



World Eye Reports

Taiwan

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## Joined by their past, Taiwan and Japan solidify a strong future

Once an agrarian island backwater, Taiwan has just been named the third most competitive economy in Asia in 2014 by the World Economic Forum's Global Competitiveness Report. Today, this nation of 23 million boasts new free trade agreements with Singapore and New Zealand, and stands at the epicenter of Asian business and finance alongside Shanghai, Hong Kong, Singapore, Tokyo and Seoul.

Five historic agreements with Japan signed in November 2013, covering electronic commerce; patent protection; pharmaceutical codes; railway services; and maritime and airborne search and rescue lie at the heart of Taiwan's strategy in East Asian economic relations. For the Taiwanese, Japan is an integral geographic partner in business and trade, and a loyal companion in the Asia-Pacific region.

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almost 50 countries and connecting Taiwanese companies to the rest of the world.

While Taiwan's banking and financial services sector benefits from improved cross-strait relations, with its newfound access to China's growing affluent communities, its more traditional high-tech industries, such as electronics and chemicals, as well as emerging fields such as pharmaceuticals, are getting increased recognition both locally and abroad for their invaluable contributions to the global supply chain.

Moreover, the island's robust legal system and intellectual property rights protection guarantee a safe and reliable business environment for international companies looking to invest.

"Foreign investors are recognizing the country's conducive business environment by setting up here," says Dr. Johnsee Lee, president of the Taiwan Bio Industry Organization. "Very few countries support research and

development like we do."

### Taiwan: gateway to China

Taiwan's proximity to China, not to mention its historical and cultural ties to the Asian powerhouse, have earned it a reputation as the foremost partner for Japanese corporations who want

to enter the mainland.

The signing of the Economic Cooperation Framework Agreement (ECFA) between China and Taiwan in 2010 has furthermore deepened the region's trade relations.

CONTINUED ON PAGE 6

"You will not only see local SMEs thrive quite easily on the island, but also foreign companies coming into the country..."

— PETER HUANG  
President  
Taiwan External Trade Development Council



TAITRA

### The heart of Asian industry

In the volatile years since World War II, Taiwan has developed into a manufacturing giant and has become a hub, not just for foreign investment, but also for small- to medium-sized enterprises, which comprise a vast majority of the nation's businesses.

"You will not only see local SMEs thrive quite easily on the island, but also foreign companies coming into the country to utilize our expertise," says Peter Huang, president of the Taiwan External Trade Development Council (TAITRA). TAITRA is Taiwan's official trade promotion organization, operating in

"Taiwanese, Japanese and mainland Chinese enterprises can work together in building triangular partnerships. Together, our individual strengths can collaborate to tap emerging markets."

— CHANG CHIA-CHUH  
Minister  
Ministry of Economic Affairs



MINISTRY OF ECONOMIC AFFAIRS



Kuang-Si Shiu, president of Mega ICBC

## Mega credits experience and expansion for bank's growth

Taiwan's leading banks are becoming internationally recognized institutions, in part because of the island's healthy relations with its ASEAN and East Asian neighbors, but also due to its financial industry's penchant for continuous growth and development.

Mega International Commercial Bank (Mega ICBC), in particular, has become one of the most prominent fixtures in Taiwan's competitive banking sector and much of its success can be attributed to its illustrious history and expansive international networks, as well as to its core competencies in corporate finance and foreign exchange.

"Our bank maintains healthy profit margins and strong financial leverage in our central markets," says Mega ICBC's president, Kuang-Si Shiu. "We are a steady leader in investment banking and syndication, as well as offshore banking."

A result of a merger between the International Commercial Bank of China and Chiao Tung Bank in 2006, Mega ICBC now has 108 branches in Taiwan, and 21 branches and three representative offices abroad. Along with wholly owned subsidiaries in Thailand and Canada, it has 34 overseas outposts.

"In 1949, parts of the Bank of China and the Bank of Communications moved to Taiwan and eventually changed their names to the International Commercial Bank of China and Chiao Tung Bank, respectively," recounts Shiu. "Our long history finally resulted in our two banks merging to form what it is today."

