



Executive Summary

Defense & Security Quarterly Report Second Quarter, 2007

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Defense & Security Quarterly Report Second Quarter, 2007

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.

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QUARTERLY DEFENSE & SECURITY ANALYSIS

PUBLISHED JULY 1, 2007

In Taiwan, end of party primaries for the upcoming parliamentary and presidential elections, to be held early in 2008, finally offered a much welcomed breakthrough in the long-stalemated defense budget, a budget that was finally approved during the second quarter of 2007. Completion of the party nomination process also effectively kicked off the election season, however, which could mean further partisan battles and much campaign politicking in the coming year.

This report reviews the significant events in the areas of Taiwan defense and national security during April, May and June of 2007. The analysis also surveys the major political developments which ultimately made the budget breakthrough possible, and which will continue to influence Taiwan's national security policy arena for the rest of the year.

As a new feature, the quarterly reports will begin to look at the national security platform of each of the two principal presidential candidates, their views on Taiwan's future defense and foreign policies and cross-Strait relations, and an overview of their respective decision-making circles. Finally, also included are the usual reviews of the status of defense policy matters, the defense budget, U.S.-Taiwan security cooperation, and major procurement programs.

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