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Report Highlights:

Major food retailers such as Costco, 7-Eleven, PX Mart and Carrefour play leading roles in the rapidly modernizing food retail sector. The United States is a key partner in supplying many consumer-oriented food products including red meats, fresh fruit and vegetables, poultry, processed foods, and beverages to these and other food retail operators in Taiwan. The onset of COVID 19 negatively impacted the overall retail sector but, as the pandemic receded, in-store sales recovered.

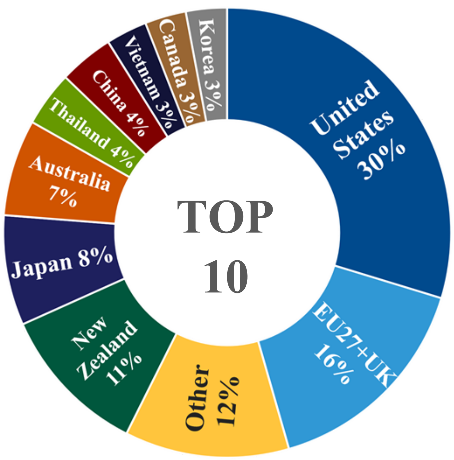
Market Fact Sheet: Taiwan

Executive Summary

Though it only has a population of 23.6 million, Taiwan is the United States' seventh largest trading partner in agricultural goods and tenth largest overall U.S. trading partner. In 2019, U.S. exported $3.65 billion in agricultural and related products, which accounts for 25% of the import market share, making the United States the leading foreign supplier.

Imports of Consumer-Oriented Products

In 2019, Taiwan imported consumer-oriented agricultural products worth nearly $5.8 billion. The United States has a leading 30 percent market share in this category.



Food Processing Industry

The food processing industry is composed of more than 6,000 manufacturers that produced $19.89 billion of processed food and beverages in 2019. This production accounted for approximately 4.17 percent of the gross domestic product (GDP). Consumers' preference for convenience and a growing interest in food safety have influenced the industry to develop easy-to-prepare meals, healthier options, clean labels and other initiatives.

Food Retail Industry

Taiwan's food and beverage sales topped US$38.8 billion in 2019, an increase of 1.78 percent as compared with 2018. The upward sales trend is attributable to the rapid expansion of retail outlets, dominated by 7-11, Family Mart, Costco, PX Mart and Carrefour. The density of Taiwan's more than 10,000 convenience stores is the second highest in the world.

Food Service Industry

The economic output of Taiwan's foodservice sector (excluding institutional food service) was estimated at $26.2 billion in 2019, a 4.39 percent increase from 2018. The foodservice sector has enjoyed stable growth over the past decade.

Quick Facts

2019 Imports of Consumer-Oriented Products

$5.8 billion

Products with Potential Growth in Host Market

Beef	Poultry
Milk & Cheese	Fresh Fruit
Tree Nuts	Fresh Vegetables
Lobsters	Pet Food
Potatoes, Prepared French Fries)	Coffee, Roasted

2019 Food Industry by Channel (USD billion)

Food and Agricultural Imports	$15.1
Food and Agricultural Exports	$5.8
Food Industry Output	$19.9
Retail	$38.8
Food Service	$26.2

Population (millions): 23.6

GDP (Billions USD): 611.3

GDP Per Capita (USD): 25,909

2020 Economic Growth Rate (Forecast): 2.37%

Average 5-year Economic Growth Rate: 2.5%

Exchange rate: 1 USD = 30.93

Source: Department of Statistics, MOEA

SWOT

Strength	***Weakness***
America is the market leader in consumer-oriented products, which continue to show robust growth.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products.
Opportunity	***Threat***
There is increasing growth of fast food chains and casual dining restaurants, boosting consumption of food ingredients.	The low-tariff advantage from those competitors signing potential FTAs with Taiwan could dampen importers' interest in purchasing U.S. products.

