

海峽兩岸海運協議

(本協議尚待送陳陸委會報請行政院核轉立法院決議)

為實現海峽兩岸海上客貨直接運輸，促進經貿交流，便利人民往來，財團法人海峽交流基金會與海峽兩岸關係協會就兩岸海運直航事宜，經平等協商，達成協議如下：

一、經營資格

雙方同意兩岸資本並在兩岸登記的船舶，經許可得從事兩岸間客貨直接運輸。

二、直航港口

雙方同意依市場需求等因素，相互開放主要對外開放港口。

三、船舶識別

雙方同意兩岸登記船舶自進入對方港口至出港期間，船舶懸掛公司旗，船艏及主桅暫不掛旗。

四、港口服務

雙方同意在兩岸貨物、旅客通關入境等口岸管理方面提供便利。

五、運力安排

雙方按照平等參與、有序競爭原則，根據市場需求，合理安排運力。

六、稅收互免

雙方同意對航運公司參與兩岸船舶運輸在對方取得的運輸收入，相互免徵營業稅及所得稅。

七、海難救助

雙方積極推動海上搜救、打撈機構的合作，建立搜救聯繫合作機制，共同保障海上航行和人身、財產、環境安全。發生海難事故，雙方應及時通報，並按照就近、就便原則及時實施救助。

八、輔助事項

雙方在船舶通信導航、證照查驗、船舶檢驗、船員服務、航海保障、污染防治及海事糾紛調處等方面，依航運慣例、有關規範處理，並加強合作。

九、互設機構

雙方航運公司可在對方設立辦事機構及營業性機構，開展相關業務。

十、聯繫主體

(一) 本協議議定事項，由台灣海峽兩岸航運協會與海峽兩岸航運交流協會聯繫實施。必要時，經雙方同意得指定其他單位進行聯繫。

(二) 本協議其他相關事宜，由財團法人海峽交流基金會與海峽兩岸關係協會聯繫。

十一、協議履行及變更

(一) 雙方應遵守協議。協議附件與本協議具有同等效力。

(二) 協議變更，應經雙方協商同意，並以書面方式確認。

十二、爭議解決

因適用本協議所生爭議，雙方應儘速協商解決。

十三、未盡事宜

本協議如有未盡事宜，雙方得以適當方式另行商定。

十四、簽署生效

本協議自雙方簽署之日起四十日內生效。

本協議於十一月四日簽署，一式四份，雙方各執兩份。

附件：海峽兩岸直航船舶、港口安排

財團法人海峽交流基金會

海峽兩岸關係協會

董事長 江丙坤

會長 陳雲林

附件

海峽兩岸直航船舶、港口安排

依據本協議第一條、第二條，議定具體安排如下：

- 一、兩岸資本並在香港登記的船舶比照直航船舶從事兩岸間海上直接運輸，在進出兩岸港口期間，其船舶識別方式比照「台港海運商談紀要」有關香港船舶的規定。
- 二、目前已經從事境外航運中心（兩岸試點直航）運輸、兩岸三地貨櫃（集裝箱）班輪運輸、砂石運輸的兩岸資本權宜船，經特別許可，可按照本協議有關船舶識別等規定，從事兩岸間海上直接運輸。
- 三、雙方現階段相互開放下列港口：

台灣方面為十一個港口，包括：基隆（含台北）、高雄（含安平）、台中、花蓮、麥寮、布袋（先採專案方式辦理）等六個港口，以及金門料羅、水頭、馬祖福澳、白沙、澎湖馬公等五個「小三通」

