

MOEA



2020 TAIWAN BUSINESS ALLIANCE CONFERENCE

Organizer  經濟部
Ministry of Economic Affairs, R.O.C.

Co-organizer

 中華經濟研究院
Institute of Economic Research, Academia Sinica

 ORTECK 華宇科技

2020 TAIWAN BUSINESS ALLIANCE CONFERENCE EVENT SUMMARY

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October 8, 2020
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2020 Taiwan Business Alliance Conference

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Executive Summary

Covid-19 and the US-China Trade Tensions are Accelerating Global Supply Chain Restructuring, with Many Multinationals Choosing China + 1 Strategies

Beneficiaries Are India, Southeast Asia and Taiwan. Taiwan Is a Top Destination for Multinationals with a Highly-Skilled Workforce and Strong IP Protection

Taiwan Is Promoting Investment in Digital Innovations As They Shift From Contract Manufacturing to AI, 5G, Green Energy and Biomedical Technologies

Taiwan Is Creating a Start-Up Culture to Become the 'Silicon Valley' of Asia with Government Initiatives, Investment Programs and Industry Sponsorship

3 Focus Industries Attracting Foreign Investment Include Semiconductors, Network Communications Equipment and Next-Generation Vehicles



Companies Represented:



ABOUT THE AUTHOR - Daniel S. James II, MSEE, MBA

Daniel is the founder of ArcTiv Technologies & co-founder of Olympia International Consulting. He brings over 15 years of experience in both the data center and industrial automation industries having worked for Fortune 500 technology companies in various roles including Corporate Strategic Planning, M&A, Product Management and International Sales & Marketing. He currently resides in Taipei, Taiwan.

Business Opportunities for Multinationals in Taiwan in the Post-COVID-19 Era

Want to learn more?
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Speaker: Mr. Joseph Chou, Chairman & CEO, PwC - Taiwan

The Current Situation...

CEO Survey: Post-Pandemic Changes are Permanent and More to Come.

- *Future of Work:* Remote Collaboration & Automation is Here to Stay
- *Future of Globalism:* Accelerating Shift Towards Supply Chain Restructuring
- *The Future of Consumerism:* Greater Focus on Safety and Sustainability
- *Changes Being Prioritized:* Making Workforces More Flexible and Smaller



Acceleration of Global Supply Restructuring, Covid Has Shown Its Fragility

- COVID & US-China Trade Tensions Have Driven Shift in Multinationals
- Governments & Manufacturers are Re-assessing Critical Goods Vulnerabilities
- Restructuring Will Lead To Diversification & Parallel Supply Chains
- Main Beneficiaries Will Be India, SE Asia and Taiwan



>70% Multinationals Are Unlikely to Leave China

- Covid-19 Illustrated the World's Reliance on China and Pressured to Diversify
- Multinationals Unlikely to Leave as Few Substitutions and Large Local Market
- Companies Taking China + 1 Strategy by Moving Part of Production in Region
- Investing in Advanced Capabilities & Digital Transformation



Source:



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Why Taiwan?

Business Friendly Environment

- *Global Rankings*: #4 Best Destinations for Investment, #13 Ease of Doing Business
- *Talent*: #2 Ranking in Asia, 49% of population Has a Bachelors Degree
- *IP Protection*: Enforces International Standards for IP & Trade Secrets
- *Incentives*: Tax & Talent Incentives, R&D Subsidies, Special Zone Incentives

#2

Talent Ranking in Asia

#4

Best Destinations for Investment

Strategic Focus on R&D and Digital Innovation, Evolving From Contract Mfg

- Information & Digital Industries
- Cybersecurity Excellence Industry
- Precision Health Industry
- National Defense and Strategic Industries
- Green & Renewable Energy Industries
- Livelihood & Strategic Stockpile Industries



Taking Advantage of Global Supply Chain Realignment

- Government Promoting Taiwan's Strengths Via Forums, Events, Policies, etc.
- Taiwan is an Integral Part of Global ICT Supply Chain (23% of Apple's Suppliers, #1)
- Emerging Tech Hub for Semicon, 5G, AI with R&D Centers from Google, IBM & MS
- Biomedical R&D Hub for Asia-Pacific

#1

**No. of Apple Suppliers
(46 of 200)**

Source:



Major Policies Promoting Innovation Environment

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Overview

Taiwan Program		Actions
Asia Silicon Valley	Promote IoT Development <ul style="list-style-type: none"> IoT Security Joint Testing Center (Taoyuan) IoT Industry Alliance (>400 Companies) 	Ecosystem for Innovation & Entrepreneurship <ul style="list-style-type: none"> Business Angel Investment Program Recruitment Act for Foreign Professionals (5+2 Industries) Start-up Island Taiwan – Promotes Start-ups to the World
Asian Center of Advanced Manufacturing	Become a Core Role in the Global Supply Chain <ul style="list-style-type: none"> Smart Industries; PCB's, Servers, Smart Material Digital Transformation: Digital Streaming & AI Innovative Applications: IoT, AI and 5G in Smart Mfg 	Semiconductor Industry Output of NT\$5T in 2030 <ul style="list-style-type: none"> Localize Supply Materials, Attract Foreign R&D Centers Localize Foreign MFG, Advanced Packaging Equipment
Taiwan Mobile 5G Project	Development Environment for 5G Application <ul style="list-style-type: none"> Promote Field-Tested 5G Vertical Applications 5G Core Technologies and Data Security Protections Release of 5G Spectrum Licenses Adjust Regulations for 5G Development 	Corporate Alliance <ul style="list-style-type: none"> <i>National Team of 5G Enterprises:</i> Compal, Quanta, Alpha, Chunghwa, FarEastTone & ITRI <i>Open Structure 5G Network Testing Platform:</i> Cisco + Taiwan Hardware Companies
Development of Pioneering Companies	Promote 3 Major Core Technologies <ul style="list-style-type: none"> Advanced Semiconductor Technology Next Generation Telecommunications Artificial Intelligence 	Subsidies Via Research Investment Program <ul style="list-style-type: none"> Up to 50% Government Subsidy Supports Investment in Strategic Industries and Technologies

