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### The European Dimension of German-Taiwanese Relations

- A Critical Assessment -

#### 1 Introduction

The history of German-Taiwanese relations since the founding of the Federal Republic of Germany in 1949 and the retreat of Republican China's Guomindang government to Taiwan after its defeat in the Chinese civil war in the very same year has no comprehensive written account yet. In a sense, one can speak of a no-history of these relations. Contrary to many other states in the Western hemisphere (and beyond), Germany never held diplomatic relations with the exiled Republic of China on Taiwan, not even before 1971 when Taipei finally lost its UN seat to the People's Republic of China. German politics vis-à-vis the ROC was very much a dependent variable of German politics towards the PRC, even more so after 1972 when Bonn and Beijing finalized their negotiations on mutual recognition and exchanged ambassadors. This general approach has not changed until the very present. As a matter of fact, Germany's continuous rejection to recognize the ROC as a sovereign political entity stands in line with the policy of a great majority of UN members and of all member states of the European Union since the 1970s. Germany's unconditioned support for Beijing's version of the One-China principle has not been scratched at after the new coalition government of Social Democrats and Greens took over from the old Conservative-Liberal alliance in 1998. Some might have assumed a more "confident" standpoint on the so-called Taiwan question then, especially after the Foreign Ministry was taken over by Joschka Fischer of the Green Party, an outspoken critic of human rights abusers as the PRC is often accused to be by its critics. But only for a very brief period, the Taiwan question seemed to get a more prominent place on the agenda of German China policy. In the end, nothing changed besides the production of a few new appeals by the Foreign Ministry to solve the conflict between the two sides of the Taiwan Strait peacefully.

It is not difficult to understand why Germany is taking this position. Even though Taiwan has become an important trade partner since the 1970s and nobody in the administration today ignores the democratic achievements of the island republic during the last fifteen years, the PRC counts as more important – economically and polit-

ically. Since for the Beijing government the "Taiwan question" decides about its relations with any foreign country, Germany simply did not and does not want to compromise its China policy by breaking the taboo of supporting Taiwan's political sovereignty or even independence. Still, the degree of cooperation and dialogue with Taiwan just below the level of diplomatic recognition is considerable. In this context it has been noted that given the absence of official relations between the two countries, Germany's Taiwan policy should not be judged by the approach of the central government in the first place. Looking at the development since the early 1990s in particular, one might speak more of 'Federal-state diplomacy' (Länderdiplomatie) or even 'company politics' (Unternehmenspolitik) to do justice to the reality of bilateral relations. As a matter of fact, economic cooperation and trade relations are remarkably driven by those forces, with the central government giving sideline support as long as politics does not interfere. Sometimes however, as in the case of the failed submarine deal in 1992/93, politics did interfere and made the central government step in against federal (and Taiwanese) interests.<sup>2</sup> But in general terms it is quite right to say that German federalism and entrepreneurial profiteering have helped a lot to make up for Taiwan's political isolation by Bonn/Berlin.

The following sections of this article will at first briefly recall the history of German-Taiwanese relations between 1949 and 1989 before providing a more detailed account of these relations after German unification. Besides presenting the brute facts of economic and cultural interchange, it will become clear that German-Taiwanese relations have gained much steam since the beginning of the previous decade in spite of the absence of official relations. Even if Taiwan's diplomatic corps is hampered a lot in its everyday work in Germany, there is an ongoing intensification of economic and cultural cooperation between the two countries. However, the state of non-official relations makes it very difficult for the Taipei government to get ahead with its strategy to gain international recognition for the political sovereignty of the ROC. Hypothetically, such a political "upgrading" of Taiwan by Germany can be imagined as a consequence of the following developments: a qualitative "jump" of bilateral relations resulting from the continuous development of sub-official contacts (the functionalist perspective); or the internationalisation of the "Taiwan question" resulting from a thoroughly reconceptualized German (European) China policy. Both is barely imaginable in the near future.

Still, this fact should not discourage Germany from thinking more substantially about ways out of the present conflict in the Taiwan Strait, as I will argue in the third part of this article. Suffice it here to underline that any initiative of the German government to develop German-Taiwanese *political* relations is determined by Berlin's evaluation, whether such a move would be detrimental

<sup>2</sup>See below for details of this case.

<sup>&</sup>lt;sup>1</sup>Sandschneider, Eberhard, "Thesen zu den deutsch-taiwanesischen Beziehungen (Some Theses concerning German-Taiwanese Relations)", in: Mechthild Leutner (ed.), Politik, Wirtschaft, Kultur: Studien zu den deutsch-chinesischen Beziehungen (Politics, Economy, Culture: Studies of Sino-German Relations), Berliner China-Studien, Bd. 31, Münster 1996, p.107.

to its relations with the PRC or not; and that it is quite easy to predict that a new German Taiwan policy concerning the political sovereignty of the ROC is only possible if the European Union takes a new stand on the "Taiwan question". Such a readjustment could therefore only be part of a new European China policy that transcends the parochial perspectives (or national interests) of its member states and at the same time makes it impossible for the Beijing government to play off the "babarians" against each other. Bluntly spoken: No political upgrading of German-Taiwanese relations without a strong European backing. However, because of its good relations to the PRC and its specific history of national separation and reunification, Germany might be able to give form and substance to such an European approach much better than any other EU member state. At the same time, as the European Union tests the ground for becoming a mediator in international conflicts to push forward the building process of a political identity, it might be inevitable in the long run that it touches upon the Taiwan issue, too: Not only can the current deadlock in the Taiwan Strait turn into full-scale war any time; such a development would also damage European commercial and political interests in the Asia-Pacific region including China and Taiwan.

### 2 German-Taiwanese relations between 1949 and 1990: A brief historical account

After the second world war and the ultimate division of Germany into two states four years later, it was only the Eastern German Democratic Republic (GDR) that immediately installed official relations with the new People's Republic of China in October 1949.<sup>3</sup> This corresponded with the logic of the upcoming Cold War and the unity of the socialist camp in which the Soviet Union and the PRC where at first "brotherly" allied. The Western Federal Republic of Germany (FRG), in spite of strong US pressure to support the Guomindang regime in Taiwan, opted for neutrality and did not recognize neither Beijing nor Taipei. It was too important for the government in Bonn not to prejudge the German question through becoming involved in the "China complex". Later on, when the FRG regained full sovereignty, it was the famous 'Hallstein-Doctrine' of 1955 that made offical relations with the PRC impossible (it would have been possible to recognize the Republic of China on Taiwan, though).<sup>5</sup> In the same year, Bonn established official re-

<sup>3</sup>However, embassies were not opened before October 1953.

<sup>5</sup>For the historic background of German-Chinese relations after 1949 see e.g. Majonica, Ernst, Bonn-Peking. Die Beziehungen der Bundesrepublik Deutschland zur Volksrepublik China (The Relations between the Federal Republic of Germany and the People's Republic of China), Stuttgart et al. 1971; Machetzki, Rüdiger

lations with Moscow – another reason for the West German government to keep a distance to the PRC: Beijing had stopped then "leaning on one side" and now proposed mutual recognition to West Germany.<sup>6</sup> However, besides Bonn's interest to work out a formal trade agreement (that was unsuccessfully discussed with Beijing's representatives during the 'Bern Talks' of 1964), the FRG sticked to its neutral China policy until the early 1970s.<sup>7</sup>

At this time, the international background for West Germany's equidistance to Beijing and Taipei had as much changed as its domestic basis. US foreign policy was now striving for better relations to the PRC in order to contain the Soviet Union, leading to President Richard Nixon's China trip and the famous 'Shanghai Communiqué' in February 1972. One year earlier, the Republic of China had lost its UN seat to the PRC whose government was now regarded by the international community of states as the only legitimate representative of China. The conservative opposition in West Germany had become ever more outspoken in its promotion to normalize German-Chinese relations during the 1960s. Business and many politicians from the ruling Social Democrat and Liberal Parties were joining in at the end of the decade, making the government gradually turning away from its predominant consideration for Soviet Union interests and pushing for an approachment of the two Germanys. Finally, public opinion won out, and after Moscow could be convinced of Bonn's adherence to the government's Ostpolitik, the Federal Republic established official relations with the PRC in October 1972.