港口。

大陸方面為六十三個港口，包括：丹東、大連、營口、唐山、錦州、秦皇島、天津、黃驊、威海、煙台、龍口、嵐山、日照、青島、連雲港、大豐、上海、寧波、舟山、台州、嘉興、溫州、福州、松下、寧德、泉州、蕭厝、秀嶼、漳州、廈門、汕頭、潮州、惠州、蛇口、鹽田、赤灣、媽灣、虎門、廣州、珠海、茂名、湛江、北海、防城、欽州、海口、三亞、洋浦等四十八個海港，以及太倉、南通、張家港、江陰、揚州、常熟、常州、泰州、鎮江、南京、蕪湖、馬鞍山、九江、武漢、城陵磯等十五個河港。

雙方同意視情增加開放港口。

Cross-Strait Sea Transport Agreement (Draft)

To implement direct cross-strait transport of passengers and cargo by sea, so as to promote economic and trade interflows and facilitate contacts between the peoples on the two sides of the Taiwan Strait, the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait, after negotiation based on an equal footing, hereby agree on the following matters concerning direct cross-strait shipping:

1. Eligibility to Operate

The Parties agree that vessels owned and registered on either side of the Taiwan Strait may, with due approval, engage in direct cross-strait carriage of passengers and cargo.

2. Direct Transport Ports

The Parties agree to mutually open main external open ports in accordance with market demand and other relevant factors.

3. Vessel Identification

The Parties agree that vessels registered on either side of the Taiwan Strait shall not fly their flag on the stern or mainmast of the vessel between entering and leaving the other side's ports, but shall fly their company flag for vessel identification.

4. Port Services

The Parties agree to provide facilitation for cross-strait goods and passengers to pass through port customs and immigration controls.

5. Transport Capacity Arrangement

The two sides will rationally arrange transport capacity according to the principles of equal participation and orderly competition, and based on market demand.

6. Mutual Tax Exemption

The Parties agree to mutually exempt each other's shipping companies from the payment of business and income tax on revenue derived from participation in cross-strait shipping.

7. Sea Disaster Rescue and Assistance

The two sides shall actively cooperate with sea search & rescue and recovery entities, shall establish search & rescue liaison and cooperation mechanisms, and shall jointly safeguard navigation and the safety of life, property and the environment at sea. When an accident occurs at sea, the two sides shall promptly notify each other, and promptly undertake rescue and assistance in accordance with the principles of proximity and convenience.

8. Supporting Matters

The two sides shall handle matters concerning communication & navigation, license inspection, vessel inspection, crew services, navigation safeguards, pollution prevention & remediation, and maritime dispute arbitration in accordance with shipping practice and pertinent regulations, and strengthen cooperation.

9. Mutual Establishment of Entities

The two sides' shipping companies may establish offices or business entities on each other's side to carry out related business operations.

10. Liaison Bodies

- (1) Communications regarding the matters stipulated in this agreement shall be handled by the Taiwan Cross-Strait Shipping Association and the Cross-Strait Shipping Exchange Association. The Parties may designate other institution(s) for such communications, if necessary, upon mutual consent.
- (2) Communications regarding other matters related to this Agreement shall be handled by the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait.

11. Performance and Amendment to the Agreement

- (1) The Parties shall comply with the provisions of this Agreement. The Annex to the Agreement shall have the same effect as the Agreement itself.

(2) This Agreement shall be amended only with both Parties' consents, and shall be confirmed in writing.

12. Dispute Resolution

Any disputes arising from the application of this Agreement shall be resolved by prompt negotiation between the Parties.

13. Matters not Mentioned in this Agreement

Matters not mentioned in this Agreement shall be separately discussed and resolved by the Parties in an appropriate manner.

14. Effective Date

This Agreement shall become effective within 40 days after signature by the Parties.

This Agreement was signed on November 4 in four original copies, with each Party keeping two copies.

Annex: Vessel and port arrangements for direct cross-strait shipping.

Straits Exchange Foundation
Chairman

Association for Relations Across the Taiwan Strait
Chairman

(Signature)

(Signature)

[Note: In case of any discrepancy between the Chinese and English texts, the Chinese text shall govern.]

ANNEX

Vessel and Port Arrangements for Direct Cross-Strait Shipping.

