



Foreign Agricultural Service  
**GAIN Report**  
Global Agriculture Information Network

Required Report - for public release

Date: 10/4/2000

GAIN Report #TW0042

## Taiwan

### Promotion Opportunities Report - October

### 2000

Approved by:  
Stan Cohen, Office Director  
ATO Taipei

Prepared by:  
Amy Hsueh, Marketing Specialist

---

#### Report Highlights:

- With the rise in health consciousness and a lower import tariff, imported edible oils, such as sunflower oil, safflower oil, and olive oil, have become popular.
- The market for yogurt was about US\$108 million in 1999 and is expected to continue to grow over the next few years.
- Chilled products will become one of the most competitive products in the Taiwan market after Taiwan's WTO accession.

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Annual Report  
Taipei ATO [TW2], TW

---

#### Executive Summary

## **PROMOTION OPPORTUNITIES REPORT - TAIWAN**

### **I. Upcoming Promotional Activities/Events**

The promotional activities listed are provided for informational purposes only. No endorsement is 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: 2001 Taipei International Food Show  
Date: June 14-17, 2001  
Venue: Taipei World Trade Center Exhibition Hall  
Contact: Agricultural Trade Office  
American Institute in Taiwan  
54 Nan Hai Road, Taipei, Taiwan  
Tel: (886-2) 2305-4883; Fax: (886-2) 2305-7073  
E-Mail: [ato@mail.ait.org.tw](mailto:ato@mail.ait.org.tw)  
<http://ait.org.tw/ait/AGRI/ato.htm>

The Taipei International Food Show is the largest and most popular trade and consumer (open to consumers for only one day) food show in Taiwan, providing excellent access to local food importers, wholesalers, distributors, and retailers. The 2000 event had a total of 560 participants from 25 countries and attracted more than 70,000 visitors. The organizer of the 2001 show is, as in previous years, CETRA Taipei. ATO Taipei will organize the American Pavilion at the 2001 Show. Pre-show activities planned by the ATO/Taipei include a media briefing, exhibitor breakfast seminar, and reception aimed at promoting the American Pavilion, as well as providing U.S. exhibitors with additional opportunities to learn about the market and gain access to potential local business partners.

Event: 2001 American Food Festival  
Date: September/October 2001  
Venue: International hotels in Taiwan's three major cities,  
Taipei/Taichung/Kaohsiung  
Contact: Agricultural Trade Office  
American Institute in Taiwan  
54 Nan Hai Road, Taipei, Taiwan  
Tel: (886-2) 2305-4883; Fax: (886-2) 2305-7073  
E-Mail: [ato@mail.ait.org.tw](mailto:ato@mail.ait.org.tw)  
<http://ait.org.tw/ait/AGRI/ato.htm>

The American Food Festival is an annual food show held in the fall, and sponsored by the ATO/Taipei, U.S. State trade offices in Taiwan, U.S. market development cooperators,

and local importer & exporter associations. This event features only U.S. food and agricultural products and is a "trade only" event. It attracts approximately 1,000 Taiwan traders and media reporters. Representatives from the state offices and cooperators are responsible for designing and servicing their respective exhibits and for recruiting U.S. food companies to participate. U.S. companies who wish to participate, but do not have a State sponsor or cooperator association, may participate through the ATO/Taipei.

## **B. Retail In-Store Promotions**

Event: 2000 Sinon American Food Festival - "Natural & Healthy Thanksgiving" -  
Date: November 17-December 14, 2000  
Venue: Sinon Supermarkets/Hypermarkets  
Contact: Vivian Yang, Marketing Director  
Sinon Supermarket/Hypermarket  
35 Chung Shan Road, Da-du Hsiang  
Taichung, Taiwan  
Tel: (886-4) 693-6000  
Fax: (886-4) 693-3636  
E-mail: [wbyang@mail.sinon.com.tw](mailto:wbyang@mail.sinon.com.tw)

Agricultural Trade Office  
American Institute in Taiwan  
54 Nanhai Road, Taipei, Taiwan  
Tel: (886-2) 2305-4883  
Fax: (886-2) 2305-7073  
<http://ait.org.tw/ait/AGRI/ato.htm>  
E-mail: [ato@mail.ait.org.tw](mailto:ato@mail.ait.org.tw)

Sinon Group is planning an in-store promotion in all 23 outlets from November 17-December 14, 2000. The promotion will feature American food products, both perishables (e.g. produce, seafood, meats, American-style deli & HMR, bakery, pizza, frozen/chilled desserts, juice, potato products) and non-perishables (e.g. food grocery, desserts, snacks, canned food, beverage, beer, wine, fruit, alcoholic beverages, and the "Western Family" brand series). Sinon Supermarket/Hypermarket is the largest retail chain in central Taiwan with 23 outlets. U.S. companies interested in expanding their business with the Sinon Supermarket/Hypermarket are encouraged to contact them directly.

