



# German Business in Taiwan

## Business Confidence Survey

# 2016

Press Conference



## Key Developments

Economic relations between Germany and Taiwan have evolved over the past decades amid a dynamic Asian market environment. German companies are well established in Taiwan, predominantly engaged as a partner for the Taiwanese manufacturing sector. German is the third largest European investor in Taiwan, with investment flow seeing a boost in recent years. The trade volume between Germany and Taiwan amounted to a record high of 15.6 bn. EUR in 2015, according to German statistics. As one of Germany's mature trading partners in Asia, business relations with Taiwan continue to progress robustly. With exports to Taiwan of more than 7.4 bn. EUR, this represent a rise of almost eight percent in 2015, making Taiwan Germany's fifth largest trade partner in Asia. Germany is Taiwan's most important trade partner in Europe. In 2015, Taiwanese exports to Germany rose by 15% and reached 8.2 bn. EUR. This report will depict recent developments in bilateral economic ties as well as an evaluation of the businesses sentiment of German companies operating in Taiwan.

Taiwan

## German Investment in Taiwan

- Around 300 German companies operating in Taiwan.
- Investment fell 81.75% to US\$ 101.95 million in 2015.
- Total invested capital stock of around US\$2.7 billion.
- An estimated 15,000 staff are employed by German companies.

## Business Confidence Survey

- Evaluation of economic growth expectations for the economy revised downward.
- Prospects for growth in the companies' relevant industrial sector perceived slightly more optimistic.
- German companies remain committed to their investments in Taiwan.
- Perceived business friendliness high (63%)
- Finding qualified staff most pressing business challenge.
- Management and sales related positions most difficult to fill.

## German Investment in Taiwan

As of 2016, the accumulated approved investment by German investors in Taiwan totaled about USD 2.7 billion, making Germany the third largest European investor. For the most, annual investment flows to Taiwan have been well above US\$ 100 million for the last 3 years. The significant increase in 2014 was an outlier thanks to increased investments by a plethora of German companies. With an amount of 101.95 mil USD, the approved investment in 2015 remained stable. In total the GTO estimates that currently approximately 300 German companies are operating in Taiwan.

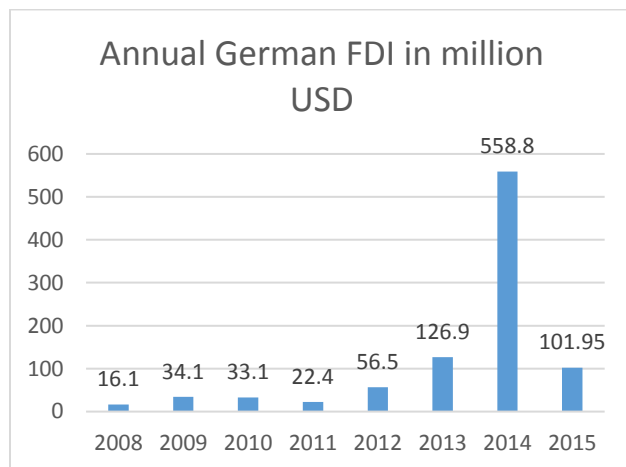


Figure 1: Source: MOEAIC

The majority of companies are small to medium sized enterprises (SME) with the vast majority employing less than 100 staff. All together the GTO estimates that German companies employ around 15.000 people in Taiwan. German investment is dominated by technology intensive machinery and industrial equipment industry catering to the country's important export manufacturing sector. This is followed by a more diverse industrial presence, with strongholds in the chemical and automotive industries.

## Economic Environment

The Taiwanese economy is projected to expand at around 1.06% in 2016, slightly down from the

previous year. The economic growth rate in the first quarter was -0.29% (year-on-year), the third consecutive quarter with negative growth. This streak was ended when the economy experienced a positive development in the second quarter and reached 0.70%. The negative growth can in part be attributed to the change of government in May, which led to a high level of uncertainty. Not least the export performance was burdened by a weak international, especially Chinese, economic situation. The total export volume declined by 10.9% in 2015 and 9.1% in the first half of 2016 compared to the same period last year.

Growth in the key sectors for German companies in Taiwan are expected to stagnate due to sluggish export development and lower domestic consumption. Generally, the production value remained nearly the same compared to 2015, after showing a sharp decline in February based on the index for industrial production.

According to the DGBAS, the manufacturing sector in Taiwan decreased by 3.72% year on year in the first quarter of 2016, mainly due to weak market demand for electronical products and severe global competition. The chemical industry expects an increase in demand which will achieve growth of about three percent.

The machinery and equipment sector is struggling with significantly slower growth globally and especially in Mainland China and remains weak in 2016.

Demand for motor vehicles will remain static cyclically. This has a negative impact on local production of Japanese vehicles whereas imports mainly from Japan and Germany are less affected. In contrast, the export of automotive parts in particular automobile electronics are expected to increase. The data suggests that 2016 will continue to be a challenging year, but the Taiwanese economy has shown resilient growth thus far despite a challenging external macroeconomic environment.

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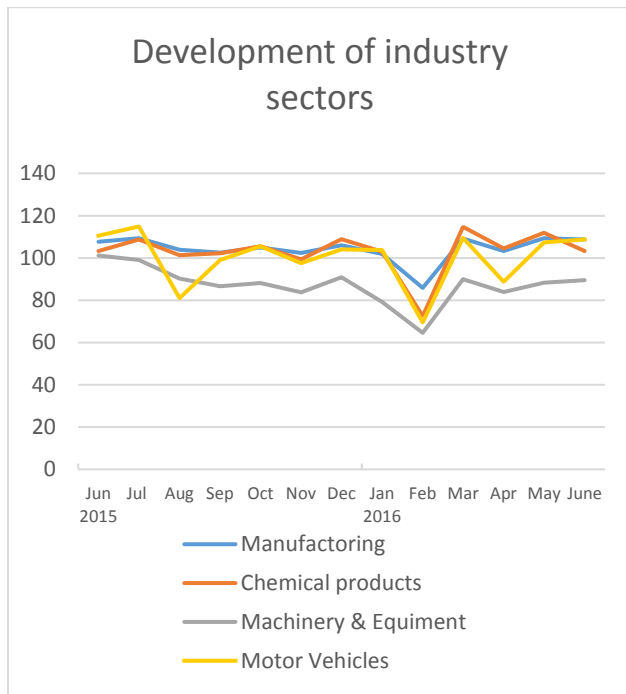


Figure 2: Source DGBAS. Base year 2011 = 100%

German foreign direct investment to Taiwan has been sluggish so far in 2016. Investment for the first six months has decreased considerably to a total amount of US\$6 million, as a result of wait-and-see attitude in expectation of Taiwan's new government.



## Business Confidence Survey Results 2016

### Business outlook

#### Expectations on reaching business targets

With 43% of companies exceeding or achieving their business targets for 2015 and 38% expecting to do the same this year, the overall view of German businesses in Taiwan remains stable and positive. Only 11% were not able to meet their expectations, implying that the business in the past year was rather positive. Expectations for 2016 are slightly more negative, but most of the participants believe to mostly achieve, achieve or exceed their business targets in 2016.-

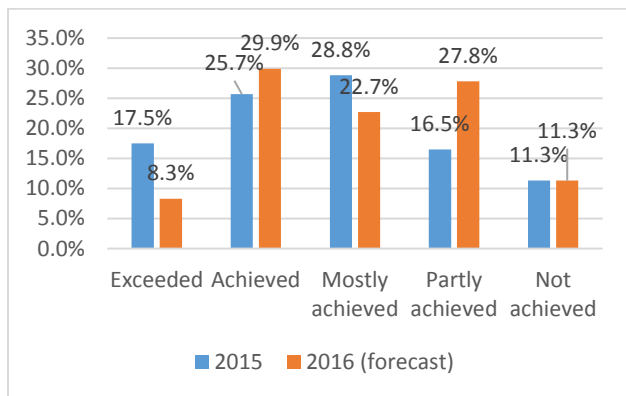


Figure 3: Q11: To what extent were you able to achieve your business targets in 2015, and what are your expectations for 2016?