Specific arrangements under Articles 1 and 2 of this Agreement are as follows:

1. Vessels owned by companies on either side of the Taiwan Strait and registered in Hong Kong may similarly engage in direct cross-strait transport of passengers and cargo, and between entering and exiting cross-strait ports, their vessel identification method shall comply with the relevant provisions for Hong Kong vessels as set out in the Minutes of Talks on Taiwan-Hong Kong Shipping Negotiations.
2. Flag-of-convenience vessels owned by shipping companies on either side of the Taiwan Strait and that are currently already engaging in offshore shipping center (“test point for direct shipping”) transport, cross-strait third-territory container line transport, and sand and gravel transport, having obtained special permits, may, in compliance with the provisions concerning vessel identification set out in this Agreement, undertake direct cross-strait sea transport.
3. In the present stage, the two sides shall mutually open the following ports:

Eleven ports on the Taiwan side, namely: the six ports of Keelung (including Taipei), Kaohsiung (including Anping), Taichung, Hualien, Mailiao and Budai (initially to be carried out on a special case basis) and the five “Mini-Three links” ports of Liaoluo and Shueitou on Kinmen, Fuao and Baisha on Matsu, and Magong on Penghu.

Sixty-three ports on the Mainland side, namely the 48 seaports of Dandong, Dalian, Yingkou, Tangshan, Jinzhou, Qinhuangdao, Tianjin, Huanghua, Weihai, Yantai, Longkou, Lanshan, Rizhao, Qingdao, Lianyungang, Dafeng, Shanghai, Ningpo, Danshan, Taizhou, Jiaxing, Wenzhou, Fuzhou, Songxia, Ningde, Quanzhou, Xiaocuo, Xiuyu, Zhangzhou, Xiamen, Shantou, Chaozhou, Huizhou, Shekou, Yantian, Chiwan, Mawan, Humen, Guangzhou, Zhuhai, Maoming, Zhanjiang, Beihai, Fangcheng, Qinzhou, Haikou, Sanya and Yangpu, and the 15

river ports of Taicang, Nantong, Zhangjiagang, Jiangyang, Yangzhou, Changshou, Changzhou, Taizhou, Zhenjiang, Nanjing, Wuhu, Ma'anshan, Jiujiang, Wuhan and Chenglingji.

The Parties agree to increase the opening of ports as circumstances warrant.

「海峽兩岸海運協議」相關說明

—第二次「江陳會談」成果（海運篇）

行政院大陸委員會
97年11月4日

壹、海運直航之迫切性與必要性

一、經濟的迫切性

（一）兩岸經貿往來日益密切，衍生海上客貨直接運輸之需求龐大：

96年兩岸貿易1,302億美元，占總貿易額27.9%；其中對大陸出口1,004億美元，占總出口額40.7%。

96年兩岸海運貨物進出口量，達137萬個20呎標準貨櫃（TEU），散雜貨達1,662萬公噸，但除少數轉口貨得經「境外航運中心」直航外，多數需彎靠第三地間接運輸。

（二）目前亞洲貨源超過三分之一來自大陸，但往來兩岸船舶從大陸港口載貨後須彎靠第三地才能進入台灣港口，費時費力，不僅大幅增加貨物運送時間及成本，影響航商競爭力，也讓外國航商留駐我港口之意願降低甚至撤離台灣，造成我國港口在全球國際貨櫃港口排名逐年下滑（2003年高雄港貨櫃進出量排名世界第4，2007年降至世界第7），影響台灣在亞洲海運可以扮演的重要角色。

(三) 由於國輪迄今無法參與兩岸客貨運輸，航商紛紛將國輪改至其他國家註冊，以致近年國輪噸位數大幅下降，權宜籍船比重高達 84%，不利台灣整體航運之發展。

二、堅實的民意基礎

(一) 歷年各類民調皆有超過 7 成以上的民眾支持兩岸直航，企業界支持直航的比例更超過 9 成以上，直航的社會共識早已形成。

(二) 前民進黨政府早在 92 年 8 月即提出兩岸直航政策，93 年及 97 年總統大選，民進黨候選人也以推動直航作為重要政見，足見推動直航是歷來政府的施政目標，不是馬政府的專利。

