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Testimony – **Assembly Bill 678** – Relating to trade relations with Taiwan

Assembly Committee on Jobs and the Economy **November 16, 2021**

Chairman Wittke and members of the committee, thank you for the opportunity to testify on this important piece of legislation.

Assembly Bill 678 directs the Wisconsin Economic Development Corporation to establish a trade office with the Republic of China (Taiwan) and to appoint a trade representative to conduct and improve trade relations between Wisconsin and Taiwan.

This legislation will help grow Wisconsin's already robust relationship with Taiwan. A sister-state relationship was established between us in 1986 and since then we have enjoyed strong bi-lateral trade, education partnerships, and cultural exchanges with Taiwan. The legislature strengthened that relationship further this year with the establishment of the Bi-Partisan Taiwan Friendship Caucus. It was an honor to host Taiwanese Ambassador Bi-Khim Hsiao at the capitol earlier this year as well.

The United State was Taiwan's second largest trading partner in 2020, with \$106.2 billion worth of trade in goods and services occurring between our two nations. Taiwan ranked as the United States' 9th largest market for export goods and 8th largest market for agricultural products. Taiwan was Wisconsin's seventh largest export market in Asia in 2019, with nearly \$225 million worth of Wisconsin goods exported to Taiwan.

Directing WEDC to hire a trade representative would allow Wisconsin to increase our exports to Taiwan even more. Wisconsin has a strong tradition of manufacturing and there are numerous opportunities for our producers to export their products to Taiwan. Having a full time trade representative to Taiwan would guarantee our manufacturers have a leg up when trying to find customers. Also, at a time when we are looking to create new markets for our state's farmers, opening to the door to new overseas markets for agricultural products is essential. A trade representative would help to build on and make similar agreements to the ginseng trade agreement we entered into with Taiwan earlier this year.

In addition to the economic benefits for our state that this bill would produce, there is also a strong symbolic value. Taiwan is an example of a strong, liberal democracy, with values similar to our own. They value freedom, the rule of law, and human rights like we do in the United State and Wisconsin. Unfortunately, Taiwan's continued existence is constantly under threat from the People's Republic of China. Designating a trade representative to Taiwan would show that Wisconsin stand's shoulder to shoulder with the free people of Taiwan.

Thank you again for allowing me to speak about this legislation. I am happy to take any questions you may have.