Event: American Food Festival  
Date: Week of July 4<sup>th</sup>, 2001  
Venue: RT-Mart International  
Contact: Rita Wang, Grocery Division Director  
Jack Yu, Fresh Division Director  
RT-Mart International Ltd.  
16F, 76 Tunhua South Road, Section 2  
Taipei, Taiwan

Tel: (886-2) 2701-6506  
Fax: (886-2) 2706-5208  
E-mail: [rita@rt-mart.com.tw](mailto:rita@rt-mart.com.tw)  
[jack@rt-mart.com.tw](mailto:jack@rt-mart.com.tw)

RT-Mart is planning an American Food Festival in-store promotion in all its hypermarkets nation-wide during the week of July 4th. In 1998, RT Mart merged with the Trans Asia Hypermarket group and joined in a strategic alliance with the Safe and Save Hypermarket Chain. The RT Mart has become the second largest and one of the most aggressive hypermarket chains in Taiwan. U.S. companies interested in expanding their business with the RT-Mart Hypermarket Chain should contact them directly.

Event: American Food Festival  
Date: August 2001  
Venue: Sun Mart Supermarket  
Contact: Jack Huang, President  
Sun Mart Supermarket Company  
7F, 121 Sun Chiang Road  
Taipei, Taiwan  
Tel: (886-2) 2515-2001 ext. 1173  
Fax: (886-2) 2501-5353  
E-mail: [ousuching@sina.com.tw](mailto:ousuching@sina.com.tw)

Sun Mart Supermarket Company is a subsidiary of the Toyota Automobile Company Taiwan. The Sun Mart Supermarket Company was founded in June 1999, with currently 4 outlets mainly located in Metropolitan Taipei. The company is characterized by the high percentage (approximately 50%) of fresh produce plus ready-to-eat products carried in the stores. Sun Mart plans to expand to 15-20 outlets in three years. U.S. suppliers who are interested in expanding their business with the Sun Market Supermarket Company should contact them directly. The company is currently looking for various types of imported food products, especially canned food and confectionery products, from the United States.

### **C. HRI Promotions**

The most popular recreation in Taiwan is eating. Socializing in hotel restaurants is a popular custom in Taiwan. As a result, in-house restaurants in hotels have become an important dollar-earning business for Taiwan's international hotels. Competition among the various hotel restaurants in Taiwan has become intense. Consequently, innovative promotions, such as country theme promotions, Taiwan/western holiday/festival promotions, and seasonal promotions are popular year-round. These promotions offer market opportunities for U.S. foods, such as high quality meats, fruit, vegetables, nuts, seafood, beverages, wines, and juice concentrates. U.S. companies interested in in-house restaurant menu promotions in Taiwan are welcome to contact the ATO/Taipei for information on upcoming events or hotels interested in hosting activities.

## **Market Information**

### **General Economy in Brief**

– To boost Taiwan’s international competitiveness and advance children’s awareness of their own culture, the Ministry of Education recently announced that beginning in the next academic year, students in elementary schools will be required to learn two languages, English and their mother tongue, in addition to the official language. Under the current education system, students are required to learn only Mandarin Chinese in elementary schools. They do not need to study English until they attend junior high schools.

– Nearly 20 percent of the households in Taiwan have opened internet and e-mail accounts, according to a statistics released by the Ministry of Economic Affairs. Meanwhile 36.6 percent of the households said that they have family members who regularly use the Internet at school, work or the institute where they serve. The percentage of the households which have experience in shopping on the internet remains at 10.9 percent.

– Taiwan-China trade grows despite political impasse. Exports to China expanded 27.3 percent to US\$14.8 billion over the first seven months of 2000, accounting for 17.5 percent of Taiwan’s total exports. Meanwhile January-July imports from China rose 48.2 percent reaching US\$3.6 billion. Taiwan doesn’t allow direct trade with the PRC for political reasons. However, it is anticipated that the ban on direct trade could be removed once the two join the WTO; trade would then likely increase substantially.

