

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Taiwan

**Post:** Taipei ATO

### Taiwan Retail Foods Report

**Report Categories:**

Retail Foods

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**Report Highlights:**

Taiwan's retail food sector is modern and competitive, with Costco, 7-Eleven, PX Mart, and Carrefour competing for retail food sales. These modern food retail outlets provide convenient access for U.S. food products and are a major factor that makes the United States the leading supplier of many consumer-oriented food products.

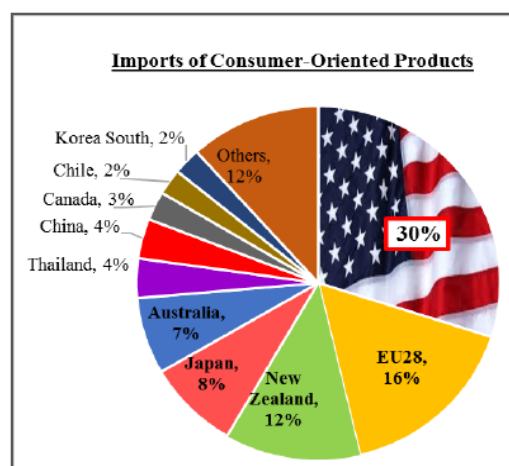
# Market Fact Sheet: Taiwan

## Executive Summary

Though with only a population of 23.5 million, Taiwan is the United States' 8th largest trading partner in overall goods. It is also the 11th largest U.S. export market overall and the 8th largest export market for agricultural products. In 2018, Taiwan imported US\$4.18 billion of food and agricultural commodities from the United States, which is 36 percent of the total import market share and makes the United States the leading foreign supplier.

## Imports of Consumer-Oriented Products

In 2018, Taiwan imported consumer-oriented agricultural products worth nearly US\$6.2 billion. The United States leads with 30 percent of the market share.



## Food Processing Industry

The approximately 6,000 food processing companies employed 135,000 people, together producing an estimated US\$17.9 billion of processed food and drinks, accounting for 3.6 percent of the gross domestic product (GDP) in 2018. The top five largest subsectors by value were: animal feed, non-alcohol beverages, edible fat & oil, chill/frozen/processed meat, and dairy, respectively representing 13 percent, eight percent, seven percent, seven percent, and six percent of food processing industry's total production value.

## Food Retail Industry

Taiwan's retail sector topped US\$42.7 billion in 2018, a new record high, up 4.1 percent from 2017. The retail food sector is dominated by chain operators like Costco, 7-Eleven, PX Mart, Carrefour, and Wellcome. The density of Taiwan's 10,619 convenience stores is at the highest level in the world, around one convenience store for every 2,304 local residents<sup>1</sup>. For more information, check on [GAIN Retail Foods Report](#).

<sup>1</sup>Data: 2018, Ministry of Economic Affairs

## Quick Facts CY 2018

**Imports of Consumer-Oriented Products (USD)**  
\$6.2 billion

### Lists of top 10 Growth Products in Host Market (> USD 1 million)

- |   |  |
|---|--|
| 1) Strawberries (Prepared or Preserved) | 6) Meat of Sheep                                       |
| 2) Figs (Fresh or Dried)                | 7) Casein  |
| 3) Cocoa Paste (Not Defatted)           | 8) Sago Pitch (Roots & Tubers)                         |
| 4) Wine (Grape Must)                    | 9) Yogurt  |
| 5) Offal of Bovine Animals              | 10) Animal (Not Fish) Guts, Bladders, Stomachs & Parts |

### Food Industry by Channel (USD billion) 2018

Food Industry Output	\$17.9
Food Exports	\$3.3
Food Imports	\$8.4
Retail	\$42.7
Food Service	\$15.8

### GDP/Population

Population (millions): 23.5  
GDP (billions USD): \$573  
GDP per capita (USD): \$23,782  
2018 Economic Growth Rate (estimate): 2.24%

Sources: GTA; Directorate-General of Budget, Accounting, and Statistics, Executive Yuan of R.O.C.; Department of Statistics, MOEA

## SWOT Analysis

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 to importers/end users.
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 in the future.

## Exchange rate:

1 USD = 30.0 New Taiwan Dollar

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## SECTION I. MARKET SUMMARY

### Taiwan Retail Sector Overview and Sales Trends

Sales generated by Taiwan’s retail sector totaled \$29.33 billion in 2018, a new record high, up 4.48 percent from 2017. In 2018, the revenue generated by supermarkets rose 4.26 percent to \$6.6 billion. Sales generated by convenience stores remained the same from 2017 to 2018, while hypermarket sales grew 2.47 percent, to \$6.63 billion. Other retail outlets, including e-commerce, Mom-and-Pop shops, and wet markets, increased 3.84 percent to \$5.4 billion.

