



Taiwan and Japan: Dynamic partners in commerce, investment and industry

Taiwan has successfully positioned itself as a strong regional and international trade partner. By actively pursuing opportunities through bilateral, regional and multilateral channels, Taiwan has developed a dynamic economy. Today, major industries in Taiwan include electronics, petroleum refining, chemicals, textiles, machinery, food processing, services, consumer products and pharmaceuticals. With its population of 23.8 million, Taiwan offers investors attractive market opportunities and most importantly, a strong regional partner with an increasingly significant role in global industrial transformation. The international community has praised Taiwan for its effective response to the coronavirus pandemic. Border controls, public- and private-sector co-operation, big data analytics, testing and contact-tracing have enabled Taiwan to tackle the challenges of containing the coronavirus and protecting its economy. As the economy recovers, the longer-term challenge is global competition and Taiwan is re-positioning itself as one of Japan's most important regional partners.

Taitra
From 1952 to 2020, over 33,000 cases of Japanese foreign direct investment reached Taiwan, amounting to \$48.7 billion. Since 1970, Taiwan's trade promotion organization, the Taiwan External Trade Development Council (Taitra), has played an important role in Taiwan-Japan relations. "Taiwan is one of the friendliest countries toward Japan and due to its geographic location, Taiwan has long been one of Japan's cooperative partners in commerce, investment and industry," said Chiu Hui-Li, executive

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CHIU HUI-LI
Executive Director
Market Development Department
Taitra

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HIROYASU IZUMI
Chief Representative
The Japan-Taiwan Exchange Association

utive director of Taitra's Market Development Department. "As Japan's fourth-largest trading partner, our bilateral trade volume in 2020 reached \$71.18 billion. Although Taiwan and Japan do not have formal diplomatic relations, our bilateral civic friendship, economic, trade and industry co-operation exist on a very strong foundation. Moving forward, Taiwan will remain one of the best global cooperative partners for Japan." As Taiwanese and Japanese manufacturers share the need to develop third-country markets

together, Taitra is supporting companies as they work more closely together to serve customers in foreign markets. "Taitra handles Japan-Taiwan industrial supply chain cooperation in third countries through trade promotion activities and industrial cooperation initiatives to coordinate a win-win strategy for Taiwanese and Japanese manufacturers," Chiu said.

JTEA playing crucial role
The desire of Taiwan and Japan to cooperate more closely is being strengthened by the Japan-Taiwan Exchange Association. "As essential partners, Japan and Taiwan have developed economic ties in various fields over several decades," said Hiroyasu Izumi, the Japan-Taiwan Exchange Association's chief representative. "In 2020, trade remained in line with yearly averages despite increases in transportation costs, and trade is expected to increase once shipping container shortages and the rise in transportation costs is resolved," Izumi said. "Demand for electronic components and semiconductors is also expected to increase. "Key industries have realized the importance of restructuring their supply chains and to recognize the risks involved in centralized production and procurement. The digitalization and digital transformation of businesses will lead to increased demand within the semiconductor, information technology and electronics industries and we expect trade in these sectors to increase accordingly. "It is important to strengthen the Taiwan-Japan relationship in order to achieve sustainable economic growth. We believe our cooperation will continue and together we will find solutions to global challenges." ◆ en.taitra.org.tw www.koryu.or.jp/en

Keeping business ties with Japan and Taiwan cool and comfortable

Established in 1937, the Hotai Group has developed into one of Taiwan's largest conglomerates. Initially founded as a general goods trading company, enabling business between China and Japan, the Hotai Group is active across a diverse range of industries, including automobiles, food, finance, logistics, manufacturing and home and industrial appliances. Having secured distribution rights with major Japan-based companies and brands, including Toyota Motor Corp., Lexus, Hino Motors Ltd., Yokohama Tire Corp., Aichi Steel Corp. and Nittoseiko Co., today the Hotai Group reflects the strong economic partnership shared between Taiwan and Japan. In 1963, group company Hotai Development was established as a kitchen equipment manufacturer. The company became the exclusive distributor in 1991 for air conditioners made by Daikin Industries Ltd. and from its headquarters in the Neihu District of Taipei, has grown into the largest air conditioner supplier in Taiwan. At 36,000 square kilometers, Taiwan is geographically one-tenth the size of Japan. Hotai

Our success is based on our ability to deliver industry-leading Daikin products and services to our customers across Taiwan."

