

Project C – Chinese Taipei

Project C (MOEA, 2004) built on the successful implementation in 2000/2001 of the first two stages (Projects A and B) of the so-called “Vitamin Plan” which had the objective of promoting e-commerce in the information technology (IT) industry¹³.

- Project A involved helping leading global information technology firms (IBM, Compaq and HP) and Chinese Taipei’s leading IT manufacturers to establish an e-business supply chain covering every stage from design through procurement.
- Project B involved helping Chinese Taipei’s leading IT manufacturers and more than 1,800 of their component suppliers to establish similar e-business supply chains covering the stages from procurement to manufacturing.
- Project C was an extension of this success into the provision of Internet-based electronic banking services with a focus on the liquidity needs of sub-suppliers associated with the main manufacturer that anchored the global supply chain within Chinese Taipei.

The principal issues to be addressed in Project C were that the majority of payments were still paper-based in the form of written cheques (raising a working capital timing issue), that most banks still relied on letters of credit and letters of hypothecation which require time commitment as most processing of these instruments was done manually (also raising a working capital timing issue), and more often than not the financing required collateral (raising a working capital availability issue). Project C addressed the working capital timing issue by allow-

¹³ The “Vitamin Plan” included two further stages: Project D focused on the adoption of e-business delivery services by Chinese Taipei’s IT hardware and semiconductor manufacturers and logistic service providers; Project E focused on interactive models of e-Business for collaborative design involving customers, suppliers and technology design partners at the new product development stage. The migration of much of the hardware manufacturing to mainland China in recent years has stalled further action in these areas in addition to reducing the quantitative impact of the A-B-C stages.