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## Taiwan

### Grain and Feed

## Results of the 2nd Tendering Process of the 2nd Tranche SBS Rice Tender

### 2008

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**Report Highlights:**

Taiwan successfully awarded 1,500 tons out of 2,200 tons of U.S. rice quota to two importers at record low floor price levels at NT\$1/kg and NT\$0.701/kg respectively. The remaining 700 tons of U.S. rice quota is being held up pending a tender awarding procedural ruling.

No bidders participated in the bidding for 5,000 tons of Australian rice quota again. The 3rd tendering process is scheduled for September 5. If these 5,000 tons of Australian rice quota fail to complete at the 3rd tendering process then the quota will be opened for a new round of tendering on a global basis.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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Taipei [TW1]  
[TW]

## Summary

Taiwan successfully awarded 1,500 tons out of 2,200 tons of U.S. rice quota to two importers at record low floor price levels at NT\$1/kg and NT\$0.701/kg respectively. The remaining 700 tons of U.S. rice quota is being held up pending a tender awarding procedural ruling.

No bidders participated in the bidding for 5,000 tons of Australian rice quota again. The 3rd tendering process is scheduled for September 5. If these 5,000 tons of Australian rice quota fail to complete at the 3rd tendering process then the quota will be opened for a new round of tendering on a global basis.

### Details of the tender results:

#### GF4-970-172 for 2,200 tons U.S. origin (completed 1,500 tons)

Three bidders participated in the bidding. Today's tendering resulted in awarding 1,500 tons of U.S. rice quota to two bidders, 1,000 tons at NT\$1/kg and 500 tons at NT\$0.701/kg, respectively. These recorded lowest floor prices since 2002 Taiwan has implemented its rice TRQ.

The remaining 700 tons is waiting for an rule explanation from The Public Construction Commission (PCC) under the Executive Yuan, Taiwan's government procurement ruling authority, regarding a definition of three bidding sessions within each tendering process whether price bids submitted prior to scheduled tender opening/awarding date counts as one bidding session or not. The bidder is waiting for PCC's decision on the rules/guidelines regarding the tendering awarding procedure to make their bidding price offer. Reportedly, if the bid is counted then the bidder is likely to follow the lower awarded bidding price of NT\$0.701/kg thus the US rice quota is going to successfully complete at the 2<sup>nd</sup> tendering process; if the bid is not counted then the bidder has the opportunity to rebid one more time at lower bidding price than NT\$0.701/kg. However, the offer should exceed the COA preset floor price to win the tender.

(The current exchange rate is \$1 = NT\$31.43, quoted by 08/25/2008.)

#### GF4-970-174 for 5,000 tons Australian origin

No importers participated in the bidding for the 1<sup>st</sup> and 2<sup>nd</sup> tendering process as well.

The third tendering process is scheduled for September 5.

**“Tonnage Limits for SBS Tenders” remain in place for each tendering process while the requirement for at least three bidders to participate in the bidding is required in the first tendering process only.**

To help ensure at least three or more participants, there are upper and lower tonnage limits for each tender. For example, the upper limit for GF4-970-172 and GF4-970-173 are set at 1,000 tons, while the GF4-970-174 tender is set at 2,000 tons. All lower limits are set at 20 tons per container.

Table 1 – Summary Tender Schedule &amp; Results for 2008 Import Quota

Tender Type	Tendering Process	Tender Number and Country Origin
SBS - Tranche one	1 <sup>st</sup> tendering: 01/18/2008	GF4-970-001 for 2,000 tons <b>U.S.</b> origin: Completed at the 2 <sup>nd</sup> tender with floor price at <b>NT\$6.727/kg</b> or \$208/mt
	2 <sup>nd</sup> tender: 01/31/2008	
	1 <sup>st</sup> tendering: 01/18/2008	GF4-960-257 for 5,000 tons <b>Australia</b> origin: Awarded 290 tons at the 2 <sup>nd</sup> tendering 1/31/2008; the remaining 4,710 awarded 03/04/2008 on a global basis with respective floor prices at <b>NT\$6.10/kg</b> or \$189/mt and NT\$9,666/tons or \$310.8/tons, respectively
	2 <sup>nd</sup> tender: 01/31/2008	
	3 <sup>rd</sup> tendering: 03/04/2008	
SBS – Tranche two	1 <sup>st</sup> tendering: 01/18/2008	GF4-960-258 for 5,500 tons <b>Thailand</b> origin rice: Completed at the 1 <sup>st</sup> tender on 1/18/2008 with floor price at <b>NT\$9.5/kg</b> or \$294/mt
	1 <sup>st</sup> tendering: 01/18/2008	GF4-960-259 for 2,500 tons <b>Egypt</b> origin: Completed at the 2 <sup>nd</sup> tendering on 1/31/2008 with floor price at <b>NT\$7.768/kg</b> or \$241/mt
	2 <sup>nd</sup> tender: 01/31/2008	
<b>Sub total: 15,000 tons</b>		
SBS – Tranche two	1 <sup>st</sup> tendering: 08/18/2008	GF4-970-172 for 2,200 tons <b>U.S.</b> origin: Failed at the 1 <sup>st</sup> tendering process due to no enough bidders participated in the bid.
	2 <sup>nd</sup> tendering on 08/26/2008	1,500 tons were awarded, 1,000 ton at NT\$1/KG and 500 ton at NT\$0.701/kg. The remaining 500 ton is pending.
	Completed at 1 <sup>st</sup> tendering on 08/18/2008	GF4-970-173 for 2,800 tons <b>Thai</b> origin: Completed at the 1 <sup>st</sup> tendering process, with awarded price at <b>NT\$6.159/kg</b> or \$196/mt
	1 <sup>st</sup> tendering: 08/18/2008	GF4-970-174 for 5,000 tons <b>Australian</b> origin: Failed at the 1 <sup>st</sup> tendering process due to no bidder participated in the bid.
SBS – Tranche two	2 <sup>nd</sup> tendering on 08/26/2008	No bidders participated in the bidding.
	3 <sup>rd</sup> tendering processing is scheduled for 09/05/2008	
<b>Subtotal 10,000 tons</b>		
<b>Total SBS Quota: 25,000 tons</b>		
Traditional Tender	Pending	69,068 tons
<b>Total Traditional Tender Quota: 69,068 tons</b>		

Total Quota for Public Import: 94,068
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