

Voluntary Report – Voluntary - Public Distribution

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Report Name: Taiwan Seafood Market Update 2023

Country: Taiwan

Post: Taipei ATO

Report Category: SP1 - Expand International Marketing Opportunities, Agricultural Situation

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Report Highlights:

Taiwan's overall seafood imports reached US\$2.1 billion in 2022, up 20 percent from 2021, with imports from the United States decreasing slightly to US\$32 million. The United States is the twelfth largest seafood supplier to Taiwan with a 1.5 percent market share. Growing demand for frozen processed food presents opportunity for imported seafood. The key to the success is for suppliers to engage the trade with their advanced processing technology and showcase the uncompromised product quality.

SECTION I: TAWAN SEAFOOD MARKET OVERVIEW

1. PRODUCTION

Taiwan Fisheries Agency reported its domestic seafood production stagnating at 910,358 metric tons¹. Due to overfishing and climate change that deplete ocean resources, the domestic production has declined sharply compared to a decade ago, down by 24 percent. Far sea fishery production, the largest category, holding approximately 60 percent share, fluctuated between 54,000 and 73,000 metric tons on an annual basis. (Appendix: Table 1)

By category, fish dominated domestic seafood production, accounting for three fourths of category share. In terms of species, Skipjack tuna (19 percent), Argentine shortfin squid (15 percent), Mackerel (eight percent), Tilapias (six percent), and Clams (five percent) together held over 50 percent of fish production. (Appendix: Chart 1)

Awareness of ecolabel is just emerging in trends. Since 2018, there have been 39 Taiwan fisheries certified by Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), Global GAP, or Marine Stewardship Council (MSC). Taiwan Fisheries Agency also launched official sustainability seal (picture right) to award those domestic fisheries who practiced local government-stipulated sustainability guidance.



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2. CONSUMPTION

Eclipsed by increasingly popular red meat, Taiwan's per capita consumption of seafood stagnated at 27 kg (59.5 lbs) in 2021, yet still faring 26 percent higher than the global average (20 kg)². As Taiwan has phased into an aging society, the industry has been promoting seafood a source of quality, easy-to-digest protein.

The Covid-19 pandemic pivoted consumption behavior, creating opportunities for frozen food. Consumers are more open-minded to frozen seafood for its convenience of storage. Retail outlets, including convenience stores, keep expanding the frozen shelf-space by introducing more home meal replacements. In 2022, the domestic food manufacturers produced US\$405 million worth of frozen seafood products, up nine percent from 2021.

By consumption quantity, most prevalent seafood products are pollock (imported), tuna, shrimp, salmon (imported), and cuttlefish. For high-end restaurants, lobsters, oysters, and crabs are deemed luxurious menu items. Restaurants even feature lobsters on menu promotions by leveraging the U.S. National Lobster Day every September 25.

According to Seafood Consumer Insight, over 80 percent of Taiwan consumers eat seafood at least once a week; over 40 percent eat seafood more than three times. Quality and product traceability are key criteria for choosing seafood.

¹ The most recently released annual statistics report is based on 2021 production..

² Source: Food and Agriculture Organization of the United Nations (FAO)



Food manufacturers highlight the ingredient's harvest origin, like the logo of Alaska seafood on packaging, to assure product quality and prove value.

(Photo: Laurel Corporation)

SECTION II: TRADE, TARIFFS, COMPETITORS AND MARKETING

1. TRADE

In 2022, Taiwan ran a record-high deficit of seafood trade, totaling US\$464 million, due to the abrupt political boycott from China. Post anticipated the trade deficit to continue aggravating, as the cross-strait tension keeps tightening, and it is challenging to fill the huge gap in short term.

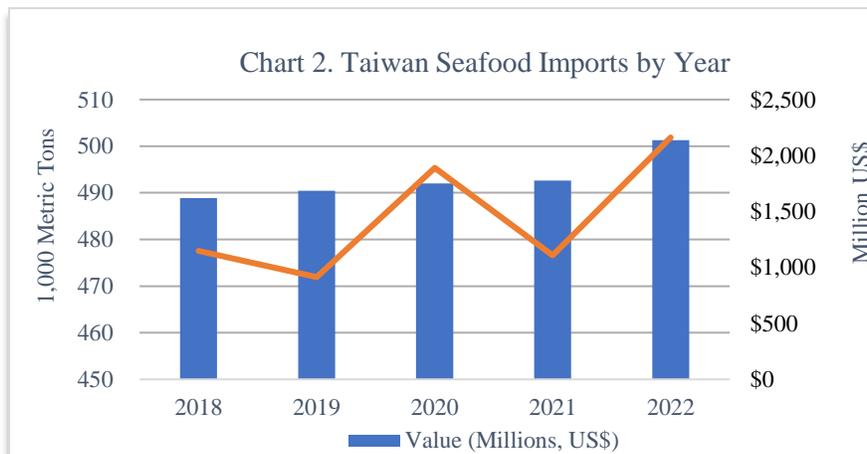
Table 2. Taiwan Seafood Trade Data by Year

