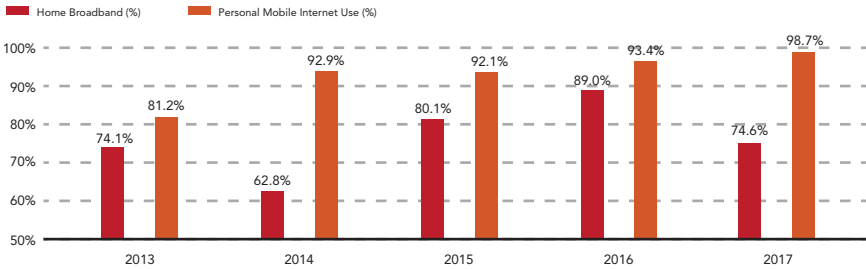


2013-2017 Counts of Bicycle Rentals in Downtown Taipei
(Unit: 10,000 counts)



The rate of internet access in Taiwan is about 85%. As a highly digitalized city with the advantage of easy access to internet, the Household internet access rate in Taipei has reached as high as 90.7%, and the majority of that is via broadband service. The rate of mobile internet access from personal device is also growing significantly these years. 89.8% of the mobile internet users are adopting 4G technology for internet access. The purposes of accessing mobile internet are information searching (72.2%) and social chatting (56.6%). 43.0% of the mobile internet users have experience in using mobile payment service, and 28.3% of them have experience in adopting wearable devices.

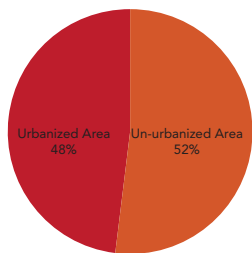
2013-2017 Rate of Internet Access of Taipei City Residents



Environment

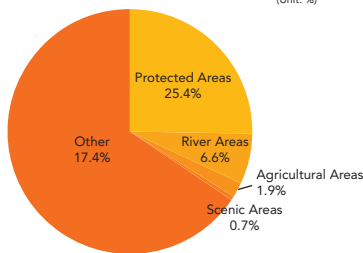
Taipei City Land Use

(Unit: %)



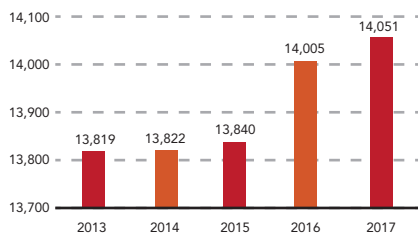
Un-urbanized Area Land Use Ratio

(Unit: %)



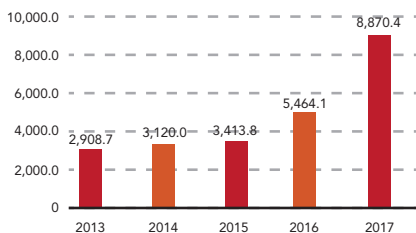
2013-2017 Area of Taipei Green Lands

(Unit: HA)



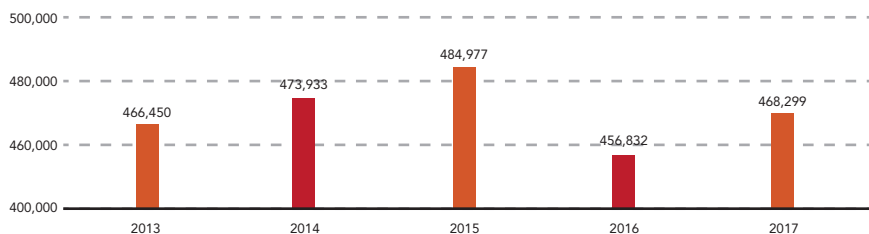
2013-2017 Capacity of Taipei Solar Power Equipment

(Unit: kW)




2013-2017 Quantity of Recycled Resources in Taipei

(Unit: metric tons)



The green lands of a city, including parks, grasslands, sports fields, educational playgrounds, riverside parks, scenic areas, and national parks, are places for residents to relax and rest. The quantity of green lands in the city is somewhat reflected the quality of life of the city residents, and it is the more the better. Around half of the lands in Taipei City is categorized as non-urban land, such as mountains or hills, and it is further categorized as protected area, river area, and scenic area. The total area of green lands in Taipei City is gradually increased each year. In average



every 10,000 residents can enjoy 52 hectares of green space. As for waste disposal, the disposal rate of garbage is 100% in Taipei, and the recycling rate of recyclable waste is more than 60%. To reach the goal of reducing waste quantity, Taipei City Government implements the policies of collecting waste disposal fee by selling special-purpose trash bag, and enhancing the recycling sorting process. The rate of sewage treatment is over 80%. As for the air quality, the density of particulate matter in Taipei was 38.67 microgram per cubic meter in 2017, lower than the national average of 48.65 microgram per cubic meter.