#### Evaluation of economy

The majority of German companies expect the Taiwanese economy to remain unchanged or improving while 14% believe it will be improving. The number was even more positive in regard to their own industry with 25% expecting their industry to improve in 2016. However, around one third of the companies also stated that both the Taiwanese economy as well as their own industry were worsening. Among those expecting the economy to

worsen, only two percent expect the Taiwanese economy to worsen significantly.

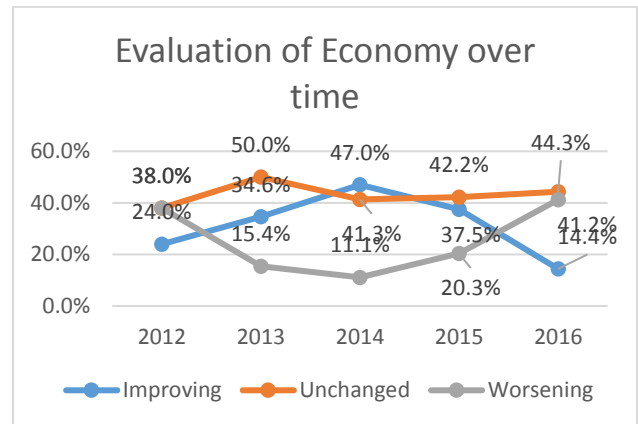


Figure 4: Results of Q10 (How would you evaluate the economy and general outlook for your industry in Taiwan?), only using results for Taiwanese Economy, 2012 – 2016.

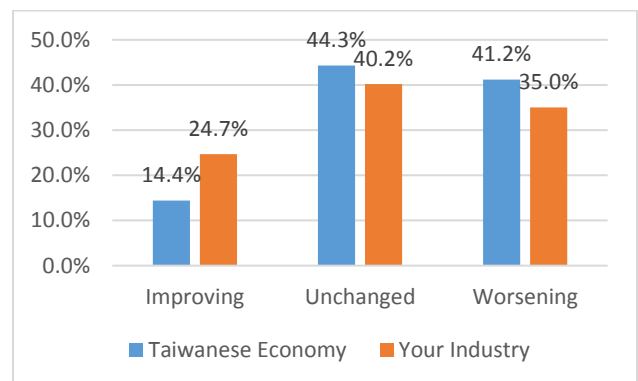


Figure 5: Q10: How would you evaluate the economy and general outlook for your industry in Taiwan in 2016?

#### Expectations in key areas

A closer look at growth expectations for turnover, profits, investment and employment depict a similar picture which means big changes. A third of the respondents expect turnover and profits (24%) to increase 24%. For employment and investment (51% and 61% respectively) the majority anticipate similar growth levels to previous years.

The findings underpin that German companies operating in Taiwan are in a healthy state and are achieving growth.

# German Business in Taiwan

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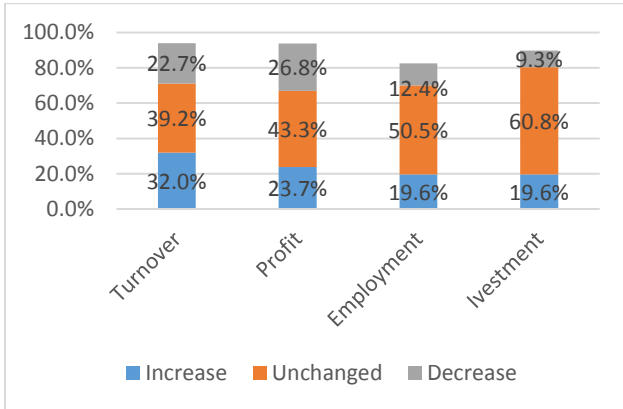


Figure 6: Q12: Please indicate your expectations for 2016 compared to 2015 for your company in the following areas.

## Market evaluation

### Market importance of Taiwan

The importance for internationally active German companies in Taiwan in terms of its contribution to global turnover and profits has remained at stable levels since monitoring began in 2012. Taiwan is among the top three most important markets for a minority of 14.6% for turnover and 14.6% for profit, while for a majority it is one among many markets. For more than one third of the responding companies the Taiwanese market is of lower priority. Given the limited size of the Taiwanese market, this is unlikely to change in coming years.

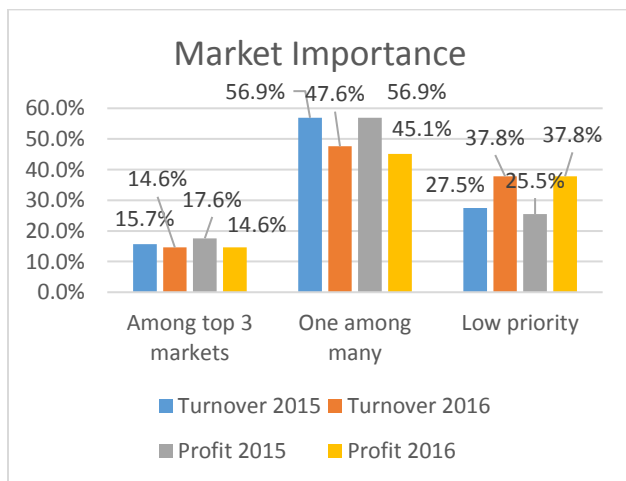


Figure 7: Q13: What status does your company's Taiwan business have within your mother company's global turnover and profit?

### Motivations for market presence

The most important motives for the presence of German companies in Taiwan were the sales potential (65.6%), having a presence in Asian markets (64.4%) and following key accounts (63.3%). Another motive is cooperation with local companies which was considered either very important or important by 62.2%. Less important are lower sourcing/procurement costs, lower production costs, proximity to suppliers and Research & Development.

Though the rankings have changed slightly over time, the overall motives for the presence of German companies in Taiwan has remained unchanged over the past years.

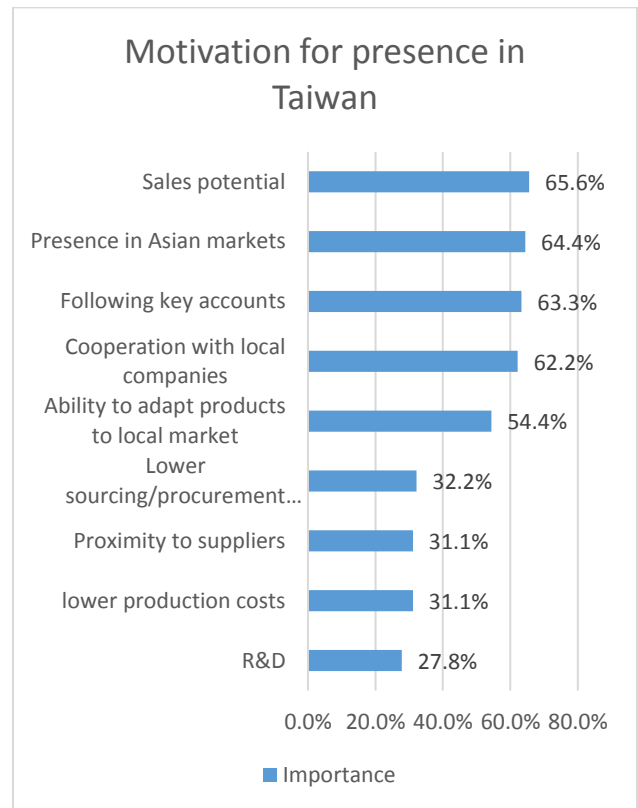


Figure 8: Q14: How important is your company's presence in Taiwan for the following aspects? Combined scores for 'important' and 'very important'

### Main Markets

Half of the responding German companies in Taiwan view Taiwan as their main market for revenue



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generation, an increase by almost 7%. Europe and China come second with 21%.

