





Topics

- Who is AIT?
- Taiwan Facts & Figures
- Best Prospects
- Business Culture
- China Connection Opportunites

American Institute in Taiwan



AMERICAN INSTITUTE IN TAIWAN 美國在台協會



AMERICAN INSTITUTE IN TAIWAN

PUBLIC LAW 96-8-APR. 10, 1979 93 STAT. 14 Public Law 96-8

 Apr. 10, 1979
 To help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes.

 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. This Act may be cited as the "Taiwan Relations Act". Taiwan Relations Act. FINDINGS AND DECLARATION OF POLICY SEC. 2. (a) The President having terminated governmental relations between the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, the Congress finds that the enactment of this Act is necessary-22 USC 3301 22 USC 3301. cessary— (1) to help maintain peace, security, and stability in the Western Pacific; and (2) to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan. necessary. on Taiwan. (b) It is the policy of the United States— (1) to preserve and promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan, as well as the people the United States and the people on Taiwan, as well as the Western on the China mainland and all other peoples of the Western Pacific area: on the China maintang and all other peoples of the western
(2) to declare that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of internate United States, according to the relations with the People's Republic of China resisting of the expectation that the future of Taiwan will be determined by peaceful means, including by boycotts or embargoes, and the the the externite the the event of the externite means, including by boycotts or embargoes, and the the the event of the externite the future of Taiwan by the other than peaceful means, including by boycotts or embargoes, and there to the Dised States.
(3) to provide Taiwan with arms of a defensive character, and (6) to maintain the capacity of the Wates, to resist any (6). (5) to provide Taiwan with arms of a defensive character; and
 (6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on resort Taiwan. (c) Nothing contained in this Act shall contravene the interest of the United States in human rights, especially with respect to the

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"Any programs, transactions, or other relations conducted or carried out by the President or any Agency of the United States Government with respect to Taiwan shall... be conducted and carried out by or through the American Institute in Taiwan."

Taiwan Relations Act April 10, 1979



COMMERCIAL

Export Promotion



- Total U.S. exports to Taiwan (2014) -\$26.8 billion
- Top categories:
 - Computers and electronics
 - Machinery
 - Chemicals
 - Transportation equipment

Commercial Diplomacy



- Technical seminars to enhance communication between Taiwan, U.S. Industries, and AIT
- 1403 cases of U.S. companies investing in Taiwan from 2010 – 2014, totaling USD \$21.9 billion

Investment Promotion



- Taiwan foreign direct investment in the US totaled 287 cases, USD \$20.6 billion (from 2010-2014).
- Mostly in ICT, Transportation, Finance, Chemical, and Food Industry.

Facilitating Business



- Assist companies in meeting distributors and agents
- Providing in-depth market research
- Promote your products and services to buyers



Taiwan Quick Facts

- **Population**: 23.4 million
- Language: Mandarin Chinese
- Location: 100 miles off southeastern coast of mainland China
- **Major Industries**: electronics, electrical machinery, chemicals, and petrochemicals

POLITICAL STATE OF PLAY

ties

DOMESTIC POLITICS

- Vibrant, but young democracy
- Debate over Taiwan's Future

 Strong presidency, unpopular president RELATIONS
Tensions reduced
Strong support for status quo
No appetite for closer political

CROSS-STRAIT

U.S. AND INTERNATIONAL RELATIONS

- Broad support for strong ties with the U.S.
- International Isolation
- Taiwan's soft power

Security and Defense



Taipei

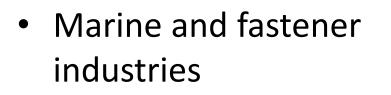


Photo courtesy of Taiwan Tourism Bureau

- Taiwan's capital
- Political, economic, and cultural center of Taiwan
- Population: 2.6 million
- 3.9 million people in New Taipei City

Kaohsiung

- Taiwan's 2nd largest city
- Population: 2.8 million
- Taiwan's largest port
- Manufacturing and heavy industry base (petrochemical and steel)



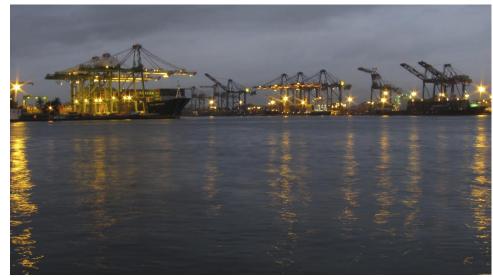


Photo courtesy of Gary Oba

Why Taiwan?