三、海運直航的逐步推動

(一) 自 86 年 4 月起實施「境外航運中心」(大陸方面稱為「試點直航」)，准許兩岸權宜籍船於高雄港與大陸福州、廈門港間直航，但限於載運轉口貨。90 年 10 月擴大「境外航運中心」功能，准許加工範圍延伸至各類免稅區及實施海空聯運等。

(二) 93 年 5 月公布「海運便捷化措施」，進一步擴大「境外航運中心」的功能及範圍，實施港口從高雄港擴大至台中港及基隆港，並可與大陸各開放港口間直航，但只能載運從大陸或台灣輸往第三地，或第三地輸往大陸或台灣的「國際貨」。

- (三) 兩岸海運直航雖已局部推動，但因限制極多，兩岸進出口貨載運仍需彎靠第三地轉運，且國輪不能參與，因而有迫切需要推動兩岸海運直航，消除各種不利於航運及經濟發展的不合理限制。

貳、兩岸海運協議的重大突破

兩岸兩會於 11 月 4 日簽署「海峽兩岸海運協議」，在兩岸海運上作出重大突破：

一、兩岸船舶，直航主力

- (一) 兩岸航商所有在兩岸登記的船舶，可以從事兩岸間客貨直接運輸。
- (二) 兩岸航商所有在香港登記的船舶可比照從事兩岸間客貨直接運輸。
- (三) 目前已經從事境外航運中心運輸、兩岸三地貨櫃班輪運輸及砂石運輸的兩岸航商所有的權宜籍船，亦可參與兩岸間客貨直接運輸。

二、對外港口，大幅開放

- (一) 我方開放 11 個港口，包括：基隆（含台北）、高雄（含安平）、台中、花蓮、麥寮、布袋（先採專案方式辦理）等 6 個港口，以及金門料羅、水頭、馬祖福澳、白沙、澎湖馬公等 5 個「小三通」港口。

(二) 大陸方面開放 48 個海港及 15 個河港，共計 63 個港口，清單如次：丹東、大連、營口、唐山、錦州、秦皇島、天津、黃驊、威海、煙台、龍口、嵐山、日照、青島、連雲港、大豐、上海、寧波、舟山、台州、嘉興、溫州、福州、松下、寧德、泉州、蕭厝、秀嶼、漳州、廈門、汕頭、潮州、惠州、蛇口、鹽田、赤灣、媽灣、虎門、廣州、珠海、茂名、湛江、北海、防城、欽州、海口、三亞、洋浦等 48 個海港，以及太倉、南通、張家港、江陽、揚州、常熟、常州、泰州、鎮江、南京、蕪湖、馬鞍山、九江、武漢、城陵磯等 15 個河港。

三、擱置爭議，暫不掛旗

兩岸登記船舶掛旗問題，雙方磋商本於擱置爭議的精神，同意參照 1997 年「台港海運商談紀要」相關安排，兩岸登記船舶自進入對方港口至出港期間，船艙及主桅暫不掛旗；另加掛公司旗，以作為船舶識別之用。

