Exporting Your Beer to Taiwan

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Taiwan

- Size: 35,980 km² (Delaware + Maryland)
- Population: 23 million
- Beer Consumption Per Capita: 22.5 (liter, U.S is 77.1)
- Weather: Hot & Humid
- Transit Time from West Coast to Taiwan = 15–30 days
Beer Market Overview

- Taiwan Beer Market size = 517 million liters
- Imported volume = 149 million liters (28.82%)
- The market is dominated by Taiwan Beer (previous state-owned company), counts 72% market share.
- Leading Imported beer brand: Heineken (18%)
- Taiwan Beer + Heineken counts 90% of total beer market share.
Craft Beer Market

- Craft beer accounts for **less than 1%** of the total market
- Consumption has grown annually nearly **20%** from 2011–2014.
Consumer Trends and Interests

- 99% Beer Drinker
  - Food pairing is huge.
  - Build up taste for beer from Ads.
  - Bitterness/sourness = bad quality
  - Fruit beer is popular (Sweetness = Good)
  - Beers from Japan/Germany = good quality
Consumer Trends and Interests

1% Craft Beer Drinker

- Growing population of returned Students/ABC/Expats
- Belgian beers came to Taiwan in 90’s, local craft beer drinkers are looking for something different now.
- More beer tasting/events (Thanks to FACEBOOK)
- Strong demand from Independent cafes/bistros/bars
Consumer Trends and Interests

Where Craft Beer is Sold in Taiwan.

- **On-premise (75%)**
  - Specialty craft bar/taproom
  - American restaurant/diner
  - Cocktail bar
  - Café

- **Off-premise (25%)**
  - Specialty Craft Beer Bottle Shop
  - High-end Supermarket
  (People don’t buy 6 packs)
Pricing

Average Price (NT$30 = US$1)

- Average Price (Retail)

Heineken 40
Stella Artois 48
Duvel 86
Domestic Craft... 100
Floris 102
Elysian 125
Hitachino 135
Trappistes Rochefort 135
Mikkeller American... 150
Distribution and logistics

- Refrigerated Shipping is a MUST.

- Typical Taiwan Local distributor/wholesaler has limited knowledge and willingness to distribute and promote craft beer, also lack of proper shipping method.

- Professional delivery company is available to provide climate/temperature controlled delivery service.
Storage

- Typical Warehouse in Taiwan - metal sheet house (no A/C)

- 3rd Party Climate Control/Refrigerated Warehouse is available
Labeling requirements

- The following information must be provided on all labels, in Traditional Chinese (except for brand names of imported alcohol products, names and addresses of the foreign manufacturers, and any geographical indications).

- Information should be provided by the importer before going through customs clearance.

- Labels can be stickered on by the importer in Taiwan.
Labeling requirements

- **Brand name**
- **Product type** (i.e. beer)
- **Alcohol content**: The tolerances allowed for the alcohol content referred to in the preceding paragraph is 0.5 degree.
- **Country of Origin of imported alcohol products**: Names and addresses of manufacturer and importer.
- **Volume**
- **Warning Statement**
- **Expiration date (Shelf Life):**
- **Recycling Symbol**
Sample of Label
Regulatory Issues

- Certificate of Origin is required per shipment
- Organic Certification is required per shipment
- Bottling date: Marked on product is preferable but not required
- Shelf life: Must be labeled for beers under 7% ABV but no specific duration required
Regulatory Issues

- Hygiene Standards: Analytes must be tested for
  1. Methyl Alcohol < 1000mg/L
  2. Lead < 0.3mg/L
  3. Sulfur Dioxide < 0.03g/L

Importers are required to comply with the Hygiene Standards for Alcohol Products. Importers may submit documentation for sanitary inspections or safety assurances from officials or recognized associations in the exporting country as an alternative to customs clearance product inspection.
Regulatory Issues

- **With** documentation for sanitary inspections or safety assurances: No need to be inspected by Customs.

- **Without** documentation Customs clearance product inspection: Inspect by random by Customs, might take another 5 – 7 working days.
Challenges for US craft beer

- Hoppiness and bitterness
- Negative perception of American beer (Bud, Miller)
- High Price (Compared to Belgian beers)
- Preference of Belgian beer
- Competition from the “New World Brewery” (e.g. breweries from Scandinavia, Japan & New Zealand, etc.), which is more export-oriented.
Opportunities for market development

- Strong Culture Connection (e.g. Music, Movie, Sport)
- Consumer loves American food product. Taiwan is the 7th largest market for U.S. food, beverage, and agricultural product exports.
- Reasonable Price (Compared to the New World Brewery)
- Craft beer is getting popular. Team up with the “trendsetter” (Opinion leader in the bar/restaurant industry)
About Us

Cascadia Intl Distribution LLC

- Smallest giant in the market: We import 83%+ of hoppy ales in Taiwan market.
- We care about our reputation, and yours. We are the one and only craft beer distributor in Taiwan which will ONLY import via Refrigerated containers
About Us

Company Profile

- Founded: 2009
- Location:
  1. Offices: Taipei & Seattle, WA
  2. Warehouse: 2, all climate controlled.
- Revenue: US$540,000 in 2014
- Employees: 7 in Taiwan, 2 in Seattle
Thank you very much for your time!
Any Questions?

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