



The United States-Taiwan Free Trade Agreement

Creating Opportunities for America and Taiwan

A United States-Taiwan Free Trade Agreement (FTA) will enhance the strong relationship between our two democratic countries by expanding trade and investment, promoting economic security, and creating new opportunities for workers and businesses in the US and Taiwan.

TOURISM and TAIWAN

A Market Primed for Growth: An FTA will allow U.S. businesses to solidify and expand market share in the profitable Taiwanese market.

- In 2005, **Taiwan residents made a record 8.2 million trips abroad.** Their outbound travel expenditures exceeded **\$9.7 billion**, an impressive growth of nearly **20%** over the previous year.
- The United States is the most popular destination for those in Taiwan traveling outside of Asia, garnering **7.1%** of outbound residents.
- For long-haul travel from Taiwan, the U.S. is by far the most popular destination, representing **52% of the market in 2005.**
- Due to the strength of the Taiwanese economy and the tradition of strong bilateral ties with the U.S., **Taiwan is now the 15th largest travel market to the U.S.**

Unique Opportunities: An FTA will allow U.S. businesses to provide more of the high value-added services demanded by Taiwanese customers.

- With per capita GDP of \$16076 in 2006, the people of Taiwan have become increasingly sophisticated in their travel preferences. The increase in diverse travel demands for pleasure has **enhanced demand for high value services** such as luxury cruises, health and beauty vacations, adventure travel, golf tours, ecotourism, arts and entertainment, short-term language study, and corporate incentive tours. This creates opportunities for **all parts** of the U.S. tourism industry and allows the benefits to be spread across a wide segment of the country.
- **The U.S. is an increasing popular destination for group corporate incentive tours (GIT).** In the later half of 2005, several large Taiwanese corporations paid for their employees to travel to the U.S. The largest such group numbered nearly 3,000 people.
- U.S. businesses already have strong **partners for growth** in Taiwan. The See America Committee in Taiwan, established under the American Chamber of Commerce in Taipei in 2000, has **launched numerous programs to promote and represent major U.S. tourist destinations** in developing markets in Taiwan.

THE NUMBERS

- In 2006, over **593,000** Taiwanese people traveled to the U.S., **3%** more than the previous year.
- Taiwanese visitors spend an average of 17.4 nights and over **\$104 per day.**
- Taiwan's two indigenous international airlines, CAL and EVA Airways, provide more than **60** direct flights a week to the U.S.

THE NEXT LOGICAL STEP: A U.S.-Taiwan FTA holds great promise for both U.S. and Taiwanese companies and workers. The agreement will bring with it **new dynamism** that will keep U.S.-Taiwan economic relations vital and strong. We look forward to **working together** with you to make this historic agreement a **reality.**