

# U.S. Country Commercial Guides



## Taiwan 2020

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## **Doing Business in Taiwan**

### **Market Overview**

#### **Overall**

With a population of 23.6 million, Taiwan is a thriving democracy with a vibrant market economy. In 2019, Taiwan's GDP grew by 2.71 percent. The unemployment rate was 3.73 percent and the labor participation rate was 59.17 percent.

As of December 2019, Taiwan was the world's fifth-largest holder of foreign exchange reserves and was ranked the eleventh of gold reserves, with holdings of \$478 billion and 423.6 metric tons respectively.

#### **U.S.-Taiwan Trade**

The United States and Taiwan have a long-standing and vibrant trade relationship. In 2019, the United States and Taiwan transacted \$104.7 billion of trade in goods and services, composed of \$42.3 billion in exports and \$62.4 billion in imports, resulting in a goods and services trade deficit with Taiwan of \$20.1 billion.

The United States is Taiwan's second largest trading partner, accounting for 13.2 percent of total trade and 12.2 percent of Taiwan imports. China is Taiwan's largest trading partner, accounting for 24.3 percent of total trade and 20.1 percent of Taiwan's imports in 2019. In terms of total trade, other major Taiwan trading partners include Japan (10.9 percent), the European Union (9.7 percent), and Hong Kong (6.7 percent).

#### **U.S. Goods Trade**

In 2019, Taiwan was the United States' 10<sup>th</sup> largest goods trading partner, outranking markets such as the Netherlands and Italy, with \$85.5 billion in two-way goods trade.

Taiwan was the United States' 14<sup>th</sup> largest goods export market at \$31.2 billion in 2019, an increase of 2.1 percent over 2018, and accounting for 1.9 percent of U.S. goods exports. Top U.S. goods exports included machinery (\$5.6 billion), electrical machinery (\$4.5 billion), mineral fuels (\$4.4 billion), aircraft (\$2.7 billion), and optical and medical instruments (\$2.2 billion).

Taiwan was the United States' seventh-largest agricultural export market in 2019, with exports totaling \$3.6 billion, a 10 percent decrease over 2018 (\$4 billion). Top U.S. agricultural exports included soybeans (\$676 million), beef and beef products (\$567 million), wheat (\$324 million), fresh fruit (\$255 million), and corn (\$227 million).

Regarding imports, Taiwan was the United States' 13<sup>th</sup> largest supplier of goods imports. The island is not a major supplier of agricultural imports to the United States.

#### **U.S. Services Trade**

In 2019, two-way trade in services with Taiwan was roughly of \$18.5 billion. U.S. exports of services to Taiwan were of about \$10.5 billion, a 1.04 percent increase over 2018. Top U.S. services exports included intellectual property (industrial processes), transport, and travel.

Exactly 499,520 Taiwan travelers visited the United States, in 2019, and spent over \$2.3 billion on travel and tourism related goods and services.

In 2019, Taiwan was the seventh-largest source of foreign students pursuing higher education in the United States. The number of students reached to 23,369, a 4.1 percent increase over 2018, and generated an economic impact of \$902 million.

U.S. imports of services from Taiwan totaled approximately \$8 billion in 2019, a 2.7 percent decrease from 2018.

### **Investment**

Taiwan's total stock of FDI in the United States was \$14.1 billion in 2018, up 24.7 percent from 2016. This investment supported 14,100 U.S. jobs. Taiwan's foreign direct investment in the U.S. is led by electronic components, business machines, communications, software and IT services, semiconductors, and transportation.

In 2018, the total stock of U.S. foreign direct investment (FDI) in Taiwan was \$17.53 billion, a 2.9 percent increase over 2017. United States' direct investment in Taiwan is led by manufacturing, wholesale trade, and finance and insurance.

### **Market Challenges**

Taiwan is a sophisticated market in which consumers are plugged into global trends. U.S. products are well represented in the market, as are products from across the region, especially mainland China and other lower-cost producers. Taiwan is a good target market for both high-quality, differentiated products and commodity items.

Taiwan is a price-sensitive market, and foreign goods must conform to certain local standards and labeling regulations required to import products into this market. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits required for importation.

Intellectual property rights holders report both positive developments and ongoing challenges in Taiwan's protection and enforcement of intellectual property rights. In recent years, Taiwan has bolstered trade secrets protection and enforcement. On the other hand, considerable challenges remain in combatting copyright and related infringement both online and with printed educational materials.

### **Market Opportunities**

In this guide, we have dedicated specific sections to the following industries as the best prospects for U.S. exports: aerospace and defense, education, electric power equipment and energy, machinery and tools, medical devices, telecommunications equipment, and travel and tourism. For agriculture-related products, the best prospects for U.S. exports include beef, cheese, coffee, fresh fruit, pet food, poultry meats, tree nuts, and wine and spirits. For U.S. firms interested in learning more about the above-mentioned best prospect reports, please refer to Chapter 2, "Leading Sectors for U.S. Export and Investment."

### **Market Entry Strategy**

Most new-to-market exporters entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents and distributors are the most common partnerships used by foreign firms to gain their initial foothold in Taiwan. The vast majority of Taiwan firms are small- and medium-sized enterprises (SMEs). They are active in trading and manufacturing and offer a large pool of prospective trade partners that can capably represent U.S. companies in Taiwan.

Taiwan's banking and international remittance systems are well developed, and there are no foreign exchange regulations that would significantly hamper a U.S. exporter from receiving payment for goods shipped and services

provided. Irrevocable letters of credit (L/Cs) are widely used and L/Cs from leading Taiwan financial institutions are usually confirmed by U.S. banks.

## Leading Sectors for U.S. Exports and Investment

### Aerospace and Defense

#### Overview

The aerospace industry is strategic for national development due to its industrial interdependence and cooperation across multiple sectors. Taiwan's aerospace and defense sectors achieved significant milestones in 2019. Foreign procurement, indigenous jet trainer production, and international cooperation drove the growth of the market. The domestic aerospace and defense industry boasts design and development capabilities; however, more technologically advanced equipment still needs to be imported from the U.S. This will present growing business opportunities in the coming years for U.S. firms.

In August 2019, the U.S. government formally approved to the sale of 66 F-16 Block-70 fighter jets to Taiwan. This sale was achieved through the U.S. Foreign Military Sales program, with a budget of up to US\$8 billion approved by the Taiwan Legislative Yuan. Taiwan's Air Force currently operates 142 F-16 A/B fighter jets. After the delivery of the newly procured 66 F-16 fighter jets by 2026, the Taiwan Air Force will rank as one of the largest fleets of F-16s in the region, with over 200 F-16 fighters in operation.

In December 2019, the Aerospace Industrial Development Corp. (AIDC), Taiwan's largest aerospace manufacturer, signed a strategic cooperation alliance with Lockheed Martin to develop Taiwan into a Maintenance, Repair and Overhaul (MRO) center for Taiwan and the region's F-16 fighter jets. AIDC has obtained Lockheed Martin's certification to manufacture 23 F-16 components.

In recent years, Taiwan has been aggressively pursuing defense self-sufficiency by developing its indigenous defense industry. Another remarkable stride in 2019 was that AIDC, supported by a team of over 118 local subcontractors and several U.S. firms, rolled out its first prototype of the Advanced Jet Trainer (AJT) which is a twin-engine subsonic aircraft powered by the Honeywell F124 engine for the Taiwan Air Force. AIDC plans to build a total of 66 jet trainers by 2028 with a budget of over US\$2.28 billion. The company is scheduled to test fly its first AJT in late 2020. The spillover effect of localized production and the maintenance of these military aircraft programs will benefit the civil sectors and is expected to create substantial long-term benefits for Taiwan aerospace and defense companies.

Taiwan has over 180 small and medium-sized aerospace manufacturing companies, and in 2019, their revenue was US\$4.5 billion, an 9.4% increase from 2018. 60% of the local production was in MRO and the remaining 40% in manufacturing (18% military and civil 22%). AIDC accounted for 60% of Taiwan's aerospace production. Taiwan has a complete range of MRO capabilities for civilian and military aircraft. In addition to AIDC, Air Asia and EGAT are major players. Led by AIDC, Taiwan has established itself in the OEM market and maintenance supply chain in the fields of engine casing, turbine blades, aircraft fasteners, composite material structures, air cargo containers, cockpit instrument panels, and the conversion of passenger aircraft to cargo aircraft.

In 2019, total U.S. aerospace exports to Taiwan exceed US\$2.9 billion dollars and comprised about 1.8% of U.S. aerospace exports overall. Taiwan ranked as the United States' 13<sup>th</sup> largest aerospace exports market according to data from the U.S. Census Bureau. The Taiwan aerospace market continues to offer excellent prospects for U.S. products, services, and technology.

Like their counterparts worldwide, Taiwan's airlines, airports and the aerospace manufactures have been negatively affected by the COVID-19 pandemic. As the overall severity and duration of the pandemic are still uncertain, the industry is seeking short-term bailout packages from the government. Under these circumstances, it's forecast, the aerospace market in Taiwan is likely to see a downturn in 2020 and likely rebound the years ahead as the global travel and economy rebounds.

## Taiwan Aerospace and Global Market (2017-2019)

Unit: USD thousands

	2017	2018	2019	2020 (E)
Total Market Size	\$7,388,184	\$7,998,46	\$9,400,000	\$7,180,000
Total Local Production	\$3,634,807	\$3,945,734	\$4,454,000	\$3,500,000
Total Exports	\$319,561	\$384,587	\$400,000	\$320,000
Total Imports	\$4,072,938	\$4,406,345	\$5,000,000	\$4,000,000
Imports from the U.S.	\$3,100,900	\$2,755,500	\$2,914,000	\$2,300,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Committee for Aviation Industry Development, Ministry of Economic Affairs; Bureau of Foreign Trade, Ministry of Economic Affairs; U.S. Census Bureau, U.S. Department of Commerce.

**Taiwan Defense Procurements (2017-2019)**

Unit: USD thousands

	2017	2018	2019
Domestic Tenders	7,189 cases	7,418 cases	7,728 cases
	\$2.97 billion	\$4.01 billion	\$1.85 billion
Direct Commercial Sales	33 cases	27 cases	40 cases
	\$469 million	\$1 billion	\$0.16 billion
Foreign Military Sales	33 cases	26 cases	24 cases
	\$1.33 billion	\$783 million	\$10.25 billion
Total	7,260 cases	7,471 cases	7,720 cases
	\$4.769 billion	\$5.793 billion	\$12.26 billion

Source: The Armaments Bureau, Ministry of National Defense

**Airport Construction**

With a land area of 22,370 square miles, Taiwan has four international airports, and 13 regional and military airports. The island has the highest density of airports in the world. Before the outbreak of COVID-19, Taiwan had 96 international airlines operating 326 flights routes that connect 150 cities in 2019. Taiwan airports handled a record-setting 72 million passengers in 2019. To meet future demand, a third terminal at the Taoyuan International Airport (T3 Project) is under construction, with a total budget exceeding US\$3.1 billion. A third runway will be built to accommodate larger aircraft. Based on construction scale and investment cost, the T3 Project is the single largest construction project in Taiwan. A consortium of Netherlands Airport Consultants B.V. (NACO), TY Lin International, and Parson Brinckerhoff International Inc. is planning the T3 Area Development project. Roger Stirk Harbour & Partners is the designer of the main terminal building, which is expected to accommodate 45 million passengers annually after its completion in 2026. Currently, Taiwan is continuing to upgrade its airports' communication, navigation and surveillance systems, and air traffic management. These developments offer new opportunities for U.S. businesses to supply airport equipment and services in Taiwan.

**Leading Sub-Sectors**

Taiwan's aerospace market continues to generate demand for U.S. products, services, and technology because its civilian and military aircraft fleet consists largely of American-made aircraft. Taiwan presents opportunities for U.S. companies in the subsectors of aircraft MRO, avionics systems, missile and space vehicle parts, radar and surveillance devices, cybersecurity, raw materials, unmanned aerial vehicles, and airport equipment and services. The increased



demand for U.S. manufactured aircraft parts is driven by Taiwan's military aircraft modernization programs, including the F-16 Block 20, E 2-C, and C-130.

### **Web Resources**

#### **Trade Shows**

- [2021 Taipei Aerospace and Defense Technology Exhibition, Taipei, August 2021 \(Date TBD\)](#)

Held every two years, TADTE is Taiwan's sole trade event for military and civilian aerospace products and technology.

#### **Relevant Authorities**

- [Bureau of Foreign Trade \(BOFT\)](#)
- [Committee for Aviation Industry Development \(CAID\)](#)
- [Ministry of National Defense \(MND\)](#)
- [Taipei Aerospace Industry Association \(TAIA\)](#)
- [Taiwan Defense Industry Development Association \(TWDIDA\)](#)
- [U.S.-Taiwan Defense and National Security](#)

*U.S. firms interested in learning more about the Aerospace and Defense market and seeking to expand their export opportunities to Taiwan are encouraged to contact CS Taiwan Commercial Specialist Wendy Tien at [Wendy.Tien@trade.gov](mailto:Wendy.Tien@trade.gov) or visit [our website](#).*

## Electrical Power Generation Equipment and Energy

### Overview

Taiwan relies on imports for more than 99 percent of its energy needs. The island is currently implementing an Energy Transformation, with a goal of denuclearizing and achieving a power generation portfolio of 50 percent natural gas, 30 percent coal, and 20 percent renewable by 2025. To implement the Energy Transformation and a Nuclear Free Homeland policy, Taiwan is building new liquified natural gas receiving terminals, expanding natural gas power generation fleets, developing renewable energy with a focus on solar and offshore wind power generation, and beginning to decommission the island's nuclear power plants.

### Electric Power Equipment Market

Unit: USD thousands

	2017	2018	2019	2020 (est.)
Total Market Size	2,483,726	3,173,427	3,490,770	3,420,954
Total Local Production	5,687,654	5,968,950	6,565,845	6,434,528
Total Exports	8,493,927	8,840,200	9,724,220	9,529,736
Total Imports	5,289,999	6,044,677	6,649,145	6,516,162
Imports from the U.S.	782,991	1,354,650	1,490,115	1,460,313
Exchange Rate: USD1	29.65	30.59	30.86	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Sources: Total Local Production: Taiwan Ministry of Economic Affairs; Total Exports: Customs Administration, Taiwan Ministry of Finance; Total Imports: Customs Administration, Taiwan Ministry of Finance; Imports from U.S.: U.S. Census Bureau; Exchange rates: U.S. Treasury Department

### Leading Sub-Sectors

- Combined-cycle natural gas-fired and power generation equipment
- Nuclear decommission and decontamination services and technology
- Liquified natural gas receiving tanks and regasification construction service

(See Figure 1 below for more details about the above three leading Segments)

- Raw Materials/Energy Resources
  - Natural gas
  - Low sulfur content coal
- Renewable Energy
  - Grid connection technology and equipment
  - Energy efficiency products
- Emission control products such as CO<sub>2</sub> sequestration technology
- Smart Grid and energy storage technology and products
- Digital electric meters

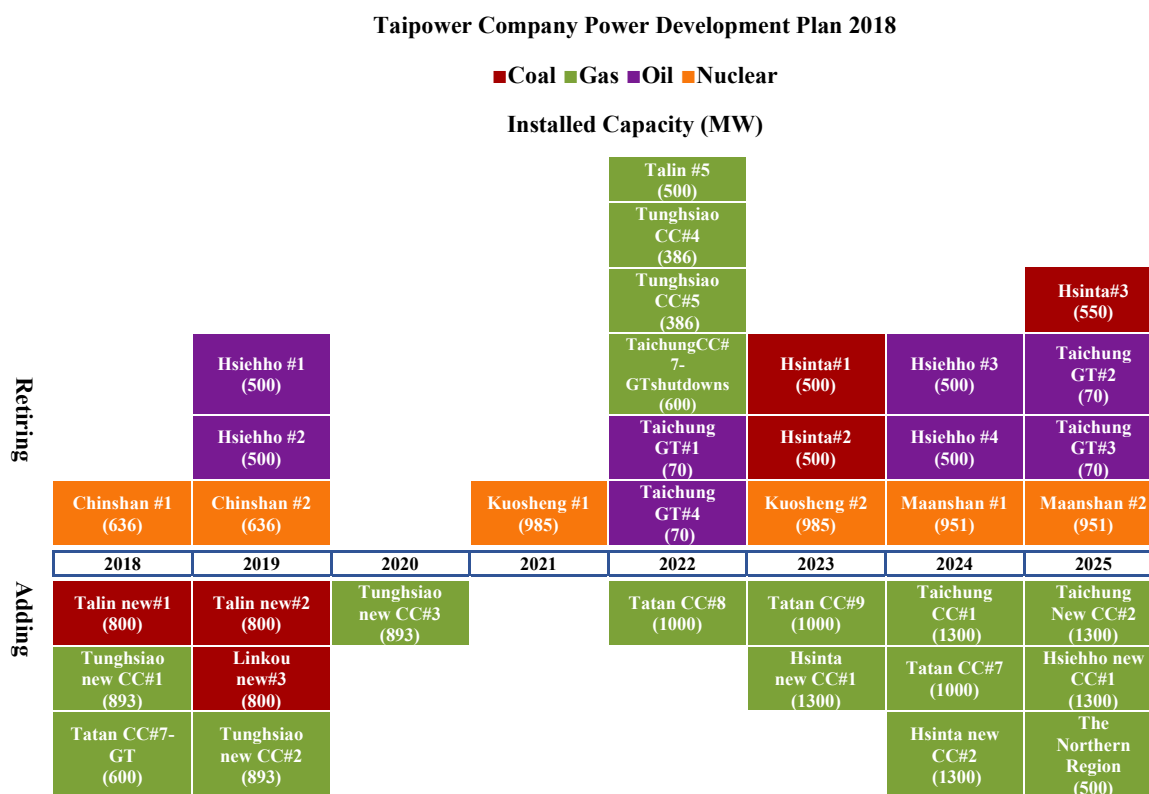
### Opportunities

Taiwan's 1999 Government Procurement Act (GPA) requires all government procurement entities and state-owned companies to publicize all procurements with value over NT\$1 million (\$30,000) on the Taiwan authorities' [e-procurement website](#). As a state-owned enterprise, all procurements released by the Taiwan Power Company must be submitted to this website.

