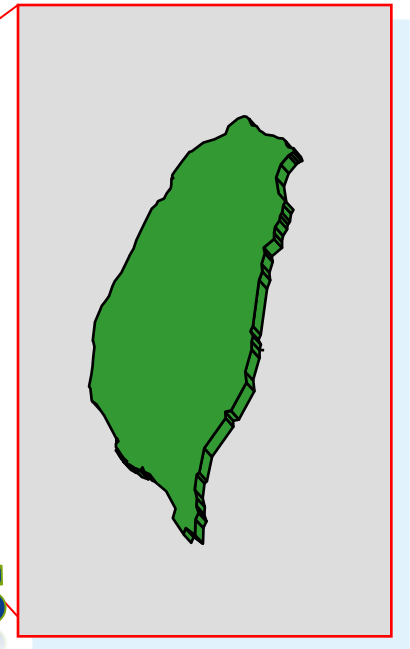


Taiwan

Market Overview



**ASIA/PACIFIC BUSINESS
OUTLOOK 2013**

APRIL 8-9





Topics

- Facts & Figures
- Best Prospects
- Business Culture
- China Connection
- CS Taiwan and AIT

Taiwan Fast Facts

- **Population:** 23 million
- **Language:** Mandarin Chinese
- **Location:** 100 miles off southeastern coast of mainland China
- **Major Industries:** electronics, electrical machinery, chemicals, and petrochemicals

Taiwan Fast Facts

- No. 1 long-haul destination for Taiwan travelers
- 6th leading origin of international students
- 7th largest market for U.S. agricultural products
- 11th largest trading partner
- 16th largest export market
- Foreign military sales program
Consistently in the top 10 globally and top 5 in the East Asia Pacific region.

Why Taiwan?

- Positive view of U.S. and U.S. products
- Industrialized high-tech economy
- Thriving democracy
- Rule of Law/Civil Society
- Springboard to China and other Asian markets

Taipei



- Taiwan's capital
- Political, economic, and cultural center of Taiwan
- 6.9 million people in Taipei-Keelung Metro area
- 3.9 million people in New Taipei City

Kaohsiung

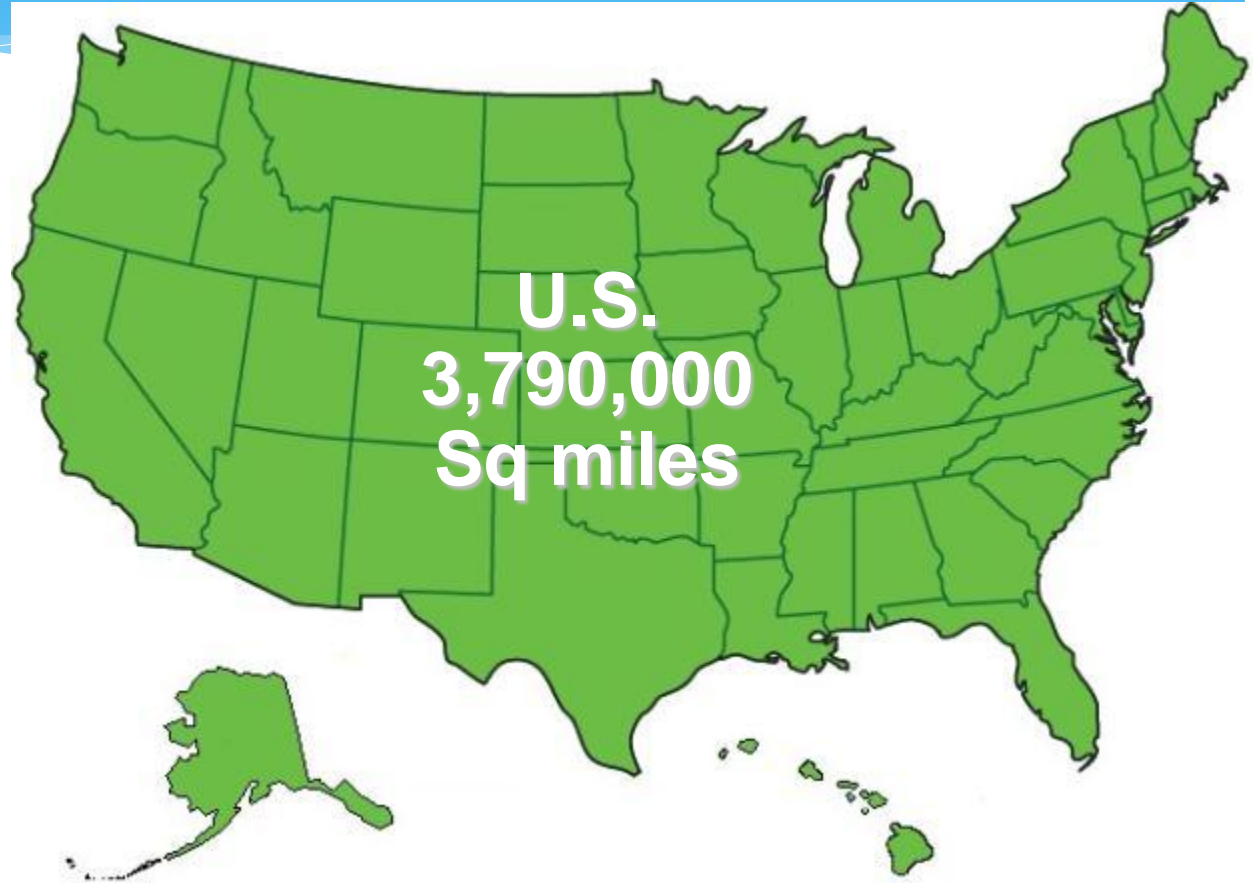
- Taiwan's 2nd largest city (2.77 million people in Metro-area)
- Taiwan's largest port
- Manufacturing and heavy industry base (petrochemical and steel)