It is important to note here that the Communiqué to announce these relations had a very sparse wording, not containing the so-called 'Taiwan clause' that is routinely written into any diplomatic treaty the PRC signs. So there was no explicit acknowledgement of the West German government that Taiwan is an integral part of China as represented by the PRC. The reason for this important omission was not a West German reservation about Beijing's One-China principle, but the problematic status of West Berlin. Since the integration of a 'Taiwan-clause' into the document could have provoked Bonn's insistence on a 'Berlin clause', the PRC probably stepped

(Hg.), Deutsch-Chinesische Beziehungen. Ein Handbuch (German-Chinese Relations: A Handbook), Hamburg 1982; Lin, Rongyuan, Die Beziehungen zwischen China und Deutschland (The Relations between China and Germany), Baden-Baden 1986; Möller, Kay, "Germany and China: A Continental Temptation", in: China Quarterly, No. 147, September, 1996, pp.706-725.

<sup>6</sup>In April 1955 Mao Zedong had declared the termination of the state of war between "Germany" and the PRC, indicating the unwillingness of the Beijing government to deal with two independent

German states.

<sup>7</sup>US opposition against the agreement was certainly one reason for the failure of the talks. Another was Bonn's insistence on the inclusion of a 'Berlin clause' into the treaty – an unacceptable precondition for the Beijing government since this concession did not mean anyt advantage for the PRC, but even compromised its own One-China principle. See Lin, op.cit, pp.146-151.

<sup>8</sup>"The government of the People's Republic of China and the government of the Federal Republic of Germany have decided on October, 11th, 1972 to establish diplomatic relations and to exchange ambassadors in a short time (Die Regierung der Volksrepublik China und die Regierung der Bundesrepublik Deutschlanhaben am 11. Oktober 1972 beschlossen, diplomatische Beziehungen aufzunehmen und in kurzer Zeit Botschafter auszutauschen)"; see Beijing-Rundschau, No. 41, 17th October 1972, p.4.

<sup>&</sup>lt;sup>4</sup>See Weggel, Oskar, "Die Bundesrepublik und die Volksrepublik China. Der lange Weg zur 'Normalisierung' (The Federal Republic and the People's Republic of China. The Long Way to 'Normalization')", in: Machetzki, Rüdiger (Hg.), Deutsch-Chinesische Beziehungen. Ein Handbuch (German-Chinese Relations: A Handbook), Hamburg 1982, pp.123-124; Lin, Rongyuan, Die Beziehungen zwischen China und Deutschland (The Relations between China and Germany), Baden-Baden 1986, pp.116-118.

back in advance in order not to anger East Berlin. This was helped by the fact that the FRG had never established official relations with Taipei so that now in Beijing's view there was no urgency to place emphasis on the PRC's sovereignty claim over Taiwan. 9 But whatever may have been the reason, there could be no doubt from the very beginning that Bonn was supporting the PRC's One-China principle full-scale. For example, in January 1973 the FRG's Foreign Ministry prohibited any official missions by its members to Taiwan. This decree was based on the promise of Walter Scheel, then Foreign Minister, during his trip to China in October 1972 that the FRG would not upgrade West Germany's relations to the ROC.<sup>10</sup> It was confirmed some years later by Alois Mertes, State Secretary in the Foreign Ministry when the Sino-German Communiqué was signed. 11 As Sino-German relations developed very positively in the following years, there was no inducement for the Bonn government to modify its position on Taiwan.

Meanwhile, East German-Chinese relations deteriorated continuously during the 1960s and early 1970s, reflecting the growing conflict between Beijing and Moscow. Now that East Berlin – after a turnaround of its position on German unification – was claiming the existence of two different German nations (nation-states),<sup>12</sup> mutual recognition between Bonn and Beijing was not inimical to GDR interests anymore; it was even an important precondition for Eastern Germany's membership in the UN.<sup>13</sup> So Beijing's uninterrupted advocacy of the principle of supporting peaceful German reunification by the Germans themselves undermined East Berlin's position of irreversable separation. As a consequence, the PRC was sharply attacked by leading GDR politicians who took

<sup>9</sup>See Weggel, Oskar, "China und die Bundesrepublik Deutschland: Die völkerrechtliche Situation (China and the Federal Republic of Germany in International Law)", in: Ansprenger, Franz et al. (eds.), Die Außenpolitik Chinas. Entscheidungsstruktur, Stellung in der Welt, Beziehungen zur Bundesrepublik Deutschland (China's Foreign Policy. Decision-structure, Position in the World, Relations to the Federal Republic of Germany), München et al. 1975, p.427.

<sup>10</sup>Ibid.

 $^{11}\mbox{\ensuremath{\ensuremath{}^{0}}}$  The Chinese therefore could and can take for granted that the Federal Republic of Germany after the establishment of diplomatic relations with the PRC would not do what it has not done before, i.e. enter into official contacts with Taipei. This means that it has implicitely recognized Beijing's claim of single representation (Die Chinesen konnten und können aber davon ausgehen, daß die Bundesrepublik Deutschland nach Aufnahme diplomatischer Beziehungen zu der Volksrepublik China nicht das tut, was sie zuvor unterlassen hat, nämlich offizielle Kontakte zu Taipei anzuküpfen. Insofern hat sie den Alleinvertretungsanspruch Pekings implizit anerkannt)"; see Mertes, Alois, "Die deutsch-chinesischen Beziehungen. Zur China-Politik der Regierung Kohl (Sino-German Relations. The China-Policy of the Kohl Government)", in: Europa-Archiv, No. 21, 1983, p.653. Consequently, the use of the ROC flag or national anthem on German territory was forbidden and the export of military technology to Taiwan strictly prohibited (Mertes, op.cit., p.654).

12 Erich Honecker was the first East German politician speaking of two different German nations – one socialist, the other bourgeois-capitalist – in 1971. The new GDR constitution of 1974 did not contain anymore the confession to 'one German nation'. However, East Berlin turned away from German unification some years earlier, the critical turning point apparently being Soviet Russia's intervention in Prague in the spring of 1968 and the concurrent setup of the

Breshnev doctrine.

 $^{13}\mathrm{West}$  and East Germany both entered the UN on September, 18th, 1973.

sides with Moscow's uncompromising polemics against Beijing and US-Sino detente. The 1980s then saw a substantial improvement of GDR-PRC relations, a result of both Chinese reform politics on the one hand and a gradual rapproachment between Moscow and Washington on the other. When the Communist leadership in Beijing decided to end the student demonstrations of spring 1989 by the use of violence, the East German parliament was among the first to send its congratulations on the crushing of this 'counter-revolutionary coup' to Beijing. Apart from that, East Berlin never put into question the PRC's One-China principle and ignored the ROC for ideological reasons until the very end of the GDR's existence in 1990.

The ROC for its part, as already indicated, tried at various times between 1949 and 1972, to establish official relations with the FRG. 15 Since West Germany was as much a close ally of the US as was the Guomindang government on Taiwan, these endeavours were quite logical. Also, from the very beginning there was a small Taiwan lobby in the German parliament taking sides with Taipei and pleading for closer contacts between the ROC and the FRG. 16 All in all, those politician's efforts were of limited success: Bonn kept its distance to the Guomindang regime in Taiwan. However, Taipei was allowed to open an inofficial representative office in Bonn in 1958: the Bureau of Far Eastern Information (Fernost-Informationsbüro e.V.), legally a private association taking charge of quasiconsular affairs on behalf of the ROC authorities. In the spring of 1990, Taipei was allowed to change the name of its representative offices - three more had been set up in Berlin, Hamburg and Munich then - into Taipei Economic and Cultural Bureaus (Taipei Wirtschafts- und Kulturbüros), indicating a cautious diplomatic upgrading. In 1996, the ROC government announced unilaterally to rename its offices in Berlin, Hamburg and Munich in 'Taipeh Representation in Germany' (Taipeh-Vertretung in der Bundesrepublik Deutschland), stressing their official character. However, the German Foreign Ministry still sticks to the old label and officially ignores this step.

