

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Taiwan Impacted as Agricultural Trade Disrupted by  
Coronavirus

**Country:** Taiwan

**Post:** Taipei

**Report Category:** Agricultural Situation, Agriculture in the Economy, National Plan, Policy and Program Announcements, Agriculture in the News, Fresh Deciduous Fruit, Fresh Fruit, Stone Fruit, Grain and Feed, Livestock and Products, Oilseeds and Products, Pest/Disease Occurrences, Potatoes and Potato Products, Poultry and Products, Sanitary/Phytosanitary/Food Safety, Tomatoes and Products, Tree Nuts, Vegetables, Wine, Wood Products, Fishery Products, Dairy and Products, Cotton and Products, Coffee, Citrus, Beverages

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**Report Highlights:**

Agricultural trade with Taiwan is being impacted by new quarantine measures, port closures, vessel delays, and suspended flights as U.S. agribusiness exporters struggle to find available space for cargo. While Taiwan has not announced any new quarantine restrictions on shipping vessels, air cargo, or incoming agricultural products due the to 2019 Novel Coronavirus (2019-nCoV), systemic delays are impacting overall U.S. agricultural exports bound for Taiwan and the world. Taiwan authorities have noted the deleterious impact on their domestic industry and are acting to mitigate trade disruption.

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As of February 10, 2020, Taiwan is beginning to feel the trade impacts of the outbreak of the Novel Coronavirus (2019-nCoV) due to vessel delays and newly introduced country-by-country quarantine measures. Most international shipping vessels operate on routes or “strings” between major North American, Asian, and African ports. These vessels call on a series of destinations transporting consumer goods via containers to the United States and backhauling containers full of agricultural and other exports to major world markets. Any delay on a vessel string can have a cascading impact that reduces availability and increases costs to export shippers. Taiwan is normally not the only destination for container ships, neither is it the first stop in Asia, thus is it vulnerable to disruptions caused by the actions of neighboring countries.

Australia and Vietnam have recently both announced 14-day quarantine requirements on any vessels outbound from China, thereby delaying vessels in transit through these major hubs. Other nations may follow suit. Seven of the world’s top ten container ports are in in China. Normally during the Chinese Lunar New Year - Spring Festival, most steamship lines (SSLs) skip one to two port call due to reduced demand and idled ports. However, to date, almost all major steamship lines, including [Maersk](#), [MSC](#), [Hapag-Lloyd](#), [ONE](#), and [CMA-CGM](#), have announced additional vessel skips or delays. So far, Taiwan’s two major SSLs, Evergreen and Yang Ming, have been sending out private notifications but have not made any public announcement of additional vessel delays.

Contacts report that international grain and other agricultural exporters are struggling to fulfill certain commitments due to logistical delays. Furthermore, contacts among grain traders are commenting that this is the worst period of delay since the 2015 U.S. West Coast port strike. To illustrate this, contacts in the trade report that some export shipments will be delayed to March or even April and that there is a risk of force majeure on existing contracts. Exports of livestock products could be disrupted as vessels risk idling off coasts to meet new quarantine requirements and closures could put existing shipments of perishable products stuck in port at risk for spoilage.

These issues come at a time when many international shippers were already [expecting increased costs](#) as SSLs raise or impose higher low-sulfur fuel charges due to new environmental regulations. Offered prices are increasing as vessel space remains limited and nCoV-2019 adds to an increasingly challenging start to 2020.

Air cargo is also being disrupted. On Monday, February 3, 2020, British Airways IAG Cargo cancelled all services to and from China for the remainder of the month. DHL has been quoted as reporting that there are, “severe disruptions to inbound and outbound air cargo shipments, trucking and rail cargo services.” Moreover, [UPS](#) announced an agreement with its pilot union that flying to China will be voluntary amid the continued outbreak. [FedEx](#) has announced that international flights have not been affected, but local logistics within China has. Many highly perishable agricultural products often move via air cargo, further increasing the strain on export shippers looking for alternatives given container delays. Again, logistical issues affecting China are expected to ripple outward to Taiwan and neighboring economies.

In summary, U.S. agricultural exports to Taiwan and other destinations in Asia face many logistical and transportation challenges coming out of the Lunar New Year holiday due to the Novel Coronavirus and these are not expected to ease soon.

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### **Taiwan Authorities Respond to Agricultural Trade Impacts of nCoV-2019**

The Taiwan government has announced no new restrictions on shipping vessels or incoming agricultural products due to the outbreak of 2019-nCoV. To date, Taiwan has 18 confirmed cases of 2019-nCoV.

However, Taiwan's Council of Agriculture (COA) is predicting a decrease in agricultural exports to China - primarily fruits and fishery products. Where products are unable to go to China, COA is exploring opportunities to increase exports to other markets, assisting farmers with storage, encouraging processing, and/or delaying harvest. Agricultural imports from China are also expected to decrease and impact certain specialty products, such as Chinese herbal medicines, but also larger categories like fishery products. However, given domestic availability of such products, Taiwan authorities only predict a short-term impact.

COA also assessed the possible impact on Taiwan's local agricultural economy. Due to local schools postponing the start of the new semester, many agricultural ingredients originally planned for use in school lunches will need to be diverted to other retail channels. COA also expects agro-tourism to be negatively impacted and plans to work with the agro-tourism industry to use this downtime to upgrade facilities, conduct staff training, and improve agro-tourism programs and marketing. The largest overall impact predicted by COA is reduced consumption of livestock products as consumers avoid eating out in restaurants and other public venues. COA has revised down their livestock consumption forecasts and requested that the domestic industry reduce livestock and fishery production. Additional impacts include the suspension of labor rules allowing mainland Chinese to work on Taiwan fishing boats and in other agribusinesses. COA is trying to mitigate the suspension by working with other ministries to speed up visas processing for non-Chinese immigrant labor.

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### **Attachments:**

No Attachments.