For the majority of respondents (50.0%) Taiwan is the most important market for their local operation, meaning that their main aim is to serve the Taiwanese market. This number is very similar to last year's result.

Whilst Europe's importance has increased by almost ten percent points compared to last year's record high, the importance of the Chinese market for local operation has been decreasing for the second year in a row now, indicating a steady decline. ASEAN countries and Japan are trailing by a large margin, but do not seem to have significantly declined.

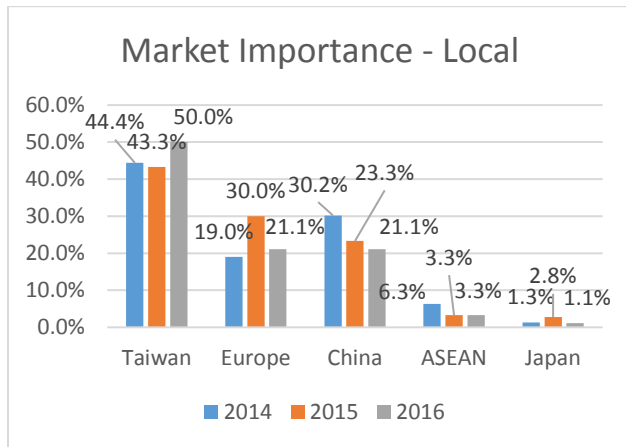


Figure 9: Q15: Please indicate the most important market in terms of revenue generation for your company's local operation.

### Origin of competition

Almost all of the respondents face Taiwanese competitors in the market, followed closely by Europe, Japan and China. While 81.6% state that they already face competition from Chinese companies, 60.5% also feel that competition from there is increasing, a stronger growth than last year (55.4%)

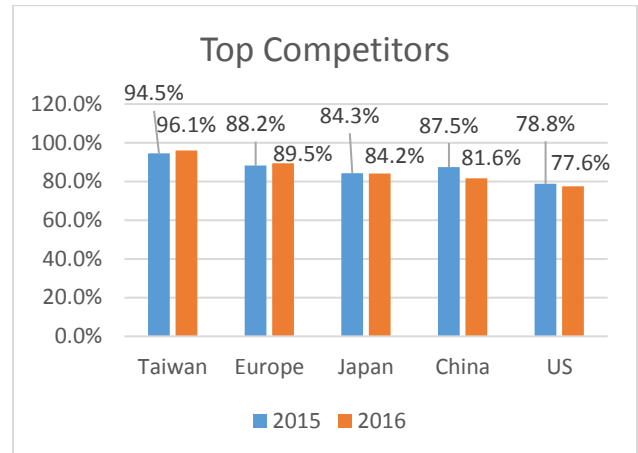


Figure 10: Q25: Please evaluate the origin of the competition faced by your local operation. (All answers that were not 'not a competitor'.)

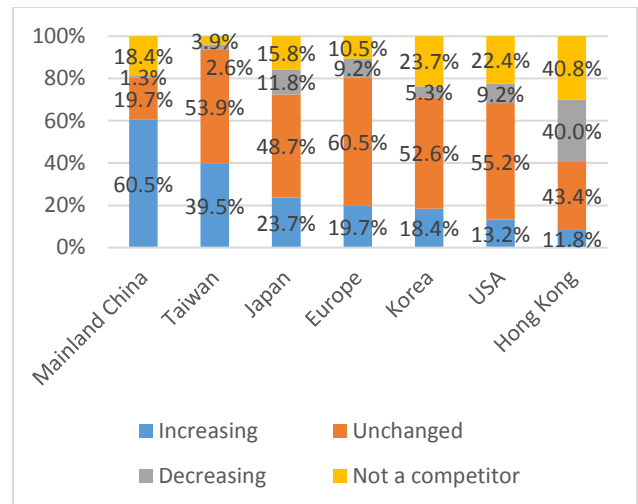


Figure 11: Q25: Please evaluate the origin of the competition faced by your local operation.

## Business climate

### Business friendliness

There is a high level of satisfaction when it comes to evaluating the business friendliness in Taiwan. Nearly two thirds consider local authorities as either very friendly or friendly towards their business. Compared to the past two years, business friendliness in general has improved, the number of companies voting for 'very friendly' is on a record high.

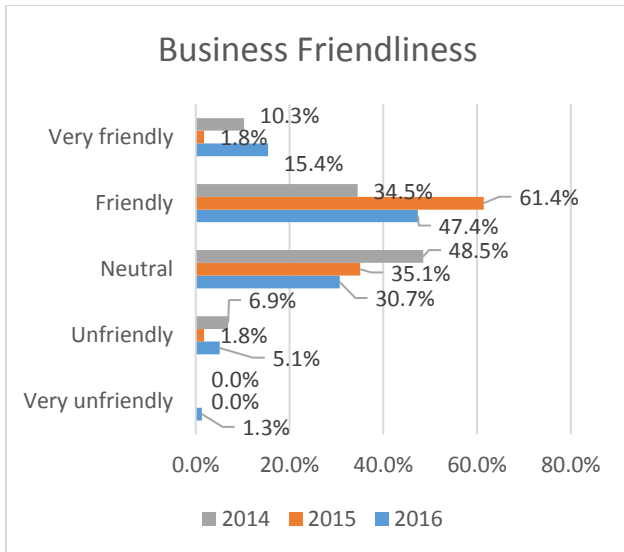


Figure 12: Q17: How friendly do you consider local authorities in Taiwan towards your business operation?

### Future attractiveness of Taiwan

When considering the future attractiveness of Taiwan for specific business fields, both Sales/Marketing and Services are regarded by more than half the participants as being an attractive pursuit in Taiwan.

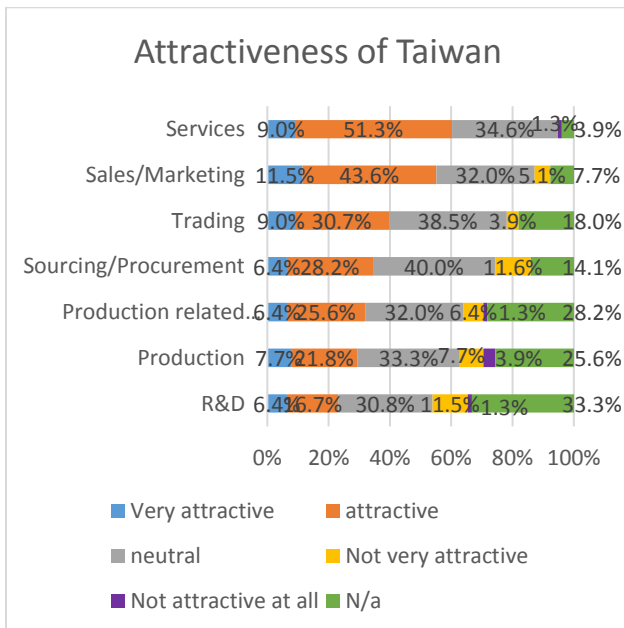


Figure 13: Q18: Please rate how attractive Taiwan will be in the future for your company for (choose Business field).