四、運力安排，平等參與

雙方經營兩岸客貨直接運輸，將本於平等參與、有序競爭原則，合理安排運力。

五、互免稅收，降低成本

雙方航運公司參與兩岸船舶運輸在對方取得的運輸收入，將相互免徵營業稅及所得稅。

六、互設機構，便利營運

雙方航運公司可以在對方設立辦事機構及營業性機構，以利開展運輸服務相關業務。

七、合作救難，安全保障

建立海難搜救聯繫合作機制，共同保障海上航行和人身、財產、環境安全。發生海難事故，雙方除及時通報外，並按照就近、就便原則及時實施救助。

參、海運直航大幅提升經濟效益

一、節省可觀的運輸時間及成本

(一) 以往未有海運直航，船舶從台灣港口出海，須彎靠琉球石垣島，再開赴大陸港口，費時費力。但二次江陳會後達成海運直航，不須再彎靠石垣島，平均每航次節省航行時間約 16 至 27 小時，節省運輸成本 15% 至 30%，另加計彎靠第三地簽證費，約每航次節省新台幣 30 萬元，若以每年 4,000 航次計算，一年可節省 12 億元。

(二) 另據研究報告指出，一艘萬噸級貨櫃船每航次航運成本約可節省新台幣 60 萬元，定期貨櫃航線每年可節省新台幣 6.2 億至 13 億元(視彎靠港口而定)；散裝不定期船航行時間可節省 1-2 天，煤礦運輸成本下降約 18.7%，其他貿易物資運輸成本下降約 33.8%；估計全年節省成本可達新台幣數十億元。

二、大幅提高物流配送效率

海運直航不僅可以大幅減少貨物運送時間及成本，而且可以促使企業利用港埠或週邊地區發展物流產業，甚至可以連結機場，創造海空複合型態的物流配送等高附加價值活動，進而發展成為國際物流樞紐港口。

三、開啟農產品行銷中國大陸新契機

- (一) 兩岸海運直航，可縮短台灣農產品銷往中國大陸的運輸時間。以水果從台灣出口至上海市為例，不需要經第三地換證，時間將可由 8 天縮減為 4 天，新鮮度及品質均可確保。運輸所造成之毀損可由 15% 降至 5%，貨物上架時間又可增加 4 天，節省更多成本。
- (二) 據農委會估計，因為海運直航，台灣水果對大陸出口量約可提高兩成；而持續且穩定的外銷，對於建立穩固的行銷通路及促進國內水果產銷平衡均有實質的助益，使國內市場之價格持穩，農民收益獲得保障。經估計，直航可使運輸成本減少 15%-30%，果農收益約可增加 10-15%。另花卉可利用海運方式進入上海等大陸市場或轉運俄羅斯；台灣冬季裡作蔬菜也可拓銷大陸東北地區及轉運出口至俄羅

斯；養殖活魚（如觀賞魚、石斑魚）亦可擴大大陸市場，開啟台灣農產品行銷中國大陸的新契機。

四、發展台灣成為海空運籌中心

（一）台灣位居亞太地理中心位置，海運直航可增加港口承攬大陸出口歐美的貨物，同時也可降低在台灣製造及出口的成本，增強企業競爭力，促使台商以台灣作為營運總部及全球運籌中心。

（二）海運直航亦有利於外資企業佈局兩岸的經營成本降低，可以擴大吸引外資來台設立營運總部，同時可以促使外資與台商組成策略聯盟，進軍大陸，發揮台灣作為「亞洲門戶」的戰略優勢。

肆、結語

兩岸海運協議的簽署，基本上已實現兩岸海運直航，讓航行兩岸間的船舶不必再彎靠第三地，大幅節省運輸時間及成本，同時也排除國輪參與兩岸航運的障礙，有助於強化國輪的競爭力。因為海運直航，台灣港口將可充分發揮地理的優勢，配合兩岸空運直航的實現，發展成為海空運籌中心。台灣產業發展亦可利用直航的便利，擴大對大陸的出口，尤其是台灣農產品，同時也可在兩岸建立更有效率的產業分工體系，促進產業深耕台灣，留根台灣。

Explanation concerning the Cross-Strait Sea Transport Agreement

— The Results of the Second Chiang-Chen Meeting (Sea Transport)

Mainland Affairs Council
November 4, 2008

I. The urgency and necessity of direct sea transport

1. Economic urgency

(1) Cross-strait economic and trade activity is intensifying by the day, generating enormous demand for direct sea carriage of passengers and goods:

— In 2007, cross-strait trade amounted to US\$130.2 billion, accounting for 27.9% of Taiwan's total foreign trade. Taiwan's exports to mainland China amounted to US\$100.4 billion, constituting 40.7% of Taiwan's total exports.

