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Report Name: Taiwan - Seafood Market Presents Niche and High Value Opportunities

Country: Taiwan

Post: Taipei ATO

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Report Highlights:

Taiwan is the United States' eighth-largest export market for food and agricultural products and 18th largest market for seafood products, according to U.S. Department of Agriculture data. While 2020 saw a dip in U.S. fishery and seafood exports to Taiwan, previous years showed growing interest in U.S. products due in part to promotional efforts from the Agricultural Trade Office, Taipei. Taiwan consumers increasingly seek out high quality U.S. seafood products such as lobster, Alaskan pollock, scallops and crab. This report presents an overview of the market and opportunities for U.S. seafood exporters to Taiwan.

Taiwan Fish/Seafood Market Overview

Taiwan consumers enjoy seafood as a major part of their diet, with the average Taiwan consumer eating an estimated 35 kilograms (approximately 77 lbs.) of various fish and/or seafood products per year. Seafood is familiar and easy to purchase, price competitive, with perceived health benefits. While certain consumers gravitate towards luxury products, others are increasingly attracted to products which claim to be environmentally friendly, traceable, and sustainable. U.S. fish and seafood products can and should market to a wide variety of Taiwan customers.

According to Taiwan's Council of Agriculture, the island is typically a net exporter of fish products with strong local production capacity. Local production value for 2019 reached US\$2.98 billion, an increase of 0.1 percent compared to 2018. The official production value for 2020 has not yet been released, but it is widely presumed that sector's results will show the negative impacts of the COVID-19 pandemic due to labor shortage, transportation limitations, and higher shipping costs.

<u>Taiwan's Top Five Import/Export Markets</u>			
<u>Year 2020, \$US million</u>			
<u>Taiwan's Top Five Seafood Suppliers</u>		<u>Taiwan's Top Five Seafood Export Markets</u>	
#1 China	226	#1 Japan	400
#2 Norway	139	#2 China	219
#3 Japan	138	#3 Thailand	184
#4 Indonesia	112	#4 United States	129
#5 Vietnam	102	#5 Hong Kong	75
#20 United States	31		
Total Import Value	US\$1.5 billion	Total Export Value	US\$1.5 billion

Source: Trade Data Monitor

Taiwan Fish and Seafood Production

In Taiwan, there are some 350,000 people employed in the ocean fisheries sector and about 130,000 fishing households in Taiwan. The total fisheries value in 2019 reached US\$2.98 billion, an increase of just US\$3 million (0.1 percent) compared to 2018.

In 2019, Taiwan's major seafood products produced included skipjack tuna (205,305 MT), saury (84,000 MT), tilapias/cichlids (64,000 MT), yellowfin tuna (62,000 MT) and milkfish (58,000 MT). The top five major species represent close to 45 percent of the total production volume in Taiwan. Approximately 30 percent of Taiwan's fish production comes from its 108,680 acres of aquaculture, an increase of 2,980 acres from 105,700 acres in 2018. Grouper and tilapia are two of the most important aquaculture species in Taiwan.

Seafood Production in Taiwan			
	Production Value (Unit: US\$ million)		
	<u>2019</u>	<u>2018</u>	<u>Growth Rate</u> %
Grand Total	2,978	2,981	0.1%
Far Sea	1,192	1,135	-4.7%
Offshore	423	450	6.4%
Coastal	121	147	22%
Marine Culture	176	156	-11%
Inland Culture	1,061	1,094	3%

Source: Fisheries Agency, Council of Agriculture

Trade with the United States

According to Trade Data Monitor, the value of U.S. fishery and seafood products exported to Taiwan in 2019 decreased from US\$38.5 million to US\$30 million in 2020, a nearly 20 percent decline year-on-year and a return to 2017 import levels. Based on the general industry sentiment, the imported volume and U.S. trade is very likely to return to pre-pandemic levels and regain the formerly noted upward momentum.