Year	2018	2019	2020	2021	2022
Export	1,971,520,436	1,879,880,645	1,500,359,630	1,711,540,476	1,673,766,560
Import	1,620,245,633	1,685,767,398	1,750,794,677	1,776,365,705	2,137,775,281
Balance	351,274,803	194,113,247	(250,435,047)	(64,825,229)	(464,008,721)

Source: Trade Monitor, Product: BICO-Seafood

1) World Trade

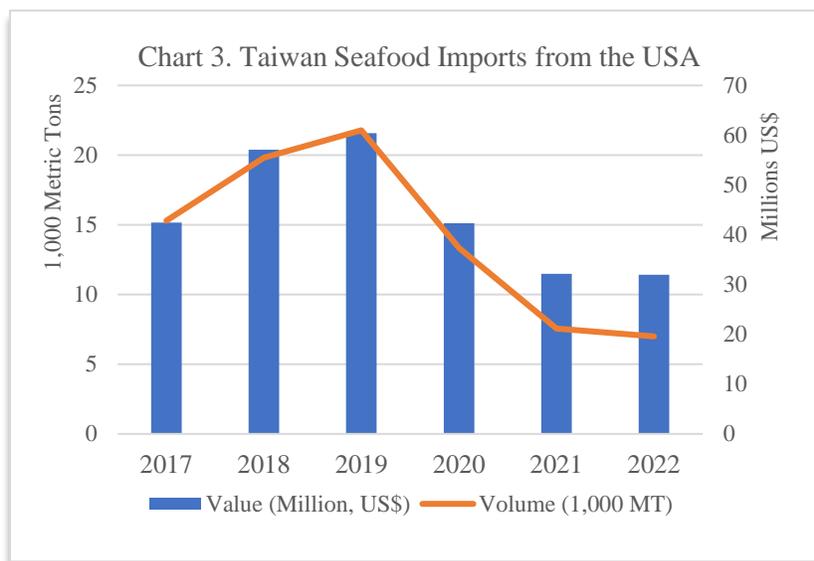
Taiwan's overall seafood imports reached US\$2.1 billion in 2022, up 20 percent from 2021. Despite its high self-sufficiency of seafood, the market demands various seafood species that it is unable to supply fully. The five largest imported value-wise seafood categories for food consumption were frozen shrimps and prawns, fresh/chilled Atlantic salmon, frozen squid and cuttlefish, frozen scallops, and frozen halibut and Greenland turbot.



Source: Trade Monitor, Product: BICO-Seafood

2) U.S. Imports

Taiwan imported nearly US\$32 million worth of U.S. seafood in 2022, down for one percent from 2021. The sluggish growth was attributed to the declining foodservice demand for lobsters, impacted severely by the Covid-19 pandemic. The United States is the twelfth largest foreign supplier for Taiwan, holding 1.5 percent market share.