Also, in 1963 a German Cultural Centre (Deutsches Kulturzentrum) was opened in Taipei – a branch unit of the semi-official Goethe-Institute which are partly sponsored by the German Foreign Ministry and function as important platforms of Germany's international cultural policy. Besides organising language courses and cultural exchange of all sorts between Germany and Taiwan, the Centre was also dealing with quasi-consular affairs like issuing visas for Taiwanese and providing legal assistance for Germans living in the ROC.<sup>17</sup> Until 1981, it

<sup>14</sup>The text of the June-8 resolution of East Germany's Volkskammer is reprinted in China aktuell, Vol. 19, No. 9, p.665.

<sup>17</sup>It was supported here by the *Chinese-German Economic and Cultural Association* (Chinesisch-Deutscher Wirtschafts- und Kulturverband), a private organisation founded by Guomindang alumni

<sup>&</sup>lt;sup>15</sup>For example, when Chancellor Konrad Adenauer visited Greece in March 1954, the ROC embassador proposed to him the establishment of official relations between Taipei und Bonn. See Weggel, "Die Bundesrepublik und die Volksrepublik China", op.cit, p.125.

<sup>&</sup>lt;sup>16</sup>In December 1956, the Christian Democrat Ernst Majonica travelled to Taiwan on behalf of his party and met with Chiang Kaishek. After his return he lobbied vigorously for a closer German cooperation with the ROC, but could not turn the tide within the ruling party which was in favour of equidistance to both Taipei and Beijing for the time being.

was the only inofficial representative office of the FRG in Taiwan. <sup>18</sup> In that year, the *German Trade Office* (Deutsches Wirtschaftsbüro) was installed in Taipei by the private *German Association of Industry and Commerce* (Deutscher Industrie- und Handelstag/DIHT). An organization to promote FRG-ROC economic relations in the first place, the GTO also offered legal advice and took over parts of the visa procedures from the German Cultural Centre. <sup>19</sup> However, neither the GCC nor the GTO was staffed with diplomatic personnel at that time. <sup>20</sup>

## 3 FRG-ROC relations after German unification

The Federal Republic's China policy did not change very much after German unification and the disappearance of the GDR. However, Taiwan became politically more embarassing for the government. The 1990s showed a growing resistance both within and outside political circles in Germany against the diplomatic isolation of the ROC and its economic consequences. The failed submarine deal in 1993 is quite illuminating in this context. The Taipei government had lobbied Bonn since 1991 to give green light to the construction and sale of ten submarines and ten more frigates worth approximately 12.5 billion German marks.<sup>21</sup> It was supported by the Federal state governments of Lower Saxonia (Niedersachsen), Schleswig-Holstein and Mecklenburg-Vorpommern, hoping for job security and an expansion of their respective shipyard industries. However, Germany's Federal Security Council (Bundessicherheitsrat) voted against the deal in January 1993, because Taiwan was considered a zone of military insecurity to which no German 'dual use'-technology could be exported by law. This decision was predated by strong verbal opposition to any weapons deal with Taiwan by the central government. Foreign Minister Klaus Kinkel unequivocally ruled out on various occasions the selling of weapons to Taiwan in 1992. Still, it was reported later that Bonn had agreed to the reexport of German components for Patriot missiles from the US to Taiwan.<sup>22</sup>

who had studied in Germany. The Association, presided by General Jiang Weiguo for many decades, was an important political interface between West Germany and the ROC responsible for inofficial contacts and cooperation between the two countries in different fields. It still exists today, but has lost its former political clout and just upholds some modest cultural activities.

<sup>18</sup>See Aretz, Tilman, "Das Deutsche Kulturzentrum (The German Cultural Centre)", in: *Freies China*, Vol. 11, No. 4, July-August, 1998, pp.42-51.

<sup>19</sup>See Steckenborn, Jessica, "Das Deutsche Wirtschaftsbüro Taipei (*The German Trade Office Taipei*)", in: *Freies China*, Vol. 7, No. 6, November-December, 1994, pp.50-53.

<sup>20</sup>In contrast, the Taipei government has sent career diplomats from the Foreign Ministry to its representative offices in Germany since 1979.

<sup>21</sup>These figures seemed quite exaggerated, though, since the German part of the deal was much smaller and the Taiwanese side planned to obtain the ships over a period of several years. See "Das Rüstungsgeschäft mit Taiwan als Türöffner (The Weapon deal with Taiwan as a door-opener)", in: *Frankfurter Rundschau*, 22 January 1993.

<sup>22</sup>See "Bonn billigt Raketen-Geschäft (Bonn approves missile deal)", in: Frankfurter Rundschau, 15 February 1993. However, in April 1994 the government declared that any indirect sale of German components for submarines or other warships to Tai-

Besides that, four German minesweepers were spotted in Taiwan in mid-1992, at least putting into question the government's commitment not to export any military technology to the island republic.<sup>23</sup>

The fact of divergent political views on Taiwan and the official German China policy was underlined by the foundation of the 'Parliamentarian Friendship Group Bonn-Taipei' (Parlamentarischer Freundschaftskreis Bonn-Taipei) in 1989.24 From the very beginning, it was the aim of this informal network within the Federal legislature to promote German-Taiwanese contacts on all levels and to ease the political restrictions that not only hampered the work of the ROC's diplomatic personnel in Germany, but also - as it was seen by the group - undermined Germany's economic and trade relations with Taiwan. Still, the One-China policy of the German government was never put in question by these parliamentarians. Today, the Friendship group roughly counts 60 members from all political parties.<sup>25</sup> They are regularly and actively lobbied by Taiwan's representatives through invitations to Taiwan and other opportunities of "information gathering", even if the group's direct influence on central political decisionmaking is limited. However, its pure existence and political activism proves that Taiwan's standing within German politics has become much better during the 1990s.

This can also be seen by a long row of German politicians – members of governments and legislatures of both the central and federal state levels – visiting the island republic since the early 1990s in order to promote German-Taiwanese economic relations.<sup>26</sup> In a way, Taiwan then

wan remains prohibited. This position was recently confirmed by Berlin's refusal to let German companies function as sub-contractors to build eight diesel-powered submarines that the US government has approved to deliver to Taiwan, but cannot produce itself. See "Bundesregierung liefert U-Boote nicht (Federal Government does not deliver submarines)", in: Frankfurter Rundschau, 28 April 1994; "US sticking to 'one China' policy: Bush", Taiwan Headlines, via internet: http://th.gio.tw/show.cfm?news\_id08638, 26. April 2001; "German help sought in building submarines", Central News Agency, 3 May 2001, via internet: http://www.th.gio.gov.tw/show.cfm?news\_id=8754); "USA liefern Rüstungsgüter (USA deliver military goods)", in: China aktuell, Vol. 30, No. 4, 375

<sup>23</sup>See "Total verheddert (Totally entangled)", in: *Der Spiegel*, 20 July 1992, pp.78-80. Government authorities later punished the exporter who had veiled the military character of the sale. In November 1993 it was reported that Germany's foreign intelligence agency, the *Bundesnachrichtendienst*, had equipped Taiwan with computer technology for monitoring mainland telecommunications and even provided personal assistance. See "BND hilft angeblich Taiwan bei Spionage gegen China (BND allegedly helps Taiwan to spy against China)", in: *Süddeutsche Zeitung*, 1 November 1993.

