

**Australia/Taiwan Electronics and ICT
Industry Strategic Framework Agreement (ATSFA)**
“Creating New Industries Together”

In July 2005, the Australian and Taiwan ICT industries agreed to co-operate in the mutual development of their electronics and ICT sectors through the implementation of a program of engagement guided by a strategic framework agreement (ATSFA) as a logical consequence of an active program of activities developed between the Australian Electrical & Electronic Manufacturers' Association (AEEMA) and the Taiwan Electrical & Electronic Manufacturers' Association (TEEMA) since early 2002. Progress under the ATSFA is reported annually to the Bilateral Economic Consultations between Australia and Taiwan.

For the Taiwan side, the Institute for Information Industry (III) was assigned responsibility to communicate with the Taiwan Government and to participate in areas assigned. For the Australian side, it was decided that AEEMA, on behalf of the Electronics Industry Action Agenda Group, would coordinate engagement from the Australian side and communicate with the Australian Government.

The truly unique ATSFA addresses five key areas of engagement (i.e. partnership and collaboration).

1. Technology R&D
2. High Value Added ICT Manufacturing
3. Strategic Alliances.
4. Investment Collaboration.
5. Trade Facilitation

A number of projects (e.g. automotive telematics, RFID, WiMAX etc) have been selected and endorsed as 'Gold Star' by both Sides.

In August 2007, the Taiwan Industrial Research Institute (ITRI) and AEEMA, on behalf of its member companies associated with the Automatic Data Capture Australia (ADCA) forum, have executed a separate exclusive MoU to promote cooperation and exchange of RFID technology experience between the Australian and Taiwanese industries as an extension of the program of agreed industry engagement as provided for in the Strategic Framework Agreement. The principal purpose of the MOU is to identify and facilitate Taiwan/Australian industry/business/R&D and Taiwan/Australian Government involvement in establishing this co-operation and identifying other joint R&D and commercial opportunities where RFID technologies can be applied.

On 1 January 2008, AEEMA was incorporated into the Australian Industry Group (Ai Group) which has assumed responsibility for furthering the goals of both the above-mentioned agreements.

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19 July 2005

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PREAMBLE

The Australian and Taiwan ICT industries have agreed to co-operate in the mutual development of their electronics and ICT sectors through the implementation of a program of engagement guided by a strategic framework agreement.

This engagement is principally aimed at identifying and developing new industries in the electronics and ICT sectors.

In October 2004, the Institute for Information Industry (III), on behalf of the Ministry of Economic Affairs and Taiwan’s ICT Industry, and the Australian Electrical & Electronic Manufacturers’ Association (AEEMA), on behalf of the Australian Electronics Industry Action Agenda Implementation Group, signed a letter of intent so as to recognise the importance of Taiwan-Australia electronics/ICT industry collaboration, to advance the partnership of collaboration, and to seek an innovative promotion model.

At subsequent meetings attended by government and industry participants in Australia and Taiwan, it was agreed that the collaboration arrangements would be detailed in a strategic framework agreement.

The Electronics Industry Action Agenda is an endorsed Australian Government program approved by Cabinet on 10th June 2003. The Action Agenda is a ten-year vision incorporating five year goals, along with a series of actions for further developing a competitive and sustainable electronics industry by 2012.

It is intended that the achievement of the Agenda’s vision will further improve the performance of Australia’s electronics industry, and support its role as a key enabler of other industries such as automotive, health and defence. The Electronics Industry Action Agenda specifically includes development of Australia’s photonics (opto-electronics) industry.

The Electronics Industry Action Agenda is being implemented by an Australian Government appointed implementation group with AEEMA providing secretarial support.

The Industry Development Bureau of the Ministry of Economic Affairs, Taiwan has been assigned responsibility to coordinate program participation with relevant government departments, research institutes, and industry associations with III providing secretarial support.

Now therefore, the Parties agree on the following terms.

BASIS OF COLLABORATION

That Taiwan and Australia shall jointly undertake the development of potential partnership and collaboration in the following areas:

1. Technology Research and Product Development.

2. High Value ICT Manufacturing
3. Strategic Alliances
4. Investment Collaboration
5. Trade Facilitation

Projects embraced by the above areas are detailed in Appendix 1.

PROGRAM STRATEGIES AND DESCRIPTIONS

1. Technology Research and Product Development

The agreed strategy is to take advantage of the close relationship between industry associations and research institutes of both sides to promote next generation information and communication technology (ICT) cooperation so as to develop new industries by

- Developing new co-ventures focused on key verticals where Australia has specialised sectoral strengths in ICT systems e.g. mining, agriculture, multimedia, telecommunications (telematics, fibre to the premises, distributed sensor systems), medical devices/electronics, defence, security, and environment.
- Developing new co-ventures around areas of emerging technological advantages e.g. photonics (opto-electronics), micro and nano-electronics, advanced materials, wireless, advanced displays, and volumetric data storage.