Today, Mega ICBC enjoys healthy credit ratings from S&P (A), Moody's (A1) and Fitch (A-). It is now ranked as the second largest

est bank in Taiwan. It is also the sole US dollar clearing and settlement bank in the country, and one of only two Taiwanese banks to supply Chinese renminbi (RMB) banknotes to other local banks. In 2013, Mega ICBC became the first and only bank in Taiwan to sell RMB travelers' checks.

"We rank number one in Taiwan in RMB and foreign exchange deposits, as well as L/C negotiation, issuance and notices," says Shiu, "and we are well-known for our long-term stability and profitability, as shown by our record profits in 2012."

Looking ahead, Mega ICBC looks to allocate surplus funds from its domestic operations to the recovering economies of the European Union and the U.S., taking advantage of an emerging Formosa bonds market. The bank is taking advantage of substantial savings rates in Taiwan, which average about 30 percent, and the opportunity to invest in foreign denominations with excess liquidity.

Mega ICBC will also continue to assist Taiwanese companies expand overseas, while in turn localizing its international branches. In Japan, the Taiwanese bank was recently recognized for its achievements in business when its former president and Tokyo branch general manager, Zheng Shishong, was awarded Japan's "Order of the Rising Sun" for his contributions in promoting economic exchange between Taiwan and Japan during his career.

"We cherish our position in Japan," says Shiu, "and we are proud to say it is an important part of our international strategy to bring Taiwan's business and resources abroad." ♦

[www.megabank.com.tw](http://www.megabank.com.tw)

## ScinoPharm leads Taiwan's biotech expansion into China and Japan

Since its inception in 1997, Tainan-based ScinoPharm Taiwan has been the dominant player in the territory's fastest-growing sector: pharmaceuticals. ScinoPharm alone accounted for 66 percent of Taiwan's total exports for active pharmaceutical ingredients (APIs) in 2011, serving the world's leading generic drug makers in the U.S., Europe and India.

After posting record gains in 2013, the specialty producer is looking to expand and add to its already extensive portfolio with new operations in Japan and mainland China, in a sector that has seen its market capitalization quintuple from \$3 billion in 2009 to more than \$15 billion last year.

In December, ScinoPharm inaugurated its newest 6.5-hectare production facility in Jiangsu province, China. It includes an R&D process development center and a multipurpose API manufacturing plant fully compli-

"In spite of our successes, we are always on the lookout for other business opportunities and are hoping to diversify both horizontally and vertically."

— DR. PORTIA LIN  
Vice President for Marketing and Sales  
ScinoPharm

ant with U.S., EU and Chinese cGMP (Current Good Manufacturing Practices) standards.

Dr. Portia Lin, the company's vice president for marketing and sales, highlighted mainland China's key role in ScinoPharm's

supply chain, and also as a market for further development.

"Our Jiangsu plant serves as a capacity expansion role in our global strategy," comments Lin, "but it is also a response to China's eventual ascension as the world's second largest pharmaceuticals market in the next couple of years."

October 2013 also ushered in new operations for ScinoPharm in Japan. Yusuke William Kakizawa, account manager for the Japanese market, is helping facilitate communication between personnel in Tokyo and customers and agents in the rest of the country.

"We serve a regulatory and technical support role," says Kakizawa, "since Japan is an increasingly important market for us."

"Penetration in the generic market in Japan has only reached around 27 percent, as compared to 80 percent in the U.S.," according to Lin, "so there is immense room for growth for a

Taiwanese API company such as us."

Now in its 17th year, the company's strategic partnerships and technical knowhow have put ScinoPharm at the forefront of Taiwanese biotechnology, collaborating with international companies to battle an array of well-known diseases.

The company currently supplies 50 percent of global APIs for Galantamine, which is used for the treatment of mild to moderate Alzheimer's disease. In addition, it has a 40 percent global market share for Docetaxel, used in treating breast, ovarian and non-small cell lung cancers, as well as Irinotecan, which is used to combat colon cancer.

"From the very beginning, ScinoPharm positioned itself as an export-focused company," explains Lin. "We are proud of the relationships we've built over the years and the fact that more than 250 international pharmaceutical companies have successfully audited our facilities."



