

Taiwan

An overview on economy and business environment



Taiwan (Republic of China) is an island in the Western Pacific Ocean between Japan and the Philippines off the southeast coast of China, from which it is separated by the Taiwan Strait.

Taiwan occupies an important position in the global economy. It is a top player in the world's information and communication technology industry as well as a major supplier of industrial goods. According to the World Trade Organization, Taiwan was the 18th largest exporter and 17th largest importer of merchandise in 2018.

Under the New Southbound Policy, Taiwan is reinforcing ties across the board with the 10 Association of Southeast Asian Nations member states, six South Asian countries, Australia and New Zealand.



Taiwan has a dynamic capitalist economy that is driven largely by industrial manufacturing, and especially exports of electronics, machinery, and petrochemicals. This heavy dependence on exports exposes the economy to fluctuations in global demand. After enduring the global financial crisis of 2009, Taiwan's export-oriented economy suffered again in 2015, mainly due to the weak global demand for consumer electronics products and to falling price of crude oil.

The situation has improved since 2016, and statistics indicate that in 2018 Taiwan's overall exports and imports increased by 5.9 percent and 10.4 percent respectively, while its economy expanded 2.63 percent.

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Annual surveys of the world's economies, including those conducted by the World Economic Forum, Business Environment Risk Intelligence and the Economist Intelligence Unit, have ranked Taiwan among the top nations year after year with respect to long-term growth and technological development.

Since May 2016, Taiwan has adopted the New Model for Economic Development. The New Model for Economic Development prioritizes the promotion of the five-plus-two industrial innovation program. These are the five emerging and high growth sectors of biotech and pharmaceuticals, green energy, national defense, smart machinery and Internet of Things, as well as two core concepts: the circular economy and a new paradigm for agricultural development. Also comprising the Asia Silicon Valley development plan in northern Taiwan's Taoyuan City, the initiative seeks to cultivate core drivers of future growth.

This seeks to boost growth by promoting innovation, increasing employment and ensuring the equitable distribution of economic benefits. Under the model, Taiwan is striving to strengthen global and regional connections through initiatives such as the New Southbound Policy, which aims to diversify the nation's international markets by expanding links with ASEAN member states, as well as South Asia, Australia and New Zealand.



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Taiwan will continue monitoring the development of regional economic integration and seek all possible opportunities for participation.

Taiwan's top export products are: Electrical machinery, equipment (43% of total exports), Machinery including computers: (12.1%), Plastics, plastic articles: (6.7%), Optical, technical, medical apparatus (4.8%); Mineral fuels including oil (4.1%), Organic chemicals (3.4%), Iron, steel (3.1%); Vehicles: (3%), Articles of iron or steel (2.6%), Copper: (1.5%).

Taiwan's top export trading partners are: China, Hong Kong, United States, Japan, Singapore, South Korea, Vietnam, Malaysia, Philippines, Germany, Thailand, Netherlands, United Kingdom, India and Australia.

Taiwan's top import products are: Mineral fuels including oil (18% of total imports), Iron, steel (3.3%), Organic chemicals (3.7%), Electrical machinery, equipment: (26.3%), Vehicles: (3%), Plastics, plastic articles (2.7%), Optical, technical, medical apparatus: (4%), Other chemical goods: (2.3%), Machinery including computers (12.3%), Copper (2%).

Taiwan's top import countries are: China, Japan, United States, Sout Korea, Germany, Australia, Malaysia, Saudi Arabia, Singapore, Indonesia.

In order to build profitable business partnership with Taiwanese companies it is important to have an in-depth knowledge of the companies and of the local business regulatory environment. Only the most trusted and expert local business information providers are able to collect in depth and exhaustive information on Taiwanese companies.



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TCCIS China Credit Information Services' team of expert analysts can offer the most reliable and complete company credit reports through SkyMinder.

CCIS can access all the local business information sources to collect every important details about the companies.

The main local sources are: MOEA, the Bureau of Foreign Trade, Public records, Industrial and development bureau, Dept. of Land Administration. All the information gathered from these sources is enriched and completed by own data of CCIS publications and by interviews to the enquired companies.



All CCIS reports available on SkyMinder include the following information on enquired companies:

- All Identification, contact and registration details
- A Credit rating and a credit limit. Credit scoring is also compared to the industry one.
- Negative news records
- Payment records
- Bidding forbidden records
- Public litigations records
- Mortgage Of Tangible Assets Records
- Watch List
- Historical and legal events
- Financial accounts when available (In Taiwan, only companies listed on stock exchange are required to disclose the FS; for SMEs, it is not necessary to disclose their financials.)
- Directors

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- Shareholders if available: Due to the Personal Information Protection Law, the information about the shareholders does not go public in Taiwan and it is only available in our reports under following two conditions: 1. Major shareholder of a listed company who holds more than 10% shares. 2. The directors or supervisors of the company who hold the shares.
- Activity, branches, subsidiaries
- Import/export data
- Bank connection
- Real estate
- News and press

CCIS on SkyMinder is also able to deliver the following reports:

KYC report: a report focusing on the shareholding structure of the company.

Due Diligence Field Visit Report: these reports include an in-depth and complete description of the company premises thanks to the on-site visit made by CCIS analysts.

Sources: <https://www.britannica.com/>; <https://www.cia.gov/library/publications/the-world-factbook/geos/tw.html>; <https://www.taiwan.gov.tw/>; <https://www.indexmundi.com/>; <https://country.eiu.com/taiwan>; <http://www.worldstopexports.com/taiwans-top-exports/>