

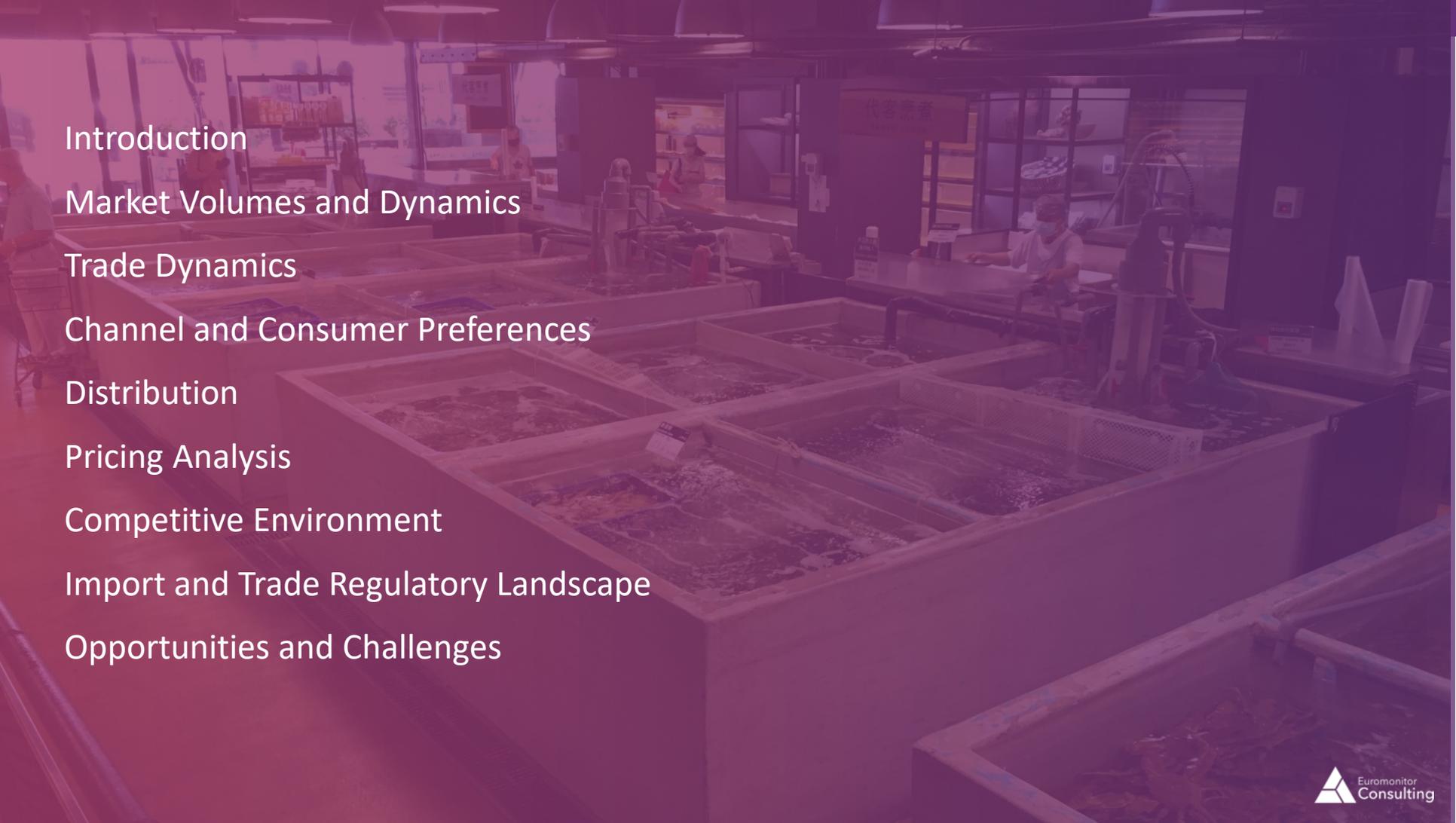
Export Market Development Guidebook

Abalone – HS Codes 030781, 030783, 030787, 030789 – in
Taiwan
June 2021



Australian Government
Australian Trade and Investment Commission



The background image shows a large seafood market or processing facility. In the foreground, there are several large, rectangular white tanks filled with water and fish. A worker in a white uniform and mask is visible in the middle ground, working at a station. The background features more tanks, shelving units, and other workers. The entire scene is overlaid with a semi-transparent purple filter.

Introduction

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Introduction



Project Background & Objectives

In December 2020, Austrade was allocated AUD42.9 million in funding to boost its support for Australian agri-food exporters.

Austrade focuses its services primarily on impact and reach. As part of its services, Austrade aims to increase assistance to an additional 2,000 agri-food exporters each year, as well as work with industry bodies to deliver specific advice to exporters about opportunities in existing and new markets.

Euromonitor International is collaborating with Austrade in delivering such services via the provision of enhanced market intelligence reports that help Australian exporters make informed decisions.

The key objectives of the research are as follows:

- Understanding market volume and dynamics
- Evaluating the role played by local production versus trade
- Assessing the different channel/customer preferences and the wider implications these have for demand for Australian products
- Understanding the distribution landscape in terms of the key players operating within the different channels
- Understanding pricing dynamics across different channels and their impact on demand for Australian products
- Evaluating the competitive environment to assess Australian products' positioning
- Assessing import and trade regulations

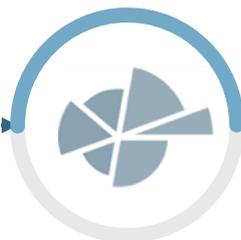
Overview of the research methodology implemented

PROJECT ALIGNMENT & KICK-OFF



- Project alignment discussion on processes, objectives, goals, communication responsibilities/frequency, reporting needs and timeline
- Knowledge transfer

TEMPLATE PRODUCTION AND DATABASE ACCESS



- Development of research templates and an initial draft reporting template
- Central sweep of publicly available sources, including **governmental and quasi-governmental sources**, as well as **trade associations, industry publications and analyst groups** tracking agricultural trade and market conditions

