



Date:06/15/99

GAIN Report #TW-9035

Taiwan

Agricultural Export Opportunities Report

June 1999

Approved by: Christine M. Sloop
Office Director
ATO Taipei

Drafted by: Amy Hsueh
Marketing Specialist

Market Information:

- S The widely popular modern electric appliances have stimulated the development of frozen prepared foods and microwaveable foods in Taiwan.
 - S Taiwan's society is rapidly aging. As a result, demand for low-salt and low-sugar products are expected to increase.
 - S With the increase in working women (a 14.5% increase over the past eight years) as well as single parent families, Taiwan women now have become more independent. Prepared & semi-prepared foods, and other convenience foods, as well as the eating out market are considered to be relatively optimistic.
-

AGRICULTURAL EXPORT OPPORTUNITIES REPORT - TAIWAN

I. Upcoming Promotional Activities/Events

The promotional activities listed below 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: 1999 American Food Festival
Date: September 9-17, 1999
Venue: Taipei/Kaohsiung/Taichung
Contact: Ms. Rena Liu-Belshe
Agricultural Trade Office
American Institute in Taiwan
54 Nan Hai 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

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. Technical seminars will be offered in conjunction with the show. 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. The ATO/Taipei also provides support services and hosts receptions/press conferences in Taipei, Taichung, and Kaohsiung as part of the Festival. U.S. companies interested in participating should contact their State Trade Office in Taiwan or the ATO/Taipei.

B. In-Store Promotions

Event: Fantastic America Week
Date: June 23-July 6, 1999
Venue: Sogo Department Store-Kaohsiung
Contact: Mr. Hiroshi Sato, Manager
Sales Promotion Department
Sogo Department Store
217 San Dou 3rd Road
Kaohsiung, Taiwan
Tel: (886-7) 338-1000
Fax: (886-7) 339-0966

Sogo Department Store is a joint venture chain department store of Taiwan's Pacific Construction Ltd. and Japan's Sogo Group. Currently, there are six Pacific-Sogo department stores in Taiwan. The Kaohsiung store opened in September 1996. The upcoming Fantastic America Week will feature American food and non-food products in the department store.

Event: America Week
Date: July 1-12, 1999
Venue: Carrefour Hypermarkets
Contact: Vincent Wang, Manager
Marketing and Communication Division
PresiCarre Corp.
2F-1, 27 Min Chuan Road, Tamsui
Taipei, Taiwan
Tel: (886-2) 2808-2355 ext. 791

Carrefour Hypermarket Chain is a joint venture of French Carrefour and the President Enterprise Group, Taiwan's leading food company. Since the 1st store opening in 1989, Carrefour has developed a reputation as one of the most aggressive hypermarket chains in Taiwan. Currently, they operate 22 hypermarkets in Taiwan. Carrefour will be hosting a food and non-food product promotion in July. U.S. food suppliers who are interested in participating in this promotion should contact the ATO for further details. Non-food product suppliers should contact the U.S. Foreign Commercial Service (FCS) office in Taipei.

Event: American Product Promotion
Date: July 28-August 8
Venue: Shin Kong Mitsukoshi Department Store-Kaohsiung
Contact: Mr. Chou Pao-Wen, Assistant Manager
Sales Promotion Department
Shin Kong Mitsukoshi Department Store
213 San Dou 3rd Road
Kaohsiung, Taiwan
Tel: (886-7) 336-6100 ext. 2323
Fax: (886-7) 337-2366

Shin Kong Mitsukoshi Department Store is a joint venture chain department store of the Shin Kong Group of Taiwan and Mitsukoshi Department Store of Japan. Currently, there are six Mitsukoshi department stores island-wide in Taiwan. The Kaohsiung store opened in 1993. The upcoming America Week promotion will feature food and non-food products from the United States in its Culture Hall on the 12th floor of the Department Store.

Event: "American Week" Product Promotion
Date: October 1-14, 1999
Venue: Dollars Warehouse Stores. 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
<http://ait.org.tw/ait/AGRI/ato.htm>
E-Mail: ato@mail.ait.org.tw

Dollars Warehouse Store is affiliated with President Enterprise Group, the largest retail chain in Southern Taiwan. Dollars conducted a very successful America Week promotion in early 1998. This second event will be another good opportunity to promote new-to-market food & beverages, as well as to promote existing brands in the market. U.S. companies interested in expanding into a new retail outlet should contact ATO/Taipei for further details.

