



## **Executive Summary**

# **Defense & Security Quarterly Report First Quarter, 2007**

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## **INTRODUCTION**

The US-Taiwan Business Council is committed to providing our members with tactical and strategic advice on how to succeed in the Taiwan market. As part of a suite of information products distributed to our members, the Council publishes several analysis reports each year. These reports are published each quarter, with an expanded report in the fourth quarter that covers the entire previous year.

The Defense & Security report focuses on defense and national security issues as they relate to Taiwan, and provides up-to-date analysis of developments during each quarter. Each report also contains contact information valuable in initiating and maintaining a relationship with Taiwan private and government entities, as well as other useful information including organization charts and a glossary.

The US-Taiwan Business Council's Defense & Security Report has been published since the first quarter of 2001. Although these reports are distributed exclusively to members and to U.S. government employees, this executive summary provides some insight into the focus and contents of the report.

For more information, please contact us directly at the below address, or visit us online at [www.us-taiwan.org](http://www.us-taiwan.org).

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**QUARTERLY DEFENSE & SECURITY ANALYSIS**

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Seemingly endless political wrangling, the obvious election-year mentality shown by Taiwan politicians, and having the government's general operating budget – of which the defense budget is a part - trapped in the Legislative Yuan (LY) due to disagreements over the composition of the Central Election Commission (CEC) made for a frustrating first quarter of 2007. Nevertheless, meaningful progress continues to be made in Taiwan in many areas of interest to the defense and national security community both in Taiwan and abroad.

This quarterly report provides a summary of major political developments over the past three months, developments that will shape the playing field for important defense and national security issues - or indeed for all of Taiwan's significant public policy decisions - in the coming year. The report also includes the usual review of the status of defense policy matters in Taiwan, an update on the defense budget, notes on U.S.-Taiwan security cooperation during the quarter, and an update on the major Taiwan procurement programs.

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