PRIMARY RESEARCH & TRADE DATA COLLECTION



- **Trade data extraction**
 - Retail audits to understand distribution landscape (six stores in Taipei)
 - **Discussions with key players** including, but not limited to importers, distributors, retailers, and industry associations
- N = 4 interviews

ANALYSIS & REPORTING



- **Triangulation of results** to create a consensus output
- Multi-layer **quality control**
- **Delivery of the final report** (including the presentation pack, ie a highly visual executive summary of key findings)
- Austrade review, commentary, and report refinement and finalisation

List of stores audited and companies interviewed in Taiwan

For the purpose of this research, Euromonitor International conducted detailed store audits in May-June 2021 and trade interviews with the following companies:



Stores Audited in Taipei

MOMO, online store

Carrefour, hypermarket

PX-Mart, supermarket

Addiction Aquatic Development, fish specialist store

City'Super, supermarket

Binjiang Market, traditional market

Jasons, supermarket

Dihau Street, fish specialist stores

Costco, hypermarket



In-Depth Trade Interviews Conducted

Calstar Trade Co Ltd – Calstar Trade is one of the largest canned abalone distributors in Taiwan, with a wide network of 200 distributors and retailers. It supplies under the Calmex abalone brand, which is widely available online, in Dihau Street and high-end supermarkets, like City'Super. It also distributes canned abalone from Australia, eg Wheel Brand CALMEX.

Transocean Co Ltd – Transocean is a leading seafood importer in Taiwan, and mainly imports abalone from South Africa and China. The company distributes to a range of traditional fish markets and foodservice operators.

Traditional market suppliers which largely deal with frozen abalone from China.

Ba Xia International Co Ltd – a mid-sized dried abalone importer.

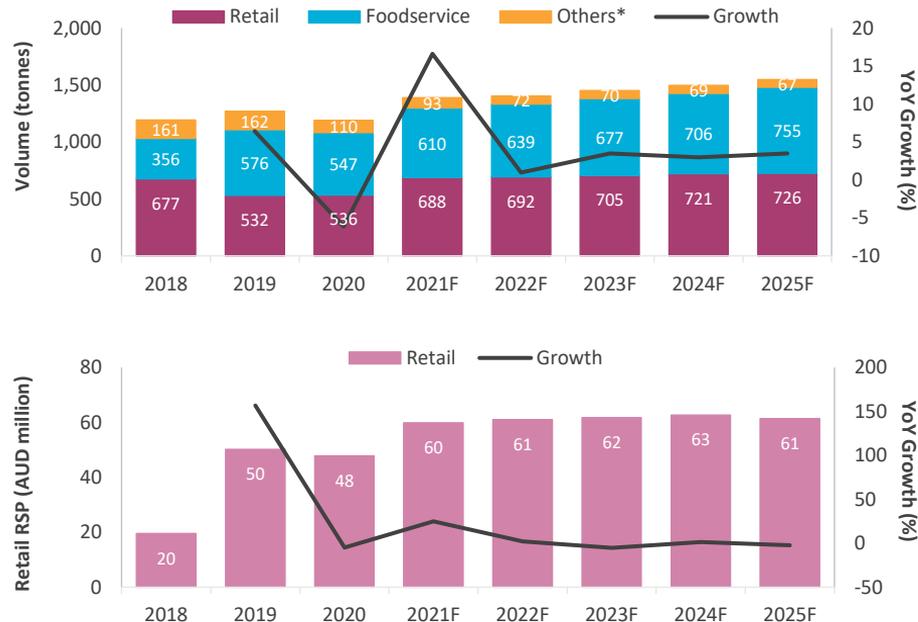
Market Volumes and Dynamics

Total consumption of abalones in Taiwan is largely dependent on imports, given the wide availability of affordably priced varieties from countries like China, mid-priced but premium quality abalones from South Africa, and premium quality, high-priced variants from Australia.

Taiwan mainly produces 9-hole abalone, production of which is very small. Local production of this abalone type is expected to decline in the coming years, due to an ageing farming population and the limited consumer preference for such locally-produced abalones.

Total consumption of abalones stood at 1,192 tonnes in 2020, of which more than 85% was accounted for by imports

Abalone Consumption in Taiwan 2018-2025



Source: Euromonitor International estimates as per trade interviews, Trade Map and Taiwan Fisheries Agency. Abalone covers HS Codes 030781; 030783; 030787; 030789. "Others" is the aggregation of consumption across the food processing sector (mainly canned). Consumption data provided here do not cover HS160557 (canned abalone) as this is was not part of research scope. However, we have included commentary about canned abalones in the presentation as its is one of the key types sold in Taiwan.

Note: * Average pricing and store analysis is based on audits conducted for this study.



