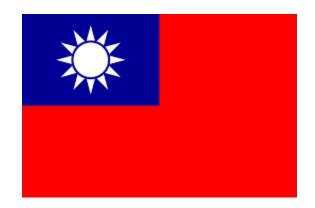
B.C. MINISTRY OF AGRICULTURE

# MARKET GUIDE FOR B.C. AGRIFOOD AND SEAFOOD EXPORTERS

# TAIWAN







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# **SECTION 1: INTRODUCTION**

The purpose of this guide is to assist B.C. agrifood and seafood exporters targeting the Taiwanese market by informing them about key topics such as: the Taiwanese business environment; key regulatory agencies; finding and assessing buyers; distribution channel options; social and business customs; and the development and maintenance of relationships in Taiwan. The following table summarizes the key information in this guide:

|                          | Taiwan is strategically located within the Asia Pacific region.  |
|--------------------------|--|
|                          | • It has become one of the world's leading economies primarily due to its manufacturing and exporting  |
|                          | of high-tech goods.  |
|                          | • Its GDP is the 19th largest in the world in terms of purchasing power yielding high disposable income  |
| Introduction             | for the population. Increasing wealth is resulting in a growth in consumption including demand for   |
| to the                   | foreign imports  |
| Taiwanese                | <ul> <li>The food and drink sector is the fifth largest industry in Taiwan and one of the market's fastest-</li> </ul>   |
| market                   | growing sectors. Local supermarkets, hypermarkets, and convenience stores are increasing ranges of   |
|                          | imported foods to meet demand and in the face of a shrinking domestic supply.  |
|                          | <ul> <li>Potential areas of opportunity for food and drink are linked to entertainment and convenience</li> </ul>  |
|                          | product ranges that can also follow the healthy trend in food services.  |
|                          | <ul> <li>Exporters new to the market are advised to appoint agents or brokers (many are former customs</li> </ul>  |
|                          | agents) who can help you ensure compliance with market regulations and procedures.   |
|                          | <ul> <li>Always verify requirements with your chosen importer as well as with Canadian officials at the</li> </ul>   |
| Market                   | <u>Canadian Food Inspection Agency (CFIA) and Canada Border Services Agency (CBSA)</u> before shipping.  |
| Readiness                | <ul> <li>Key Taiwanese agencies involved in the import/export of agrifood and seafood products include: the</li> </ul>   |
| Reduiness                | Taiwan Food and Drug Administration (TFDA); the Bureau of Animal and Plant Health Inspection and   |
|                          | Quarantine (BAPHIQ); the Bureau of Foreign Trade (BOFT); and the Customs Administration (CA).  |
|                          | <ul> <li>Taiwanese law includes strict requirements on the labelling of packaged food products.</li> </ul>   |
|                          |  |
|                          | Direct sales into the Taiwanese market are not common as retailers prefer to source products through     least important to a data the market through least husinese partners who already have |
|                          | local importers. Exporters tend to enter the market through local business partners who already have   |
|                          | distribution chains and can provide locally-based support.   |
| Selling to               | • With one of the most advanced internet networks in Asia, the Taiwan market represents a significant  |
| Taiwan                   | e-commerce opportunity for some exporters.   |
|                          | • Food exhibition shows, developing online content, visiting the country and utilizing in-market   |
|                          | resources can assist companies to develop consumer and importer demand for their products.   |
|                          | Corruption is not widespread. Nonetheless, due diligence should be conducted prior to signing  |
|                          | contracts and establishing formal relationships.   |
|                          | • Third party introductions are helpful ways to initiate business but are not a prerequisite as Taiwanese  |
|                          | business people are used to dealing with many international inquiries.   |
|                          | Your Taiwanese counterparts will want to establish strong connections with you before even   |
| Building                 | discussing potential business deals. Therefore, you ought to prioritize face-to-face meetings and social   |
| Relationships            | events.  |
| in Taiwan                | Mandarin is the official language. Taiwanese is also commonly spoken while English is the most   |
| in raiwan                | popular foreign language. Assess whether you will need an interpreter for your negotiations  |
|                          | depending on your counterpart's English capabilities.  |
|                          | <ul> <li>Negotiations with Taiwanese counterparts require patience and tolerance.</li> </ul>   |
|                          | • Established relationships require ongoing maintenance through regular contact and reciprocal visits.   |
| Export                   | <u>Canadian Trade Commissioners</u> are located in Taipei while <u>BC Trade and Investment Representatives</u>   |
| Export                   | have four offices in mainland China.   |
| Support and<br>Resources | • Exporters should make themselves aware of cost-sharing programs and promotional support provided   |
| Resources                | by provincial and federal agencies and organization.   |

# 2.1 - TAIWAN'S ECONOMIC ENVIRONMENT

Taiwan is a small island nation with a population of 23 million people and an advanced economy based on manufacturing and tertiary services. Taiwan is has the 26<sup>th</sup> largest national economy in the world and ranked 15<sup>th</sup> out of 189 economies in the World Bank's latest <u>Ease of Doing Business Index</u>. Despite the strength of the Taiwanese economy, there are some challenges in terms of a lack of infrastructure and a reliance on export-led growth which leaves the country vulnerable to global economic downturns. To reduce such vulnerability Taiwan has begun diversifying its trade markets by initiating and growing trade relations with Southeast Asia where previously its main trade partners were Japan, the US and Europe. Taiwan's future development will continue to focus on high technology and services with agriculture remaining a minor player. Therefore, Taiwan will continue to rely on agrifood imports to meet its domestic food requirements, and represents an attractive market opportunity.

# 2.2 - TAIWAN'S AGRIFOOD AND SEAFOOD SECTOR

Agriculture contributes just 3% to the national GDP and employs 5% of the population. Although virtually all farmland is intensely cultivated, limitations exist as only one-quarter of Taiwan's land area is arable. As a result, domestic production is insufficient and Taiwan relies heavily on imported agrifood and seafood products. Recently, government policies have been introduced to develop the agriculture sector to be more competitive, modern and environmentally sustainable. Farmers are encouraged to grow soybeans, wheat, and corn, which are more profitable in the current context of an overproduction of rice; other farmers are switching their focus from crop cultivation to agricultural tourism, floriculture, and organic farming.

# 2.3 - TAIWAN'S AGRIFOOD AND SEAFOOD IMPORTS

In 2017, total exports of agriculture and seafood to Taiwan from Canada totalled over \$350 million, which represents an increase of 40% over the in value exported in 2014. Over the same timeframe Taiwan's total agriculture and seafood imports from the world increased by 21%. Canadian companies were able to slightly increase their share of the Taiwanese market in this time. As shown in the following table, from 2014 to 2017 China increased the value of agrifood and seafood exports to Vietnam by 44% and increased their market share by 18% (from comprising 5% of all Taiwanese agrifood and seafood imports in 2014 to 6% in 2015). Other winners in the sector included France (25% increase in market share), the UK (24%) and Vietnam (10%).

| Country     | Value of Exports (\$ Millions) |       | Market Share |       |       |          |
|-------------|--------------------------------|-------|--------------|-------|-------|----------|
| Country     | 2014                           | 2017  | %-Change     | 2014  | 2017  | %-Change |
| USA         | 3,707                          | 4,363 | 77.7%        | 26.6% | 25.8% | -3.1%    |
| China       | 729                            | 1,048 | 43.7%        | 5.2%  | 6.2%  | 18.3%    |
| Brazil      | 1,056                          | 1,022 | -3.2%        | 7.6%  | 6%    | -20.3%   |
| New Zealand | 776                            | 948   | 22.2%        | 5.6%  | 5.6%  | 0.6%     |
| Australia   | 789                            | 912   | 15.6%        | 5.7%  | 5.4%  | -4.8%    |
| Japan       | 995                            | 862   | -13.3%       | 7.1%  | 5.1%  | -28.6%   |
| Thailand    | 628                            | 821   | 30.7%        | 4.5%  | 4.8%  | 7.6%     |

Table 1: Value of Agrifood and Seafood Exports to Taiwan, Top 10 Supplying Countries 2014-17

| France                     | 417 | 631 | 51.4% | 3%   | 3.7% | 24.7% |
|----------------------------|-----|-----|-------|------|------|-------|
| United Kingdom             | 417 | 630 | 51%   | 3%   | 3.7% | 24.3% |
| Vietnam                    | 323 | 429 | 33.1% | 2.3% | 2.5% | 9.6%  |
| Canada (13 <sup>th</sup> ) | 250 | 350 | 39.7% | 1.8% | 2.1% | 15.1  |
|                            |     |     |       |      |      |       |

Source: International Trade Centre Trade Map. Accessed March 2018.