Taipei City Government has been aggressively pushing for saving energy and reducing CO₂ emission these years. It encourages both residents and enterprises to install solar power generation equipment, and provides funding for those installation projects. The policy successfully increases the solar power generation capacity in Taipei.

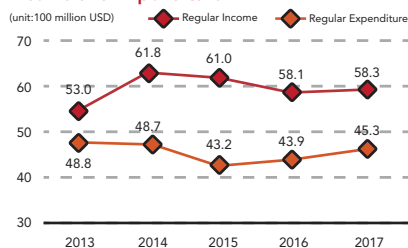


Governance

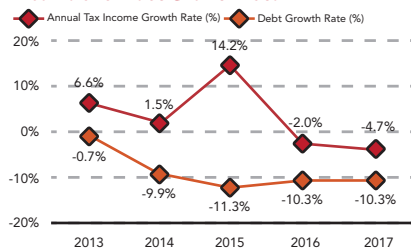
Finance

The Taipei City Government is dedicated to increase income and cut costs. The amount of municipal debt is under crucial scrutiny and control. Taipei is the financially healthiest city in Taiwan. Along with creating a competitive environment for trade and entrepreneurship, the Taipei City Government is also dedicated to encourage citizen to participate more actively on public affairs, to expand the communication channels of public policies, and to enhance the efficiency of civil service.

2013-2017 Taipei City Government Regular Income and Expenditure



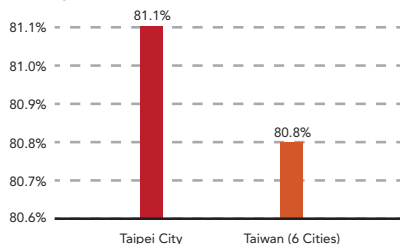
2013-2017 Taipei City Government Tax Income and Debt Growth Rate



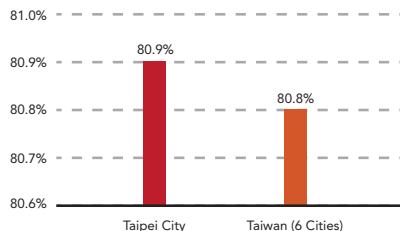
Governance

Civil Participation

2018 Voting Rate (for Mayor) in Taiwan's Municipalities



2018 Voting Rate (for city senators) in Taiwan's Municipalities



The governance of Taipei City Government is a combination of participatory democracy and digital service. It changes the old pattern of policy making and replaces it with a new model.

Participatory Budget

Taipei residents can initiate a process for project proposal, review, and polling. The Chief of Village and Councilmen can join in any stage, communicate with the participants, and provide evaluation and suggestion for the agenda. When a project has passed the final stage, it will be carry out in the same fiscal year if the budget is feasible, otherwise the project will be placed in the budget review process for next year.

i-Voting Internet Voting

Taipei residents can participate in municipal policy making via i-Voting system. The pattern of participation includes proposed a motion, seconded a motion, and joined discussion. The final polling of the motion will be submitted to responsible authority for policy reference.

Youth Affairs Committee

The Taipei City Government found a selection committee for selecting 10 youths, who signed up and recommended themselves on line, to join the Youth Affairs Committee. Through the communication and brain storming within the committee, the government is able to collect opinions from young adults when a policy is in its early stage. It also shapes the policy to become more in favor to youths of Taipei City.

Advisors

To implement policies and enhance governance quality, Taipei City Government has appointed several academic scholars and community leaders as advisors for consultation on city governance.

Appendix A: International Assessments of Taipei

Economic Development

◆ No.6 Asia-Pacific Cities of the Future 2017/18 / fDi Intelligence

Comparing the index of the economic potential, friendly environment for business, human capital, and benefits of investment, the fDi Intelligence, an online site of international direct investment, assessed 163 cities in Asia-Pacific region, and published the Asia-Pacific Cities of the Future 2017/18, where Taipei was the 3th in overall rankings, only falling behind Singapore and Tokyo.

