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Taiwan

Exporter Guide

2015

Approved By:
Mark Ford
Prepared By:
ATO Taipei

Report Highlights:
In 2014, Taiwan was the seventh largest market for U.S. food and agricultural products. Given the relatively small agricultural sector, Taiwan's dependence on imports of food and agricultural products has continued throughout 2015. According to Taiwan's Council of Agriculture (COA), Taiwan imported US$3.79 billion of food and agricultural products (including edible fishery products) from the United States in 2014, representing 24.4% of the total import market share. U.S. exporters have successfully used Taiwan as a springboard into China and other Asian markets, taking advantage of close cultural, language and business ties. In addition, Taiwan continues to be a significant market with growth potential for U.S. food and agricultural suppliers.

Post:
Taipei ATO

Executive Summary:

Taiwan Exporter Guide 2015 TW15045

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I. Market Overview

Macro-economic Situation
With a population of 23 million, Taiwan is a thriving democracy, vibrant market economy, and a highly attractive export market, especially for U.S. firms. In 2014, Taiwan was ranked as the United States' 10th-largest trading partner in goods, placing it ahead of markets such as India and Italy. It was also the 14th-largest U.S. export market overall and the seventh-largest export market for agricultural products. Taiwan was the world's fifth-largest holder of foreign exchange reserves as of December 2014, with holdings of US$419.0 billion. In 2014, the Taiwan economy registered 3.74% GDP growth. Unemployment has decreased to 3.96%.
In 2014, Taiwan exports to emerging markets, especially in East Asia, will continue to increase while exports to advanced economies are expected to remain flat. Local private consumption has remained flat due to stagnant or declining wages. Real estate sales in several areas, especially the southern city of Kaohsiung, are showing significant growth. Improved economic ties with China are expected to ease current cross-Strait and investment restrictions and encourage more foreign investments in Taiwan.

Key Economic Indicators in Taiwan
2011 – 2014

Indicators	2011	2012	2013	2014
Economic Growth Rate	3.8	2.1	2.2	**3.74**
GDP (US$ billion)	485.7	495.8	511.3	**529.6**
GDP Per Capita (US$)	20,939	21,308	21,902	**22,635**
Average Exchange Rate (1US$ to NT$)	30.29	29.62	29.77	**30.37**
Consumer Price Index (Base: 2011=100)	100	101.93	102.74	**103.97**

Unemployment Rate (%)	4.39	4.24	4.18	**3.96**
Foreign Exchange Reserves (US$ billion)	385.5	403.2	416.8	**419.0**
Taiwan's Total Imports (US$ billion)	281.43	270.47	269.89	**274.03**
Taiwan's Total Exports (US$ billion)	308.26	301.18	305.44	**313.71**
Total Agri-Food Imports (billion US$)	14.8	14.7	14.8	**15.6**
Total Agri-Food Exports (billion US$)	4.7	5.1	5.1	**5.3**

Source: 2015 Taiwan Statistical Data Book, National Development Council, Taiwan
Taiwan Director-General of Budget, Accounting, Statistics (DGBAS

U.S. – Taiwan Trade Facts

According to the Bureau of Foreign Trade, Ministry of Economic Affairs, total Taiwan exports increased by 2.7% to US$313.7 billion and imports increased by 1.53% to US$274.0 billion in 2014. China (including Hong Kong) is Taiwan's largest trading partner, accounting for 26.7% of total trade and 18.1% of Taiwan's imports in 2014. The United States is Taiwan's second largest trading partner, accounting for 10.6% of total trade, including 10% of Taiwan's imports. Taiwan ran a trade surplus with the United States of US$7.4 billion in 2014, an increase US$80 million from the previous year. Japan follows with 10.48% of total trade, including 15.21% of Taiwan's imports.

Agricultural Trade

In 2014, Taiwan was the 14th-largest U.S. export market overall and the seventh-largest export market for agricultural products. Given Taiwan's relatively small agricultural sector, Taiwan's dependence on imports is expected to continue to grow. According to Taiwan's Council of Agriculture, Taiwan imported US$3.79 billion of food and agricultural products (including edible fishery products) from the United States in 2014, representing 24.4% of the total import market share. The United States also exports many consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables.

Since 2007, countries that depend on imports of basic agricultural commodities for food and feed purposes have had to deal with significant increases in commodity prices as well as transportation costs. While Taiwan has seen some food price inflation, the well-developed economy has been able to absorb the added costs more easily than other import-dependent parts of the world. The result, however, has been an increase in the number of sources from which Taiwan is willing to import commodities. The United States is still seen as a provider of high-quality, safe products and is the largest supplier of many food products to Taiwan.

Taiwan became a member of the World Trade Organization (WTO) on January 1, 2002, as a customs territory, and is referred to as Chinese Taipei. The lowering of tariff and non-tariff trade barriers for imports has provided improved market access for a wide range of U.S. agricultural products including fresh produce, dairy products, meat, seafood and processed food products.

Taiwan Food and Agricultural Products Imports and Exports

Top 5 Importing and Exporting Countries

2014

Ranking	**Importing Countries**	**Exporting Countries**

		Amount (US$ million)	Share (%)	Country	Amount (US$ million)	Share (%)
1	**U.S.**	**3.79 billion**	**24.4**	China	995	18.1
2	Brazil	1.12 billion	7.2	Japan	833	16.3
3	Japan	966	6.2	Hong Kong	535	10.3
4	China	963	6.2	Vietnam	504	**9.6**
5	Australia	854	5.5	**U.S.**	**502**	**9.5**

Sources: Council of Agriculture (COA)

The United States has long been the major supplier of Taiwan's food and agricultural product imports, followed by Brazil, Japan, China and Australia. In 2014, Taiwan imported US$3.79 billion of agri-food products from the United States, representing approximately 24.4% of the total food and agricultural imports, followed by Brazil (US$1.12 billion, 7.2%), Japan (US$966 million, 6.2), China (US$963 million, 6.2%) and Australia (US$854 million, 5.5%).

Bilateral Taxation Treaties

Taiwan has concluded various forms of investment agreements with the following 32 countries: Argentina, Belize, Burkina Faso, China, Costa Rica, Dominica, El Salvador, Gambia, Guatemala, Honduras, India, Indonesia, Japan, Liberia, Malaysia, Macedonia, Malawi, the Marshall Islands, Nicaragua, Nigeria, Panama, Paraguay, the Philippines, Saudi Arabia, Senegal, Singapore, St. Vincent, Swaziland, Thailand, the United States, Vietnam and New Zealand.

Representatives of the United States and Taiwan signed a Trade and Investment Framework Agreement (TIFA) in 1994 to serve as the basis for consultations on trade and investment issues. The April 2014 TIFA Council meeting welcomed steps by Taiwan authorities to improve trade secrets protection, address pharmaceutical issues, clarify investment criteria, lift data localization requirements in the financial sector, and to revise standards affecting U.S. market access, while also highlighting the need for more meaningful progress on long-standing agricultural trade issues and intellectual property protection.

