



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Date: 13-Oct-1998

GAIN Report TW8034

Agricultural Export Opportunities Report

September 1998

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Market Information: - The tariff on 2,469 import products will be brought down to zero by the year 2002 or 2003; - The craze for red wine has cooled in Taiwan due to a combination of factors, including oversupply and global financial turmoil.

New Reports:

- Organic Food
 - Seafood
 - Wine
 - Pure Juice/Juice Drinks
 - Food and Agricultural Import Regulations and Standards
-

AGRICULTURAL EXPORT OPPORTUNITIES REPORT

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I. Upcoming Promotional Activities/Events

The promotional activities listed are provided for informational purposes only. No endorsement should be implied unless specifically stated. Terms and conditions of participation are the responsibility of the activity organizer. Please contact the organizer directly for further information.

A. Trade Shows

Event: 1999 Taipei International Food Show
Date: June 9-12, 1999
Venue: Taipei World Trade Center Exhibition Hall
Contact: Ms. Sophia Yang
Exhibition Department
China External Trade Development
Council (CETRA)
5 Hsin Yi Road, Section 5
Taipei, Taiwan
Tel: (886-2) 2725-1111 ext. 363
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The Taipei International Food Show is the largest and most popular food show in Taiwan, providing excellent access to local food importers, wholesalers, distributors, retailers, and consumers. The 1998 event had a total of 400 participants from 30 countries and attracted more than 50,000 visitors. U.S. companies wishing to participate in the show should contact the CETRA directly.

B. In-Store Promotions

Event: American Product Festival
Date: November 6 - December 3, 1998
Venue: 21 Sinon supermarkets and 7 Sinon hypermarts
Contact: Mr. Yang Chung-Hsing, General Manager
Sinon Supermarket/Hypermart
Sinon Group
35 Chung Shan Road, Da-Du Hsiang
Taichung, Taiwan
Tel: (886-4) 693-6000

Fax: (886-4) 693-3636

Sinon is a leading diversified company in central Taiwan. Its businesses include chemicals, catering, trading, footwear, leather goods, ready-mix concrete, consumer products, plastics, pesticides, life insurance, supermarkets, hypermarts, and the "Sinon Bulls," a professional baseball team.

Sinon supermarket/hypermart is the largest supermarket/hypermart chain on Taiwan, with twenty-one supermarkets and seven hypermarts in Central Taiwan. Currently, Sinon owns a distribution center supplying all Sinon supermarkets/hypermarts with dry goods. Sinon is planning to establish a frozen/chilled distribution center. U.S. companies interested in expanding their business with the Sinon Supermarket/Hypermart are encouraged to contact Sinon directly.

C. HRI Promotion

The global financial turmoil has not only impacted Taiwan's foreign exchange and stock market, but also its consumer markets, including restaurant business. Many medium-level restaurants have lowered their prices to attract clients. While top-rate restaurants as usual do not offer price discounts to promote business, their managers have geared up to attract customers by sponsoring various country-theme and seasonal promotions.

Country-theme menu promotions plus exotic entertainments in Taiwan's international hotels are taking place island-wide. Most recent examples include French Oyster Feast in the Sherwood Hotel; Queensland Festival in Sherwood Hotel; New Zealand promotion in the Imperial Inter-Continental Taipei; Europe(Russia, Denmark, France, Italy, and Germany)'98 in the Grand Formosa Regent Hotel. On the other hand, seasonal menu promotions which mainly focus on crab, lobster, oyster, and other seafood menu promotions in the fall will soon be going on stage island-wide.

Event: American Beef Promotion
Date: September 6 - October 6, 1998
Venue: Noble Family Steak House (83 outlets)
Contact: Davis Wu, Director
U.S. Meat Export Federation
Taipei World Trade Center
7C-25/26, Hsin Yi Road, Section 5
Taipei, Taiwan
Tel: (886-2) 2723-2250
Fax: (886-2) 2723-2251

With the assistance of the U.S. Meat Export Federation, the Noble Family Steak House conducted an U.S. beef promotion, featuring short rib and ribeye in its 83 outlets island-wide.