United States' companies can use the Business Facilitation Service provided by Commercial Service Taiwan to arrange meetings with Taiwan's Bureau of Energy and the Taiwan Power Company to make technical presentations to introduce their company background and products.

United States' companies can also use the Gold Key and Single Company Promotion Services, provided by Commercial Service Taiwan, to help locate qualified local business partners and facilitate business development.

Figure 1: Taiwan Power Company Power Generation Facility – Retiring & Adding Plan



Remark: According to the MOEA Report of the assessment to energy referendums on March, 2019

Source: Taiwan Power Company

### Web Resources

United States' firms wishing to learn more about the electrical power equipment market and expanding export opportunities to Taiwan are encouraged to contact CS Taiwan at [office.taipei@trade.gov](mailto:office.taipei@trade.gov)

## Education

### Overview

#### Education Market

Unit: USD thousands

	2017	2018	2019	2020(Estimated)
Taiwan Students in the U.S.	21,516	22,454	23,369	22,000
Taiwan Students' Contribution to U.S. Economy	\$736,000	\$824,000	\$874,771	\$823,460
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Sources: IIE Open Doors 2019 Report; NAFSA Economic Analysis for 2017-2018 Academic Year; Exchange rates: U.S. Treasury Department

According to the [Institute of International Education's 2019 Open Doors Report](#), 23,369 students from Taiwan studied in the United States during the 2018/2019 academic year, a 4.1% increase over 2017/2018 academic year, contributing \$874 million to the U.S. economy. This represented Taiwan as the seventh leading source of students going to the United States and as the third source of students per capita (only behind Saudi Arabia and South Korea). Among Taiwan students studying in the United States in academic year 2018/2019, 40% were graduate students; 31 % were undergraduates; 7% were non-degree students; and 22% undertook OPT (Optional Practical Training). The most popular fields of study for Taiwan students were business and management (19%), STEM (18%), fine or applied arts (11%), and social science (6%).

Taiwan's early 2000s educational reforms, which upgraded vocational and technical colleges to become universities, have resulted in an oversupply of universities, a devaluation of college degrees, and a mismatch of the labor supply to job market demand. These overcapacity issues are further complicated by Taiwan's persistently low birthrate. It is estimated that by 2023, there will be 184,000 new college entrants, a huge decline from 271,108 new entrants in 2013. This 32% decline is a major concern as it could lead to a labor shortage in the future workforce and the forced closure of many higher education institutions. In response to these challenges, in January 2016, Taiwan's Ministry of Education formed a Higher Education Innovation and Transformation Task Force to promote alliances between higher education institutions and to establish experimental branch campuses, independent colleges, and certificate programs and courses. However, collaboration efforts between domestic and foreign universities have been hindered by the high cost of education abroad, which limits study abroad opportunities for many Taiwan students.

Additionally, in response to globalization and rising talent mobility, the Taiwan authorities created two important initiatives in 2018. The "Yushan Project" seeks to attract and retain top domestic and foreign talent through three major programs: the "Yushan Scholars", "Salary Flexibility in Higher Education Deep-Planning Program", and "Increase Salaries for Academic Research-Oriented Professors by 10%". Each year, a maximum budget of \$187 million will benefit 19,000 teachers by providing a higher salary to teaching and research staff in colleges and universities.

According to statistics from the Taiwan Ministry of Education, a total of 71,221 Taiwan students went abroad to study or work in 2019. The United States remained the top study destination for Taiwan students, with 23,369 students, accounting for 33% of Taiwan students going abroad. Australia came in second place, with 18,791 students, and Japan third place, with 9,524 Taiwan students in 2019. Canada, the United Kingdom, Germany, Korea, and New Zealand were also popular among Taiwan students. Most Taiwan students choose to go to the United States to attend degree, certificate, or language programs. In contrast, most Australia-bound students take part in working holiday programs. Canada and Japan offer similar visas to allow Taiwan citizens to work and study in short-term programs.

### Taiwan Student Study Abroad Destinations in 2019

North America (mainly United States)	27,771
Oceania (mainly Australia)	20,681
Asia (mainly Japan)	12,812
Europe (mainly United Kingdom)	9,957
TOTAL	71,221

Source: Taiwan Ministry of Education

Traditionally, English-speaking countries have dominated foreign education recruiting in Taiwan. However, in recent years, neighboring Asian countries such as Hong Kong, China, and Singapore have stepped up recruitment efforts for Taiwan students, especially high school students. Aside from foreign recruitment efforts, other factors contributing to this increase include parents' dissatisfaction with inadequate prospects available to Taiwan youth, mainly regarding higher education, job opportunities, and compensation and benefits packages. Despite many incentives offered by China and by other Asian countries, the United States remains the top choice for Taiwan parents. This is further supported by the growing number of bilingual international schools operating in Taiwan that prepare students to study in the United States and at other foreign universities. Since many of these students remain in the United States to continue their studies at the graduate level, graduate institutions may also expect growing demand in the future as a result of ongoing growth in the high school and undergraduate education markets.

For many Taiwan students, studying abroad at U.S. institutions remains an appealing alternative to studying in Taiwan. Although Taiwan schools are far more affordable than those in the United States, studying in the United States (or in other overseas locations) provides better employment opportunities after graduation. As a result, U.S. schools that emphasize post-graduation job placement are popular with Taiwan students. Finally, it is recommended that U.S. schools promote their institutions to Taiwan students by hiring student recruitment agencies, developing active alumni networks, and reaching out to potential students through education fairs and social media.

#### Leading Sub-Sectors

- High schools and boarding schools
- Joint-degree programs with local universities
- Programs containing a work or internship component
- Programs in business, engineering, computer sciences, health care, education, and fine arts
- Pathway or bridge programs

#### Opportunities

Partnering with local schools is an effective long-term strategy for U.S. schools to recruit Taiwan students for joint-degree programs or short-term summer programs. As many Taiwan universities have established Mandarin centers to educate foreign students, U.S. schools should consider increasing cultural and language exchanges with Taiwan schools. Commercial Service Taiwan can help match U.S. schools with local universities or high schools.

Partnering with student recruiting agents also allows U.S. schools to have year-round exposure to the Taiwan market. Recruiting agents are one of the main resources used by Taiwan students and parents when planning study abroad activities. Commercial Service Taiwan can help U.S. schools pre-screen prospective agents and arrange one-on-one meetings in Taipei, Taichung, and Kaohsiung.

Participation in education fairs may also be an effective tool to recruit Taiwan students. Fair organizers have a deep knowledge of the market and can greatly reduce U.S. schools' marketing expenses. Local fair organizers also counsel students throughout the year and are able to follow up with prospective students.

## **Web Resources**

### **Trade Shows**

- [The Association of Boarding Schools \(TABS\) Fair \(no Taipei for 2020\)](#)
- [Linden Education Fairs, Taipei, Spring 2020 \(April 29, 2020\)](#)
- [The MBA Tour, Taipei \(postponed\)](#)
- [Oh! Study International Education Expo \(Taipei, Kaohsiung, Taichung, Hsinchu on March 7-11, 2020\)](#)
- [USEAS Study World \(Online Counseling\)](#)

### **Relevant Authorities**

- [Foundation for International Cooperation in Higher Education of Taiwan \(FICHET\)](#)
- [Taiwan Ministry of Education \(MOE\)](#)

*U.S. firms interested in learning more about the Education market and seeking to expand their export opportunities to Taiwan are encouraged to contact CS Taiwan Trade Promotion Coordinator Shan Shan Tsai at [ShanShan.Tsai@trade.gov](mailto:ShanShan.Tsai@trade.gov) or visit [our website](#).*

## **Information and Communication Technology (ICT) and Telecommunications**

### **Overview**

Taiwan is a well-known ICT manufacturing hub due to its strong ICT industry base, robust semiconductor manufacturing clusters, and advanced manufacturing capacity. These advantages have enabled it to rapidly develop many companies that offer advanced ICT-related products and services. Many Taiwan companies provide Original Design Manufacturer services to U.S. ICT suppliers. Others have established strong supply chains with U.S. suppliers as intermediaries, allowing their businesses to expand throughout Southeast Asia.

The Taiwan authorities have identified cloud and mobile computing as the most promising sectors in Taiwan's computer software and service industries. Strong market demand for network services is driven by the rising popularity of online services such as shopping, music & video entertainment, video conferencing, and gaming. Many U.S. content providers and platform developers work with domestic service providers to localize their product offerings for the Taiwan market.

Due to fierce international competition and the move to teleworking resulting from the Covid-19 pandemic, the cybersecurity of ICT products has become one of the biggest concerns for buyers.

### **Leading Sub-Sectors**

- 5G
- Artificial Intelligence (AI)
- Audio production equipment for broadcast and television
- Augmented Reality (AR)
- Big Data
- Broadcasting hardware equipment
- Business application software
- Business intelligence-related applications
- Cybersecurity software
- Cloud computing security software
- Secure Cloud Connectivity
- Data Leakage Prevention (DLP)
- Identity and Access Management (IAM)
- Information security solutions
- Information systems integration and consolidation solutions
- Mobile computing
- Secure Content and Threat Management (SCTM)
- Security and Vulnerability Management software (SVM)
- Storage solutions
- System and network management software

- Virtual Reality (VR)

## **Opportunities**

### *Cybersecurity, Software, and Computer Services*

Taiwan's cybersecurity market is estimated to be worth about \$1.6 billion. According to the Industrial Technology Research Institute, nearly 80 percent of global network security hardware equipment is produced in Taiwan. Software and large-scale security solutions are mostly purchased from foreign suppliers and after-sales service is provided by local system integration vendors. Israeli software suppliers are the main competitors to U.S. software suppliers in the Taiwan market. A \$46.8 million annual special budget allocation to upgrade the Taiwan central and local authorities' cybersecurity infrastructure and management increased awareness about the need to spend on cybersecurity in both public and private organizations.

Local demand for cybersecurity has primarily focused on Internet Security, and many local enterprises have also embraced the concepts in the U.S. National Institute of Standards and Technology Cybersecurity Framework: to identify, protect, detect, respond, and recover from cyber attacks. In 2020, financial services was the leading Taiwan demand sector for cybersecurity solutions. The second largest sector was the Taiwan authorities, including educational institutions. Health care was the third largest sector. Starting in 2020, all hospitals will be required to have their own Chief Information Security Officer, which will result in an increase in cybersecurity spending.

The Taiwan authorities are also concerned about cyber attacks from China. According to the Taiwan National Security Council, U.S. software companies are welcome to participate in public tenders. For tenders from Taiwan's National Security Council, National Security Bureau and the Ministry of National Defense, all the software/hardware, including parts, cannot be sourced from China. The Taiwan Cyber Security Management Act (the Act) went into effect in January 2019. Central and local authorities, public organizations, and critical infrastructure providers are regulated by the Act. Along with the Act, a special budget of NT\$1.4 billion (\$46.8 million) per year (from 2017–2020) is available to assist both central and local authorities improve their cybersecurity infrastructure and management. More broadly, the Act has raised awareness of the need for manufacturers to invest in additional cybersecurity tools and attract foreign technology firms to Taiwan.

In order to promote U.S. cybersecurity companies in Taiwan, CS Taiwan led a delegation of representatives from the Taiwan authorities, critical infrastructure providers, and financial institutions to the RSA Conference in San Francisco, CA, in March 2019 and February 2020. CS Taiwan also regularly hosts cybersecurity events for U.S. companies to promote themselves.

### *Telecommunications/Broadcasting*

Taiwan imports about 80 percent of its telecommunications/broadcasting equipment. Over 50 percent of imported telecommunications equipment comes from China, primarily originating from Original Equipment Manufacturing and Original Design Manufacturing factories. Taiwan's broadcasting equipment market is following a Japan-led trend by moving from 4K to 8K resolution. On June 13, 2019, the Executive Yuan's Board of Science and Technology announced the 5G Action Plan, which will invest nearly \$650 million in 5G- and AI-related development between 2019 and 2022. Until 5G is widely adopted, U.S. broadcasting and equipment suppliers that produce 4K-related products and services will have a good market in Taiwan. The United States enjoys an approximately 10 percent market share of Taiwan's imported telecommunications equipment.



### *Internet of Things (IoT)*

Taiwan's strong ICT manufacturing sector; more than 80 percent national internet usage rate; and respect for intellectual property rights, and privacy make Taiwan companies attractive partners for U.S. companies interested in pursuing IoT sub-sector opportunities. Furthermore, Taiwan companies often seek partnerships with U.S. companies when expanding beyond Taiwan.

The "Forward-Looking Infrastructure Development Program" is Taiwan's most important program promoting IoT development. The 2017-2020 budget allocated \$13.9 billion to fund development projects in green energy, digital infrastructure, railway technology, and protection of the aquatic environment. Under this program, smart city development throughout Taiwan has seen localities implement IoT innovations including smart governance, smart transport, and smart healthcare.

### **Web Resources**

#### **Trade Shows**

CS Taipei will lead several delegations of local Taiwan importers to ICT-related trade shows in the United States for matchmaking opportunities with U.S. companies:

- [International Consumer Electronics Show \(CES\), Las Vegas, NV, January 6 - 9, 2021](#)
- [RSA Conference USA, San Francisco, CA, February 8 – 12, 2021](#)
- [National Association of Broadcasters \(NAB\) Show, Las Vegas, NV, April 10 – 14, 2021](#)

In 2021, the following ICT-related local trade shows will be held in Taipei, Taiwan:

- [Taipei Smart City Summit and Expo, March 2021, Date TBD](#)
- [Cybersec 2021, March 2021, Date TBD](#)
- [SecuTech Expo, April 21 – 23, 2021](#)

#### Relevant Authorities

- [Board of Science and Technology \(BOST\)](#)
- [Executive Yuan \(EY\)](#)
- [Industrial Technology Research Institute \(ITRI\)](#)
- [Information Service Industry Association of R.O.C.](#)
- [Institute for Information Industry \(III\)](#)
- [iThome](#)
- [Market Intelligence and Consulting Institute \(MIC\)](#)
- [Ministry of Culture \(MOC\)](#)
- [Ministry of Economic Affairs \(MOEA\)](#)
- [National Center for Cyber Security Technology \(NCCST\)](#)
- [National Communications Commission \(NCC\)](#)
- [Taipei Computer Association \(TCA\)](#)
- [Taiwan Electrical and Electronics Manufacturers' Association \(TEEMA\)](#)

*U.S. firms interested in learning more about the ICT and Telecommunications market and seeking to expand their export opportunities to Taiwan are encouraged to contact CS Taiwan Commercial Specialist Rita Chen at [Rita.Chen@trade.gov](mailto:Rita.Chen@trade.gov) or visit [our website](#).*

## Machinery and Machine Tools

### Overview

Taiwan has developed a complete machinery and machine tools ecosystem characterized by close linkages between mid- and downstream segments and highly interdependent clusters. In 2019, Taiwan's machinery and machine tools industry generated \$37 billion in local production and \$27 billion in total exports. Imports from the United States totaled US\$6.8 billion accounting for 20% of total imports. The United States was the second biggest source of machinery and machine tools behind only Japan. The Taichung Metropolitan Area is the center of Taiwan's advanced manufacturing industry. Taichung is home to the Smart Machinery Promotion Office, and the Taichung City Precision Machinery Innovation Technology Park has the highest concentration of machine tool manufacturing in the world.

In 2017, the Taiwan authorities enacted the "5+2 Industrial Development Plan," which included a \$117 million Smart Machinery Initiative (SMI), and which prioritized key innovative industries. Based on Germany's Industry 4.0, the purpose of the SMI is to transform the traditional machinery industry into an advanced machinery industry, by helping 50,000 local manufacturers upgrade their production methods, boosting total industrial revenue, and reducing Taiwan's economic reliance on the semiconductor industry, which is by far Taiwan's largest industry.

### Machine Tools Market

Unit: USD thousands

	2017	2018	2019	2020 (Estimated)
Total Local Production	\$36,950,921	\$40,536,013	\$36,900,000	\$33,200,000
Total Exports	\$26,103,852	\$27,950,209	\$27,665,011	\$24,900,000
Total Imports	\$28,562,814	\$30,402,010	\$34,716,964	\$31,200,000
Imports from the U.S.	\$7,554,492	\$8,007,761	\$6,826,121	\$6,140,000
Total Market Size	\$39,409,833	\$42,987,814	\$43,951,953	\$39,500,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Total Local Production: Taiwan Association of Machinery Industry (TAMI); Total Exports: Taiwan Association of Machinery Industry (TAMI); Total Imports: Taiwan Association of Machinery Industry (TAMI); Imports from U.S.: Taiwan Association of Machinery Industry (TAMI)

(source: TAMI publicized statistics)

### Leading Sub-Sectors

- Additive manufacturing equipment
- Machine tools and industrial robots
  - 6-axis industrial robots
- Automation technology for CNC manufacturing
- Machine tools and peripheral systems
- Flexible manufacturing systems (FMS)
- Work-holding equipment
- Zero-point clamping systems
- New manufacturing technologies
- 3D printing technologies for metalworking industry

- Specialized smart production facilities
  - Smart machine tools, modules, and components
- Smart software and production systems
  - CAD/CAM for metalworking

### **Opportunities**

Although the Taiwan market has historically depended on Germany and Japan for conventional machinery and machine tools supply, Taiwan manufacturers consider U.S. producers to be highly competitive in the emerging fields of systems integration, software, integrated machine tools, industrial robots, and new manufacturing technologies.