Taiwan Geography

Taiwan, officially known as the Republic of China, is located at the heart of the Asia-Pacific. It is an important hub for regional and global trade and investment, especially in high-tech industries. It is located off the southeast coast of China, directly across the Taiwan Strait from Fujian province, southwest of Japan and north of the Philippines. About two-thirds of Taiwan is covered with mountainous terrain, while the remaining one-third is mostly gently rolling plains, where the bulk of the population lives.

Taiwan has several outlying islands, including Jinmen, which is within sight of the city of Xiamen in China. Taiwan is prone to natural disasters, with a high frequency of earthquakes, typhoons and mudslides. The island is linked by a high-speed rail line that connects the two largest cities in 1.5 hours, and a good road network, allowing for easy movement of goods and people around the island.

Taiwan Demographics

Home to 23.3 million people, Taiwan is one of the most densely populated areas in the world at approximately 650 people per km2. Over 90% of the population is of Han Chinese ancestry, and the rest composed of aboriginal peoples and recent marriage immigrants from Southeast Asia and China. Around 93% of the religious population is followers of a mixture of Buddhism, Taoism, and Confucianism, while approximately 4.5% is followers of Christianity.

The common language of most of the people of Taiwan today is Mandarin Chinese, other major languages are Hokkien (Southern Fujianese) and Hakka. English is the most widely used foreign language and Japanese speakers are becoming rare as the elderly generation who lived under Japanese rule is dying out.

Speaking Mandarin is not essential to doing business in Taiwan. Many people in Taiwan speak English, and translators are easy to find. Taiwan shares the same linguistic heritage as China, but differs in its use of traditional written Chinese characters instead of the simplified ones used in China. Written materials such as business cards and product brochures will be very helpful if translated into Mandarin Chinese.

Due to its low fertility rate, Taiwan is expected to become an aged society, defined as a society in which over 14% of the population is 65 or above, by 2017, and a super-aged society, in which senior citizens account for at least one-fifth of the total population, by 2025, according to Taiwan 2015 Year Book. To raise the quality of life of the nation's senior citizens and slow the progression of chronic diseases, the Taiwan's Ministry of Health and Welfare supported age-friendly cities, age-friendly health care, health promotion for the elderly, and prevention measures against chronic diseases and cancer, among other initiatives. As a result, U.S. retail foods suppliers will find potential opportunities in the health and wellness products, small-sized packaged foods and fresh-cooked food.

Taiwan Demographics
2011 – 2014

	2011	2012	2013	2014
Birth Rates (‰)	8.5	9.9	8.5	8.9
Death Rate (‰)	6.6	6.6	6.7	7.0
Age 0 – 14 years (%)	15.8	14.6	14.3	13.9
Age 15 – 64 years (%)	74	74.2	74.2	74.1
Age 65+ years (%)	10.9	11.2	11.5	12.1

(Source: DGBAS)

This low birthrate is due to a number of changes in Taiwan's family structure, including the following factors, but not limited to: the increasing frequency of women working outside of the home, couples deciding not to have children, and the growth of nuclear families. Consumption patterns have also changed to reflect these trends with a growth in the number of people frequenting restaurants, consuming prepared foods, trying more foreign dishes, and eating healthier food in the pursuit of ways to spend their increasing level of disposable income.

II. Exporter Business Tips

Import Agents

Except for large exporting companies that maintain their own representative offices in Taiwan, the appointment of an import agent is a critical decision for most exporters. The U.S. Agricultural Trade Office (ATO) in Taipei, the local offices of U.S. commodity groups or other trade associations (such as, the American Chamber of Commerce or the Import and Export Association of Taipei) can provide invaluable background information and assist in other ways.

Taiwan is a price-sensitive market, and foreign goods must conform to certain local standards and labeling regulations required for importing products into this market. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits required for importation.

Although agents and purchasing managers are always searching for new products, they are also very thorough in their evaluations of products. They prefer to see product samples whenever possible and will often place small initial shipments to test the market response.

Market Entry Strategy

Taiwan is a sophisticated consumer market in which consumers are plugged into global consumer trends. U.S. products are well represented in the market, as are products from across the region, especially China and other lower-cost producers. Taiwan is a good target market for high-quality, differentiated products and commodity items.

ATO Taipei strongly recommends U.S. exporters exhibit in the USA Pavilion of the Taipei International Food Show, which is the most influential trade show in the food industry in Taiwan, taking place in June every year. The USA Pavilion exhibitors will receive on-site consultation services from the ATO Taipei.

The best method to reach Taiwan's retail buyers and prospective importers initially is to contact them directly via e-mail or fax. Product catalogues and price lists are essential, and samples are very helpful. U.S. suppliers can obtain lists of Taiwan retail stores and importers from the ATO Taipei office.

A visit to Taiwan is imperative in establishing meaningful relationships with Taiwan buyers. Personal relationships and face-to-face meetings are very important in Asian cultures. It is advisable to bring along samples to meetings with potential buyers while visiting Taiwan, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

Product design and packaging is important. Taiwan is very densely populated with a high cost of urban housing. Taiwan consumers keep a low inventory of food and in general prefer smaller units than would be typically sold in the United States. It is necessary for producers of packaged goods to understand the market and its constraints to tailor their products to the consumers in Taiwan.

The typical Taiwan businessperson usually has several interests rather than a single product line. In order to meet the Taiwan consumers' increasing demand to try new products, importers constantly keep seeking for new products, including new-to-market products and new brands of certain products. For new products, it is important that they are supported by advertising and promotional material to generate brand awareness. On the other hand, many importers follow the customary Taiwanese pattern of collecting basic information (samples, catalogues, prices, supply schedules, etc.) and a trial order may be used to test the market response.

On-line procurement has gradually gained popularity in Taiwan's retailing industry. Some retail chains, especially those with foreign joint venture partners, such as Jason's Market Place and CitySuper, currently purchase on line a very limited number of product items.

Support from U.S. State Regional Trade Groups (SRTG)

Small-to-medium sized exporters should work with the appropriate U.S. State Regional Trade Group (SRTG) to take advantage of the SRTG's resources for marketing and promotion support in major export markets. The four SRTGs are non-profit trade development organizations that help U.S. food producers, processors and exporters sell their products overseas. They are jointly funded by USDA's Foreign Agricultural Service (FAS), the individual state departments of agriculture and private industry. The SRTGs provide export assistance to companies located in their geographic region through a variety of export programs and integrated marketing services. To learn more services available from the SRTGs, find the SRTG for your geographic region in the list below and visit the website.

- Western U.S. Agricultural Trade Association (WUSATA)
- Southern U.S. Trade Association (SUSTA)
- Food Export-Midwest (previously named MIATCO) (Food Export)
- Food Export-Northeast (Previously named Food Export USA) (Food Export)

Sales and Marketing

Although sales and marketing techniques in Taiwan are in a process of evolution and development, there remains a high reliance on price discounts in promotional strategies. To minimize reliance on discounting strategies, U.S. food and beverage suppliers, particularly those in higher added-value categories, may benefit from a focus on market education and sales training to develop brand recognition and consumer preference. Advertising and promotion are essential for new products.