### Annual Sales of Convenience Stores/Hypermarket/ Supermarkets/Others

	2015 (US\$ billion)	2016 (US\$ billion)	2017 (US\$ billion)	2018 (US\$ billion)
<b>Convenience Stores</b>	9.8	9.8	10.07	10.7
<b>Supermarkets</b>	6.0	6.03	6.33	6.6
<b>Hypermarkets</b>	6.1	6.3	6.47	6.63
<b>Others</b>	5.8	5.57	5.2	5.4
<b>Total</b>	<b>27.7</b>	<b>27.7</b>	<b>28.07</b>	<b>29.33</b>

Source: Ministry of Economic Affairs, Department of Statistics

International retailers dominate in Taiwan, with few domestic players in direct competition. International retail stores have grown by taking advantage of Taiwan’s geographical location, high population density, and high disposable incomes. In recent years, the traditional mom-and-pop shops and wet markets have suffered and declined in comparison to high-end supermarkets and convenience stores.

Carrefour, COSTCO, RT-Mart are key players in the hypermarket area, while Wellcome, Simple Mart, 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.

### Number and Type of Retailers and Outlets in Taiwan 2014 – 2018

	Convenience Stores		Hypermarkets		Supermarkets	
	# of Retailers	# of Outlets	# of Retailers	# of Outlets	# of Retailers	# of Outlets
2018	9	11,067	7	190	31	2,396
2017	8	10,619	7	183	31	2,299
2016	8	10,454	7	166	30	2,089
2015	8	10,321	6	154	29	1,994
2014	7	10,632	6	123	26	1,820

Source: Taiwan Chain Store Almanac 2019

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

### 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 seeking unique imported food products.	Taiwan is the United States 8th largest market for agricultural exports but often overlooked by U.S. suppliers eager to export directly to China.
The majority of consumers have become more health-conscious and tend to be less concerned about costs when shopping.	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.	Competitors have free trade agreements with Taiwan
Increasing growth of fast food chains and casual dining restaurants is a key to industry growth.	Numerous food regulations and standards are not in line with U.S. or international standards.

## SECTION II. A 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 [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 United States Agricultural Trade Association ([WUSATA](#))
- Southern United States Trade Association ([SUSTA](#))
- Food Export-Midwest ([Food Export](#))
- Food Export-Northeast ([Food Export](#))

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 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. U.S. companies interested in these shows may contact ATO Taipei for more details.

### **2019 and 2020 Taiwan Trade Show Schedule**

<b>Show Name</b>	<b>Show Date</b>	<b>Products Featured</b>
2019 Taiwan Fruit & Vegetable Show	Sep. 26-28, 2019	Fruit and Vegetables
2019 Taiwan Int'l Fisheries & Seafood Show	Sep. 26-28, 2019	Seafood
2019 Taipei Int'l Coffee Show	Nov. 11-15, 2019	Coffee
2019 Taipei Building Show	Dec. 12-15, 2019	Forest products
2020 Taipei Int'l Food Show	June 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**

#### **Convenience Stores**

Convenience stores have been growing significantly and are taking a market-leading position that generated \$10.7 billion in sales in 2018, representing a 6.25 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, train tickets, and offering delivery pick-up services. Currently, convenience stores operators have become less aggressive about outlet expansion and focus on same-store sales and gross margin improvements.

#### **Profile of Major Convenience Stores in Taiwan**

Name	Year Established	No. of Outlets (2018)	Locations	Purchasing Agent Type
7-Eleven	1978	5,406	Nationwide	Direct, importer, wholesaler, agent
Family Mart	1988	3,326	Nationwide	Direct, importer, wholesaler, agent
Hi-Life	1989	1,321	Nationwide	Direct, importer, wholesaler, agent
OK Mart	1988	879	Nationwide	Direct, importer, wholesaler, agent

Source: Taiwan Chain Store Almanac 2019  
China Credit Information Service –2019 Top 5,000 Corporations in Taiwan

### Hypermarkets

In 2018, Taiwan hypermarkets generated a total of \$6.63 billion in sales, a nearly 2.47 percent growth from 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, foreign operators, including Carrefour and Costco, continue to dominate the Taiwan market and hold more than 50 percent market share.

