



Deutsches Wirtschaftsbüro
German Trade Office
Taipei
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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 2017

The German Trade Office held a Press conference today about their GTO-Business Confidence Survey 2017. The Business Confidence Survey is conducted every year since 2012 to analyze and evaluate how German companies perceive the business environment of Taiwan and how it will develop in the near future.

Executive Director of the German Trade Office, Mr. Axel Limberg, presented the results in detail, showing that Taiwan's outlook is positive, but that a few challenges remain. He noted that "One of the key results of the survey is that 72% of the participants would certainly invest in Taiwan again, which shows that Taiwan provides a very attractive business environment to work in. However, Taiwan still needs to overcome certain challenges, including a shortage of experienced labor, in order to provide an even better business experience for German companies."

Amongst the participants in of press conference was Mr. David Wang (王劍平), General Director of the Department of Investment Services - Ministry of Economic Affairs (MOEA), Mr. Martin Eberts, General Director of the German Institute Taipei, as well as Mr Lu Wen-Tsan (盧文燦), Deputy Director Metals and Industry Division of the Industrial Development Bureau (MOEA).

Joining Mr. Limberg in his presentation to provide insights into the experience and perception of German companies in Taiwan were three distinguished representatives of German companies present Taiwan: Mr. Dick Hsieh (謝志宏), Managing Director of Merck Group in Taiwan, Mr. Terence Bryce Johnsson, Managing Director of Volkswagen Group Taiwan, and Mr. Jim Tai (戴英傑), Managing Director of Remondis Taiwan.

Speaking on the prospect of investment and labor in Taiwan, Mr. Hsieh noted that "Merck is very committed to Taiwan as it is not only geographically well situated in the center of Asia, but also provides an educated and qualified workforce. We invest a lot in developing our workforce and providing a sound talent program because we believe that our employees contribute to our success. Taiwan has become the location for Asia R&D hub for Merck and we have recently invested the Asia Region IC Materials Application R&D facility in Kaohsiung to expand our operations."

Mr. Johnsson spoke about the challenge providing a standardized framework for the tech industry in Taiwan. He stressed that "With the development of battery electric vehicles and autonomous driving vehicle, Taiwan, as a front-runner in innovation and Artificial Intelligence technology has the potential to position itself as a regional leader in automotive applications. Increased bilateral cooperation with Germany is needed to provide a reliable and standardized framework for the tech industry."

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Looking at future economic developments in Taiwan, Mr. Tai stated that “It is important that Taiwan strives to change the current linear economy into a circular economy. Our resources must be converted into products that are recyclable to provide a sustainable future for Taiwan. As Remondis is engaged in numerous waste to energy programs, we are glad to help build up the local waste to energy industry and promote the development of the renewable energy sources.”

Survey Results:

According to the results of a survey conducted by the German Trade Office Taipei (GTO) among 250 German companies in Taiwan during fall 2017, the majority of German companies expect the Taiwanese economy to improve (47%) while only 7% believe that it will worsen. The statistics was even more promising regarding their own industry with 56%% expecting their industry to improve in 2018.

Business expectations and market evaluation

Last year only 38% of companies achieved or exceeded their business targets. This year’s results saw a major improvement, with 57% of the participants stating that they have achieved or exceeded their business targets. The overall view of German businesses towards Taiwan remains stable and positive. Participants scored highly in the category ‘business friendliness’ in Taiwan. Nearly two thirds consider local authorities as either friendly or very friendly towards their business.

Motivation for market presence

The most important motives for the presence of German companies in Taiwan were following key accounts (85%), having a presence in Asian markets (80%) and sales potential (79%). Other motives included the ability to adopt products to the local market (76%) and cooperation with local companies (74%) Far less important, however, were 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

Outlook 2018

47% felt that the overall economic situation and outlook in Taiwan was improving, while only 7% perceived it as worsening. When looking at their own industry, more than 50% believe that their own industry will improve in 2018. That’s a significant increase of the results from 2016, where 41% thought that the economy would improve and only 35% thought that their own industry would improve.

Recommendations to help overcome major challenges

To confront the lack of experience labor, we would suggest Improving education of staff, ease regulations on hiring foreign professionals. As the survey results also show a need for increased communication with the government to establish a more reliable framework for doing business in Taiwan, we suggest the government should communicate planned changes in the legal framework more clearly and include foreign enterprises in the decision finding process. Lastly, to improve the visibility of industrial strategy 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.