In the sale of new food products, cooking demonstrations are very important in educating the consumer in how to properly use the products. Especially with higher cost items, Taiwan consumers are unlikely to buy an item that they are not comfortable using in the kitchen. Chefs often perform demonstrations in supermarkets for new products, and this is highly recommended.

The needs of local consumers are evolving as they become more health conscious. In response, grocery operators, hypermarkets and supermarkets are bringing in more health and wellness products. Health-conscious consumers tend to be less concerned about prices when shopping for products believed to be healthier and more nutritious. Bakery products, confectioneries, soups, oils and fats, and a wide range of nutritional supplements are just a few examples of product categories for which marketing strategies founded in nutritional and health messages have proven highly successful. This may provide opportunities for U.S. companies to promote brand value through emphasis on natural products and food-safety issues.

Taiwan Business Customs

Exchanging business cards is customary business practice in Taiwan. It is customary to use both hands when presenting and receiving business cards. Answer enquiries, proposals, correspondence and invitations as soon as possible. At the very least, send an acknowledgement stating that an answer will follow shortly. While traffic conditions in Taiwan can cause delays, a high value is placed on punctuality for business meetings. Gift giving is less practiced now as western business practices are adopted more widely in Taiwan. Foreign business visitors would not be expected to give a gift to a Taiwan business contact at a meeting and it is unlikely that a gift would be offered. Furthermore, small corporate promotional items might be suitable to exchange.

Greetings and gifts to celebrate major festivals such as the Mid-Autumn Moon Festival and Chinese New Year are common. These holidays are key sales periods, similar to Thanksgiving and Christmas in the States. U.S. companies should consider advanced timing of introducing new products to coincide with these busy holiday gift- giving seasons.

Foods Standards and Regulations

In July 2013, Taiwan inaugurated the Ministry of Health and Welfare (MOHW). MOHW is the central competent authority responsible for the management of food safety. Taiwan's Food and Drug Administration (TFDA) is modeled after the U.S. FDA and is an agency within MOHW. TFDA is responsible for border inspection on food products. TFDA officials are increasingly involved in ensuring food labeling compliance.

U.S. companies are advised to keep in mind the strict product labeling requirements enforced in Taiwan. The label must also be translated into Mandarin. For more information regarding Taiwan's labeling requirements and food standard, please contact our Agricultural Trade Office or see our latest Food and Agricultural Import Regulations and Standards (FAIRS) report:

http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

Tariffs and Import Controls

In 2002, Taiwan lifted import bans on various agricultural products upon its WTO accession. These products, including certain meats and variety meats, vegetables and many types of fresh fruit, are completely liberalized, importable under a tariff rate quota (TRQ) or subject to special safeguards. Taiwan's tariff schedule, including import duties, can be found at the Directorate General of Customs tariff database:

Directorate General of Customs Tariff Database

Bureau of Foreign Trade (BOFT)

For information regarding import requirements and licensing, contact the following:

Bureau of Foreign Trade
1 Hu-Kou Street
Taipei, Taiwan
Tel: (886-2) 2351-0271
Fax: (886-2) 2351-3603
Website: http://www.trade.gov.tw/
Email: boft@trade.gov.tw/

III. Market Sector Structure and Trends

Food Imports

Because only one quarter of the land is arable, Taiwan relies heavily on imports for many of its food products. Taiwan's economy is geared towards technology and manufacturing, and agriculture is a minor aspect of the domestic economy. Taiwan is focused on other areas of growth with the long-term trend favoring greater imports. Domestically, Taiwan produces rice, sugar, yams, tea, pork, poultry, fruits, and vegetables. Taiwan's main agricultural imports come from the United States and with a large percentage consisting of bulk commodities (soybeans and coarse grains).

Taiwan, in particular, is an attractive market for beef, tree nuts, dairy products, pet food, and high-end fresh fruit due to the large number of Taiwan people who have lived, studied, or have relatives in the United States. Knowledge and familiarity of U.S. brands and products is strong throughout Taiwan.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among Taiwan consumers.	U.S. food products are not always price competitive in Taiwan market.
The growing modern retail industry is looking for new imported food products.	Lack of importer and retailer knowledge and training in purchasing, handling, and merchandising U.S. products.
Taiwan is an attractive market for U.S. food exporters. It's also a safer market penetrate for companies interested in exporting food and agricultural products to China.	Taiwan is the United States 7th largest market for agricultural exports, but is often overlooked by U.S. suppliers eager to export directly to China.
The majority of Taiwan consumers become more health conscious and they tend to be less concerned about costs when shopping.	Lack of brand awareness by consumers
Taiwan concerns over food safety have made U.S. food products as a top choice for quality and reliable products.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan requirements/consumer preferences.
Taiwan consumers are brand-conscious and America is a leader in food brands that set trends.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products to importers/end users in

	Taiwan.
There is a wide variety of U.S. food products available to Taiwan consumers.	Taiwan consumers maintain a preference for "fresh" food products over "frozen."
In general, implementation and application of food related regulations are transparent and open.	Taiwan's labeling and residue standards differ in some cases from internationally accepted requirement, which complicate international trades.
Taiwan's WTO accession in early 2002 resulting in further market liberalization and import tariff reduction has provided U.S. exporters with more market opportunities	Competition among major world agricultural and food exporters for a share of Taiwan's growing food import market is further intensifying due to Taiwan's WTO accession.
Technical barriers to imports of U.S. products are general not high.	Numerous Taiwan food regulations are not in line with U.S. standards, which can impede imports.

Food Retail Sector

Taiwan's retail food sector is becoming increasingly competitive, and foreign operators (Costco, 7-11, Carrefour and Wellcome) continue to dominate Taiwan's food retail market. However, in 2015, aggressive expansion plans by international retailers increased the number of convenience stores in Taiwan to 10,700 making it the highest convenience store density in the world. Only e-commerce had a better growth rate than the retail food sector, and this trend is expected to continue throughout 2016. Nevertheless, U.S. products continue to be well-accepted by Taiwan consumers due to competitive prices and consumer confidence in the quality and safety of U.S. retail food products.

In 2014, the retail sector in Taiwan became an increasingly important opportunity for U.S retail food exporters and investors. Given Taiwan's current size and population, the country is forced to look overseas for food products, and agriculture accounts for less than 2% of GDP and only 5% of employment in Taiwan. According to the Ministry of Economic Affairs, Department of Statistics, the retail food industry sales in 2014 was $15.38 billion, a 0.83% sales increase over 2013. Table 1, below, outlines the trend that convenience stores, both in number of stores and annual sales, have been growing significantly and are taking the market-leading position. In 2014, convenience stores generated US$9.6 billion sales, followed by hypermarkets (US$5.9 billion), supermarkets (US$5.6 billion) and others including wet markets, mom-and-pop stores and e-commerce sales (US$5.6 billion).