Most of Taiwan’s hypermarkets and warehouse stores are located in suburban areas, though smaller-scale hypermarkets have opened in urban areas. 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 (2018)	Locations	Purchasing Agent Type
Costco	1997	14	Island-wide	Direct, importer, wholesaler, agent
Carrefour	1989	119	Island-wide	Direct, importer, wholesaler, agent
RT-Mart	1996	22	Island-wide	Direct, importer, wholesaler, agent

Source: Taiwan Chain Stores and Franchise Association Yearbook 2019  
Credit Information Service – 2018 Top 5,000 Corporations in Taiwan

### Supermarkets

Supermarkets generated more than \$6.6 billion in sales in 2018, a 4.26 percent increase compared with the previous year. Continued fierce competitions from hypermarkets and convenience stores have made it difficult for small supermarkets to survive. Efforts to promote fresh food in their stores also boosted

supermarket sales. An increase in the number of stores and the developing new store formats, have also increased sales.

### Major Supermarket Store Profiles

Retailer Name	Year Established	No. of Outlets (2018)	Locations	Purchasing Agent Type
PX Mart	1997	975	Nationwide	Direct, importer, wholesaler, agent
Simple Mart	1997	623	Nationwide	Direct, importer, wholesaler
Wellcome	1987	218	Nationwide	Direct, importer, wholesaler, agent
Jasons Market Place	2003	26	Nationwide	Direct, importer, wholesaler
Taiwan Fresh Supermarket	1975	48	Central Taiwan	Direct, importer, wholesaler, agent
CitySuper	2004	8	Taipei	Direct Importer, agent, wholesaler

Source: Taiwan Chain Store Almanac 2019

China Credit Information Service – 2018 Top 5,000 Corporations in Taiwan

Jasons Market Place and CitySuper occupy the upscale supermarket category and specialize in with a large percentage of sales derived from specialty or gourmet imported food products.

Regarding processed products, locally manufactured products present significant competition to many American processed products. Taiwan’s strong food processing industry manufactures a wide diversity of processed products, including processed meat, seafood, vegetables, fruits, noodles, sauces, oils, grain flour, beverages, snacks, confectioneries, dairies, and liquors. Nevertheless, consumers are open to purchasing imported and are highly interested in global food trends.

### 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 exports to Taiwan are facing more competition from developing countries with lower costs, U.S. exports of consumer-oriented products, such as meat, poultry, and fresh fruits, enjoyed 45 percent growth from 2011 to 2018.

Product Category	Imports From the United	United States Import Market	Key Constraints over Market Development	Market Attractiveness for the United States
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	<b>States In 2018 (US\$ million)</b>	<b>Share</b>		
Beef	546	55.9	United States does not have full market access for its beef products to Taiwan due to lingering BSE and ractopamine concerns.	Taiwan consumers have high regards for U.S. beef regarding quality and safety.
Chicken	199	92	Special safeguards (SSG) raise the tariff from 20 percent to about 26.6 percent.	The United States is one of a few countries certified to export poultry meat to Taiwan.
Fresh Fruits	222	32.7	Taiwan is an important producer of fresh tropical fruits with high quality. U.S. exports face some SPS trade barriers.	Taiwan consumers enjoy a great variety of fresh fruits. The United States offers different varieties of fresh fruits, which Taiwan does not produce locally. Top U.S. fresh fruit exports to Taiwan are apples, cherries, peaches, and grapes.
Fresh Vegetables	71	46.9	Local production meets most of the vegetable demand.	The United States continues to be the leading supplier of broccoli, onions, lettuce, and potatoes.
Tree Nuts	90	53	The growth of this sector may slow down due to limited supplies and strong demand competition from the mainland market.	Tree nuts are used for snack foods and as food ingredients and are promoted as healthy food.
Dairy Products	99	13.6	New Zealand enjoys duty-free access because of a free trade agreement signed with Taiwan in 2013.	Consumption of dairy products continues to grow.
Roasted Coffee	33	26.3	Local coffee production is limited and relies on imports both for green and roasted beans.	The coffee industry is growing and expects to expand for several years to come.



Source: Global Trade Atlas

## SECTION V: POST CONTACT AND FURTHER INFORMATION

### Contact Information for FAS Offices in Taiwan

*For Trade Policy/Market Access and General Agricultural Issues:*

**Taiwan**  
American Institute In Taiwan, AIT, Taipei

**Telephone:** (011-866-2) 2162-2316

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*For Market Development Assistance:*

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