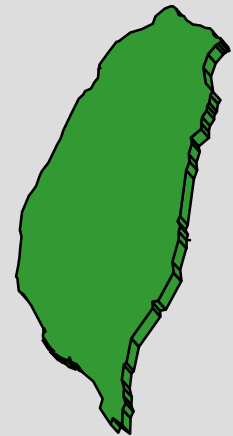


Taiwan

Market Overview



Presented by Ireas Cook



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Topics

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

American Institute in Taiwan



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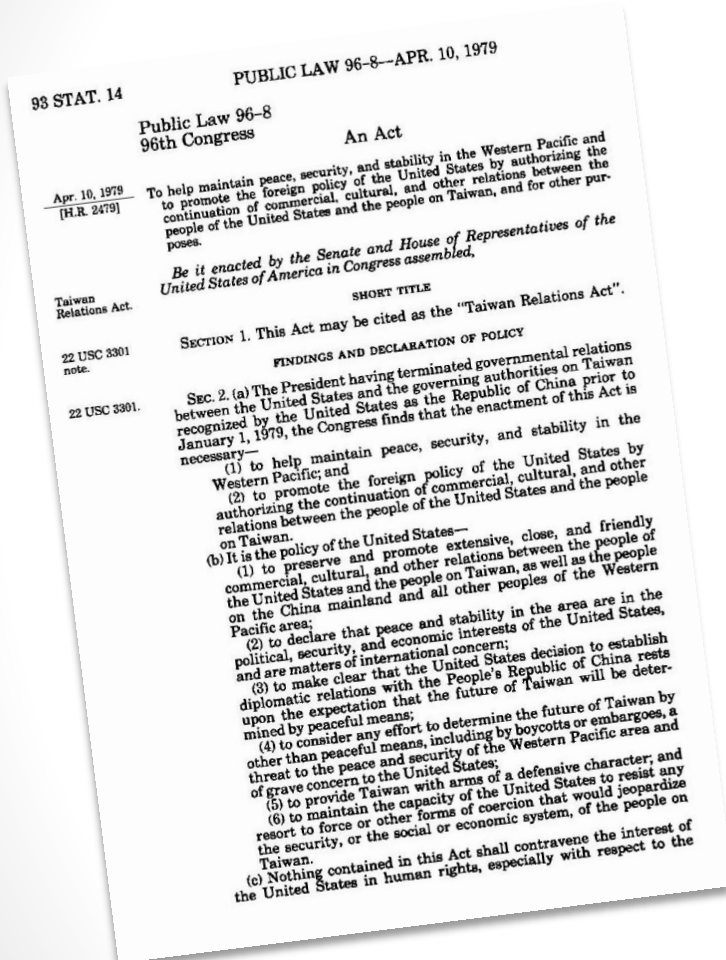
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“Any programs, transactions, or other relations conducted or carried out by the President or any Agency of the United States Government with respect to Taiwan shall... be conducted and carried out by or through the American Institute in Taiwan.”

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

DOMESTIC POLITICS

- Vibrant, but young democracy
- Debate over Taiwan's Future
- Strong presidency, unpopular president

CROSS-STRAIT RELATIONS

- Tensions reduced
- Strong support for status quo
- No appetite for closer political ties

U.S. AND INTERNATIONAL RELATIONS

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

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)
- Marine and fastener industries