The following table describes the class (by 2-digit HS code) of agrifood and seafood products that, for each of the top supplying countries, achieved the highest rate of growth in value of exports to Taiwan between 2014 and 2017.

# Table 2: Largest Percentage Increases in Exports,by 2-digit HS Code for Top 10 Supplying Countries, 2014-17

| Country                    | Product (by HS Code), Growth Rate in Value of Exports 2014-17                                     |
|----------------------------|---|
| USA                        | Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage (172%) |
| USA                        | Edible vegetables and certain roots and tubers (56%)  |
|                            | Cereals (342%)  |
| China                      | Products of the milling industry; malt; starches; inulin; wheat gluten (325%)                     |
|                            | Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates (153%)   |
|                            | Sugars and sugar confectionery (3,902%)   |
| Brazil                     | Residues and waste from the food industries; prepared animal fodder (345%)                        |
|                            | Lac; gums, resins and other vegetable saps and extracts (107%)                                    |
| New Zealand                | Edible vegetables and certain roots and tubers (156%)<br>Miscellaneous edible preparations (117%) |
| New Zealand                | Vegetable plaiting materials; vegetable products not elsewhere specified or included (83%)        |
|                            | Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage (813%) |
| Australia                  | Preparations of vegetables, fruit, nuts or other parts of plants (557%)                           |
|                            | Live animals (153%)   |
|                            | Meat and edible meat offal (430,567%)   |
| Japan                      | Live animals (193%)   |
|                            | Coffee, tea, maté and spices (167%)   |
|                            | Vegetable plaiting materials; vegetable products not elsewhere specified or included (1,014%)     |
| Thailand                   | Dairy produce; birds' eggs; natural honey; other edible products of animal origin (134%)          |
|                            | Fish and crustaceans, molluscs and other aquatic invertebrates (78%)                              |
| France                     | Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit (114%)<br>Cereals (113%)   |
| France                     | Animal or vegetable fats and oils and their cleavage products (101%)                              |
|                            | Animal or vegetable fats and oils and their cleavage products (101%)                              |
| United                     | Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit (439%)                     |
| Kingdom                    | Tobacco and manufactured tobacco substitutes (313%)   |
|                            | Tobacco and manufactured tobacco substitutes (819%)   |
| Vietnam                    | Miscellaneous edible preparations (548%)  |
|                            | Edible vegetables and certain roots and tubers (87%)  |
|                            | Cocoa and cocoa preparations (229%)   |
| Canada (13 <sup>th</sup> ) | Coffee, tea, maté and spices (180%)   |
|                            | Live animals (129%)   |

Source: International Trade Centre Trade Map. Accessed March 2018.

In 2016, agrifood and seafood exports from BC to Taiwan were concentrated among the top 5 commodities. Food preparations for manufacturing & natural health products, cherries, salmon, pork products and wine were responsible for 73% of the total value of all BC agrifood and seafood exports to Taiwan in 2016.

| Commoditu   | Value of Exports (\$ Millions) |      |      | 2015-2016 |
|---|--------------------------------|------|------|-----------|
| Commodity   | 2014                           | 2015 | 2016 | %-Change  |
| Food preparations for manufacturing & natural health products | 5.3                            | 6.1  | 8.3  | 37%       |
| Cherries  | 4.9                            | 6.4  | 7.4  | 15%       |
| Salmon  | 1.9                            | 4.6  | 6.8  | 48%       |
| Pork Products   | 7.9                            | 7.5  | 4.3  | -43%      |
| Wine  | 0.1                            | 0.3  | 2.2  | 656%      |
| Total top 5   | 20.1                           | 24.8 | 29.0 | 17%       |
| Rest of Products  | 22.3                           | 15.6 | 10.6 | -32%      |
| Total –<br>All Agrifood & Seafood exports to Taiwan           | 42.4                           | 40.4 | 39.6 | -2%       |

#### Table 3: Top 5 BC Agrifood and Seafood Exports to Taiwan, 2014-16

Source: CATSNET. Accessed February 2018.

#### 2.4 – CULINARY CULTURE, CONSUMER LIFESTYLE AND CONSUMER EXPECTATIONS

- Time-pressed Taiwanese consumers prefer to eat out or buy ready-to-eat products or packaged foods.
  - Fewer Taiwanese people regularly prepare meals at home.

#### > Convenience stores are popular outlets for food products in Taiwan

- With one of the highest concentrations of convenience stores per capita in the world, the average Taiwanese resident lives within one block of a convenience store.
- The popularity of traditional super and hypermarkets has been affected by consumers who prefer to shop multiple times per week due to space constraints for food storage at home.
- Consumers can pay a child's college tuition, purchase train tickets, arrange an overnight delivery, buy oven-prepared food, fresh-cooked food, microwavable meals and bakery products all in their local convenience stores.

#### > The Taiwanese population has become increasingly more health conscious.

- In response, small grocery operators, hypermarkets, and supermarkets are bringing in more health and wellness products.
- Consumers are often ready to pay more for products that claim to boost health and weight loss.
- The demand for organic foods has increased.

#### > Taiwan is among the world leaders in e-commerce penetration.

- Taiwanese consumers prefer convenience, ample information, and affordability when shopping online.
- An estimated one-third of Taiwanese consumers have purchased groceries online and over half has signalled willingness to do so.
- > Taiwanese consumers favour smaller volumes and innovative packaging design.
  - Taiwan is densely populated with a high cost of housing. Homes tend to be small by Canadian standards and people tend to keep a low inventory of food. They prefer smart packaging design and small volumes.

## **2.5 – MARKET INTELLIGENCE**

As with any market, prior to expanding sales to Taiwan, you will need to conduct market research specific to your product line. In addition to answering any specific questions you might have, good market research allows you to:

- Determine if there is a potential market for your product;
- Understand the strategy, strengths and weaknesses of your major competitors;
- Strategize how best to position your product (e.g. price, packaging, value proposition) and leverage the highest potential competitive advantage;
- Minimize the risk of making a poor investment decision.