2. High Value-added ICT Manufacturing

Agreed Strategy:

Focus on strengths of both sides represented by Australian industry (represented by AEEMA) and TEEMA to provide assistance for global markets by

- Accessing Australia's highly competitive, contract manufacturing and design capacity for the development and early stage manufacture of prototype electronics/ICT products tested in an Australian (western) marketplace.
- Developing clever, innovative, Taiwan-branded products then mass manufactured in China for the China, USA and new global markets.
- Raising awareness of Australia's highly efficient design tools for hardware design and embedded software development to strengthen capability within Taiwan and to increase market for Australia vendors increasing overall combined competitiveness.
- Co-development and commercialisation of innovative, integrated product-related systems (e.g. automotive electronics/telematics, ITS, medical devices/electronics etc) for global markets.
- Collaborative system integration project execution to utilise the design, manufacturing and management strengths of Australia and Taiwan to supply more competitive bids to the markets of China, USA and other global markets.

3. Strategic Alliances

Agreed Strategy:

Integrating the efforts from both sides on issues related to ICT industry cluster build-up and market development strategies in the Greater China Region by

- Developing new innovative collaborative arrangements linked to industry clusters, forums, and technology parks.
- Developing pilot projects that leverage off available funding programs in both countries, and in Australia are linked to the Electronics Industry Action Agenda and other action agendas which impact on the electronics and ICT industries (e.g. Digital Content Industry, Medical Devices Industry, Advanced Manufacturing, and Scientific Instruments etc).

4. Investment Collaboration

Agreed Strategy:

Establishment of a platform for exchange between Taiwanese and Australian ICT industrialists and venture capitalists, and use of that platform to hold ICT venture investment seminars where the two sides can introduce their ICT investment environments and business opportunities with the aim of stimulating two-way investment.

5. Trade Facilitation

Agreed Strategy:

Organisation of activities such as business meetings, market development seminars and two-way visits by

- Developing a focused, national program for enhancing electronics and ICT trade between Australia and Taiwan.
- Taiwan contributing to the Electronics Industry Action Agenda Working Group - distribution and market development.
- Taiwan assisting Australian industry with market development codes.

COLLABORATION FRAMEWORK

The collaboration will be undertaken through project activities as identified in Appendix 2 (high priority), Appendix 3 (medium priority) and Appendix 4 (low priority).

PROJECT PARTICIPANTS

Project participants from both sides are identified in Appendix 5.

OVERALL DIRECTION OF THE AUSTRALIA/TAIWAN ELECTRONICS AND ICT INDUSTRY STRATEGIC FRAMEWORK AGREEMENT

The implementation of the Strategic Framework Agreement will be over sighted by a Steering Group comprising nominated representatives of both sides who will meet at least once annually in either Australia or Taiwan to determine the scope of

projects to be undertaken, and to discuss and determine the priority allocation of projects.

The Steering Group will be supported on the Australian side by the Department of Industry, Tourism and Resources, and on the Taiwan side by the Ministry of Economic Affairs.

LIMITATIONS

Neither side, however, authorises the other to represent it or to act it on its behalf in any matter without prior consultation with and agreement of the other concerning such representation.

The abovementioned Steering Group will discuss opportunities for the sourcing of funding and resources for projects, however the responsibility for sourcing funding and managing projects will be undertaken by the individual project teams and not by the signatories to this Agreement.

This Agreement will remain in force (in its current form) for the approved duration of the Electronics Industry Action Agenda implementation period.

PRINCIPAL CONTACTS

Correspondence between the two sides will be directed to the following principal contact persons.

Australia

Angus M Robinson

Chief Executive

Australian Electrical and Electronic Manufacturers' Association Ltd (AEEMA)

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Taiwan

Gary Gong

Vice President and General Director of ACI

Institute for Information Industry

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Taipei 106, Taiwan

Email: gary@iii.org.tw

EXECUTION OF AGREEMENT

This agreement shall enter into force on the date of signature hereof:

**By: Institute for Information
Industry (III)**

**By: Australian Electrical and
Electronic Manufacturers'
Association Ltd (AEEMA)**

**Dr. Der-Her Lo
Executive Vice President**

**Mr. Angus M Robinson
Chief Executive**

**Witness:
Ministry Of Economic Affairs**

**Witness:
Department of Industry,
Tourism and Resources**

**Dr. Chii-Ming Yiin
Vice Minister**

**Mr. John Ryan
Deputy Secretary**

Date: 19th July, 2005

**Report to the Bi-Lateral Economic Consultations (BEC)
Australia/Taiwan ICT Industry Strategic Framework Agreement
“Creating New Industries Together”**

TOPIC:

Report to the 2011 meeting of Bilateral Economic Consultations (BEC) on the outcomes of the Embedded Smart System Industry Cooperation Talks held on 9th May 2011 with particular suggestions relating to future administration and management of the currently approved Australia/Taiwan ICT Industry Strategic Framework Agreement (ATSFA) arrangements.