Event: American Beef Noodle
Date: September 20 - October 6, 1998
Venue: Mercuries Fast Food Chain
Contact: Davis Wu, Director
U.S. Meat Export Federation
Taipei World Trade Center
7C-25/26, Hsin Yi Road, Section 5
Taipei, Taiwan
Tel: (886-2) 2723-2250
Fax: (886-2) 2723-2251

With the assistance of the U.S. Meat Export Federation, the Mercuries Fast Food Chain conducted an American beef noodle promotion in its 120 outlets island-wide. The Mercuries offered a 20% discount for beef noodles which contained beef from the United States.

D. Market Information

General Market in Brief

Import Tariff Cuts -- The tariff on 2,469 import products will be brought down to zero by the year 2002 or 2003. By the year 2002, a total of 2,469 import items, accounting for 30.47% of total import items will receive a zero import tariff while another 4,437 products, accounting for 54.75% of total import items will be imposed with a less than 10 percent tariff.

Only 679 items, standing 8.38 percent of total import items, will be charged with a 15 percent or over 15 percent import tariff. These products are mainly agricultural and fishery products.

Food Market In Brief

-- No Fresh Fruits from abroad allowed - Taiwan authorities have released a comprehensive ban on the transportation of fresh fruits by overseas travelers arriving in Taiwan. The ban took effect on October 1. On that day, Peng Tso-Kuei, Chairman of the Council of Agriculture (COA) went to CKS International Airport to inspect how Customs handled the cases. Peng urged the public not to bring in fruits in an effort to ensure a safe growing environment for animals and plants. Fines for illegally bringing in fruits range from NT\$30,000-NT\$150,000 (approximately US\$850-US\$4,230).

Taiwanese travelers most often brought back with them pears from Japan, durian from Thailand, and apples and grapes from the United states.

-- Beef Prices Rise -- The media reports on the financial difficulties of Taiwan's largest beef importer, Wellroc Enterprise Co., at the end of September has shocked Taiwan's food industry. As Taiwan's key importer of Australian beef, Wellroc reportedly used to provide more than 50% of the beef in the Taiwan market. It was also a major beef supplier for Makro Warehouse Stores and many renowned steak houses on the island.

Wellroc's financial problems have resulted in a sudden drop in Taiwan's supply of beef. Reportedly, domestic beef prices dropped by NT\$2 following the media report.

Egg Prices Soar Due To Current Craze For Egg Tarts -- Seemingly overnight, Taiwan has stirred up an island-wide craze for Portuguese-style egg tarts. Specialty stores simply selling egg tarts sprung up in Taiwan, which subsequently resulted in a strong demand for eggs. Reportedly, the retail egg prices in Taipei have surged to NT\$58 per kg, a drastic rise, from NT\$28. According to Council of Agriculture, Taiwan currently consumes 900,000 kgs of eggs a day, far exceeding local production of 828,000 kgs.

-- Ginseng Beverages are Competitive Among Other Beverages In Taiwan -
- There are two kinds of ginseng sold in Taiwan, red ginseng and white ginseng. The PRC and South Korea supply red ginseng and the United States is the major supplier for white ginseng. Traditionally, Taiwanese people refer to red ginseng as a "hot ginseng" and believe it acts as an energy booster. It is considered to be a form of herbal medicine while Western ginseng or "cold ginseng" is mainly used in making ginseng beverages.

With the trending concept of "convenience and time saving," ginseng beverages, such as ginseng tea and ginseng carbonate beverages are getting more and more popular in Taiwan. The retail prices for these ginseng beverages range from NT\$30 to NT\$100 per bottle. General ginseng beverages are sold in convenience stores or supermarkets. Only limited brands of ginseng beverages, made of Korean ginseng, are sold in Chinese herbal medicine stores only.

-- Wine Market Hit by Recession -- The craze for red wine has cooled in Taiwan due to a combination of factors, including oversupply and global financial turmoil which has affected Taiwan's consumer market.

Reportedly, top brands of red wine could fetch up to NT\$30,000 (US\$862) a bottle, but now prices have dropped to NT\$18,000, and sales remain sluggish.

The following updated market briefs are currently available at the ATO/Taipei:

- Organic Food
- Seafood
- Wine
- Pure Juice/Juice Drinks
- Food and Agricultural Import Regulations and Standards