The following approaches and sources can be used to gather market information:

- > Consult with government agencies and industry and trade associations in your sector.
  - These could include: <u>Canadian Trade Commissioners</u>, <u>Agriculture and Agrifood Canada</u>, <u>Small</u> <u>Business BC</u>, <u>Global Affairs Canada</u>, and chambers of commerce including the <u>Canadian</u> <u>Chamber of Commerce in Taiwan</u>.
- Conduct online research for available material. Many of the following resources provide marketspecific information free of charge, but there may be a fee to access larger quantities of intelligence or information that is particularly valuable or hard to come by.
  - <u>Canada Business Network</u> is a hub for the Canadian export market that includes links to market and sector information, trade statistics and sources of trade leads and potential partners.
  - <u>CIA World Factbook</u> is a reference resource with almanac-style information about the countries of the world. It provides summaries of the demographics, geography, communications, government, economy, and military of most of the countries of the world.
  - <u>Economist Intelligence Unit</u> is the research and analysis division of The Economist Group and world leader in global business intelligence.
  - <u>Food and Agriculture Organization of United Nations (Statistics Division)</u> is a source of knowledge and information related to agriculture, forestry and fishery.
  - <u>Global Trade Tracker (GTT)</u> offers original trade statistics from the world's principal trading countries.
  - *National Statistics Taiwan* produces and makes available Taiwan's national statistics.
  - <u>Santander Trade Portal</u> is a resource that provides access to 40+ worldwide databases, 10,000 pages of information on 185 countries, and more than 150,000 suppliers and importers.
  - <u>United States Department of Agriculture's Global Agriculture Information Network (GAIN)</u> provides information and reports about the agricultural economy, products and issues in foreign countries that are likely to have an impact on trade.
- Access a global research firm that conducts regular market intelligence in Taiwan. The following are a sample of intelligence companies which are available to exporters, and it is possible you will find a suitable firm that is not listed below. Information from these sources will generally not be provided free of charge but may be the only way to obtain certain information.
  - <u>Development Bank Canada</u> provides industry experts to identify the right collection tools and to handle data mining and analysis.
  - <u>Euromonitor International</u> is a leading provider of global business intelligence and publishes industry, country and global reports.

- <u>Global Research & Data Services</u> publishes reports from over 200 industries and 100 countries, providing difficult-to-find market data.
- <u>Hoovers Research</u> provides reports across a range of industries including the food & beverage sector. Global reports by Hoovers Research provide regional and country-level market analysis.
- <u>Nielsen</u> studies consumer trends and habits in more than 100 countries.
- <u>*Planet Retail*</u> is a leading provider of global retail intelligence.
- <u>Statistics Market Research Consulting</u> reports provide strategic recommendations, market forecasts, and competitive landscaping.
- <u>VPG Market Research</u> publishes international market research for corporate executives and key decision-makers in the food & beverage industry, among others. VPG has clients in 70 countries and provides market intelligence and strategic insights.

#### Visit the market personally:

• Do not underestimate the value in simply taking a trip to Taiwan yourself to gather first-hand insights and intelligence. It can be very powerful not only in terms of talking to potential buyers and distributors but also in terms of identifying competing products. Visiting different supermarkets and retailers can be invaluable as it allows you to get a sense of products and packaging in Taiwan and allows you to assess the price range and market approach used by potential competitors.

# **SECTION 3: MARKET READINESS**

The first step to achieving sales in Taiwan is ensuring that you are market ready. This means that your product is eligible for export to Taiwan and you are compliant with all necessary requirements, standards and regulations. Only then can you sell your products to buyers in Taiwan. To deal with the local bureaucratic procedures, foreign companies are advised to appoint agents or brokers, preferably former customs agents who can help you keep track of market regulations.

## **3.1 – GOVERNMENT OF TAIWAN AGENCIES INVOLVED IN OVERSEEING IMPORTS**

There are several government agencies involved in establishing and enforcing food safety standards in Taiwan:

#### > Taiwan Food and Drug Administration (TFDA)

- TFDA is an agency within the Ministry of Health and is one of the key agencies responsible for implementing the key regulations in the <u>Food Safety and Sanitation Act (FSSA)</u> including the <u>Regulations of Inspection of Imported Foods and Related Products</u>.
- TDFA presribes the acceptable use of food additives. Additives that are not identified on the permitted list are prohibited for import to Taiwan.
- TFDA inspects imported fruit, vegetables, meat and other food products at the port of entry to monitor for pesticides, animal drugs or other contaminants.
- The agency oversees food and beverage labeling requirements.

#### > The Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ)

- An agency of the Council of Agriculture (COA). The COA is similar in function to CFIA in Canada.
- Along with the TFDA, BAPHIQ is responsible for border quarantine and inspection of plants and plant products, meat and poultry, live animals, and pet food. Depending on the type of product, exports must submit export certificates to BAPHIQ prior to customs clearance.
- The Bureau of Foreign Trade (BOFT)
  - The BOFT is responsible for regulations covering import and export activities and supervision of controlled items. Exporters can search for regulations related to their product(s) by entering the product HS code on the <u>Import and Export Regulations</u> page maintained by BOFT.

#### > The Customs Administration, Ministry of Finance (CA)

• The CA is the agency responsible for customs policies and regulations. In specific terms, this organization takes charge of collection of customs duty, smuggling prevention, bonding, trade statistics, and entrusted taxes and fees collection, as well as enforcement of government control.

# **3.2 – REQUIREMENTS, STANDARDS & REGULATIONS**

In general, implementation and application of food-related regulations are transparent and open.

#### Required licences and certificates

- Shipments of fresh fruit, vegetables, meat, seafood, agricultural products, plants, and animals to Taiwan may require certificates of inspection or quarantine issued in the country of origin and will be subject to inspection and quarantine upon importation into Taiwan.
- Phytosanitary certificates (for fruit, vegetable, plant and plant products) must be issued by the exporting country's competent government authority. Private industry issued certificates are not typically accepted.
- A foreign supplier's pro forma invoice (quotation) is required for application of an import permit and the establishment of a letter of credit.
- Most documents presented for use in customs clearance processing must be prepared in Chinese to avoid delays and expedite clearance processing.

#### > Labelling requirements

- All imported packaged goods must have Chinese language labels and instructions and may be supplemented by English or another foreign language. The contents provided in the Chinese language must not be simpler or more condensed than those from the place of origin.
- The following shall be labeled: the name of the commodity; name, telephone number and address of the producer or manufacturer; the place of origin of the commodity; major components/ingredients or materials; net weight, volume or quantity, or measurements; date of manufacture; the expiration date; and other particulars as required by the Central Taiwan authorities on a product-by-product basis.
- Detailed labeling requirements can be found in Chapter V Food Labeling and Advertisement of the <u>Act Governing Food Safety and Sanitation</u> and in the <u>Enforcement Rules</u>.

#### Customs and logistics

- Exports must provide Taiwanese importers with a commercial invoice, bill of lading or airway bill, and packing list. Commercial invoices must show: the import licence 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 Harmonized Commodity Description and Coding System (HS) is an international goods classification system to categorize imported and exported goods in international trade, determine appropriate duty fees, identify goods and for freight documentation, etc. HS compliance is the mandatory classification and declaration of goods when entering or exiting a country. If you are unaware of the correct HS code(s) for your product(s) they can be looked up using <u>Canada Post's online tool</u>.

# SECTION 4: SELLING TO TAIWAN

## 4.1 - ROUTES TO MARKET

Although some exporters of agrifood or seafood products export directly to Taiwan, Taiwan's convenience stores, supermarkets, and hypermarket chains overwhelmingly purchase from local importers, wholesalers, and manufacturers. Therefore most exporters rely on an import agent or distributor based in Taiwan in order to access the market.

#### 4.1.1 Indirect exporting

- > The appointment of an import agent or distributor is common and considered a critical factor for success in Taiwan.
  - An agent sells a foreign supplier's goods in exchange for commission. The specific responsibilities depend on the agreement between the agent and the foreign supplier but can include market intelligence, identification and pursuit of sales leads, sales promotions and after-sales services.
  - A distributor generally purchases the goods from the foreign supplier for resale in Taiwan. In many cases, a distributor also acts as an agent for the same foreign supplier.
- > Entering the market via an agent or distributor has several advantages particularly as Taiwanese companies tend to favour this approach.
  - It reduces time and costs, and companies can benefit from the local knowledge and networks of the agent and access to qualified staff.
  - However, employing a third party will result in an additional cost to your products, and you may lose some control and visibility over sales and/or marketing. There are also intellectual property rights protection implications, increasing the risk of your product being copied or counterfeited.
- > There are many considerations when selecting an intermediary in Taiwan.
  - It is important to find an importer who can clear goods through customs quickly and efficiently.
  - Do you want an importer with connections to mainland China for expansion at a later point?
  - Does the agent have many direct-to-market channels or are they reliant on multiple distribution chain levels which would add additional price to your product?
  - Is the importer carrying complementary product lines? Although cases vary, exclusivity can provide better incentives to the agent and can help the exporter to maintain improved supervision over price and product integrity.
  - What is the extent of the agent's network of distributors, owned or leased storage capacity, and owned or leased transport arrangements? Does the agent have strong contacts with the responsible purchasing officers in the target sales channels?

