

Keelung, with 350,000 residents, is Taiwan's second largest port and is the nearest to Taipei.

ECONOMY

Since implementing land reform in the 1950's, Taiwan has shifted from an agriculturally-based economy to a major low-cost producer of manufactured goods, while pursuing a vigorous programme of economic expansion based on exports.

Taiwan's main crop in terms of area cultivated is rice, of which there is a small exportable surplus. Sugarcane and vegetables are the other major crops and there is also a substantial contribution to exports made by timber. Some processed fish products are exported. Along with Korea, Hong Kong and Singapore, Taiwan has experienced rapid development since the early 1960's. Taiwan's export-driven economy has performed strongly in the last few years, registering GNP growth rates of 7.2 percent in 1989, 5.3 percent in 1990, 7.2 percent in 1991, 6.0 percent in 1992 and 5.9 percent in 1993. With 47.3 percent of GNP in exports in 1991, 43.6 percent in 1992 and 44.5 percent in 1993, Taiwan is the world's eleventh largest exporter.

The export-driven growth is beginning to slow. In 1991, Taiwan posted a 7.2 percent GNP growth, and 1992 was 6.0 percent, sustained by a government-led boom in domestic consumption. Import growth was expected to slow down in 1993, with an estimated GNP growth rate of about 6.1 percent. Actual growth depends on international demand factors, the movement of the New Taiwan Dollar against the US dollar, the degree to which domestic demand can substitute for export growth and the political questions of the relationship with mainland China. Major problems facing the production side of the economy are land and labour shortages, and higher labour costs.

Although Taiwan has a free-enterprise economy, the government has invested in industries deemed to be of strategic importance. Planning in Taiwan mostly takes the form of suggestions to the private sector, backed up with sympathetic fiscal, monetary and trade policies and the provision of infrastructure. The direct role of government has diminished over time. There has been a trend in recent years towards liberalisation and internationalisation of the economy by permitting more foreign competition in the form of imports.

There is virtually no unemployment in Taiwan, with the official figure being 1.4 percent in December 1993. Unskilled labour is in increasingly short supply, leading to an influx of workers from Southeast Asia. The acute labour shortage has led to a newly militant labour force.

CURRENCY

The unit of currency in Taiwan is the New Taiwan Dollar (NT\$) which is divided into 100 cents. Notes in denominations of NT\$1,000, \$500, \$100, and \$50, and coins of NT\$10, \$5, and \$1 are used. Cents are only used for accounting purposes, and there are no cent notes or coins in circulation. The NT\$ is linked to the US Dollar, but is allowed to move within a small percentage either side of the mid-rate fixed daily by the Central Bank of China. Foreign currencies are exchangeable at government-designated banks, hotels and shops.