SCINOPHARM

New undertakings in China and Japan place ScinoPharm firmly at the top of Taiwanese biotechnology

ties."

Meanwhile, the company is keeping a tight hold on leadership in Taiwan's biotech race. "In spite of our successes, we are always on the lookout for other business opportunities

and are hoping to diversify both horizontally and vertically," says Lin, "and collaborate with our downstream customers to co-develop new products in the near future." ♦

[www.scinopharm.com](http://www.scinopharm.com)

## Taiwan's official carrier soars to new heights on its 55th anniversary

Founded in 1959, China Airlines (CAL) is Taiwan's largest airline, with more than 11,000 employees worldwide and a fleet of 84 aircraft. As one of the 19 SkyTeam airline alliance members, China Airlines offers passengers access to an extensive global network of more than 15,000 daily flights to 1,024 destinations in 178 countries.

China Airlines has been named the "Best Airline in North Asia" by US-based Global Traveler magazine in 2013, and also received the highest-possible 7-star rating for safety from Airline Ratings. China Airlines also has achieved the top mindshare in Taiwan, according to Management Magazine's Consumer Brand Survey, for the past 5 years. China Airlines is committed to offering the highest-quality passenger experience that is also eco-friendly and innovative. This includes new seats and entertainment systems in its Boeing 747-400 aircraft; a

wide selection of inflight meals featuring the best of Western, Japanese, Chinese, and Taiwanese cuisine; and mobile and electronic services that cater to passenger lifestyles.

Taiwan has always been a top destination for the Japanese and vice versa. True to this, China Airlines has maintained the largest market share between Taiwan and Japan. It currently offers 128 weekly flights to 13 destinations in 12 cities in Japan, including Tokyo Narita, Tokyo Haneda, Fukuoka, Hiroshima, Miyazaki, Osaka, Sapporo, Nagoya, Kagoshima, Shizuoka, Toyama, Takamatsu and Okinawa. CAL is committed to providing travelers from both Taiwan and Japan the most convenient and comfortable experience onboard.

The recent OpenSky policy with Japan and the Southeast Asian countries, along with the government's aggressive tourism campaign, have also con-

"China Airlines' knowledge of the Taiwan market as well as Tigerair's LCC background should stimulate demand in the civil aviation market..."

— SUN HUANG-HSIANG  
Chairman  
China Airlines



CHINA AIRLINES

tributed to Taiwan's aviation market expansion. In line with this, CAL will focus on increased regional routes in China, Japan, South Korea and Southeast Asia. This expanded air network has bolstered Taiwan's

position in becoming a regional air transport hub over the past few years, further strengthening the country's position as an ideal transfer point for passengers to

CONTINUED ON PAGE 7

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For more than half a century, China Development Financial (CDF) has served as the underpinning for industrial development in Taiwan. CDF provides a full range of integrated financial services, spanning principal investment, corporate and investment banking, global financial markets, and securities business, to our customers.

In order to enhance our global competitiveness, CDF has been collaborating with well-known successful institutional partners across Asia, the U.S., and Europe to raise private equity funds.

CDF is excited about leveraging every opportunity to draw on our wealth of accumulated experience and unmatched expertise to help you in advancing your growth and success.







Japan’s ideal partner in mainland China and ASEAN

It is widely agreed that the Ma administration’s landmark legislation — the Economic Co-operation Framework Agreement (ECFA) between Taiwan and China in 2010 — has ushered in Taiwan’s golden age.

Even before then, business relations between companies in mainland China and Taiwan had already blossomed; ECFA solidified the cross-Straits link. The financial group China Development Financial Holding (CDFH) has been no exception, gaining exponential growth in just the past five years.

“In 2008, a new administration came in and changed Taiwan’s relationship with China,” explains Paul Yang, president and CEO of the company. “Today, our company’s situation is completely different. All of a sudden, our universe is much wider.”

With the boom of its private equity business in Hong Kong, Korea and the U.S., CDFH has started to build third-party funds to increase

its capacity for capital. Just this year, it launched two renminbi funds, two Taiwanese dollar funds, and a regional U.S. dollar fund. Altogether, the total capital that is expected to be raised is estimated at \$1 billion.

