

Voluntary Report – Voluntary - Public Distribution

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Report Name: Taiwan Thirsts for High-end Whiskey

Country: Taiwan

Post: Taipei ATO

Report Category: SP1 - Expand International Marketing Opportunities, MISC-Commodity, Agricultural Situation, Beverages, Product Brief

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Report Highlights:

In 2021, Taiwan imports of whiskey reached \$553 USD million, up 19 percent compared to 2020. The United States ranks as the third largest supplier of imported whiskey with two percent market share, far behind United Kingdom (i.e. Scotland, 92 percent) and Japan (four percent). In 2021, Taiwan imported approximately 430,000 liters of whiskey from the United States (\$3.9 USD million), with Jack Daniel's and Jim Beam leading the pack. U.S. bourbon has great potential in this market but requires an aggressive, long-term campaign push to make an impact against the popular single malt Scotch.

Overall Market

The Taiwan whiskey market comprises local production of 1.68 million liters and imports of 22 million liters. In 2021, Taiwan imports of whiskey reached \$553 USD million, up 19 percent compared to 2020. Whiskey has retained its long-standing largest product share (49%), among all types of imported spirits. However, other spirits, like gin, vodka, and rum, all showed explosive growth, credited to the popular cocktail culture that fueled the growth (Appendix 1).

Table 1. Whiskey Market Size in Taiwan (Unit: liter)

Category	2017	2018	2019	2020	2021
Local Production	1,531,833	1,692,374	1,526,237	1,509,992	1,680,009
Imported Whiskey	20,756,345	20,716,928	23,440,554	19,700,311	22,459,961
Exported Whiskey	797,876	1,073,466	743,509	920,826	1,379,670
Total	21,490,302	21,335,836	24,223,282	20,289,477	22,760,300

(Source: Trade Data Monitor, Taiwan’s Ministry of Finance)

Imported Whiskey Market

Taiwan has been a significant whiskey buyer for its unique appreciation for high-end single malt. In 2021, Taiwan imported Scotch exceeding \$516 million, topping the United Kingdom’s third largest market, following the United States and France. It is worth noting that Taiwan is the only market that among Scotch, single malt whiskey consumption is on par with blended whiskey, reflecting in a close product breakdown ratio of 45% to 55%.

In terms of imported volume, the United States ranks as the third largest supplier of imported whiskey with two percent market share, far behind United Kingdom (i.e. Scotland, 92 percent) and Japan (four percent). In 2021, Taiwan imported approximately 430,000 liters of whiskey from the United States (\$3.9 million), with Jack Daniel’s and Jim Beam leading the pack. Other U.S. brands available in the market include: Barton 1792, Buffalo Trace, EH Taylor, Elijah Craig, Evan Williams, Heaven Hill, Knob Creek, KOVAL, Makers Mark, Sazerac, Wild Turkey, W.L. Weller, etc.

Consumption

Long-term educational and promotional efforts by Scotch suppliers have translated into an established, consumer preference for single malt Scotch. Taiwan consumers’ palate is skewed toward sweet, smooth, Sherry cask notes. U.S. bourbon is perceived woody and spicy, which is instead more popular in the off-trade sector, for cocktail uses. Generally, consumers consider Scotch a status symbol, the longer aged, the better-quality assurance. The specialty liquor stores highlight those whiskies aged at least twelve years. These high-end whiskies are especially popular for premium gift-giving, collection, or even investment.

Pricing

Taiwan is heaven for whiskey lovers, for in this market consumers can pay much less to buy the same whiskey product compared in other markets. The pricing advantage is attributed to whiskey's zero tariff and its relatively low alcohol tax. Therefore, consumers lean toward buying better quality whiskey for sole drinking. That explains why expensive whiskey sell much easier than entry-level whiskey. To refer to the end-user price of whiskey products, visit:

- My9: <http://shorturl.at/stR05>
- Drinks: <http://shorturl.at/imCU5>

Distribution

75 percent of whiskey consumption goes to off-premise sector, with specialty liquor stores as the significant retail channel. Drinks, My9, and Jiou Group Corp. are major chain specialty liquor stores that showcase a wide selection of spirits products and market premium gift-boxes for important holiday occasions, like mid-Autumn festival and Chinese New Year season. Another 25 percent of whiskey consumption goes to on-premise sector— widely disperse channels including bars, pubs, restaurants, and man's clubs.

Suggestion

As Scotch has dominated the market for more than two decades (Graph 1), consumers' palates are accustomed to the smooth texture and the Sherry cask note. U.S. bourbon has great potential in this market but requires an aggressive, long-term campaign push to make an impact against the popular single malt Scotch.

- Pivot to Target Young Consumers by Capitalizing on Popular Cocktail Culture¹

Instead of converting those savvy whiskey consumers, ATO Taipei suggests target consumers under aged 35 and develop their appreciation for U.S. whiskey. As cocktails plays a key role to introduce these entry-level drinkers to diversified spirits, it is advised to collaborate with the importers that have a strong foothold in the bar channel. The long-term engagement with bartenders will be instrumental to build branding for U.S. whiskey.