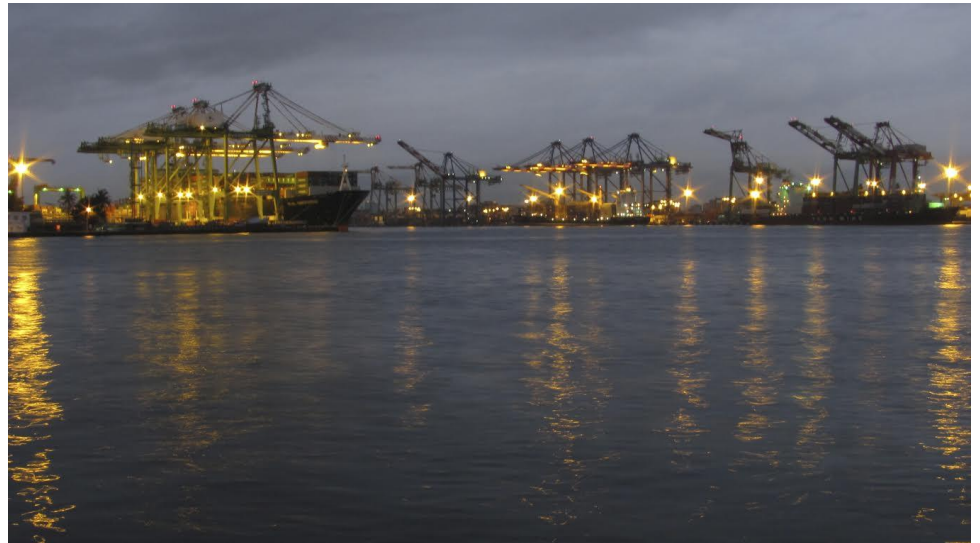


Photo courtesy of Gary Oba

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

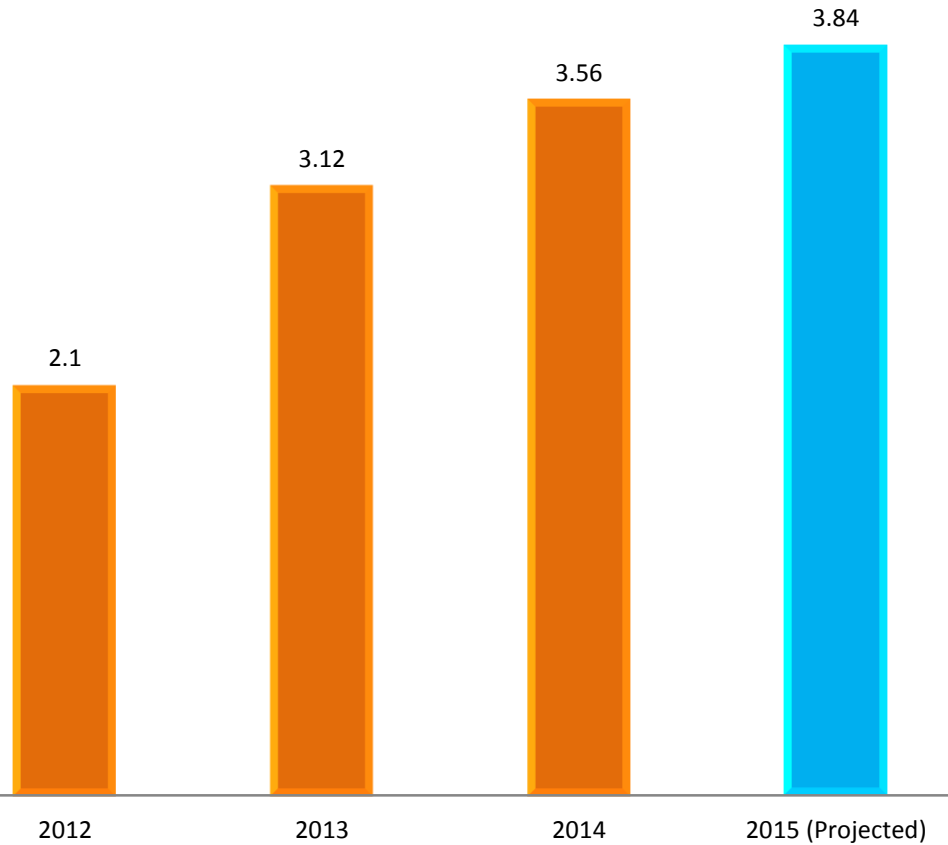
U.S. – Taiwan Economic Relationship

Rank of Taiwan as a U.S. Trading Partner (as of 2014)	#10
Rank of U.S. as Taiwan's Trading Partner (as of 2014)	#2
Two-Way Trade Volume (2014)	\$67.4 billion
U.S. Foreign Direct Investment in Taiwan (2013)	\$23.4 billion