Yang, who started just two years ago as group president, has envisioned CDFH as a more robust financial institution, able to pursue growing opportunities in the Asian economy.

“We started looking at acquisition targets, and last year we acquired KGI Securities,” he comments. “KGI is aiming to re-establish itself as a regional player, and that goes hand-in-hand with our private equity business. It’s synergistic for our two businesses.”

In line with this regional outlook, the company has also recently acquired a futures company in Singapore to serve the ASEAN market. Looking ahead, CDFH is further adding a joint venture in China, moving forward with its goal to be-

“We can work with Japanese companies that would like to partner with any Taiwanese client to go to China.”

— PAUL YANG  
President and CEO  
China Development Financial



CHINA DEVELOPMENT FINANCIAL



Paul Yang (3rd from left) spoke at CDFH Investor Day on Sept. 11, 2013.

CHINA DEVELOPMENT FINANCIAL

From domestic leader to global supplier: a Japan-Taiwan success story

Japanese investment in Taiwan has had a mutually beneficial history of bringing together the skills, language, and culture of both nations, and turning this into a highly integrated formula for success.

This ideal synergy was behind the foundation of Sino-Japan Chemical (SJC) when it was started in 1970 — a joint venture between Sankyo Pharmaceuticals Japan and China Chemical & Pharmaceutical. Today, 44 years later and under the new leadership of the Nippon Shokubai Group, SJC has become the largest surfactant manufacturer in Taiwan.

“SJC is a wholly incorporated Taiwanese company,” says its pres-

ident Tatsuhito Matsuda, “and it is infused with Taiwan’s optimistic and diligent business spirit.”

Matsuda, a veteran of the chemicals industry in Japan, has been using his expertise and experience to cooperate more with customers through hands-on sales efforts, technical service, and a deeper focus on intellectual property protection.

“One of my proudest contributions to the company has been prioritizing the practice of applying for patents for our innovations,” he says. “We have emphasized this over the past few years to protect both our products and our clients.”

In addition, SJC is also looking to integrate its business more

towards downstream processes and developing high value-added products for its end-users in sectors such as agriculture, textiles and electronics.

Since 1982, the company has also been working to meet demand for specialty products, mainly through its Linyuan plant in Kaohsiung, which boasts world-class waste prevention and treatment systems.

“We have recently developed a sustainable and biodegradable surfactant in cooperation with the Taiwanese National Research Laboratory,” said Matsuda. “It uses natural palm-based oil as its main ingredient.”

Based on its domestic leadership in innovation, SJC is ready to expand internationally, and has already set its sights on neighboring economies in Asia.

“SJC is moving from being a local company to becoming a global player in the surfactants and chemicals sectors.”

— TATSUHITO MATSUDA  
President  
Sino-Japan Chemical



SJC



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- ◆ Resin
- ◆ Metal
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- ◆ Textile
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- ◆ Electronic
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- ◆ Pharmaceutical
- ◆ Petroleum
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Chemical bond ties Taiwan and Japan together

Taiwan has been known for its companies’ expertise in science-related fields for more than half a century. The chemical sector is no exception, and a combination of discipline, business acumen, and technical knowhow has sustained one such homegrown company — Formosan Union Chemical Corporation (FUCC) — for the past 40 years.

Its chairman, Steven Chen, points to the strong international relationships the company has built over that period as key factors in its current success. “We try to maintain long-term partnerships,” says Chen, “and many of them have been with us for 20 to 30 years.”

Established in 1973, FUCC focuses on raw materials with household and industrial applications, including detergents, surfactants, plastic antioxidant agents, and “hot melt” adhesives — used in the production of diapers and sanitary napkins. Alkyl benzene, nonylphenol, and hydrogenated hydrocarbon resin top the list of materials it offers to leading brands throughout Asia, the Americas, and Europe.

Looking to expand further, the company has also moved towards experimenting within the petro-



FUCC established Soft Industry Corporation with its Japanese partners in Vietnam.