— In 2007, cross-strait import and export sea cargo volume reached 1.37 million TEUs of container cargo and 16.62 million tonnes of bulk cargo. However, apart from the small proportion of transshipment cargo that was shipped directly via Taiwan's offshore shipping centers, most of the cargo had to be carried via a third territory.

(2) Currently, more than one third of Asian cargo is sourced from mainland China, but vessels sailing from mainland Chinese ports with cross-strait cargo must sail to a third territory before they can enter Taiwan's ports. This wastes time and energy, and not only greatly increases the time and cost of shipping goods, with impact on the competitiveness of shipping companies, but also makes foreign shipping lines less willing to maintain operation in

Taiwan's ports and may even prompt them to pull out of Taiwan altogether. This has caused Taiwan's ports to gradually slip down the world rankings of international container ports (Kaohsiung Port's container throughput fell from 4th highest in the world in 2003 to 7th highest in 2007), affecting the important role Taiwan can play in Asian sea transport.

- (3) Since domestic vessels have until now been unable to participate in the cross-strait carriage of passengers and cargo, our shipping companies have flocked to change from domestic to foreign registration. This has caused a sharp fall in the total tonnage of domestic vessels in recent years, with the proportion of flag-of-convenience ships rising to 84%, adversely affecting the overall development of Taiwan's shipping industry.

2. Solidly based on the will of the people

- (1) Various public opinion polls over the years have consistently found that more than 70% of the public support direct cross-strait transport, while support for it among the business community surpasses 90%. Our society has long since formed a consensus in favor of direct cross-strait transport.
- (2) The former DPP administration presented its policy on direct cross-strait transport as long ago as August 2003. In the 2004 and 2008 presidential elections, the DPP candidates advocated direct transport as a major plank of their policy platforms. It is clear to see that the implementation of direct transport is a longstanding government policy goal and not the sole province of the Ma administration.

3. The step-by-step implementation of direct shipping

- (1) Taiwan's first "offshore shipping center" (designated by the mainland as a "test point for direct shipping") went into operation in April 1997, allowing cross-strait flag-of-convenience vessels to sail directly between Kaohsiung Port and Fuzhou and Xiamen

Ports in the mainland, but limited to the carriage of transshipment cargo. In October 2001, the functions of the offshore shipping center were expanded to allow the processing of transshipment goods to be extended to all tax-free areas and to allow the conduct of sea-air intermodal transshipment.

- (2) In May 2004, the government announced the “Measures for Sea Freight Facilitation,” which added offshore shipping centers (OTCs) in Taichung and Keelung to the original OTC in Kaohsiung, and further expanded the scope and functions of the OTCs. Under these new measures, vessels could sail directly between the OTCs and any open mainland port, but could only carry “international goods” from the mainland or Taiwan for consignment to a third territory, or for consignment from a third territory to the mainland or Taiwan.
- (3) Although direct cross-strait shipping has already been partially implemented, it is still subject to many restrictions, with cross-strait imports and exports still required to be shipped via a third territory, and domestic vessels unable to participate in shipment. Hence, it is urgently necessary to open up cross-strait sea transport, to remove all kinds of unreasonable restrictions that are disadvantageous to shipping and economic development.

II. Major Breakthroughs of the Cross-Strait Sea Transport Agreement

The signing of the Cross-Strait Sea Transport Agreement between the SEF and ARATS on November 4 has achieved the following major breakthroughs in cross-strait sea transport:

1. Cross-strait vessels as the main force in direct transport

- (1) Vessels registered in the ownership of shipping companies on the two sides of the Taiwan Strait can engage in direct cross-strait

transport of passengers and cargo.