BACKGROUND:

In July 2005, the Australian and Taiwan ICT industries agreed to co-operate in the mutual development of their electronics and ICT sectors through the implementation of a program of engagement guided by a strategic framework agreement (ATSFA) as a logical consequence of an active program of activities developed between the Australian Electrical & Electronic Manufacturers' Association (AEEMA) and the Taiwan Electrical & Electronic Manufacturers' Association (TEEMA) since early 2002. Progress under the ATSFA is reported annually to BEC.

For the Taiwan side, the Institute for Information Industry (III) was assigned responsibility to communicate with the Taiwan Government and to participate in areas assigned. For the Australian side, it was decided that AEEMA, through the Australian Government supported Electronics Industry Action Agenda (now concluded), would coordinate engagement from the Australian Side.

The truly unique ATSFA addresses five key areas of engagement (i.e. partnership and collaboration) i.e. Technology R&D, High Value Added ICT Manufacturing, Strategic Alliances, Investment Collaboration, and Trade Facilitation. A number of projects have since been selected and endorsed as 'Gold Star' by both Sides.

In August 2007, the Taiwan Industrial Research Institute (ITRI) and AEEMA, on behalf of its member companies associated with its Automatic Data Capture Australia (ADCA) forum, have executed a separate exclusive MoU to promote cooperation and exchange of RFID technology experience between the Australian and Taiwanese industries as an extension of the program of agreed industry engagement as provided for in the Strategic Framework Agreement. The principal purpose of the MOU is to identify and facilitate Taiwan/Australian industry/business/R&D and Taiwan/Australian Government involvement in establishing this co-operation and identifying other joint R&D and commercial opportunities where RFID technologies can be applied.

On 1 January 2008, AEEMA was incorporated into the Australian Industry Group (Ai Group) which has, to date, assumed responsibility for furthering the goals of both the above-mentioned agreements with financial support from the Australian Government through Austrade's Global Opportunities program.

PRESENT SITUATION:

Whilst Austrade has been facilitating continuing ICT collaboration in the areas of ehealth and RFID through the auspices of the Global Opportunities program with the Ai Group responsible for project coordination of the Taiwan Australia ICT Cluster, it now seems that the Ai Group has informally advised III that it is no longer prepared to support the balance of the ATSFA arrangements.

In the lead-up to the 2011 BEC meeting, ICT discussions between III and Australian interests have been focusing on the technology area of smart embedded systems, a project originally identified in 2007 as an approved 'Gold Star' project opportunity. The Australian interest has emerged through the recent appointment of the former Chief Executive of AEEMA (co-champion of the original ATSFA arrangements) as Chairman of Embedded Systems Australia (ESA), a horizontally aligned, project-based national industry cluster comprising over 100 hi-tech corporate members. The Cluster's members are interested in developing embedded systems technologies and marketing smart products to global supply chains, and the ATSFA focus on high value added ICT manufacturing is seen as a very positive reason for engagement.

At ICT discussions held in Taipei on 9th May 2011 attended by senior representatives of ESA and III, the opportunity was afforded to present perspectives from both Sides of the potential areas of embedded smart system industry cooperation with follow-up activities scheduled for later in the month.

The ESA Cluster is closely aligned with NICTA, Australia's principal ICT R&D organisation which has already shown interest in a number of technology R&D project activities related to ATSFA. It is worthy of noting that ESA is strongly supported by The Warren Centre for Advanced Engineering of The University of Sydney and the NSW Government.

In regard to other areas of the ATSFA arrangements, it is recognised that Austrade already has core portfolio responsibility for investment collaboration and trade facilitation. Moreover, informal recent inquiries have established that the Australian Industry Capability Network www.icn.org.au and the Innovation Exchange www.ixc.com.au (managers of the ITRI Connect program) may have an interest in participating in building strategic alliances in the areas of ICT manufacturing and technology exchange respectively.

RECOMMENDATION

It is clear that there is strong support on both Sides for the continuation of the ATSFA concept, but there needs to be a period of high level consultation with Australian interested parties so as to develop new formal arrangements underpinned by a committed coordinating organisation based in Australia.

It is recommended that BEC endorse the initiation by ESA (on behalf of the Australian Side) of formal discussions at a high strategic level with other interested participating Australian parties with the objective of recommending new administrative and management arrangements for the ATSFA.

30th May 2011