- Engage with Key Opinion Leaders (KOL)

Taiwan culture values “knowledge” and “certificate.” One of the successful factors that drives single malt's popularity is several KOLs' voluntarily hosting serious tastings at Taiwan Single Malt Whisky Tasting Association. These KOLs hold Wine & Spirit Education Trust (WSET) certificates, with some of them being Masters of the Quaich, and one even a judge for Malt Maniacs Award. These credentials enable whiskey drinkers to trust what KOLs comment and follow their tastes. Good news

¹ Taiwan claimed 2 spots out of Asia's 50 Best Bars 2022, including Indulge (No. 6) and AHA Saloon (No. 24).

is that one of the key KOLs, Dave Chiu, just launched a book *American Whisk(e)y*, featuring eleven U.S. distilleries and various U.S. whiskey brands available in Taiwan. It is never a better timing than now to promote U.S. whiskey with importers, while riding along this new book's launch.

- Join USA Pavilion at Food Taipei to Take Advantage of “Products of USA” Branding

In order to take advantage of “Products of USA” branding opportunity, ATO Taipei suggests U.S. suppliers participate in ATO Taipei's coordinated USA Pavilion activities at the Taipei International Food Show, which takes place in June every year. The activities aim to promote a wide variety of American food and beverage products targeting importers, retail buyers, and the hotel/restaurant industry.

Tariff & Tax

Whiskey (HS code: 220830)

- Tariff: 0
- Alcohol tax (for distilled spirits): NT\$2.5 (=US\$0.09) per liter per degree of alcohol content
- Business value-added tax: 5%

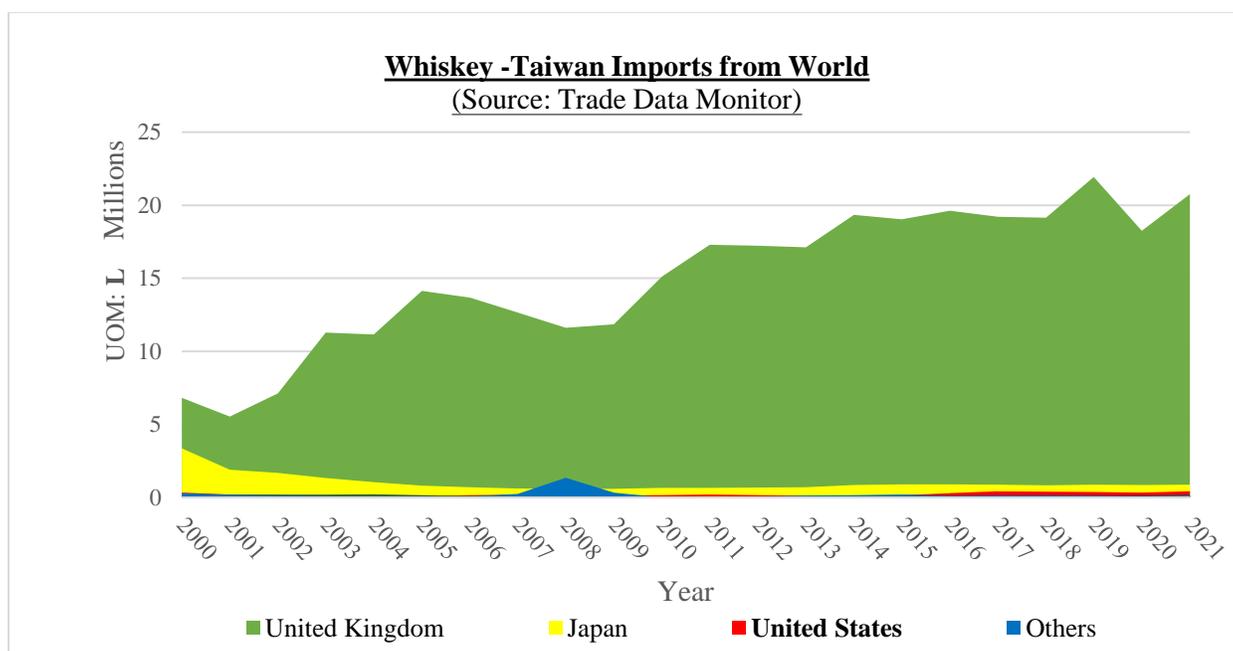
Regulation

- Hygiene Standards: [Hygiene Standards for Alcohol Products](#)
- Labeling: [Labeling Rules for the Alcohol Products](#). Note Certificate of Country of Origin is required for every shipment.
- [Tobacco and Alcohol Administration Act](#)

Appendix 1. Taiwan Imported Volume of Spirits by Type (unit: liter)

HS Code	Type of Spirits	2017	2018	2019	2020	2021	CAGR%
220830	whiskies	20,756,345	20,716,928	23,440,554	19,700,311	22,459,961	2.0%
220890	spirituous beverages, nesoi, including cordials, liqueurs, kirshwasser, ratafia and vodka	7,967,712	8,200,662	9,803,719	11,942,990	17,210,632	21.2%
220820	spirits obtained by distilling grape wine or grape marc (grape brandy)	2,914,474	2,347,946	2,477,347	1,455,907	1,764,206	-11.8%
220870	liqueurs and cordials	917,823	1,035,246	1,193,664	1,506,774	1,673,823	16.2%
220860	vodka	884,270	874,597	1,035,676	1,057,112	1,424,688	12.7%
220850	gin and geneva	385,283	514,082	607,944	820,968	927,253	24.6%
220840	rum and tafia	311,188	335,731	370,822	511,368	627,639	19.2%

Graph 1. Taiwan Imports of Whiskey from World



Attachments:

No Attachments.