C. HRI Promotions

Event: American 4th of July Celebration
Date: Week of 4th of July 1999
Venue: Linden Hotel 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
<http://ait.org.tw/ait/AGRI/ato.htm>

E-Mail: ato@mail.ait.org.tw

The Linden Hotel will conduct a U.S. menu promotion in two of its hotel restaurants: the Tivoli Café and Le Grill. The Linden Hotel is a five-star international hotel, located across from the Kaohsiung City Hall. U.S. suppliers should contact ATO/Taipei if they need more information about this American promotion.

-- The local *Distribution News* recently conducted a consumer survey on the breakfast eating habit of Taiwan's working people. The survey revealed that a majority of working people select western style foods for breakfasts and 'convenience' is the key factor when eating out. Only 10% eat breakfast at home. Western style breakfast restaurants, which mainly serve hamburgers, sandwiches, and soft drinks are the most popular (27%), followed by traditional Chinese breakfast restaurants which mainly serve soybean milk and fried & steamed buns (24%), convenience stores (15%), bakeries (14%), street stalls (9%), fast food restaurants (6%), chain coffee shops (3%), and food carts (2%).

II. Key Market Information

General Economy in Brief

— According to statistics from the Ministry of Economic Affairs, foreign investment in Taiwan rose 18.42 percent to US\$977 million during the first four months of 1999. The United States, the Cayman Island, Japan, Holland, and Singapore, accounted for 81 percent of all foreign investment in Taiwan during the four-month period. Meanwhile, the number of applications by local companies to invest in the PRC, decreased by 36% in value terms, totaling approximately US\$297 million, compared to the same period a year ago.

— According to the Taiwan Chain Store Association (TCSA), the number of Taiwan's franchises rose to 24,833 in 1998, a 53 percent increase from 1997. The TCSA estimates that there were some 237 different segments, from foreign and domestically owned fast food outlets to English language cram schools. TCSA also estimates that in Taiwan, 60% of franchises are successful. The following represents current food-related franchises in Taiwan:

	No. of Stores	No. of representing companies
Hotels & restaurants	7,112	71
Convenience stores	3,404	11
Bakeries	388	14

Food Market In Brief

Typhoon Damage

Taiwan is located in a tropical and subtropical area. It has plentiful rainfall year-round, especially in May-June (plum rain season) and July-September (typhoon season). Often torrential rains during the plum rain season and typhoon season cause extensive damage resulting in short vegetable and fruit supplies and retail price hikes. Generally, farmers have time to replant after the plum rain season, but rarely following typhoon damage. According to Taiwan's Council of Agriculture, Typhoon Maggie in early June damaged US\$18 million worth of agricultural production. However, major vegetable and fruit production areas reportedly escaped from the worst of the storm. Still, U.S. suppliers of fresh produce should contact Taiwan importers to let them know what produce items they have available during this season.

Trends of Taiwan's Food Market

Consumers are always the key factor in future trends of any food market. Recent research by the Food Industry Research & Development Institute (FIRDI), identified the following trends in Taiwan's food market:

- With an increasingly urbanized population, modern electric appliances have become more commonplace. This should stimulate the development of frozen prepared foods and microwaveable foods.
- Taiwan's society is aging rapidly. As a result, demand for low-salt and low-sugar products is expected to increase.
- With a 14.5% increase in the number of working women over the past eight years and a rise in single parent families as well, Taiwan women are wielding more power. Consequently, prepared & semi-prepared foods, and other convenience foods, as well as eating out are expected to become more popular.
- With increasing education levels and disposable incomes for Taiwan's middle-aged people, foods for this sector will be a market worth exploring.

Street Stall Markets

According to recent statistics released by Taiwan's Directorate General of Budget, Accounting & Statistics, the total number of street stalls in Taiwan reached 260,290, as of August 1998. These businesses generated nearly US\$12 billion in annual sales revenues during a twelve month period (August-August). However, only 8.25% of these street stalls paid value-added-taxes. The reasons why consumers select street stalls are: taste, variety, and price.

VI. 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>):

- 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 & 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 & consumption trends, market promotion activities.
- Pure juice/juice drinks
General market overview, U.S. market position and competition, pricing, trade restrictions, distribution, consumer preference & consumption trends, market promotion activities, and concentrated juice.
- Fresh Fruit & Vegetable
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.

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
<http://ait.org.tw/ait/AGRI/ATO.htm>