<sup>24</sup>It was then named 'Parliamentarian Group Bonn-Taipei'. The Group was officially registered with the German Parliament in February 1991. For a brief introduction of its history see Lüder, Wolfgang, Der Parlamentarische Freundschaftskreis Bonn-Taipei: Motor bilateraler Fortschritte (The Parliamentarian Friendship Group Bonn-Taipei: Motor of Bilateral Relations), German-Chinese Association, Bonn, May 1994. In May 1992, a corresponding Friendship Group was founded by Taiwanese parliamentarians; see "Offizielle Kontakte zwischen Bonn und Taipei (Official Contacts between Bonn and Taipei)", in: Freies China, Juli/August 1992, pp.22-27.

<sup>25</sup>62 members as of July, 2nd, 2001 (Information provided by the German Parliament's Administration Department). According to official data in Berlin, this figure has just slighty diminished since the mid-1990s (September 1996: 69 members; January 2000: 66 members).

<sup>26</sup>The first member of a German central government visiting Tai-

had become a "hot spot" for European governments competing for new trade opportunities and shares in the world market after the demise of communism in the Soviet Union and Eastern Europe. The ROC government successfully cashed in on these visits by enhancing its international profile as a flourishing market economy and a consolidated democracy. Although direct political gains remain impossible, 'trade diplomacy' was better than no diplomacy for the Taiwanese; and it was as much acceptable as desirable for the German government advocating close relations with Taiwan as long as they remained below the diplomatic level and did not arouse Beijing's suspicions.

It was not at least a result of the efforts of the Parliamentarian Friendship Group that Germany installed direct flight connections with Taiwan in 1993, even if today no German aircraft proper is destined to the island.<sup>27</sup> One year later, Bonn for the first time sent a professional diplomat of the Foreign Ministry to take charge of the post of director of the private-run German Trade Office. However, this diplomat, former German ambassador to Sri Lanka, Klaus M. Franke was put on leave then in order to avoid any diplomatic havoc with Beijing. In February 2000, the Foreign Ministry finally installed the 'German Institute Taipeh' (Deutsches Institut Taipeh) taking over the consular service from the GTO and functioning as the unofficial representation of the FRG in Taiwan.<sup>28</sup> This measure underlined the will of the German government to fill the limited space left over by Beijing's One-China principle with some political gestures towards Taiwan. It can be seen as the political complement to the above-mentioned 'trade diplomacy' which describes both the room of maneuvering and the borderline of Germany's engagement in Taiwan to the very present.

German-Taiwanese economic relations developed very positively in the 1990s. Throughout the decade, Germany was Taiwan's most important trade partner within the European Union. At the end of 2000, it stood at No. 6 for Taiwan's main export markets and at No. 5 for the island's main import countries. With a total trade volume of more than US\$ 10 billion, this counted for 3.6 per cent of Taiwan's overall trade – a growth of 11 per cent compared to 1999 (see appendix, table 1, 2). Actually, bilateral trade has shown a gradual rise throughout the 1990s (see appendix, table 3), with Germany today mainly exporting electronic integrated circuits, cars and machines to

wan in an official capacity was Economic Minister Jürgen Möllemann in November 1992. He was also the first to officially receive a member of the ROC government, Economics Minister Xiao Wanchang, in September 1992 in Bonn. See Tang, Shaocheng, "Die Beziehungen zwischen Taipei und Bonn nach dem Tian'anmen Zwischenfall aus taiwanesischer Sicht (The Relations between Taipei and Bonn after the Tian'anmen incident from Taiwan's perspective)", in: Leutner, Mechthild (ed.), Politik, Wirtschaft, Kultur: Studien zu den deutsch-chinesischen Beziehungen (Politics, Economy, Culture: Studies of Sino-German Relations), Berliner China-Studien, Münster 1996, p. 116.

<sup>27</sup>At the beginning, Germany's *Condor*-Airline, which belongs to *Lufthansa*, flew to Taiwan. Today, *Lufthansa* restricts it Taipei business to share flights with other airlines (e.g. *Thai Airways*) that are connected to *Lufthansa* through an international flight alliance pro-

<sup>28</sup>The GIT is situated in the same building as the GTO in down-town Taipei. Its diplomatic personnel is no longer 'on leave', but 'on duty'.

Taiwan, whereas Taiwanese exports to Germany concentrate on electronic products, machines and textiles. However, German investment in Taiwan is to be called modest at best (see appendix, table 4). This fact corresponds to an economic prudence that characterises Germany's East Asian economic engagement in general and should not be regarded as a result of particular cautiousness in the case of Taiwan. At the same time, the trade and investment statistics of the 1990s give evidence of Taiwan's attempts to diversify its export markets, i.e. to gain a bigger stake in Europe to reduce the island economy's dependence on the Chinese mainland and US markets. At present, there are some 150 German firms or representative offices registered in Taiwan, a figure that has not changed too much in recent years. Most of them are working in the fields of service, electronic and semi-conductor production, waste disposal technology and infrastructure development.<sup>29</sup> This is matched by approximately 200 Taiwanese firms and representative offices registered in Germany.<sup>30</sup>

Cultural and scientific relations are quite close, too, with a growing number of Taiwanese students enrolling in German universities (see appendix, table 6) - even if the numbers are much smaller compared to the US, Australia, Great Britain and Japan. It is also noteworthy that the level of knowledge on economic and political events and developments in Taiwan has risen considerably in Germany during the last decade. Although there are still just very few German scholars doing research on Taiwan regularly, the media has reported much more extensively on the island republic since the 1989 Tiananmen incident in the PRC and especially since the first direct presidential elections in Taiwan in 1996. There is more public debate on the 'Taiwan issue' in Germany today than there has ever been before, even if is not a topic of utmost concern and everyday interest. This fact is as much the result of political lobbying as of the growing recognition in Germany of the democratization of Taiwan; and of a critical view on China's political elites who are, as unfair as such a verdict is in many regards, perceived as authoritarian, nationalist and even militarist. However, this trend has not been met by any change in the German government's official stand on Taiwan so far.

# 4 Towards a new German Taiwan policy?

As a matter of fact, Germany's Taiwan policy is One-China policy as defined by the PRC. Although it is true that German-Taiwanese relations have become much closer in the 1990s on all levels – cultural, economic and political – any sovereign political existence of the Republic of China on Taiwan is still denied by the German government. It is very unrealistic to assume that this will change in the near future. As long as Beijing declares Tai-

<sup>&</sup>lt;sup>29</sup>See German Ministry of Economic Affairs and Technology, bfai-Wirtschaftstrends, Taiwan zum Jahreswechsel 2000/01 (bfai-Economic Trends. Taiwan at Year's End 2000/01), Köln 2001, p. <sup>34</sup>

<sup>&</sup>lt;sup>30</sup>Information of the Commerce Department (Frankfurt) of the Taipei Representation in Germany, Munich office, 29. Mai 2001. According to the same source, there are 110-120 German companies represented in Taiwan today.

wan to be a part of China exclusively represented by the PRC, Germany will refrain from officially recognizing the ROC. So will the great majority of states, including the US and all members of the European Union. It does not make much sense to accuse these countries of undemocratic behaviour or moral hypocrisy; their position is the result of a rational calculation of interests as much political as economical: To them, the PRC simply is more important than Taiwan. Moreover, a Berlin attempt to change the political status quo in the Taiwan Strait unilaterally would very probably not only seriously damage Germany's relations with the PRC; it might also harm the interests of the people on Taiwan, because any such action is in danger of triggering off a rapid deterioration of Sino-Taiwanese relations leading to war. A Taiwan policy that does not take this danger into account is irresponsible. So given the present PRC stand on the 'Taiwan question', much speaks in favour of the "German approach", i.e. official non-recognition coupled with close sub-official cooperation as the only sensible Taiwan policy.<sup>31</sup>

Still, this approach helps at best to perpetuate the precarious situation in the Taiwan Strait; it does not contribute to a sustainable and peaceful solution of the Sino-Taiwanese conflict. This directly leads to the question if it does not correspond to German (European) longterm interests (i.e. expansion of trade relations with the PRC and Taiwan, regional stability and democratization on the Chinese mainland) to become more actively engaged in this conflict. Obviously, such an engagement can only mean to bring in new initiatives to revitalize the dialogue between Taipei and Beijing – a dialogue that is stuck in a deadlock since former president Li Denghui's controversial 'two-states-theory' (liangguolun) made public in July 1999 and Chen Shuibian's election as the ROC's first DPP-nominated president in March 2000. Here one has to point at the fact that the European Union is currently working on a new profile as dialogue partner in international (not at least Asian) security issues.<sup>32</sup> Distance can be a special political asset here.