SECTION I. MARKET SUMMARY

Taiwan Retail Sector Overview and Sales Trends

Sales generated by Taiwan's food and beverage and tobacco industry totaled US$30.93 billion in 2019, a new record high, up 1.78 percent over 2018. In 2019, the revenue generated by supermarkets rose by 4.5 percent to US$6.9 billion. Sales generated by convenience stores grew by 2.8 percent over 2018, while hypermarket sales also grew 5.3 percent to US$6.9 billion. Other retail outlets, including eCommerce, mom-and-pop shops, and wet markets, also increased 3.1 percent to US$5.6 billion. In early 2020, sales in Hypermarkets and other large-scale stores saw a decline in sales as consumers were weary of shopping in large crowded stores during the early stages of the COVID pandemic. This benefited smaller store formats such as convenience stores that saw an uptick in sales during this period. As COVID cases receded in Taiwan, hypermarket sales recovered.

Annual Retail Sales
Convenience Stores/Hypermarkets/ Supermarkets/Other

	2016 (US$ billion)	2017 (US$ billion)	2018 (US$ billion)	2019 (US$ billion)
Convenience Stores	9.8	10.07	10.7	11 (+2.8%)
Supermarkets	6.03	6.33	6.6	6.9 (+4.5%)
Hypermarkets	6.3	6.47	6.63	7 (+5.3%)
Other	5.57	5.2	5.4	5.6 (+3.1%)
Total	**27.7**	**28.07**	**29.33**	**30.5 (+4%)**

International retailers dominate in Taiwan, with few domestic players in direct competition. International retail stores have grown by taking advantage of Taiwan's geographic location, high population density, and high disposable income. In recent years, the traditional mom-and-pop shops and wet markets have declined in the face of competition from high-end supermarkets and convenience stores.

Overall, the retail food sector is fragmented but some consolidation is taking place. Carrefour announced the purchase of supermarket chain Wellcome Taiwan from Hong Kong-headquartered Dairy Farm. The deal also includes Dairy Farm’s Taiwan Jasons Market Place stores. Carrefour, COSTCO, and RT Mart are key players in the hypermarket area. At the same time, Wellcome, Simple Mart, PX Mart, CitySuper, Jasons Market Place, and Taiwan Fresh Supermarket are active in the supermarket sector. Meanwhile, 7-11, Family Mart, Hi-Life, and OK Mart are the four major convenience store chains in Taiwan.

Responding to demands by time-constrained consumers for quick meal solutions, convenience stores such as 7-Eleven have added fresh-cooked food. Additionally, strong sales found in the convenience store sector are a result of the consumers' need for fast transactions and one-stop shopping.

Consumers also expect to see a strong connection between online and offline shopping which brings convenience stores more deeply into their lives.

Store-based retailers manage their own e-commerce sites and strive to optimize the online user experience and align with products available offline in stores. Because of the popularity of mobile e-commerce, players in the retail sector also emphasize promoting their products through third-party online marketplaces to serve consumers' demands better. Pure e-commerce players like to look for partnerships with brick and mortar stores to leverage their outlet coverage.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among consumers.	U.S. food products are not always price competitive in the Taiwan market.
The growing modern retail industry is looking for new imported food products.	Consumers are highly price-sensitive, and weak spending power remains a challenge for all retailers.
Consumers are becoming more health-conscious and some are willing to pay a premium for products with perceived health benefits.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan requirements/consumer preferences.
The popularity of American holidays and culture/lifestyle lead to promotional events organized around these themes by restaurants and hotels throughout the year.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products to importers/end users.
There is a wide variety of U.S. food products available to consumers.	Consumers maintain a preference for "fresh" food products over "frozen."
Consumers are brand-conscious,and America is a leader in food brands that set trends.	Taiwan has free trade agreements with U.S. competitors.
Growing numbers of fast food and casual dining restaurants provide easier access for U.S. exporters.	Numerous food regulations and standards are not in line with U.S. or international standards.

SECTION II. ROAD MAP FOR MARKET ENTRY

Except for large exporting companies that maintain representative offices in Taiwan, the appointment of an import agent is a critical decision for most exporters. Importers prefer to see product samples whenever possible and will often place small initial shipments to test the market response.

Imported goods must conform to 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 needed for importation. For more information on import requirements, please review our 2019 Taiwan Food and Agricultural Import Regulations and Standards report.