Abalone

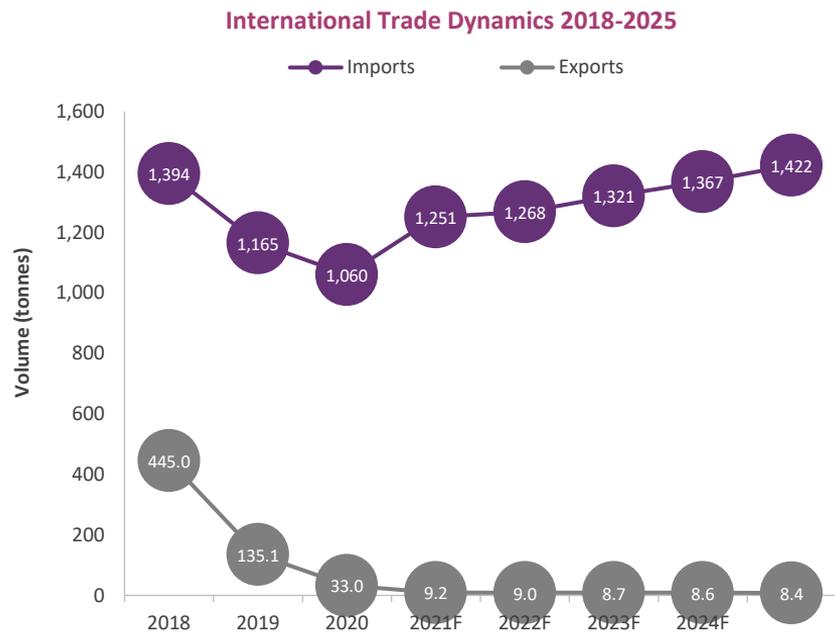
Total consumption: 1,192 tonnes, 2020

- Total consumption of abalone (covering both imported and local varieties) declined marginally, by 0.1%, from 1,194 tonnes in 2018 to 1,192 tonnes in 2020. All major forms of abalones are consumed in Taiwan. Live abalone is commonly consumed in high-end restaurants, where consumers can choose the abalone they wish to have prepared. Specialist fish stores also sell live abalones, which can either be taken home or cooked in the onsite restaurant. Specialist fish stores in Dihau Street typically stock canned and dried abalone for at-home consumption.
- Mainstream grocery retailers typically stock frozen abalone, mainly from China, while high-end modern retailers, such as City'Super, sell frozen abalone from China and Australia, and canned abalone (mainly from China) for gift purposes before Lunar New Year.
- Australia's abalone products, in all forms, are among the highest priced in the country, averaging AUD230* per kg, compared to AUD61 for the widely available Chilean **canned abalone**; AUD102 per kg for **live abalone**, compared to AUD59 for South African abalone; and AUD148 for **frozen abalone**, compared to AUD39.54 for Chinese frozen abalone.
- Total consumption of abalones is expected to grow a CAGR of ~3% partly on the expectation of consumption recovery within the foodservice channel.

Trade Dynamics

Abalone imports were hindered in 2020 (compared with 2019), partly due to limited demand owing to restaurant closures and popular fish specialist stores – eg Addiction Aquatic Development and Xiangyu Aquatic – restricting onsite consumption. Imports are, however, anticipated to recover over the forecast period, as retailers are continuing to adjust to consumer needs for a safe in-store buying environment. Exports are declining meanwhile, due to lower levels of local 9-hole abalone production.

Demand for imported abalones is set to increase further as quality standards are beyond what locally-produced 9-hole abalone can reach



Source: Euromonitor International estimates as per ITC Trademap and Comtrade
 Note: Abalone covers HS Codes 030781; 030783; 030787; 030789. Data provided here do not cover HS160557 (canned abalone), as this was not part of research scope. However, we have included commentary about canned abalones throughout the presentation as it is one of the key types sold in Taiwan. Import and export forecasts are made without extensively analysing trade and non-trade barriers. The forecasts are based on historic performance and prospects for local production as gathered from trade discussions.

Abalone



3.3% CAGR Imports, 2021-2025
 -2.4% CAGR Exports, 2021-2025

- Abalone imports **dropped to their lowest point in 2020**, owing to **supply chain disruption and the drop in demand** as a result of **foodservice and retail restrictions** imposed by the Taiwanese government.
- Growth in imports is expected from 2021 onwards**, as global vaccination rates increase and borders reopen, allowing **tourists into Taiwan**, and **fish specialist stores and foodservice outlets begin to operate as normal**. Consumption of abalone products is expected to return to pre-pandemic levels over the forecast period.
- Key countries that export abalone to Taiwan include China, South Africa and Australia.

South African live abalone has strong demand due to it offering value for money, while frozen abalone mainly comes from China

China

785 tonnes (74.1%), -20.3% CAGR 2018-2020

AUD13.4 million (57.0%), -10.2% CAGR 2018-2020

- China exports fresh, frozen and canned abalone to Taiwan.
- Due to dumping claims from Taiwan, restrictions on abalone from China were imposed in 2019, which took effect during Taiwan's peak consumption season – November to March.

South Africa

203 tonnes (19.2%), 26.4% CAGR 2018-2020

AUD7.4 million (31.5%), 17.1% CAGR 2018-2020

- **South Africa is perceived to produce very high quality abalone**, and the country's industry is well developed. South Africa's high-quality live abalone is considered well priced, at AUD36.51 per kg (CIF), against other high-grade abalone from, for example, Australia (AUD57.25 per kg, CIF).

South Korea

58 tonnes (5.5%), 129.6% CAGR 2018-2020

AUD1.8 million (7.7%), 99.9% CAGR 2018-2020

- South Korea is the **second largest abalone producer in the world**, behind China. It mainly imported live abalone in 2020.

Australia

9 tonnes (0.8%), -29.3% CAGR 2018-2020

AUD0.5 million (2.1%), -33.1% CAGR 2018-2020

- Australian wild caught abalone are perceived as a luxury product. Australian abalone is significantly higher priced than that from other countries.

Source: Euromonitor International estimates as per Trademap, trade interviews and industry reports. HS code 160557 (canned abalone) is not covered as this is was not part of research scope. However, we have included commentary about canned abalones throughout the presentation as its is one of the key types sold in Taiwan



“Generally, it’s easy for Australia to export their abalones to Taiwan. The procedure is not too complicated. Foodservice channels prefer using live abalone, but the selling price is usually high compared to South African live abalones.”

- Distributor

“We import from many countries, including frozen abalone from Australia. Price and quality are the key purchasing factors for distributors.”

- Distributor



Australian abalone has a premium position and image in the market. Despite its presence not being as wide as other exporters, like China, Australian abalones’ superior quality is a key point of differentiation, especially among customers who visit high-end restaurants, as well as premium retail stores.

Channel and Consumer Preferences

Live/fresh abalone is mainly sold for direct consumption in premium restaurants and in fish specialist stores, such as Addiction Aquatic Development. Frozen abalone is mainly imported from China; however, Australian brands are also present, and are available in both high-end supermarkets (eg City'Super) and mid-market retail stores (eg Carrefour). Canned and dried abalone are mainly available in high-end supermarkets and fish specialist stores in Dihau Street. Australian canned abalone was found in limited quantities in Dihau Street and in online portals.