### **Web Resources**

#### **Trade Shows**

- [Kaohsiung Industrial Automation Exhibition, Kaohsiung, August 6-9, 2020](#)
- [Taiwan Automation Intelligence and Robot Show, Taipei, August 19-22, 2020](#)
- [Taiwan International Plastics, Rubber and Composites Show, Kaohsiung, August 21-24, 2020](#)
- [Taipei Intelligent Machinery and Manufacturing Technology Show, Sep 09-12, 2020](#)
- [SEMICON Taiwan 2020, Taipei, September 23-25, 2020](#)
- [Energy Taiwan, Taipei, October 14-16, 2020](#)
- [Taiwan International Machine Tool Show, Taichung, November 10-14, 2020](#)
- [Taipei International Machine Tool Show, March 15-20, 2021](#)

#### **Relevant Authorities and Associations**

- [Industrial Development Bureau \(IDB\), Ministry of Economic Affairs \(MOEA\)](#)
- [Industrial Technology Research Institute \(ITRI\)](#)
- [Smart Machinery Promotion Office](#)
- [Taiwan Automation Intelligence and Robotics Association \(TAIROA\)](#)
- [Taiwan Association of Machinery Industry \(TAMI\)](#)
- [Taiwan Electrical and Electronic Manufacturers' Association \(TEEMA\)](#)
- [Taiwan Machine Tool and Accessory Builders' Association \(TMBA\)](#)

*U.S. firms interested in learning more about the Machinery and Tools market and seeking to expand their export opportunities to Taiwan are encouraged to contact CS Taiwan Commercial Specialist Jason Chang at [Jason.Chang@trade.gov](mailto:Jason.Chang@trade.gov) or visit [our website](#).*

## Medical Devices

### Overview

In 2019, Taiwan's medical device market grew to approximately \$ 4.2 billion. Business Monitor International expects that the Taiwan medical device market will continue to grow by 7 percent annually over the next five years, as Taiwan's aging drives demands. Taiwan manufacturers primarily produce mid-to-low-end medical equipment, mostly through contract manufacturing for multinationals. High-end medical devices present the greatest opportunity for exports to the Taiwan market: over 70 percent of Taiwan's market is still supplied by imports, of which the United States holds approximately a 32 percent market share.

As the sixth largest medical device market in the Asia Pacific region, according to BMI Research, Taiwan's medical device market opportunities are reinforced by its above average spending per capita and robust market growth. Taiwan has one of the world's best healthcare system which facilitates patient access to affordable and high-quality medical services.

The January 15, 2020 Medical Device Management Act is a positive step in creating a dedicated regulatory system for medical devices in Taiwan. Industry believes the Act will help create a pathway for innovative medical devices more rapidly entering the Taiwan market.

Regardless of content or method of shipping, documentation for medical devices shipments must include a commercial invoice, certificate of origin, packing list, pro forma invoice, and bill of lading. Additionally, medical devices also require a Certificate of Sale. The Certificate of Free Sale for medical devices may be obtained from the U.S. Food and Drug Administration's Center for Devices and Radiological Health.

In Taiwan, medical devices must be registered with the Ministry of Health and Welfare (MOHW). Licenses are granted only to individual products and not to product lines. According to MOHW regulations, companies that import medical devices to Taiwan must submit required documentation through their Taiwan importers or Taiwan subsidiaries.

In Taiwan, medical devices are divided into three risk classification levels: Class I (low risk), Class II (medium risk) and Class III (high-risk). The latter two medical devices sold in Taiwan must be labeled in Chinese with the product name; license number; name and address of the manufacturer; and, manufacturing date and/or expiration date. Additionally, the Chinese product name cannot be in smaller print than the foreign product name.

### Medical Devices Market

Unit: USD thousands

	2017	2018	2019 (est.)	2020 (est.)
Total Local Production	\$3,487,342	\$3,658,058	\$4,008,635	\$4,346,666
Total Exports	\$2,097,689	\$2,242,562	\$2,410,754	\$2,591,560
Total Imports	\$2,445,193	\$2,526,969	\$2,676,060	\$2,833,947
Imports from the U.S.	\$804,991	\$819,418	\$867,764	\$918,962
Total Market Size	\$3,834,846	\$3,942,465	\$4,273,941	\$4,589,053
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Sources: Total Local Production: Taiwan Ministry of Economic Affairs; Total Exports: Customs Administration, Taiwan Ministry of Finance; Total Imports: Customs Administration, Taiwan Ministry of Finance; Imports from U.S.: U.S. Census Bureau; Exchange rates: U.S. Treasury Department

## Leading Sub-Sectors

- Computed tomography apparatus
- Ultrasonic scanning apparatus
- Ozone therapy, oxygen therapy, aerosol therapy, artificial resp
- Magnetic resonance imaging apparatus
- Ophthalmic instruments and appliances
- Artificial joints
- Cardiovascular equipment
- Catheters
- Chromatographs and electrophoresis instruments
- Endoscopes
- Hemodialysis apparatus
- Prepared diagnostic and laboratory reagents
- Shock wave lithotripsy apparatus
- X-rays apparatus for dental uses

## Opportunities

Population demographics in Taiwan present opportunities for healthcare companies. Approximately 14.6 percent of Taiwan's 23.59 million population was over the age of 65 in 2019. Ministry of Health and Welfare (MOHW) reports indicate that Taiwan's population will continue to grow until the year 2021 as will the proportion of seniors, underscoring the importance of affordable, long-term care. According to the Taiwan's Ministry of the Interior, by 2026, Taiwan will become a "super-aged" society with more than 20% population over age 65. National Health Insurance (NHI) expenditures are also projected to grow through this period and into the future.

With high demand for high-end medical device imports, the importance of Taiwan's National Health Insurance (NHI) program will grow, as many of the more advanced medical devices are very costly and will result in cost constraints for the NHI system. Therefore, NHI and industry are discussing the expansion of the self-pay and balance billing (partial patient self-pay mechanism) categories, especially for items such as coronary stents, artificial ceramic hip joints, artificial intraocular lenses and metal-on-metal artificial hip joints.

The promulgation of the Medical Device Act brings implementation of a dedicated regulatory system for medical devices a step closer. The Act will deregulate some low risk devices by allowing them to be exempt from premarket review, it will also introduce a fast-track approval process for innovative devices that fulfills unmet clinical needs, which will stimulate innovation in the medtech sector.

## Web Resources

### Trade Shows

- [Healthcare+ Expo Taiwan, Taipei, December 3 – 6, 2020](#)
- [Medical Taiwan 2020, Taipei, June 11-13, 2020](#)

Relevant Authorities

- [Customs Administration, Taiwan Ministry of Finance \(MOF\)](#)
- [Taiwan Food and Drug Administration \(TFDA\)](#)
- [Taiwan Ministry of Economic Affairs \(MOEA\)](#)
- [Taiwan Ministry of Health and Welfare \(MOHW\)](#)
- [Taiwan National Health Insurance Administration \(NHIA\)](#)
- [Business Monitor International \(BMI\) Research](#)
- [U.S. Census Bureau](#)

*U.S. firms interested in learning more about the Medical Devices market and seeking to expand their export opportunities to Taiwan are encouraged to contact CS Taiwan Commercial Specialist Grace Tao at [Grace.Tao@trade.gov](mailto:Grace.Tao@trade.gov) or visit [our website](#).*

## Travel and Tourism

### Overview

#### Travel Tourism Market

Unit: USD

	2017	2018	2019	2020 (est.)
Taiwan Travelers to the U.S.	475,000	478,000	500,000	N/A
Taiwan Travelers' Contribution to U.S. Economy	2.2 billion	2.2 billion	N/A	N/A
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Sources: National Travel and Tourism Office with the U.S. Department of Commerce

The United States is the top long-haul destination for Taiwan's outbound travelers. According to the National Travel and Tourism Office with the U.S. Department of Commerce, the United States welcomed 499,520 Taiwan tourists in 2019, who spent over \$2.3 billion on travel-related goods and services. This amount equates to about \$4,600 of expenditures per traveler. More than 50,000 Taiwanese travelers make 2 to 3 trips to the United States each year.

Taiwan visitors to the United States most commonly travel for the purpose of vacation and holidays (35%), visiting friends and relatives (25%), doing business (20%) and attending conferences and trade shows (11%), (2019 Taiwan Market Profile from the National Travel and Tourism Office with the U.S. Department of Commerce). Regarding traveler characteristics, Taiwan visitors took an average of 69 days to finalize their travel plans, and 17% of them booked a pre-arranged package. The average length of stay for Taiwan visitors in the United States is from 8 to 16 nights and they visited an average of 1.6 states.

Taiwan was designated for participation in the visa-waiver program in 2012 and designated for participation in the Global Entry program in 2017. Most of Taiwan's tourist and business travelers no longer need to apply for non-immigrant visas, and frequent travelers can register with Global Entry for more seamless travel to the United States. The ease of travel between the United States and Taiwan has led to strong gains for the U.S. travel and tourism market. Taiwan travel to the United States has increased by 70% since 2012 when Taiwan joined the U.S. Visa Waiver Program.

Each year more than half of Taiwan's 23 million people travel abroad for business, education, and leisure. Taiwan's population shares a cultural perspective with the United States as an international melting pot that attracts many immigrants who bring their own culture and cuisine to the country. Despite its maturing, the tourism industry has room to grow because of the increased demand for MICE (Meeting, Incentive, Conference, and Exhibition) services from U.S. providers.

As Taiwan's travel market matures, international travel is shifting towards Foreign Independent Travelers (FIT), a market sector of individuals who arrange their own variety of special interest tours, flights, car rental, and accommodations. Because more than 80% of the visitors from Taiwan to the United States are FITs, demand is expected to grow for niche travel experiences such as sports travel, adventure tours, health and wellness vacations, honeymoon tours, gastronomic holidays, cruise tours, and youth study travel. Personal ties and business links between the United States and Taiwan contribute to Taiwan's interest in the United States as a travel destination.



## **Leading Sub-Sectors**

California received the most visitors from Taiwan, with nearly half of Taiwan visitors, followed by Guam, New York, and Nevada. Washington, Illinois, Massachusetts, Texas, Hawaii, and Florida are also attracting a growing number of Taiwan visitors. The top American cities that receive visitors from Taiwan are Los Angeles, San Francisco, New York City, Las Vegas, Seattle, San Jose, Chicago, Boston, San Diego, Honolulu and Anaheim. New attractions in other American cities could be highly successful among Taiwan tourists, provided that these activities are promoted in gateway cities.

Taiwan visitors enjoy a diverse range of activities in the United States, including: shopping (90%), sightseeing (77%), fine dining (41%), visiting art galleries/museums (33%), visiting national parks/monuments (29%) visiting small towns/the countryside (26%), and visiting historical locations, cultural/ethnic heritage sites, casinos/gaming, ad etc.

The main sources of information for Taiwan travelers considering the United States are personal recommendations from friend and family (33%), airlines (42%), travel agency offices (24%), online travel agencies (20%), travel guides (19%), corporate travel departments (21%), tour operators or travel clubs (7%), and national/state/city/ travel offices (6%).

## **Opportunities**

Taiwan's desire for international travel presents new opportunities for American businesses. American travel agencies can be directly represented in Taiwan by a representative office or by designating a General Sales Agent (GSA). They can also work with airlines and state tourism promotion organizations to conduct familiarization tours for tour operators and media personnel. Partnerships are an efficient way to promote new destinations, attractions, hotels, and restaurants in the United States.

The implementation of technology in the Taiwan travel and tourism industry is evolving at a rapid pace. CS Taiwan has initiated e-commerce promotion initiatives to support U.S. CVBs, destinations, and attractions through webinars and social media in Taiwan. As the internet penetration rate in Taiwan is high (93%) (source: Taiwan Network Information Center), the U.S. Commercial Service in Taipei has initiated several virtual presentations promoting the destinations of the United States and successfully helped promote visitations from Taiwan to visit those destinations.

The U.S. Commercial Service in Taipei also offers cost-effective services such as Single Company Promotion (SCP) or Gold Key Matching Service (GKS) to help American destinations or suppliers to expand their presence in Taiwan or to find the right sales agents.

## **Major Air Routes to the United States and Hubs**

Before the COVID-19 pandemic, Taiwan maintained good air connections to major U.S. cities with over 800 weekly flights, among which were more than 110 direct flights from Taiwan to several U.S. gateway cities. United Airlines provided daily services to the United States via Japan and operates non-stop service to San Francisco. Two Taiwan carriers, China Airlines and EVA Air provided daily non-stop flights to San Francisco, Los Angeles, Seattle, New York, Honolulu, Guam, Houston and Ontario.

### **The Impact of COVID pandemic on the U.S. Economy and International Travel**

According to the U.S. Department of Commerce National Travel and Tourism Office, visitors from Taiwan to the U.S. dropped 34% in Q1 2020.

United Airlines has cancelled its TPE-SFO daily operation up to June 5. Tour operators and travel agents in Taiwan have already seen their revenue decrease by 85-90% at the end of Q1.

During this COVID pandemic period, the U.S. Commercial Service in Taipei has initiated an online/virtual promotion entitled “Dream Now, Travel Later” to encourage people could still “go” travel online. The series of activities will include a virtual photographic exhibit and social media campaign.

**Web Resources**

- [Discover America Committee in Taiwan](#)
- [Brand USA Taiwan Representative Office](#)
- [Tourism Bureau, Ministry of Transportation and Communications](#)
- [Taipei Tourism Exposition Organizer](#)
- [Taipei International Travel Fair Organizer](#)

*U.S. firms interested in learning more about Taiwan’s outbound travel and tourism market, as well expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact CS Taipei Specialist Mei Mei Wang at [meimei.wang@trade.gov](mailto:meimei.wang@trade.gov) or visit our [website](#).*

## Agricultural Sectors

### Beef

#### Overview

Taiwan's beef production is negligible and relies on imports to meet demand. The top three suppliers of imported beef, are the United States, Australia, and New Zealand. In 2019, U.S. beef exports to Taiwan reached 64,390 metric tons, accounting for \$586 million in value. Although Taiwan's free trade agreements give its partners tariff-free access to its beef market, the United States remains the island's leading supplier of beef.

#### Beef Market

Unit: Metric

Tons

	2017	2018	2019	2020 (estimated)
Total Market Size	171,832	187,747	202,478	204,606
Total Local Production	7,027	7,059	7,100 (est.)	7,150
Total Exports	597	301	622	544
Total Imports	165,402	180,989	196,000	198,000
Imports from the U.S.	61,812	77,932	87,570	88,400
Exchange Rate: USD1	29.65	30.59	30.11	30.28

*Note: Figures for bovine meat are in metric tons (carcass weight equivalent). The conversion ratio from trade data into beef carcass weight equivalent is 1:1.36.*

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Trade Data Monitor (BICO Beef & Beef Products); Council of Agriculture

#### Leading Sub-Sectors

Consumer demand for U.S. beef is strong, particularly in the hotel and restaurant sector. Australian beef generally occupies more shelf space in retail stores, except in Costco, which only carries U.S. beef.

The U.S. beef industry can supply large volumes of "Asian cuts" at prices competitive with New Zealand and Australian suppliers. These cuts include most chuck items, short ribs, and short plate for ethnic Asian cuisines, and middle meat items for Western restaurants. U.S. chilled beef imports of 22.6 thousand tons represented 40 percent of total U.S. exports.

#### Opportunities

High-end hotels and retailers tend to promote exclusive brands that meet or exceed average beef quality. Small and medium-sized brands of high-quality U.S. beef that are USDA-certified for exports to Taiwan also perform well. Frozen portion cut beef is gaining popularity among consumers due to easy preparation and long shelf life.

#### Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities

- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

For additional information on the Taiwan market for food and agricultural products or to exhibit in the [USA Pavilion at the Taipei International Food Show](#), please contact AIT's Agricultural Trade Office at: [ATOTaipei@usda.gov](mailto:ATOTaipei@usda.gov).

## Cheese

### Overview

Despite the overall downturn in imports, American cheese exports remained stable at \$40 million with a 28% market share, followed by New Zealand (25 percent) and Australia (10 percent).

Cheese Market	Unit: USD thousands			
	2017	2018	2019	2020 (estimate)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	1,959	1,995	1,500	1,000
Total Imports	153,006	149,684	143,369	150,000
Imports from the U.S.	38,592	40,193	40,073	45,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

*Note: Annual totals estimated based on available trade data.*

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Trade Data Monitor (H.S. code: 0406)

### Leading Sub-Sectors

Processed cheese is mainly used in the foodservice sector and accounts for approximately 42 percent of cheese imports. Overall, the most popular and fastest-growing import varieties are cream cheese, mozzarella, and cheddar. In the retail sector, pre-sliced cheese accounts for 65 percent of cheese sales. Regular supermarket and retail promotions improve consumers' awareness of U.S. cheese and help them to appreciate the many ways to combine cheese with other, more traditional foods.

### Opportunities

Per capita consumption of cheese in Taiwan is low compared with most Western countries and Japan. Local chefs and consumers can benefit from additional information on the wide variety of U.S. cheese products and their potential applications. The export growth of U.S. cheeses hinges on how well these groups can integrate cheese into a range of cuisines, as well as on the growth of prepared meal demand from convenience store chains.

### Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities
- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
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## Coffee

### Overview

As coffee-drinking culture is strongly rooted in people's daily life, coffee sales are expected to rise. Coffee is widely available via multiple channels, including international coffee franchises and specialty coffee cafés. Convenience stores serve coffee in paper cups 24 hours a day.

Taiwan's local coffee production is limited due to restricted arable land and relatively high labor costs. Most locally produced coffee is consumed or purchased by visitors to coffee farms or to producing-region tourist shops. Only a small portion of production is commercially available and is relatively expensive. In 2019, Taiwan imported \$181 million worth of roasted and green coffee beans, which accounted for approximately 40 percent and 60 percent of market share, respectively. The United States is expected to maintain its leading position in Taiwan's imported roasted coffee sector, where it holds more than 46 percent market share by value with approximately \$32 million in roasted coffee exports. Taiwan's total coffee import value is expected to continue growing over the next five years.

2019 Top Coffee Supplies to Taiwan				
	Roasted		Green	
1	United States	\$31.9	Brazil	\$20.6
2	Japan	\$12.3	Ethiopia	\$17.3
3	Malaysia	\$9.4	Indonesia	\$16.2
4	Italy	\$6.0	Colombia	\$14.2
5	Switzerland	\$3.1	Guatemala	\$11.0

Source: Trade Data Monitor

### Coffee Market thousands

Unit: USD

	2017	2018	2019	2020 (estimate)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	\$28,498	\$10,209	\$7,976	\$5,000
Total Imports	\$197,457	\$180,008	\$180,831	\$170,000
Imports from the U.S.	\$27,045	\$32,603	\$31,961	\$30,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

*Note: Annual totals estimated based on available trade data*

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Trade Data Monitor

## Leading Sub-Sectors

As local coffee-drinking culture develops, consumers increasingly opt to make high-quality, freshly-brewed coffee at home. In recent years, higher levels of consumer sophistication have generated additional demand for fresh coffee beans and fresh ground coffee. At the same time, novelty products like drip-bag coffee have experienced a rapid rise in popularity. Booming demand for cold-brewed coffee in Western countries is expected to play out in Taiwan in the near future.