Small to medium size exporters should work with the appropriate U.S. State & Regional Trade Groups (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 funded by USDA's Foreign Agricultural Service (FAS), 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 about 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 (Food Export)
- Food Export-Northeast (Food Export)

Modern Grocery Outlets in Taiwan

Convenience Stores

Convenience stores have been growing significantly and are taking a market-leading position that generated US$11 billion in sales in 2019, representing a 2.8 percent growth rate compared to one year ago. Convenience store chains have broadened their product and service portfolio, and now are serving fresh coffee, selling concert tickets and train tickets, and offering delivery pick-up services. Currently, convenience stores operators have become less aggressive about outlet expansion and now focus on same-store sales and gross margin improvements.

Profile of Major Convenience Stores in Taiwan

Name	Year Established	No. of Outlets (2019)	Locations	Purchasing Agent Type
7-Eleven 7-11.com (English)	1978	5,655	Nationwide	Direct, importer, wholesaler, agent
Family Mart Family.com (English)	1988	3,602	Nationwide	Direct, importer, wholesaler, agent
Hi-Life Hilife.com (English)	1989	1,405	Nationwide	Direct, importer, wholesaler, agent
OK Mart OKmart.com (Chinese)	1988	902	Nationwide	Direct, importer, wholesaler, agent

Hypermarkets

In 2019, Taiwan hypermarkets generated a total of US$7 billion in sales, a nearly 5.3 percent growth compared to the previous year. There are now 183 hypermarket outlets in Taiwan, which includes a mix of foreign-owned and locally owned stores. In terms of sales generated, international operators, including Carrefour and Costco, continue to dominate the Taiwan market and hold more than 50 percent market share. With the newly announced acquisition by Carrefour to merge Wellcome and Jasons, Carrefour is expected to play an active role to compete with local chain operator and competitor, PX Mart.

Hypermarkets and warehouse stores are in suburban areas, although smaller versions of the stores have opened in residential neighborhoods. Many hypermarkets have increased their volumes of imported and private label items to lower operating costs and differentiate themselves from their competitors.

Major Hypermarket Company Profile

Retailer	Year Established	No. of Outlets (2019)	Locations	Purchasing Agent Type
Costco Costco.com (English)	1997	15	Island-wide	Direct, importer, wholesaler, agent
Carrefour Carrefour.com (Chinese)	1989	119	Island-wide	Direct, importer, wholesaler, agent
RT-Mart RT-mart.com (Chinese)	1996	22	Island-wide	Direct, importer, wholesaler, agent

Supermarkets

Supermarkets generated more than US$ 6.9 billion in sales in 2019, a 4.5 percent increase compared with the previous year. Continued fierce competition from hypermarkets and convenience stores has made it difficult for small supermarkets to survive. Efforts to promote fresh food in their stores also boosted supermarket sales. Sales have also been driven by the increase in the number of stores and development of new store formats, such as more neighborhood-focused stores. There are high-end supermarkets, such as CitySuper stores, under this new supermarket format category. This high-end supermarket format is expected to grow even more over the next several years.

Major Supermarket Store Profiles

Retailer Name	Year Established	No. of Outlets (2019)	Locations	Purchasing Agent Type
PX Mart PXmart.com (Chinese)	1997	1002	Nationwide	Direct, importer, wholesaler, agent
Simple Mart Simplemart.com (Chinese)	1997	672	Nationwide	Direct, importer, wholesaler
Wellcome Wellcome.com (English)	1987	218	Nationwide	Direct, importer, wholesaler, agent
Jasons Market Place Jasons.com (English)	2003	26	Nationwide	Direct, importer, wholesaler
Taiwan Fresh Supermarket Supermarket.com (Chinese)	1975	48	Central Taiwan	Direct, importer, wholesaler, agent

Agricultural Trade Office (ATO) Taipei strongly recommends U.S. food exporters exhibit in the USA Pavilion at 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 2020 show was re-scheduled to December 17-20 due to COVID-19. The USA Pavilion exhibitors will receive on-site consultation services from the ATO Taipei. ATO Taipei also organizes the USA Pavilion at the Taipei Building Show to promote forest products. Furthermore, ATO also organized an online food and beverage promotion program and was well received in 2019 with a renowned local eCommerce platform, PChome. ATO will continue the virtual USA pavilion format for 2020 and U.S. agricultural and food and beverage suppliers are more than welcome to participate. U.S. companies interested in these shows may contact ATO Taipei for more details.