Abalone is usually purchased for in-home cooking during festive seasons or for celebratory events

Young consumers are gaining awareness of sustainability and the importance of certification



Note: Documentation indicating that the abalone is certified and inspected

Consumers are slowly gravitating towards abalone which is **environmentally friendly, traceable and sustainable**. Chinese frozen abalone imports, despite having a large presence in the market, have declined in volume not just due to import restrictions but also due to increased concerns regarding **the quality of the water that Chinese abalone is grown in**. This is reflected in the increasing popularity of fresh abalones, such as imports from countries offering traceability, for example South Africa and South Korea.

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Note: Xiangyu Aquatic is temporarily closed due to the COVID-19 outbreak.

More modern fish specialist stores are appearing to give a greater/cleaner experience to consumers

Modern fish specialist stores, like Addiction Aquatic Development and Xiangyu Aquatic, enable consumers experience the full journey of where the product is obtained from the live tanks, to eating it at one of the many onsite restaurant outlets.



Note: Addiction Aquatic Development onsite seafood bar

Chinese (Lunar) New Year increases abalone sales



Note: A Lunar New Year poster wishing people a happy new year

The Lunar New Year usually falls in February, with national holidays in Taiwan beginning on New Year's Eve and running until the following week. On the Eve, many people return to their family homes for a **reunion that includes a large meal** to celebrate. In higher income homes, abalone is often considered a must and part of traditional dishes. Braised abalone with sea cucumber and poon choi is one of the traditional dishes served. Dihau Street is typically very busy before this event, as consumers stock up on canned abalone as gifts or to prepare (due to the abalone being precooked).

Types of abalone sold vary according to the retail channels they are sold in

Fish Specialist Stores

Supermarkets/Hypermarkets

E-commerce

Product Offer

- Fish specialist stores, such as Addiction Aquatic, sell to both tourists and locals, and sell mainly **live and fresh abalone, the live abalone mainly being from South Africa** and placed in special water tanks.
- Fish specialist stores in Dihau Street mainly sell canned abalone from Chile and dried abalone from Japan, with limited frozen stock, mainly from China.

- Live and fresh abalone are not typically found in supermarkets. The **frozen products available are mainly from China and stocked in both low- and high-end supermarkets.**
- High-end supermarkets, like Breeze, may offer seafood platters containing abalone for pre-order during festive seasons, City'Super offers canned abalone gift boxes for Lunar New Year gifting purposes, while Jasons has frozen ready meals containing abalone and dried scallops with sticky rice wrapped in lotus leaf.

- Chinese frozen abalone is widely available on e-commerce sites, in packs of 500-1,000g. A 500g pack typically contains 20-25 abalones.
- Chilean frozen abalone is also available, in 500g format.
- Live and canned abalone is also sold but to a lesser extent. Live abalone, mainly from South Africa, and canned abalone, mainly from Mexico, are imported by Calstar Trading.

Australian Brands' Positioning

- Australian live abalone is considered of excellent quality; however, prices are considered high compared to exports from South Africa.
- Australian brands of canned abalone, such as Canswell, can also be found in Dihau Street.

- Frozen stock from Australia was found during store audits in high-end supermarkets, eg City'Super, and even in some mainstream supermarkets, eg Carrefour.
- Australian abalone is perceived to be high in quality and more safely sourced than the Chinese imports (as understood from retailers audited for the study).

- Australian abalone is not widely available through online sales. Australian canned abalone found online is very high priced and positioned as a luxury, costing AUD339-694 for a 250g can in a gift box.

Procurement of abalone depends on the type of abalone sold in the different retail channels

Fish Specialist Stores

Supermarkets/Hypermarkets

E-commerce

Procurement

- Large fish specialist stores typically import live abalone directly. The same applies to the bulk of dried abalone which is stocked in various fish specialist stores in Dihau Street. On the other hand, canned abalone is commonly purchased from distributors, for example Calstar and Gimmation International.

- Retailers which sell more frozen and canned abalone mainly procure through importers, eg Australia's Frozen Tiger abalone is imported through Yens.
- Supermarkets such as Breeze obtain the fresh abalone that they use for platters from fish specialist stores such as Addiction Aquatic, due to platters mainly being ordered on demand.

- An **import agent** is typically involved in purchasing and supplying live and frozen stock to online retailers.



Fish specialist stores like Addiction Aquatic Development have large-sized tanks containing fresh seafood, including abalone.



Chinese frozen abalone is widely available in traditional markets, online-, specialist- and low- to high-end retail stores. Prices vary based on where it is purchased, ranging from AUD15 to AUD59 per kg.



Abalone sold online comes in various formats eg live, frozen and canned. It is typically more expensive than that in other channels; eg South African live abalone costs 60% more online than in a fish specialist store.



Japanese seafood restaurants tend to have water tanks with live abalone, where consumers can choose which abalone they would like to have cooked.

High-end supermarket City'Super was found to stock Frozen Two Oceans Australian Wild Caught Greenlip Abalone at AUD177 per kg, while Jade Tiger Abalone retailed at AUD91 per kg at Carrefour.

Dihau Street mainly stocks canned abalone (HS HS160557) with dried and frozen stock also available in some stores.



Abalone commonly consumed at weddings, in Japanese high-end restaurants and at buffets

Wedding receptions are often held in seafood restaurants and hotel restaurants



Note: A wedding reception held at a seafood restaurant

Abalone is commonly served at weddings as part of 9-course meals, consisting of local delicacies, including seafood. The peak season for weddings is from June to September. Typical dishes including abalone are abalone soup, a salad course featuring a large piece of abalone dressed with a soy-yuzu dressing, and abalone and sea cucumber.

Michelin star restaurants order on demand, while buffets have frozen abalone that they buy in bulk

In recent years, there has been an increase in the number of restaurants in Taiwan being featured in the iconic Michelin dining guide, for example Tairroir, Ken An Ho – Ice & Fire, RAW and Impromptu. Most of these fine dining restaurants, and other high-end restaurants, serve abalone dishes from time to time, such as taichung and chicken leg stuffed with abalone, abalone salad and abalone soup. Buffet style restaurants, such as The Kitchen Table, also typically have abalone on the menu.