In 2020, the key species that Taiwan imported from the U.S. were lobsters and rock lobsters (live, fresh, chilled, or frozen), Alaskan pollock (frozen and frozen fillets), frozen scallops, and fish (prepared, preserved, whole or in pieces), and crabs (cooked or frozen). Despite gaining market share, the United States is not a leading supplier of seafood to Taiwan. China, Japan, Indonesia, and Vietnam take advantage of regional proximity and lower production costs (in most instances) to export substantially more than the United States. Together, these countries plus Norway, are the top five suppliers to Taiwan and dominate approximately 50 percent of Taiwan's total import market, by value.

Conversely, Taiwan is the United States' 20th largest source of imported fish and seafood, according to USDA import data. In 2020, Taiwan exported US\$139 million worth of seafood products to the United States with the key product categories being milkfish, grouper, eel, mackerel, saury, sardine, sea bass, and various other fish items.

Taiwan Fishery and Seafood Product Imports from the US					
2017-2020					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Growth Rate</u> <u>2019/2020</u>
Import Value (US\$ million)	\$28.8	37.7	38.5	30.3	-20%

Source: Trade Data Monitor

Get Crackin' - U.S. Lobster Leads Best Prospects to Taiwan

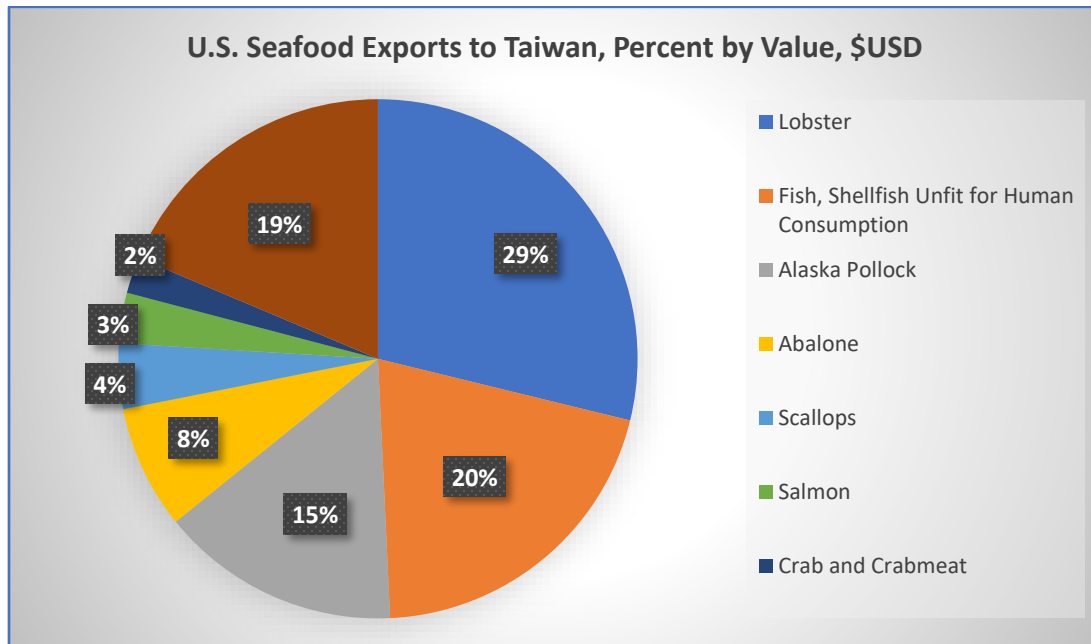
Taiwan managed the global pandemic better than many nations and as a result enjoyed the top performing economic in Asia in 2020 with 3.11 percent growth. This year, 2021, may see greater growth with forecasts at over 4.6 percent. Additionally, Taiwan consumers have some of the highest purchasing power in Asia at \$55,078 per capita Gross Domestic Product (GDP) in 2019.