#### > Be prepared to support the efforts of your selected intermediary.

- Bring samples with you on trips to Taiwan as importers will generally want to see them before agreeing to enter into a business relationship.
- A trial order may be used to test the market response while new-to-market products are typically supported by advertising and a promotional budget to generate brand awareness.
- Companies might ask you to support the costs associated with stocking and selling new products.

#### 4.1.2 Direct exports

- > You can also sell your product directly to your customer. Doing so involves supplying your product without the assistance of any intermediaries.
  - Although this option is much less common in Taiwan it may come about if a Taiwanese company contacts you first.
  - Should you be able to secure a direct partnership with a large retailer you will be required to spend more time and resources to develop the relationship and trust with your Taiwanese buyer. Nevertheless, the potential higher returns and speed of getting into the market may well justify this additional cost of relationship building.
- If you decide you want to sell direct, knowledge of Taiwan's expansive and hyper-competitive retail food market is crucial.
  - It is dominated by international retailers with few domestic players in direct competition.
  - It is largely fragmented with the top five players accounting for less than 20% of total market share.
  - Most of the retail stores are concentrated on the northern portion of the island.
  - Most noticeably Taiwan has the greatest density of convenience stores in the world. The sector currently has more than 10,000 stores and is dominated by 7-Eleven (greater than 50% market share). Family Mart, Hi-Life and OKS are the largest remaining convenience stores, in order.
  - Carrefour, COSTCO, RT-Mart are key players in the hypermarket sector while Wellcome, Simple Mart, PX Mart, CitySuper, Jason's Market Place and Taiwan Fresh Supermarket are active in the supermarket sectors. The supermarket sector is notable for the luxury divisions CitySuper and Jasons. The Sogo and Mitsukoshi Department Stores also have premium supermarkets targeting high-income consumers. PX Mart focuses on price-conscious retailers.
  - Independent grocery stores and wet markets remain popular among older shoppers as they are located within residential areas and are perceived as suppliers of the freshest food. Nonetheless, their share of the market is expected to decline

#### 4.1.3 E-commerce

- > Online shopping is growing rapidly in Taiwan.
  - With an internet penetration among the highest in the world, Taiwan is a promising market for e-commerce.
  - Taiwan's online retail platforms are expected to overtake sales in physical retail stores in the next decade.
  - The majority of Taiwanese internet users log on using a mobile phone and mobile purchases are far more common than purchases made using a desktop computer.
  - Young people aged 20-39 are the primary customers for online shopping. E-commerce rates among older consumer segments are increasing along with greater smartphone proliferation

#### > You should also be aware of the major online retail players in Taiwan.

- Popular B2B websites include TaiwanTrade and TaiwanTrade iDealEZ. TaiwanTrade is an ecommerce portal that allows businesses to find and match with suppliers, manufacturers and distributors. iDealEZ Online Marketplace is a platform that allows businesses to buy small quantity or sample items directly from the supplier.
- Popular B2C websites include PChome, Momoshop, PayEasy, UDN shopping, GOHAPPY, Taoboa.com, Ruten.com, Rakuten Ichiba Taiwan and Yahoo! Taiwan.

- Most of these sites offer a range of payment options such as online credit card use, payment at convenient stores, payment on delivery, online banking payments, placing credit card orders by fax, bank transfer and mobile payments.
- Taiwanese consumers predominately pay using a credit card, but convenience store pickup and ATM bank transfers are both increasingly common methods of payment.
- > Be mindful not to undercut your in-market partners if you begin to sell online as a secondary route.
  - Due to reduced costs, you will be able to afford lower prices when selling online. However, your price will be visible for anyone to see. You should consider this and be sure to account for it when designing your pricing strategy.

## 4.2 - DEVELOPING IMPORTER AND CONSUMER DEMAND

To help you sell in Taiwan, you will need to have some form of presence that enables you to attract buyers to your product or service offering. You can begin by participating in trade shows or you can establish your presence on the internet using social media. Many exporters commonly start by employing both methods.

#### 4.2.1 Exhibition trade shows

Trade shows are a popular marketing component for many exporters. Among other benefits, they allow attendees to: conduct market intelligence and research prior to entering a market; introduce and promote the company and convey the value proposition of products; initiate relationships with potential customers or intermediaries; maintain relationships and contacts already made; and, demonstrate long-term commitment to the market. However, trade shows can be costly investments, so you want to make sure that your approach is designed to give you the best possible chance at turning interest developed at the show into actual business. Unprepared exhibitors tend to be disappointed that the large number of conversations and apparent interest at shows do not translate to real sales.

#### > Preparing for the show.

- The first step to trade show success is to find the most suitable exhibition for your product(s) and market access strategy. If you are not yet prepared to exhibit you can simply attend shows to gather contacts and market intelligence.
- Many show organizers offer pre-show training sessions for exhibitors. If you are new to exhibiting at trade shows these on-site sessions are recommended and will likely impact your success during and after the show.
- You will need to develop professional displays and promotional materials and should strongly consider bringing product samples to distribute. Begin trade show material development early. Incorporate potential delays and complications into your time frame.
- Determine customs and import regulations that pertain to your sample products. At a minimum, you can consider bringing empty packaging to showcase how your product appears on the shelf.
- If the purpose of your trade show attendance is to begin selling be sure to have determined your price for the local market prior to the show and make sure you bring sufficient stock to sell.
- Book appointments with prospective buyers ahead of time and be sure to inform any current clients or contacts that you have in the market that you will be at the show.
- > Differentiate your products and brand from other exhibitors.

- Larger booths tend to create a bigger impact.
- Consider joining a delegation of Canadian firms to be part of a large presence and to effectively trade on the Canadian brand. Joining an <u>AAFC Canada Pavilion</u> is a great approach to attending trade shows, especially for new or smaller exporters.
- > Develop a strategy for converting inquiries into meetings and business.
  - Participating in trade shows can be relatively costly, so it is important to understand the show and the audience you will be interacting with and to be sure that your approach is designed to give you the best possible chance at turning interest developed at the show into actual business.
  - Your exhibit should target specific prospects that are interested in the products you are selling.
  - The longer prospective leads are left unattended, the less likely they are to evolve into business opportunities. Do not rush to be on the first plane out as the event ends. Being available for meetings with potential buyers the week after a show is a good strategy.
- While Taiwan has trade shows and exhibitions annually, you are not limited to shows held in the country.
  - The key food and beverage trade show held in Taiwan is the <u>Taiwan International Food Expo</u> (Food Taipei).
  - Although Taiwan is your export destination that does not mean you are confined to shows occurring there. An alternative strategy is to attend other large trade shows domestically or elsewhere in Asia as these shows are typically well attended by buyers from many countries.

#### 4.2.2 Websites and social media

Taiwan has one of the highest social media penetration rates globally. Many small businesses, therefore, use social networking sites to reach a large base of customers. You can use your website and social media to boost consumer demand by providing real-time client interaction and tailored content for your target audience.