Area



Taiwan
13,800
Sq miles



U.S.
3,790,000
Sq miles

The area of the U.S. is 275 times larger than Taiwan.
Taiwan's land size is slightly larger than the State of Maryland.

U.S. Trade Partners – year-to-date December 2012 (unit: US\$ bil)

| Rank | Country | Export | Import | Total |
|-----------|----------------|-------------|-------------|-------------|
| | World | 1,416.4 | 2,098.0 | 3,514.5 |
| 1 | Canada | 270.1 | 298.4 | 568.5 |
| 2 | China | 100.2 | 390.8 | 491.0 |
| 3 | Mexico | 199.9 | 257.3 | 457.3 |
| 4 | Japan | 64.0 | 134.6 | 198.6 |
| 5 | Germany | 45.0 | 99.3 | 144.3 |
| 6 | United Kingdom | 50.8 | 50.6 | 101.4 |
| 7 | South Korea | 38.9 | 54.3 | 93.2 |
| 8 | Brazil | 40.2 | 29.9 | 70.1 |
| 9 | Saudi Arabia | 16.2 | 52.0 | 68.2 |
| 10 | France | 28.4 | 38.3 | 66.7 |
| 11 | Taiwan | 22.2 | 35.8 | 58.0 |

Source: U.S. Department of Commerce, Census Bureau, Foreign Trade Division

Areas of opportunity for investment: Energy

- Few natural energy resources, relies heavily on imported energy
- One of the lowest electricity rates in the region, 10¢/kwh
- In order to reduce greenhouse air emission, high combustion efficiency coal-fired power plants are being built around the island, e.g. the 2,400 MW Linkou plant.
 - **BEST PROSPECTS:** Clean-Coal technology, power plant combustion improvement technology, Automatic Metering Reading (AMR) technology

Taiwan Education Market

- 6th leading origin of international students in the U.S. (23,250 students in 2012)
- 5th leading origin for intensive English programs
- Taiwan students contributed around \$660 million to the U.S. economy in 2012



Oh! Study Education Expo

Taiwan Tourism Market

- U.S. remains the #1 long haul destination for Taiwan visitors
- In 2011, approx. 290,313 Taiwan nationals visited the U.S., a 5.6% increase from 2010
- Taiwan travelers spent over \$1 billion in the U.S. in 2011
- Entered U.S. Visa Waiver Program (VWP) in Nov. 2012
- My Dream Vacation U.S.A.



2011 Taipei International Travel Fair

Tourism Promotion

- “My Dream Vacation USA”
- 2011-2014 Travel and Tourism Promotion Campaign

2011-12 Themes

1. Food and Wine
2. Festivals and entertainment
3. Landmarks and sites
4. Great Outdoors

2012-13 Themes

1. Shopping
2. Sports
3. Amusement and theme parks
4. National Parks

My Dream Vacation



我的美國夢幻假期

www.vacationUSA.com.tw

2013 -14 Themes to be based on special programs corresponding to four seasons





Consumer Goods

Opportunities:

- Luxury products
- Organic and nutritional supplements
- Beauty products

Channels:

- Department stores (10+)
- Convenience stores (9,200+)
- Drug and beauty product stores (1500+) and Hypermarkets (120+)
- Online and TV shopping (\$10+ billion per year)



Publishing

Taipei International Book Expo 2011

- \$1.4 billion market
- Growing digital content market
- Opportunities in: Children's books (pop-up books), pre K-12th grade, higher education, fiction, business, and self help.
- For 10+ years, U.S. is leading supplier of:
 - Translated books (1,500+ titles per year)



Trade Shows in Taiwan

* U.S. Pavilion

- Oh! Study – International Education Expo
- Taipei International Book Exhibition (TIBE)
- Taiwan International Green Industry Show (TiGis)
- International Travel Fair (ITF)
- Computex
- Semicon Taiwan
- Secutech Show



Oh! Study – International Education Expo



Taiwan International Green Industry Show (TiGis)



Taipei International Book Exhibition (TIBE)



International Travel Fair (ITF)

International Buyer Program— Taiwan Buyer Delegations

- * Intersolar North America 2013, San Francisco
- * Consumer Electronics Show (CES)
- * The International Plastics Showcase (NPE)
- * SEMICON West
- * Natural Products Expo West
- * Global Pet Expo
- * IFT Annual Meeting & Food Expo
- * National Association of Broadcasters Show (NAB)
- * International Pow Wow
- * Hong Kong FilmArt
- * Etc. ...