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

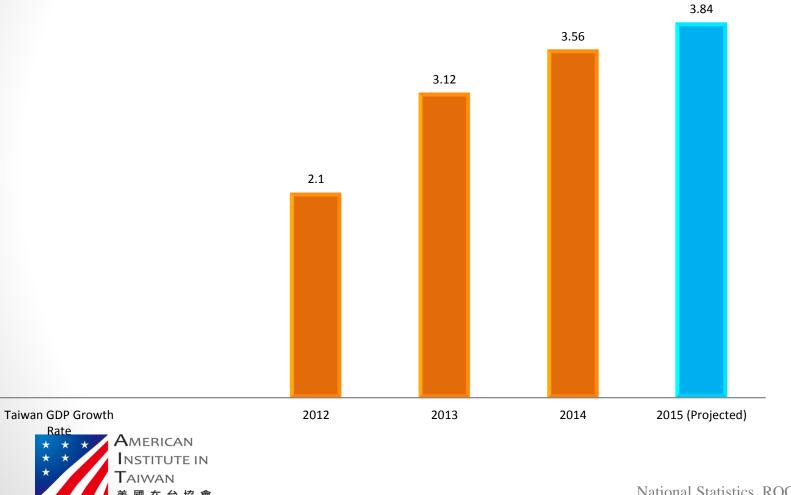
ECONOMIC INDICATORS

U.S. – Taiwan Economic Relationship		Taiwan's Economic Engagement 2014/2015
Rank of Taiwan as a U.S. Trading Partner (as of 2014)	#10	World Bank Ease of Doing Business 19/183
		Economic Freedom Index 14th
Rank of U.S. as Taiwan's Trading Partner (as of 2014)	#2	Rate of Growth among 4 Asian Tigers 1
		Taiwan's Exports To the World \$313 Billion
Two-Way Trade Volume (2014)	\$67.4 billion	GDP Per Capita (PPP) \$39,600
		Taiwan Accession 2002 to WTO
U.S. Foreign Direct Investment in Taiwan (2013)	\$23.4 billion	Taiwan's Global Competitiveness Index by 14/144 WEF(2014)



Sources: Bureau of Foreign Trade, Ministry of Economic Affairs; Investment Commission, U.S. Bureau of Economic Analysis, U.S. Census, Taiwan Ministry of Finance

TAIWAN GDP GROWTH



National Statistics, ROC & Taiwan Institute Economic Research

Best Prospects

- Computer Services & Software
- Education
- Electric Power Equipment & Energy
- Electronics Industry Production/Test Equipment
- Franchising
- Medical Devices
- Pollution Control Equipment
- Telecommunications Equipment
- Travel & Tourism

Taiwan Tourism Market

- U.S. remains the #1 long haul destination for Taiwan visitors
- In 2014, ~413,048 Taiwan nationals visited the U.S.
- Taiwan travelers spent near \$1.7B in the U.S. in 2014
- Taiwan entered U.S. Visa Waiver Program (VWP) in Nov. 2012



Direct Flights to U.S.



- Nearly 800 weekly flights to the U.S. via Japan, Seoul, Singapore, Hong Kong, Guangzhou, Shanghai, Beijing
- 74 weekly direct flights offered by UA, Eva, CI to LAX, SFO, SEA, JFK, HNL, GUAM, HOUSTON

Consumer Goods

Opportunities:

- Luxury products
- Organic & nutritional supplements
- Beauty products



NEW YORK



Channels:

- Department stores (50+)
- Convenience stores (10,000+)
- Drug & beauty product stores (2000+); Hypermarkets (120+)
- Natural & healthy food stores (500+)
- Online & TV shopping (\$12+ billion/year)

Doing Business in Taiwan

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

The China Connection

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



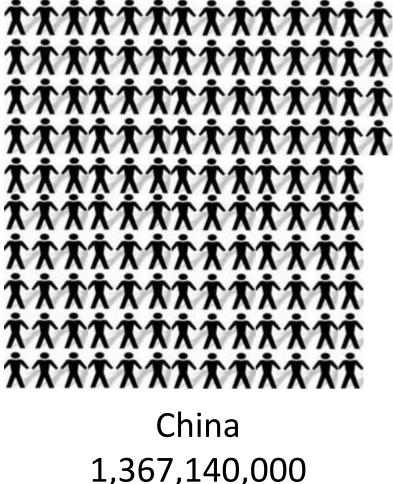
Direct Flights to China



Direct flights offered by:

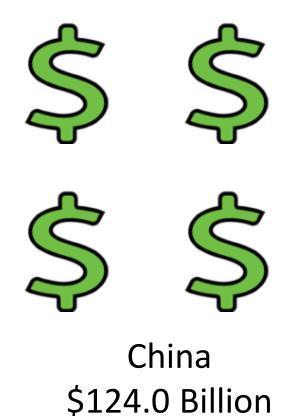
- Eva Air
- UNI Air
- China Air
- Trans Asia Airways
- 2008: 0 direct flights
- 2014: Over 800 direct flights weekly

Population





U.S. Exports (For Fiscal Year 2014)





Taiwan \$26.8 Billion

²² Source: U.S. Department of Commerce, Census Bureau, Foreign Trade Division

Per Capita GDP (PPP)

1:4.93



China \$9,800



Taiwan \$39,600

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Questions?