Given Germany's good relations with both the PRC and Taiwan and its own history as a divided and reunified nation, the so-called 'German model' might play a prominent role in such an European endeavour to bring the negotiating process between China and Taiwan back on track.<sup>33</sup> Mutual recognition and the adherence to the

<sup>31</sup>This does not mean, however, that 'sub-official cooperation' could not be intensified or even upgraded. Diplomatic cautiousness concerning Taiwan has indeed become a topic of contested debates in Germany. But given the fact that unilateral diplomatic recognition of the Republic of China is counterproductive for both Germany and Taiwan at this moment, there is a broad consensus that any policy to deepen German-Taiwanese relations should not include the sovereignty issue. Therefore it makes sense that since 1993, Germany as much as the other member states of the European Union have abstained from any motion to bring the Republic of China back into the United Nations.

<sup>32</sup>See "Do not Be Shy", in: Far Eastern Economic Review, October 26, 2000, p.30. A proactive European foreign policy in this regard has recently materialized in Korea, when a mission of acting EU-council president Göran Persson of Sweden successfully initiated a new round of talks between North and South Korea: "Drei Europäer im Schurkenstaat (Three Europeans in the rogue state)" and "Wir sind eine Wertfamilie (We are a value-family)", in: DIE ZEIT, 10 May 2001, p.20.

<sup>33</sup>See e.g. Näth, Marie-Luise, "Die Bundesrepublik Deutschland

principle of national unification through democratic consent at least is a plausible proposal that could be brought forward. It would mean compromise on both sides of the Taiwan Strait: On the one hand, Beijing would have to accept temporary political sovereignty of the ROC. On the other hand, Taipei - which here means a DPP-led government – would have to accept a One-China formula and definitely abjure any declaration of an independent Republic of Taiwan. With both sides dedicated to a peaceful process of political negotiations and to the aim of national unification excluding a special time frame, a working consensus might be found. This consensus would have to be accompanied by Beijing's renunciation to use force against Taiwan and an agreement on a democratic mode to produce the ultimate decision on unification.<sup>34</sup> To put it in other words: Any German/European attempt to initiate a new Sino-Taiwanese dialogue is very likely to have to defend the island's claim of political sovereignty (for the time being) and to convince Beijing that this does not mean European support for a definite separation of Taiwan from the Chinese mainland. As a matter of fact, there is some reason to believe that reunification will remain a serious option for a substantial percentage of the people of Taiwan, if the political and economic freedoms of the island are not compromised by it.35 It has to be noted, however, that as far as the great majority on the island is concerned, this condition cannot be fulfilled by the 'one country, two systems'-formula that the Beijing government is advocating.<sup>36</sup>

und Taiwan: Eine entwicklungsbedürftige Beziehung? (The Federal Republic of Germany and Taiwan – A Relationship in Need of Development?)", in: Schubert, Gunter/Schneider, Axel (eds.), Taiwan an der Schwelle zum 21. Jahrhundert. Gesellschaftlicher Wandel, Probleme und Perspektiven eines asiatischen Schwellenlandes (Taiwan at the Doorstep of the 21st Century. Social Change, Problems and Perspectives of an East Asian Newly Industrialized Country), Hamburg 1996, pp.187-196; Schubert, Gunter, "Das 'deutsche Moell' als Ausweg? Die sino-taiwanesischen Beziehungen am Ende der 90er Jahre (The 'German model' as a Way Out? – Sino-Taiwanese Relations at the End of the 1990s)", in: Blätter für deutsche und internationale Politik, No. 1, 2000, pp.72-83.

<sup>34</sup>Apparently, much more seems at stake for the PRC than for the ROC here. To the day, the Beijing leadership rejects a 'German model' (i.e. temporary political sovereignty of Taiwan), because it mistrusts the sincerity and commitment of the present Taiwanese government to work honestly for unification. However, it seems quite clear that there is no peaceful alternative to such an approach.

<sup>35</sup>As Chart 1 in the appendix shows, the percentage of those in Taiwan favouring an unspecified status quo ('status quo now, decision later') has been falling lately, whereas there is a rising trend with the advocates of ultimate reunification ('status quo now, reunification later'). However, the interpretation of these figures is highly speculative. Given my personal impression of many years doing empiricial research on and in Taiwan, support for reunification with the Chinese mainland is strongly conditioned by the foregoing democratization of China. A democratic China, however, might substantially strengthen the unification camp. One should not underestimate the power of Chinese (cultural) nationalism in present-day Taiwan, if it is bound to a liberal political setting. Of course, there are also strong arguments for the existence of a mighty Taiwanese nationalism or even, as Christopher Hughes has recently suggested, for a 'postnational Taiwan' that has already done away with any nationalist homogenization project Chinese or Taiwanese. See Hughes, Christopher, "Post-Nationalist Taiwan", in: Leifer, Michael (ed.), Asian Nationalism, London 2000, pp.63-81.

<sup>36</sup>According to the latest official figures (March 2001), only 16.1 per cent of the Taiwanese regard the 'one country, two systems' formula as applicable to Cross-Strait relations, whereas almost 74 per cent do not think so (see appendix, chart 2.). According to a

A new European policy of 'one Chinese nation, two (temporary) Chinese states' would be compatible with the 'confederation model' that was just written into the Guomindang party platform.<sup>37</sup> Of course, any such move would be a huge step away from the policy line that Germany/Europe is following today and certainly would meet fierce opposition from the PRC at the beginning. Still, sticking to Beijing's formula of the One-China policy would not change the current stalemate and danger of war in the Taiwan Strait an inch - neither would a policy of looking away and doing business as usual. If the European Union ever decides to actively engage in the tricky 'Taiwan question', it would have to face this truth. And it should take this decision for the sake of its own longterm interests in the Asia-Pacific and the sharpening of its Common Foreign and Security Policy (Gemeinsame Außen- und Sicherheitspolitik/GASP).

In sum, a new German Taiwan policy is only imaginable as an active promotion of new dialogue initiatives to deescalate and even end the Sino-Taiwanese conflict. To bear fruit, these initiatives must both leave the ground of Beijing's One-China formula and at the same time be embedded in a coordinated European approach. It would be unwise for obvious reasons, if Germany went for it alone. A coordinated European approach, however, is preconditioned by the will of the most important EU member states Germany, France and Great Britain to create a strong political body that can stand up to China's pressure and its strategy of 'divide et impera'. As we know, there is still a long way to go for the EU to get to this point. A common European foreign policy as intended by the European Council is painfully slow in materializing. However, as the PRC leadership on various occasions has expressed its hope that Europe makes quick progress in becoming a strong actor in international politics, the governments in Berlin, Paris and London (and also in the other EU capitals) should not be afraid of exactly doing

What the ROC can expect from a European engagement in the Sino-Taiwanese conflict in the first place is a new international sensitivity for the urgency of this is-

survey of late June there has been an astonishing growth of the supporter's camp to some 30 per cent, but it is too early to tell if this reflects a new trend.

sue that hopefully helps tipping the balance in favor of those reformers in Beijing who are ready to quite fundamentally redefine the Communist regime's One-China policy and to exclude any violent solution of the 'Taiwan question'. Solution Consequently, whoever wants to support those forces should perhaps have a new look on the "Taiwan question" and – most of all – on the imminent danger of war in the Taiwan Strait.