#### > Social media has become extremely important to marketing products sold online in Taiwan.

- Facebook has a higher penetration rate in Taiwan than anywhere else in the world. As such, it is the preferred method of digital marketing, with more than half of all online vendors using it as a marketing tool.
- Facebook's closest competitor is Naver's messaging app, Line. Line has enjoyed strong growth in Taiwan becoming the island's most popular messaging app with 17 million subscribers.
- WeChat is less popular in Taiwan than it is in Mainland China.

#### 4.2.3 Utilizing in-market resources to find buyers

- > Connect with industry associations and other professional bodies in Taiwan.
- Engage <u>B.C. Trade and Investment Representatives</u> and <u>Canadian Trade Commissioners</u> with connections and on-the-ground expertise.

## 4.3 – DUE DILIGENCE

Taiwan is considered to have relatively low levels of corruption. Nonetheless, to safeguard your company's interest you should conduct due diligence prior to making any transactions or contractual obligations. Doing so can help identify potential scams, reduce risk and investigate unsolicited communications from people claiming to be interested buyers.

- Ask questions and avoid doing business with companies or agents that cannot provide you with necessary details.
  - You might consider asking to see a notarized and translated copy of their business licence to determine information such as the establishment date, registered capital, name of legal representative, business scope, etc.
  - You could ask for a description of the scale of the company including audited or unaudited financial statements or records for the past few years.
  - You could ask for a list of their major customers including references.

#### > Independently verify the information you have received.

- Use external data from government agencies, other authorized bodies and local experts to verify information provided by your potential partner.
- Use the internet to conduct additional research. There may be comments, positive or negative, about the company or individual you are investigating online.
- The <u>Trade Commissioner Service</u> can assist with some basic due diligence.

#### > Your own preparedness is also integral to successful due diligence.

- Ensure you allow sufficient time to conduct your verification and due diligence.
- Ensure that you have conducted the necessary market research.
- Remain especially vigilant immediately after trade shows and similar events where your company details and contact information may have been widely displayed and or distributed.
- Be sure to examine and trace the email address of any email that appears suspect. Avoid clicking on any links within unsolicited email.
- One proven method of testing legitimacy and protecting your company is to request payment up front. If your buyer is truly interested this request will not be problematic as it is standard in many industries. You could also require a letter of credit.
- Remember, common sense is your best defense. If the order appears "too good to be true" it probably is.

#### > Transparency is an on-going process.

• Rules and regulations, business environments and business partners are constantly changing. As such, due diligence is not a one off, standalone task. It is necessary throughout the exporting process but it is particularly important in the initial building relationship phase.

# SECTION 5: BUILDING RELATIONSHIPS IN TAIWAN

# 5.1 - INITIATING RELATIONSHIPS

In Taiwanese culture, it is often the quality of your network that secures business deals. It is unlikely that a Taiwanese businessperson will agree to a deal without first meeting and building a relationship with you. In Taiwan, the business relationship comes first.

- Personal relationships or "Guanxi" (pronounced gwan-she) is one of the most important features of doing business in Taiwan.
  - 'Guanxi' is a concept which describes how people relate to each other and has a crucial impact on business. It describes a reciprocal relationship of receiving and returning favours that is developed much beyond the business sphere.
  - When doing business with Taiwanese firms, developing an appropriate 'guanxi' will significantly help you to anticipate and resolve any difficulty you face and accomplish your objectives.
  - Guanxi is fostered and developed over a long period of time and influences social, political and commercial relationship.
  - Business does not tend to begin in Taiwan before a solid relationship is established.
  - You should expect to get to know your business partner very well before any potential deals are discussed. It is advised not to rush this process but instead to view it as a crucial competent to ultimately securing a deal.
- > Having a local contact can be an advantage but is not usually a precondition to doing business.
  - Introductions from a third party can be helpful as Taiwanese people like to do business with known contacts, but they are also experienced in conducting international business and accept that foreign suppliers will not always have direct connections in Taiwan.
  - Relationships are based on familiarity, respect, and personal trust. Unlike in most western countries, business relationships in Taiwan exist mostly between individuals or groups of people rather than between companies. Accordingly, if your company replaces key members of your export team, new relationship will need to be established.
  - Since Taiwanese companies may initially be cautious when dealing with new suppliers, gaining their trust and establishing goodwill is going to take time. It is very important for you to emphasize frequently the long-term benefits and your commitment to the business relationship you are seeking to build.
- > You should prioritize meeting face-to-face where possible.
  - While emails and phone calls serve a purpose, Taiwanese business people usually prefer faceto-face meetings. Always bring senior staff with you on trips to Taiwan.
  - Be prepared to make several trips if necessary to establish meaningful relationships before ultimately securing a deal.

# 5.2 - LANGUAGE AND COMMUNICATION

While Mandarin is the official language and the language of government and the law, Taiwanese remains very popular and is usually the common language of everyday life.

- People living in urban areas typically speak Mandarin whereas those from rural areas often communicate in Taiwanese.
- In general, younger people speak Mandarin more often than Taiwanese.

#### > English is by far the most popular foreign language.

- Many Taiwanese business people speak English but with varying degrees of fluency. You should assess the English skills of your counterpart and determine whether an interpreter will be necessary. You can also ask the other side beforehand whether an interpreter should be present.
- Written materials such as business cards and product brochures should be translated into Mandarin Chinese (using traditional Chinese characters).

#### > If you do need an interpreter:

- Try to find one who speaks both Mandarin and native Taiwanese.
- Use your interpreter regularly and expect to make your interpreter(s) part of the team. This means that they will be fully briefed before important meetings or negotiations and should be trained to a high level so that they know your business and product line and will know the right questions to ask.
- After the meeting, debrief your interpreter on what he or she saw or understood during the meeting. An experienced professional can give you a cultural interpretation.

#### > Be deliberate in your speech and body language when speaking through your interpreter.

- During a meeting, interpreters will normally sit behind you. It is important that you always look at the person you are addressing, not the interpreter, and remain patient during the interpretation.
- Speak relatively slowly, avoiding jargon and long difficult sentences. If necessary, write down things like large numbers to ensure certain understanding.
- Do not stop in mid-sentence or interrupt the interpreter.

#### > Expect to find a preference for indirect communication.

- To maintain harmony throughout a conversation and prevent a loss of face on either end, Taiwanese people use ambiguous speech and understatements to convey their message. This is particularly true when discussing negative topics that may cause embarrassment or offence.
- Recognize that definitive responses are rarely given. Therefore, ask open-ended questions as it allows your counterpart to state their point in a more roundabout way. Further, a direct 'yes' and 'no' can have multiple meanings which may not be helpful for you.
- Open disagreement should be avoided, and any kind of direct confrontation is discouraged.
- It is beneficial to use a similarly indirect approach when dealing with Taiwanese partners, as they may perceive you as rude and pushy if you are too direct.

## **5.3 – SOCIAL AND BUSINESS ETIQUETTE**

Although many Taiwanese companies will be familiar with typical western practices there are some local customs that are well-worth observing.

#### ➢ 'Face' is an important concept in Taiwan.

• Face can essentially be understood as a person's dignity, prestige and reputation.

- Face can be given, lost or saved. Managing and saving face is crucial in any business situation as causing your Taiwanese counterparts to lose face will most likely negatively affect business.
- Face can be given to people by complimenting them, showing them respect, or doing anything that increases their self-esteem. Insulting, humiliating or overtly correcting someone can lead to a loss of face.

#### > Business dress is professional and conservative.

- Because of Taiwan's humid climate light clothing is recommended during May-October while a jacket and sweater may be needed in the winter season.
- For men suits and ties are appropriate for both the first meeting and subsequent formal occasions. Jackets are often removed during meetings.
- Women should wear conservative suits in blue or gray, dresses, pantsuits, blouses and skirts.
- Casual activities should reflect a modest and slightly more informal dress.