## Opportunities

Taiwan consumers' growing demand for coffee has attracted many players outside of coffee and tea shops to tap into the lucrative market. Supermarket chains, and convenience stores are major purveyors of fresh brewed coffee. Taiwan importers express high levels of interest in purchasing high-quality U.S. coffee beans.

## Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities
- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

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## Fresh Fruit

### Overview

Taiwan has one of the world's highest per capita consumption rates of fresh fruit, consuming nearly 102 kilograms per capita compared to the global 72 kilograms per capita. Taiwan is a significant producer of fresh tropical fruits and local fruit production is of high quality. Local production meets more than 80 percent of total fruit demand and Taiwan typically only imports fruits that are not produced locally. In Taiwan's fresh fruit import market, the United States remains the largest supplier, followed by New Zealand Chile, Japan, and South Korea.

2019 Top Fresh Fruit Suppliers to Taiwan			
		Value (USD millions)	Market Share
1	United States	\$242.3	36.69%
2	New Zealand	\$153.9	23.31%
3	Chile	\$89.0	13.48%
4	Japan	\$86.7	13.14%
5	Korea	\$20.7	\$3.14

Data Sources: Trade Data Monitor

Most fresh produce in Taiwan is sold in supermarkets, hypermarkets, wet markets, and specialty stores. In recent years, the rise of and online shopping has led to a growing number of non-store retail fruit purchases.

<b>Fresh Fruit Market</b>				Unit: USD thousands
	2017	2018	2019	2020 (estimate)
Total Market Size	\$4,602,746	\$3,793,818	\$4,272,152	\$4,490,000
Total Local Production	\$3,966,538	\$3,247,858	\$3,800,000 (est.)	\$4,000,000
Total Exports	\$105,522	\$136,179	\$188,240	\$160,000
Total Imports	\$741,730	\$682,139	\$660,392	\$650,000
Imports from the U.S.	\$260,821	\$222,922	\$242,297	\$206,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

*Note: Annual totals estimated based on available trade data*

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Trade Data Monitor and Taiwan Council of Agriculture

### Leading Sub-Sectors

U.S. exporters have been successful in introducing new fruit varieties to the Taiwan market. Wholesalers and retailers prefer U.S. fresh fruits because of their quality, nutritional aspects, and profitability. The best growth opportunities for U.S. suppliers include seasonal fruits for which Taiwan has limited production, such as cherries, strawberries, and blueberries.

In recent years, supermarkets and hypermarkets have become the primary retail outlets for fresh fruit. These retail chains draw in consumers by conducting promotions of popular U.S. fruits and by offering significantly lower prices than wet markets. Nevertheless, wet markets remain popular with older generations and continue to play a vital role in fresh fruit sales. The emerging e-commerce sector has also begun delivering fresh produce.

The United States continues to be a leading supplier of fresh fruits to Taiwan, especially for apples, peaches, nectarines, grapes, cherries, cranberries, blueberries, oranges, plums, prunes, and pears.

Taiwan Fresh Fruits Imports from the United States		
Item	Value (USD millions)	Market Share
Apples	\$83.0	34.0%
Cherries	\$48.6	53.6%
Grapes	\$38.5	59.1%
Peaches	\$33.5	78.7%
Oranges	\$11.0	65.9%

Sources: Trade Data Monitor

### Opportunities

To maintain their edge, U.S. fruit exporters must actively engage in promotional activities that reinforce consumers' familiarity with U.S. fruits and their nutritional value.

## Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities
- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

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## Dog & Cat Food

### Overview

Official data on the local dog and cat food production is not available. It is estimated that local manufacturers account for approximately 30-40 percent of the total pet food market. Thailand (31.47 percent) and the United States (27.22 percent) are the two major suppliers, followed by Canada (9.18 percent), France (7.90 percent) and Australia (6.25 percent).

Many low-cost products from Thailand are sold in supermarkets and hypermarkets. Thailand is also the largest OEM and private label supplier for several local brands. Mid-priced and premium brands from the United States and Europe have seen growing demand over the past decade in major cities, while low-cost products are more popular in secondary cities. Retail prices for premium pet food can be more than ten times the cost of pet food from budget brands.

### Dog and Cat Food Market

Unit: USD thousands

	2017	2018	2019	2020 (estimate)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	\$7,072	\$10,912	\$9,795	\$8,000
Total Imports	\$161,536	\$179,801	\$184,937	\$180,000
Imports from the U.S.	\$48,031	\$49,912	\$50,332	\$52,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Trade Data Monitor

### Leading Sub-Sectors

The growth in Taiwan's dog and cat food market reflects a societal shift in attitudes towards animals as pets. Due to rising incomes and strong western influence, dogs have become a symbol of affluence in Taiwan. Accordingly, industry sources indicate that pet owners are increasingly willing to invest in commercially-produced pet food rather than feeding pets table scraps.

### Opportunities

Long-term, U.S. dog and cat food exports to Taiwan will see stiffer competition. The advantage for U.S. pet food brands is that consumers view them as being high-quality, offsetting their higher prices.

A growing segment of the Taiwan dog and cat food market is food products for aging pets. According to ATO Taipei's market survey, special diet pet foods for senior dogs and cats occupy over 25 percent of shelf space in retail stores and listings on e-commerce websites.



Besides dry and wet pet food, pet treats are one of the fastest-growing segments in pet stores. Shelf space for pet treats has expanded significantly in both pet stores and regular retail stores.

## Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities
- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

For additional information on the Taiwan market for food and agricultural products or to exhibit in the [USA Pavilion at the Taipei International Food Show](#), please contact AIT's Agricultural Trade Office at: [ATOTaipei@usda.gov](mailto:ATOTaipei@usda.gov).

## Poultry Meat

### Overview

Taiwan's production of poultry products meets 75 to 80 percent of local demand. The United States and Canada are the two main suppliers of poultry imports to Taiwan, with the United States accounting for approximately 90 percent of the import market over the past decade. Total chicken imports hit a record high in 2018, exceeding 200,000 metric tons threshold with a total value of \$222 million, due to low U.S. poultry prices and sluggish local production.

### Poultry Market

Unit: Metric Tons

	2017	2018	2019	2020 (estimate)
Total Market Size	806,654	904,811	939,884	988,000
Total Local Production	654,034	695,827	730,000 (est.)	755,000
Total Exports	8,316	7,615	4,575	2,000
Total Imports	160,936	216,599	214,460	235,000
Imports from the U.S.	146,430	200,683	197,556	220,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Council of Agriculture; Trade Data Monitor

### Leading Sub-Sectors

Taiwan consumers prefer dark meat to breast meat; consequently, the top import items are broiler thighs, legs, and trimmings. Imports of U.S. poultry meat are expected to be stable over the next few years, even as the market adjusts to increasing competition.

### Opportunities

There are significant opportunities in the Taiwan poultry products market, especially for producers that can meet importers' cut and packaging specifications. Imported poultry has gained market acceptance in the processed food, catering, and food service sectors. Due to improvements in thawing technology and rising consumer acceptance of frozen and thawed poultry, the retail market is increasingly receptive toward U.S. poultry products.

## Web Resources

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## Tree Nuts

### Overview

The overall value of tree nut imports in 2019 rebounded to \$186 million, because of increased demand for almonds and cashews that offset plunging import volume of walnuts. Though the market for the bakery sector is maturing, the demand for snack food processing remains positive.

### Tree Nuts Market

Unit: USD thousands

	2017	2018	2019	2020 (estimate)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	\$12,569	\$11,270	\$9,981	\$8,000
Total Imports	\$166,775	\$171,221	\$185,955	\$190,000
Imports from the U.S.	\$97,641	\$90,842	\$99,257	\$95,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Trade Data Monitor

### Leading Sub-Sectors

Taiwan does not produce a significant quantity of tree nuts. Among the many types of imported tree nuts, almonds are considered the most versatile, with U.S. origin almonds dominating the market.

Taiwan Tree Nuts Imports from the United States		
Item	Value (USD millions)	Market Share
Almond (shelled)	\$36.5	97.8%
Walnuts (shelled)	\$22.7	96.1%
Pistachios (in shell)	\$14.3	82.2%
Pecans (shelled and in shell)	\$4.7	99.9%

## Opportunities

In Taiwan, tree nuts are mainly used for food and snack ingredients. Marketing activities play an important role in promoting consumer awareness of specific tree nut varieties, especially in the foodservice, food processing, and baking industries, all of which are always seeking new ideas for healthy products.

Country-of-origin is a key buying criterion for Taiwan importers, as it assures consistent quality. The United States has built its image as a high-quality supplier in the nut trade.

## Web Resources

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- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

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## Wine & Beer

### Overview

Imports of wine and beer reached \$425 million in 2019. The United States is the second-largest wine supplier and fourth-largest beer supplier to Taiwan, representing a total value of \$20.3 and \$11.7 million, respectively. Despite the front-runner position of French wines, U.S. wines continue to gain consumer recognition and acceptance. Local wine production is limited to low quantity of homebrew, and only a few winemakers produce high-quality wine with local grape variety.

2019 Top Wine Supplies to Taiwan			
		Value (USD millions)	Market Share
1	France	\$118.4	56.5%
2	United States	\$20.3	9.7%
3	Italy	\$17.0	8.1%
4	Australia	\$14.7	7.0%
5	Spain	\$11.9	5.7%

Beer is the most consumed alcoholic beverage in Taiwan. Local beer maker (state-own beer brewer) dominates the beer market. However, imported beer from European and neighboring countries seize more market share in the past few years. Craft and specialty beer sales is also on the rise.

## Wine & Beer Market

Unit: USD thousands

	2017	2018	2019	2020 (estimate)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	\$12,929	\$25,014	\$10,919	\$11,000
Total Imports	\$399,907	\$419,774	\$425,111	\$420,000
Imports from the U.S.	\$30,630	\$32,428	\$31,972	\$35,000
Exchange Rate: USD1	29.65	30.59	30.11	30.28

*Note: Annual totals estimated based on available trade data.*

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Trade Data Monitor

## Leading Sub-Sectors

The wine-drinking consumer profile has now expanded to include young professionals. Entry-level wine drinkers prefer balanced red wines, while semi-sweet white wine is popular among female drinkers. Wine is available to consumers through hypermarkets, supermarkets, alcoholic beverage chain stores, and convenience stores. The industry estimates that about half of grape wine is sold through retail store channels and the other half is sold through the HRI segment. Low-end wine is sold mainly in convenience stores, supermarkets and hypermarkets. In contrast, high-end wine is sold through hotel restaurants, individual restaurants featuring western cuisines, specialty shops, and websites. Hypermarkets and supermarkets typically import directly only a small portion of the wine they carry.

## Opportunities

For the wine market, Taiwan consumers are influenced by the media, wine sommeliers, and wine ratings. Successful entry into the Taiwan market generally involves receiving glowing reviews from famous wine connoisseurs or reputable media. Entry-level and mid-priced wines with a mild, fruity taste are better accepted by locals.

Changing lifestyles, globalization, westernization, and increased availability of wine generate future opportunities for market expansion of both beer and wine. Diversified promotion activities via different channels are key to success.

## Web Resources

The [Foreign Agricultural Service \(FAS\) website](#) offers the following resources for U.S. exporters:

- [Official data](#) on agriculture trade for specific products and commodities
- [GAIN Reports](#) on international food and agricultural markets
- [FAS services](#) for U.S. exporters and information on USDA [market development programs](#)
- The [USDA website](#) lists [current agricultural export requirements](#) for Taiwan.

*For additional information on the Taiwan market for food and agricultural products or to exhibit in the [USA Pavilion at the Taipei International Food Show](#), please contact AIT's Agricultural Trade Office at: [ATOTaipei@usda.gov](mailto:ATOTaipei@usda.gov).*

## **Customs, Regulations and Standards**

### **Trade Barriers**

#### **Overview**

The American Institute in Taiwan (AIT) regularly engages with Taiwan Authorities regarding trade barriers. This includes discussions under the Taiwan Trade and Investment Framework Agreement (TIFA) and other formal discussions. U.S. industry also regularly engages with the Taiwan authorities regarding trade barriers through the AmCham while paper hyperlink.

#### **Technical Barriers to Trade**

A full report on the technical barriers to trade imposed by Taiwan is included within the [USTR 2020 National Trade Estimate Report](#)

### **Import Tariffs**

A member of the World Trade Organization (WTO) since 2002, Taiwan complies with international trade agreements and bases its tariff schedule on the Harmonized Commodity Description and Coding System of the Customs Cooperation Council.

Taiwan continues to make unilateral improvements to its tariff structure on finished goods and raw materials. In 2019, the average nominal tariff rate for industrial products was 4.16 percent, and 15.12 percent for agricultural products. The overall average nominal tariff rate for imported goods was 6.37 percent. U.S. industry continues to request that Taiwan lower tariffs on imports of many products.

### **Import Requirements and Documentation**

Under Taiwan's Foreign Trade Act, most commodities can be imported freely. Import permits and licensing are generally not required, and importers may directly apply for customs clearance.

However, there are some exceptions. The [Negative List](#) (in Chinese only) outlines products where import restrictions apply and for which permits or licensing may be required. Commodities on the Negative List include items with national defense, social stability, cultural protection, sanitary, moral, environmental, and ecological implications, as well as those subject to policy demands or covered under certain international agreements. Products subject to import bans can be imported only with a special permit from the Board of Foreign Trade, while commodities subject to other import conditions may only require general approval from relevant authorities.

A foreign supplier's pro forma invoice (quotation) is required to apply for an import permit and to establish a letter of credit. Shipments to or from Taiwan require a commercial invoice, a bill of lading or airway bill, and a packing list. A certificate of origin is also required for designated commodities such as sedans, other small passenger cars and chassis, tobacco and alcohol products, and some agricultural products. Shipments of agricultural products, plants, and animals to Taiwan may require certificates of inspection or quarantine issued in the country of origin and are subject to inspection and quarantine upon entry.

Commercial invoices are required for all shipments and must show the import license number; Free on Board (FOB), Cost and Freight (CFR), or Cost, Insurance, and Freight (CIF) value; insurance; freight; and discounts or commissions, if any. The commodity description and value shown on the commercial invoices must agree with those on the import

license, if any. No requirements exist as to the form of a commercial invoice or a bill of lading. A packing list is required for all shipments for which the number of cartons in the shipment exceeds two. In addition to the information generally included in a standard bill of lading, all marks and case numbers appearing on packages must also be listed. Customs does not permit the grouping of marks or numbers on a shipment of mixed commodities. Most documents presented for use in customs clearance processing must be prepared in Chinese to avoid delays and expedite clearance processing. The Bureau of Foreign Trade (BOFT) uses the following [online import application system](#).

## **Labeling and Marking Requirements**

Taiwan's *Commodity Labeling Act* stipulates that all commodities sold in Taiwan shall be labeled using the Chinese language and maybe be supplemented by English or another foreign language, provided the Chinese labeling is no less comprehensive than the product label written in the language-of-origin. In the event that the material contained within the commodity's language-of-origin cannot be properly described in the Chinese language, such material may be labeled using international accepted words or symbols.

Imports sold in Taiwan must be labeled with product information including the name of the commodity itself; the name, telephone number, and address of the producer or manufacturer; the commodity's place of origin; and the name, telephone number, and address of the importer. The contact information for foreign companies or locations is not required to be written in Chinese. Product labels must also include the contents or composition of the commodity; major components/ingredients, or materials; and the net weight, volume or quantity, and measurements of the product. This content information must be labeled in Chinese and use metric units, however, labeling using both metric and non-metric units is also permitted. Furthermore, to be sold in Taiwan, all measuring instruments calibrated in non-metric units must also display their metric equivalents.

If a product is hazardous or dangerous in nature, is related to health and safety, has special characteristics, requires special handling, or has a limited storage duration, it must also be labeled with the date of manufacture in the Chinese using either the Taiwan or Gregorian calendar, the expiration date or the term of validity, and other particulars as required by the Taiwan authorities.

During shipping, all imported cargo must bear a mark of distinctive design, a set of three or more letters, or a combination of design and letters indelibly stenciled, stamped, or burned on the packing or on the cargo itself. For cargo packed in cases, boxes, crates, casks, drums, or cylinders, each container should also bear a separate number that cannot be repeated for two years. Bags or bales also must bear a non-recurring number, date, or set of three or more letters. In addition, each package of a consignment must be numbered consecutively. Numbering is not essential for large cargo lots except when packaged in cases, boxes, or crates, if each package of the consignment contains cargo of identical weight.

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks

(EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## Temporary Entry

Taiwan is not a party to the worldwide Admission Temporaire/Temporary Admission (ATA Carnet system). Instead, special, bi-lateral Taipei Economic and Cultural Representative Office/American Institute in Taiwan (TECRO/AIT) Carnets are used to grant customs duties exemptions for up to one year on commercial samples, professional instruments, equipment, and exhibition goods brought from the United States into Taiwan for sales promotion and

exhibition purposes. TECRO/AIT Carnets, issued exclusively by Taiwan, are very similar to traditional ATA Carnets, but must be applied for separately because the United States does not have formal diplomatic relations with Taiwan. If Taiwan is included as part of a larger itinerary, you still need a TECRO/AIT carnet in addition to an ATA Carnet. Items must be removed from Taiwan within one year of the event's conclusion in order to avoid imposition of duties and other penalties.