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 $<sup>^{37}\</sup>mbox{``KMT}$  adds 'confederation' concept to party platform", in: China Post, 29 June 2001. As a matter of fact, the idea of a confederation as a first step to unification with the Chinese mainland is gaining ground in Taiwan as a new inter-party approach to crossstrait relations since the beginning of 2001. See "Consensus nears on confederation", in: Taipei Times, 5 January 2001; "It's time to retire an outdated relic", in: Taipei Times, 23 February 2001. Less applicable to the Sino-Taiwanese case seems to be the so-called 'European model' of economic and subsequent political integration of Taiwan and the Chinese mainland that has been discussed quite intensively on the island since the inauguration of the Chen-administration. It was also written into Chen Shui-bian's 2001 New Year's Eve speech. See "EU is no confederation model", in: Taipei Times, 15 January 2001; "EU framework useful for ROC, PRC: Tien", in: China Post, 27 February 2001. The EU model has been especially promoted by DPP politicians and is a conceptual option for the People's First Party, too. GMD unificationists, however, have repeatedly rejected it. See Gunter Schubert, "Abschied von China? - Eine politische Standortbestimmung Taiwans nach den Präsidentschaftswahlen im März 2000 (Farwell to China? - A Political Locating of Taiwan after the Presidential Elections in March 2000)", in: Asien, No. 79, April 2001, pp.5-32.

<sup>&</sup>lt;sup>38</sup>I am not only taking issue here with the fact that high-ranking leaders as Qian Qichen and Jiang Zemin have repeatedly declared during the recent past that 'one China' consists of both Taiwan and the PRC, thereby seemingly flexibilising their former position that Taiwan is a part of 'one China' exclusively represented by the PRC. Personal information given to the author from different sources within the PRC during the last years indicate that the Chinese leadership's debate on the Taiwan issue has become much less dogmatic as it constantly appears in official statements and documents.

APPENDIX

Table 1: The 20 biggest tradepartners of the ROC in 2000 (IN US\$)

CODE	COUNTRY NAME		TOTAL TRADE			EXPORT			IMPORT	
NO.		RANKIN G	AMOUNT	SHARE (%)	RANKING	AMOUNT	SHARE (%)	RANKIN G	AMOUNT	SHARE (%)
TOTAL			288,3	100.000		148,317,080,750	100.000		140,004,899,508	100.000
US	NITED STATES	1	59,939,644,440	20.789	1	34,814,299,053	23.473	7	25,125,345,387	17.946
	IAPAN	2	2 55,157,906,742	19.131	3	16,600,951,771	11.193	1	38,556,954,971	27.540
HK	HONG KONG	3	33,523,141,485	11.627	2	31,337,816,813	21.129	13	2,185,324,672	1.561
KR	KOREA,REPUBLIC OF	4	12,895,580,089	4.473	6	3,907,641,288	2.635	3	8,987,938,801	6.420
SG	SINGAPORE		10,470,774,070	3.632	4	5,457,125,668	3.679	7	5,013,648,402	3.581
CN	CHINA		6 10,440,977,579	3.621	8	4,217,865,768	2.844	4	6,223,111,811	4.445
DE C	GERMANY,FEDERAL REPUBLIC OF	7	10,426,861,829	3.616	9	4,884,967,220	3.294	5	5,541,894,609	3.958
MY	MALAYSIA		8,936,882,961	3.100	10	3,611,609,762	2.435	9	5,325,273,199	3.804
NL	NETHERLANDS	6	7,021,079,616	2.435	5	4,933,792,201	3.327	14	2,087,287,415	1.491
PH	PHILIPPINES	10	10 6,629,323,316	2.299	11	3,035,568,687	2.047	8	3,593,754,629	2.567
- EB	UNITED KINGDOM		6,446,212,943	2.236	7	4,508,947,824	3.040	15	1,937,265,119	1.384
H	THAILAND			1.849	12	2,562,165,795	1.727	11	2,767,871,679	1.977
AU	AUSTRALIA		ğ)	1.848	14	1,827,887,115	1.232	6	3,501,416,167	
Π		14	4,749,036,775	1.647	15	1,734,016,350	1.169	10	3,015,020,425	2.154
FR	FRANCE	15	3,467,516,427	1.203	17	1,637,506,082	1.104	16	1,830,010,345	1.307
A	CA CANADA 16 3,155,50	16	3,155,567,852	1.094	13	1,882,115,350	1.269	20	1,273,452,502	0.910
A	SAUDI ARABIA	17	3,041,290,267	1.055	37	350,823,337	0.237	12	2,690,466,930	1.922
L	ITALY	18	2,875,801,295	0.997	18	1,484,421,971	1.001	18	1,391,379,324	0.994
	OTHER	19	2,842,819,054	0.986	20	1,172,071,537	0.790	17	1,670,747,517	1.193
Z	VIET NAM	20	2,132,238,312	0.740	16	1,663,391,721	1.122	33	468,846,591	335

Source: Board of Foreign Trade, Ministry of Economic Affairs, ROC.

TABLE 2: TAIWAN'S TRADE WITH EU MEMBER STATES 1999-2000 (IN US\$)