#### > A light handshake is the most common form of greeting a foreigner in Taiwan.

- Rather than introduce oneself, there is a tendency in business meetings to be introduced by a third person, typically the host. If you are a guest, wait for this third-party introduction.
- If you are meeting a delegation try to determine the rank order with the most senior people first and greet your hosts in order of seniority and importance.
- One way to determine this is to observe the sequence in which the delegation enters a room. The head of the business group will always enter the room first.
- It is not unusual for your Taiwanese counterpart to look to the ground as they greet you or to slightly bow their head or even nod in your direction. This is a sign of respect.
- Men usually wait for a woman to extend her hand to initiate a greeting.
- Most greetings include the rhetorical question, "Have you eaten?"

#### > People are usually addressed by their title and surname in Taiwan.

- If your Taiwanese counterpart does not have a corporate or government title, use the formal title of Mr., Miss, or Madame.
- Names usually appear in the format of surname first, followed by first name (may be composed of two names e.g. TSANG Ting-Hua).
- Before calling Taiwanese people by their first names, wait until they invite you to do so.
- It is not uncommon for many Taiwanese people to assume western first names in a business setting. In which case the order is the first name followed by the family name (e.g. 'Alan Chen').

#### > Non-verbal communication is an important aspect of respectful behaviour.

- Avoid touching the top of anyone's head or their shoulders, especially children.
- Place your hands in your lap when sitting and do not use your hands when speaking.
- Men should not cross their legs, but rather place both feet on the floor.
- Pointing with your index finger is considered rude. Instead, point with an open hand.
- Palm facing outward in front of face moving back and forth means "no".
- When referring to themselves, people put an index finger on their nose rather than pointing at their chest.
- Taiwanese people are usually comfortable standing at less than arms lengths from one another.
- People beckon by extending an arm and making a scratching motion with their fingers.

- They tend to favour direct eye contact over indirect. However, they usually use indirect eye contact when speaking with their elders or superiors as a sign of respect and deference.
- Smiling can have different meanings. A smile can indicate embarrassment or nervousness or can be a response to an inconvenient request or sensitive topic.
- > The relationship between Taiwan and China is a very sensitive topic.
  - Do not presume a Taiwanese person's opinion regarding Taiwanese-Chinese relations and never correct a Taiwanese person's identity regarding whether they think of themselves as Taiwanese or Chinese.
  - If you are unclear about their views, it's a good idea to avoid referring to Taiwan as 'China'.
  - Show sensitivity by referring to the People's Republic of China as 'Mainland China'.

# 5.4 – TYPICAL MEETING PROTOCOL

The primary purpose of the first meeting is to get to know each other, start building relationships and gather information about the other side's areas of interest, goals, and weak points for the upcoming negotiation.

#### Prior to the meeting

- Appointments should be arranged in advance. Telephone and e-mail contact is most suitable.
- Once a meeting is confirmed it is important to send a list of your team members, their expertise and titles. Always include a senior executive in meetings.
- Make sure you have a translated copy of all your documentation.
- The Taiwanese population place great value on punctuality. You, therefore, must arrive on time or even a few minutes early.

#### > It is customary to trade business cards the first time you meet your counterparts.

- Print your cards in English on one side and Mandarin on the other (traditional Chinese characters).
- Be sure to have a sufficient supply of cards for your trip and carry a number of them at all times.
- Upon exchange, it is imperative to present your business card with two hands with the Mandarin side facing the recipient. You should also receive any card with two hands and examine it with interest and respect which means do not write, fold, crumple or misplace the cards you are given. You can place cards into a holder or on the table in front of you.
- Adhering to these steps is crucial as Taiwanese business people believe the way you handle someone's card is indicative of the value you place on the relationship.

#### > During the meeting

- Meetings always commence with polite conversation which helps establish a base for the relationship. Sometimes the entire first meeting is devoted to non-business discussions.
- During this time make an effort to inquire about a person's family or you can ask them about the meaning of their name as often Taiwanese names have a poetic or significant meaning.
- Hierarchy remains important in Taiwan. You will direct your conversation at the most senior executive even if he or she doesn't understand English.
- Meeting schedules are not rigidly adhered to but agendas usually act as a guideline.
- It is always best to defer to the most senior or elderly person in the room when it comes to beginning and guiding conversations.

- Taiwanese companies have a very calm and considerate approach to business. They gently press their ideas forward and patiently wait for others to respond. Taiwanese business people usually speak in quiet, gentle tones. You should do the same.
- Take great care to avoid communicating anything directly that would hurt or offend a colleague as it would cause a loss of "face".
- Do not take offence if people answer their mobile phones during a meeting.
- Never openly criticize your competition. Doing so may turn your audience against you.
- Periods of silence are considered acceptable and are to be expected especially if they disagree.
- You may be asked to sign a Letter of Intent at the end of the first meeting by way of documenting the seriousness of your intentions.

#### > If you give a presentation to your Taiwanese audience keep the following in mind:

- Bring a sufficient number of copies such that each attendee gets one. Translating your presentation into Chinese is not mandatory but will aid understanding.
- Keep it simple and avoid over-designing it. Use diagrams and pictures wherever feasible, cut down on words, and avoid complicated expressions.
- Maintain a moderate volume. Being overly loud is considered either disrespectful or overly confident.
- Direct presentations to the senior ranking individual regardless of his or her English ability.
- Since saving face is so important in Taiwan, people will not openly admit it in front of others if they do not understand what you are presenting. Therefore, you ought to verify through diplomatic questions whether your audience understands you.

## **5.5 - DECISION MAKING AND NEGOTIATIONS**

Your counterparts will want to have developed strong bonds with you prior to commencing the negotiation phase. Consequently, proceed with serious business discussions only after your partners have become comfortable with you. Don't underestimate the importance of building solid relationships.

# > Taiwanese negotiations favour group consensus and focus initially on the agreement overall rather than specific elements

- Be well prepared and refer to the negotiation process as an exchange or discussion.
- Allow your counterparts to set the pace. Be aware that Taiwanese negotiators are willing to spend considerable time gathering information and discussing various details before the bargaining stage begins. They may seem disinterested in clarifying many details until you have both come a long way with the business deal.
- Group consensus is usually sought; however, individuals, rather than teams, tend to make the final decision.
- Achieving group consensus can lengthen the negotiation period, so be patient and don't disclose any external deadlines you might have as they could be used against you to force make concessions in the interest of reaching a deal.
- All aspects of a proposed deal are considered together rather than focusing on single details, especially at the outset of negotiations.
- The bargaining stage of a negotiation can be extensive with prices often moving more than 40%.
- Maintain a long-term perspective of the business relationship throughout negotiations and remain willing to compromise for the sake of the relationship.

- Taiwanese negotiators avoid most aggressive techniques since they negatively affect 'face'. The risk of using any of them yourself is rarely worth the potential gain.
  - You must remain calm and patient. Do not become frustrated as doing so will result in loss of face for you and you counterparts. Emotional restraint is held in high esteem. If you must bring up an unpleasant topic with a person, never do so in public and always convey your message in ways that maintain the other's self-respect. Avoid making exaggerated claims as they will be investigate before being responded to.
  - Deceptive techniques may be employed against you during the negotiation process. Be aware of all agreements being made.
  - Negotiators may use pressure techniques that include keeping silent, making final or expiring offers or applying time pressure. Final offers may be more than once and are almost never final.

# **5.6 - SOCIAL ENGAGEMENTS**

Social engagements will improve your chances of success and should never be regarded as a waste of time. Business breakfasts, lunches, and dinners, as well as extensive banquets, are great opportunities to advance relationships.

