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Report Highlights:

Retail food outlets in Taiwan are comprised of convenience stores, supermarkets, and hypermarkets, which generated $32.4 billion worth of sales in 2021, a 2.2 percent growth from 2020. The United States continues to be the leading supplier of consumer-oriented food and agricultural products to Taiwan with popular products such as beef and fresh fruit taking over 30 percent of total market share. Due to Taiwan's pandemic alert from May to July 2021 that curtailed non-essential activities, supermarket, hypermarket, and e-retail sales increased while convenience store sales stagnated.

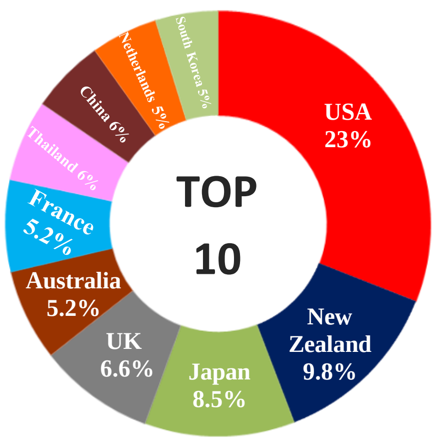
TAITAIWAN FACT SHEET

Executive Summary

With a population of 23.6 million, Taiwan is the United States' sixth largest trading partner in agricultural goods and fifth largest overall U.S. trading partner. In 2021, the United States exported $3.93 billion in agricultural and related products to Taiwan, which accounted for 21.8 percent of the island's total import market, making the United States the leading foreign supplier.

Imports of Consumer-Oriented Products

In 2021, Taiwan imported nearly $1.9 billion worth of consumer-oriented agricultural products from the United States. The United States has a leading 23 percent market share in this category.



Food Processing Industry

The food processing industry is composed of 7,369 manufacturers that produced almost $23 billion of processed food and beverages in 2021. This production accounts for approximately 3.4 percent of gross domestic product (GDP). Consumers' preference for convenience and a growing interest in food health and safety have influenced the industry to develop easy-to-prepare meals, healthier options, clean labels, and other initiatives.

Food Retail Industry

Taiwan's food and beverage retail sales reached $10.2 billion in 2021, which grew 1.8 percent from the previous year. Taiwan has the world's second highest density of convenience stores with over 10,000 stores island-wide. E-retail is also booming with supermarkets collaborating with food delivery services such as UberEats to deliver fresh food and agricultural products.

Food Service Industry

2021 food service revenue in Taiwan dropped by 6.4 percent due to the temporary dine-in ban caused by the COVID pandemic. Sales spiked in December by 7.1 percent and are expected to continue to rise in 2022.

2021 Consumer-Oriented Products Imported from U.S.

$1.9 billion

Products with Potential Growth in Host Market

Beef	Poultry
Milk & Cheese	Fresh Fruit
Tree Nuts	Fresh Vegetables
Seafood	Pet Food
Plant Protein	Coffee, Roasted

2021 Food Industry by Channel (Billions USD)

Food and Agricultural Imports	$18.0
Food and Agricultural Exports	$5.9
Food Industry Output	$22.9
Retail	$10.2
Food Service	$26.0

Population (millions): 23.6

GDP (Billions USD): 753.7

GDP Per Capita (USD): 32,917

2021 Economic Growth Rate: 6.45%

Average 5-year Economic Growth Rate: 3.8%

Exchange rate: 1 USD = 28.02 NTD

Source: Department of Statistics, Taiwan Ministry of Economic Affairs

SWOT

Strength	***Weakness***
United States is the market leader in consumer-oriented products, which continue to show robust growth.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products.
Opportunity	***Threat***
There is increasing growth of fast-food chains and casual dining restaurants, boosting consumption of food ingredients.	The low-tariff advantage from those competitors signing potential FTAs with Taiwan could dampen importers' interest in purchasing U.S. products in the future.