FUCC

chemical and pesticide industries in recent years.

Chen is most proud of his company’s partnership with the Japanese, one that dates back to the 1990’s. The relationship started out with the trading company, Tomen, which was later acquired by Toyota Tsusho. Together in 1995, they established the detergent materials manufacturing and sales company Soft Chemical Corporation (SCC) in Vietnam, and later on a new joint venture called Soft Industry Corporation (SIC).

“This year we are going to start a new sulfonation unit to meet

market demands,” says Chen. SIC produces linear alkyl benzene sulfonic acid, which is used mainly in powdered laundry detergents. Its establishment has been part of both mother companies’ strategy to create a consistent supply chain in the growth markets of Asia.

FUCC’s international partnerships have created new growth opportunities for the company, as it looks beyond four decades of organic expansion based on professionalism, integrity, and the utmost concern for customer satisfaction. ♦

**www.fucc.com.tw**

Joined by their past, Taiwan and Japan solidify a strong future

CONTINUED FROM PAGE 5

“There are many ways that the Taiwanese and Japanese can work together, and one of them is mitigating the ‘China Risk,’” says Kuan Chung-ming, Taiwan’s minister for the National Development Council. “Taiwan is a safe place for Japanese companies who want to diversify their investment into the region, especially as a bridge for going into China.”

“To fully take advantage of the benefits of Taiwan’s socio-economic status in the region, Taiwanese, Japanese and mainland Chinese enterprises can work together in building triangular partnerships,” notes Chang Chia-juch Taiwan’s minister of economic affairs. “Together, our individual strengths can collaborate to tap emerging markets.”

**Strong links bind Japan and Taiwan**  
The latest agreements between Taiwan

and Japan are seen as a substantial achievement for increasing cooperation between the two countries.

Today, more than 1.4 million Japanese flock to Taiwan yearly. The visits are both tourist driven (Japanese make up the island’s second largest group of visitors) and, increasingly business related. As a result, service has increased between the two countries’ most important cities.

“Regular consultations and trade shows are important for building relationships,” explains David W. J. Hsieh, director general of Taiwan’s Tourism Bureau. “We recognize Japan’s shared history with Taiwan, and we are continuing to strive for more interaction with our most vital source of business and tourism.”

The relationship between the two countries goes both ways. “The overwhelming support we received from Taiwan after the Great East Japan Earthquake should be regarded as a symbol of the bond between our two peoples,” says Sumio Tarui, representative of the Japan Interchange Association in Taipei. “We will be forever grateful.” ♦

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— KUAN CHUNG-MING  
Minister  
National Development Council



NATIONAL DEVELOPMENT COUNCIL

“Foreign investors are recognizing the country’s conducive business environment by setting up here. Very few countries support research and development like we do.”

— DR. JOHNSEE LEE  
President  
Taiwan Bio Industry Organization



TAIWAN BIO INDUSTRY ORGANIZATION



ACADEMIA SINICA

Academia Sinica is set to open a new 25-hectare National Biotechnology Research Park in two years.

Research fuels economic development

For more than 85 years, Academia Sinica has laid the groundwork for Taiwan’s host of world-class professionals in the sciences and humanities, gaining a reputation for assisting the nation’s private and public economic endeavors.

Reinforced by an annual budget of around \$455 million, Taiwan’s preeminent national academy supports more than 850 principal investigators, 980 post doctorates, and more than 1100 Ph.D. students.

“Apart from our mandate of advancing the sciences and humanities through academic research, we are also responsible for cultivating young talent and government consultation,” says Academia Sinica’s president, Dr. Wong Chi-Huey. “We are present in policy-making and legislation, and our academy is under the president’s office of the R.O.C.”

While its primary focus is basic research, the institution also lends itself to corporations and sectors that require assistance through technology transfers and information sharing. One of the major industries in which it has been actively involved is biotechnology, which is emerging as one of Taiwan’s most important economic drivers — in fact, one-third of all U.S.-issued biotech patents to Taiwan are from Academia Sinica.

“In 2007 we were actively involved in

the creation of Taiwan’s Biotechnology and New Pharmaceuticals Act,” Wong explains, “and it has since paid dividends for companies engaging in the industry.”