Questions regarding the process of the TECRO/AIT Carnets should be directed to:

[U.S. Council for International Business](#)

ATA Carnet Department

1212 Avenue of the Americas, New York, N.Y. 10036

Tel: 212-354-4480

Fax: 212-575-0327

Email: [atacarnet@uscib.org](mailto:atacarnet@uscib.org)

### **Prohibited and Restricted Imports**

In order to comply with its WTO commitments, Taiwan has eliminated more than 98.9% of its import controls on 11,213 official import categories. As of April 2017, 115 items under Chinese Commercial Code (CCC) were prohibited unless approved by BOFT as special cases, and 16 items were allowed to be imported with conditions. Most of the permit-required categories are related to public sanitation and national defense concerns and include some agricultural products and ammunition. In addition, Taiwan maintains a lengthy list of products that are banned if made in mainland China, including chocolate confectionary and meters for medical equipment.

### **Customs Regulations**

All goods shipped to Taiwan must have a value and description. Duties assessed are based on the Cost, Insurance, and Freight (CIF) value. The duties payable on imported goods are essentially defined on an ad valorem, specific, or selective basis, depending on the items involved. If, for some reason, accurate values cannot be determined, the wholesale domestic market value at the port of importation is used instead.

The contact information for Taiwan's customs office is provided below:

[Customs Administration](#)

Ministry of Finance (MOF)

No. 13, Tacheng St., Datong Dist., Taipei 10341, Taiwan

Tel: 886-02-2550-5500

Fax: 886-02-2550-7643



## Standards for Trade

### *Overview*

The Bureau of Standards, Metrology and Inspection (BSMI) under the Ministry of Economic Affairs (MOEA) is the authority responsible for the development, compilation, and publication of the National Standards of the Republic of China (CNS), as well as for conformity assessment. BSMI also implements commodity inspection measures as stipulated in Taiwan's Commodity Inspection Law.

Taiwan's national standards are based primarily on international standards such as those developed under the International Standards Organization (ISO), the International Electro-technical Commission (IEC), and the International Telecommunications Union (ITU). As a member of the WTO, Taiwan's national standards also comply with the Agreement on Technical Barriers to Trade (TBT) and [other WTO agreements](#).

BSMI has imposed 13,273 national standards under 26 categories. Of these standards, 3,942 correspond to international standards and 3,902 have been completely harmonized with international standards as of 2018. Under the CNS Market Certification System, complying products may carry the CNS seal of approval.

Taiwan's sanitary and phytosanitary (SPS) standards, administered by the Taiwan Food and Drug Administration (TFDA) in conjunction with the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), are generally different from United States standards or those established by international regulatory bodies such as the Office of International Epizootic (OIE) or the Codex Alimentarius. In some cases, these differences – especially the absence of maximum residue level (MRL) standards for many agricultural chemicals in common use internationally – have resulted in market disruptions and created trade uncertainty.

### *Standards*

The BSMI's Standards Division (First Division) is responsible for general standardization activities including the drafting of regulations, guidance, harmonization planning, administration of the CNS mark, compilation of the standards gazette, and promotion of national standards. The remaining three divisions each oversee standards in specific industry sectors. BSMI issues plans for standards development semi-annually. Updates are published in the standards gazette and notified to the WTO as required under the Agreement on Technical Barriers to Trade.

Also, under BSMI are the National Standards Review Council, the Information and Communication National Standards Promotion Committee, the National Standards Technology Committees, and the Electronic Information Exchange Committee, all of which work to jointly oversee the development and implementation of the CNS.

BSMI has established an online system for the public to obtain [CNS Information](#). The website also provides access to updated [standards gazettes](#).

### *Testing, Inspection and Certification*

The Sixth Division of the BSMI oversees testing and inspection methods. This division currently conducts product testing including electromagnetic compatibility (EMC); biochemistry; chemistry, polymers, and materials; electrical engineering; and mechanical engineering. All 1,065 goods under the Chinese Commercial Code (CCC), including industrial, chemical, mechanical, and electronics products, and more than 1,800 agricultural, food, and fishery products, are subject to inspection. Testing of commodities can only be done by the BSMI or by testing laboratories recognized by the BSMI.

Taiwan's testing system is called the "Registration of Product Certification" (RPC). Under the RPC system, products are subject to conformity assessments that inspect both the design and production phases of product manufacturing.

The Declaration of Conformity (DoC) is a least-trade-restrictive conformity assessment procedure that is currently applied only to low-risk products with stable manufacturing technology and few concerns of risk or danger. Under the DoC, manufacturers may have testing done by BSMI-designated laboratories, prepare their own technical documents, and draft the DoC form themselves. As of April 2017, a total of 48 product categories are covered by the DoC system. These products include digital cameras and video cameras, typewriters, cash registers, electronic calculators, card-punching machines, optical disc devices, data storage units, class B main boards of computers, add-on cards with Input/Output (I/O) devices, and vulcanized rubber tubes. A complete list of national testing organizations or conformity assessment bodies is available on [BSMI's website](#).

Products specified by the Ministry of Economic Affairs (MOEA) must comply with inspection requirements before they are shipped to Taiwan. Manufacturers or importers of these products must apply to BSMI for inspection before shipment or importation. BSMI has a dual-track approach to allow manufacturers or importers to choose the "Registration of Product Certification" (RPC) scheme or a Batch-by-Batch Inspection (BBI) with Type Approval.

The RPC scheme encompasses requirements for the product design stage (type testing) and manufacturing stage (quality management system). In other words, while applying for the RPC both the product design and manufacturing processes must still conform to the requirements specified by BSMI. With the RPC certificate, domestic manufacturers may ship their products, and importers may proceed directly with customs clearance.

Importers or firms selling products in the domestic market at low volumes may find the BBI with Type Approval approach easier. According to BSMI, upon approval of the sample product the random inspection rate is about 10 percent. Taiwan's safety regulations follow International Electrotechnical Commission (IEC) and CNS standards. All safety testing for end products must be done in Taiwan by Taiwan accredited laboratories. The Underwriters Laboratories (UL) safety certification alone is not considered sufficient to meet Taiwan requirements for end product safety certification. Home appliances, certain fire-fighting products, electrical power distribution devices (including cables and switches), lighting products for indoor use, and motors all require safety testing or inspection in Taiwan.

To enhance consumer protection from hazards posed by telecommunications, electrical, and electronics products, and to meet international requirements for electromagnetic compatibility (EMC), BSMI developed the "Regulations Governing Electromagnetic Compatibility of Commodities." Manufacturers or importers must obtain Type Approval of their products from BSMI and all products must submit applications for inspection based on the EMC Type Approval certificate. Currently 253 products are subject to EMC inspection, of which 133 are electrical items, and 120 are electronic products.

Under the March 1999 "Mutual Recognition Agreement for Equipment subject to Electro-Magnetic Compatibility (EMC) Regulations between Taipei Economic and Cultural Representative Office and American Institute in Taiwan," NIST may designate testing laboratories in accordance with the general provisions and Appendix A of the Asia Pacific Economic Cooperation Telecom Mutual Recognition Agreement for recognition as Conformity Assessment Bodies (CABs) with respect to the EMC regulations of the BSMI. In accordance with the terms of this MRA, BSMI accepts EMC testing by any laboratory located in the United States and accredited by the National Institute of Standards and Technology (NIST) under the National Voluntary Laboratory Accreditation Program (NAVLAB). NIST-accredited labs outside the U.S. are not accepted by BSMI. As of September 2019, BSMI recognizes 171 EMC testing laboratories in the United States. Still, except for EMC testing, all other kinds of testing required by BSMI must be conducted in Taiwan.

The Taiwan Accreditation Foundation (TAF) is Taiwan's sole body authorized to issue accreditation of conformity assessment against international standards. Under the TAF, the Department of Certification Body Accreditation is responsible for executing and managing the assessment and accreditation of domestic certification bodies for quality,

product, and personnel management. The Department of Laboratory Accreditation executes and manages the assessment and accreditation of laboratory inspection bodies and proficiency test providers.

Laboratory accreditation is conducted on a voluntary basis. At present, TAF provides laboratory accreditation in four major categories – calibration, testing, civil engineering, and media – with a total of 32 fields. So far, TAF has accredited over 1,931 laboratories in Taiwan. There are about 47 accredited bodies under TAF engaged in the accreditation of management systems which include quality, environmental, occupational health and safety, information security, food safety, and green product management systems – and about 39 for accreditation for commodities.

Detailed information about accreditation in Taiwan and a list of accreditation bodies are available on [The Taiwan Accreditation Foundation \(TAF\) website](#).

#### Publication of Technical Regulations

Before publication, BSMI submits proposed and final technical regulations are submitted to MOEA and to the WTO per the TBT Agreement. This information is then published in the National Standards Gazette. In addition to the Gazette, BSMI also publishes several pamphlets, including the Catalogue of National Standards Categories, the List of CNS Mark Product Items and Directory of CNS Mark Companies, the Compilation of Laws and Regulations for Applying for CNS Mark, the Q&A on Standards and the CNS Mark, and the Q&A on Technical Barriers to Trade. [BSMI's website](#) also provides updated information from standards gazettes and on standards regulations.

United States entities can comment on local technical regulations or related issues by contacting the BSMI directly or through the [National Enquiry Point for TBT-related issues](#).

#### *Contact Information*

For more information about standards related issues, please contact the following relevant organizations:

##### [Bureau of Standards, Metrology, and Inspection \(BSMI\)](#)

No. 4, Sec. 1, Jinan Rd., Taipei 100, Taiwan

Tel: 886-2-2343-1700

Fax: 886-2-2356-0998

##### [Ministry of Economic Affairs \(MOEA\)](#)

No. 15, Fuzhou St., Taipei 10015, Taiwan

Tel: 886-2-2321-2200

Fax: 886-2-2391-9973

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. **Notify U.S.** ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

## **Trade Agreements**

Taiwan joined the WTO on January 1, 2002. Taiwan became a member of the Asia Pacific Economic Cooperation (APEC) in November 1991 and joined the Central American Bank for Economic Integration in 1992. Taiwan is also a member of the Asian Development Bank (ADB), the Pacific Economic Cooperation Council (PECC), and the Pacific Basin Economic Council (PBEC).

As of May 2020, Taiwan has signed four free trade agreements (FTA): one with Panama in August 2003, one with Guatemala in July 2005, one with Nicaragua in June 2006, and one with El Salvador and Honduras in May 2007. The FTAs with Panama and El Salvador are still operational, although Panama cut diplomatic ties with Taiwan in June 2017, and El Salvador followed suit in November 2018. In addition, Taiwan inked the Cross-Strait Economic Cooperation Framework Agreement (ECFA) with China in June 2010, and five Economic Cooperation Agreements (ECA): one with New Zealand in July 2013, one with Singapore in November 2013, one with Paraguay in February 2019, one with Eswatini in May 2019, and one with the Marshall Islands. The ECA with the Marshall Islands was signed in October 2019, and is currently under Legislative Yuan's review for final approval. Further information about Taiwan's bilateral and multilateral trade agreements is available on the [Board of Foreign Trade's \(BOFT\) website](#).

## **Licensing Requirements for Professional Services**

Rules on local professional licensing are frequently cited as a barrier to foreign service providers seeking to operate in Taiwan. To ensure that their services are compliant, accounting firms should check with the [National Federation of CPA Associations](#), legal firms should check with [Ministry of Justice](#), and medical offices should check with the [Ministry of Health and Welfare](#).

## **Selling U.S. Products and Services**

### **Distribution and Sales Channels**

The most common distribution route in Taiwan moves products from suppliers to distributors, from distributors to retailers, and then from retailers to consumers. Some suppliers shorten distribution channels by distributing products directly through retailers. Multi-level marketing is common in Taiwan and direct selling organizations are well established. Foreign firms, especially those selling high-end merchandise, often rely on agents to connect them with distributors. However, for certain products, such as apparel, distribution channels tend to be more complex.

Among Taiwan's seven major ports, Kaohsiung and Keelung are the biggest, handling the bulk of traded goods and serving as the starting point for island-wide distribution networks. Also important is the Port of Taichung, which handles raw materials and commodities for energy and heavy industry

### **Using an Agent or Distributor**

Most foreign firms gain their initial foothold in the Taiwan market by appointing a local agent. The prospect of an agent relationship appeals to many Taiwan firms, which are well-known for their trade prowess. If the size of the market warrants, companies may consider setting up a branch office or subsidiary in Taiwan.

The American Institute in Taiwan's (AIT) Commercial Section provides several services to help U.S. firms export their goods and services to Taiwan. Through our office in Taipei (covering northern and central Taiwan) and a branch office in Kaohsiung (covering southern Taiwan), we offer a variety of resources and services to help U.S. companies successfully enter the Taiwan market, including market research, agent or distributor searches, trade missions, trade shows, business matchmaking, due diligence checks on potential business partners, product launches, and commercial advocacy. The first step is to contact your [local U.S. Export Assistance Center](#) to discuss what services you may require. These offices can help U.S. exporters determine which international markets are suitable for their products and services. Alternatively, contact information for the AIT Commercial Section is as follows:

#### [AIT Commercial Section \(Taipei\)](#)

Tel: 886-2-2162-2000

Fax: 886-2-2162-2519

Email: [office.taipei@trade.gov](mailto:office.taipei@trade.gov)

#### [AIT Commercial Section \(Kaohsiung\)](#)

Tel: 886-7-335-5006

Fax: 886-7-338-0551

Email: [office.kaohsiung@trade.gov](mailto:office.kaohsiung@trade.gov)

### **Establishing an Office**

Establishing a subsidiary, branch, or representative office in Taiwan is relatively straightforward. However, there are setup and logistical issues to consider and an array of forms and procedures to complete in the process. In addition, a Chinese language company name is required. It is strongly recommended that new firms consult with local attorneys and accountants in order to identify relevant industry issues and complete all necessary steps for establishing a new entity.

The [Ministry of Economic Affairs \(MOEA\)](#) provides information on [investing and setting up a company](#) in Taiwan through the InvesTaiwan office. In addition to the link, InvesTaiwan can be reached by telephone at +886-2-2311-2031.

## **Franchising**

Taiwan is well-known for its high concentration of franchises throughout multiple industries, including dining, shopping, beauty and health, real estate, technology, and education. According to the [Taiwan Chain Store and Franchise Association's](#) Taiwan Chain Store Almanac, the United States is the leading supplier of goods and services for foreign franchises. As of February 2020, the top ten U.S. franchises in Taiwan by number of stores were Starbucks (512), McDonalds (398), Pizza Hut (246), Domino's (157), Kentucky Fried Chicken (168), Subway (130), Burger King (49), Haagen-Dazs (37), and Cold Stone Ice Creamery (33).

The food and beverage franchise market in Taiwan is highly saturated and extremely competitive. Fierce local competition and the dominance of well-known brands make it difficult for new foreign firms to enter the market unless the brand is very well-positioned. Taiwan's consumers enjoy a moderately high standard of living and pay close attention to famous or high-end brand names, as well as exciting new products coming into the market. Consumers often line up for hours to attend the grand openings of internationally recognized franchises that are new to Taiwan. Another challenge is high real estate prices, particularly in Taipei, which can cause difficulties when negotiating reasonable rent and lease terms with local landlords.

In recent years, due to high initial capital investment costs and increasing competition from local franchises, Taiwan's investors have adopted a more conservative attitude toward new foreign franchises. To succeed in the Taiwan market, U.S. franchises should provide considerable support to their local partners by implementing best-practices, systems integration, personnel and customer service training, and quality assurance protocols.

## **Direct Marketing**

Multi-level marketing has become a lucrative second job for many Taiwan professionals, with revenue per salesperson ranked fourth in the world. Recent figures indicate that more than 3 million (13%) of Taiwan's total population of 23 million work for multi-level sales businesses. These firms mainly specialize in healthcare, skincare, and household products. (Source: Fair Trade Commission)

## **Joint Ventures/Licensing**

Foreign investors who wish to establish new enterprises in Taiwan through joint ventures, technical licensing, or other methods must file an application for approval by the Investment Commission (IC) of the Ministry of Economic Affairs (MOEA). The IC should issue a decision within two months of receiving a completed application. Capital should not be remitted for a joint venture investment until approvals have been obtained. Information regarding regulations for approval and consideration of foreign investment or technical cooperation is available at the [Investment Commission website](#).

## **Express Delivery**

Express delivery is commonly used in Taiwan. The fastest door-to-door services may take as few as two to three business days to reach Taiwan from major U.S. cities. On average, express delivery takes about three to five business days.

### *Major Express Delivery Companies in Taiwan*

#### [Airlife Freight \(Taiwan\) Corp.](#)

1F, No. 8, Lane 389, Sec. 5, Nanking E. Rd., Taipei 105, Taiwan

Tel: 886-2-27647711

Fax: 886-2-2769-2558

Email: [airlife@airlife-freight.com](mailto:airlife@airlife-freight.com)

[CAN International Logistics Co., Ltd.](#)

2F, No. 158, Sec. 1, Xinsheng S. Rd., Taipei 10061, Taiwan

Tel: 886-2-2394-6699

Fax: 886-2-2394-7799

Email: [service@caie.com.tw](mailto:service@caie.com.tw)

[Dachain Express](#)

No. 129, Xintai St., Nanzi Dist., Kaohsiung 81147, Taiwan

Tel: 886-7-363-6010

Fax: 886-7-363-6030

[DHL Taiwan](#)

1F, No. 82, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei 10416, Taiwan

Tel: 886-2-2503-6858

Fax: 886-2-2505-0768

Email (web portal): [http://www.dhl.com.tw/exp-en/contact\\_center/contact\\_express.html](http://www.dhl.com.tw/exp-en/contact_center/contact_express.html)

[Federal Express Corporation](#)

9F, No. 162, Sec. 2, Chang'an E. Rd., Zhongshan Dist., Taipei 10491, Taiwan

Tel: 886-2-2181-1973

Email (web portal): <https://www.fedex.com/en-tw/customer-support/write-to-fedex.html>

[UPS International Inc. – Taiwan](#)

2F, No. 361, Danan Rd., Shilin Dist., Taipei 11161, Taiwan

Tel: 886-2-2883-3868

Fax: 886-2-2880-9498

Email (web portal): [https://www.ups.com/upsemail/input?loc=en\\_TW](https://www.ups.com/upsemail/input?loc=en_TW)

[United China Air Freight Co., Ltd.](#)

1F, No. 105, Sec. 2, Jiuzong Rd., Neihu Dist., Taipei 11494, Taiwan

Tel: 886-2-8791-9166

Fax: 886-2-8791-9260

Email: [service@ucf.com.tw](mailto:service@ucf.com.tw)

**Due Diligence**

Prior to establishing a relationship with an unknown Taiwan company, it is wise to conduct a background check on the company. However, Taiwan's privacy laws often make it difficult to collect background information on individuals. Local attorneys, accountants, and trade/industry associations can be excellent sources of information.