### Investment climate

Most recent events and situations, such as the election 2016 or cross-strait agreements seem not to have affected the investment climate in Taiwan too much, as the majority maintained a neutral opinion on their relevant impact on the investment climate. 26% rated the economic situation to have a positive effect, while 32% rated it to have a negative effect, making it both the most positively and negatively evaluated factor.

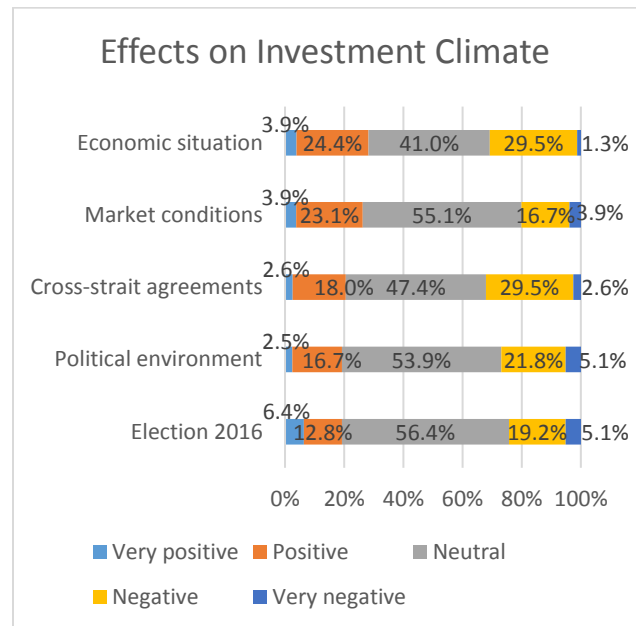


Figure 14: Q19: Please evaluate how the following has affected the investment climate in Taiwan.

### Investment in new locations

German companies are interested in investments in new locations in Taiwan. This year, 15% of respondents are planning investments in new locations in Taiwan within the next two years, while 19% are considering them. Compared to previous years this reflects a small downward adjustment, with slightly fewer companies planning investments expanding into new cities across Taiwan.



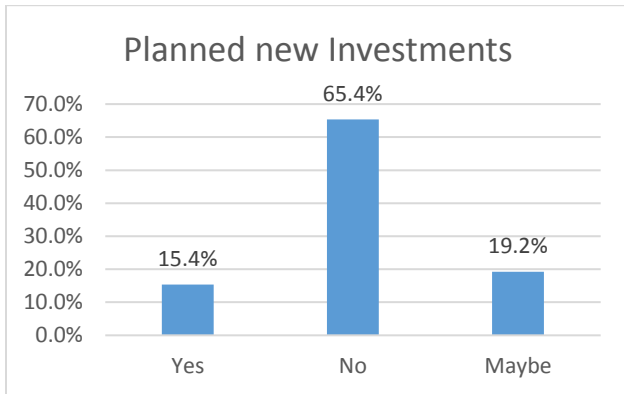


Figure 15: Q20: Is your Taiwan business operation planning any investments at new locations in Taiwan within the next 2 years?

Those considering new investment overwhelmingly chose Taipei as the most likely location (40%). Runner-up was Kaohsiung (20%), third place went to Taichung (16%). In previous years, Taoyuan and Taichung were much more popular as a first choice (22.7% each).

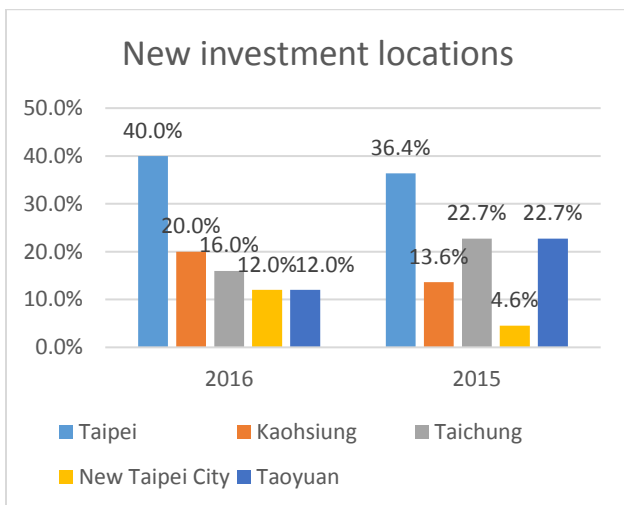


Figure 16: Q21: If you are planning any new investments within the next 2 years, please specify the top 3 cities you consider to be the most likely locations? Only answers for first choice shown, 2015 and 2016.

### Motivations for new investment

The decision to invest in new locations is mainly driven by the need to follow key accounts and finding better qualified staff.

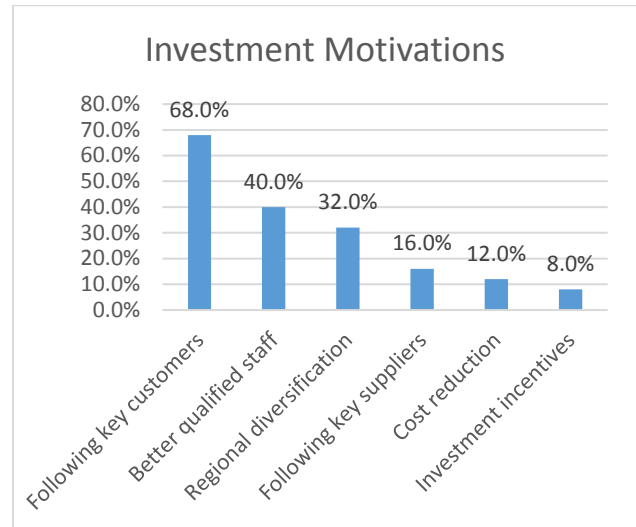


Figure 17: Q22: What are your major motivations for the new investment?

Most participants considering an investment, considered investing into sales and marketing (76%), while services came second. (40%). Sourcing/procurement, R&D and Production seem to be the fields least likely to be invested in.

Regardless of whether or not the companies anticipated to invest into new locations or departments, the vast majority did not consider relocating out of Taiwan (97.4%), reflecting the commitment German companies have in Taiwan.

### Business Challenges

Finding qualified staff remains the top business challenge for the third year in a row, being a challenge for 56% of the companies, but compared to last year it showed improvement. The lack of visibility of an industrial strategy and currency risks were also seen as challenges.

While 74% struggle to fill senior positions requiring more than 8 years of experience, only 19% report difficulties for filling entry level positions. Online job portals, referrals as well as HR service providers including headhunters are the most common recruitment channels. Job fairs and social media

networks such as LinkedIn are used only by a little over half of the participating companies.

### Top challenges in comparison

2015	2016
1. Finding qualified staff	1. Finding qualified staff
2. Currency risks	2. Visibility of the industrial strategy
3. Bureaucracy/ administrative hurdles	3. Currency risks
4. Retaining qualified staff	4. Retaining qualified staff
5. Unclear regulatory framework	5. Cross/strait relations

Emphasis must be put on the fact that most of the 27 possible business challenges assessed only pose minor challenges to businesses, indication of an overall positive business environment. The only challenge which has consistently been an issue for more than half of the responding German companies, has been the struggle of finding qualified employees.



Figure 18: Q16: Please evaluate your current business challenges. Only percentages of participants voting 'major challenge' shown. 'Visible industrial strategy' was not part of last year's study.

## Human Resources

Currently about half of the responding German companies interviewed have job vacancies. Since finding and retaining qualified staff continues to be a major problem for German companies in Taiwan, the following section will analyze this topic in more detail.