Note: Mixed seafood bowls, containing abalone, are common at seafood restaurants

Taiwan is influenced by the Japanese food culture, and eating fresh abalone is preferred



Note: Japanese seafood restaurant, Sushi Ichi, with a water tank that contains live abalone, where consumers can choose which abalone, they would like to have cooked.

Abalone is not considered an easy dish to make, and many, especially older Taiwanese prefer to eat abalone in restaurants on special occasions, since restaurants that serve abalone know how to prepare it best. Live abalone is typically preferred, since consumers like to see where a product comes from to ensure its quality.

High-end restaurants order live abalone, while buffet restaurants prefer to use both fresh and frozen formats; purchases are mostly made via distributors

High-end Restaurants

Product Preferences

- High-end restaurants, like Mitsui, Really Good Seafood and the Michelin starred Tairroir, Ken An Ho – Ice & Fire, RAW and Impromptu, have established a reputation for providing the highest quality food offerings in Taipei. These restaurants infuse foreign cuisine with traditional Taiwanese ingredients, for example taichung and chicken leg stuffed with abalone, abalone salad and abalone soup. **Live abalone is mainly bought** based on the chefs' requirements, and only the highest quality is used, mainly from South Africa. Japanese seafood restaurants, eg Sushi Ichi and Hibiki Seafood, have water tanks in which they store live abalone for consumers to choose from. Abalone in such restaurants was mentioned to be mainly from Japan, but is also sourced from other countries as necessary.

Mid-range Buffet Restaurants

- Fresh and frozen abalone, mostly from China, are typically used in buffet-style restaurants.

Australian Brands' Positioning and Procurement

- Australian live/fresh abalone is considered of high quality; however, it is on average 57% more expensive than abalone from South Africa, which is considered to be of similar quality, thus restaurants tend to opt for South African abalone.
- Restaurants typically purchase from a wholesaler, due to water tanks not commonly being found in restaurants.

- Australian frozen abalone is considered of high quality, but prices are considered too steep for the target audience in these restaurants. Australian frozen abalone is on average around 277% more expensive in retail compared to Chinese abalone.
- Purchases are typically made via distributors. Chinese abalone are purchased from April to October and stocked up to the necessary quantities for use during November to March.

Locally-produced 9-hole and Chinese imported abalone is mainly used in the processing sector

Canned abalone is available, but local demand is low



Note: Local canned abalone marketed as premium

Local fresh 9-hole abalone is typically preferred for canning purposes by local food processors, because local 9-hole abalone is considered cleaner than that imported from China. Chinese fresh abalone is, however, commonly used as an alternative to Taiwanese abalone, owing to the limited availability of stock from within the country.

Abalone extract is present in the market; however, it is not well known

Niche locally made abalone extract (made from local 9-hole abalone or alternatively Chinese fresh abalone) is appearing, especially for Asian export markets, such as Singapore, where there are a large number of high-income consumers with significant spending power. Abalone extract is one of the niche offerings aimed mainly at the export market, targeting consumers looking for the added health benefits that the product offers, for example weight loss benefits.



Note: Taiwan abalone extract aimed mainly at other wealthier Asian markets, eg Singapore and Hong Kong

Food processors are trying to position their products as high quality, but uptake is low



Note: Abalone XO Sauce consumed with stir fry

Taiwan Abalone Company is looking at adjusting its product offerings to appeal to export markets, for example Singapore, Hong Kong and Japan. Most of its niche products, such as abalone sauce, are exported to markets where demand is greater than in the local market. Production levels are, however, low.

Distribution



Key retailers that sell abalone in Taiwan



PX-Mart

Supermarket

Contact:

No 33, Jingye 4th Road,
Zhongshan District, Taipei City

Tel: +886 2 2532 8000



Carrefour Market

Supermarket

Contact:

No 1, Section 3, Zhongxing Road,
Xindian District, New Taipei City

Tel: +886 2 8918 3333



City'Super

Supermarket

Contact:

7th Floor, No 68, Section 4, Ren'ai
Road, Taipei City

Tel: +886 2 7711 3288



Breeze

Supermarket

Contact:

No 39, Section 1, Fuxing S Rd,
Songshan District, Taipei City, 105

Tel: +886 2 6600 8888

Note: The objective of this slide is to provide some key retailers in the country that sell abalone. The contents here should be considered as a representation only.

Fish specialist stores are often used by smaller restaurants, retailers and consumers to obtain seafood, including abalone

Dihua Street

Fish Specialist stores

Contact:

Section 1, Dihua St, Datong District, Taipei City, 103

Addiction Aquatic Development

Fish Specialist Store

Contact:

No 18, Alley 2, Lane 410, Minzu East Road, Zhongshan District, Taipei City, 10491

Tel: +886 2 2508 1268

Xiangfu Aquatic

Fish Specialist store

Contact:

122 B2, Zhongshan Road, Zhonghe District, New North City

Note: The objective of this slide is to provide some key retailers in the country that sell abalone. The contents here should be considered as a representation only.