Table 1 - Annual Sales of Retailers by Sectors in Taiwan

Convenience Stores/Hypermarket/ Supermarkets/Others

(Unit: US$ billion)

	2010	2011	2012	2013	**2014**
Convenient Stores	7.6	8.2	8.9	9.2	**9.6**
Hypermarkets	5.2	5.5	5.6	5.7	**5.9**
Supermarkets	4.4	4.7	5.1	5.2	**5.6**
Others	4.7	4.9	5.1	5.2	**5.6**

Source: Ministry of Economic Affairs, Department of Statistics

Taiwan's continued modernization and increased adoption of western food tastes makes the country an extremely attractive market for U.S. exporters. It is also a safer, test market for companies interested in exporting goods to China.

Number of Retailers and Outlets in Taiwan
Convenience Stores/Hypermarkets/Supermarkets
2010 – 2015 July

	Convenience Stores		Hypermarkets		Supermarkets	
	# of Retailers	# of Outlets	# of Retailers	# of Outlets	# of Retailers	# of Outlets
July2015	**7**	**10,739**	**6**	**125**	**26**	**1,902**
2014	**7**	**10,632**	**6**	**123**	**26**	**1,820**
2013	7	10,087	7	128	29	1,771
2012	6	9,997	7	126	29	1,709
2011	6	9,870	7	124	31	1,618
2010	6	9,538	8	122	30	1,572

Source: *Taiwan Chain Store Almanac 2014*
Distribution News Magazine 2015

In the late 1980's, Taiwan authorities liberalized foreign investment, which brought many foreign operators into the market, and led to the retail food sector being one of the most developed and modernized in Asia. International retailers dominate in Taiwan, with few domestic players in direct competition. International retail stores have taken advantage of Taiwan's geographical location, high population density and high disposable incomes. Prior to liberalization, mom-and-pop shops were the dominant retailers. In recent years, the traditional mom-and-pop shops and wet markets have suffered and declined in numbers to high-end supermarkets and convenience stores.

Overall, the retail foods sector is fragmented. Carrefour, COSTCO, RT Mart are key players in the hypermarket area while Wellcome, PX Mart, CitySuper, Jason's Market Place and Taiwan Fresh Supermarket are active in the supermarket sectors. Meanwhile, 7-11, Family Mart, Hi-Life and OK are the four major convenience store chains in Taiwan. With an already saturated retail market and more services being offered (online services, more stores, etc.) mergers and acquisitions among key players is expected to take place in Taiwan's retail food sector in the near future.

Food Processing

Taiwan's expansion of production facilities in the food processing and ingredients industry presents robust opportunities for U.S. exporters of agricultural raw materials and high-value ingredients to Taiwan. Even though Taiwan's food processing and ingredient industry is extremely competitive, there are still great opportunities for U.S. exporters. U.S. exports of high value food products to Taiwan reached US$1.3 billion in 2014 and this trend is expected to continue for the next several years. Imports of premium food items from other countries have been increasing, but U.S. products continue to be well-accepted by Taiwan consumers due to competitive prices and consumer confidence in the quality and safety of U.S. food products. Taiwan is the United States' seventh largest agricultural export market due in part to the great success in the food processing and ingredients sector.

Opportunities exist to expand U.S. food product sales to Taiwan's food processing and ingredient sector. Given Taiwan's current size and population, the country will continue the trend of looking overseas for food processing and ingredients. Taiwan's food processing and ingredients industry is comprised of the following major sectors: beverage, coffee/cocoa, condiments/seasonings, dairy products, fats/oils, flour/ bakery products, fruits/vegetables, meat/poultry products, snack foods, and sugar and confectionery. The demand for U.S. food processing and ingredients is expected to continue increasing over the next several years.

HRI Food Service Sector

Structure

The majority of HRI companies in Taiwan purchase most of their food products from importers, distributors, wholesalers, regional wholesale markets, wet markets, and supermarkets and hypermarkets, depending on the type of food item. Imported fresh items such as produce, fish/seafood and beef, are usually purchased and delivered directly from importers or through distributors or wholesalers. Institutional users buy more products from local distributors or import directly. A recent trend is that retail outlets such as Costco are frequented by many small food service/HRI operators to buy items in quantity at the lowest possible cost, thereby avoiding the hassle of trying to source small volumes via traditional import channels.

Food and beverage managers and executive chefs at international hotels are the key persons who decide which items are purchased. The purchasing department procures various food ingredients based on the list that F&B section provides. Hotels, especially those that employ foreign chefs or offer authentic foreign cuisines, and other high-end family style restaurants typically use more imported items from importers, wholesalers and distributors.

Western and local fast food restaurant chains usually have their own distribution centers or they contract with an independent distribution center to purchase, partly process and deliver the daily needs to each outlet island-wide. Fast food chains also maintain their own R&D team or work closely with one or more contracted regional catering service(s) to develop and frequently renew menus to meet consumers' demand.

Medium-level family style chain restaurants generally maintain a centralized purchasing department and a centralized kitchen as well. The centralized kitchen prepares meals and delivers the foods to all outlets of the restaurant chain.

Other smaller-scale drinking and eating establishments purchase the majority of their daily needs from wholesalers, regional wholesale markets or wet markets.

Trend

Taiwan consumers enjoy a very diverse food environment. In addition to traditional Chinese food cuisines, Japanese BBQ (Yakiniku), hot-pot (shabu shabu), Thai foods, Italian cuisines, western fast foods and several other ethnic varieties are seen all around the country. As food trends change swiftly, however, many of these cuisines do not stay popular for long, and only a few types of cuisines gradually become fully integrated into local food culture.

Street food and snacks are also signature features of Taiwan's food culture. Night markets with hundreds of food options are common island-wide. Food stands in the night markets use a wide variety of food ingredients -- imported and locally produced. For example, French fries produced in the United States and Canadian Pacific Northwest are offered side-by-side with locally produced sweet potato (yam) fries in the deep-fried food stands (yan su ji).

Discounted gift certificates and coupons sold online (such as Groupon and Gomaji) also helped boost restaurant exposure and sales over the past few years. Nearly 80 percent of restaurant operators responded, in an MOEA survey (2012), that pre-sold coupons helped increase business. Many small-operation restaurants have become popular overnight due to their products' wide exposure on these websites.

For more Taiwan foodservice trend and data, please refer to Taiwan Food Service – Hotel Restaurant Institutional report.

Organic Foods Sector

Currently, a dominant trend in Taiwan is the demand for healthier products and healthier lifestyles. Organic foods are becoming popular in Taiwan as consumers crave more natural and environmentally friendlier products. The organic sector in Taiwan is rapidly growing as consumers become increasingly aware of available products. Due to the lead time of transportation and labeling application processes, the majority of imported organic products are processed foods, such as tree nuts, juices, etc. According to regulations, Taiwan only allows products that contain over 95% of organic ingredients can be labelled "organic."

