



Deutsches Wirtschaftsbüro
German Trade Office
Taipei
德國經濟辦事處

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Press Information

German Trade Office Taipei

The German Trade Office Taipei (GTO) was established by the Association of German Chambers of Industry and Commerce (DIHK) as the Delegation of German Industry and Commerce in 1981 to promote economic relations between Taiwan and Germany and to represent the interest of German business in Taiwan. The GTO is the first point of contact in Taiwan for German companies, provides information on Taiwan and Germany, informs about investment opportunities in Germany and arranges seminars, networking events and symposia.

DEinternational Taiwan Ltd.

DEinternational Taiwan Ltd., the service unit of the GTO, organizes business delegations and market survey trips, represents German trade fair companies and offers bilateral market entry support as well as recruiting, training, office-in-office and other value added services.

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GTO - Business Confidence Survey 2018

The German Trade Office Taipei (GTO) presented the results of this year's Business Confidence Survey at a press conference today. The survey was conducted by the GTO among 250 German companies in Taiwan in November 2018 and its results represent the view of German companies on the current business environment in Taiwan and their business expectations for 2019.

Amongst the participants of the press conference were Mr. Emile M.P. Chang (張銘斌), Director-General of the Department of Investment Services - Ministry of Economic Affairs as well as Dr. Thomas Prinz, Director General, German Institute Taipei. To provide a deeper insight into the current business situation of German companies, two distinguished representatives attended as well, i.e. Mr. Erdal Elver, President & CEO of Siemens Limited Taiwan and Ms. Shu-Juei Chen, Services Director of TRUMPF Taiwan Industries Co., Ltd.

Chief Representative and Executive Director of the German Trade Office Taipei, Mr. Axel Limberg, presented the results of the survey in detail, showing that even though Taiwan's outlook is still positive, a few challenges remain. He stated: "Confirming last year's results, the vast majority of German companies would start their business in Taiwan again, indicating that Taiwan is still perceived as an attractive business location. However, even though business climate is still regarded as positive, we also observe that there is a slightly less optimistic outlook in terms of economic expectations."

Survey Results:

According to the results of the Business Confidence Survey 2018, the majority of German companies expect the Taiwanese economy to remain unchanged, while 30.1% believe it will be improving in 2019. The number was even slightly more positive regarding their own industry with 33.8% expecting their industry to improve. However, around one fourth of the companies are concerned that both the Taiwanese economy as well as their own industry will worsen.

Profile of Responding Companies

Taiwan as a business place proves to be a long-term commitment, with 57.8% of the companies have been operating in Taiwan for more than 15 years. However, as in previous years, we also see lots of new companies starting their business in Taiwan.

Most companies are typical German small and medium sized enterprises with less than 50 employees at their local site in Taiwan (73.6%), while large size enterprises employing more than 500 people accounted for 4.2%. Most of the participating companies are active in the field of machinery/industrial equipment

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(30.6%), followed by the logistics (13.9%) and the sales/marketing (12.5%) sectors.

Business Satisfaction

Around 49% of the companies were able to achieve or even exceeded their business targets in 2018, while 44.3% predict that all their targets will be achieved or even be exceeded in 2019. Both numbers serve as a wake-up call for the economic development, as they are slightly lower compared to 2017.

The overall view of German businesses towards Taiwan remains stable, turnover (50.7%) and profits (40.8%) are both expected to increase or even increase significantly. However, 57,8% predict their investments to remain similar or unchanged, while 62.0% do not expect big changes in employment.

Investment Climate

German companies remain committed to their investments in Taiwan. 39.4% of the survey's participants are currently planning investments within the next two years. The major motivations for new investments are following key customers (49.1%), finding better qualified staff (40.0%) and cost reduction (21.8%). Like last year, sales and marketing (36.2%) are still considered to be the most important investment sectors, followed by investments in services (25.9%).

Business Challenges

About 46% of the German companies identify the cross-strait relations as well as the political stability in general as major business challenges for German business activities in Taiwan. Additionally, the reliability of governmental framework (40%), bureaucracy and administrative hurdles (38%), participation in public tenders (36%) as well as the absence of FTA and investment protection agreements (33%) are also regarded as challenges.

Recommendations to Overcome Major Challenges

The results indicate that three major issues should be addressed by the Taiwanese government. Political stability should be improved in order to keep the existing high level of trust in Taiwan as a location for business and investments. This means that long-term commitments for projects should be upheld and agreed time schedules should be adhered to.

The further pursuit of the "Five plus two" innovative industries plan is recommended, and the political plan should be transferred into business opportunities, as this is realized with the topic of energy transition from fossil fuels to renewable energies. These agendas shall be kept stable and similar frameworks would also support the other segments such as biomedicine.

The survey results also indicated that recruitment still poses an urgent business challenge. It is therefore recommended to implement a system of dual vocational education in order to increase the level of qualification to allow the companies to recruit more qualified staff.

For further information, please go to [our website](#) to download the full report "Business Confidence Survey 2018 Report"

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