

## Industrial Services and Foreign Investment Services

Successful industrial supporting services lie primarily in the elimination of red tape. The STSP Administration has been authorized by the Ministry of Economic Affairs to issue commercial registration certificates. From August 1, 2003 it has been further authorized to issue import/export approval certificates. Through the services of the designated window, it now takes only one day to issue the certificates. The STSP Administration has also published operational manuals for park enterprises and compilations of international trade taxation laws for the purpose of providing an effective service.

Table 5-2-1 Number of Industrial Services & Foreign Trade Cases in 2003

Items	No. of Cases (Organizations)
Certificate of tax credits for investment in equipment	528
Number of cases of park enterprises approved for the five- (four-) year tax holiday, or receiving certificates for completion of new high tech enterprise	8
Number of cases of company registration & change of registration	353
Number of cases of the hiring of foreign employees	112
Completion of audit of park enterprises' financial accounting	44
Completion of calibration for park enterprises	34
Approval of import visas for park enterprises	333
E-Customs Clearance	32,083
Inspection, assembly and testing of bonded products for exportation	640
Number of processing cases approved for park enterprises	67
Completion of collection of management fees for park enterprises	592

To enhance park enterprise employees' knowledge of finance, taxation and import/export, the STSP Administration in 2003 held four finance and taxation lectures, one session on park enterprise industrial certification, one workshop and one lecture each in November for science park taxation personnel on bonding.

In 2003 the STSP Administration admitted the Fantasy Travel Service, Lee and Li Law Firm, Pricewaterhouse Coopers International Limited and SinoPac Securities to the Composite Service Center in order to provide professional services on finance, taxation, management, capitalization, public stock exchange, legal issues and business travel.

Up to 2003, Japanese investment accounted for more than 50% of the capital of eight park enterprises: International Nitto, Finex, West Electric, Taiwan Stanley, Lintec, SC-IK, Tosoh Quartz and ULVAC. Two sessions of "Director-general's Meeting with Foreign Investors" were held respectively in March and October of 2003 to encourage Sino-Japanese interactions and understand Japanese investors' satisfaction and expectation of the development of STSP. The effort was part of the endeavor to ensure Japanese investors' continued participation.

# Automated Customs-clearance System

To structure an expedited customs-clearance logistical system, the STSP Administration has arranged for the customs, the police station and banks to be set up at STSP and offer around-the-clock automated speedy customs clearance and e-application mechanisms.



Figure 5-2-1 Science Park Logistics Co., Ltd.

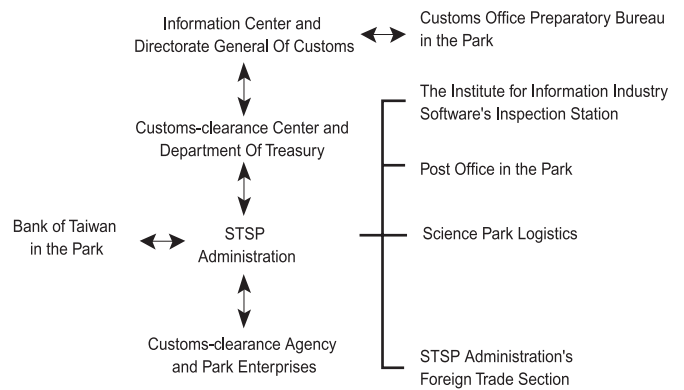


Figure 5-2-2 Automated Customs-clearance Process

On May 1, 2003 Science Park Logistics Co., Ltd. was approved to establish the Logistics Center, which was licensed in November of the same year for independent management with operational reports submitted each month. Based on flexible business hours, the Logistics Center helps expedite the customs clearance process and reduce its costs. The police station is stationed at STSP to maintain the security and safeguard worksite inspection and product releases, so park enterprises may concentrate on research, production, manufacturing and marketing.



Figure 5-2-3 Police Force Provides Sound Protection for Bonded Product



Figure 5-2-4 Banks Provide Diversified Services



# Living Environment

Following the completion of infrastructure, the STSP Administration continues to enhance its living environment.

1. Shuttle Bus Service : Began on December 29, 2003.
2. Shopping Mall : On October 27, 2003 President Chain Store Corp. was engaged to manage the food service compound and recreational facilities. Total area : 3,960 square meters.

3. On October 27, 2003 Cambridge Resort Hotel started up Asakusa Restaurant within Tainan Science Park to offer home-style Japanese cuisine.

4. In 2003 the planning of the Sports Park within Tainan Science Park was begun. Business recruitment is expected to be completed by the end of 2004.



Figure 5-2-7 Cite Bookstore in Park17 Shopping Mall



Figure 5-2-5 Cambridge Japanese-style Restaurant "Asakusa"



Figure 5-2-6 Park17 Shopping Mall

# Growth in Turnover

Monthly turnover in the first quarter of 2003 remained around 264.7 million USD. Monthly turnover surged in April and broke the 294.1 million USD mark. Afterwards, monthly turnover began to leap forward still further and resulted in an annual total of

4,567.6 million USD of which the optoelectronics industry accounted for 57.77% and the semiconductor industry 39.21%. As other industries follow suit it has become obvious that the development of STSP is beginning to bear fruit.