E-commerce offers a wider range of abalone from various countries; however, sales through e-commerce are significantly less than through other retail channels



MOMO

E-commerce

Contact:

4th Floor, No 96, Zhouzi Street,
Neihu District, Taipei City

Tel: +886 2 2162 8888

Shopee

E-commerce

Contact:

9F, No, No 88, Yanchang Road,
Xinyi District, Taipei City, 110

Tel: +886 2 6636 6559

PChome

E-commerce

Contact:

12th Floor, No 105, Section 2,
Dunhua South Road, Da'an
District, Taipei City

Tel: +886 2 2700 0898

Pcone

E-commerce

Contact:

5th Floor, Building D, No 19-2,
Sanchong Road, Nangang
Software Industrial Park, Nangang
District, Taipei City

Tel: +886 2 2655 0052

Some key foodservice operators that have abalone frequently on their menus






HiLai Food

Restaurants

Contact:

No 3, Ln 39, Sec 2 Zhongshan N Rd, Taipei 104

Tel: +886 2 2523 8000

Grant Hyatt

Restaurants

Contact:

2, SongShou Road, Taipei, 110060

Tel: +886 2 2720 1234

Mitsui Food & Beverage Enterprise

Japanese franchise restaurants

Contact:

9F, No 32, Nong-an Street, Taipei City 104

Tel: +886 2 2508 1268

Feasttogether Group

Restaurant

Contact:

No 12, Lane 150, Wuqing Road, Dayuan District, Taoyuan City

Tel: +886 3 3810 288

FOODSERVICE

Note: This section provides information on some foodservice providers that sell abalone on their menus. The contents here should be considered as a representation only.

Key importers handling fresh and frozen abalone in Taiwan include players like Johnson Seafood Co Ltd

| Company | Type | Contact Details | Website |
|--|--------------------------|---|---|
| Johnson Seafood Co Ltd | Importer and distributor | No 195, Fo Road, Qianzhen District, Kaohsiung City Tel: +886 7 822 1812 | http://www.johnsonseafood.com.tw/index.php |
| Yens | Importer and distributor | 24250 6F, No 219, Sec 2, New Taipei Blvd, Xinzhuang Dist, New Taipei City 242 | https://www.yens.com.tw/web/en-us/index.html |
| Good Plenty | Importer | Hod Chung industrial Co Ltd No 149, Dalong Street, Datong District, Taipei City Tel: +886 02-25912211 | http://www.good-plenty.com.tw/ |
| Mitsui Food and Beverages Enterprise Group (Addiction Aquatic Development) | Importer and distributor | 9F, No 32, Nong-an Street, Taipei City 104 Tel: +886-2595-2099 | http://www.addiction.com.tw/ |

Key distributors of canned abalones include the likes of Calstar, which sells to a wide range of retail store types

| Company | Type | Contact Details | Website |
|--------------------------------|--------------------------|--|---|
| Gimmation International Co Ltd | Importer and distributor | 20042, Room 515, No 39 Xiaoer Road, Keelung City Tel: +886 2 2423 5883 | http://www.sa-food.com/ |
| Calstar Trade Co Ltd | Importer and distributor | No 98-1, Section 1, Dongxing Road, South District, Taichung City Tel: 0800 678 998 | http://www.calstar.com.tw/ |
| Yii Tong | Importer and distributor | No 123, Section 1, Jiankang Road, South District, Tainan City Tel: +886 6 2155475, +886 6 2153075 | http://www.yiitong.com.tw/ |
| Ly An Trade Co Ltd | Importer and distributor | 103 1st Floor, No 401, Minsheng West Road, Datong District, Taipei City Tel: +886 2 2553 9217 | http://www.lyan.tw/ |