### Recruitment

German companies have the most difficulties in filling management (56.6%) and sales (48.7%) positions. Recruitment for marketing and technical sales positions also pose a significant challenge, while finance, HR, and administrative positions are a smaller challenge.

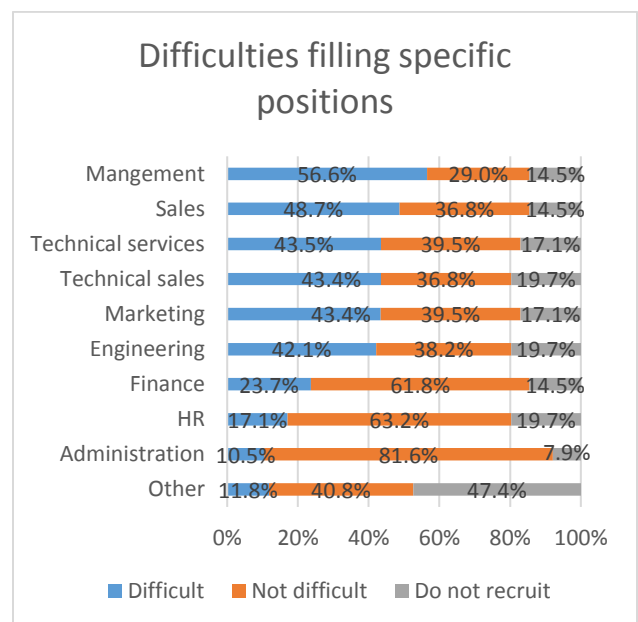


Figure 19: Q26: How difficult do you find it to recruit qualified staff for the following positions?

44.4% of all vacancies have been open for less than three months. There are however exceptions: About one fifth could not be filled in more than six months, while in one extreme case one participant mentions that it could not be filled in over a year.

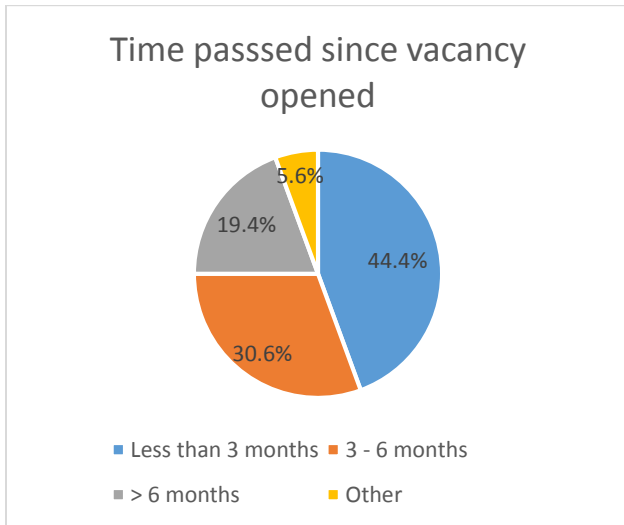


Figure 20: Q32: For how long have these positions been open?

Considering the level of experience, the more experience the position requires, the more difficult it is for German companies to find suitable staff. While 73.7% struggle to fill senior positions requiring more than 8 years of experience, only 18.5% report difficulties with filling entry level positions with university graduates. 81% of German companies have no difficulties finding qualified staff, compared to 79% the year before.

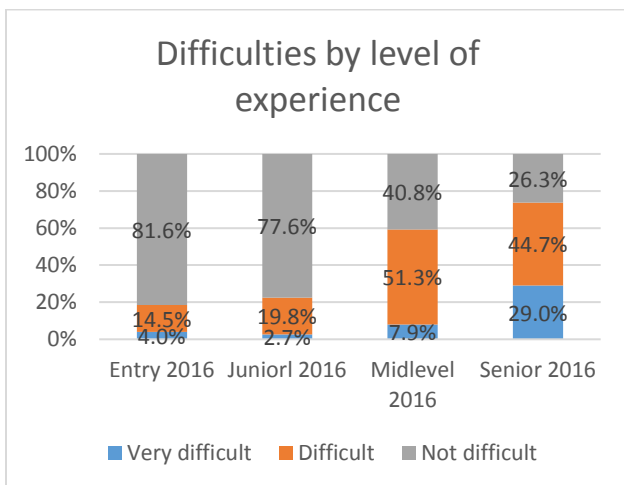


Figure 21: Q27: How difficult do you find it to recruit staff based on level of experience?

### Recruitment Channels

To find suitable employees, companies use a variety of channels. Most commonly used are online job portals, around 90% of responding companies have used it in the past. The least used channels are job fairs and university cooperation, which have only been used by approximately 55% of companies. Job fairs were also voted to be the least useful, around 20% of companies that used them for recruiting rated their experience as poor. Just like online job portals, referrals and HR service providers are also used very often and also score a satisfaction rate of around 50%.

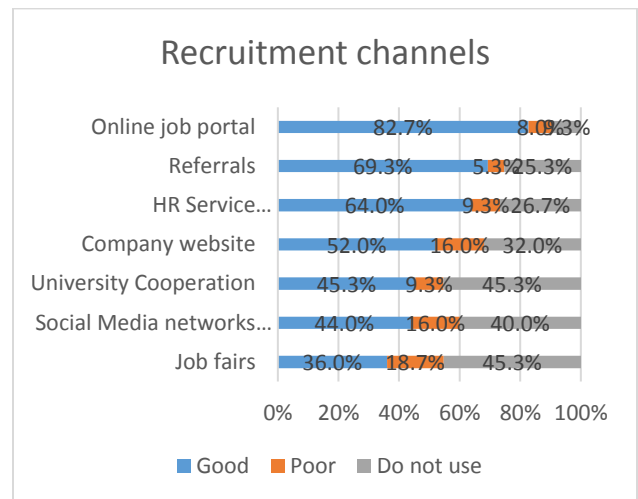


Figure 22: Q29: How do you evaluate the following recruitment channels for qualified staff? 'Good' combines scores for 'excellent', 'good', 'fair'; poor combines scores for 'poor' and 'very poor'.

The main reasons why vacancies cannot be filled are that applicants lack the required experience or skills. Respondents marking 'major challenge' for applicants lacking experience and high salary expectations dropped by ten percentage points. It seems then that such difficulties are decreasing and it will be interesting to see whether this trend continues in 2017.

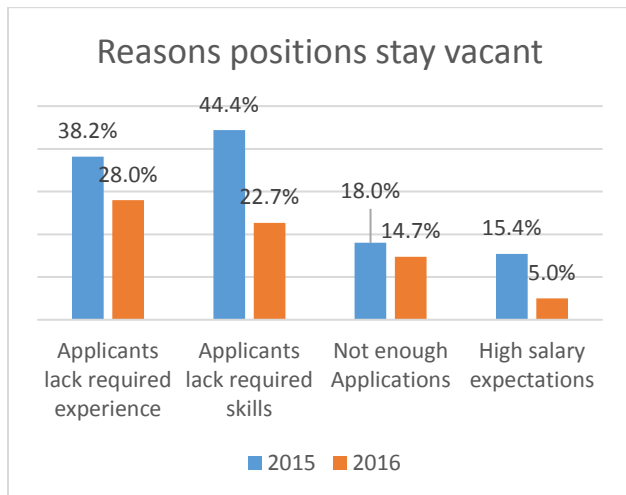


Figure 23: Q30: Please evaluate the main reasons why vacant positions cannot be filled. Results for 'major challenge', 2016 and 2015

### Profile of responding companies

Different forms of subsidiaries are the most common type of legal business entity by companies. 39.5% are registered as Subsidiaries Company Limited by Shares, while a further 28.4% are registered as Subsidiaries Company Limited. The remaining companies are registered as Branch Offices (17.4%) and Representative Offices (10.1%) in Taiwan.

