

The Technology Transfer of Newly Industrialized Countries after Post-war: The Taiwan Shipbuilding Corporation as Example

Sao-yang Hong

ABSTRACT

This paper focused on exploring how the Taiwan Shipbuilding Corporation (TSC) took over shipbuilding business from the Taiwan Dockyard Company of the Japanese colonial era, and how TSC imported foreign technology on shipbuilding in the early post-war years. In 1957, TSC rented its shipyards to Ingalls Shipbuilding Company of USA, and then switched to engage in building large oil tankers. However, TSC suffered great losses owing to mismanagement of fund. Finally, in 1962, the Ministry of Economic Affairs had to take over the management of the corporation. In 1965, TSC imported technology from Ishikawashima-Harima Heavy Industries Corporation of Japan, and the shipbuilding division attained outstanding achievements. Nevertheless, over-reliance on imported parts and raw materials led to increasing costs, which turned profits into losses. Although Taiwan's technology in shipbuilding had become well developed after the 1980s, the government failed to create a competitive edge for shipbuilders or offer favorable purchase terms for ship owners. It was thus impossible for TSC to gain a foothold in the international market, which undermined its growth. Tracing TSC's path of development revealed the critical role played the government in fostering industrialization, and the fact that shortcomings in government policies in turn limited industrial growth.

Keywords: Taiwan Dockyard Company, National Government Resources Committee, Taiwan Shipbuilding Corporation, Technology Transfer, Public-owned Enterprise