

WASHINGTON STATE LEGISLATIVE TRADE MISSION TO TAIWAN

Program Background

The Taipei Economic and Cultural Office in Seattle (TECO) is hosting a delegation of 12 Washington state legislators to visit Taiwan June 23 – 29, 2012. In addition to diplomatic objectives, one of the goals of this mission is to bring attention to Washington wines in Taiwan. During the mission, legislative delegates will have an opportunity to talk with importers currently handling Washington wines, and to tour a local wine shop. The mission will occur the same week as the Taipei Food Show (June 27 – 30, 2012), which is Taiwan's premier food and beverage show.

WSDA International Marketing Program is working with TECO and the Lieutenant Governor's Office to help capitalize upon this opportunity to help facilitate promotion of Washington wines in Taiwan.

An Opportunity for Washington Wineries

An opportunity is available for Washington wineries to participate in this mission and take advantage of the following:

- 1) Companies currently selling wines in Taiwan have the opportunity to highlight their wines and participate in a food and wine pairing workshop conducted by the USDA/Taiwan Agricultural Trade Office as a highlight event held in conjunction with the Taipei Food Show.
- 2) Companies new to Taiwan have the opportunity to participate in market introduction meetings to introduce their products to local importers, distributors, restaurants and retailers to develop new sales and distribution relationships for their wines. Companies have the opportunity to gain first-hand knowledge of the Taiwan market in order to develop a targeted marketing strategy for their wines in Taiwan.
- 3) Interact with Washington state legislators, who will help bring attention to Washington wines from a diplomatic perspective. Join the legislative visit(s) to a local importer and wine shop currently handling Washington wines. This will be an opportunity to highlight Washington wines and to talk with the importers/distributors about opportunities, their experiences and challenges.

Additional opportunities may arise to promote your wines in Taiwan during this mission.

Participation is on a self-sponsored basis. Export promotion assistance funds may be available through the Washington State Department of Commerce, Small Business Export Voucher Program (<http://www.choosewashington.com/BUSINESS/EXPORT/EXPORTVOUCHERPROGRAM/Pages/default.aspx>)

Taiwan Wine Market Background

Taiwan imports of wine are estimated at just over 16 million liters with a total value of US\$98 million in 2010. Imported wines were about 85% of the market. The average value of imported wines was about US\$6.00/liter in 2010.

Total wine sales grew by 10% in 2011, with new world grape wine consumption volumes growing. Still grape wines grew in volume at just over 3% and in value at almost 5%. Over the next five years, wine is expected to see a compound annual growth rate of about 4%.

Red wine maintains the largest share of consumption at around 70% of the still grape wine market. White wine sales are increasing. While France continues to dominate the market, wines from Chile, Australia, US and Argentina are gaining popularity and seeing increased sales in both volume and value. In 2010, US wines rank #3 in value and #5 in volume of imported wines.

Consumers have become more sophisticated in wine tasting and in their knowledge of wines over the past five to ten years. Increased association of wines as part of a healthy lifestyle and increased wine education efforts, including on wine and food pairing, is contributing to a change in how wine is consumed in Taiwan. The demand for a wider variety of wines from different parts of the world is growing.

Sales in the retail sector are expected to outperform sales in the hotel and restaurant sector over the next few years primarily due to per unit pricing and increased regulations on drink driving. Food/drink/tobacco specialists are the most important wine distribution channel for Taiwan, though supermarkets, hypermarkets, convenience stores, gifting and restaurants are also key channels.

Wines entering Taiwan must be brought in by a licensed importer, need to comply with labeling regulations, and must be accompanied by English and Chinese self certification statements. Additional information can be found at: http://www.ttb.gov/itd/taiwan_roc.shtml#REQUIREMENTS.

Wines entering Taiwan face a tariff (10% for still wines, 20% for sparkling wines), and an Alcohol Tax (NT\$7 (or about US\$0.23) per 1% alcohol content per liter). Taiwan also has a VAT of 5%.

(Source: USDA/FAS/Taiwan, Euromonitor, Directorate General of Customs Taiwan, USDT/TTB)