

Chronology of Events

(June 16 – July 15)

June 2010

16

U.S. Senator Dianne Feinstein revealed in a Senate hearing that China has proposed to redeploy some of its military forces opposite Taiwan in early June.

17

The Democratic Party of Japan (DPJ) unveiled its campaign platform for July 11's upper house election. Japanese Prime Minister Naoto Kan emphasized that politics is power and that power must be used to remove factors that cause the people's unhappiness. The DPJ pledged to pay off 50 percent of Japan's national debt in six years.

18

The Dalai Lama visited Japan.

18

The Ministry of Education stressed that it will send official notifications to all schools to remind them that schools must "attend to national dignity" when conducting exchanges with visitors from the People's Republic of China. Schools that remove national flags or portraits of the Republic of China's founding father Sun Yat-sen for no specific reason will be "severely punished," the ministry noted.

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The second Straits Forum was held in Xiamen and other eight cities in China's Fujian Province.

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Mainland Affairs Council Deputy Minister Liu Te-shun said the signed Economic Cooperation Framework Agreement (ECFA) is not guidelines for policy execution of the government's administrative agencies yet because the pact is still awaiting the Legislative Yuan's review and approval.

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The Directorate-General of Budget, Accounting and Statistics announced that the unemployment rate in May was 5.14 percent.

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A Yang Ming Marine Transport Corp. ship carrying Taiwan Air Force's two E-2T early-warning aircraft set off from Kaohsiung Harbor to bring the planes to the United States for upgrades to the E-2K Hawkeye 2000 status.

23

Deputy Chairman of China's Association for Relations Across the Taiwan Strait (ARATS) Zheng Lizhong arrived in Taipei to negotiate and prepare for details of the fifth meeting between Straits Exchange Foundation (SEF) Chairman Chiang Pin-kung and ARATS Chairman Chen Yunlin.

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Julia Gillard took Australia leadership and became the country's first female prime minister after Kevin Rudd resigned.

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The Japanese Ministry of Defense officially announced the new Air Defense Identification Zone (ADIZ) line over Yonaguni Island, extending the ADIZ into Taiwan's airspace by two nautical miles.

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The Democratic Progressive Party (DPP) held a massive rally against the ECFA. The theme of the rally, which demanded that the government put the trade pact to referendum, was "Say No to China; We Want Referendum."

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The G8 Summit in Canada concluded and passed the Final Declaration, which looked to the work of the G20 for the recovery of the global economic system and, on the diplomatic front, condemned Iran and North Korea for their continual development of nuclear weapons.

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The G20 Summit in Canada concluded and passed a communiqué, which allowed the countries to make their own decisions on whether to introduce a bank tax. The G20 nations also committed themselves to halving budget deficits by 2013 and to stabilizing the ratio of public debt to GDP by 2016.

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The U.S.-based Defense News reported that the U.S. is holding back arms sales to Taiwan due to pressure from China.

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The ECFA was signed in the fifth meeting between SEF Chairman Chiang Pin-kung and ARATS Chairman Chen Yunlin held in Chongqing.

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The Taiwan Solidarity Union delivered to the Central Election Commission 105,000 signed petition forms that requested the government put the ECFA to a referendum.

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The U.S. Department of State said the U.S. continues to evaluate Taiwan's defense needs under the Taiwan Relations Act and that it does not consult with any other country in making those decisions.

July 2010

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President Ma Ying-jeou announced economic strategies for the post-ECFA era.

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Japan's Youmiri Shimbun reported that the U.S. government is reconsidering the relocation of approximately 8,000 marine personnel from Okinawa Prefecture to Guam. The U.S. Department of Defence will decide whether to relocate the marines in the 2010 Japan-U.S. Roadmap for Realignment Implementation scheduled to be produced at the end of this year.

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A Chinese destroyer and frigate passed the international waters between the Japanese islands of Okinawa and Miyako on their way into the Pacific Ocean.

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According to the MasterCard Worldwide Index of Consumer Spending Capability released by credit card issuer MasterCard Worldwide, Taiwan's consumer spending capability rose from 49.2 points of the previous year to 64.7 this year. Taiwan's increase in consumer spending capability came only after that of Vietnam among the 14 markets in the Asia-Pacific. The country's retail sales are expected to grow by between 5 percent and 10 percent this year.

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The Central Bank of the Republic of China (Taiwan) announced that the country's foreign exchange reserves hit a new record high of US\$362.38 billion at the end of June, US\$2.26 billion higher than a month earlier.

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The European Commission adopted a proposal to amend Regulation 539/2001 governing the visa policy of the EU Member States, granting Taiwan Schengen visa waiver privileges. Taiwanese passport holders would no longer require a visa when traveling to the EU Member States for 90 days or less.

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A survey conducted by the China Credit Information Service, Ltd. and commissioned by the Mainland Affairs Council found that 79.3 percent of respondents supported the government's handling of cross-Strait affairs through institutionalized negotiations. The survey also showed that 61.1 percent were satisfied with results of the ECFA negotiations, 62.6 percent believed that the ECFA was helpful for Taiwan's pursuit of FTAs with other countries, and 59.2 percent saw the ECFA as being beneficial to Taiwan's long-term economic development.

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The first Japan-India Two-Plus-Two Dialogue was held in New Delhi, participated by Japan's deputy minister for foreign affairs and vice minister of defense and India's foreign secretary and defense secretary.

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Premier Wu Den-yih said a trial period of allowing individual Chinese tourists' visits to Taiwan will be launched by next year's Lantern Festival if preparatory measures have been completed by that time.

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The provisional legislative session called to review the ECFA approved a proposal to allow the agreement to skip preliminary review and enter second reading directly. A serious scuffle broke out between legislators of the ruling and the opposition parties.

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The DPP caucus announced its withdrawal from the provisional legislative session called to review the ECFA.

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The sixth Cross-Strait Economic, Trade and Culture Forum sponsored by the KMT and the Chinese Communist Party opened in Guangzhou.

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The 22nd elections to the Japanese House of Councilors were held. In this election for half of the seats in the upper house of the Diet, the DPJ won just 44 seats, which, combined with the party's seats not contested in the vote, means the party holds only 110 seats, well short of a majority of at least 122 seats.

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KMT Honorary Chairman Wu Po-hsiung met with Chinese President Hu Jintao, who said cross-Strait relations will continue to move forward if both sides adhere to the common political ground of "opposing Taiwan independence and abiding by the 1992 Consensus."

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The Legislative Yuan passed an amendment to the Civil Servants Retirement Law, which adopted a new system referred to as the "85 formula"—the sum of a public servant's age and number of service years should be no less than 85.

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The People's Bank of China (China's central bank) designated its Hong Kong branch as the bank for cross-Strait currency transaction. The Hong Kong branch will replace HSBC and Bank of America as the bank responsible for supplying Renminbi cash notes for Taiwan. New Taiwan dollar notes will be offered by the Bank of Taiwan and Mega Bank.

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The Farm Villages Revival Act was passed following its third reading in the Legislative Yuan, which finalized the Farm Villages Rejuvenation Fund at NT\$150 billion. The government can set the budget over a 10-year period to stimulate revival of farm villages.

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The China Times published a poll on the Taipei City mayoral race. Support rates for Hau Lung-bin, the incumbent mayor, and his challenger Su Tseng-chang stood at 42.9 percent and 38.5 percent respectively. Meanwhile, 18.7 percent of respondents said they have not decided which candidate they will support.