SECTION I. MARKET SUMMARY

Taiwan Retail Sector Overview and Sales Trends

Sales generated by Taiwan's retail outlets, including supermarkets, convenience stores, hypermarkets, and others totaled $32.4 billion in 2021, an increase of 2.2 percent from 2020 sales of $31.7 billion. Supermarket sales experienced the strongest annual growth out of all other retailers at 7.7 percent, followed by hypermarket sales growth of 6.5 percent. Convenience store sales were stagnant due a mid-2021 COVID outbreak that led the Taiwan government to raise the pandemic alert from May to the end of July 2021, discouraging non-essential activities. The alert dramatically decreased the number of commuters, who are the main shoppers in convenience stores.

Annual Sales of

Convenience Stores/Hypermarket/ Supermarkets/Others

	2019 (U.S.$ billion)	2020 (U.S.$ billion)	2021 (U.S.$ billion)	2021 (Growth Rate)
Supermarkets	7.0	7.8	8.4	7.7%
Convenience Stores	11.2	12.2	12.2	0%
Hypermarkets	7.1	7.7	8.2	6.5%
Others	5.7	4.0	3.6	-10%
Total	31.0	31.7	32.4	2.2%

Source: Ministry of Economic Affairs, Department of Statistics

According to the Ministry of Economic Affairs, Taiwan's food and beverage industry generated $22.77 billion of sales in 2021, which grew 7.2 percent from $21.3 billion in 2020. Within that figure, the retail sector generated $9.6 billion, which grew 1.8 percent from $9.46 billion in 2020. Observers note that although the pandemic continues to impact Taiwan, demand for food and beverage products remain strong and increasing.

COVID-19 Impacts on Taiwan Economy and Retail Sector

In 2021, the COVID pandemic's effect on Taiwan remained comparatively mild compared to the rest of the region. Dine-in services were temporarily banned in the summer, which increased consumer demand for shelf-stable food products as well as food ingredients to cook at home.

In Q2 2022, COVID cases surged from hundreds per day to tens of thousands after the central government deliberately decided to end Taiwan's Zero Covid strategy. Due to Taiwan's high rate of vaccination, the vast majority of cases have been mild and Taiwan's health care system has been able to withstand the initial wave of infections. Although the alert level has not been raised, the public has reduced dining out and in country travel without prompting. Some businesses have adopted telework to reduce physical interactions. Restaurants, bars, and hotels are thus negatively impacted while e-retail soars in popularity.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among consumers.	U.S. food products are not always price competitive in the Taiwan market.
The growing modern retail industry is looking for new imported food products.	Consumers are highly price-sensitive in general and offering competitive pricing and differential products remains a challenge for all retailers.
Consumers are increasingly health conscious and tend to be less concerned about cost when shopping for natural and organic foods.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan requirements/consumer preferences.
The popularity of American holidays and culture/lifestyle leads to promotional events organized around these themes by restaurants and hotels throughout the year.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products to importers/end users.
There is a wide variety of U.S. food products available to consumers.	Consumers maintain a preference for "fresh" food products over "frozen."
Consumers are brand-conscious, and America is a leader in food brands that set trends.	Competition from agricultural and food exporters from countries with an FTA with Taiwan.
Increasing growth of fast food chains and casual dining restaurants is a key to industry growth.	Numerous food regulations and standards are not in line with U.S. or international standards.

SETTION II. ROAD MAP FOR MARKET ENTRY

Taiwan consumers are social media savvy and seek out new opportunities, experiences, and products to share on platforms such as LINE, Instagram, and Facebook. Social media promotions can be an incredibly effective means to target, inform, and expand a customer base in Taiwan. ATO Taipei provides direct consumer information and content via our United Tastes in Taiwan Facebook and Instagram accounts.

Small-to-medium sized potential exporters can work with the appropriate U.S. State Regional Trade Group (SRTG) to take advantage of the SRTG's resources for marketing and promotion support in Taiwan.

State Reginal Trade Groups	Website	States
Food Export – Northeast	https://www.foodexport.org/about/food-export-northeast	Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
Food Export – Midwest	https://www.foodexport.org/about/food-export-midwest	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
Southern U.S. Trade Association (SUSTA)	https://www.susta.org/	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Puerto Rico, Virginia, West Virginia
Western U.S. Agricultural Trade Association (WUSATA)	https://www.wusata.org/	Alaska, Arizona, American Samoa, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming

Additionally, trade shows are excellent venues for U.S. exporters to make contacts with potential business partners, conduct product introductions, and gauge buyers' interest. ATO Taipei organizes a USA Pavilion at the annual Taipei International Food Show, the largest food show in Taiwan, as well as a U.S.-themed reception to help build new business relationships with local importers, traders, wholesalers, and retailers. The show is held annually in June; in 2022 from June 22-25.