The AIT Commercial Section offers the International Company Profile (ICP) service to help U.S. firms conduct background checks in Taiwan. [Click here](#) for further details.

## E-Commerce

### *Overview*

The e-commerce market in Taiwan has grown rapidly over the past few years. In 2018, the market size was \$38.92 billion with a five-year average growth rate of 7%. (Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Taiwan & eMarketer) In 2019, Taiwan had the highest proportion of e-commerce shoppers in Asia at 65.2%, with the average online consumer spending around \$866 in 2018. (Source: Market Intelligence and Consulting Institute) As Taiwan's e-commerce market continues to develop, an increasing number of younger shoppers choose to shop at online retailers. Digital media and entertainment, apparel and footwear, and consumer electronics remain the top three most purchased products from online retailers. The demand for quick delivery has led to an increase in sales of basic household necessities on online platforms. The evolution of e-commerce consumer expectations has led to new opportunities for e-commerce retailers and service providers.

### *Internet Penetration Rate*

In 2019, the internet penetration rate in Taiwan stood at 93% of the population. 98% of Taiwan's internet users use a mobile phone to connect to the internet, 59% use a desktop or laptop, and 51% use a tablet. (Source: Taiwan Network Information Center)

### *Current Market Trends*

The Taiwan e-commerce market features a wide variety of products and services, such as:

- Apparel
- Beauty and skincare products
- Computers and accessories
- Eyewear
- Groceries
- Food delivery
- Household goods
- Digital entertainment and videogames
- Baby-care products
- Shoes, bags, and brand name goods
- Travel packages, hotels, and flights

### *Taiwan's E-Commerce Regulations*

The Taiwan authorities actively use legislation to facilitate and regulate the growing e-commerce industry. The *2001 Electronic Signatures Act* was modeled on the United Nations' standards for e-commerce and recognizes electronic signatures and records by approved certification authorities. The *2005 Consumer Protection Act* allows consumers to return unsatisfactory goods within a week of purchase. In 2016, new amendments were added to the Value-Added Tax (VAT) regulations that affected foreign e-commerce providers operating in Taiwan. Foreign providers with Taiwan revenues exceeding NTS480,000 (US\$15,412) were required to register with local tax authorities, file bi-monthly VAT returns, and pay a 5% VAT through approved tax agents. This amendment aimed to transfer the burden of paying the VAT tax from consumers to businesses, and to close VAT tax loopholes for digital platforms. As of January 1, 2019, new VAT rules require foreign e-commerce suppliers to issue "cloud government uniform invoices" (cloud GUIs) to their domestic customers. Foreign e-commerce suppliers that violate the invoice rules will face penalties for non-compliance.



Additional amendments target large importers of foreign goods, namely “daigou” individuals who run personal intermediary businesses that buy and resell foreign goods. As of July 1, 2017, consumers who import products more than twice per month, or six times in six months, are required to pay additional taxes. In addition, after January 1, 2018, the previous tax-exempt import threshold of NT\$3,000 (\$96.33) was reduced to NT\$2,000 (\$64.22). Import orders that exceed the threshold are required to pay an import VAT tax of 5%.

Taiwan’s e-commerce market has a comprehensive policy infrastructure, with a strong supply chain and financial credit system. The main market players are suppliers, brand owners, and e-commerce platforms such as PChome and Momo. Banks and other financial institutions coordinate with local distributors, such as delivery companies and the postal service, to facilitate their transactions. Recent changes in Taiwan’s e-commerce ecosystem include incorporating social media promotion, financial service and transaction options, and integrating big data and artificial intelligence applications to bridge e-commerce platforms with traditional retail outlets.

#### *Domestic e-Commerce (B2C)*

Taiwan’s e-merchants are generally small-scale operations, 82% of which conduct business using preexisting e-commerce shopping platforms rather than maintaining their own websites, which keeps business costs low. These online platforms include PChome, Yahoo!, Kimo, Momo, and Rakuten.

With the growth of mobile apps as an e-commerce platform, it is expected that mobile shopping will eventually become the primary way Taiwanese consumers purchase goods online. For example, in 2018, the mobile retailing company Shopee had more than 12 million downloads. By investing heavily in its mobile app, Shopee positioned its mobile retailing to effectively cater to Taiwan’s online shoppers. Shopee also used aggressive financial marketing tactics, such as zero payment processing fees and free shipping when it first launched its mobile app.

#### *Cross-Border e-Commerce*

The Market Intelligence and Consulting Institute (MIC) found that Taiwan’s 2018 cross-border e-commerce rose by 5.4 % from the year earlier to \$561. The most popular overseas online purchases included clothing, daily necessities, 3C products, designer bags and shoes, and home appliance. Taiwan consumers purchased goods through cross-border e-commerce from the following countries:

- China (73%)
- Japan (40%)
- United States (23%)

Language barriers and shipping costs are major factors that affect Taiwan’s cross-border e-commerce. Additional barriers to cross-border sales are customs, warehousing, and tax regulations.

#### *Business-to-Business e-Commerce*

Taiwan has a robust business-to-business (B2B) e-commerce environment, with two major web portals run by the [Taiwan External Trade Development Council \(TAITRA\)](#). [TaiwanTrade](#) is an e-commerce portal that allows businesses to find suppliers, manufacturers and distributors. [iDealEZ Online Marketplace](#) is a platform that allows businesses to buy small quantities to sample items directly from suppliers. B2B e-commerce is the most developed in the information technology, chemical, and textile industries

#### *e-Commerce Services*

Survey responses indicate that Taiwan’s shoppers value convenience, accurate information, and affordability when shopping online. In a survey of online consumers in Taiwan, 79% of males and 77% of females cited search

convenience as their main reason for shopping online. 69% of respondents trust product reviews when making a decision, and 63% choose to purchase basic products online because they believe it is cheaper than at traditional retailers. (Source: Taiwan Network Information Center)

Distribution services in Taiwan have developed to effectively account for all types of lifestyles. Beyond home delivery, consumers can pick up their purchases at any of Taiwan's numerous convenience stores, which operate 24/7, which affords working consumers flexible hours to retrieve deliveries in a safe location.

For small and medium-sized businesses seeking to conduct Business-to-Consumer (B2C) e-commerce in Taiwan, online shopping platforms are convenient, attract large customer traffic flows, and offer a range of services including marketing tools and logistical resources.

#### Business-to-Business Websites

- [Amazon](#)
- [eBay](#)
- [TaiwanTrade](#)
- [TaiwanTrade iDealEZ](#)

#### *Business-to-Consumer and B2B-to-Consumer (B2B2C) Websites*

- [books.com.tw](#)
- [Friday](#)
- [ibon Mart](#)
- [Momoshop](#)
- [PChome](#)
- [Ruten.com](#)
- [Rakuten Ichiba Taiwan](#)
- [Shopee Taiwan](#)
- [Taobao.com](#)
- [Yahoo! Taiwan](#)

#### *Online-to-Offline (O2O) Websites*

- [17Life](#)
- [Gomaji](#)
- [Groupon](#)

#### *E-Commerce Intellectual Property Rights*

Taiwan is currently not a member of the World Intellectual Property Organization (WIPO) but does adhere to key international agreements such as the Berne Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The Office of the U.S. Trade Representative removed Taiwan from the Special 301 Watch List in 2009 due to Taiwan's advances in IPR protection. Additional details on IPR are available below in the *Protecting Intellectual Property* section.

#### *Online Payment*

Online shoppers in Taiwan have several payment options for their e-commerce purchases:

- Online credit card

- Payment at convenience stores
- Online banking payments
- Mobile payments

In 2019, the [Marketing Intelligence and Consulting Institute \(MIC\)](#) reported that 77% of consumers used credit cards as their preferred method of online payment. This was followed by convenience store pickup, at 63%. Another popular option is ATM bank transfers, at 11%.

Mobile payment is gaining popularity as more Taiwanese consumers use cellphones. According to a recent survey while credit cards are the most popular means of payment, about 27% of consumers have expressed a willingness to make purchases through mobile payment systems. The top three mobile payment brands used, are LINE Pay (59%), JKO Pay (41%), and PX Pay (33%). (Source: Marketing Intelligence and Consulting Institute)

#### *Mobile E-Commerce*

Although 85% of Taiwan's e-commerce transactions are conducted using a desktop or laptop, and only 10% of e-commerce purchases are conducted using a mobile device, the use of mobiles is steadily rising. In 2018, mobile shopping views increased by 8% and mobile orders by 7%.

Among the monthly visitors of mobile shopping applications, Taiwan's online shopping consumers mainly use Shopee (43.54 million pageviews/month), followed by PChome 24H (38.45 million pageviews/month), Momoshop (36.86 million pageviews/month), and Ruten (32.47 million pageviews/month).

#### *Digital Marketing*

Social media platforms, primarily Facebook and Line, are popular online marketing tools in Taiwan. In 2019, the Market Intelligence and Consulting Institute reported that consumers get their online shopping information from online shopping websites (55%), Google Search (40%), Facebook (24%), price comparison websites (22%), and recommendations from friends and family (17%). Taiwan-based international public relations firms also help businesses promote their products or services online.

Initially, companies in Taiwan that purchased Facebook ads paid a 20% withholding tax. On January 2, 2018, the Taiwan Ministry of Finance issued a tax ruling that reduced withholding taxes to 6% for foreign enterprises that provide cross-border electronic services to Taiwan customers.

#### *Major Buying Holidays*

November 11<sup>th</sup> (11/11), known as "Singles' Day", is an unofficial consumer holiday observed by young people in Taiwan. On this day, young people who are not in a relationship celebrate their single status by indulging in both online and offline shopping for themselves or purchasing gifts to initiate a new relationship.

During the Fall, major department stores host annual sales events. These sales draw large crowds, similar to Black Friday in the United States.

Some Taiwan consumers are also beginning to celebrate other international consumer holidays. These include Christmas, Black Friday, and Mother's Day, among others. Suppliers offer special discounts, which leads to higher sales.

## *Social Media*

In 2019, Taiwan had an 89% social media penetration rate. Among social media users, YouTube (90%) was the lead social media platform, followed by Facebook (89%) and Line (84%). (Source: GLOBALWEB INDEX)

Social media has become extremely important for marketing online products in Taiwan. Facebook is the preferred method of digital marketing with 63% of online vendors choosing it as a marketing tool. Facebook is a popular marketing platform due to its low promotional costs and ability to reach a broad audience. The ease of spreading word-of-mouth recommendations to others on Facebook makes it a powerful tool for e-marketers hoping to generate traffic.

## **Selling Factors and Techniques**

Price is the most important consideration for most Taiwan buyers. As a result, it is also the most common complaint regarding U.S. products and services. American businesses are frequently frustrated that Taiwan firms do not always factor in life-cycle costs when negotiating a purchase. Although attitudes are changing, most Taiwan firms will only pay a higher price for a product if they see a short-term payoff. The second and third most important considerations for Taiwan buyers are quality and after-sales service, respectively.

When selling products in the Taiwan marketing, labeling, product instructions, and sales literature must be written in traditional Chinese characters. Detailed information about labeling is available at the [Commerce Industrial Services Portal on the Ministry of Economic Affairs website](#).

## **Trade Promotion and Advertising**

Taiwan executives stay informed about current trends in their industries by reading international trade journals and participating in major trade events both in Taiwan and abroad. In most major industries, industry associations work with the Taiwan External Trade Development Council (TAITRA) to organize local trade shows. Participating in major trade shows and advertising in relevant Taiwan trade publications are useful ways to boost sales in the market. Local partners often give the best advice on where and how to advertise effectively.

Information about upcoming trade shows in Taiwan is available on [TAITRA's website](#). TAITRA also offers several helpful lists, including a frequently updated calendar of [TAITRA-sponsored trade shows, international conferences, and exhibitions](#) held at the Taipei World Trade Center and the Nangang Exhibition Center.

The following are some of Taiwan's major commercial newspapers and business publications:

- [Business Weekly](#)
- [Commercial Times](#)
- [Commonwealth](#)
- [Taiwan News](#)
- [Economic Daily News](#)
- [Management Magazine](#)

Taiwan's advertising sector is comparable to that of other developed economies and covers a wide range of media. However, Taiwan advertising is known for a complicated network of “do’s and don’ts”, particularly in regard to the protection of women and children, that may require reference to other laws and regulations. The Cable, Radio and Television Act, which governs advertising using these media, specifies that all commercials must be pre-approved by

the relevant official department(s). The duration of advertisements may not exceed one-sixth of a program's total transmission time. Additionally, there are other content restrictions for television and radio advertising, especially for alcohol and tobacco products.

Digital and social media are effective marketing platforms in Taiwan. For additional information, please visit the Digital Marketing subsection under the e-Commerce section.

CS Taiwan offers fee-based [services](#) to help U.S. companies promote their products and services in Taiwan. It also organizes U.S. Pavilions to help American companies participate in Taiwan trade shows. [Trade Event Partnership Program \(TEPP\)](#) and [Trade Event Menu of Services \(TEMS\)](#) services support trade shows and U.S. Pavilion organizers. For further details, please contact the TEPP/TEMS task force at [Tradeevents@trade.gov](mailto:Tradeevents@trade.gov), or visit the [AIT Commercial Section \(CS Taiwan\)](#) website.

### **Pricing**

Branding is an important factor in developing a pricing strategy, especially in the consumer goods sector. Distributor price margins average between 15 percent and 40 percent, depending in part upon whether the distributor controls a product's marketing. Price breaks and discounts for large-volume purchases are common promotional incentives.

In Taiwan, a five percent value-added tax (VAT) is imposed on the sale of nearly all products and services. Imports are subject to VAT based upon their landed price, including duties and commodity taxes on certain products. Products including rubber tires, cement, non-alcoholic beverages, oil and gas, certain electrical appliances, flat glass, and motor vehicles are subject to commodity taxes that range from eight to 50 percent ad valorem or other specific tariffs. In addition to customs duties, all imports are assessed a commercial harbor service charge, which is based on cargo weight and net ship tonnage.

### **Sales Service/Customer Support**

Taiwan's buyers, especially those purchasing commercial and industrial products, consider many factors when making purchase decisions. These factors include technical support, after-sales service, product performance, and durability. However, U.S. firms should understand that price is usually the most important element of a buyer's decision.

### **Local Professional Services**

Taiwan has a comprehensive modern legal system and a number of well-regarded local and international law firms and legal consultants. Many Taiwan attorneys active in international business have studied law in the United States, speak English, and understand the concerns of U.S. businesses. Consultations with a competent local attorney prior to engaging in business in the Taiwan market are highly recommended.

Similarly, major U.S. and global accounting firms and insurance companies have offices in Taiwan. U.S. firms interested in entering the Taiwan market should make it a priority meet with these professional advisors. They can then provide advice within their specific areas of expertise and a range of business and cultural matters.

Up-to-date lists of professional firms may be obtained from the [American Chamber of Commerce in Taipei](#) on their website or by e-mail: [amcham@amcham.com.tw](mailto:amcham@amcham.com.tw).

### **Principal Business Associations**

#### *Trade-Related Organizations*

American Institute in Taiwan (AIT)

[AIT Taipei Main Office](#)

[Taipei Commercial Section](#)

Chief: Helen Peterson  
No. 100, Jinhu Rd., Neihu Dist., Taipei, Taiwan  
Tel: 886-2-2162-2650  
Fax: 886-2-2162-2519  
Email: [Office.Taipei@trade.gov](mailto:Office.Taipei@trade.gov)

[AIT Kaohsiung Branch Office](#)  
[Kaohsiung Commercial Section](#)

5F, No. 88, Chenggong 2nd Road, Qianzhen Dist., Kaohsiung, Taiwan  
Tel: 886-2-2162-2650  
Fax: 886-2-2162-2519  
Email: [Office.Kaohsiung@trade.gov](mailto:Office.Kaohsiung@trade.gov)

[Agriculture Section](#)

Chief: Mark Petry  
No. 100, Jinhu Rd., Neihu Dist., Taipei, Taiwan  
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Fax: 886-2-2162-2238  
Email: [agtaipei@fas.usda.gov](mailto:agtaipei@fas.usda.gov)

[Agriculture Trade Office](#)

Director: Emily Scott  
No. 100, Jinhu Rd., Neihu Dist., Taipei, Taiwan  
Tel: 886-2-2162-2682  
Fax: 886-2-2162-2520  
Email: [atotaipei@fas.usda.gov](mailto:atotaipei@fas.usda.gov)

[Economic Section](#)

Chief: Dannielle Andrews  
No. 100, Jinhu Rd., Neihu Dist., Taipei, Taiwan  
Tel: 886-2-2162-2000 ext. 2374  
Fax: 886-2-2162-2240

[AIT/Washington](#)

Trade and Commercial Programs  
Senior Advisors: Rick Ruzicka/ Jeff Horwitz  
Suite 1700, 1700 N. Moore Street, Arlington, VA 22209  
Tel: 703-525-8474  
Fax: 703-841-1385

*U.S. Federal Government*

U.S. Department of Agriculture

[Foreign Agricultural Service \(FAS\)](#)

Office of Trade Program  
South Building, 1400 Independence Ave. SW, Washington, DC 20250  
Tel: 202-690-3576

U.S. Department of Commerce

[Global Markets, Asia Desk](#)

[International Trade Administration](#)

Room 2846, 14th and Constitution Ave. NW, Washington, DC 20230

Tel: 202-482-2611

Fax: 202-482-3316

The Commerce Department's U.S. Commercial Service has 106 domestic offices throughout the United States. To locate your nearest U.S. Export Assistance Center, please visit <https://www.export.gov/locations>.

