

# Taiwan: KMT Calls For Oversight Of Trade Agreement With US Proves Ironic Compared To CSSTA

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**In past weeks, the KMT has called for [a legislative review](#) of the US-Taiwan Initiative on 21<sup>st</sup>-Century Trade. This proves ironic.**

The US-Taiwan Initiative on 21<sup>st</sup>-Century Trade is the first stage of a trade initiative in talks between Taiwan and the US, pertaining to customs and borders, regulatory practices, anti-corruption measures, and investment pertaining to small-to-medium sized enterprises. Subsequently, this will allow for negotiations on areas including state-owned enterprises, agriculture, labor, environmental protections, and non-market practices.

The US-Taiwan Initiative on 21<sup>st</sup>-Century Trade [was signed](#) between Taiwan's Representative to the US, Hsiao Bi-khim, as well as American Institute in Taiwan (AIT) Managing Director Ingrid Larson. AIT is the US government's representative body in Taiwan in lieu of formal diplomatic relations.

President Tsai Ing-wen has signed off on the initiative, as has the cabinet. Premier Chen Chien-jen has touted that progress on the initiative [could allow Taiwan to enter](#) multilateral trade agreements that it has been seeking admittance to, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP is the form that the TPP took after the US withdrawal from the CPTPP in the early days of the Trump administration. Japan is one of the significant driving forces behind the CPTPP currently.

With the US still declining to rejoin the CPTPP after the Biden administration took power, the Tsai administration is primarily focused on pursuing trade relations with the US and CPTPP countries separately, though it clearly sees both efforts as related. Namely, Taiwan has long sought closer economic relations with countries that are potential allies against the threat of a Chinese military invasion, such as the US and Japan. It is hoped that by increasing economic cooperation and investment from such countries, this increases the incentive for such countries to defend Taiwan against an invasion from China.

[Some DPP lawmakers have agreed](#) with the KMT that the US-Taiwan Initiative on 21<sup>st</sup>-Century Trade should be reviewed by the legislature, given the significant impact that trade agreements could have on Taiwan. Legal provisions specify that the Legislative Yuan be presented the trade agreement "for reference," but the KMT is calling for review of the trade agreement as a whole.

That is not incorrect. One should well remember the shocks experienced by Taiwan's agricultural industry after Taiwan joined the World Trade Organization (WTO). External market pressures following Taiwan's admittance to the WTO also led to the decline of domestic industries such as the cinema industry, with an influx of Hollywood films. This illustrates the importance of reviewing such trade agreements.

Yet calling for a review of the US-Taiwan Initiative on 21<sup>st</sup>-Century Trade is ironic when the KMT had previously not had such compunctions with regards to trade agreements it tried to push for with China. The most significant case in point would be with regard to [the Cross-Strait Services Trade Agreement \(CSSTA\)](#), which pan-Blue camp has sought to revive in present times.

The KMT attempted to circumvent committee review for the CSSTA in March 2014 in the series of events that precipitated the Sunflower Movement. Legislator Chang Ching-chung passed the [CSSTA in under thirty seconds](#), while reportedly hiding in a bathroom with a megaphone, as part of what were read as efforts by the KMT to quickly ram the bill through the legislature. Resultant public outrage led to the monthlong occupation of the Legislative Yuan by student activists, in what proved one of post-authoritarian Taiwan's largest and most significant social movements.

This goes to show, then, how the KMT only cares about the issue of legislative oversight when it serves its own purposes.

At times, both parties have swapped positions on trade-related issues. Indeed, one of the issues that the KMT has sought to attack the DPP over in terms of trying to facilitate closer economic relations with the US is how the Tsai administration [lifted long-standing barriers on pork imports from the US](#). This is framed as a way in which the Tsai administration disregarded public opinion to try and push for stronger economic relations with the US. Yet lifting barriers on pork imports from the US was originally proposed under the Ma administration, which was then opposed by the DPP.

But even so, the KMT leaning into attacks on the DPP over lack of transparency has often proved hypocritical and opportunistic given its past record on trade deals such as the CSSTA. Certainly, it is not as though the KMT calls for review for all trade agreements, just those that serve its purposes.

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