Source: Trade Monitor, Product: BICO-Seafood

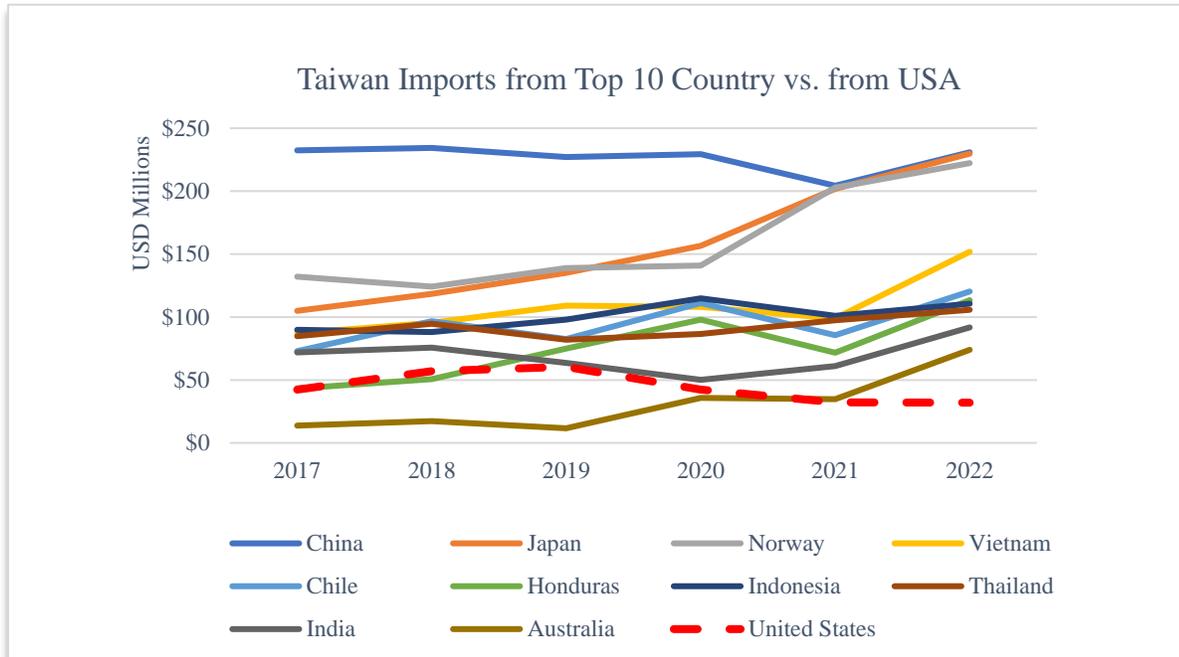
Top five seafood imports for food consumption from the United States included: frozen Alaska pollock, live/fresh/chilled lobsters (*Homarus spp.*), frozen scallops, frozen livers and gonads, cooked/frozen lobsters (*Homarus spp.*), and prepared fish, together accounting for 60 percent of Taiwan's imports of U.S. seafood by value.

2. TARIFFS

There is not any Tariff Rate Quotas (TRQ) placed on seafood species. However, for those who signed free trade agreements with Taiwan, they benefit zero tariff for a wide variety of agricultural products, including seafood. The tariffs for popular imported U.S. seafood products are listed in the Appendix for information.

3. COMPETITORS

Taiwan imported seafood from 125 countries. Top 10 countries comprised Taiwan's nearly 70 percent of total imported value (Appendix: Chart 4). Although consumers generally perceive U.S. seafood as high quality, the trend of imported data reflects Taiwan trade's purchase motivators – cost, stable supply, regional proximity, and geopolitical influence.



Source: Trade Monitor, Product: BICO-Seafood

- 1) China, the largest supplier of foreign seafoods, holding 11 percent market share, is projected to lose market share due to continuing cross-strait political tension. As the main products China exported to Taiwan were frozen squids and cuttlefish, the gap presented an opportunity to the largest supplier in this category, Indonesia, who now held 37 percent of market share.
- 2) Japan, the only foreign supplier achieving a consecutive 10-year growth, is the dominant supplier for Taiwan's long-time popular sea cucumbers and scallops. In 2022, Taiwan imported US\$84 million of scallops, more than 80 percent of which came from Japan.
- 3) Norway, with its declining market share to 10 percent, has been leading the trend in salmon consumption. However, caused by the airfreight disruptions due to the Ukraine war, the supply and the pricing of chilled salmon have been volatile, leading to 19 percent drop in Taiwan's imported volume in 2022.
- 4) India and Vietnam are primary suppliers for surimi products. Both gain cost advantage to grow their market share at the expense of the United States. However, many surimi products, though manufactured in Vietnam, actually use the U.S. pollock. Products manufactured in Vietnam receive tax reduction benefits when exported to Taiwan.
- 5) Honduras and Nicaragua are top two suppliers of frozen shrimps and spiny lobsters. Both countries' seafood products enjoy zero tariff treatment granted by the free trade agreement signed with Taiwan in 2008. However, Taiwan is turning to cheaper Ecuadorian imports for shrimps, bringing negative impact to Honduras's market share.