The Council of Agriculture (COA) oversees Taiwan's organic program, including imports. In 2009, COA announced recognition of the USDA's National Organic Program (NOP) as equivalent. Since then, however, the COA maintains what is effectively a zero tolerance for chemical residues on organic products, in contrast with the NOP regulations. (USDA's NOP permits detection of chemical residues at no more than 5% of Environmental Protection Agency environmental tolerances to account for unintentional environmental or drift residues.). Each shipment from the United States to Taiwan must be issued with a TM-11 Form to declare the products were grown without using prohibited substances and also certified by an NOP accredited certification body.

Under the regulations, once the COA recognizes a foreign country's organic standards, Taiwan importers will be responsible for coordinating with their foreign suppliers and certification agencies to apply for approval from the COA to use "organic" on labels. The increased paperwork and coordination of shipments has raised costs and lost, especially for the perishable item. As a result, some importers may replace the original "organic" label with more ambiguous language such as "natural", which does not require the same level of documentation. Many of these "natural" labelled products carry a higher price than conventional products.

Fish and Seafood products

Taiwan's domestic fish production reached US$3.4 billion in 2014, a 3% decrease from the previous year (Total local production was 3.3 billion in 2013). Taiwan's five top seafood suppliers in 2014 were China, Vietnam, Indonesia, Norway and Chile, respectively. The United States and Canada were Taiwan's 11th and 10th largest seafood suppliers, respectively, in 2014.

Despite gaining market share, the United States is a minor supplier of seafood to Taiwan, behind China and other Southeast Asian countries which enjoy regional proximity and price advantages. Taiwan's total seafood imports increased from US$1.35 billion in 2014 to US$1.18 billion in 2013. The value of fishery products imported from the United States increased from US$58.4 million in 2014 to US$46.3 million in 2013 as well. China has been Taiwan's leading supplier since 2006 and looks to strengthen its position as trade between Taiwan and China continues to liberalize and expand.

Seafood continues to play an important role in the Taiwan diet, and the average Taiwan consumer eats an estimated 35 kilograms of fish and seafood products annually. Taiwan consumers are showing a growing interest in high-quality seafood with stated health benefits. These consumers are sophisticated, and given their traditional preference for fresh fish and seafood, frozen products must be of the highest quality to meet local standards.

Imported seafood items continue to occupy a unique and growing niche in Taiwan’s seafood market. For instance, in spite of the current limited market share, prospects for high quality/high value U.S. fish and seafood exports to Taiwan are promising due to increasing incomes and new dietary trends. U.S. fish and seafood products are perceived by Taiwan consumers to be high quality as they are usually featured at high-end restaurants or five-star hotels rather than purchased in supermarkets or traditional wet markets. Also, despite lobster's high price, it continues to be served at Taiwanese wedding banquets and during traditional holiday events. Conducting product promotions or taste-testing events would likely enhance consumers' awareness and increase the visibility of U.S. seafood.

IV. Best High-Value Product Prospects

Products Present in the Market That Have Good Sales Potential

Product Category	2014 Import Market size (MT)	2014 Import US$ million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Beef and beef offal	104,831	$709.0	16.4%	Beef: NT$10 per kilogram Beef variety meat: 15%	The U.S. regained as the largest beef supplier with 42% import market share in 2013 after the Taiwan	The U.S. beef industry is able to supply large volume of “Asian cuts” at compatible prices

					authority developed the import regulations for beef contains ractopamine. Australia and New Zealand, are perceived by Taiwan consumers who supply acceptable quality beef at lower prices.	to other two key suppliers – Australia and New Zealand. Taiwan consumers still have high regards for U.S. chilled beef in terms of quality and safety.
Poultry Meat	143,073	$185.8	15.8%	20%	Import quotas on poultry meat were eliminated in 2005, but special safe guard (SSG) raises the tariff to about 26%.	U.S. enjoys 81% import market share and is one of only six countries certified to export poultry meat to Taiwan.
Fresh Fruits	298,703	$612.9	8.67%	Apples - 20% Cherries – 7.5% Peaches – 20% Grape – 20% Plum – 20% Oranges – 20%	Taiwan consumers prefer fresh fruit to frozen fruit. Taiwan is an important producer of fresh tropical fruits with high quality.	U.S. offers different varies of fresh fruits and enjoy leading positions in several fruit categories, including apples, cherries, peaches & nectarines, grape, plum and oranges. It is anticipated that these seafood will continue to be popular in Taiwan.
Fresh Vegetable	194,667	$95.4	4.25%	Broccoli – 20% Onions – 25% Lettuce – 20% Potatoes – 15%	Local production meets majority of the vegetable's demand.	U.S. continues to be in the leading position of broccoli, onions, lettuce and potatoes product categories with import market

						share between 87% - 99%.
Berries	930	$10.4	36.67%	7.5%	Local production meets the demand of different varieties.	Consumers in Taiwan are becoming more health conscious. Berries continue to enjoy a steadily increasing share in retail channel. There are strong growth prospects for strawberry, cranberry and blueberry categories.
Snack Foods, exclude nuts	43,687	$223.9	8.17%	Varies by type	Japan and USA are the top two supplies countries in Taiwan's competitive snack market.	The booming E-commerce and increased number of convenience stores in Taiwan provide business potential for U.S. snack suppliers.
Food Preparations	NA	$1,075	6.07%	Varies by type	The food processing industry in Taiwan is worth US$21.4 billion and local producers have secured a niche position in the competitive global market.	Taiwan imports US$268 million worth of food additives, favoring, specialized food ingredients, preservatives, thickeners, sweeteners, prepared meals, dried goods and condiments.
Fish and Seafood Products	265,031	$932	8.24%	NT$5.36 to NT$225 per kg; or 9% to 50%	Taiwan consumers have preferences for "fresh" fish and seafood products over "frozen".	U.S. fish and seafood products are perceived as high quality and safe. Many high-end hotels and restaurants carry Alaska seafood.