U.S. Department of State

[Bureau of Economic and Business Affairs](#)

[Office of Commercial and Business Affairs](#)

2201 C Street NW, Washington, DC 20520

Tel: 202-647-4000

Fax: 202-647-3953

Other U.S. Government Agencies

[Export-Import Bank of the United States](#)

811 Vermont Avenue NW, Washington, DC 20571

Tel: 202-565-3946

Fax: 202-565-3380

[U.S. International Development Finance Corporation](#)

1100 New York Avenue NW, Washington, DC 20527

Tel: 202-336-8400

Fax: 202-336-7949

*Taiwan Authorities*

[Bureau of Foreign Trade \(BOFT\)](#)

No. 1, Hukou St., Taipei, Taiwan

Tel: 886-2-2321-0271

Fax: 886-2-2351-7080

[Bureau of Standards, Metrology and Inspection \(BSMI\)](#)

No. 4, Sec. 1, Jinan Rd., Taipei, Taiwan

Tel: 886-2-2343-1700

Fax: 886-2-2356-0998

[Council of Agriculture \(COA\)](#)

No. 37, Nanhai Rd., Taipei, Taiwan

Tel: 886-2-2381-2991

Fax: 886-2-2331-0341

[Environmental Protection Administration \(EPA\)](#)

No. 83, Sec. 1, Zhonghua Rd., Taipei, Taiwan

Tel: 886-2-2311-7722

Fax: 886-2-2311-6071

[Financial Supervisory Commission \(FSC\)](#)

18F, No. 7, Sec. 2, Sianmin Blvd., Banqiao, Taipei, Taiwan

Tel: 886-2-8968-0899

Fax: 886-2-8968-1215

[Ministry of Economic Affairs \(MOEA\)](#)

No. 15, Fuzhou St., Taipei, Taiwan

Tel: 886-2-2321-2200

Fax: 886-2-2391-9398

[Ministry of Finance \(MOF\)](#)

No. 2, Aiguo W. Rd., Taipei, Taiwan

Tel: 886-2-2322-8000

Fax: 886-2-2356-8774

[Ministry of Health and Welfare \(MOHW\)](#)

No. 36, Tacheng St., Taipei, Taiwan

Tel: 886-2-8590-6666

Fax: 886-2-8590-6000

[Ministry of Transportation and Communications \(MOTC\)](#)

No. 50, Sec. 1, Renai Rd., Taipei, Taiwan

Tel: 886-2-2349-2900

Fax: 886-2-2349-2491

[Small and Medium Enterprise Administration \(SMEA\)](#)

3F, No. 95, Sec. 2, Roosevelt Rd., Taipei, Taiwan

Tel: 886-2-2368-6858

Fax: 886-2-2367-3883

**Principal Business Associations (list)**

U.S.-based Trade or Industry Associations

[U.S.-Taiwan Business Council](#)

Suite 1703, 1700 N. Moore Street, Arlington, Virginia 22209

Tel: 703-465-2930

Fax: 703-465-2937

Taiwan-based Trade or Industry Associations

[American Chamber of Commerce in Taipei](#)

Suite 706, No. 129, Sec. 3, Minsheng E. Road, Taipei, Taiwan

Tel: 886-2-2718-8226

Fax: 886-2-2718-8182



[Confederation of Asia-Pacific Chambers of Commerce and Industry \(CACCI\)](#)

14F, No. 11, Songgao Rd., Xinyi Dist., Taipei 11073, Taiwan  
Tel: 886-2-2760-1139  
Fax: 886-2-2760-7569

[Chinese International Economic Cooperation Association](#)

7F, No. 85, Sec. 4, Bade Rd., Songshan Dist., Taipei 10561, Taiwan  
Tel: 886-2-2528-8833  
Fax: 886-5-2742-5342

[Chinese National Association of Industry and Commerce](#)

13F, No. 390, Sec. 1, Fuxing S. Rd., Taipei, Taiwan  
Tel: 886-2-2707-0111  
Fax: 886-2-2707-0977

[Chinese National Export Enterprises Association](#)

6F, No. 285, Sec. 3, Nanjing E. Rd., Songshan Dist., Taipei 10550, Taiwan  
Tel: 886-2-2713-6920; 886-2-2712-9525  
Fax: 886-2-2713-0115; 886-2-2545-1668

[Chinese National Federation of Industries](#)

12F, No. 390, Sec. 1, Fuxing S. Rd., Taipei, Taiwan  
Tel: 886-2-2703-3500  
Fax: 886-2-2705-8317

[General Chamber of Commerce of the R.O.C.](#)

6F, No. 390, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei 10656, Taiwan  
Tel: 886-2-2701-2671  
Fax: 886-2-2755-5493

[Importers and Exporters Association of Taipei](#)

No. 350, Sungchiang Rd., Taipei, Taiwan  
Tel: 886-2-2581-3521  
Fax: 886-2-2523-8782

[International Trade Association of R.O.C.](#)

12F-1, No. 125, Sec. 3, Roosevelt Rd., Da'an Dist., Taipei 10647, Taiwan  
Tel: 886-2-8369-5907  
FAX: 886-2-8369-5908

[Taiwan External Trade Development Council \(TAITRA\)](#)

5-7F, No. 333, Sec. 1, Keelung Rd., Taipei, Taiwan  
Tel: 886-2-2725-5200  
Fax: 886-2-2757-6652

## **Limitations on Selling U.S. Products and Services**

### *Standards Body*

The Bureau of Standards, Metrology, and Inspection (BSMI) under the Ministry of Economic Affairs is responsible for publishing relevant standards for imported goods, their standards generally conform to international standards.

#### [Bureau of Standards, Metrology, and Inspection \(BSMI\)](#)

No. 4, Sec. 1, Jinan Road, Taipei 100, Taiwan

Tel: +886-2-23431700

Fax: +886-2-23560998

### *Conformity Assessment*

Under the Commodity Inspection Act, the following traded and nontraded commodities shall be inspected by the Bureau of Standards, Metrology and Inspection (BSMI): Agricultural, industrial, and mining commodities manufactured domestically. Most of the products are food and agricultural goods, mechanical, electrical, chemical, and mineral products. The law specifies four methods for determining compliance: batch-by-batch inspection, monitoring inspection, registration of product certification, and self-declaration of conformity. The commodity type determines the applicable method for assessing compliance.

### *WTO Technical Barriers to Trade Agreement*

Taiwan adheres to the [WTO's Agreement on Technical Barriers to Trade](#), which prohibits the use of technical requirements as discriminatory barriers to trade. The TBT Agreement covers standards for all products, including agricultural, industrial, and consumer goods, as well as production and processing methods and conformity assessment procedures. Additional resources to help firms comply with U.S. and international standards are available through the U.S. Department of Commerce's [National Institute of Standards and Technology \(NIST\) website](#).

## **Trade Financing**

### **Methods of Payment**

There are four common methods of international payment: cash in advance; letters of credit (L/C); documentary collections such as documents against payment (D/P) and documents against acceptance (D/A); and open accounts (O/A). Cash in advance terms are generally used in new relationships when transactions are small and the buyer has no choice but to pre-pay. Bank-to-bank letters of credit (L/C) are the most common form of international payment for established relationships because they provide a high degree of protection for both the seller and the buyer. D/P and D/A terms are also commonly used in ongoing relationships and provide a measure of protection for both the seller and the buyer. Open account (O/A) is used only when the seller has significant trust in the buyer's ability and willingness to pay once the goods have been shipped. O/A terms lend maximum security to the buyer and pose greatest risk to the seller.

AIT's Commercial Section recommends that U.S. exporters minimize financial risk by requiring their Taiwan trading partners to finance their imports through L/Cs. The vast majority of Taiwan's importers use L/Cs with a validity of up to 180 days. On the whole, U.S. companies find Taiwan's trade finance system to be efficient and report no widespread pattern of deferred payment.

Banks authorized to handle foreign exchange may issue L/Cs. As of January 2020, this includes all 37 local banks (and their branch offices), six U.S. banks (Bank of America, National Association, The Bank of New York Mellon, State Street Bank and Trust Company, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, and Citibank, N.A.) and their branches, and 23 third-country banks. All banks in Taiwan that are authorized to handle foreign exchange have correspondent relationships with one or more U.S. banks.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

### **Banking Systems**

As of January 2020, Taiwan has a Central Bank, 37 domestic banks (with 3,411 branch offices), and 29 local branches of foreign and Mainland China banks. In addition, there are 23 credit cooperatives, 284 agricultural credit unions, and 28 fishermen's credit unions. These banks, cooperatives, and credit unions have traditionally played a dominant role in finance in Taiwan.

The Central Bank performs all of the functions normally associated with central banks in other markets. It issues currency, manages foreign exchange reserves, handles treasury receipts and disbursements, sets interest rate policy, oversees the operations of local financial institutions, and serves as a lender of last resort.

Taiwan's domestic banks offer a wide range of services, including accepting deposits, making loans, handling trade finance and providing guarantees, and discounting bills and notes. Most are also involved in the securities business, underwriting and trading securities and managing bond and debenture issues, as well as providing savings account facilities. Mega International Commercial Bank assists with long-term industrial and project financing, while the Export-Import Bank of the Republic of China and the Farmers Bank focus on trade finance and agricultural development, respectively.

Foreign banking institutions play an important role in Taiwan's financial sector, and thus generally enjoy treatment akin to that of domestic commercial banks. Foreign banking institutions are permitted to engage in trade finance, foreign exchange, private and corporate lending, and various kinds of trust businesses. In order to enhance their overall market presence, many foreign banking institutions have developed attractive consumer loan and credit card service offerings.

### **Foreign Exchange Controls**

Taiwan imposes no foreign exchange (FX) controls on trade, insurance, and authorized investment transactions. Similarly, it does not restrict the repatriation of capital and profits related to direct or portfolio investment, provided that such investment has been permitted or approved by the Taiwan authorities.

Inward and outward remittances not involving any exchange of New Taiwan Dollars (NTD) for foreign currency are permitted. Personal remittances involving an exchange of NTD and foreign currency to or from overseas are limited to NT\$5 million (\$162,022). For inward or outward remittances involving business firms, remittances are subject to an annual ceiling of NT\$50 million (\$1,620,220) per account if they involve an exchange of NTD and foreign currency. Any remittance above these amounts for firms or individuals requires approval from the Taiwan Central Bank.

Any single transaction of less than NT\$100,000 (\$3,240) by a non-resident may proceed directly through authorized banks. However, there is a reporting requirement for any foreign transaction involving NTD that exceeds NT\$500,000 (approx. US\$16,100). Once registered on the Taiwan Stock Exchange Corporation, foreign investors are free to choose any authorized foreign exchange bank to conduct foreign exchange transactions.

## **U.S. Banks and Local Correspondent Banks**

### *U.S. Commercial Banks Operating in Taiwan*

#### [Bank of America](#)

43 and 48F, No. 7, Sec. 5, Xinyi Rd., Taipei 11049, Taiwan  
Tel: 886-2-8101-1288

#### [Citibank N.A.](#)

15F, No. 1, Songzhi Road, Taipei 11047, Taiwan  
Tel: 886-2-8729-7100

#### [JPMorgan Chase Bank, N.A.](#)

8F, No. 108, Sec. 5, Xinyi Rd., Taipei 11047, Taiwan  
Tel: 886-2-2725-9800

#### [The Bank of New York Mellon](#)

11F, No. 1, Songgao Rd., Taipei 11073, Taiwan  
Tel: 886-2-2728-6000

### *Major Local Correspondent Banks*

#### [Bank of Taiwan](#)

No. 120, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei 10007, Taiwan  
Tel: 886-2-2349-3456

#### [Cathay United Bank](#)

1F, No. 7, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan  
Tel: 886-2-8722-6666

#### [Chang Hwa Commercial Bank](#)

No. 57, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei 10412, Taiwan  
Tel: 886-2-2536-2951

#### [CTBC Bank](#)

No. 168, Jingmao 2nd Rd., Nangang Dist., Taipei 115, Taiwan  
Tel: 886-2-3327-1688

#### [First Commercial Bank](#)

No. 30, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei 10005, Taiwan  
Tel: 886-2-2348-1111

#### [Hua Nan Commercial Bank, Ltd.](#)

No. 123 Songren Rd., Xinyi Dist., Taipei 110, Taiwan  
Tel: 886-2-2371-3111

#### [Land Bank of Taiwan](#)

No. 46, Guanqian Rd., Zhongzheng Dist., Taipei 10047, Taiwan  
Tel: 886-2-2348-3456

#### [Mega International Commercial Bank Co., Ltd.](#)

No. 100, Jilin Rd., Zhongshan Dist., Taipei 10424, Taiwan  
Tel: 886-2-2563-3156

[The Shanghai Commercial and Savings Bank](#)

No. 149, 3F-12F, Sec. 2, Mingshen E. Rd., Zhongshan Dist., Taipei 10483, Taiwan  
Tel: 886-2-2581-7111

[Taishin International Bank](#)

No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei 10448, Taiwan  
Tel: 886-2-2568-3988

[Taiwan Cooperative Bank](#)

No. 225, Sec. 2, Chang'an E. Rd., Songshan Dist., Taipei 105, Taiwan  
Tel: 886-2-2173-8888

## **Protecting Intellectual Property**

Several general principles are important for effective management of intellectual property (IP) rights in Taiwan. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Taiwan than in the United States. Third, rights must be registered and enforced in Taiwan under local laws. For example, your U.S. trademark and patent registrations will not protect you in Taiwan. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

In Taiwan, patent registrations are generally awarded on a first-to-file basis. Similarly, registering trademarks is based on a first-to-file principle. Companies should consider how to obtain patent and trademark protection before introducing products or services into the Taiwan market. For more information on what patents can be protected, or for instructions on applying for patent, trademark, or copyright protection in Taiwan, please visit the [Taiwan Intellectual Property Office](#) website.

It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Taiwan. It is the responsibility of rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government stands ready to assist, there is little that the U.S. Government can do if the rights holders have not taken fundamental steps necessary to secure and enforce their IP in a timely fashion. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Taiwan law. The [American Chamber of Commerce in Taipei](#) can provide a list of local lawyers on request.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether or not to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. As a result of such risks, projects and sales in Taiwan require constant attention.

Small and medium-size companies should work with trade associations and organizations to support efforts to protect IP and stop counterfeiting. Some Taiwan and U.S.-based IP-related organizations include:

- [American Chamber of Commerce Taiwan](#)
- [Asian Coalition Against Counterfeiting and Piracy \(ACACAP\)](#)

- [Biotechnology Innovation Organization \(BIO\)](#)
- [International Anti-Counterfeiting Coalition \(IACC\)](#)
- [International Federation of the Phonographic Industry \(IFPI\)](#) (via its Taiwan office, the [Recording Industry Foundation in Taiwan](#))
- [International Intellectual Property Alliance \(IIPA\)](#)
- [International Trademark Association \(INTA\)](#)
- [Motion Picture Association of America \(MPAA\)](#) (via its [Singapore office](#))
- [National Association of Manufacturers \(NAM\)](#)
- [Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)
- [U.S. Chamber of Commerce](#)

In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For additional background, please follow the links to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

*IP Attaché Contact for Taiwan*

[Michael Mangelson](#)

Senior Counsel for China IP Policy

Tel: (571) 270-0457

Email: [Michael.Mangelson@uspto.gov](mailto:Michael.Mangelson@uspto.gov)

[U.S. Patent and Trademark Office \(USPTO\)](#)

USPTO Madison Building

600 Dulany Street, Alexandria, VA 22314

*IP Resources*

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries – call the [STOP!](#) Hotline: 1-866-999-HALT.
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the [U.S. Patent and Trademark Office \(USPTO\)](#) at: 1-800-786-9199.
- For more information about registering for copyright protection in the United States, contact the [U.S. Copyright Office](#) at: 1-202-707-5959.
- More information on [obtaining and enforcing intellectual property rights and market-specific IP Toolkits](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also

contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

## **Selling to the Public Sector**

### **Selling to the Government**

Taiwan acceded to the World Trade Organization's (WTO) Government Procurement Agreement (GPA) in July 2009. According to Taiwan's GPA Agreement, U.S. firms will compete on equal terms with domestic firms when government tenders for entities covered under the agreement meet or exceed the following threshold values:

- Public contracts valued at over US\$ 194,000 for goods and services and approximately US\$ 7.45 million for construction services.
- Metropolitan government contracts valued at over US\$ 296,000 for goods and services and US\$ 7.45 million for construction services.
- Government-controlled entities such as utilities and universities/colleges with contracts for goods and services valued at US\$ 593,000 and construction services valued at US\$ 7.45 million.

According to Taiwan's Public Construction Commission, in 2019, foreign firms won 21,789 contracts under GPA worth a total of US\$24.79 billion. U.S. firms won 7,575 (34.77%) contracts with a total value of US\$ 13.79 (55.62%) billion. Most of the procuring entities were public agencies and state-owned enterprises, hospitals, and universities. Advanced laboratory instrumentation & testing devices, equipment for power generation & environmental controls, specialty chemicals such as additives and catalysts, equipment for aviation controls, equipment for atmospheric monitoring, and advanced medical devices can be considered best prospect areas for U.S. firms that are interested in selling to Taiwan.

In response to foreign companies' concerns about maintaining fairness in contractual obligations, Taiwan's Public Construction Commission has prepared a model contract template as a reference for government procuring entities. The conditions in this model contract are the same for all bidders, domestic or foreign.

U.S. exporters are encouraged to visit [the Commercial Service Taiwan's GPA website](#).

### **Military Procurement**

In Taiwan, there are three forms of military procurement: Foreign Military Sales (FMS), Direct Commercial Sales (DCS), and domestic tenders. In 2019, Taiwan completed 23 FMS cases totaling US\$4.36 billion, 23 DCS cases with US\$0.16 billion and 7,728 domestic tenders with a total dollar value of US\$1.85 billion.

All recent FMS transactions have been between the U.S. government and the Taiwan authority; consequently, the export process is managed by the U.S. Department of Defense. Taiwan's Legislative Yuan must be notified of FMS tenders exceeding \$50 million in total value or \$14 million for major defense equipment. Under the Taiwan Relations Act, the United States evaluates Taiwan's defense needs on a continuous basis to assist Taiwan in identifying capabilities that are mobile, durable, and effective. In 2019, the U.S. Executive Branch notified Congress of more than \$10.72 billion in FMS transactions with Taiwan.