◆ No.32 Global Financial Centres Index ' GFCI 2018 / Z/Yen Group

The well-known British think tank, Z/Yen Group, assessed the overall competitiveness of 100 global cities with financial centers, and published the Global Financial Centres Index ' GFCI 2017. The assessment categories include business environment, finance industry development, basic infrastructure, human capital, etc.. Taipei was the 32th of the 100 cities in global, and 12th in the Asia-Pacific region, which is better than Kuala Lumpur, Bangkok, Manila, and Jakarta.

◆ No.45 Global Cities outlook 2018 / A.T. Kearney

A.T. Kearney, an international consulting firm established for more than 90 years, published the Global Cities outlook 2018. This ranking of 135 cities was based on the assessment of private welfare, economy, innovation, and governance. Taipei was ranked the 45th, higher than of Beijing, Shanghai, and Hong Kong.

Technological Development

◆ No.5 The most high-tech cities in the world 2017 / Business Insider

Business Insider, an American business news website, assessed 85 cities across the globe based on the city development indexes of the research organization, 2thinknow. 25 Big high-tech cities were selected, and the judging criteria included number of patents, number of new companies, and number of venture investors in new tech companies. Taipei was the highest rated city in Asia and ranked the 5th globally. It's higher than Seoul, Tokyo and Singapore.

◆ No.11 Networked Society City Index 2016 / Ericsson

The global provider of electronic equipment, Ericsson, published the Networked Society Index 2016, which assessed 41 global cities' performances in sustainable urban development and ICT maturity. Taipei was No. 11, and 4th place in all of Asia.

◆ No.56 IESE Cities in Motion Index ' ICIM 2017 / IESE

The Harvard IESE Business School assessed 180 cities around the world, and developed the IESE Cities and Motion Index based on the criteria of technology, environment, social cohesion, and workforce capital. Taipei was No. 56 overall and was No. 1 in the technological area.



City Life

♦ No.8 Quality of Life Index Asia 2018 / Numbeo

According to the global statistics storehouse Numbeo's Quality of Life Index 2018, Taipei was the 8th among the 49 Asian cities that were taken into consideration. This was higher than Seoul, and Hong Kong. Out of the 228 cities that were considered for healthcare, Taipei placed 3th. Taipei's safety was even more outstanding, placing No. 3 out of the 378 cities considered, only falling behind Abu Dhabi and Munich.

♦ No.10 Asia Pacific Destinations Index 2017 / Mastercard Worldwide

In the Asia Pacific Destinations Index 2017 that was published by Mastercard Worldwide, a company that has more than 25,000 financial organization members, it was noted that Taipei attracted up to 7.4 million international tourists last year. Taipei was 10th out of the 171 compared cities.

♦ No. 84 Quality of Living Rankings 2018 / Mercer



Mercer, the most widely distributed human resources management consulting organization, assessed global cities based on political stability, medical treatment quality, educational systems, city crime and convenience of traffic in their Quality of Living Rankings 2018. Out of the 231 cities, Taipei placed 84th, higher than Shanghai and Beijing.

Freedom

♦ Free Country Freedom in the World Scores 2018 / Freedom House

Taiwan was listed as a free country. Out of a score of 100, Taiwan's freedom level earned a 93, which was higher than the 86 obtained by the U.S.

Appendix B: Investment Promotion Offices

Service Center	Services	QR Code
Invest Taipei Office website : http://invest.taipei Tel : (02)2757-4518 (02)2757-4519	<ul style="list-style-type: none"> ◆ Enterprise investment consulting ◆ Resource Integration ◆ Investment Obstacle Removal 	
Taipei Smart City Project Management Office website : https://smartcity.taipei/ Tel : (02)2627-1916	<ul style="list-style-type: none"> ◆ Innovative technology application ◆ Resource Integration ◆ Opening Experimental Spaces 	

Appendix C: Operating Costs in Taipei

Operating Costs	
Standard Office Rent	14.52 USD/ Square Meter/ Month
Grade A / Top Grade Office Rent	26.56 USD/Square Meter/Month
Cost of Water	0.39 USD/Unit
Cost of Electricity for Business Use	0.077 USD/kwH
Profit-seeking Business Income Tax *	Highest: 20.0%
Individual Income Tax *	Highest: 40.0%
Undistributed Earnings Tax *	5.0%

*. Taxes instituted in 2018, will be applicable in 2019.

Standard of Data Formation

1. This handbook uses the ratio of 1 USD: 30.1 NTD to calculate dollar values.
2. Percentage calculations are carried out to 2 places after the decimal and rounded to the first place after the decimal.

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