### Regional Distribution

As in previous years, the majority of the companies is located in Taipei and New Taipei. While last year Taipei and New Taipei combined accounted for two-thirds of respondents, this time they make up 75%.

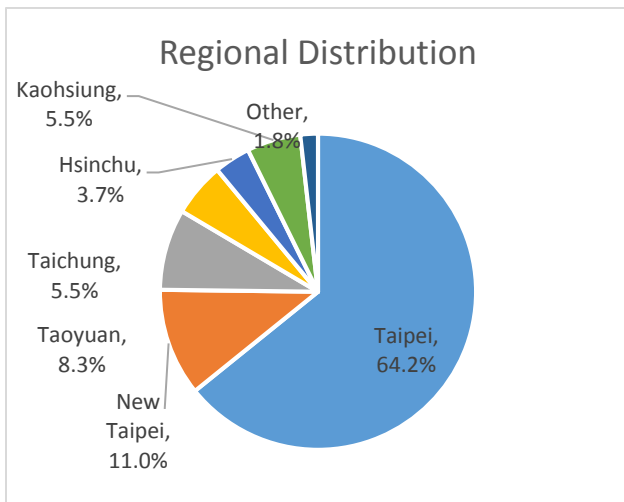


Figure 24: Q1: In which city is your company located in Taiwan?

The majority of companies have been present in Taiwan for at least 15 years, in fact, only 11% of responding companies have been here for less than seven years. This once again shows that German companies are well established in the Taiwanese market.

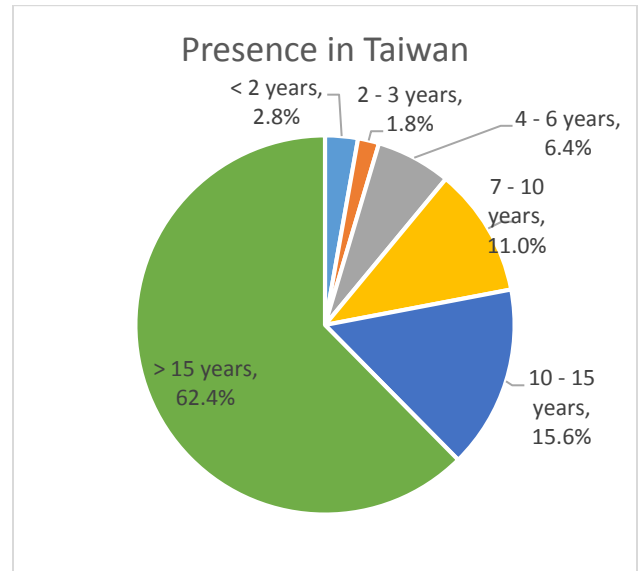


Figure 25: Q9: For how many years has your company been physically present in Taiwan?

Unsurprisingly, the majority of German companies has at least one additional branch in China (62.4%) and quite a few (15.6%) also have at least one more branch in Taiwan.

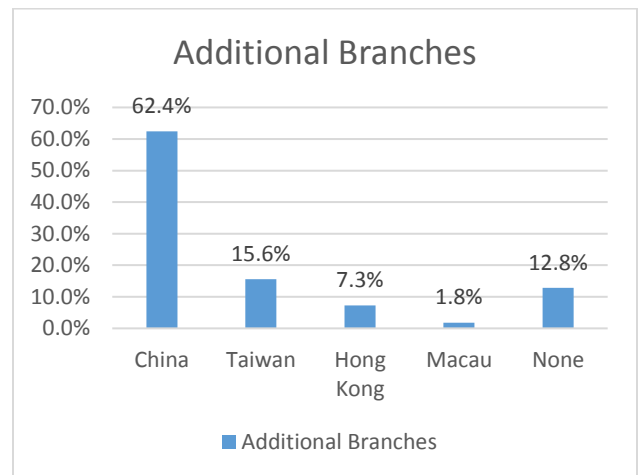


Figure 26: Q2: Where in Greater China does your German mother company have additional branches?

40% of companies have a Greater China or Asia Headquarter in Shanghai. The remaining HQs are more or less equally distributed between Hong Kong, Singapore, Taipei and Beijing.

# German Business in Taiwan

## Business Confidence Survey 2016

### Industries

Continuing the trend set in previous years, the machinery and industrial equipment sector is the most dominant industry (23.9%). Chemicals and Electronics share second place (8.3% each), while automotive and plastic/metal products reaches third (6.4% each).

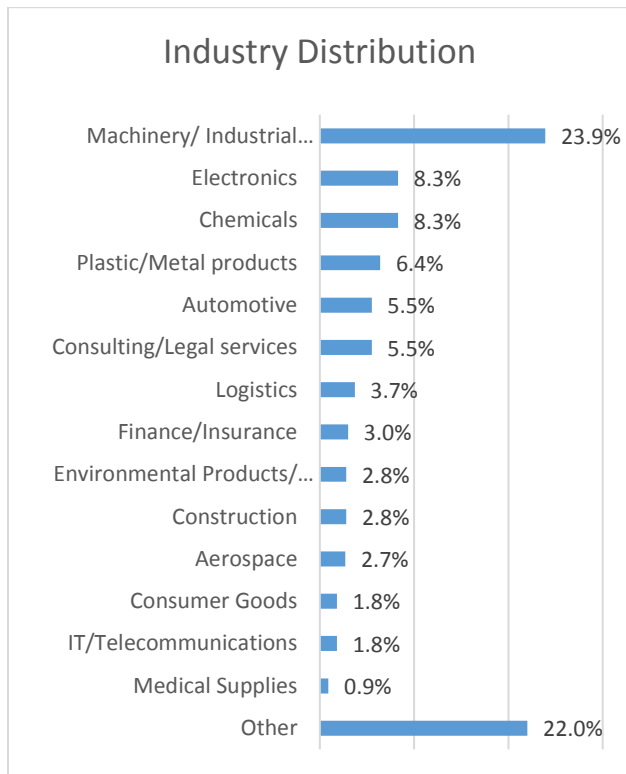


Figure 27: Q5: Please specify the main industry of your company.

### Employees and Turnover

The majority of companies operating in Taiwan employ less than 50 people (73%), which is a slight increase compared to last year with 64.1%. It shows, that like in Germany, the German “Mittelstand” has the strongest presence in Taiwan. 23% employ between 50 and 250, 1.8% employ between 251 and 999 people and more than a thousand.

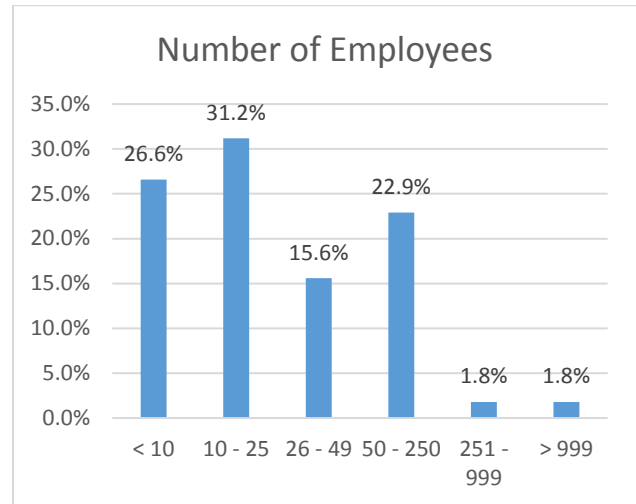


Figure 28: Q6: Please indicate the number of employees working at your company's Taiwan operation.

Turnover figures reflect a somewhat similar picture, the majority having a turnover of between 51 and 250 million TWD, but 15.6% have a turnover of over 1 billion TWD.

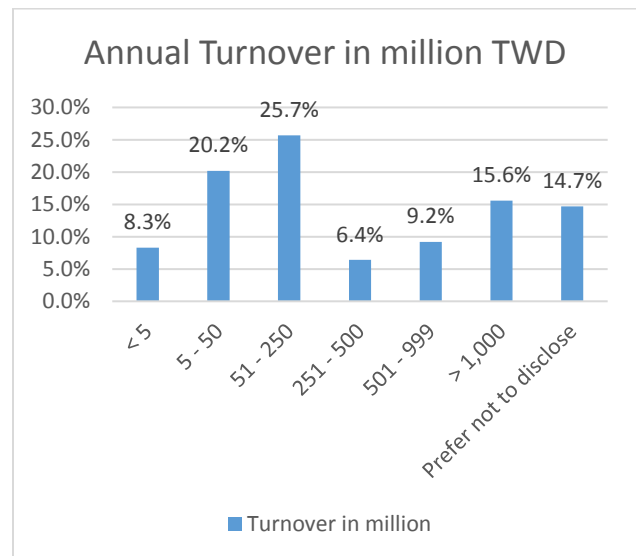


Figure 29: Q7: Please indicate your Taiwan operations' annual turnover in 2015 in TWD.

### Main field of business

The main business fields this year are Sales/Marketing (43.1%), Services (20.2%) and Trading (12.8%).



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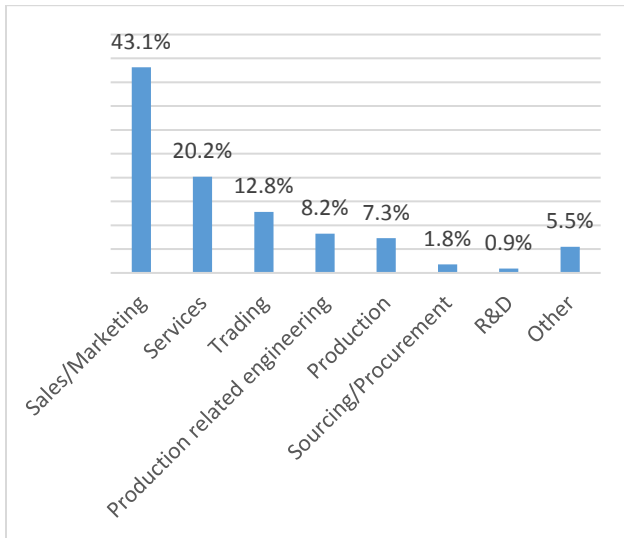


Figure 30: Q8: Please indicate your local entity's main field of business.

## Recommendations of the German Industry to Taiwan and Germany

## Recommendations of the German Industry to the Taiwanese Government

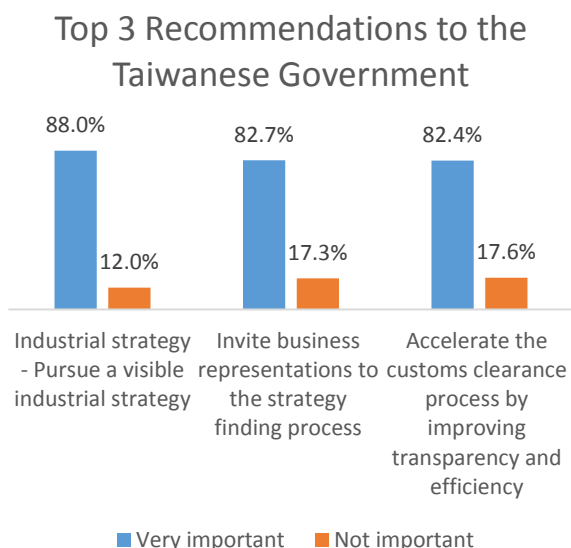


Figure 1: Q35: Please mark the items that are most relevant to your business.

The recommendations to the Taiwanese Government are very specific: in particular the industrial strategy should be more visible (88%) and business representatives should be more involved in the strategy finding process (82.7%).

Also the internationalization, especially when it comes to an English speaking environment, should be strengthened (80%).

Recommendations supporting the improvement of general economic conditions also found strong backing. Most important for the participants is to accelerate the customs clearance process by

improving transparency and efficiency (82.4%). 66.2% think that the work regulations for foreigners should be eased, as well as the registration of products (64.4%).

When it comes to specific sectors, the majority of the participants sees room for improvements regarding the energy sector. They see a need for incentives and minimum standards in the field of energy efficiency (70.7%), as well as for a sufficient and reliable power supply (66.7%). The same amount of participants wish for an enforced legal frame to increase renewable energies in industrial productions and buildings as well as for development of renewable energies in general, especially in the offshore wind power sector.

## Recommendations

### Increase visibility of the Industrial strategy

In 2001 Taiwan created a set of rules, the Administrative Procedure Act, for the implementation of statutory requirements. However, in this system every agency has their own margin of discretion relating to the creation and publication of regulations and involvement of possible third parties.

It is crucial that companies are informed about the decision making process and are involved beforehand. This way they have the possibility to plan their investments and tailor its business strategies accordingly.

The companies recommend that the Administrative Procedure Act is revised in such a way that companies are more involved, to increase transparency in decision making and acceptance of those regulations.

### Facilitate custom procedures by harmonization of standards/product registration

More communication is needed between the responsible authorities and industry to give business representatives an opportunity to discuss problems they have experienced with customs clearance and to present ideas for making the system more efficient. The need for such communication has grown with increasing frequency of Internet based international transactions, and with the large number of agencies engaged in border-control activities.

To improve customs clearance efficiency and reduce dissatisfaction, a single communication platform might be useful to enable related business parties to communicate with the responsible authorities.

### Strengthen business environment to enhance internationalization (e.g. provide an English speaking business environment)

As was established in the survey, German companies in Taiwan appreciate the business environment very much. Nevertheless, there is still demand for increased internationalization. This not only includes alignment with international standards and reduction of bureaucracy, but also better communication with international business partners. If the English language becomes more established as a commercial language in Taiwan, contacts can be easier maintained and misunderstandings can be reduced. Increased focus on this in the future with state-supported language classes or workshops for international business practice can improve the business environment even more.

### Provide minimum standards for energy efficiency and related incentives

Since Taiwan has announced its energy transition goals, it has also started to implement it through a variety of programs. Most of these programs focus on the transition from conventional to renewable

energies. To achieve their ambitious goals, energy efficiency is just as important. Many companies would like to implement measures to increase energy efficiency, since they will have the necessary know-how thanks to the European energy transition. Implementation of minimum standards, as well as incentives for energy saving can greatly improve companies' motivation to participate in the energy saving measures.

#### In short

- Opening of the industry strategy finding process to the economy
- Accelerating the customs clearance process by improving transparency and efficiency
- Easing work regulations for foreigners

## Recommendations of the German Industry to the German Government

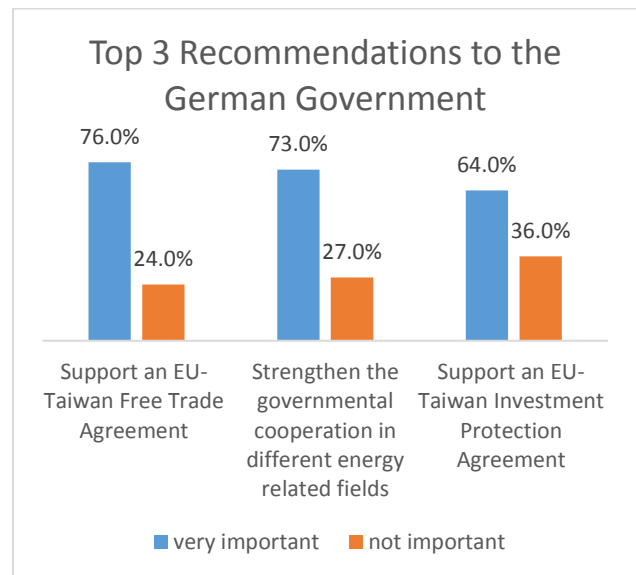


Figure 2: Q34: Please mark the items that are most relevant to your business.