For DCS transfers, the Taiwan authorities deal with U.S. military suppliers directly, with the permission of the U.S. government. Both DCS and domestic tenders must comply with pertinent provisions of the Government Procurement Law (GPL) and the Procurement Regulation for Military Entities by offering open tenders, selective tenders, or limited tenders.

Military organizations may purchase imported items without the Minister of National Defense (MND) tenders. However, all equipment and supplies with a purchase amount exceeding the designated audit ceiling of NT\$30 million (\$966,825) for domestic purchases, and NT\$18.5 million (\$600,000) for overseas purchases, must be purchased through the MND.



On May 31, 2019, the Legislative Yuan passed the National Defense Industry Development Act to support the development of Taiwan's domestic defense industry and to reduce its dependence on military imports. The act stipulates that companies or organizations seeking to become military suppliers must apply to MND to be evaluated and ranked in three tiers based on technological capability criteria; size of operations; experience in research, development, manufacturing, and maintaining military equipment; and collaboration with academia, businesses, or foreign companies.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy Center](#) for Foreign Government Contracts and for additional information.

### **Financing of Projects**

Taiwan does not rely on funding from multilateral institutions to facilitate investment projects. In the public sector, the Taiwan authorities rely heavily on bond issues to cover outlays on major public works. Some public projects are open to private investment on a build-operate-transfer (BOT) basis. Private investment projects can easily be financed through banks in Taiwan. Taiwan investors, especially large companies, employ financial instruments (including corporate bonds) to raise funds in capital markets, both at home and abroad.

## **Investment Climate Statement**

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

## **Business Travel**

### **Business Customs**

#### **Business Cards**

Formal business introductions in Taiwan are considered incomplete without an exchange of business cards. This is a necessity for nearly every business occasion, so those visiting Taiwan on business should always carry cards printed in both English and traditional Chinese characters. Many Taiwan printers specialize in producing these key business aids, and offer accurate, low-cost services that can be completed within days.

#### **Dress and Business Etiquette**

Taiwan weather is humid throughout the year. Light clothing is recommended between May and October, while a jacket or sweater may be needed during the winter. Outside of the office, dress is relatively informal on most occasions. During the summer, businessmen usually wear short-sleeve shirts and ties, while women's business attire varies widely. However, for men a suit and tie are advisable in more formal situations.

#### **Tipping**

In most instances, tipping is not necessary. Restaurant and hotel bills typically include a ten percent service charge, eliminating the need for gratuities in such situations. It is, however, relatively common to leave the change when a bill is paid. Porters at hotels and airports customarily receive tips for their services, usually in the range of NT\$50-100 (\$1.62-3.24) per item of luggage. It is not necessary to tip in taxis unless assistance with luggage is rendered.

#### **Travel Advisory**

Taiwan is generally safe and there is minimal risk of violent crime. However, pickpockets can be a problem in crowded places, especially at night markets and other large, public events. Visitors should exercise normal precautions, maintain a low profile, and be aware of their surroundings at all times. There is an extensive network of security cameras in Taipei, Kaohsiung, and other major cities, so crime victims should note the location and time of any incident so that police can review video footage.

People in Taiwan are generally friendly toward foreigners and will often go out of their way to assist visitors. Taxi drivers, restaurateurs, store clerks, and other service employees are often particularly helpful to non-Chinese speaking foreign visitors. Traffic conditions present hazards to drivers and pedestrians alike and caution is advised when on or traversing roadways.

Please note that marijuana is an illegal drug in Taiwan, and Taiwan has very strict penalties for the possession, use, selling, or trafficking (including mailing) of all illegal drugs.

#### *Emergency Telephone Numbers*

Fire / Medical: 119

Police: 110

English-Speaking Police: (02) 2556-6007 (24 hours)

English Directory Assistance: 106

For the latest information about Taiwan travel advisories, visit the [State Department Travel Information Page for Taiwan](#).

## Visa Requirements

### *Non-Residents*

U.S. passport holders who wish to enter Taiwan as a tourist or short-term visitor (less than 90 days) do not need a visa. No extensions or changes of status are permitted. The U.S. passport must be valid throughout the intended length of stay and the traveler must hold a confirmed return or onward air ticket. For stays longer than 90 days, or for those planning to work or join family, a Taiwan visa is required prior to traveling. The processing fee for a Taiwan tourist/business visa is USD \$160. U.S. investors and their immediate family members may qualify for a residency visa, or a five-year, multiple-entry visitor visa with 60-day duration of stay, the fee for which is USD \$205. Visit the [Taipei Economic and Cultural Representative Office \(TECRO\)'s website](#) for the most current non-resident visa information.

Taipei Economic and Cultural Representative Office (TECRO)

4201 Wisconsin Avenue NW

Washington, DC 20016-2137

Telephone: (202) 895-1800 (Main Number)

Facsimile: (202) 363-0999 (Main Number)

Telephone: (202) 895-1814 (Consular Division)

Facsimile: (202) 895-0017 (Consular Division)

Email: [usa@mofa.gov.tw](mailto:usa@mofa.gov.tw) or [consular@tecro.us](mailto:consular@tecro.us)

For Emergencies: (202) 669-0180

TECO (Taipei Economic and Cultural Office) also has offices in Atlanta, Boston, Chicago, Denver, Guam, Honolulu, Houston, Los Angeles, Miami, New York, San Francisco, and Seattle.

### *Residents*

Resident Visas are generally issued to applicants with valid work permits or those married to Taiwan nationals. When applying for a resident visa, applicants must submit supporting documents or official letters of approval from a competent authority in Taiwan, together with completed application forms. Normally, foreign nationals submit applications through their domestic Taiwan agents, representatives, or affiliates of their firms. A resident visa does NOT automatically convey permission to work in Taiwan. To legally work in Taiwan, a foreigner must generally possess both a work permit and a resident visa. Taiwan residence visas are managed by the local Bureau of Consular affairs and work permits are issued by the Workforce Development Agency under the Ministry of Labor.

[Additional details about Taiwan visas, including current fees.](#)

Taiwan's National Immigration Agency allows passengers to fill out their immigration arrival cards online before arrival. For more information, please visit [NIA's website](#).

For additional information about renewing a U.S. passport or other services for U.S. citizens in Taiwan, please visit the [American Institute in Taiwan \(AIT\)'s website](#).

Companies that require travel of non-U.S. citizen employees to the United States should be advised that security evaluations are handled via an interagency process.

Under the Visa Waiver Program (VWP), eligible Taiwan passport holders are able to travel to the United States for tourism or business for stays of 90 days or less without obtaining a visa, if certain requirements are met. VWP travelers

must first receive travel authorization through the [Electronic System for Travel Authorization \(ESTA\)](#) (if travel by air or sea), and must meet all eligibility requirements in advance of travel.

Applicants for U.S. visas should go to the following links.

[State Department Visa Website.](#)

[U.S. Visas.](#)

E-Gate/Global Entry is a partner program between the National Immigration Agency, Taiwan (e-Gate) and the U.S. Customs and Border Protection (Global Entry) to facilitate travel. Under the e-Gate/GE program, eligible travelers can expedite their immigration clearance service without lining up at ports of entry. e-Gate members can use e-Gate at several ports in Taiwan. For more information, please visit [NIA's e-Gate website.](#)

### **Currency**

The New Taiwan Dollar (NTD) is the official currency in Taiwan. The one-dollar, five-dollar, ten-dollar, twenty-dollar, and fifty-dollar coins, and the one-hundred, two-hundred, five-hundred, one-thousand, and two-thousand dollar notes are legal tender. However, the twenty-dollar coin and the two-hundred and two-thousand NTD notes are rarely seen in circulation.

Each foreign visitor may bring up to NT\$100,000, RMB\$20,000, and US\$10,000 into or out of Taiwan, and is required to declare amounts in excess of the above to the Customs Authority when entering or departing Taiwan. Foreign currency can be exchanged at the airport as well as at authorized banks and hotels. As of February 2020, there were over 3,461 bank branches around Taiwan authorized to conduct foreign exchange.

Internationally recognized credit cards are accepted in most hotels, many restaurants, and many shops, but an international transaction fee of 1.5% is applied to the transaction value. There are approximately 30,580 automated teller machines (ATMs) throughout Taiwan, most of which participate in international ATM networks and can be found at banks, convenience stores, department stores, and MRT stations. Line Pay and Google Pay are widely accepted, but only if they are linked to a local bank account. Apple Pay is accepted if it is linked to a U.S. credit card, but the international credit card transaction fee of 1.5% still applies.

### **Telecommunications/Electronics**

Taiwan's telecommunications system is both efficient and convenient. International calls can be made from private cell phones, public International Direct Dialing (IDD) phones, or hotel IDD phones. There are five main mobile carriers in Taiwan (Chunghwa Telecom, Taiwan Mobile, FarEasTone, T Star, and Asia Pacific Telecom) that offer 4G service with preferential rates and packages. Chunghwa Telecom will be the first company to launch 5G services in the third quarter of 2020. Broadband and WiFi services are easy to procure, and free public WiFi is widely available in major cities. Nearly all hotels (not including guest houses) provide free WiFi services. Many restaurants and cafés also provide free WiFi for customers. Many 24-hour convenience stores provide free WiFi access, as well as fee-based copy and fax services.

Like the United States, Taiwan uses an electric current of 110 volts at 60 cycles. Appliances from Europe, Australia, or Southeast Asia will require an adaptor and may require a transformer depending on the electric device. Some buildings have 220-volt outlets for the use of air conditioners.

## **Transportation**

### *Air Travel*

Taiwan has two major international airports: Taoyuan International Airport (TPE) near Taipei is the primary gateway to the island, while Hsiaokang International Airport (KHH) in Kaohsiung offers regular flights to major destinations in the region. Taipei Songshan Airport (TSA), located within downtown Taipei, also offers direct flights to and from Tokyo Haneda, Seoul Gimpo and major cities in China. Taichung International Airport (RMQ) and Tainan Airport (TNN) offer some limited flights to destinations in East Asia. Minor airports throughout Taiwan offer flights between major cities and Taiwan's outlying islands.

### *Airport Pickup*

It takes between 40 minutes and one hour to drive from Taoyuan International Airport to Taipei by car or bus. Airport buses to major hotels and transportation centers in Taipei depart from the airport every 20 minutes and cost around NT\$145 (\$4.81) per person. Buses from Taoyuan International Airport to Hsinchu, Taichung, Changhua, Tainan, and Kaohsiung are also available. Travel by Mass Rapid Transit (MRT) from Taoyuan International Airport to Taipei Main Station costs NT\$150 (\$4.98) and takes around 40 minutes.

Taxis charge NT\$70 (\$2.32) for the first 1.25 kilometers and NT\$5 (\$0.16) for every 200m thereafter. A taxi ride from the airport to Taipei costs about NT\$1,100-1,400 (\$35-\$45), depending on the destination. Many large hotels offer car or shuttle services from the airport to Taipei. Such services should be requested in advance.

Kaohsiung's Hsiaokang International Airport is located 20 minutes from downtown and costs about NT\$300 (\$9.96) by taxi. Metered taxis charge a NT\$50 (\$1.66) surcharge from the international terminal with an additional NT\$10 (\$0.33) surcharge for luggage services. Several bus services are available at a low cost as well.

### *Taxis*

Taxis are widely available in Taipei and other major cities. While some taxi drivers can speak a little English, visitors are strongly advised to present taxi drivers with the address of their desired destination written in traditional Chinese. In most cities, a meter is used to calculate the fare. The basic charge is NT\$70 (\$2.32) for the first 1.25 kilometers (3/4 mile), with an additional NT\$5 (\$0.16) for every additional 200 meters. In addition, there is a NT\$5 (\$0.16) charge for every 80 seconds of waiting, and a NT\$20 (\$0.66) nighttime surcharge is added to fares between 11:00 pm and 6:00 am. Taxi services can also be booked over the telephone.

From two days before the eve of the Chinese New Year until the end of the holiday period, there is an additional surcharge of NT\$20 (\$0.66) during the day and NT\$40 during the nighttime (\$1.30).

Uber is very convenient in Taipei, and also available in other five cities, New Taipei, Hsinchu, Taoyuan, Taichung, and Kaohsiung.

### *Rail*

The Taiwan Railways Administration (TRA) operates an extensive rail network with more than 600 miles of connected track. Tickets can be conveniently purchased at ticketing kiosks, over the phone, or on the Internet.

The Taiwan High Speed Rail (HSR) travels the entire 220 miles from Taipei to Kaohsiung in 96 minutes, as opposed to the 4.5 hours by conventional rail. The one-way fare for Taipei-Kaohsiung is NT\$1,490 (\$49.48). Currently twelve stations are in operation on the HSR line along Taiwan's western corridor: Nangang, Taipei, Banqiao, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, Tainan, and Zuoying (Kaohsiung).

Taipei has six Mass Rapid Transit (MRT) lines in operation with a combined track length of 95 miles. The MRT lines form a transportation network connecting downtown Taipei with the suburban areas of Muzha, Danshui, Xindian, Tucheng, Nangang, Banqiao, Luzhou, and Xinzhuang. Kaohsiung has three MRT lines in operation going north-south, east-west, and a smaller line covering downtown.

### *Buses*

Bus services in major cities are extensive and inexpensive but can be challenging to foreign visitors. Most common map apps on smart phones, such as Google Maps and Apple Maps, incorporate bus schedule information that can make the system easier to navigate. Long-distance bus networks around the island also make it possible for people to travel virtually anywhere quickly, comfortably, and at reasonable cost.

### *Car Rental*

Chauffeured limousines may be booked through hotels or car rental companies for about NT\$9,000 (\$291.64) per eight-hour day. Standard rental cars are also available at rates starting around NT\$2,000 (\$64.81) per day. These require an international driver's license and a credit card for a deposit.

### **Language**

Mandarin is the official language in Taiwan. Southern Min, the Taiwan dialect, is also commonly spoken, especially in southern and rural areas. English is by far the most popular foreign language, and many people speak it fluently. Those working in hotels, business, or public organizations are most likely to have a good command of the language. Many elderly people, especially those educated before World War II, can also speak Japanese. Hakka and aboriginal languages are also spoken.

### **Health**

Tap water in Taiwan's major cities is drinkable. Visitors should take special care to wash all fruits and vegetables before eating. Although gastrointestinal illness is not rampant, it may be wise to avoid eating at any of the island's countless street stalls for at least the first few weeks after arrival.

There are several international-standard private and public hospitals and clinics. Taiwan also offers high-quality dental care, with most clinics being privately operated. The majority of doctors and dentists in Taiwan speak English well. Qualified foreign nationals with Alien Resident Certificates (ARCs) and their family members can apply for coverage under the National Health Insurance Program (NHIP). International visitors do not qualify for local health insurance. Foreign visitors to Taiwan should possess health insurance that covers healthcare services in Taiwan. It is also very important that foreign travelers make sure to have medical evacuation insurance, as most health insurance plans do not include this benefit.

Many Western name-brand pharmaceuticals are sold in Taiwan. In addition, a wide range of foreign and domestic over-the-counter non-prescription drugs are available. Visitors should bring a sufficient supply of medications that they might require as some specialized medications are difficult to find. Emergency medical treatment can be requested by dialing 119 from a local phone.

COVID-19 is present in Taiwan however it is very well controlled by the Taiwan CDC. Taiwan has strict rules regarding quarantine for visitors from outside Taiwan. Please visit the Taiwan CDC webpage for <https://www.cdc.gov.tw/En> for current recommendations regarding quarantine. There severe fines (up to \$30,000 USD) for anyone who breaks quarantine. For a comprehensive overview of local health resources available in Taiwan's major cities, please visit the [AIT Medical Assistance Webpage](#).

## Local Time, Business Hours, and Holidays

### *Local Time*

Taiwan is eight hours ahead of Greenwich Mean Time and 12 or 13 hours ahead of U.S. Eastern Standard Time depending on the time of year, as Taiwan does not practice daylight savings time.

### *Business Hours*

In general, business hours are 9:00 am to 5:30 pm for office workers and 8:00 am to 5:00 pm for factory workers, with a one-hour lunch break. Banks are open from 9:00 am to 3:30 pm without a lunch break. Most shops and retail stores are open daily from 11:00 am to 10:00 pm. Restaurants generally run from 11:00 am to 10:00 pm.

### Holidays

There are four major national holidays and four major festivals celebrated in Taiwan during which corporate and government offices are closed. Dates for the four festivals – Chinese Lunar New Year, Tomb-Sweeping Festival, Dragon Boat Festival, and Mid-Autumn Festival – are based on the lunar calendar and may vary each year.

Holidays	Dates in 2020
New Year's Day	January 1
Chinese Lunar New Year	January 23-29
Peace Memorial Day	February 28
Children's Day and Tomb-Sweeping Day	April 3-4
Dragon Boat Festival	June 25
Mid-Autumn (Moon) Festival	October 1
Double Tenth/National Day	October 10

## Temporary Entry of Materials or Personal Belongings

Personal belongings and household articles (excluding controlled or restricted articles) carried by inbound passengers may be granted duty exemption as follows:

- Each person aged 20 and up may bring in alcoholic beverages (1,000 cc or less without limitation on the number of bottles), plus 200 cigarettes, 25 cigars, or one pound of tobacco.
- Articles already owned and used by the passenger abroad (not including alcoholic beverages and cigarettes), the customs value of which does not exceed NT\$10,000 (\$330) for each piece.
- Other articles for personal use (not including the articles mentioned above) if their total customs value does not exceed NT\$20,000 (\$660) for each passenger.

Samples carried by inbound passengers may be granted duty exemption if the total customs value does not exceed NT\$12,000 (\$396). Duty, commodity tax and value-added tax will be imposed on articles imported in excess of the exemption limit. More information can be found [on the Taiwan customs website](#).



## **Political Environment**

For background information on the political and economic environment of Taiwan, please read the [U.S. Department of State Background Notes](#).

*Prepared by our U.S. Embassies abroad (and in Taiwan, by the American Institute in Taiwan). With its network of 108 offices across the United States and in more than 75 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://export.gov/usoffices>.*