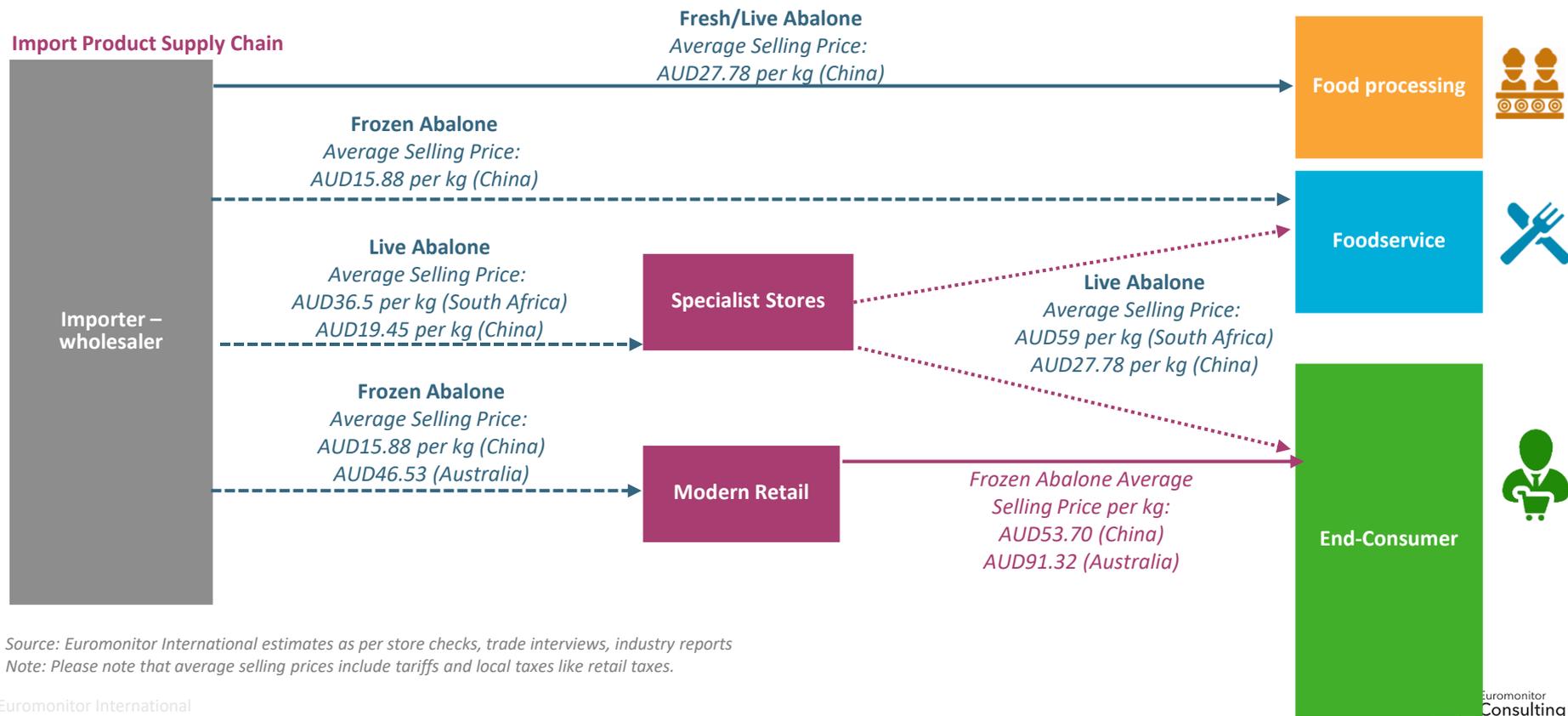
Pricing

Frozen abalone imported from China accounted for 99.8% of frozen abalone imports in 2020. This is typically sold at lower cost, averaging AUD39.35 per kg retail price, while Australian frozen abalone accounted for the remaining 0.2%. It is higher priced, at AUD148.39 per kg in retail stores, but perceived to be better quality. Fresh/live abalone from China is low cost (AUD27.78 per kg), and mainly distributed for processing, eg canning purposes, or to traditional markets, lower end fish specialist stores and lower end restaurants. Fresh/live abalone which is of high quality comes mainly from South Africa, priced at AUD59 per kg, and Australia, at AUD102 per kg in retail stores.

The canned abalone found was mainly from Chile, with an average retail prices of AUD61 per kg – much lower compared to that from Australia, at an average AUD230 per kg.

Note: Price and brand examples provided are based on the sample retail stores audited and interviewed for this study.

Prices differ significantly based on freshness, size and country of origin



Competitive Environment

The leading importers –Johnson Seafood, Yens and Mitsui Food & Beverage Enterprise – supply to various on- and off-site channels, and purchase from a variety countries based on industry-specific demand.

Key importers tend to have a wide reach, and supply to both retailers and foodservice players

| Supplier | Unique Value Proposition |
|---|---|
| Johnson Seafood | <ul style="list-style-type: none"> Johnson Seafood specialises in importing frozen and live abalone from around the world. It sells to specialist fish stores, restaurants, catering companies, supermarkets and e-commerce. Its 2021 product list includes green lip abalone from Australia (Farmed green lip abalone is generally less expensive than wild-harvested abalone), live and frozen abalone from China and various Chilean abalone products. |
| Mitsui Food & Beverage Enterprise (Addiction Aquatic) | <ul style="list-style-type: none"> Mitsui Food & Beverage Enterprise sources raw materials worldwide, paying direct to the source, skipping broker costs, to reduce its product prices and to be more competitive in the market. The company operates at 10 locations and has more than 900 trading partners. Its largest distribution centre is Addiction Aquatic, which has several channels on the same site. It mainly imports fresh abalone from South Africa and Australia. |
| Yens | <ul style="list-style-type: none"> Yens has over 60 sales representatives and provides service to over 2,700 customers, including wholesale shops, traditional fish markets, restaurants, food processors, retailers and e-commerce stores. Yens distributes frozen Jade Tiger abalone as well as abalone from China. |
| Calstar Trade Co Ltd | <ul style="list-style-type: none"> Calstar Trade claims to be the largest canned abalone distributor in Taiwan, with more than 200 distributors and retailers. Its price mark-up is usually between 18% and 20%. Its supply under the Calmex abalone brand is widely available online, in Dihau Street and higher end supermarkets, like City/Super. It also distributes canned abalone from Australia, eg Wheel Brand CALMEX. |
| Good Plenty | <ul style="list-style-type: none"> Good Plenty typically imports fresh abalone from various countries (including Australia and South Africa) for reproduction into various products eg ready made meals, for high-end retail sales and for exports to countries such as the US, Australia, Japan, Canada, Hong Kong and Singapore. |

Import and Trade Regulatory Landscape

The boundaries between foodservice and retail are increasingly blurred, as many foodservice activities take place in fish specialist stores and, increasingly, in modern grocery channels. Specific product labelling is sometimes omitted, which leads to low consumer awareness of the country of origin and the necessary quality aspects of products. This leads to products being bought mainly based on price instead of quality. Consumers are, however, increasingly wanting to know the country of origin and the product's "journey", and modern retailers are trying to meet this demand from consumers.

Fewer labelling requirements in place for abalone destined for foodservice channels



Packaging Requirements

Live abalone must be carefully packed to ensure it remains alive during its journey

- Live abalone are generally shipped in plastic bags filled with pure oxygen, with a thin sponge moistened with seawater. Live abalone survive best in a moist environment, but if they are covered with water they can suffocate during shipment. The sponge can also absorb moisture that is produced by the abalone during shipping. The live abalone should be placed on a waxed fibreboard or a plastic substrate. Once they take hold of the substrate they can be placed in a plastic bag. Some companies pack with a moist piece of clean burlap over the top of the abalone. Larger abalone generally require more oxygen than smaller specimens.



Labelling Requirements

Abalone sold directly to the foodservice industry is exempt from extensive labelling requirements

- **Import requirements and enforcement for food products entering Taiwan are frequently modified.** It is recommended that exporters contact the Taiwan importer directly to ensure that product specifications and labelling meet current regulations.
- Taiwan's labelling regulations require the following: the net contents of packaged goods be shown in metric units. Measurements calibrated in non-metric units must show metric equivalents. Labels are to be affixed prior to customs clearance. Required information includes name and address of manufacturer/importer, date of production and/or expiration date, and list of ingredients. Chinese language labels and instructions must be at least as comprehensive as the language-of-origin labels and accompanying Instructions. They must contain the following information in Chinese: product name, weight, volume or quantity of the contents, name of food additives, name and detailed address of the manufacturer, name and detailed address of the importer, date of manufacture (year, month, day). To distinguish the month from the date, the Chinese characters for "month" and "date" must be included on the label. An expiration date may be used in lieu of the date of manufacture. Coded formats are not allowed.
- **The following types of businesses may apply for an exemption from the Chinese labelling requirement:** food processing plants which import food for processing, restaurants, fast food stores and bakeries which import food for their own kitchens, importers which import food for processing or for repackaging rather than distribution.