In addition, Academia Sinica’s help with amendments to the Basic Science and Technology Bylaw have liberalized the hiring of talent, increased incentives for educators and researchers, and strengthened intellectual property protection.

It will be adding to its current facilities with its new 25-hectare National Biotechnology Research Park, set to open within two years. The park will expand the academy’s translational research capabilities, as well as provide a new home for startup companies.

Being Taiwan’s premier advisory institution, Academia Sinica has strong ties to the U.S. and Japan and frequently collaborates with companies and institutions in fields such as nanotechnology, astronomy, and life sciences. Wong sees its relationship with Japan as an opportunity to learn new scientific techniques and social systems, which will help improve Taiwan’s healthcare, taxation and economic policies.

“Our role is to bridge the gap between academic research and industry,” says Wong. “By doing so, we translate discoveries into commercial opportunities.” ♦

**www.sinica.edu.tw**



# Taiwan Business Report

www.worldeyereports.com

## Taiwan’s official carrier soars to new heights on its 55th anniversary

CONTINUED FROM PAGE 5

Southeast Asia, North America, Europe, New Zealand and Australia.

With the positive outlook in the global economy, particularly in the freight market, the company projects 5 to 10% growth from last year.

In line with this, the company remains bullish in being able to be competitive and relevant to its customers. First, in response to the increasing importance of the Chinese market, in 2013, CAL set up the “Greater China Connection” program with China Southern, China Eastern, and Xiamen airlines. The sharing of member resources will hopefully provide cross-strait travelers with more convenient travel and freight options.

Beginning in 2013, CAL has been introducing new passenger aircraft models for long-haul capacity to be fully completed in 2016. Providing better quality next-generation products, CAL has always strived to ensure a high standard of passenger service and is working with outstanding Chinese designers in different fields in crafting CAL’s next-generation product. The aim to create a comfortable

and elegant cabin atmosphere to make the customer experience more consistent with the brand image, shows CAL’s emphasis on culture; technology; environmental protection; and aesthetics, allowing passengers to enjoy an unprecedented flying experience.

Most importantly, China Airlines and Tigerair, the largest budget carrier in Singapore, have entered into a joint venture to create Tigerair Taiwan. This will be China Airlines’ formal entry into the budget carrier/low cost carrier (LCC) market and the venture is expected to commence operations at the end of 2014. Travelers flying the LCC will not only enjoy low prices but can also purchase tickets and make reservations online. Travelers can also enjoy the value-added services they need such as check-in luggage and in-flight meals.

“China Airlines’ knowledge of the Taiwan market as well as Tigerair’s LCC background should stimulate demand in the civil aviation market here, usher in a new era for the local aviation industry, and create Taiwan’s first LCC,” Sun Huang-hsiang, chairman of China Airlines said on the occasion of China Airlines 55th year in business.

Tigerair, established in 2004,



China Airlines Chairman Sun Huang-hsiang and Tigerair CEO Koay Peng Yen in front of a Tigerair A320 aircraft.

is part of the Singapore Airlines Group and is the leading LCC in Singapore. Koay Peng Yen, Tigerair CEO, said, “The agreement will help us enter new markets in Taiwan, Japan, and Korea. The combination of China Airlines’ familiarity with these markets and our experience in the LCC industry makes us even more confident of establishing a competitive LCC that will continue to grow.”

Tigerair Taiwan will be based in Taiwan and preparations for

the formation of the new airline will immediately get underway in accordance with the regulations of the Civil Aeronautics Administration (CAA). Tigerair Taiwan will have a capitalization of 2 billion New Taiwan dollars, with China Airlines Group holding a 90% stake and Tigerair 10%. The network will cover major destinations in Northeast and Southeast Asia, Hong Kong, Macau, China and Taiwan. ♦

www.china-airlines.com

## Power supplier bullish on energy innovation

Bull Will’s chairman and chief executive officer, Peter Ho, joined the company in 2009. In less than five years, he has established its leading position in Taiwan’s power management and conversion fields.