SETTION III. COMPETITION

Convenience Stores

Convenience stores play a huge part of Taiwan consumers' everyday life. There is one convenience store for every 1,800 people in Taiwan, the second highest ratio in the world after South Korea. Convenience stores in Taiwan run 24-7 and offer a wide range of goods and services, including freshly brewed coffee and teas, tuition, utilities, and other bill payment collection, printing and faxing, transportation (e.g. trains) and entertainment (e.g. concerts) tickets, and e-retail package pick-ups.

Retailers are constantly opening new stores with the total store count growing 11 percent from 11,493 stores in 2020 to 12,800 stores in 2021. They suggest the market will not be saturated and forecast further growth thanks to new features constantly integrated into the stores, such as booth spaces for teleworking, membership systems for exclusive products, and dry-cleaning services.

Major Convenience Stores Profile

Name	2021 Sales (U.S.$ billion)	Year Established	No. of Outlets (2021)	Locations	Purchasing Agent Type
7-Eleven 7-11.com (English)	8.9	1978	6,432	Nationwide	Direct, importer, wholesaler, agent
Family Mart Family.com (English)	2.3	1988	4,000	Nationwide	Direct, importer, wholesaler, agent
Hi-Life Hilife.com (English)	0.7	1989	1,538	Nationwide	Direct, importer, wholesaler, agent
OK Mart OKmart.com (Chinese)	0.3	1988	830	Nationwide	Direct, importer, wholesaler, agent

Hypermarkets

In 2021, hypermarket sales in Taiwan soared due to consumers stockpiling goods in anticipation of COVID-19 impacts. One example of this phenomenon is that sales revenue at the Costco store in central Taiwan outperformed every other store in the world, a reflection of Taiwan consumers' incredible buying power.

In terms of sales generated, foreign operators, including Carrefour and Costco, continue to dominate the Taiwan market and hold more than 50 percent of the total market share. Their outstanding performance can be attributed to their unique selections of American and European products. Carrefour recently acquired Wellcome supermarket (262 stores, renamed Carrefour supermarket) and Jason's Market Place supermarket (25 stores, renamed Mia C'bon) while PX Mart supermarket acquired RT-Mart hypermarket (21 stores). Both retailers now own respective super and hypermarket stores and are in fierce competition to dominate the market.

Major Hypermarket Company Profile

Retailer	2021 Sales (U.S.$ billion)	Year Established	No. of Outlets (2021)	Locations	Purchasing Agent Type
Costco Costco.com (English)	3.4	1997	14	Island-wide	Direct, importer, wholesaler, agent
Carrefour Carrefour.com (Chinese)	3.0	1989	HM: 66 SM: 262	Island-wide	Direct, importer, wholesaler, agent
A-Mart Fe-amart.com (Chinese)	0.5	1990	15	Island-wide	Direct, importer, wholesaler, agent

Supermarkets

PX Mart dominates the supermarket market share in Taiwan with over a thousand locations locally. It has teamed up with delivery services such as UberEats and FoodPanda to provide grocery delivery services to combat the pandemic. PX Mart has the widest range of products out of all the other competition, including organic produce and plant-based protein. Meanwhile, Simple Mart is taking a different approach and opening new shops in residential areas to better cater to local communities.

Major Supermarket Store Profile

Retailer Name	2021 Sales (U.S.$ billion)	Year Established	No. of Outlets (2021)	Locations	Purchasing Agent Type
PX Mart PXmart.com (Chinese)	5.4	1997	SM: 1,133 HM: 21	Nationwide	Direct, importer, wholesaler, agent
Simple Mart Simplemart.com (Chinese)	0.5	1997	800	Nationwide	Direct, importer, wholesaler
Taiwan Fresh Supermarket Supermarket.com (Chinese)	0.2	1975	50	Central Taiwan	Direct, importer, wholesaler, agent
Mia C'bon (Formerly Jasons Market Place) Miacbon.com (English)	-	2022	25	Nationwide	Direct, importer, wholesaler, agent

Other than the major supermarket chains, there are also high-end supermarket stores such as CitySuper (8 stores) and Breeze Super (3 stores) that exclusively operate in department stores. These supermarkets provide exotic and foreign products, 80 percent of them imported, to consumers who are willing to pay premium prices.