2020 Taiwan Trade Show Schedule

Show Name	Show Date	Products Featured
2020 Taiwan Smart Agriweek http://www.taiwanagriweek.com/	September 3-5, 2020	Fruit and Vegetables, cold chain and agri-technology
2020 Taiwan Int' l Fisheries & Seafood Show https://www.taiwanfishery.com/index.html	September 3-5, 2020	Seafood
2020 Taipei Int' l Coffee Show https://www.chanchao.com.tw/coffee/en/	November 13-16, 2020	Coffee
2020 Taipei Building Show https://www.taipeibex.com.tw/TBS/en_US/	December 12-15, 2020	Forest products
2020 Taipei Int' l Food Show https://www.foodtaipei.com.tw/	December 17-20, 2020	Food and beverages

Useful Resources

- Exporter Guide Taiwan
- Taiwan's Tariff Rate Quota (TRQ) Implementation
- Taiwan Customs On-line Tariff Database
- Taiwan's Bureau of Trade - Statistics

SECTION III. COMPETITION

U.S. food products face competition from not only Taiwan's formidable domestic food processers but also from regional players. However, U.S. food products have a strong positive image for safety and quality.

Top Taiwan Imports of Consumer-Oriented Products and Competition – 2019
(Amount in US$ million, Market share in %)

Product category	Total Imports	Main Suppliers
Fresh fruits	660	United States 242 (37%) New Zealand 153 (23%)
Processed fruits	145	United States 30 (21%) China 28 (18%)
Fresh vegetables	187	United States 56 (30%) S. Korea 27 (15%)
Processed vegetables	259	United States 82 (32%) China 63 (24%)
Fruit and Vegetable juices	59	Thailand 9 (15%) China 8 (14%)
Tree nuts	185	United States 99 (54%) Vietnam 35 (19%)
Chocolate and cocoa products	142	United States 35 (25%) Italy 23 (16%)
Snack foods	117	Japan 31 (27%) Malaysia 12 (10%)
Condiments & sauces	136	Japan 64 (47%) U.S. 20 (15%)
Food preps. & misc. beverage	1,085	United States 267 (25%) Japan 148 (14%)
Coffee roasted and extracts	123	United States 33 (27%) Malaysia 27 (22%)
Fish products	1,473	China 225 (15%) Norway 137 (9%)

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS

The growth of U.S. food and agricultural exports to Taiwan are mostly high-value consumer-oriented products. While U.S. bulk commodity products exported to Taiwan are facing more competition from developing countries with cheaper costs, U.S. exports of consumer-oriented products increased from US$1,862.06 million in 2018 to US$1,921.72 million in 2019, representing 23.86 percent growth from 2015 to 2019.

Fastest Growing Taiwan imports of Consumer-Oriented Products – 2019
(Amount in US$ million, Growth rate %)

Product category	2019 Gross imports (Growth rate from 2018)	2019 Imports from U.S. (Growth rate from 2018)
Fresh fruits	660 (3%)	242 (+9%)
Processed fruits	145 (7%)	30 (10%)
Processed vegetables	259 (6%)	82 (9%)
Fruit and Vegetable juices	59 (5%)	6 (8%)
Tree nuts	185 (9%)	99 (9%)
Chocolate and cocoa products	142 (3%)	35 (15%)
Condiments & sauces	136 (4%)	20 (6%)

Source: Trade Data Monitor

Section V—American Institute in Taiwan Contact and Further Information

For Trade Policy/Market Access and General Agricultural Issues contact Agricultural Affairs Office at:	
Office Hours: Telephone: Fax: Email-FAS:	8:00 AM – 5:00 PM (011-886-2)2162-2316 (011-886-2)2162-2238 agtaipei@usda.gov

For Market Development Assistance contact the Agricultural Trade Office at:	
Office Hours: Telephone: Fax: Email-FAS:	8:00 AM – 5:00 PM (011-886-2)2705-6536 (011-886-2)2754-4031 atotaipei@usda.gov

Headquarters Contact Information: Foreign Agricultural Service (FAS) United States Department of Agriculture (USDA)
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Attachments:

No Attachments