- > Accept invitations to events outside of the normal working environment.
  - Relationship-building is paramount, and it's important to capitalize on opportunities to connect with your business partners.
  - It would be a mistake to turn down offers to socialize as such decisions would be interpreted as a lack of interest in doing business with your prospective partners.
- Whether business dealings will be discussed at social events will depend on the preference of your partner. Take your lead from them.
  - Do not discuss business at dinner unless your hosts bring it up but if they do be ready to engage.
  - Your Taiwanese counterparts may use such dining events as opportunities to convey important messages or resolve disputes. Sometimes they may also try to obtain information from you that could strengthen their negotiating position. While you want to remain watchful, deflecting such inquiries if needed, never show signs of mistrust in your counterparts' intentions.
- Formal banquets will have a more codified set of rules and protocols than casual business meetings or meals.
  - It is best to be right on time for dinners and banquets and to arrive at parties within 10 to 15 minutes of the agreed time.
  - Dining can be elaborate with as many as twenty courses and can last late into the night.
  - The guest of honour samples any dish brought to the table first. Be sure to taste the food immediately as everyone else will wait for you before they eat.
  - Hosts may choose the food for guests, at times placing food on the guest's plate without request.
  - It is a typical practice for people to observe an order of who can eat. This order is based on age, with the eldest eating first.

- Never play with the chopsticks at the table, stick them in your rice, use them to point at anyone or use your own chopsticks to take food from the middle of the table.
- Don't be surprised if the Taiwanese hosts spit bones on the table or floor. This is considered more sanitary than removing them with their fingers. Never place bones or seeds in your rice bowl. If a plate is not provided for this purpose, place them on the table.
- Leave some rice in the bowl and food on your plate when you are finished. You should also place your chopsticks together on the table or on the chopstick rest.
- Keep conversations at a quiet level. Loud and boisterous behaviour should be avoided.
- Serving tea symbolizes the end of the meal have a cup and be on your way, declining any polite invitations to remain.
- The host always pays but offering to pay as a guest is seen as polite.

#### > Toasting is common. Toasts are often made before and during meals.

- Toasting is done with wine or liquor; the high alcohol content "gao-liang" is reserved for special occasions.
- The host starts by raising his/her glass with two hands, one hand supporting the bottom of the glass. Drink only after a toast is made and you should down your drink in its entirety and place the glass upside down on the table.
- Common toast phrases are 'ganbay' ('empty your glass') and 'sweiyi' ('as you please').
- After the host has toasted you are expected to reciprocate once you're passed an empty glass which somebody then fills up.
- These toasts can be frequent throughout the evening, so have half-pours of whatever you're drinking or a lighter beverage altogether to moderate your alcohol intake.
- The Taiwanese population prefers to entertain in public places. However, you may be invited to someone's home once you have developed a relationship. You should interpret this as a great honour.
  - People are generally expected to take off their shoes before entering someone's home. The host may offer slippers and guests are expected to accept, even if the slippers are slightly small.
  - Always prepare a short speech in honour of your host. Bringing a gift is common practice.
  - Often, a compliment is given towards something in the host's home. This gives face to the host.
  - There is an expectation that respect will be shown to the eldest in the household. One of the most common ways is to always address them in a polite manner.
- Gift giving is common in Taiwan, but you should avoid giving gifts of significant value or making offers that could be interpreted as bribery.
  - Present and receive a gift with both hands.
  - Often, when a gift is offered, it is initially refused. Should a gift be declined, most will politely insist until the gift is accepted rather than force the issue.
  - A gift is generally not opened in front of the giver.
  - It is often customary to reciprocate with a gift of equal value.
  - The wrapping of the gift can be as important as the gift itself. Do not wrap gifts in white, blue or black paper while red, pink and yellow are auspicious colours.
  - Many Taiwanese people will avoid giving an odd number of gifts as they are considered unlucky. Four is also an unlucky number. Eight is the luckiest number.

- Typically appreciated gifts are food, a bottle of high-quality alcohol or desk attire.
- Avoid giving knives, scissors or cutting tools, clocks, handkerchiefs, straw sandals, white flowers, chrysanthemums or a gift that is made in Taiwan.

### 5.7 - MAINTAINING RELATIONSHIPS

Once you have begun to work with a Taiwanese businessperson, it is important to maintain the relationship as your counterpart will most definitely take a long-term view of business relationships. You should invest time and energy into nurturing the relationship by continuing to engage with your contacts. Avoid the temptation to focus on other activities and other deals once a contract is signed. You can demonstrate your long-term intent by some of the following examples:

#### > Commit to regular contact.

• An ongoing exchange of information helps each party understand the other, so they can build on mutual interests. Often there is nothing to discuss yet your partners will continue to communicate frequently. Relationships maintained in this way tend to have fewer problems and raise fewer complaints.

#### Continue to make visits to Taiwan.

• Given the Taiwanese preference for face-to-face business visits to Taiwan will remain a regular feature of your export venture even after the relationship has been established. These trips help maintain your already established relationship. You should also try to bring the same team with you on each visit, so your buyers will be dealing with people they've already gotten to know.

#### > Consider hosting your partners through reciprocal visits.

• You may also like to consider reciprocal visits. Paying for your partners in Taiwan to visit your Canadian operations is a good way of keeping them informed and motivated. About half of the trip should be devoted to rest and relaxation, leaving time for building the relationship and an affinity for Canada and Canadian products. When hosting Taiwanese guests, remember the effort they put into hosting and looking after you in Taiwan and reciprocate this.

#### Always keep your word.

• You need to make sure that you always fulfill your promises. If you don't, your relationships will suffer as people lose trust in you. Honesty and transparency are much sought after when it comes to forming bonds with businesses, so you will become a much more attractive connection if you can nurture these traits through your existing relationships.

# **SECTION 6: EXPORT SUPPORT AND RESOURCES**

# 6.1 – B.C. TRADE AND INVESTMENT REPRESENTATIVES AND CANADIAN TRADE COMMISSIONERS

The Canadian and British Columbian governments support export market development by locating staff in priority markets to provide current and on-the-ground advice and guidance to B.C. companies. Making use of these individuals is highly recommended, particularly if you have limited on-the-ground experience in the Taiwanese market.

#### **B.C. Trade and Investment Representatives**

British Columbia's trade and investment team is not currently based in Taiwan. However, there are four teams based in mainland China who may be able to provide a useful service.

- B.C. Trade & Investment Representatives can assist current and potential B.C. exporters with a variety of services, including:
  - Generating market intelligence and trade leads for specific B.C. products;
  - Advising on market entry and development strategies;
  - Providing contacts to an extensive network of international industry, government and community influencers and partners;
  - Supporting B.C. exporter participation in trade missions, trade shows and related events; and,
  - Providing training to introduce B.C. exporters to world markets.

#### **Canadian Trade Commissioner Service**

The Canadian Trade Commissioner Service, with on-the-ground-intelligence and practical advice on foreign markets, helps Canadian companies make better, more timely and cost-effective decisions in order to achieve their goals abroad. As part of Canada's embassies and consulates, Trade Commissioners have privileged access to foreign governments, key business leaders and decision-makers.

- Whether doing business abroad for the first time or looking to expand into new markets, Trade Commissioners can work with you to:
  - Determine if you are internationally competitive; decide on a target market; collect market and industry information and improve your international business strategy;
  - Determine the level of opportunity that exists in a particular market, advise on appropriate approaches to the market and gauge the amount of effort and resources required;
  - Connect with industry associations, potential buyers and partners, professionals in financial and legal institutions, agents and other business representatives to support the execution of your export strategy;
  - Assist with due diligence by conducting basic preliminary research on a local company from public sources, and the resolution of business problems and issues that you face in foreign markets.