Source: ATO Survey, Customs Administration – Ministry of Finance,
Taiwan Council of Agriculture, Global Trade Atlas

SECTION V. POST CONTACT AND FURTHER INFORMATION

Contact Information for FAS Offices in Taiwan and in the United States

For Trade Policy/Market Access and General Agricultural Issues:

Taiwan American Institute In Taiwan, AIT, Taipei
Office Hours: 8:00 AM – 5:00 PM **Telephone:** (011-866-2) 2162-2316 **Fax:** (011-886-2) 2162-2238 **Email-FAS:** agtaipei@fas.usda.gov

For Market Development Assistance:

Taiwan Agricultural Trade Office - Taipei, ATO, Taipei
Office Hours: 8:00 AM – 5:00 PM **Tel-Direct Line:** (011-886-2) 2705-6536 **Fax:** (011-886-2) 2706-4885 **Email-FAS:** atotaipei@fas.usda.gov

Major Taiwan Authority Contacts

Food and Drug Administration (FDA)
Department of Health (DOH), Executive Yuan
161-2 Kun-Yang Road, Taipei, Taiwan
Tel: (886) 2-2653-1318
Website: http://www.fda.gov.tw/eng/index.aspx

Council of Agriculture (COA), Executive Yuan
37 Nan-Hai Road, Taipei, Taiwan
Tel: (886) 2-2381-2991 Fax: (886) 2-2331-0341
E-mail: COA@mail.coa.gov.tw
Website: http://eng.coa.gov.tw

Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), COA
9F, 51 Chung-Ching South Road, Section 2, Taipei, Taiwan
Tel: (886) 2-2343-1401 Fax: (886) 2-2343-1400
E-mail: BAPHIQ@mail.baphiq.gov.tw
Website: http://www.baphiq.gov.tw

Bureau of Standards, Metrology and Inspection (BSMI)/Ministry of Economic Affairs (MOEA)

4 Ji-Nan Road, Section 1, Taipei, Taiwan
Tel: (886) 2-2343-1700 Fax: (886) 2-2356-0998
Website: http://www.bsmi.gov.tw

Bureau of Foreign Trade (BOFT) / MOEA
1 Hu-Kou Street, Taipei, Taiwan
Tel: (886) 2-2351-0271 Fax: (886) 2-2351-3603
E-mail: BOFT@trade.gov.tw
Website: http://eweb.trade.gov.tw

Directorate General of Customs (DCG) / Ministry of Finance (MOF)
13 Ta-Cheng Street, Taipei, Taiwan
Tel: (886) 2-2550-5500 Fax: (886) 2-2550-8111
E-mail : MGR@webmail.customs.gov.tw
Website : http://eweb.customs.gov.tw

Food Industry Research and Development Institute (FIRDI)
331 Shih-Pin Road, Hsinchu, Taiwan
Tel: (886) 3-522-3191 Fax: (886) 3-521-4016
Website: http://www.firdi.org.tw

Major Taiwan Trade Association Contacts

Taiwan External Trade Development Council (TAITRA)
5-7F, 333 Kee-Lung Road, Section 1, Taipei, Taiwan
Tel: (886) 2-2725-5200 Fax: (886) 2-2757-6245
Website: http://www.taiwantrade.com.tw
Taiwan Chain Stores and Franchise Association (TCFA)
4F, 180 Nan-King East Road, Section 4, Taipei, Taiwan
Tel: (886) 2-2579-6262 Fax: (886) 2-2579-1176
Website: http://www.tcfa.org.tw

Importers and Exporters Association of Taipei (IEAT)
350 Sung-Chiang Road, Taipei, Taiwan
Tel: (886) 2-2581-3521 Fax: (886) 2-2523-8782
E-mail: IEATPE@ieatpe.org.tw
Website: http://www.ieatpe.org.tw

Importers and Exporters Association of Kaohsiung (IEAK)
4F, 472 Chung Shan Second Road, Kaohsiung, Taiwan
Tel: (886) 7-241-1191 Fax: (886) 7-201-6193
E-mail: KIEANet@ms15.hinet.net

Tainan Importers and Exporters Chamber of Commerce
5F, 50 Cheng Kong Road, Tainan, Taiwan
Tel: (886) 6-226-7121 Fax: (886) 6-226-7124

E-mail: A2267121@ms17.hinet.net

U.S. Government Contact
Foreign Agricultural Service (FAS)
United States Department of Agriculture (USDA)
1400 Independence Avenue, SW
Washington, D.C. 20250
E-mail: info@fas.usda.gov
Website: http://www.fas.usda.gov

SDA Stakeholders

The Agricultural Trade Office (ATO) works with a large number of U.S. industry organizations, several of which are resident or have local representatives in Taiwan. These cooperators share the view that Taiwan is a promising market for agri-food products.

USDA Producer Associations - Taiwan Representatives (and PR Firms)

COOPERATOR	LOCAL AGENT	CONTACT	PHONE	FAX	ADDRESS	E-mail
California Cherry Advisory Board	Steven Chu & Associates	Steven Chu	(8862) 27261939	(8862) 27261815	10F-3, 508 Chung Hsiao E. Rd., Sec. 5, Taipei	scafms@ms11.hinet.net
California Tree Fruit Agreement						
Pear Bureau North-West						
Raisin Administrative Committee						
Washington Apples						
Food Export Northeast/Midwest						
Wisconsin Ginseng Board						
California Table Grape Committee	PR Consultants Ltd.	Rosaline Chen	(8862) 87898939	(8862) 27252155	7D07, 5 HsinYi Rd., Sec. 5, Taipei	rosalinec@prcon.com
U.S. Dairy Export Council						
USA Rice Federation						
Wine Institute of California						
US Potato Board						
Northwest Cherry Growers	n/a	Herman Kuo	(88609) 32123482	(8862) 23627676	3F, 14, lane 26,	Yikuo1976@gmail.com;

Association					Tai-shun St. Taipei Taiwan	
U. S. Meat Export Federation	n/a	Davis Wu	(8862) 27361200	(8862) 27361500	12F-1, 23, Keelung Rd., Sec. 2, Taipei	taiwan@usmef.org; dwu@usmef.org.tw
California Agricultural Export Council	n/a	Irene Tsai	(8862) 87898855	(8862) 87898833	Suite7C-06, Taipei World Trade Center, 5, Hsin-Yi Rd., Sec5, Taipei	CAEC-Asia@umail.hinet.net
Oceanspray (beverage)	n/a	Daisy Hong	(8862) 25184005	(8862) 25184609	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	d.m.hong@oceanspray.com
Oceanspray (ingredient)	n/a	Kenneth Wang	(8862) 25023331	(8862) 25041094	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	kenjohn@ms27.hinet.net
U.S. Highbush Blueberry Council, California Fig Producers Association	n/a	Millie Hsia	(8862) 23093130		PO 31-90 PO 31-90	millie@blueberry.org
US Pet Food Institute	Wise Consulting	Echo Lin	(8862) 25140984	(8862) 27184850	8F., No.201, Fu-Shin N. Rd, Taipei	jean@wisecont.com; joyce@wisecont.com
APA - The Engineered Wood Association	n/a	Charlie Barnes	(8862) 27201624	(8862) 27201646	Taipei World Trade Center, Suite 7C-08, #5 Hsin-yi Road Section 5, Taipei 110	charlie.barnes@apawood.org
ASA - IM	n/a	Anthony Thang	(8862) 25602927	(8862) 25683869	6F, 27 Chang E.	asatwn@ms75.hinet.net

					Rd. Sec.1, Taipei	
U.S. Grains Council	n/a	Clover Chang	(8862) 25075401	(8862) 25024851	7F, 157, Nanking E. Rd., Sec.2, Taipei, Taiwan	usfgctai@ms6.hinet.net; usgcclvr@ms41.hinet.net
U.S. Wheat Associates	n/a	Ronald Lu	(8862) 25211144	(8862) 25211568	3/3, lane 27, Chung Shan N. Rd., Sec.2, Taipei, Taiwan	rlu@uswheat.org

Other Relevant Reports

Reports on the Taiwan food and agricultural market are available on the FAS website. The search engine can be found at:
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

Videos:
"Doing Business in Taiwan" - A Day in Taipei
Part I: http://www.youtube.com/watch?v=wyIlsMjIEWg
Part II: http://www.youtube.com/watch?v=4SH3c5EiJm4&feature=related

ATO Taipei marketing program video clippings:
http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results_main

Contact Information of USDA's Foreign Agricultural Service Office in Taiwan

- For Trade Policy/Market Access and General Agricultural Issues, please contact the Agricultural Affairs section via email at: agtaipei@fas.usda.gov.
- For Market Development Assistance, please contact the Agricultural Trade Office via email at: atotaipei@fas.usda.gov.

Appendix – Statistics

A – Key trade and demographic information

Key Economic Indicators in Taiwan (2011 – 2014)

Indicators	2011	2012	2013	**2014**
Economic Growth Rate	3.8	2.1	2.2	**3.74**

GDP (US$ billion)	485.7	495.8	511.3	**529.6**
GDP Per Capita (US$)	20,939	21,308	21,902	**22,635**
Average Exchange Rate (1US$ to NT$)	30.29	29.62	29.77	**30.37**
Consumer Price Index (Base: 2011=100)	100	101.93	102.74	**103.97**
Unemployment Rate (%)	4.39	4.24	4.18	**3.96**
Foreign Exchange Reserves (US$ billion)	385.5	403.2	416.8	**419.0**
Taiwan's Total Imports (US$ billion)	281.43	270.47	269.89	**274.03**
Taiwan's Total Exports (US$ billion)	308.26	301.18	305.44	**313.71**
Total Agri-Food Imports (billion US$)	14.8	14.7	14.8	**15.6**
Total Agri-Food Exports (billion US$)	4.7	5.1	5.1	**5.3**

Source: 2015 Taiwan Statistical Data Book, National Development Council, Taiwan
Taiwan Director-General of Budget, Accounting, Statistics (DGBAS

Key Trade and Demographic Information 2014

Agricultural Imports from All Countries ($Mil) / Imports from the U.S. ($Mil)	15,600/3,790
Consumer Food Imports from All Countries ($Mil) / Imports from the U.S. ($Mil)	5/152 / 1,465
Edible Fishery Imports from All Countries ($Mil) / Imports from the U.S. ($Mil)	265 /5
Total Population (Millions) / Annual Growth Rate (%)	23.419 / 2.53
Number of Major Metropolitan Areas	5
Per Capita Gross Domestic Product (U.S. Dollars)	22,635
Percent of Female Population Employed (%)	50.84
Population Density (persons/km^2)	649
Birth Rate (%)	8.9
Death Rate (%)	7.0
Labor Force (thousands)	11,230
Unemployment Rate (%)	3.96
Per Household Food Expenditures (U.S. Dollars) Note: Average disposable income per household = NT$949,208 (US$31,406); Percent distribution of total expenditures on food and beverage=15.87%	4,984
Exchange Rate (US$1 = TWD)	30.37

1/ Population in excess of 1,000,000 Source: DGBAS, GTA

B: Consumer Food and Edible Fishery Product Imports

Taiwan Agricultural Product Import Statistics

Product Category (HS code)	**Import Value US$ million 2013 (2014)**	**Major Supply Sources and Market Share in 2013**	**Strengths of Key Supply Countries**	**Advantages and Disadvantages of Local Suppliers**
Meat & Poultry				
Beef and beef offal	627.9 **(709.0)**	**1. USA – 41.48%** 2. Australia - 33.43% 3. N. Zealand – 17.55%	Australia dominates market for cheaper beef cuts while the USA is traditionally the largest chilled beef supplier.	Taiwan's beef production only accounts for 5% of total beef consumed on the island.
Pork and pork offal	92.3 **(177.8)**	1. Canada – 27.9% 2. Denmark – 22.68% 3. Netherlands – 19.12% **4. USA – 18.17%** 5. Hungary – 6.72%	Imports have occurred only in response to occasional short supplies and high local pork prices. U.S. exports slumped due to the feed additive - ractopamine disputes.	Local pork dominates the market.
Poultry	162.8 **(185.8)**	**1. USA – 82.61%** 2. Canada – 17.08%	Taiwan consumer's preference for dark meat provides opportunities for western countries. USA products are generally price competitive.	Local chicken dominates the market.
Fish & Seafood				

Fish Fillet and Meat, Chilled or Frozen (0304)	74.8 **(87.2)**	1. India – 29.29% 2. Vietnam – 22.98% 3. Indonesia – 12.50% 4. China— 11.26% **5. USA – 10.21%**	Taiwan imports frozen fish fillets (esp. cod and pollack) and surimi for further processing.	Taiwan produces more seafood products than it needs and only imports those not available in the region.
Rock Lobster and Other Sea Crawfish, Live/Fresh (030621)	8.5 **(8.9)**	1. Indonesia – 61.95% 2. South Africa – 13.90% 3. Philippines – 10.49% **4. USA – 7.07%**	Indonesia is the key suppliers of live/fresh lobsters.	Lobsters are not often seen along Taiwan's coastlines.
Rock Lobster, Frozen (030611)	10.3 **(22.3)**	1. Cuba – 39.54% 2. **USA – 17.58%** 3. Australia – 11.86%	Cuba is the key suppliers of frozen lobsters.	Lobsters are not often seen along Taiwan's coastlines.
Dairy Products				
Cheese (0406)	121.5 **(135.8)**	**1. USA – 29.48%** 2. New Zealand – 27.70% 3. Australia – 10.29% 4. Argentina – 9.77% 5. Italy – 4.25%	New Zealand is foreseen to take up more market share due to its pricing competitiveness.	Local production is limited.
Whey (040410)	16.1 **(16.7)**	**1. USA – 31.66%** 2. France – 26.12% 3. Canada – 7.35%	USA is the leading supplier of whey products.	Local production is limited.

Butter (040510)	56.5 **(70.4)**	1. New Zealand – 60.12% 2. France – 13.68% 3. Australia – 8.91% **4. USA – 5.4%** 5. Belgium – 3.35%	New Zealand leads with butter and several other dairy products. France supplies high-end products.	Local production is limited.
Fresh Fruits				
Apples, Fresh (080810)	203.9 **(244.6)**	**1. USA – 30.94%** 2. Chile – 26.69% 3. Japan – 23.26% 4. New Zealand – 15.32%	USA leads with several fresh fruits that have limited local production, including apples. Chilean and New Zealand apples gain seasonal advantage.	Taiwan is a significant producer of fresh tropical fruits, and local fruit production is very high quality. Taiwan only imports fruits typically not produced locally.
Cherries, Fresh (080920)	**66.5 (0.2)**	1. Chile – 45.94% **2. USA – 45.91%** 3. Canada – 8.15%	USA provides high quality products. Southern hemisphere countries gain seasonal advantages.	There is no local production.
Peaches & Nectarines, Fresh (080930)	48.4 **(36.9)**	**1. USA- 83.09%** 2. Japan – 8.90% 3. Chile – 7.73%	USA products are in good quality and price competitive.	Local products meet about half of local demand.

