

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Amending Regulations Could Increase US Wine Exports

Report Categories:

Wine

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Report Highlights:

Recently, the Ministry of Finance (MOF) stated they will propose an amendment to the Taiwan Tobacco and Alcohol Administration Act, which could increase U.S. wine sales in Taiwan. The revised regulation would allow for on-line purchases of alcoholic beverages and includes an advanced registration payment system in order to keep out minors from illegally purchasing alcohol. In early 2016, MOF will solicit comments from various social welfare groups before finalizing the new regulation. Taiwan's overall retail value for wine is forecast to hit US\$275 million in 2017, and Post anticipates this new regulation will help stimulate U.S. wine exports. Post estimates U.S. wine exports to Taiwan will reach US\$13.6 million in 2015.

Executive Summary:

Recently, the Ministry of Finance (MOF) stated they will propose an amendment to the Taiwan Tobacco and Alcohol Administration Act, which could increase U.S. wine sales in Taiwan. The revised regulation would allow for on-line purchases of alcoholic beverages and includes an advanced registration payment system in order to keep out minors from illegally purchasing alcohol. In early 2016, MOF will solicit comments from various social welfare groups before finalizing the new regulation. Taiwan's overall retail value for wine is forecast to hit US\$275 million in 2017, and Post anticipates this new regulation will help stimulate U.S. wine exports. Post estimates U.S. wine exports to Taiwan will reach US\$13.6 million in 2015.

General Information:

The Tobacco and Alcohol Administration Act administers the alcoholic beverages industry within Taiwan. Its current Article 30 stipulates: *The alcohol may not be sold or transferred by a method by which the age of the buyer or transferee cannot be identified, and which methods include, but are not limited to, vending machines, postal sales, or transactions via electronic platforms.* However, since Taiwan has recently been promoting e-commerce, Article 30 was viewed as a hindrance to the alcoholic beverage community. After the Cabinet recently announced to include alcoholic products into the national e-commerce blueprint, the MOF plans to announce the amendment in 2016 and will have a trial run before fully opening on-line transactions for alcoholic beverages to the public. In Taiwan, the legal drinking age is 18, and the new regulation will place an emphasis on restricting sales to minors. The population of legal drinking age is about 19 million people.

The new measure is expected to assist Taiwan's domestic beverage industry, which has been stagnant for years, and creates another channel for the industry to recover lost revenues from on-trade channels. Taiwan's overall retail value for wine is forecast to hit US\$275 million in 2017, and Post anticipates this new regulation will help stimulate U.S. wine exports. Post estimates U.S. wine exports to Taiwan will reach US\$13.6 million in 2015.

Recent trends indicate that more young professionals are turning to wine as their drink of choice during dinner or work functions. Although male consumers remain the key target, more and more young female consumers attend wine tastings and host food and wine pairing dinners at home. The wine industry believes there will be significant growth from online sales, once the regulation is fully approved, since most young professionals are more tech-savvy than previous generations. Post estimates that U.S. wine exports to Taiwan will reach US\$13.6 million in 2015, and anticipates exports to Taiwan could increase significantly as a result of online sales. According to various industry experts, the retail market value for wine in Taiwan is forecast to hit US\$275 million in 2017.

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