Please note that conducting thorough background checks on local companies or providing translation or interpretation services is not part of the mandate of either the <u>B.C. Trade and Investment</u>

<u>Representatives</u> or the <u>Canadian Trade Commissioners</u>. These services should be acquired directly by private sector service providers operating in foreign markets.

## 6.2 - LOAN AND COST SHARING PROGRAMS AND PROMOTIONAL SUPPORT

Provincial and federal governments (and other agencies) offer several programs and engage in promotional activities aimed at supporting and developing exporters.

#### BC Ministry of Agriculture – Market Development

• The Ministry offers the BC Agrifood and Seafood Market Development Program aimed at further enabling B.C.'s agriculture, food and seafood sectors to increase export sales. This includes support for marketing skills training, market research and strategic planning, as well as participation in international market development activities.

#### > <u>Canada Pavilion Program</u>

• The AAFC Canada Pavilion Program, a key component of international markets and trade, is aimed at making trade show participation easier at the world's premier food and beverage events 'where the world shops'. Trade shows continue to be integral in taking advantage of opportunities arising from market access gains.

#### Canada Brand

• Agriculture and Agri-food Canada has developed a suite of free tools to help Canadian Agrifood and seafood companies gain a marketing advantage by linking Canada's positive image to their products. These include Canada Brand graphics and a photo library of high-quality images for use in marketing and promotional materials.

#### Export Guarantee Program

• Export Development Canada (EDC) will provide a risk-sharing guarantee on behalf of program participants to their financial institutions to provide firms with access to increased working capital and term financing.

#### Xpansion Loan Program

• A loan program offered by the Business Development Bank of Canada aimed at companies wishing to expand their market, including export markets. Eligible activities include launching new marketing campaigns, developing new products, obtaining a certification, expanding foreign or domestic markets, and others.

# **SECTION 7: APPENDICES**

#### **APPENDIX 1 – KEY CONTACT INFORMATION**

#### BC Trade and Investment Representatives – China

Website: https://www.britishcolumbia.ca/global/trade-and-investment-representatives/china/

#### **Canadian Trade Commissioner Service**

Website: http://tradecommissioner.gc.ca/taiwan/office-bureau/index.aspx?lang=eng&office=TAPEI Email: TAPEITD@international.gc.ca

Taiwan Office

6F, NO. 1, Song Zhi Rd., Xinyi District, Taipei, 11047, Taiwan Tel: (011-886-2) 8723-3000 Fax: (011-886-2) 8723-3095

#### **Key Taiwanese Government Agencies**

Taiwan Food and Drug Administration (FDA)

Ministry of Health and Welfare No. 161-2, Kunyang St., Nangang District, Taipei, 115-61, Taiwan (R.O.C.) Tel:+886-2-2787-8000; 886-2-2787-8099 Website: https://www.fda.gov.tw/EN/index.aspx

#### The Bureau of Foreign Trade

1 Hu Kou Street, Zhongzheng Dist., Taipei, 1006, Taiwan, R.O.C Tel: 886-2-23510271 Fax: 886-2-23517080, 23513603 Website: https://www.trade.gov.tw/English/

#### Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ),

Council of Agriculture 9F., No. 100, Sec. 2, Heping W. Rd., Zhongzheng Dist., Taipei City 10070, Taiwan, R.O.C. Tel: (+886)(2)2343-1401 Website: <u>https://www.baphiq.gov.tw/en/index.php</u>

#### The Customs Administration (CA)

Ministry of Finance No. 13, Tacheng St, Taipei City 10341, Taiwan, R.O.C Tel: 886-2-2550-5500 ext.2116 Fax: 886-2-2550-7643 Website: https://eweb.customs.gov.tw/Default.aspx

# **APPENDIX 2 – KEY PHRASES IN MANDARIN CHINESE**

| English                       | Mandarin Chinese           | Pinyin                     |
|-------------------------------|----------------------------|----------------------------|
| Welcome                       | <b>歡迎光臨</b> [欢迎光临]         | huān yíng guāng lín        |
| Hello                         | 你好 (informal); 您好 (formal) | nǐ hǎo; nín hǎo            |
| Good Morning                  | 早上好                        | zǎo shàng hǎo              |
| Good Afternoon                | 下午好                        | xià wǔ hǎo                 |
| Good Evening                  | 晚上好                        | wăn shàng hǎo              |
| Good night                    | 晚安                         | wǎn ān                     |
| Goodbye                       | <b>再見</b> [再见]             | zài jiàn                   |
| See you later                 | <b>一会儿</b> 见               | yí huì-er jiàn             |
| Pleased to meet you           | 幸會 [幸会]                    | xìng huì                   |
| How are you?                  | <b>你好嗎</b> (吗)?            | nǐ hǎo ma                  |
| Fine, thank you               | <b>很好</b> ,谢谢!             | hěn hǎo, xiè xie           |
| And you?                      | 你呢?                        | nĭ ne                      |
| Cheers! (toast when drinking) | 乾杯! [干杯!]                  | (gān bēi) - "dry glass"    |
| l understand                  | 我懂                         | wǒ dǒng                    |
| I don't know                  | 我不知道                       | wǒ bù zhī dào              |
| I don't understand            | 我不明白                       | wǒ bù míng bai             |
| Please say that again         | 麻煩你再説一遍 [麻烦你再说一遍           | má fan nǐ zài shuō yí biàn |
| Please speak more slowly      | 请说 <b>慢一点</b>              | qǐng nǐ shuō màn yì yīdiǎn |
| Please write it down          | 请写下来                       | qǐng xiě xià lái           |
| Do you speak English?         | <b>你會說英語嗎? [你会说英语吗?</b>    | nǐ huì shuō yīng yǔ ma?    |
| Yes, a little                 | 會,一點點[会,一点点]               | huì, yì diǎn diǎn          |
| How do you sayIn Mandarin?    | 中文怎麼說? [ 中文怎么说?            | zhōng wén zěn me shuō      |
| I don't speak Mandarin        | <b>我不</b> 说普通话             | wǒ bù shuō pǔ tōng huà     |
| English                       | 英语                         | yīng yǔ                    |
| Excuse me                     | 劳驾                         | láo jià                    |
| How much (is it)?             | <b>多少</b> 钱?               | duō shǎo qián              |
| Cheap                         | 便宜                         | pián yì                    |
| Expensive                     | 贵                          | guì                        |
| What is this?                 | 这是什么?                      | zhè shì shén me            |
| Sorry                         | 对 <b>不起</b>                | duì bù qĭ                  |
| Please                        | 请                          | qĭng                       |
| Thank you                     | 谢谢                         | xiè xie                    |
| You're welcome                | 不客气                        | bú kè qi                   |
| What's your name?             | 你叫什么名字                     | nǐ jiào shén me míng zi    |
| My name is                    | 我叫                         | wŏ jiào                    |
| Where are you from?           | 你是從哪裡來的 [你是从哪里来的           | nǐ shì cóng nǎ lǐ lái de   |
| I'm from                      | 我是從 來的 [我是从 来的]            | wǒ shì cóng lái de         |
| Yes                           | 是的                         | shì                        |
| No                            |                            | Bú shì                     |
| Where is the toilet?          | 卫生间在哪裡? [厕所在哪里?]           | wèi shēng jiān zài nă lǐ?  |
| Bank                          | 银行                         | yín háng                   |
| Post office                   | 邮局                         | Yóu jú                     |
| I'm lost                      | 我迷路了                       | wǒ mí lù le                |
| Can you help me?              | 你能帮助我吗?                    | nǐ néng bāng zhù wǒ ma     |
| What time is it?              | 现在几点了?                     | xiàn zài jǐ diǎn le        |
| This is my business card      | 这是我的名片                     | zhè shì wŏ de míng piàn    |