Grape, Fresh (080610)	49.6 **(57.9)**	**1. USA – 47.89%** 2. Chile – 23.91% 3. Peru – 12.60% 4. Japan – 6.28% 5. India – 3.68%	USA supply good quality fresh table grape. Chile and South Africa supply price competitive products.	Local farmers produce different grape varieties - typically sweeter.
Plum, Fresh (080940)	8.4 **(7.0)**	**1. USA – 91.63%** 2. Chile – 8.37%	USA is the leading supplier of plums.	Local products are different varieties.
Oranges, Fresh (080510)	9.4 **(9.8)**	**1. USA – 85.99%** 2. South Africa – 7.5% 3. Australia – 6.04%	USA is the dominant supplier of imported fresh oranges while South African became more competitive in 2012.	Local products are different varieties.
Berries (081040)	6.8 **(10.4)**	**1. USA – 52.89%** 2. Chile – 42.18% 3. Canada - 4.41%	USA is the leading supplying country of cranberries, blueberries and strawberries.	Limited local production of berries.
Fresh Vegetable				
Broccoli and cauliflower, fresh (070410)	10.1 **(10.0)**	**1. USA – 92.36%** 2. Vietnam – 7.34%	USA is the major supplier of imported broccoli and cauliflowers.	Local products dominate the market.
Onions and shallots, fresh (070310)	21.1 **(17.0)**	**1. USA – 59.95%** 2. South Korea – 29.68% 3. New Zealand – 6.86%	USA is the major supplier of imported onions.	Local production fulfills around 60% of local demand.

Lettuce, fresh (070519)	6.2 **(6.5)**	**1. USA – 99.12%** 2. Vietnam – 0.32%	USA supplies good quality products with competitive prices.	Local products are different varieties and generally of lower quality.
Potatoes, fresh (0701)	8.4 **(5.9)**	**1. USA – 94.58%** 2. Australia -- 5.42%	USA is the major supplier of imported potato products, providing good quality products with competitive pricing.	Local products dominate the market and are different varieties.
Alcohol and Other Beverages				
Wine (2204)	146.6 **(146.7)**	1. France – 53.93% **2. USA – 8.85%** 3. Italy – 8.71% 4. Chile – 6.96% 5. Spain – 6.44%	France dominates the market, but new world countries are gaining traction due to growing consumer demand for diversity.	Local companies are not able to produce good quality wine.
Beer (2203)	165.7 **(183.9)**	1. Netherlands -66.11% 2. China -- 14.04% 3. Japan – 4.70% **4. USA – 4.07%** 5. Thailand – 2.12%	The Netherlands and China are aggressive suppliers with many promotions in restaurants and bars.	Local beer brands are most popular, holding 73% market share.
Coffee				
Coffee, roasted, not decaf (090121)	33.3 **(33.2)**	**1. USA – 46.13%** 2. Malaysia – 17.56% 3. Italy – 13.37% 4. Japan – 7.88%	USA supplies over half of roasted coffee while Indonesia, Brazil and other tropical countries supply most of the non-roasted coffee beans.	There is limited local coffee production supplying special local brand.
Processed Foods				

Mixes and Dough (190120)	17.5 **(18.8)**	**1. USA – 50.04%** 2. Japan– 13.03% 3. Thailand – 10.68% 4. South Korea – 8.24% 5. New Zealand – 5.85%	USA dominates the mixes and dough market.	Taiwan imports most of its bakery ingredients.
Sauces and Preps (210390)	71.8 **(72.8)**	1. Japan— 50.70% **2. USA – 14.45%** 3. China – 9.66% 4. Thailand – 5.25% 5. Hong Kong – 4.30%	Taiwan consumers tend to prefer the flavors of Japanese sauces and condiments.	Local products dominate the market.
Sunflower and Cottonseed oil (1512)	21.2 **(26.3)**	1. Ukraine– 57.92% 2. Argentina – 21.62% 3. Italy – 6.79% 4. China – 2.88% 5. Netherlands – 2.20% 6. Malaysia – 2.12% **7. USA – 1.77%**	Argentina supplies more than half of the market.	Imported edible oil is expected to be in strong demand due to recent food safety events in Taiwan's edible oil market.

Soups & Broths (210410)	13.5 **(11.9)**	1. Japan – 41.01% **2. USA – 30.61%** 3. China – 8.54% 4. South Korea – 6.35%	USA and Japan are the key suppliers of soups and broths	Local products dominate the market and customers prefer freshly prepared soups.
Snack Foods, exclude nuts (Group 31)	186.9 **(223.9)**	1. Japan – 22.86% **2. USA – 13.30%** 3. Italy – 13.01% 4. Malaysia – 5.65%	Japanese and American snack foods are popular in Taiwan. Recent Japanese Yen's depreciation resulted in 10% to 20% price reduction of Japanese snack foods in most of the retail outlets.	Local products provide different varieties.
Foods Preparations	1,031 **(1,075)**	**1. USA – 25.99%** 2. Thailand – 16.15% 3. Japan – 7.96% 4. Netherland – 5.85% 5. Germany – 4.92%	USA continues to dominate this sector with an impressive import sales volume.	Local products provide different varieties.
Tree Nuts				
Almonds, shelled (080212)	43.0 **(44.8)**	**1. USA - 94.11%** 2. China – 4.94%	USA is the dominant supplier of tree nuts.	There is no local production available.
Walnuts, shelled (080232)	26.6 **(27.9)**	**1. USA – 92.96%** 2. India – 5.40% 2. China – 0.83%	USA is the dominant supplier of tree nuts.	There is no local production available.

Source: ATO survey; Council of Agriculture; Global Trade Atlas

C: Top 10 Suppliers of Consumer Foods to Taiwan, 2011-2014

	Partner Country	Unit: US million				% Change 2014/2013
		2011	2012	2013	2014	%
	World	4,169	4,241	4,598	5,152	12.04
1	United States	1,156	1,215	1,403	1,465	4.46
2	New Zealand	547	523	543	680	25.24
3	Australia	407	401	408	441	8.1
4	Japan	250	268	299	369	23.53
5	Netherlands	194	187	211	253	21.67
6	France	202	210	208	219	3.86
7	Thailand	183	188	191	201	5.59
8	China	181	188	189	188	-0.65
9	Canada	129	114	126	135	7.56
10	Chile	97	104	120	135	12.29

Source: GTA