Horizon   Hori	COUNTRY TOTAL TRADE	T	FOTAL TRADE			EXPORTS			IMPORTS		SUR	SURPLUS / DEFICIT	
1.12   1.12	The Carlo	1999	2000	Growth		2000	Growth	1999	2000	Growth	1999	2000	Growth
21,156,356,86     16244     14,422,833,716     15,481,611,259     7.341     4,637,336,473     6,674,745,600       415,959,503     32,701     294,980,633     243,928,285     -17.307     18,477,174     172,031,218     5       4,884,967,220     19,833     5,312,433,737     5,541,894,609     4.319     -1,235,938,873     -656,927,389     -656,927,389       4,884,967,220     19,833     5,312,433,737     5,541,894,609     4.319     -1,235,938,873     -656,927,389     -656,927,387     -657,927,387     -657,927,387     -657,92		01	- 12	Rate (%)	- 10	- 12	Rate (%)	- 10	12	Kate (%)	01	- 12	Kate (%)
415,959,503     32.701     294,980,003     243,928,283     -17.307     18.477,174     172,031,218       897,012,742     20.191     517,67,847     5,94,894,609     4.319     -1.235,938,873     -656,927,389       4,884,967,220     19.833     5,312,433,737     5,541,894,609     4.319     -1.235,938,873     -656,927,389       836,839,783     8.914     271,666,922     303,331,839     11,656     496,679,379     533,507,944       836,839,783     8.914     271,666,922     303,331,839     11,656     496,679,379     533,507,944       1,637,506,082     3.353     1,887,221,983     1,830,010,345     -303,139,725     -192,604,264       4,508,947,824     1,770     1,720,328,942     1,937,265,119     12,610     2,109,891,696     2,571,682,705       4,508,947,824     1,770     1,720,328,942     1,937,265,119     12,610     2,109,891,696     2,571,682,705       4,508,947,824     1,700     1,720,328,942     1,937,265,119     12,610     2,109,891,696     2,571,682,705       4,908,35,048     1,14,233,335     1,937,262,12     2,273	EU	33,482,983,905	37,637,968,127	12409	19,060,160	22,156,356,86	16244	14,422,823,716	15,481,611,259	7.341	4,637,336,473	6,674,745,609	43.935
897,012,742     20.191     517,767,847     549,666,748     6.161     228,555,368     347,345,994       4,884,967,220     19.833     5,312,433,737     5,541,894,609     4.319     -1,235,938,873     -656,927,389       4,584,967,220     19.8380,295     184,499,925     -7.231     98,434,400     241,239,785       836,839,783     8,914     271,666,922     303,331,839     11,656     496,679,379     241,239,785       1,637,506,082     3,373     1,887,221,938     1,880,010,345     -3.032     -93,139,725     -192,644,264       4,508,947,824     17.720     1,720,328,942     1,887,221,938     1,880,010,345     -3.032     -193,139,725     -192,644,264       4,508,947,824     17.720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       649,635,048     -12,433     156,627,920     21,613,398     38,300     163,423,410     152,709,932       1,484,421,971     11,906     1,308,451,398     1,391,379,320     2,486,504,049     490,072,786       4,933,792,201     17,073     1,205,675,644     2,087,	AUSTRIA	608,437,300	659,887,788	8.456	313,457,237	415,959,503	32.701	294,980,063	243,928,285	-17.307	18,477,174	172,031,218	831.047
4,884,967,220     19,833     5,312,433,737     5,541,894,609     4,319     -1,235,938,873     -656,927,389       425,739,710     43,195     198,880,295     184,499,925     -7231     98,434,400     241,239,785       836,839,783     8914     271,666,922     303,331,839     116.56     496,679,379     213,507,944       1,637,506,082     3,373     1,887,221,983     1,830,010,345     -303,139,725     -192,604,264       4,508,947,824     17,720     1,720,328,942     1,937,265,119     12,610     2,109,891,696     2,571,682,705       649,635,048     -12,433     156,034,529     1,937,265,119     12,610     2,109,891,696     2,571,682,705       1,484,421,971     11,906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647     2,494,506       4,933,792,201     17,073     1,4231,335     10,284,700     -27,732     182,328,020     377,276,946     2,496,504,786       4,934,71,579     2,461     25,133,870     24,968,430     2,046,627,74     2,284,562,774     2,84,562,774     2,84,562,774     2,84,562,774	BELGIUM	1,264,091,062	1,446,679,490	14.444	746,323,215	897,012,742	20.191	517,767,847	549,666,748	6.161	228,555,368	347,345,994	51.975
425,739,710     43.195     198,880,295     184,499,925     -7.231     98,434,400     241,239,785       836,839,783     8.914     271,666,922     303,331,839     11,656     496,679,379     533,507,944       303,951,816     33.695     291,831,562     434,416,080     48.858     -64,484,924     -130,464,264       4,508,947,824     17,720     1,287,221,983     1,830,010,345     -3.03,139,725     -192,504,263       4,508,947,824     17,720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       649,635,048     17,720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       17,4323,330     -2.641     15,627,920     21,613,398     1,391,379,324     6.346     181,338,000     3,042,647       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2,2373     2,508,626,190     3,77,276,964       4,933,792,201     17.075     2,133,870     24,968,430     -0.658     111,803,149     3,77,276,988       4,78,926,395     14,555     702,637,199	GERMANY,FED. REPUBLIC OF	9,388,928,601	10,426,861,829	11.055	4,076,494,864	4,884,967,220	19.833	5,312,433,737	5,541,894,609	4.319	-1,235,938,873	-656,927,389	-46.848
836,839,783     8.914     271,666,922     303,331,839     11.656     496,679,379     533,507,944       303,951,816     33.695     291,831,562     434,416,080     48.858     -64,484,924     -130,464,264       1,637,506,082     3.373     1,887,221,983     1,830,010,345     -3.032     -303,139,725     -192,504,263       4,508,947,824     17720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       174,323,330     -2.641     15,627,920     21,613,398     38.300     163,423,410     152,709,932       1,484,421,971     11.906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2,208,625,190     2,846,504,786       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2,508,625,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       186,771,579     1478,926,395     145,027,780     83.78     -224,562,774	DENMARK	496,194,990	610,239,635	22.984	297,314,695	425,739,710	43.195	198,880,295	184,499,925	-7.231	98,434,400	241,239,785	145.077
303,951,816     33.695     291,831,562     434,416,080     48.858     -64,484,924     -130,464,264       1,637,506,082     3.373     1,887,221,983     1,830,010,345     -3.032     -303,139,725     -192,504,263       4,508,947,824     17.720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       174,323,330     -2.641     15,627,920     21,613,398     38.300     163,423,410     152,709,932       649,635,048     -12.433     156,054,529     159,562,262     2.248     585,820,404     490,072,786       1,484,421,971     11.906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       4,933,792,201     17.073     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2,2373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,7855     702,637,199     761,	SPAIN	1,040,013,223	1,140,171,622	9.630	768,346,301	836,839,783	8.914	271,666,922	303,331,839	11.656	496,679,379	533,507,944	7.415
1,637,506,082     3.373     1,887,221,983     1,830,010,345     -3.032     -303,139,725     -192,504,263       4,508,947,824     17.720     1,720,328,942     1,937,265,119     12.610     2,109,891,606     2,571,682,705       174,323,330     -2.641     15,627,920     21,613,398     38.300     163,423,410     152,709,932       649,635,048     -12.433     156,054,529     159,562,262     2.248     585,820,404     490,072,786       1,484,421,971     11.906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       4,933,792,201     17.073     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2.2.373     2,508,626,190     2,846,504,786       136,771,579     -2461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	FINLAND	519,178,200	738,367,896	42.219	227,346,638	303,951,816	33.695	291,831,562	434,416,080	48.858	-64,484,924	-130,464,264	102.317
4,508,947,824     17720     1,720,328,942     1,937,265,119     12.610     2,109,891,696     2,571,682,705       174,323,330     -2.641     15,627,920     21,613,398     38.300     163,423,410     152,709,932       649,635,048     -12.433     156,054,529     159,562,262     2.248     585,820,404     490,072,786       1,484,421,971     11,906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       387,561,664     97,173     14,231,335     10,284,700     -27,732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     2.2.373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	FRANCE	3,471,304,241	3,467,516,427	-0.109	1,584,082,258	1,637,506,082	3.373	1,887,221,983	1,830,010,345	-3.032	-303,139,725	-192,504,263	-36497
174,323,330     -2.641     15,627,920     21,613,398     38.300     163,423,410     152,709,932       649,635,048     -12.433     156,054,529     159,562,262     2.248     585,820,404     490,072,786       1,484,421,971     11.906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       387,561,664     97.173     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     22.373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	UNITED KINGDOM	5,550,549,580	6,446,212,943	16.136	3,830,220,638	4,508,947,824	17.720	1,720,328,942	1,937,265,119	12.610	2,109,891,696	2,571,682,705	21.887
649,635,048     -12.433     156,054,529     159,562,262     2.248     585,820,404     490,072,786       1,484,421,971     11.906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647       387,561,664     97.173     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     22.373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	GREECE	194,679,250	195,936,728	0.646	179,051,330	174,323,330	-2.641	15,627,920	21,613,398	38.300	163,423,410	152,709,932	-6556
1,484,421,971     11,906     1,308,351,898     1,391,379,324     6.346     18,138,010     93,042,647     7.77       387,561,664     97.173     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     22.373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8,378     -284,562,774     -282,576,385	IRELAND	897,929,462	809,197,310	-9.882	741,874,933	649,635,048	-12.433	156,054,529	159,562,262	2.248	585,820,404	490,072,786	-16.344
387,561,664     97.173     14,231,335     10,284,700     -27.732     182,328,020     377,276,964       4,933,792,201     17.073     1,705,675,614     2,087,287,415     22.373     2,508,626,190     2,846,504,786       136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14,555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	ITALY	2,634,841,806	2,875,801,295	9.145	1,326,489,908	1,484,421,971	11.906	1,308,351,898	1,391,379,324	6.346	18,138,010	93,042,647	412.971
4,933,792,201 17.073 1,705,675,614 2,087,287,415 22.373 2,508,626,190 2,846,504,786   136,771,579 -2.461 25,133,870 24,968,430 -0.658 115,088,718 111,803,149   478,926,395 14.555 702,637,199 761,502,780 8.378 -284,562,774 -282,576,385	LUXEMBOURG	210,790,690	397,846,364	88.740	196,559,355	387,561,664	97.173	14,231,335	10,284,700	-27.732	182,328,020	377,276,964	106.922
136,771,579     -2.461     25,133,870     24,968,430     -0.658     115,088,718     111,803,149       478,926,395     14.555     702,637,199     761,502,780     8.378     -284,562,774     -282,576,385	NETHERLANDS	5,919,977,418	7,021,079,616	18.600	4,214,301,804	4,933,792,201	17.073	1,705,675,614	2,087,287,415	22.373	2,508,626,190	2,846,504,786	13.469
478,926,395 14.555 702,637,199 761,502,780 8.378 -284,562,774 -282,576,385	PORTUGAL	165,356,458	161,740,009	-2.187	140,222,588	136,771,579	-2.461	25,133,870	24,968,430	-0.658	115,088,718	111,803,149	-2.855
	SWEDEN	1,120,711,624	1,240,429,175	10.682	418,074,425	478,926,395	14.555	702,637,199	761,502,780		-284,562,774	-282,576,385	869-

Source: Directorate General of Customs, Ministry of Finance, ROC.