Consumer Electronics Show (CES), Las Vegas, 2013



Power-Gen International, Albuquerque, 2011



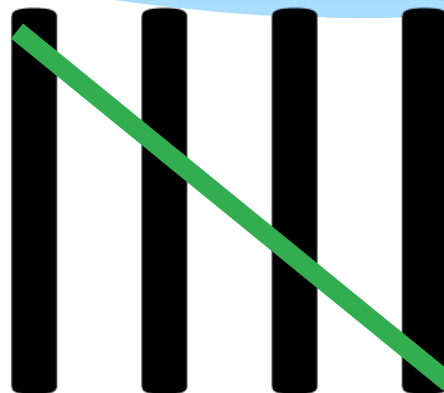
International Plastics Showcase, Orlando, 2012

Doing Business in Taiwan

- Relationships
- Hierarchy
- Patience
- Concept of a contract
- Standards (Taiwan specific)

U.S./Taiwan Business Culture





(zhèng)
Correct

The China Connection

- Triangular trade (US-Taiwan-China)
- Movement of people: group tourism, business, and students
- 1 out of 23 Taiwanese are living in Mainland China



Population



China

1,354,040,000



Taiwan

23,268,087

US Exports



China
\$110.6 Billion

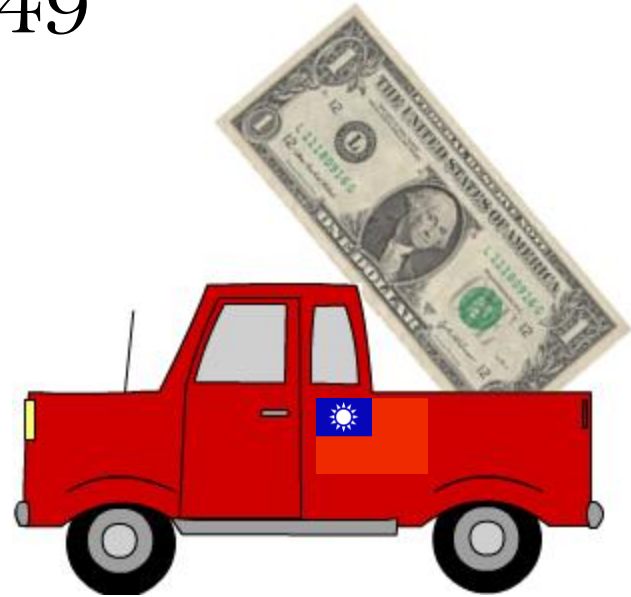
Taiwan
\$24.4 Billion

Per Capita GDP (PPP)

1 : 4.49



China
\$8,400



Taiwan
\$33,700

Direct Flights to China



Direct flights offered by:

- Eva Air
 - UNI Air
 - China Air
 - Trans Asia Airways
-
- 2008: zero direct flights
 - 2013: over 600 direct flights weekly

Connections to China

Air transportation:

- 558 direct flights weekly: 39 mainland airports offer direct flights to 9 Taiwan airports in Taiwan.
 - 48 cargo flights weekly
- Travel time from Taipei to Shanghai is only 82 minutes.

Sea transportation:

- The mainland has opened up 68 ports, including 16 river ports, meaning that Taiwan can ship goods directly from any of its 11 ports by sea to the mainland interior.
 - 199 ships providing on-demand service

Economic Cooperation with other Asian Countries

- * Economic Cooperation Framework Agreement (ECFA, 2010)
- * Taiwan-Japan Investment Protection Agreement
- * Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP)
- * Feasibility Studies
 - * India
 - * Indonesia
 - * New Zealand
 - * Philippines

American Institute in Taiwan



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U.S.
COMMERCIAL
SERVICE

United States of America
Department of Commerce

Offices and Staff

21 Staff

Taipei

2 Staff

Kaohsiung



Perfect Location



Hyatt

Taipei 101

Convention Ctr

Expo Ctr



World Class Facilities



Partners

- American Chamber of Commerce
- American State Offices Association
- Council for Industrial and Commercial Development
- Discover America
- Importers & Exporters Association of Taipei
- New Importers & Exporters Association of Taipei
- Taiwan External Trade Development Council (TAITRA)

Incentives for State Offices

- Taiwan Authorities' proposal subsidizes office rental for any U.S. State representative office in Taiwan:
 - 1st year – 75% of the rent
 - 2nd year – 75%
 - 3rd year – 60%
 - 4th year – 50%
 - 5th year – 50%
 - 6th year and over – NT\$12,000 (US\$400)

Contact Us



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