- (2) Vessels owned by companies on either side of the Taiwan Strait and registered in Hong Kong can similarly engage in direct cross-strait transport of passengers and cargo.
- (3) Flag-of-convenience vessels owned by shipping companies on either side of the Taiwan Strait and that are currently already engaging in offshore shipping center transport, cross-strait third-territory container line transport, and sand and gravel transport, also can participate in direct cross-strait transport of passengers and cargo.

2. Broad opening of ports

- (1) Taiwan will open 11 ports, namely: the six ports of Keelung (including Taipei), Kaohsiung (including Anping), Taichung, Hualien, Mailiao and Budai (initially to be carried out on a special case basis) and the five “Mini-Three Links” ports of Liaoluo and Shueitou on Kinmen, Fuaao and Baisha on Matsu, and Magong on Penghu.
- (2) The mainland will open 48 seaports and 15 river ports, for a total of 63 ports, listed as follows: the 48 seaports of Dandong, Dalian, Yingkou, Tangshan, Jinzhou, Qinhuangdao, Tianjin, Huanghua, Weihai, Yantai, Longkou, Lanshan, Rizhao, Qingdao, Lianyungang, Dafeng, Shanghai, Ningpo, Danshan, Taizhou, Jiaxing, Wenzhou, Fuzhou, Songxia, Ningde, Quanzhou, Xiaocuo, Xiuyu, Zhangzhou, Xiamen, Shantou, Chaozhou, Huizhou, Shekou, Yantian, Chiwan, Mawan, Humen, Guangzhou, Zhuhai, Maoming, Zhanjiang, Beihai, Fangcheng, Qinzhou, Haikou, Sanya and Yangpu, and the 15 river ports of Taicang, Nantong, Zhangjiagang, Jiangyang, Yangzhou, Changshou, Changzhou, Taizhou, Zhenjiang, Nanjing, Wuhu, Ma’anshan, Jiujiang, Wuhan and Chenglingji.

3. Putting aside disputes, temporarily not displaying flags

Having discussed the problem of flag display by vessels registered on either side of the Taiwan Strait in the spirit of putting aside disputes, the two sides have agreed to observe the relevant arrangements made in the Taiwan-Hong Kong Shipping Negotiations in 1997, with vessels registered on either side abstaining from flying their flag on the stern or mainmast of the vessel between entering and leaving the other side's ports, but flying additional company flags for vessel identification.

4. Transport capacity arrangements, equal participation

The two sides' operation of direct cross-strait passenger and cargo transport will be based on the principles of equal participation and orderly competition, with rational arrangement of transport capacity.

5. Mutual tax exemption, to lower costs

The two sides will mutually exempt each other's shipping companies from the payment of business and income tax on revenue derived from participation in cross-strait shipping.

6. Mutual establishment of entities to facilitate operations

The two sides' shipping companies may establish offices or business entities on each other's side of the strait to facilitate the development of transport service related business.

7. Cooperation in disaster rescue for safety protection

The establishment of a sea disaster search and rescue liaison and cooperation mechanism, to jointly protect the safety of life, property and the environment at sea. When an accident occurs at sea, the two sides, in addition to promptly notifying each other, will promptly undertake rescue and assistance in accordance with the principles of proximity and convenience.

III. Economic advantages greatly enhanced by direct cross-strait sea transport

1. Considerable shipment time and cost savings

(1) In the past, without direct shipping, vessels going to sea from Taiwan's ports en route to the mainland must detour via Japan's Ishigaki Island before sailing on to their mainland destination, wasting both time and fuel. But after the reaching of agreement on direct sea transport at the 2nd Chiang-Chen talks, there is no longer any need to sail via Ishigaki, saving on average approximately 16~27 hours per voyage, and reducing shipping costs by 15~30%. Including third-territory visa costs, the cost saving per voyage amounts to NT\$300,000, which for 4,000 voyages per year adds up to a yearly saving of NT\$1.2 billion.