Table 3: German-Taiwan Trade 1991-2000 (in US\$)

	Total Trade	Exports	Imports	Surplus/Deficit
1991	6,881,887,181	3,868,688,392	3,013,198,789	855,489,603
1992	7,523,599,910	3,599,028,908	3,924,571,002	-325,542,094
Growth Rate (%)	9.325	-6.970	30.246	-138.053
1993	7,724,102,306	3,503,937,598	4,220,164,708	-716,227,110
1994	8,035,324,116	3,251,224,668	4,784,099,448	-1,532,874,780
Growth Rate (%)	4.029	-7.212	13.363	114.021
1995	9,522,223,073	3,839,090,991	5,683,132,082	-1,844,041,091
1996	8,667,229,885	3,644,003,252	5,023,226,633	-1,379,223,381
Growth Rate (%)	-8.979	-5.082	-11.612	-25.206
1997	9,059,504,329	3,690,460,305	5,369,044,024	-1,678,583,719
1998	9,233,222,879	4,084,376,920	5,184,845,959	-1,064,469,039
Growth Rate (%)	1.918	10.674	-4.101	-36.585
1999	9,388,928,601	4,076,494,864	5,312,433,737	-1,235,938,873
2000	10,426,861,829	4,884,967,220	5,541,894,609	-656,927,389
Growth Rate (%)	11.055	19.833	4.319	-46.848

Source: Directorate General of Customs, Ministry of Finance, ROC.

Table 4: Taiwan's Inward Investment from Major EU Member States (in 10 Million US\$)

Year	UK	Germany	France	Netherlands	Subtotals	EU	Total Inward Investment
1952-1989	32.2	17.4	6.9	45.3	56.5	61.9	1,095.0
1990	8.9	3.8	1.7	5.0	19.4	20.9	230.2
1991	4.4	2.0	0.6	5.5	12.5	14.1	177.8
1992	1.1	1.7	2.8	6.9	12.5	15.0	146.1
1993	5.9	3.4	0.8	8.6	18.6	19.7	121.3
1994	3.0	9.1	1.3	8.0	21.5	22.8	163.1
1995	19.5	2.4	0.2	7.5	29.6	32.6	292.5
1996	3.6	3.8	0.9	2.9	11.1	18.6	246.1
1997	9.1	6.7	0.8	10.4	26.9	37.9	426.7
1998	7.5	6.3	0.5	12.5	26.9	33.4	373.9
1999	14.3	2.9	1.5	19.3	38.1	44.1	477.1
2000	68.4	2.7	2.8	31.1	105.0	117.1	706.8
1990-2000	145.7	44.8	14.1	117.6	322.2	376.3	3,361.6

Source: Investment Commission, Ministry of Finance, ROC.

Table 5: Taiwan's approved outward Investment by selected Countries (in 1.000 US\$)

Year	Hor	ng Kong	J	apan	U	.S.A.		nited ngdom	Ge	rmany	Fr	ance		ether- and		Total
	$C^1$	A <sup>2</sup>														
1991	49	199,630	9	3,431	127	297,795	4	14,572	9	3,815	3	1,020	7	6,679	364	1,656,030
1992	53	54,447	18	5,321	84	193,026	8	4,435	13	15,209	4	2,861	5	9,690	300	887,259
1993	79	161,918	12	63,297	86	529,063	10	237,918	8	5,271	-	-	6	10,383	326	1,660,935
1994	47	127,284	15	22,731	70	143,884	6	16,852	5	1,773	2	180	3	271	324	1,616,764
1995	50	99,555	12	8,811	97	248,213	5	8,215	4	5,169	1	882	3	20,410	339	1,356,878
1996	37	59,927	19	6,798	174	271,329	2	6,128	3	3,984	2	243	1	217	470	2,165,404
1997	57	141,593	26	32,342	335	547,416	12	13,412	5	3,821	2	127	6	11,113	759	2,893,826
1998	48	68,643	36	29,596	402	598,666	19	9,724	9	6,394	5	6,488	12	8,574	897	3,296,302
1999	51	100,318	23	121,867	345	445,081	14	10,263	9	21,313	1	1,790	12	17,800	774	3,269,013
2000	53	47,512	39	312,222	801	861,638	15	31,250	6	8,635	4	1,669	6	3,245	1,391	5,077,062

Source: Commerce Department (Frankfurt), Taipeh-Representation in Germany, Munich branch.

Table 6: Overseas Enrollment of Taiwan Students 1996-1999

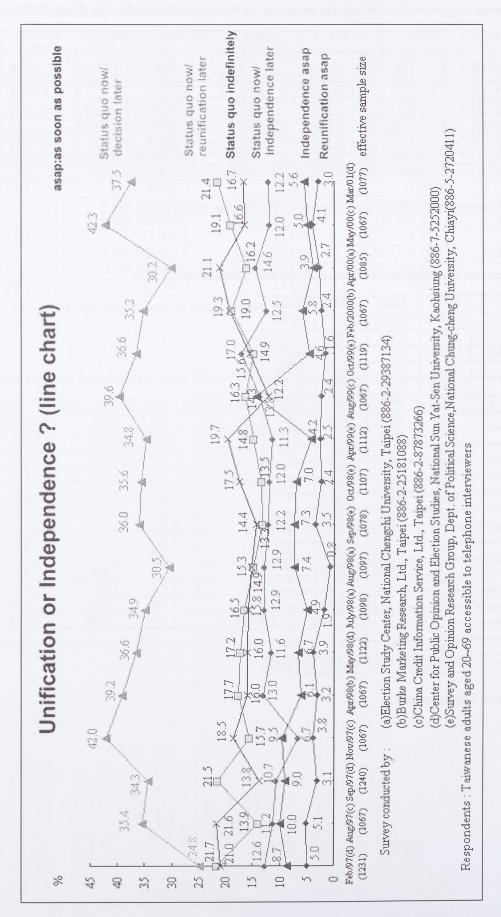
	1999	1998	1997	1996
USA	31,043	30,855	30,487	32,702
Australia	5,885	6,411	7,497	9,684
United Kingdom	13,000	6,173	6,414	5,095
Japan	5,067	5,171	5,500	5,766
Germany	1,443	1,442	1,372	1,368
Canada	733	647	580	5,718
South Africa	500	633	514	408
France	1,500	590	*	571
Philippines	500	550	500	460
New Zealand	459	498	632	*
Switzerland	193	193	*	11
Italy	133	159	152	*
Spain	148	150	*	*
CIS	121	142	*	*
Netherlands	53	. 53	58	40
Belgium	88	88	97	106
South Korea	44	*	*	*
Saudi Arabia	1	*	*	*
Thailand	133	*	*	*
Sweden	19	*	*	*
Austria	194	*	*	*
Total	61,257	53,755	53,803	61,929

<sup>\*</sup> Not available

Source: Ministry of Education, ROC.

 $<sup>^{1}</sup>$  = Case  $^{2}$  = Amount

GRAPH 1:



GRAPH 2:

