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Report Highlights:

In 2023, Taiwan's Hotel, Restaurant, and Institutional (HRI) industry reached a record sales figure of one trillion Taiwanese dollars, equivalent to around 30.9 billion U.S. dollars. Although sales are soaring, the number of businesses in this sector only increased slightly by around one percent, underscoring the fierce competition within the industry. Taiwan's market reflects a growing westernized palate, bolstered by a high per capita GDP of US\$34,430. This indicates not only a willingness but also a robust capacity among consumers to explore foreign cuisines. The United States continues to be the leading supplier of various food ingredients for the market, such as beef, poultry, and vegetables.

Executive Summary

With a population of just 23.26 million, Taiwan ranks as the sixth largest trading partner for U.S. agricultural goods and the eighth largest overall U.S. trading partner. In 2023, U.S. exports to Taiwan reached \$3.7 billion in agricultural and related products, accounting for 24.47 percent of the island’s total import market, making the United States the leading foreign supplier to Taiwan.

Consumer-Oriented Agricultural Imports

In 2023, Taiwan imported \$2.1 billion consumer-oriented agricultural products from the United States, representing 22.15 percent of the total import value. The top categories included beef, fruit, poultry, dairy and non-alcoholic beverages.

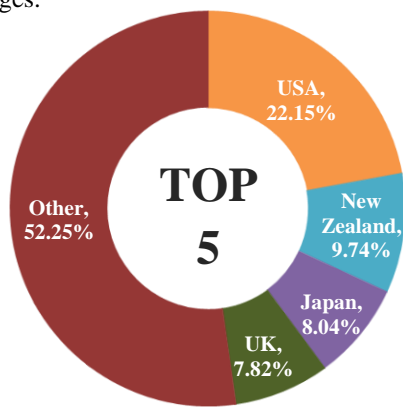


Chart 1: Top Exporting Countries to Taiwan

Food Retail Industry

Taiwan’s food and beverage retail sales grew to \$9.8 billion in 2023, which increased 2.8 percent from the previous year. Taiwan has the second-highest density of convenience stores in the world, with over 10,000 stores island-wide. E-retail is booming, with supermarkets increasingly collaborating with food delivery services, such as UberEATS, to offer fresh and frozen food.

Food Processing Industry

In 2023, Taiwan’s food processing industry produced \$30 billion of processed food and beverages, which accounted for 5.7 percent of the total manufacturing output.

Consumers’ preference for convenience and a growing interest in food health and safety have influenced the industry to develop easy-to-prepare meals, healthy options, and clean label products.

Food Service Industry

In 2023, Taiwan’s foodservice sales grew 20 percent to a record-high \$30.9 billion, marking the society’s transition into the post-COVID era.

2023 Consumer-Oriented Products Imported from the US

\$2.1 billion

Top 10 Growth Products in Taiwan

Beef	Poultry
Milk & Cheese	Fresh Fruit
Tree Nuts	Fresh Vegetables
Seafood	Pet Food
Plant Protein	Coffee (Roasted)

2023 Food Industry by Channel (\$ billions)

Retail Food Industry	\$9.8
Food Service-HRI	\$30.9
Food Processing	\$30
Food and Agricultural Exports	\$5.9

Top 10 Taiwan Retailers

7-Eleven	Family Mart
PX Mart	Shin Kong Mitsukoshi
Costco	Far Eastern
Momo	Sogo
Carrefour	PChome

GDP/Population

Population (millions): 23.26

GDP (billions): \$802.96

GDP Per Capita: \$34,430

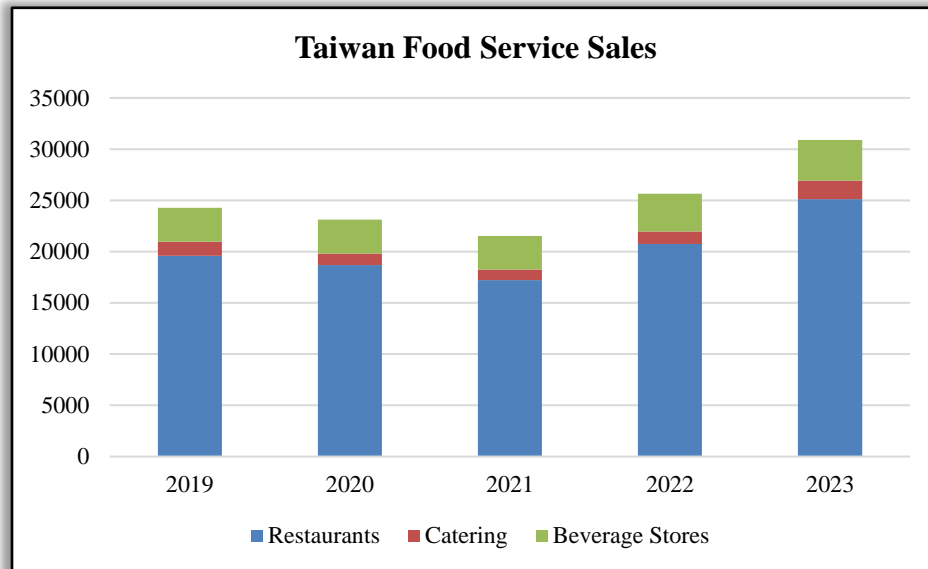
Source: Department of Statistics, Taiwan Ministry of Economic Affairs; Ministry of Agriculture; International Monetary Fund

SWOT

Strength	Weakness
The U.S. remains the market leader in consumer-oriented products, which continue to show robust growth.	U.S. companies hesitate to offer low volume or consolidated shipments of high-value products, limiting market access.
Opportunity	Threat
There is increasing growth of fast-food chains and casual dining restaurants, boosting consumption of food ingredients.	Taiwan’s FTA partners offer products at a lower cost, which dampens importers’ interest in purchasing U.S. products.

Section 1: Market Summary

According to the Taiwan Ministry of Economic Affairs, the estimated economic output of Taiwan's food service sector in 2023 was \$30.9 billion, which increased 20 percent from the previous year. Restaurants performed exceptionally well, with multiple food service groups going public. Other factors driving this expansion include rising consumer income, smaller family sizes, a growing number of working women, and the rapid growth of e-commerce and takeout delivery services.



Source: Ministry of Economic Affairs; Unit: US\$ million

Taiwan, the land of boba (bubble) tea and pineapple cakes, is a popular tourist destination for its food culture. Visitors can explore the bustling night markets across the island, where a wide array of sweet and savory street snacks beckon food lovers. For a more refined dining experience, travelers can consult the latest Michelin Guide to choose a fine-dining establishment in major cities such as Taipei, Taichung, Tainan, or Kaohsiung.



The Michelin Guide debuted in Taiwan in March 2018, handing out stars to mid- to high-end restaurants in Taipei. The publication not only triggered fierce competition among fine-dining establishments but also encouraged Michelin-starred chefs from other markets to open their branches in Taiwan.

The 2024 edition of the Michelin Guide recommends 343 restaurants in Taiwan, including Minimal, the world's first ice cream establishment to receive a one-star recognition. The full list can be found [here](#).

Advantages and Challenges for US Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among consumers.	Numerous food regulations and standards are not in line with U.S. or international standards.
Around 20 active USDA cooperators organize promotional programs in restaurants and hotels regularly to increase consumer awareness.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan's regulatory requirements or consumer preferences.
American holidays, culture, and lifestyle lead to promotional events hosted by restaurants and hotels throughout the year.	While Taiwan is the 6th largest market for U.S. agricultural exports, it is often overlooked by U.S. suppliers in favor of export directly to China.
The U.S. is a leader of trendsetting food brands and innovation that appeals to Taiwan's brand-conscious consumers.	Competitors have free trade agreements with Taiwan that drastically cut tariff for their products.
Increasing growth of fast-food chains and casual dining restaurants provide more opportunities for western-style food.	A low birth rate and a rapidly aging population pose potential long-term challenges for Taiwan.

Section 2: Road Map for Market Entry

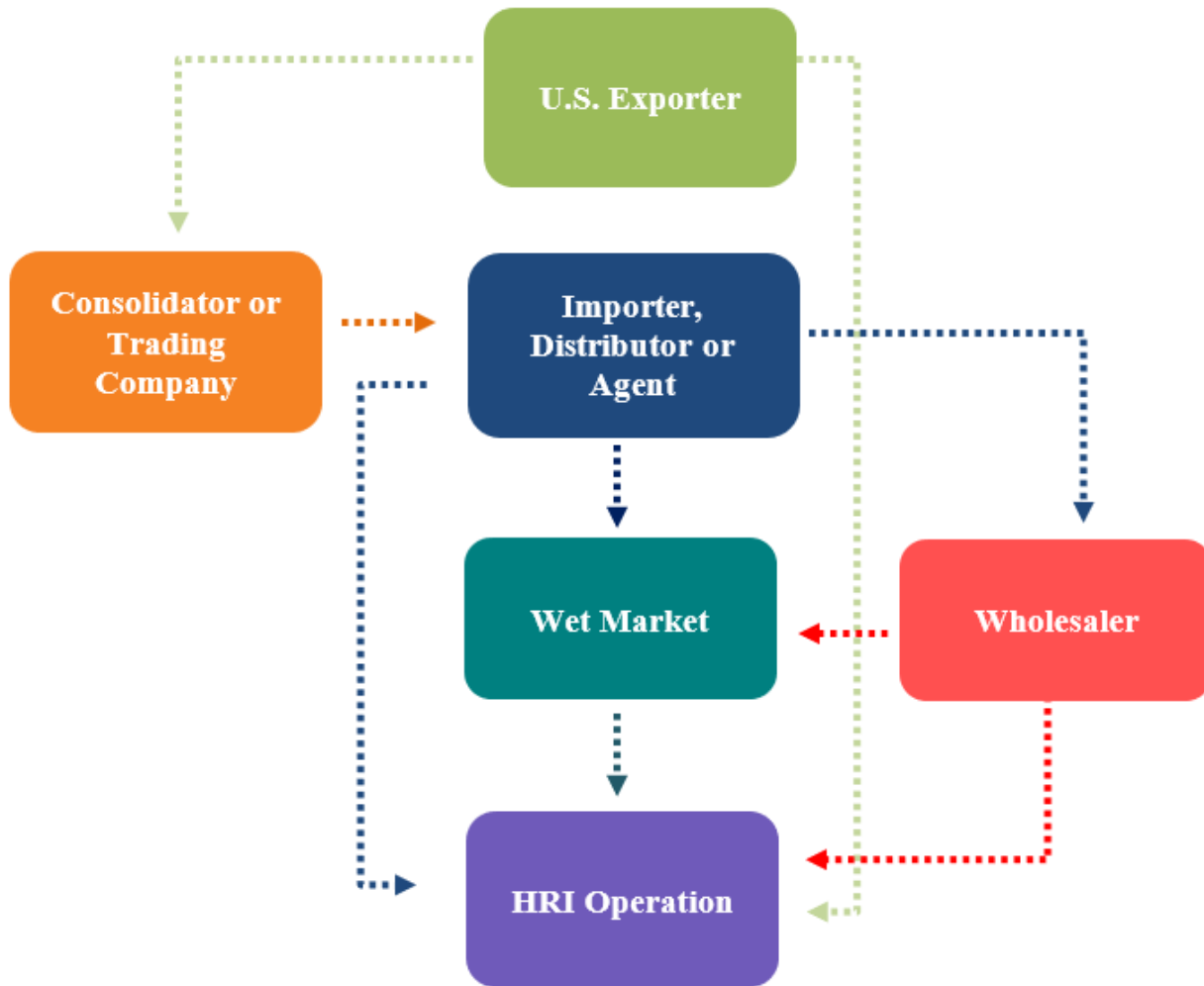
Entry Strategy

Food and beverage (F&B) managers and executive chefs working in major international hotels are the key decision-makers for procurement. Hotels employing foreign chefs or offer authentic international cuisines typically tend to use more items from importers than wholesalers or distributors.

Western and local fast-food chains usually either have their own distribution channels or contract an independent distribution center to purchase, process, and deliver food ingredients. These fast-food chains also maintain their own research and development teams or work in close collaboration with one or more contracted catering services to develop and refresh menus to meet consumer demand.

Mid-level, family-style chain restaurants often rely on a centralized purchasing department and centralized kitchens. The centralized kitchens prepare and deliver food items across all locations within the chain, ensuring consistency and efficiency.

HRI Distribution Channel Flow Diagram



Market Structure

Most HRI companies purchase most of their food products from importers, distributors, wholesalers, regional wholesale markets, wet markets, and hypermarkets. Imported items such as fresh produce, seafood, and beef are usually purchased and delivered directly from importers or through distributors or wholesalers. Consequently, U.S. companies should concentrate their efforts on establishing business relationships with reliable and efficient importers and distributors who supply directly to HRI end users.

A recent trend is the increasing use of retail outlets such as Costco by many small food service and HRI operators. These businesses often buy items in bulk at the lowest possible cost, reducing reliance on multiple importers. Costco's Taiwan operations continue to be some of the corporation's most profitable branches globally.

Sub-Sector Profiles

Hotels

Hotel restaurants and buffets are popular dining choices for Taiwanese consumers, making food service a significant source of revenue for hotels. Peak business periods include major local and western holidays, such as Lunar New Year, Valentine’s Day, and Christmas. Promotions that correspond with international holidays, such as discounts on American cocktails during Independence Day and buy-one-get-one-free beer during Oktoberfest, are also widely observed in the market. In addition, hotels regularly develop gift boxes for gift-giving seasons, such as moon cakes for Mid-Autumn Festival and rice dumplings for Dragon Boat Festivals. These products heavily feature high-end ingredients and present great business opportunities for U.S. exporters to align their strategies with the local calendar.

Top 5-star Hotels by Food Service Sales		
Hotel	Location	2023 Sales (US\$ million)
The Regent Taipei	Taipei	97.9
Sheraton Grand Taipei	Taipei	77.4
Grand Hyatt	Taipei	89.0
Marriott	Taipei	61.0
W Hotel	Taipei	52.0

Source: [Ministry of Transportation and Communications](#)

Restaurants

Most restaurants in Taiwan are casual dining. Most of the restaurants in this category are small businesses, and they purchase materials mainly from wholesalers and wet markets. Only larger chains and franchises tend to buy products from importers or import directly.

Company Name	Overview	Location
WowPrime Corp.	A local food service company operates 347 family-style restaurants in Taiwan and 85 restaurants in Mainland China under 33 brands.	Taiwan, Mainland China
TTFB Company Limited	A local restaurant chain operates family-style Thai and Chinese food restaurants under nine brands.	Island wide
McDonald's	The largest western fast-food chain with 417 stores.	Worldwide
Gourmet Master Co., Ltd.	A local food service engaged in the operation of coffee and bakery chain stores under the brand 85 degrees C with more than one thousand stores worldwide, including in the US and Australia.	Worldwide
Starbucks Coffee	550 regular stores and 24 Reserve stores.	Worldwide

<u>Louisa Coffee</u>	A local cafe chain with the most stores island wide - 558 stores in Taiwan and four stores in Thailand. It is planning to open stores in India, Malaysia, Japan and the US.	Taiwan, Thailand
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Section 3: Competition

The United States is a leading supplier of agricultural products and exports many high-valued consumer-oriented products, including beef, poultry, fresh fruit and vegetables, dairy, tree nuts, processed foods, and beverages used by food service operations. Other major competitors in the market include New Zealand, Australia, Thailand, Japan, Canada, and EU countries.

Product Category	2023 Gross Imports (US \$ million)	1st Supplier	2nd Supplier	USA
Beef	1,280	USA 637 (50%)	Australia 214 (17%)	637 (50%)
Dairy	1,090	New Zealand 434 (40%)	USA 113 (10%)	113 (10%)
Fresh fruit	727	USA 216 (30%)	New Zealand 188 (26%)	216 (30%)
Wine	300	France 164 (55%)	USA 27 (9%)	27 (9%)

Section 4: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Product Category	2023 Imports from the World (US \$ million)
Beef	1,280
Dairy	1,090
Distilled spirits	920
Soup and food prep	807
Fresh fruit	728

Top Consumer-Oriented Products Imported from the United States

Product Category	2023 Imports from the US (US \$ million)
Beef	637
Poultry	330
Soup and food prep	255
Fresh fruit	216
Dairy	113

Products Present in the Market with Good Sales Potential (Unit: \$ million)

Product Category (HS Code)	2023 Imports from the US	2023 Total Imports	Key Constraints for Market Development	Market Attractiveness for US Exporters
Cheese (0406): cheddar, mozzarella, cream cheese, string cheese	\$37	\$188	Compliance with allowable levels of preservatives in processed cheese	Young market for dairy consumption with room to grow. Expanding consumption driven by ready-to-eat sector of convenience store chains
Tree Nuts (0802/080132): walnut, almond, pecan, pine, pistachio, macadamia, cashew	\$58	\$114	Price competition from Australia and Iran	Health-conscious market with versatile applications in snacks, beverages, and baked goods
Pork (0203)	\$39	\$330	Local and political perception that US pork contains ractopamine	Strong market demand for intestines and other edible parts
Seafood (03)	\$45	\$1,904	Price competition from neighboring Asian countries	Local perception that US seafood is high-quality and sustainable

Products Not Present in Significant Quantities with Good Sales Potential (Unit: \$ million)

Product Category (HS Code)	2023 Imports from the US	2023 Total Imports	Key Constraints for Market Development	Market Attractiveness for US Exporters
Frozen Fruit (081190): berries	\$1.0	\$13	Lack of awareness of U.S. suppliers	Growing demand from consumers
Whey Protein Concentrate (350290)	\$2.4	\$4	Lack of awareness about product specs and applications	Aging population demands added nutritional value
Concentrated Fruit Juice (2106907000)	\$0.1	\$2.5	Compliance with Taiwan's Chinese National Standards (CNS)'s classification of base fruits for concentrate juice uses	Expanding applications for beverage manufacturers in making not just fruit juices, but also flavored sparkling water

Product Not Present Due to Significant Barriers

Product Category (HS Code)	2023 Total Imports	Current Exporters	Key Constraints for Market Access	Market Attractiveness for US Exporters
Fresh Ginseng (12112040)	\$8.3	Canada China	Certain MRLs have not been registered	Aging population is attracted to traditional medicine

Section 5: Key Contacts and Further Information

Name	Official Website
Taiwan Ministry of Agriculture	https://eng.moa.gov.tw/
Taiwan Food and Drug Administration	https://www.fda.gov.tw/ENG/index.aspx
Taiwan Food Industry Development Association	http://www.tfida.org.tw/
Food Association of Taiwan	http://www.foodtw.org.tw/
Taiwan Quality Food Association	https://www.tqf.org.tw/en
Taiwan Beverages Industry Association	http://www.bia.org.tw/zh-tw/a1-10647/English.html
Food Industry Research and Development	https://www.firdi.org.tw/En_Firdi_Index.ASPX

Please contact FAS offices for questions and assistance.

For Trade Policy/Market Access and General Agricultural Issues contact Agricultural Affairs Office at:

Office Hours: 8:00 AM – 5:00 PM
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For Market Development Assistance contact the Agricultural Trade Office at:

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Attachments:

No Attachments