Key Innovation Industries in Taiwan

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Speaker: Mr. Jeffrey Wang, Regional Manager, Cisco - Taiwan

Taiwan's Focus	Industry Clusters																						
<p>Semiconductor Industry: NT\$2.7T (2019)</p> <ul style="list-style-type: none"> Taiwan Specializes in Edge/AI Chips with 3nm Technology Expected by 2022 AI on Chip Alliance (AITA, 2019): Goal to reduce R&D Costs by 90% Taiwan Students Ranked #4 W/W in Sciences, with 10,000 Annual IT Graduates Tax Incentives and Subsidies for Foreign Investment 	179	Manufacturers in Hsinchu Park																					
	9	IC Manufacturers in Taichung Science Park																					
	23	IC Manufacturers in S. Taiwan Science Park																					
<p>Communications Industry: NT\$1.0T (2019)</p> <ul style="list-style-type: none"> 'Smart Nation' Plans to Increase Digital Services from 25% to 80% by 2025 Taiwan as a Base for Developing 5G Business Models and Applications Taiwan as a Tech Hub for Network Communications Equipment for Covid-19 Convergent of Networking & Medical Device Equipment for Future Growth 		<table border="1"> <thead> <tr> <th></th> <th style="background-color: #FF9800;">North</th> <th style="background-color: #FF9800;">Central</th> </tr> </thead> <tbody> <tr> <td style="background-color: #FFCDD2;">Key Industries</td> <td style="background-color: #FFCDD2;">IC & Equipment Manufacturing, Telecom Operators</td> <td style="background-color: #FFCDD2;">Automotive, Consumer Electronics</td> </tr> </tbody> </table>		North	Central	Key Industries	IC & Equipment Manufacturing, Telecom Operators	Automotive, Consumer Electronics															
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<p>Next-Generation Vehicle - Automotive Industry: NT\$0.6T (2019)</p> <ul style="list-style-type: none"> Taiwan Has a Strong Base of Auto Component Manufacturers in Key Regions Government Focus on Creating an Innovation Sandbox for Experimental Tech Meets Mercedes C.A.S.E guidelines for Autonomous Vehicle Development Local EV & ICT Industries Combined for R&D Development 		<table border="1"> <thead> <tr> <th style="background-color: #FF9800;"># of Key Vendors by Region</th> <th style="background-color: #FF9800;">North</th> <th style="background-color: #FF9800;">Central</th> <th style="background-color: #FF9800;">South</th> </tr> </thead> <tbody> <tr> <td style="background-color: #FFCDD2;">Drive Motor Control</td> <td style="background-color: #FFCDD2;">6</td> <td style="background-color: #FFCDD2;">3</td> <td style="background-color: #FFCDD2;">3</td> </tr> <tr> <td style="background-color: #FFCDD2;">EV Accessories</td> <td style="background-color: #FFCDD2;">4</td> <td style="background-color: #FFCDD2;">3</td> <td style="background-color: #FFCDD2;">-</td> </tr> <tr> <td style="background-color: #FFCDD2;">EV Power & Energy Storage</td> <td style="background-color: #FFCDD2;">10</td> <td style="background-color: #FFCDD2;">3</td> <td style="background-color: #FFCDD2;">2</td> </tr> <tr> <td style="background-color: #FFCDD2;">EV Systems Integration</td> <td style="background-color: #FFCDD2;">4</td> <td style="background-color: #FFCDD2;">2</td> <td style="background-color: #FFCDD2;">1</td> </tr> </tbody> </table>	# of Key Vendors by Region	North	Central	South	Drive Motor Control	6	3	3	EV Accessories	4	3	-	EV Power & Energy Storage	10	3	2	EV Systems Integration	4	2	1	
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Olympia Technology Consulting Services

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Overview

Olympia Technology Consulting Services can provide you with in-depth analysis of Taiwan and SEA technologies, vendors and events to help your business excel through turbulent market conditions.



LEARN MORE

Our Technology Consulting Services Include:

<h4>SEA Supply Chain & Market Reports</h4> <ul style="list-style-type: none">Taiwan Supplier Evaluation & Site VisitSEA Market & Customer TrendsProduct Evaluations	
<h4>Taiwan Technology Events</h4> <ul style="list-style-type: none">Event Report & Executive SummaryVideo's of Product Demo's & PresentationsFollow-Up 1:1 Sessions	
<h4>Technical Marketing Consulting</h4> <ul style="list-style-type: none">Website, Brochures & Social MediaProduct Training & Promo Video'sCase Studies & White Papers	



Our Mission is to Empower Businesses & Professionals to **Shine on the Global Stage**

We provide services to help professionals in Southeast Asia and around the world to **take action** and position their businesses and careers for success. Learn more about how our team of experienced international consultants can help you quickly navigate in this dynamic environment.

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