The majority of the participants felt the need to strengthen the position of German companies in Taiwan. The recommendations range from

increasing the frequency of high-level political visits to support German companies in Taiwan to supporting vocational training programs. Most important for the companies is an EU-Taiwan Free Trade Agreement (76%) and the governmental cooperation in different energy related fields like renewables, energy efficiency (73%).

## Recommendations

### EU-Taiwan Free Trade Agreement/Investment Protection Agreement

Taiwan has a critical role in Asia's supply chains and its trade with China is expanding rapidly, enhancing the possibility of triangular trade with Europe. This makes the island an important partner for the EU, with strong potential to develop bilateral trade. The strengthening of EU-Taiwan trade relations, in particular through an FTA, could turn the island, at the heart of Asian supply chains, into an important regional and global export platform, and a production location for European firms.

Free trade agreements such as TTIP are currently a controversial topic in Germany, and opinions on its merits differ even within the business community. There are already signs that an FTA between the EU and Taiwan is possible: the EU Parliament passed a resolution, in which it urges the EU Commission to begin talks with Taiwan regarding an FTA. Furthermore, since 2013 the EU Commission has been considering a dialog with Taiwan for a Bilateral Investment Treaty.

To form a FTA between the EU and Taiwan would be very much in the interest of German companies. As Taiwan does not accept European or American standards, but has its own set of regulations, product registration is necessary and takes a long time.

This procedure takes time and slows the import process. An FTA would implement international standards and thus accelerate this procedure. This

recommendation is in accord with the recommendation to facilitate the registration process (64.4 %) of different products for example in the food, agriculture or pharmaceutical sector.

According to Taiwan's Investment Commission, European cumulative investments in Taiwan amount to nearly 30 billion Euros, accounting for more than 26% of the total Foreign Direct Investment (FDI) into Taiwan. Therefore the EU is Taiwan's largest source of FDI. So far the EU has only been the beneficiary of four percent of Taiwan's total outward investments. An investment protection agreement could help promote mutual investments and strengthen the bilateral ties between Taiwan and Germany.

The companies suggest that if the German government strongly supports a FTA, the Taiwanese government might be convinced to accept European standards, even with opposition from some sectors of the Taiwanese economy. It is also recommended to accelerate the process of concluding an investment protection agreement between the EU and Taiwan to pave the way for a FTA.

### Governmental cooperation in different energy related fields like renewables and energy efficiency

Today and in the near future, the focus is on making renewable energy a competitive source of electricity. Germany is leading in renewable energy innovations. Taiwan is a prime location for wind and wave power and German technologies can help utilize these resources.

Conserving energy and using energy more efficiently are the two pillars on which a future using sustainable energy. In Taiwan, industrial, building, and transportation sectors account for more than 70% of the energy consumption. Enhancing the energy efficiency in these sectors is crucial for Taiwan.

According to the survey's results, a deeper and stronger governmental cooperation in the energy sector can be beneficial, so both sides can profit from the experience one of the other.

### Increasing the frequency of ministry-level political visits

The frequency of such visits has decreased over the past years. The last ministry-visit was in 1994 by then-Federal Minister of Economics Günter Rexrodt. But such visits carry symbolic significance to form strong bilateral relationship, but their substantive value is even more important.

The companies encourage the German government to send Ministry-level officials to Taiwan and recommend that the next German government will continue, or better yet expand, the practice of arranging for regular high-level contacts.

#### *In short*

- EU-Taiwan Free Trade Agreement/ Investment Protection Agreement
- Governmental cooperation in energy related fields like renewables and energy efficiency
- Increasing the frequency of high-level political visits

## Recommendations of the German Industry to both governments

60% of the participants wish for more cooperation between Germany and Taiwan in the field of research and education, while 54.7% see a need for cooperation in the field of energy transition and nuclear power phase-out.

## Cooperation in the field of research and education

There have been many cooperations in the field of research between Germany and Taiwan. There is the Science Round as a regular medium of exchange on German-Taiwanese relations in science and technology, attended by representatives of MoST and the Industrial Technology Research Institute on the Taiwanese side and GTO, GI and DAAD on the German side.

In the past years there have been regular visits between representatives of the Fraunhofer Institute and the Industrial Technology Research Institute. There is also a strong collaboration between researchers and academics of the Max Planck Society and Taiwanese educational institutions. The last such visit was by the German Research Center for Geosciences on the 28. July 2016 to exchange information in different fields like prevention of natural disasters, in particular earthquakes and landslides, and geothermal energy.

Although these successful cooperations are a good start, both governments are encouraged by the companies to deepen existing relations and form new collaborations.

## Cooperation in the field of energy transition and nuclear power phase-out

Given the new administration's goal of achieving a nuclear-free Taiwan by 2025, the challenge of guaranteeing a stable and reliable energy supply becomes even more urgent. Without nuclear power, Taiwan's reserve margin will likely drop to about 5%, much lower than the internationally recognized safe margin of 15%. Thus, major energy-policy measures need to be adopted quickly to safeguard the Taiwanese economy as it transitions away from nuclear energy.

This includes ambitious plans especially in the development of off-shore wind farms, usage of

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biomass and the construction of gas storage facilities to secure energy supplies. There are also opportunities for research and economic cooperation as well as the development and commercializing of CCS-technologies to achieve CO2 reduction targets. E-mobility and intelligent system technologies particularly in the building sector are other areas in which Taiwan and Germany could benefit from each other's expertise.

There are several cooperation in this field, like the annual Green Energy Policy Forum, where business representatives from both countries exchange their views and ideas.



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The companies suggest continuing this partnership to support Taiwan on its way to nuclear-power phase-out, since there is still a need for cooperation, as this survey show.

### *In short*

- Cooperation in the field of research and education
- Cooperation in the field of energy transition and nuclear power phase-out





## About the Survey

Annually, the German Trade Office Taipei conducts a business confidence survey to assess business attitudes of German companies in Taiwan. The survey this year was conducted in English between June 14<sup>th</sup> and July 20<sup>th</sup>, 2016. The survey consisted of 39 questions concerning the general business and market outlook and performance and investment climate. It also included a group of questions specifically about recruiting and human resource management. It was answered by 109 companies. The survey was conducted online among the German business community.

## The German Trade Office Taipei

The German Trade Office Taipei was established in 1981. Since then we have acted as an intermediary between German and Taiwanese businesses and have promoted the exchange between both economies. We aim to provide our customers with services tailored to their needs so that they can benefit most from the many advantages both Germany and Taiwan have to offer. The German Trade Office Taipei is part of a network of more than 130 German economic representations worldwide, which has been active abroad for more than 150 years

## DEinternational Taiwan Ltd.

Our service unit DEinternational Taiwan Ltd. specializes in supporting you to develop and expand your business activities in Taiwan or Germany. Ranging from market entry and expansion support, trade fairs, legal and investment as well as recruiting and training services, the broad variety of support we offer will certainly meet your requirements.

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