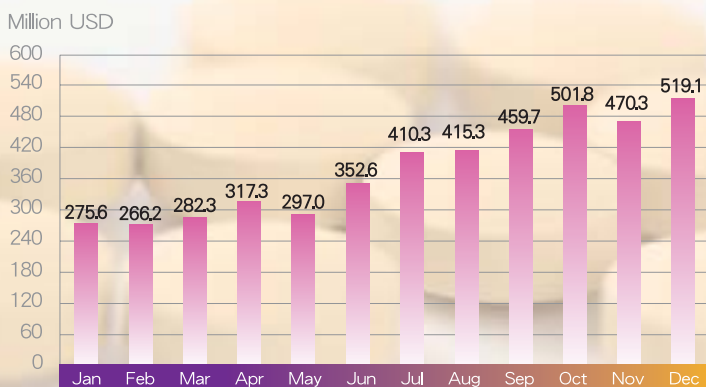


Figure 5-2-8 Turnover of Resident Enterprises in 2003

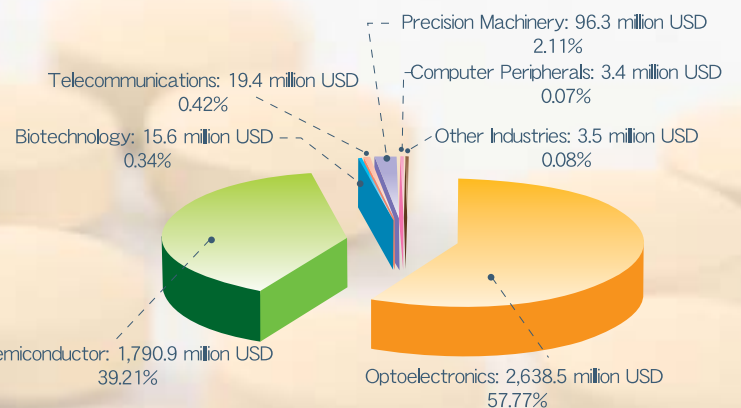


Figure 5-2-9 Turnover by Industry in 2003

# Growth in Trade Amount

## Imports

In 2003 the economy began to recover. The park enterprises' capital expenditure began to increase. The second half year witnessed a significant importation of machinery equipment and parts. Especially noteworthy was the urgent need of the optoelectronics industry to expand factories and enhance production capacity. As a result, the total import value for the year neared 3,432.3 million USD (including domestic sales and transfer sales within bonded area), or 47.85% more than 2002. The import value of December was four times that of January.

## Exports

This remained stable in 2003. As a result of the overall economic recovery, active market demand and the fact that the fourth quarter belongs to the electronic industry, both the optoelectronics and semiconductor industries began to experience rapid growth in export values since September. The total export value for the year was 3,625.9 million USD (including domestic sales and transfer sales within bonded area), up significantly 55.88% from 2002.

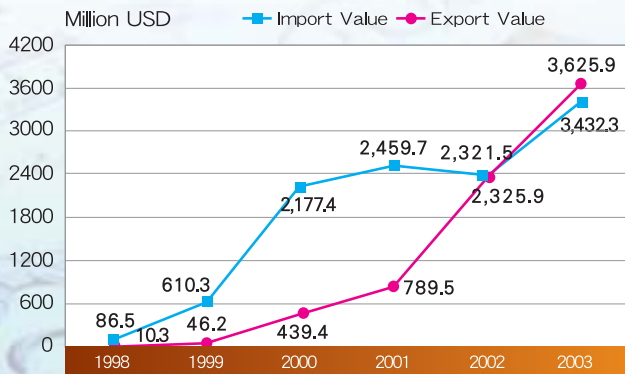


Figure 5-2-10 Foreign Trade Value Each Year

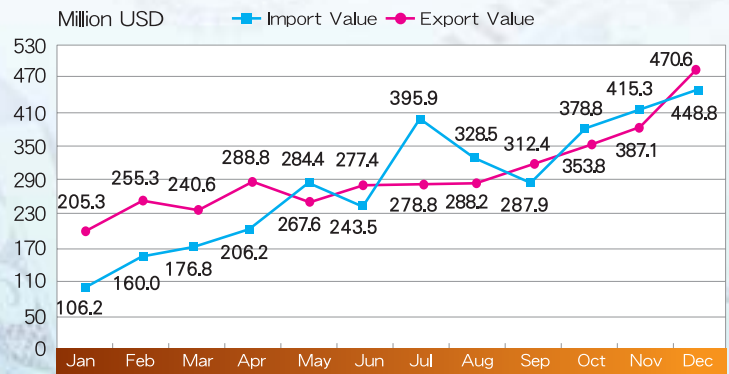


Figure 5-2-11 Foreign Trade Value in 2003

Products of the park enterprises have been sold to every corner of the world, but mainly to Hong Kong, Japan, Korea, U.S.A. and Singapore.

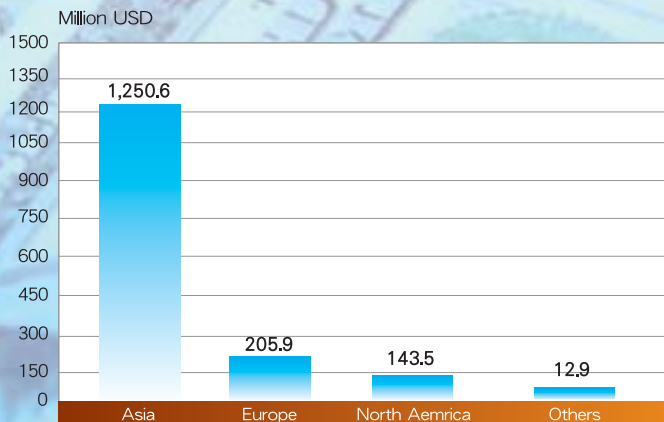


Figure 5-2-12 Export Value in 2003 (not including domestic sales and transfer sales within the bonded area)