Transportation of live and fresh abalone needs to be via air to ensure quick delivery



Transportation Requirements

Live abalones need to be transported via air to ensure they arrive at the destination within 36 hours. Frozen abalones need to remain frozen in cold storage throughout the journey.

- Some importers have specific requirements regarding product handling, pack styles and size grading. Exporters are advised to check with the importer/buyer prior to packing to determine the specific requirements.
- Fresh products should be prechilled to 0°C prior to packing. Icing, brine chilling and other methods can be used. Prechilling the container and other packaging material can also maintain a low temperature during shipment. Prechilling the container prevents products from absorbing package heat. Packaging procedures should be conducted in a quick and efficient manner to minimise temperature increases. Products should be kept under refrigeration until they are delivered to the carrier.
- With transit times of less than six hours, live abalone can survive without an oxygen infusion. With proper packaging and oxygen infusion, live abalone can survive transit times of up to 36 hours. Live and fresh abalone is mainly transported via air, to ensure timely arrival and to avoid any delays.

Source: Euromonitor International as per Asia-Pacific Economic Cooperation



Documentation and Customs Processes

Transparent import procedures in line with global standards

- Documents required for commercial shipments to or from Taiwan include the commercial invoice, bill of lading or air waybill, packing list, and certificate of origin. Importers need an import licence and need to apply for the exporter at the local government offices. A foreign supplier's proforma invoice (quotation) is required for the application for an import permit.
- Taiwan companies must be registered with the **Board of Foreign Trade (BOFT)** before they are permitted to engage in foreign trade.
- The exporter needs to provide an animal quarantine certificate/safety certificate.
- Customs clearance should be arranged through the importer, a customs broker or through the seller's representative.

Frozen and canned abalone tend to arrive via sea, while live and fresh abalone arrive via air

Taiwan Ports of Entry



Port of Keelung

The port's reefer container has 44 available plugs and provides a 24-hour uninterrupted power supply for sensitive refrigerated cargo. It also handles reefer cargo (frozen/chilled) with a full range of technical services for maintenance and repair.

Taoyuan International Airport

Taoyuan is Taiwan's busiest and largest airport. It is operated by the Taoyuan International Airport Corporation, and has refrigerated and frozen storage facilities available at the Air Cargo Terminal. The airport mainly handles cargo for Taipei and northern Taiwan.

Kaohsiung International Airport

Kaohsiung is the second busiest airport in Taiwan. The airport has refrigerator and frozen storage facilities available. It mainly handles cargo for southern Taiwan.



*Keelung is a fishing city and has a large number of fish sellers and **seafood restaurants**. Imported abalone from China is often sent directly to the Keelung market.*



Taoyuan International handles the bulk of live abalone imports in Taiwan, as it is in close proximity to many high-end restaurants in Taiwan.

HS03078110000 is only exported by China to Taiwan, thus it is the only country which benefits from a 0% rate

Taiwan's Tariffs and Quotas



HS 030781: Molluscs, whether in shell or not, live, fresh chilled, frozen, dried, salted or in brine.

0-20%

Standard Tariff Rate

- 0% for abalone, fry (HS03078110000)
- TWD30/kg or 7.5%, whichever is higher for other abalone, live, fresh or chilled, other than *Haliotis diversicolor* (HS03078121007)
- TWD66.4/kg or 20%, whichever is higher for abalones live (HS03078122104)
- TWD66.4/kg or 20%, whichever is higher for abalones, fresh or chilled (HS03078122202)

HS 030783: Abalone, frozen.

7.5-25%

Standard Tariff Rate

- TWD30/kg or 7.5%, whichever is higher for abalone frozen other than *Haliotis diversicolor* (HS03078310008)
- TWD83/kg or 25%, whichever is higher, *Haliotis diversicolor*, frozen (HS0307832006)

The Taiwanese government put a three year partial ban on Chinese abalone imports in 2019. The ban takes place during the months of November to March, to stop in-country dumping and to support local industry supply during the peak production period. The ban is expected to remain in place for longer than the originally stipulated three years.

Source: Euromonitor International as per Market Access Map and trade interviews

High import tariffs on preserved abalone contribute to higher product prices, and less of a presence in stores other than high-end retailers and Dihau Street

Taiwan's Tariffs and Quotas



HS 030787: Molluscs, whether in shell or not, live, fresh chilled, frozen, dried, salted or in brine.

9-30% Standard Tariff Rate

- 22% MFN Duties. Abalone, salted or in brine, other than *Haliotis diversicolor* (HS03078710004)
- TWD225/kg or 15%, whichever is higher (MFN duties) abalone, dried, other than *Haliotis diversicolor* (HS03078720002)
- 30% (MFN duties) *Haliotis diversicolor*, dried, salted or in brine, but not smoked (HS 03078730000)
- TWD36/kg or 9%, whichever is higher (MFN duties) abalone, including *Haliotis diversicolor*, smoked (HS03078740008)

Preserved (canned) abalone is present in the local market, however not to the degree of frozen and live abalone. Canned/preserved abalone exports exceed imports.

Source: Euromonitor International as per Market Access Map and trade interviews

Note: Abalone HS160557 (canned abalone) is not part of the tariff representation here. This is because it was not part of the research scope. We covered canned abalone qualitatively in earlier slides as it is widely sold in places like Dihau Street.

Opportunities and Challenges

Overall demand for abalone in Taiwan is limited compared to other fish types.

While low-priced Chinese abalone are widely seen in the market, demand for fresh/frozen, high-quality offerings with competitive price levels is increasing in the market. For example, Chilean canned abalone is considered of high quality at good price points, while Australian live/frozen abalones and South African live abalones are perceived to be premium.

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Thank you

Sowmya Ramaswami, Global Project Manager

✉ Sowmya.Ramaswami@euromonitor.com

☎ Tel: + 971 4 372 4363 Ext. 2866

Amal Alameh, Project Director

✉ Amal.Alameh@euromonitor.com

☎ Tel: + 971 4 372 4363