E-retail

Taiwan's e-retail flourished in 2021 due to its appeal to Taiwan consumers who were trying to minimize physical contact during the pandemic. 7-Eleven and Carrefour run e-retail websites while A-Mart teamed up with the popular online shopping platform Shoppee to deliver groceries. The two biggest e-retailers in the market are PChome and Momo, which offer a wide selection of products, exclusive deals, coupon codes, credit discounts, and free shipping. Although e-retail is steadily growing over the years, sales figures show that its performance does slowly return to normal at low points of the pandemic.

Major E-retail Profile

Retailer Name	2021 Sales (U.S.$ billion)	Year Established	Purchasing Agent Type
Momo Shop Momoshop.com (Chinese)	3.0	2004	Direct, importer, wholesaler
PChome Shopping.pchome.com (Chinese)	1.6	2008	Direct, importer, wholesaler

Top Taiwan Imports of Consumer-Oriented Products and Competition – 2021

(Amount in U.S. $ million, Market share in %)

Product Category	Gross Imports	1st Supplier	2nd Supplier	USA
Consumer oriented total	8,392	USA 1,933 (23%)	New Zealand 826 (10%)	1,933 (23%)
Beef	1,211	USA 627 (52%)	Australia 194 (16%)	627 (52%)
Dairy	1,030	New Zealand 387 (38%)	USA 127 (12%)	127 (12%)
Soup and food preparation	814	USA 304 (37%)	Japan 103 (13%)	304 (37%)
Distilled spirits	741	UK 522 (70%)	France 111 (15%)	6 (1%)
Fresh fruit	734	USA 218 (30%)	New Zealand 193 (26%)	218 (30%)
Processed vegetables	499	Thailand 164 (33%)	USA 84 (17%)	84 (17%)
Bakery goods, cereals, pastas	347	Japan 80 (23%)	South Korea 59 (17%)	24 (7%)
Wine	285	France 143 (50%)	USA 27 (10%)	27 (10%)
Tobacco	248	Netherlands 79 (32%)	South Korea 48 (19%)	0.2 (0.08%)
Pet food	226	Thailand 75 (33%)	USA 51 (23%)	51 (23%)

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS

The United States has always been the dominant exporter of retail products to Taiwan. In 2021, Taiwan imported $1.9 billion worth of U.S. consumer-oriented food and agricultural products, taking 23 percent of the total market share. Following closely is New Zealand, which has a free trade agreement with Taiwan, signed in 2013, that eliminates various food and agricultural product tariffs over a 12-year implementation period.

With their strong purchasing power of over $32,000 per capita GDP, Taiwan consumers enjoy new and high-quality products, especially those from the United States, Europe, Japan, and South Korea. Social media such as Instagram, TikTok, and YouTube are popular in the market that consumers utilize to follow global trends.

Fastest Growing Taiwan Imports of Consumer-Oriented Products – 2021

(Amount in U.S.$ million, Growth rate percent)

Product category	2021 Gross imports (Growth rate from 2019)	2021 Imports from U.S. (Growth rate from 2019)
Wine	285 (21%)	27 (20%)
Tree nuts	208 (21%)	80 (18%)
Chocolate	150 (21%)	33 (22%)
Non-alcoholic beverages	100 (20%)	11 (1%)
Bakery goods, cereals, pastas	347 (19%)	24 (7%)
Fresh fruit	734 (18%)	218 (8%)

SECTION V. POST CONTACT AND FURTHER INFORMATION

Please contact FAS offices for questions and assistance.

For Trade Policy/Market Access and General Agricultural Issues contact Agricultural Affairs Office at:

Office Hours: 8:00 AM – 5:00 PM
Telephone: (011-886-2)2162-2238
Fax: (011-886-2)2162-2316
Email-FAS: agtaipei@usda.gov

For Market Development Assistance contact the Agricultural Trade Office at:

Office Hours: 8:00 AM – 5:00 PM
Telephone: (011-886-2)2705-6536
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Attachments:

No Attachments