### **Food Market In Brief**

#### **Hypermarkets/Supermarkets**

Modern western-style retail stores have been present in Taiwan for about twenty years. However, with the explosive growth in convenience stores, supermarkets, and hypermarkets, Taiwan’s retail business has entered a new era. Taiwan’s retail industry is currently in a strong competitive phase which is forcing mergers and greater concentration. In 1998, RT Mart merged with the Trans Asia Hypermarket and joined in a strategic alliance with the Safe and Save Hypermarket Chain. In 2000, the local Far Eastern Department Store Group’s hypermarket chain formed Taiwan’s second largest hypermarket chain with France’s Casino Group. In September 2000, Wellcome Supermarket, Taiwan’s largest supermarket chain, announced its merger with the Mei Chun Supermarket Chain, boosting total outlets island-wide to 108. Merger and strategic alliances are likely to continue to take place over the next few years. On the other hand, Tesco, the largest retail chain in the U.K., announced its plan of opening 20 stores in Taiwan over the next five years. The Dutch company Makro Taiwan recently restructured operations in Taiwan by shifting from a hypermarket format to the cash-and-carry niche. Makro Taiwan currently has nine stores but intends to increase its outlets to a minimum of 12 in the next five years and a maximum of 20 stores in the near future.

In general, Taiwan's supermarket/hypermarket chains purchase from local importers, wholesalers, and manufacturers. However, the volume of direct imports has been increasing. Consequently, they welcome offers from any source, where the quality and price of the products are competitive. U.S. suppliers are encouraged to contact these retail chains directly. A list of major Taiwan retail chains is available from the ATO/Taipei office.

### **Convenience Stores**

The Fair Trade Commission of the Executive Yuan recently conducted research on the status of Taiwan's convenience store industry. According to the study, 7-Eleven led other convenience stores as the largest convenience store chain, in terms of revenues generated and number of stores in Taiwan. As of May 2000, there were 5,690 chain convenience stores in Taiwan. 7-Eleven accounted for 42.6% of the market, followed by Family Mart (15.5% market share or 884 stores), Hi-Life (11.2% market share or 642 stores), and Circle K (10% market share or 571 stores). 7-Eleven led other convenience stores, generating a 28.9% gross margin in 1999, followed by Family Mart (27.3%), Hi-Life (26%), President Bakery (24%), Niko-Mart (24%), and Circle K (23.7%).

The Fair Trade Commission is empowered to rule on business activities that constitute violations of the Fair Trade Law before referring violators to the court system for legal system.

### **Snack Foods**

The peak season for snack food consumption in Taiwan is during Chinese New Year (usually in February), Ghost Festival (usually in August), and Mid-Autumn Festival (usually in September). On the other hand, the peak season for the presentation of new-to-market snack food items and follow-up marketing promotions is September-February. Currently, many Taiwan's snack food companies are introducing various new products and/or advertising aggressively to help strengthen brand loyalty for old products. It is expected that Taiwan's accession to the World Trade Organization (WTO) will definitely impact the snack food market – more snack items, more imports, more competition, lower import tariffs and consequently lower prices in the retail market.

### **Chilled Foods**

Chilled products will become one of the most competitive products in the Taiwan market after Taiwan's WTO accession. To survive the anticipated fierce competition from the imported products, many of Taiwan's large food processors, such as Uni-President, I-Mei Foods, Hey-Song Beverage Co., and Kuang Chuan Dairy Co., have invested upwards of \$30 million to expand or modernize their manufacturing facilities. Reportedly, the Uni-President Enterprises, Taiwan's largest food processor, has invested \$25 million to establish new manufacturing facilities to produce yogurt and chilled desserts. Other companies, including I-Mei, Hey Song, and Kuang Chuan, have also remodeled and expanded their manufacturing lines to produce mainly yogurt and 100% natural fruit juices.

### **Vegetable Oils**

Soybean oil has dominated Taiwan's edible oil market for several years. However, industry sources predict that soybean oil will be gradually lose market share to other oils, such as sunflower oil, corn oil, and safflower oil. Currently, the market size for soybean oil is estimated at 380,000-400,000 metric tons, accounting for approximately 70% of the edible oil market. The market size for sunflower oil is estimated at 31,000 metric tons. With the rise in health consciousness and reduction of import tariffs, imported oil, such as sunflower oil, safflower oil, canola oil, and corn oil, have become popular. The marketing manager of local I-Mei Food Co. recently indicated that price is no longer the key factor for Taiwan consumers when buying edible oil. With Taiwan's accession to WTO imminent, more Taiwan companies are introducing new products in the market. I-Mei Foods recently launched three new products, including olive oil from Italy, canola oil from Canada, and sunflower oil from Argentina.

