Impact of Chinese Economic Policies Fluctuation on Taiwanese Investment in China: Case study on Chemical Industry

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Abstract

The purpose of this research paper is to probe into the economic policy of China so as to see how those changes have affected Taiwanese businessmen. After the open door policy, China has opened up many concessional terms to attract foreign direct investment to China. While the Chinese economic growth gradually, China has reformed and adjusted some policies to intrigue foreign investor to invest in China.

In March 2015, China has officially announced the Article number 62, trying to retrieve some of the favorable measures from foreign investors. Taiwanese businessmen might be the most have been impacted the most. The article will inevitably cause much profit loss for Taiwanese businessmen who have already invested in China. The main purpose of this action is to make the businessmen in both China and Taiwan economies to earn the same right in doing business. The research is a qualitative research. It would focus on chemical-related industry. By interviewing the chemical-related industry managers, the research could gather statistics and analyze their thoughts regarding this issue. The research expects to explore how Taiwanese businessmen perceive this new regulatory and what they predict would change after the implementation of this new proposed economic policy.

The research goal is to find out whether the Taiwanese businessmen would lower their investment interest or not when the policy implements. Second, what the Taiwan businessmen would react after the implementation of this article, if they would alter their investment into another countries. Also, it aims to understand how they perceive

China in this global economic environment and what their viewpoint upon this issue.

Key word: China Foreign Direct Investment, Article Number 62, Economic Policies Changes, Taiwan Chemical Industry Businessmen, Economic Development