There is a wide variety of U.S. fish and seafood available to Taiwan consumers with few technical or sanitary barriers to entry. Taiwan consumers tend to be strongly aware of health claims and food safety perceptions and may seek to eat more seafood products to support their immune systems, considering the pandemic. These health concerns have helped U.S. food products become a top choice for consumers who view the United States as a provider of safe and reliable products.

Additionally, Taiwan is also a brand and image conscious market which sees United States as a leader in new food trends. U.S. fish and seafood products are frequently featured at high-end restaurants and five-star hotels. Buyers on the island are generally keen to enjoy and share (via social media) new or “luxury” culinary experiences. Taiwan consumers’ purchasing power and emphasis on indulgent meals is realized in the actual demand for U.S. lobster which is the highest – by value – U.S. seafood product exported to Taiwan. Similarly, Alaskan pollock, and U.S. abalone, scallops, salmon, and crab all sell well on the island.

For some Taiwan consumers, environmental awareness is exerting a growing influence on demand in the seafood category. Consumers are increasingly looking for varieties of seafood that are not endangered and/or are from sustainable sources. This is encouraging manufacturers to place a growing emphasis on sustainability and to communicate this through their product packaging and marketing campaigns.

Taiwan consumers tend to maintain their traditional preference for fresh fish and seafood over frozen products; however, demand for frozen and processed seafood continues to present great opportunity. To overcome perceived biases, frozen seafood should be marketed as being of superior quality or contain other unique product features. Many categories of frozen, processed seafood are gaining in popularity, driven in part by an expanding supply of seafood products in various packaging formats – available for everyone from single person households to larger family homes. Demand for frozen processed seafood is also supported by the fact that during the COVI-19 pandemic, more consumers opted to prepare meals at home. Frozen, processed seafood requires minimal preparation and storage, also simple cooking requirements appeal to Taiwan shoppers with a busy lifestyle. As a result, frozen processed seafood is expected to continue to be a fast-growing food product category. Popular fresh products amongst Taiwanese consumers include mackerel, saury, squid, and unshelled prawns.



Waves of Opportunity - ATO Taipei Provides Market Prospects

ATO Taipei promotes U.S. fish and seafood products and looks for opportunities to raise local awareness regarding the quality and health attributes of U.S. exports. For instance, in 2016 and 2017, ATO Taipei supported both Food Export (Northeast and Midwest) and the Western U.S. Agricultural Trade Association to organize inbound and outbound trade missions focused on U.S. seafood. In 2018, 2019, and 2020, U.S. seafoods were featured at several food shows in Taiwan and enjoyed additional exposure via a popular local radio program. The combined marketing promotions resulted in a continuous import growth from the United States for the past several years. Taiwan imports fishery products are on the rise and enjoyed a three-year average 30% growth rate from 2017 to 2019 in terms of import value, according to Taiwan custom's data. Anyone interested in learning more about the Taiwan market or ATO Taipei efforts should email ATOTaipei@USDA.gov.

Exporters interested in the Taiwan market should consider conducting product promotions or taste-testing events is likely to enhance consumers' awareness and increase the sales of U.S. seafood to Taiwan. Taiwan consumers respond very positively to in-store promotions and product giveaways, for instance, with lines of customers queuing for free samples.

Small-to-medium sized seafood exporters (or potential exporters) can 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 Taiwan. In the instance of seafood, most activities would be managed by Food Export – Northeast (<http://www.foodexportusa.org>).

Additionally, trade shows are excellent venues for U.S. exporters to make contacts with potential business partners, to conduct product introductions and to gauge buyers' interest. (example, Taipei International Food Show (TIFS) is the largest international trade show in Taiwan. More information about TIFS can be found at <https://www.foodtaipei.com.tw>). Taipei International Fisheries & Seafood Show is also an opportunity for specifically fishery products in the region. More information about the Taiwan Fishery Show can be found at <https://www.taiwanfishery.com/en>).

For more information, please feel free to contact:

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Attachments:

No Attachments.