“People are looking to cheaper solutions for their energy consumption,” says Ho. “Our company will be a big part of this movement by supplying inductors, transformers and power converters for all their electronic needs.”

Already a notable player in the handheld devices field, Bull Will is gearing up for a shift from the notebook and mobile phone industry to less volatile and perhaps more profitable sectors such as hybrid cars, LEDs and inverter technology.

“We now see a convergence from traditional technologies to inverter-type air conditioners and refrigerators,” says Ho, “and we are upping our production capacity to support the demand.”

“In China alone there are about three million air conditioning

“In order to come up with a winning product, it is more important than ever to work with the right partners and customers.”

— PETER HO  
CEO  
Bull Will



units sold per month,” he adds. “If we could capture even just half of that market, it would be immense for us.”

Ho takes pride in his company’s commitment to emerging prospects in new and alternative energy sectors. This does not only mean viable business opportunities for Bull Will, but also the chance to contribute to world demand for

greener resources.

“Other opportunities for us are in wind and solar power,” says Ho, “since these fields will require sizeable amounts of power management tools such as transformers and reactors, which we can provide.”

Research and development will also prove to be an important part of Bull Will’s expanding business

strategy, with wireless charging devices like Antenna Choke already on the market.

“We are in a challenging, yet ultimately fulfilling business,” says Ho. “In order to come up with a winning product, it is more important than ever to work with the right partners and customers.” ♦

www.bullwill.com.tw

## Humble giant hones edge with Japanese management techniques

UDE maintains its competitive edge despite its relatively small size and recent entry into the market. Based in Taoyuan — outside bustling Taipei — this humble company is now one of the world’s largest producers of integrated connector modules (ICM), with an output of 20 million parts per month. It has also gained international attention by having been included in Forbes magazine’s “Best Under a Billion” list in 2013.

“Right now, in terms of revenue we are ranked Number 2 worldwide, says UDE chairman Gary Chen. “This is for the ICM market only.”

Chen credits the company’s strong performance to operation systems and concepts adopted from Toyota’s Production Systems (TPS). In fact, for the past 5 years, it has sent all its managers and engineers to Japan for one-week of training and practices annually.

One innovation inspired by

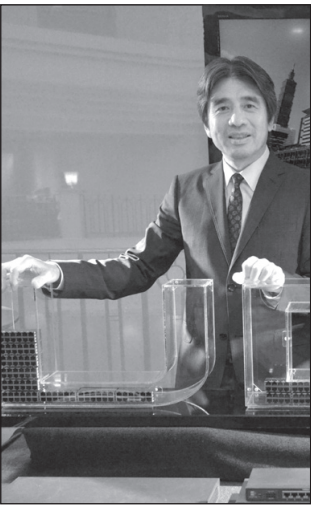
TPS is the U-shaped production line, to which UDE adheres. Unlike the case of most electronic manufacturers that follow the linear model, this innovative process allows the company to sustain its high-mix, low-volume business with as little as 3 operators.

In addition, it has augmented production with automation systems developed in-house to help dramatically cut costs and increase output. Its goal is continuous refinement for more efficient and advanced production lines, supplemented by UDE’s Taiwanese research facility.

With regards to Japan, UDE has recently hired a Japanese consultant for its Chinese factories for further quality control. “We like to do business with the Japanese because they understand us and are not like other customers, who simply focus on price,” Chen comments. “They appreciate that our systems are consistent.”

“We like to do business with the Japanese because they understand us and are not like other customers, who simply focus on price.”

— GARY CHEN  
Chairman  
UDE



“ICMs are not a commodity,” proclaims Chen, “it’s a customized product and no single market will dictate my business. We have about 730 active customers. The product has huge varieties and our customers are extremely

diversified. Not many SMEs have reached the level we have. We can meet market demand in different categories and work with big, well-known companies worldwide.” ♦

www.ude-corp.com




With its design center in Taipei and six factories at Huizhou, Dongguan and Hunan, Bull Will is able to provide its customers one-stop services on all types of magnetic components which includes magnetic cores, chokes, transformers, inductors and insulation materials.

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The leading supplier for transformers, chokes and inductors



www.bullwill.com.tw



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