### **Yogurt**

Local *Distribution News* recently conducted a survey on the consumption of yogurt by Taiwan's working women. The survey revealed that the main reason why working women buy yogurt is because it helps in the digestion of food. Favorite flavors are: plain (54%), plain low fat (27%), and strawberry (14%). Working women buy yogurt mainly in convenience stores (41%), supermarkets (31%), hypermarkets (19%), commissary stores (6%), and bakeries (3%). The market size for yogurt is estimated at approximately US\$108 million in 1999 and is expected to continue to grow over the next few years. Currently, the per capita consumption of yogurt in Taiwan is 2.5 kilograms, compared to 2 kilograms in France.

### **III. Newly Released Reports**

The following updated market briefs are currently available from the ATO/Taipei (<http://ait.org.tw/ait/AGRI/ato.htm>) or from the FAS homepage (<http://www.fas.usda.gov>):

– Taiwan Export Guide

Market overview, exporter business tips, market sector structure and trends, best high value product prospects, key contacts and further information

– Solid Wood Products

Executive summary, production, trade, market segment analyses, and tables & statistics

– Taiwan Fresh Deciduous Fruit - Apples 2000

Executive summary, production, consumption, trade, prices & marketing, statistical data

– Taiwan Lobster Market

Market overview, market sector opportunities and threats, costs and prices, market access, and Taiwan importers

– Taiwan Pet Food Market

Market overview, market sector opportunities, costs and prices, market access, and Taiwan importers.

– Broccoli and Cauliflower Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Potato Product Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Tomato Product Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Lettuce Product Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Ice Cream and Frozen Desserts Market Report

Executive summary, market access, trends in consumption, trade and competition, distribution channels, retail sales, and tips for exporters.

-- Stone Fruits

Summary, market access, trends in consumption, trade and competition, and distribution channels.

-- Candy

Executive summary, market access, trends in consumption, trade and competition, distribution channels, and Taiwan importers.

-- Food Processing/Food Ingredients

Food industry overview, trends, market structure, best prospects, competition, selling to Taiwan food processing companies, import policies/requirements, list of importers/food processors/industry associations

-- Frozen Vegetables/Potatoes

Executive summary, market barriers, market share/competition, frozen corn, frozen potatoes, distribution, labeling, market access/tariffs, list of importers.

-- Indirect Imports Into Taiwan

Direct imports of PRC products are currently banned for political reasons. Indirect imports from the PRC via third territories are mainly raw materials and semi-finished products, such as some vegetable seeds and potato starch.

-- Taiwan Food Service

Executive summary, food service structure, consumer information, how to develop products suited to the market, market segmentation, use of imported food products in the food service industry, opportunities for U.S. exporters, trends, competition amongst fast food chains, other considerations.

-- Taiwan Food Retail

Demographics, distribution channels, factors influencing buying decisions, pricing, what retailers look for judging new products, competition, trends, opportunities for U.S. exporters, best market prospects.

-- Organic Food

General market overview, imported organic foods, organic farming in Taiwan, certification, marketing channels, consumers' perspective of organic foods, and import policy.

-- Seafood

General market overview, U.S. market position, trade restrictions, sanitary/phytosanitary measures, consumer preferences and consumption trends, third-country competition, domestic competition, distribution system, and market promotion.

-- Wine

Market overview, U.S. market position, competition, trade restrictions, distribution, pricing, consumer preference and consumption trends, market promotion activities.

-- Pure juice/juice drinks

General market overview, U.S. market position and competition, pricing, trade restrictions, distribution, consumer preference and consumption trends, market promotion activities, and concentrated juice.

-- Fresh Fruits and Vegetables

General market overview, U.S. market position and competition, pricing, trade restrictions, distribution, consumer preference and consumption trends, market promotion activities, and market promotion activities.

-- Food and Agricultural Import Regulations and Standards (FAIRS report), Taiwan food laws, labeling requirements, food additive regulations, pesticide and other contaminants, other regulations and requirements, other specific standard, copyright/trademark law, and import procedures.

## **VI. Other Information**

### **2000 Best Prospects for Consumer Ready Foods**

- Organic/natural foods
- Frozen/micro-waveable foods/other convenience foods
- Chilled products

- Fresh fruits and vegetables
- Baked products
- Health-oriented (low-fat, high-fiber, and low-cholesterol) snack foods
- Beverages
- Food ingredients
- Meat and meat products

### End Report

---

The ATO Taipei is currently planning a variety of upcoming promotional events in both the retail and HRI sectors. U.S. companies interested in participating in ATO Taipei promotional activities, should contact the ATO/Taipei directly at:

Agricultural Trade Office  
54 Nanhai Road  
Taipei, Taiwan  
Tel: (886-2) 2305-4883 ext. 286  
Fax: (886-2) 2305-7073  
E-Mail: [ato@mail.ait.org.tw](mailto:ato@mail.ait.org.tw)  
<http://ait.org.tw/ait/AGRI/ATO.htm>