TONY SOO
Chairman
Hotai Development

Development and the Daikin brand today lead Taiwan's highly competitive air conditioner market, ahead of over 100 other brands. "Our success is based on our ability to deliver industry-leading Daikin products and services to our customers across Taiwan," said Tony Soo, chairman of Hotai Development. "Our core values remain founded on speciality, service and our commitment to innovation across all aspects of our business." The company has ensured the Daikin brand leads the Taiwan residential and commercial air conditioner market by providing total solutions and a diverse product line in addition to marketing, industrial design and engineering services through

Hotai Development and the Daikin brand today lead Taiwan's highly competitive air conditioner market, ahead of over 100 other brands.

its subsidiary companies. "With approximately 1,000 dealers, our dealership network is very strong and we place great emphasis on providing a high level of customer service," Soo said. "Our strong team of maintenance personnel are able to serve our clients all year round,

Providing Japan's companies with expert legal advice

Taiwan's economy is performing well. The growth rate of the gross domestic product last year was 3.11% and is expected to reach 4.64% in 2021. As Taiwan attracts more global business interest, it is vital that foreign companies in Taiwan work with a trusted partner. "Foreign and domestic investors are driving Taiwan's economic growth," said Tsar & Tsai Law Firm's managing partner, Jennifer Lin. "Despite the pandemic, Taiwan is posting its best economic figures in 30 years. The Taiwan Stock Exchange is continuing to perform well and the Taiwan government's deregulation policies have created an attractive environment for foreign companies and investors. For example, since Oct. 15, 2020, overseas companies have been able to provide foreign currencies as collateral when dealing in securities."

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As a leading Taiwan-based law firm and a specialist in Taiwan law, we are proud of our ability to provide legal services in multiple languages. Moving forward, we look forward to working closely with our Japanese friends here in Taiwan."

JENNIFER LIN
Managing Partner
Tsar & Tsai Law Firm

are fluent in both Japanese and English." Relationships between Japanese companies and their Taiwan business partners can sometimes present challenges. Many Japan-Taiwan joint ventures bring together Japanese listed companies and small to midsize Taiwanese firms. "Even as a majority shareholder in a joint venture, Japanese companies can face regulatory challenges in Taiwan," Lin said. "Stringent compliance regulations are often imposed on Taiwan-listed companies and Taiwanese businesses are often unaware of the legalities applicable to their joint ventures. Taiwanese companies are more familiar with the local market and often manage joint ventures, so in order to

minimize risk, Japanese companies need expert legal advice." While many Taiwanese law firms are able to provide corporate and litigation services in Japanese, Tsar & Tsai has a wealth of experience in providing Japanese-language legal services across corporate, foreign investment, competition law, biotechnology, cryptocurrency and dispute resolution practice areas. "As a leading Taiwan-based law firm and a specialist in Taiwan law, we are proud of our ability to provide legal services in multiple languages," Lin said. "Moving forward, we look forward to working closely with our Japanese friends here in Taiwan." ◆ www.tsar-tsai.com.tw

Hirose: Making the right connections

Japan's Hirose Electric Co. has served global industries for over 80 years. As a trusted manufacturer of high-performance electronic connectors, the company has made the right connections in Taiwan. Back in 1987, Hirose Electric established a liaison office in Taipei, Taiwan, and Hirose Electric (Taiwan) has operated as a local company since 1991. Today, the company has a team of 50 employees engaged in sales and materials procurement. "Within the consumer market segment, we have established strong relationships with major electronics manufacturing services companies," said Akira Otsuka, general manager of Hirose Electric (Taiwan). "We have fostered our business relationships since laptop computers were first launched and we continue to share our know-how, product lines and strategies with our local customers." Today the Hirose brand is highly regarded in Taiwan and the company continues to establish business opportunities with Taiwan-based EMS companies.

HIROSE ELECTRIC (TAIWAN) CO., LTD.
台廣電子股份有限公司

Akira Otsuka, General Manager of Hirose Electric (Taiwan)

BM46 series: Multiple RF compliant, board-to-board/FPC-to-board connector

IT8 Series: High-speed 56+Gbps board-to-board connector

FH63S/FH67 series: One action lock FPC connector

Hirose Electric's successes in Japan, North America and other key markets have enabled the company to achieve strong growth in Taiwan. While Taiwan and Japan share a strong affinity with one another, Japanese companies in Taiwan face fierce competition and constant market pressures. "Many companies in Taiwan deliver quality products and provide excellent support, and global companies have high expectations when doing business in Taiwan," Otsuka said. "We focus on working with leading EMS and local high-technology companies. They are constantly keeping their eye on future global trends while looking for new market opportunities and taking chances, and we need to do the same." The automotive industry is becoming increasingly important to Hirose Electric (Taiwan)'s business and is presenting new opportunities, Otsuka added. "Innovative automotive design is developing rapidly as drivers demand more, and modern vehicles require added electronic devices as functionality increases," he said. "We expect Taiwan to play an important role in tomorrow's automotive market." Otsuka concluded: "Across all markets in which Hirose Electric is active, clear communication is at the very heart of our business. Communicating in the local language enables us to do better business, build relationships with customers and win hearts. Our employees and partners in Taiwan play an important role in our success, and I always encourage our team to remember the advantages we offer customers in terms of quality and service." ◆ www.hirose.com/tw

HIROSE ELECTRIC CO., LTD.