Taiwan's Economic Engagement 2014/2015

World Bank Ease of Doing Business	19/183
Economic Freedom Index	14th
Rate of Growth among 4 Asian Tigers	1
Taiwan's Exports To the World	\$313 Billion
GDP Per Capita (PPP)	\$39,600
Taiwan Accession to WTO	2002
Taiwan's Global Competitiveness Index by WEF(2014)	14/144

TAIWAN GDP GROWTH



Taiwan GDP Growth
Rate



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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



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

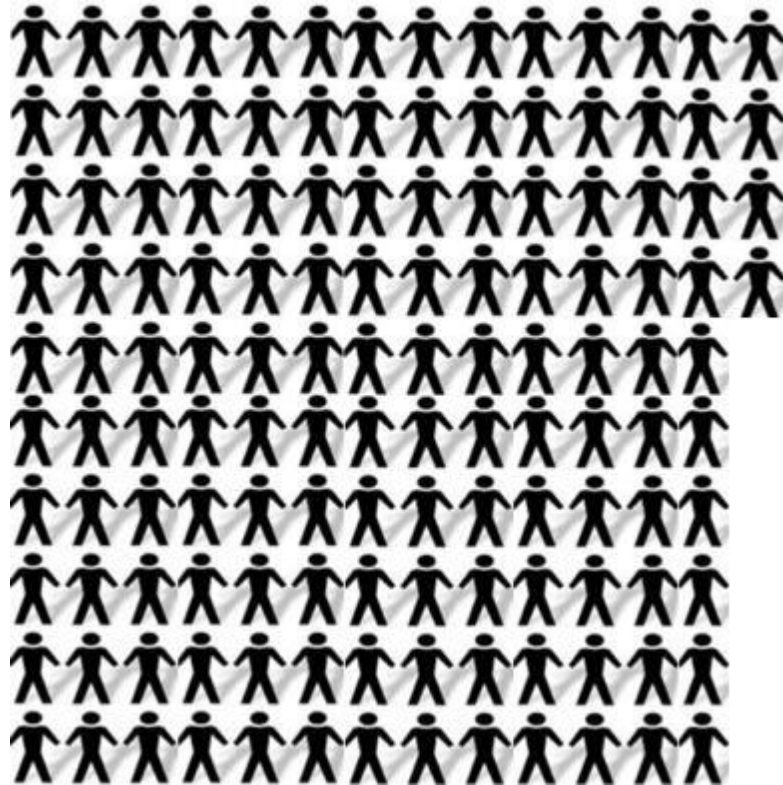


Direct flights offered by:

- Eva Air
- UNI Air
- China Air
- Trans Asia Airways

- 2008: 0 direct flights
- 2014: Over 800 direct flights weekly

Population



China

1,367,140,000



Taiwan

23,404,243

U.S. Exports

(For Fiscal Year 2014)



China

\$124.0 Billion

Taiwan

\$26.8 Billion

Per Capita GDP (PPP)

1 : 4.93



China
\$9,800



Taiwan
\$39,600

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Contact Us

Taipei

American Institute in Taiwan Commercial Section
Suite 3207, 333 Keelung Road Section 1
Taipei, Taiwan

Telephone: 011-886-2-2720-1550 Ext. 382

General Inquiries: Office.Taipei@trade.gov

Kaohsiung

American Institute in Taiwan Commercial Section
5F, No. 2 Chung Cheng 3rd Road
Kaohsiung, Taiwan

Telephone: 011-886-7-335-5006

General Inquiries: Office.Kaohsiung@trade.gov



Questions?