

## Foreword

The year 2022 seems to be an extraordinary year when the challenge of the emerging powers of the world became more prominent and visible. First of all, the BRICS countries strive to challenge the so-called unipolar world order led by the US with the view of changing it to a multi-polar system in which other powers would attain leading roles in global dimension. Just at the end of the recent wave of Covid, the military conflict broke out between Russia and Ukraine which was the first but perhaps not the last step. Tensions are aggravating not only in the former Soviet areas, but also, recently between Serbia and Kosovo, and the gloomy clouds above the Strait of Taiwan are gathering, too. In early August 2022, we can witness another serious conflict which pinpoints the extremely sensitive issue and situation of Taiwan. The high majority of the international community, including the United States and all members of the European Union, follow the One-China-Principle. Therefore, Taiwan is not recognized as an independent state, however, since the 1970s, it has developed an advanced economy and since the late 1980s, the society has gone through a democratization process. Taiwan has its own government which has a narrow space to balance. It has to avoid declaring independence as it would be a *casus belli* for the People's Republic of China (PRC) as it considers Taiwan its own territory, but also considers risky to further enhance business and economic relations with the PRC. Anyhow, Taiwan's economy is strongly tied to the PRC as roughly one third of its exports and imports are carried out with the PRC. During the recent years, it seemed China did not search for a military solution for the reunification, considering a peaceful and long-term merge catalyzed by business and cooperation in various fields would be more desirable and successful. Now, when the military tension looks increasing again at the Strait, we can just hope that cool minded considerations and common sense will remain dominant at both sides of the Strait.

So, Taiwan has a number of challenges in our days. Besides the external risks, Taiwanese society and economy also face a lot of additional challenges, like brain drain, stagnant wages, lack of internal investments and so on.

In the present book of studies—*Changing Trade and Investment Relations of the Taiwanese Economy*—the esteemed Reader can find eight studies being authored by professors and scholars from Hungary and Taiwan. The objective of the book is to broaden the readers' scope about Taiwan's economy including its relations with the most important partners and also to provide a perspective to the Taiwanese society including cultural aspects. Besides the first comprehensive study: "Taiwan's Social and Economic Challenges", Taiwan's economic relations with the US, the European Union, the cross-Strait relations, moreover the business relations with Japan, South Korea and the developing countries are in the focus. Another study focuses on Taiwan's participation in the World Trade Organization. Two other studies examine social aspects as well, giving a deeper insight into the internal retail commerce and also into the social and cultural aspects of Taiwan.

I believe this book will be not only interesting, but also useful, giving new ideas for professionals and scholars. I wish to express my gratitude for the financial and moral support received from the Taipei Representative Office in Budapest as well as the Budapest Business School, University of Applied Sciences (BBS) and also to our contributing authors including two Taiwanese colleagues, Prof. Tony Sowang Kuo (Shih Chien University) and Adolfo Yinshi Wu (Fu Jen Catholic University) whose valuable professional contributions enabled us to publish the present book of studies.

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