

gustav / May 11, 2009 09:23PM

[\[Sci-Tech Policy\]\[Industrial\] China Mobile's Moving into Taiwan Gets Stuck; However Chinese Capital May Legally into Taiwan by the End of May](#)

[Sci-Tech Policy][Industrial] China Mobile's Moving into Taiwan Gets Stuck; However Chinese Capital May Legally into Taiwan by the End of May ([Chinese Version](#))

On 26th-Apr., the third CHIANG-CHEN Meeting signed a MOU, allowing for Chinese capital's entering Taiwan. On 29th-Apr., Far Eastern Group chairman Douglas HSU held a press meeting in Hong Kong, announcing the biggest tele-company in China China Mobil Limited will purchase 12 % of Far Eastone Telecommunications' shares for NTD 17.7 billion (NTD 40 for each share, 4.4 hundred million shares in total) , presenting the likely first case of Chinese capital's entering Taiwan. According to NowNews's analysis (2009/05/11), the cooperation project between two sides is hidden with some intentions between the lines. It appears that China Mobile is giving NTD 17.7 billion to Far Eastone Telecommunications, but the money is going to invest back in the joint-venture of these two sides in China. That is, by referring currency to and fro China Mobile will have taken 12 % of Far Eastone Telecommunications's shares directly, and on the contrary all that Far Eastone Telecommunications is to do is merely issue extra 12 % shares, without spending any money, to share the opportunities of the Chinese tele-market with China Mobile. The cooperation between Far Eastone Telecommunications and China Mobile not only presents the first case of Chinese capital's entering Taiwan, but also stirs up public attentions and discussions, because the invested target of the case is not an ordinary one but the communication industry. Some people hold that capital from China will become the biggest dynamics in Taiwan market. Some people are worried that China authorities may get control via Chinese capital over the telecommunications industry in Taiwan. Premier LIU in Economic Daily News's interview on 9th-May (2009/05/11) stressed that there is no way for the case to get passed by now. Far East Group, however, responded that they wish the law be changed as soon as possible so that China Mobile could complete the purchase. Douglas HSU said, "Not passed today, it may get passed tomorrow; Not passed tomorrow, it may get passed the day after."

At the meanwhile, the news is released that the relevant regulations about Chinese capital's entering Taiwan and the accessible items of the first stage are going to be determined by the end of May. According to China Times E-paper (2009/05/11), Executive Yuan will hold a coordinative council for the issue about cross-Straits investment via the third land on 12th-May, which is expected to reach concrete determination in a short time. Besides, Ministry of Economic Affairs has determined the 65 accessible items for Chinese investment, including passive components in electronics industry, computer peripherals such as cellphones, telephones and acoustics in information appliances industry, and medical electrical equipments in biotech industry.

Further Information:

[Economic Daily News 2009/05/10](#) (Chinese)

[NowNews 2009/05/10](#) (Chinese)

[NowNews 2009/05/11](#) (Chinese)

[China Times E-paper 2009/05/11](#) (Chinese)

[China Times E-paper 2009/05/11](#) (Chinese)