(2) Also, a study has found that a 10,000-ton container ship can save approximately NT\$600,000 per voyage, and a regular container line can save from NT\$620 million to NT\$1.3 billion per year (depending on the port of detour). A bulk carrier operating under a nonscheduled service can save one to two days per voyage, reducing ore and coal shipment costs by roughly 18.7%, and reducing the shipment cost of other trade goods and materials by roughly 33.8%, with annual cost savings estimated at up to NT\$1 billion.

2. Greatly enhancing the efficiency of goods distribution

Direct sea transport not only can greatly reduce cargo shipment time and costs, but also can induce firms to use ports or their surrounding areas to develop logistics operations, and they can even link up with airports to create sea-air multimodal distribution and other high value-added activities, and develop ports into international distribution hubs.

3. Opening new opportunities for exporting farm products to the mainland

- (1) Direct cross-strait sea transport can shorten the consignment time for exporting Taiwan's farm products to the mainland. To take the export of fruit from Taiwan to Shanghai as an example, without the need to sail via a third territory, the shipment time can be reduced from eight days to four, preserving the freshness and quality of the fruit. Wastage during consignment can be reduced from 15% to 5%, and the fruit's shelf life can be extended by four days, generating even greater cost savings.
- (2) According to Council of Agriculture statistics, direct cross-strait sea transport could increase Taiwan's fruit exports to the mainland by approximately 20%. Moreover, continuous and stable export sales will have substantive benefit for establishing stable marketing channels and promoting balance in domestic fruit production and marketing, helping to stabilize domestic market prices and safeguarding farmers' incomes. It has been estimated that direct shipping could reduce shipment costs by 15~30% and increase fruit farmers' incomes by approximately 10~15%. Furthermore, sea transport can be used to send flowers to Shanghai and other mainland markets, or for transshipment to Russia; in Taiwan's winter season, vegetables can also be marketed in China's northeast region and transshipped to Russia; and farmed live fish (such as ornamental fish and grouper) can be shipped for sale in mainland markets – all opening up new opportunities for the sale of Taiwan's farm products in the mainland.

4. Developing Taiwan into a sea and air logistics hub

- (1) Taiwan occupies a prime geographic location at the center of the Asia-Pacific region. Direct cross-strait sea transport can help its ports step up their role in forwarding mainland exports to America and Europe. It can also reduce Taiwan's manufacturing and export costs, strengthen the competitiveness of Taiwan-based enterprises, and induce Taiwanese businesses to use Taiwan as an operations headquarters and global logistics hub.

(2) Direct cross-strait sea transport will also help reduce the operating costs of foreign enterprises that are positioned on both sides of the Taiwan Strait. This can increase the number of foreign firms that are attracted to set up operations headquarters in Taiwan, while also inducing foreign firms to form strategic alliances with Taiwanese businesses, both to enter the mainland and to tap into Taiwan's strategic advantages as a "gateway to Asia."

IV. Conclusion

With the signing of the Cross-Strait Sea Transport Agreement, direct cross-strait sea transport has basically been realized. It means that vessels crossing between the two sides of the Taiwan Strait will no longer need to detour via a third territory, greatly reducing shipping times and costs. At the same time, the elimination of obstacles to domestic vessels participating in cross-strait shipping will also be helpful to strengthening the competitiveness of the domestic shipping fleet. Thanks to the benefits delivered by this agreement, Taiwan's ports will be able to fully capitalize on their geographic advantage and, with the realization of direct cross-strait shipping and flights, develop into sea and air logistics hubs. Taiwan's industrial development will also gain from the expansion of exports to the mainland facilitated by direct shipping, which will be especially beneficial to the export of Taiwan's farm products. And last but not least, it will enable businesses to set up a more efficient division of labor between the two sides of the strait, inducing industries to deeply cultivate Taiwan and leave their roots in this land.