- 6) Chile, one of the fastest-growing suppliers in 2022, posts strong gains in frozen salmon and frozen squid and cuttlefish. Taiwan’s imported value of Chilean seafood reached over US\$120 million in 2022, up 41 percent from 2021.

4. Marketing

- 1) *Crustaceans is the highest-growth, highest-share imported category.* In addition to shrimps and prawns, lobsters are gaining popularity. However, consumers lack awareness regarding differences between spiny lobsters and clawed lobsters, as both share the same Chinese translation and the display of country of origin is not obligated.
- 2) *High-end hotel and restaurant are critical end-users pulling the industry.* Chefs usually placed order requests first for the importers to source. After comparing quotations and trials, chefs became influencers shaping the narratives of specific seafood item through frequent menu promotions. Other than the HRI sector, E-commerce has become popular targeting novelty-seeking consumers. These online channels adopt low-margin strategy to attract traffic through real-time on-line auctions.



Silks House launched its annual high-end Crab Feast every September, featuring six crab species in eleven diversified dishes. (Photo: Regent Hotel / Silks House)

- 3) *Successful seafood promotions highlight freshness, rarity, and lavishness.* Imported seafood is perceived a premium, symbol-of-status protein. As Taiwan is a luxury-driven market, consumers are willing to invest in premium culinary experiences and quality ingredients. (ATO Taipei Director Scott’s Interview with Sea to Sky Chef Jackson: [Seafood Prospects for USA](#))

The traditional Lunar New Year Eve’s feast always features fish, deemed as a symbol of surplus. In recent years, lobsters are joining the festive table, stealing spotlight for its luxury essence plus the auspicious red color. (Photo: Putien 2023 LNY Take-out Feast)



SECTION III: SUGGESTIONS AND CONTACT INFORMATION

1. Suggestions

- 1) *Tap into growing frozen processed food demand.* The trend opting for convenience throughout the Covid-19 pandemic forges the food manufacturers to expand new product lines in developing more frozen food³. The HRI sector has also become more open-minded to source various quality frozen seafood, as a way to complement the cost and supply fluctuations from fresh seafood. The key to the success is for suppliers to engage the trade with their advanced processing technology and showcase the uncompromised product quality. ([GAIN Report: Taiwan: Stay-at-Home Economy Sparks Opportunities for US Ingredients](#))
- 2) *Leverage “Products of USA” branding opportunity.* Although Taiwan is still beginning to discover the wonders of U.S. seafood, the good news is that chefs and consumers recognize the quality ingredients the United States delivers, such as U.S. beef. By participating in general U.S.-themed promotions, seafood can more easily create the association of the glowing image. Post suggests U.S. suppliers exhibit at [Taipei International Food Show](#), which takes place annually in June. Throughout the show, ATO Taipei coordinates various activities surrounding USA Pavilion. The activities aim to promote a wide variety of American food and beverage products targeting importers, retail buyers, and the hotel/restaurant industry.
- 3) *Join USDA’s supported export outreaches.* The USDA Foreign Agricultural Service (FAS) partners with U.S. agricultural producers’ organizations (called Cooperators) to promote U.S. food and beverage products overseas. To introduce representative commodities to designated export markets, the Cooperators craft diverse marketing programs, such as trade show exhibitions, educational trade seminars, buyer missions, etc. Joining Cooperators acts as an introduction on-ramp to dive in a brand-new market with collective support. The seafood-related Cooperators that received federal funding include [Alaska Seafood Marketing Institute](#), [Food Export Northeast](#), [Western United States Agricultural Trade Association](#), and [Southern United States Trade Association](#).

³ Food Industry Research and Development Institute forecasts the processed seafood production to grow by eight percent in 2022, above the growth (five percent) of overall domestic food and beverage production.

2. Contact Information

For Trade Policy/Market Access Issues contact Agricultural Affairs Office at:

Office Hours: 8:00 AM – 5:00 PM

Telephone: (011-886-2)2162-2238

Fax: (011-886-2)2162-2316

Email-FAS: agtaipei@usda.gov

For Market Development Assistance contact the Agricultural Trade Office at:

Office Hours: 8:00 AM – 5:00 PM

Telephone: (011-886-2)2705-6536

Fax: (011-886-2)2754-4031

Email-FAS: atotaipei@usda.gov



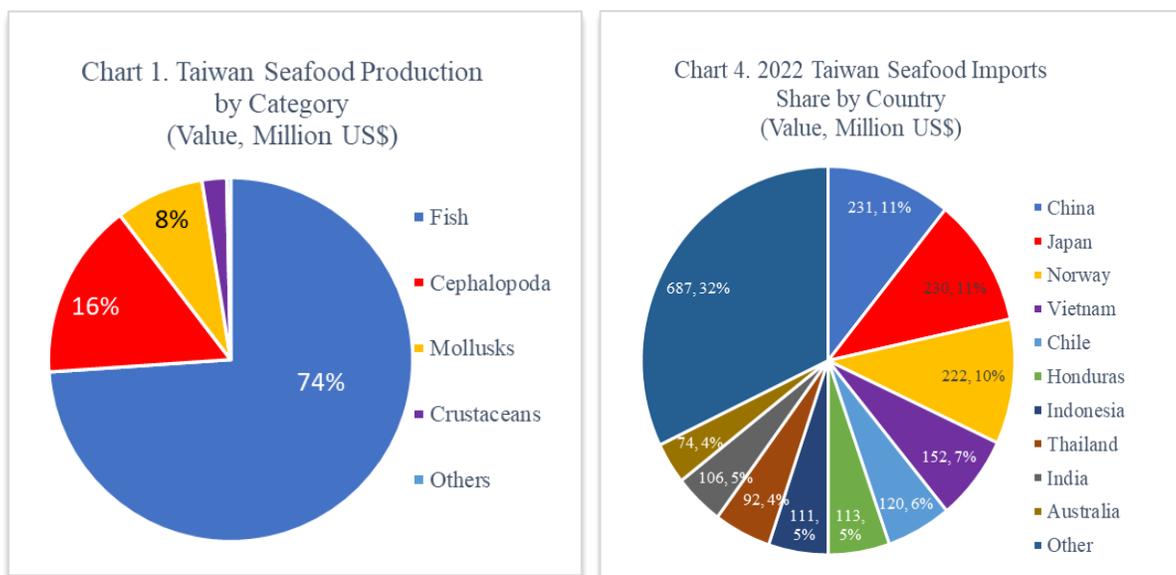
APPENDIX

Table 1. Taiwan Seafood Production by Waters (unit: MT)

<u>Year</u>	<u>2012</u>	<u>2021</u>	<u>Change % 2021 vs. 2012</u>
Far Sea	726,775	531,972	-27%
Offshore	148,250	148,374	0%
Coastal	33,056	20,701	-37%
Inland Fishing	66	143	116%
Marine Culture	30,390	20,833	-31%
Inland Culture	261,791	188,335	-28%
Total	1,200,330	910,358	-24%

Source: Taiwan Fisheries Agency. Note: Ornamental fisheries are not included.

Chart 1 & Chart 4



Source: Trade Monitor, Product: BICO-Seafood

Table 3. Tariffs Applied to Seafood Species

<u>Tariff Code</u>	<u>Product</u>	<u>Tariff*</u>	<u>Zero Tariff Only Applicable to Countries**</u>
03049410	Alaska Pollack, minced (surimi), frozen	10%	PA,GT,NI,SV,HN,NZ,SG
03049420	Alaska Pollack meat (whether or not minced), frozen	24%	PA,GT,NI,SV,HN,NZ,SG
030632	Lobster, live	NT\$33.7/kg, or 15%; impose the higher result	PA,GT,NI,SV,HN,NZ,SG,BZ
03061211004	Smoked lobster, frozen	20%	PA,GT,NI,SV,HN,NZ,SG,BZ
03061212003	Lobster, not smoked, frozen	NT\$33.7/kg, or 15%; impose the higher result	PA,GT,NI,SV,HN,NZ,SG,BZ
030722	Scallops, frozen, but not smoked	8%	PA,GT,NI,SV,HN,NZ,SG
03039110002	Livers of fish, frozen	25%	PA,GT,NI,SV,HN,NZ,SG
03039120108	Roes and milt, sturgeon (acipenseriformes spp.), frozen	11%	PA,GT,NI,SV,HN,NZ,SG
160557	Abalones, including Haliotis diversicolor, prepared or preserved, frozen	9%	PA,GT,NI,SV,HN,NZ,SG

*Source: [Taiwan Tariff Database Search System](#)

**Panama (PA), Guatemala (GT), Nicaragua (NI), El Salvador (SV), Honduras (HN), New Zealand (NZ), Singapore (SG), Belize (BZ)

Attachments:

No Attachments.