



British Office
英國在台辦事處

UK-TAIWAN TRADE & INVESTMENT: ANNUAL REPORT 2018

19 June 2019

SUMMARY

With GDP of US\$589.4bn (£465bn), Taiwan is now the world's 21st largest economy, up from 22nd last year.¹ UK-Taiwan trade rose 16.4% to £6.6bn in 2018. UK exports to Taiwan grew by 40.8% from £1.96bn to £2.76bn, making Taiwan the UK's 32nd largest trading partner globally and the 7th largest in Asia Pacific.² For Taiwan, the UK was its 3rd largest trading partner in Europe after Germany and the Netherlands.

The 40.8% (£800m) increase in UK exports meant that the UK's trade deficit with Taiwan fell to £1bn from £1.7bn in 2018. Service exports, such as computer services, intellectual property, and technical, trade-related and other business services, were the main driver of export growth, increasing 75% (£600m).

Highlights of UK-Taiwan trade relations included the introduction of British pork products to Taiwan (an estimated worth of £50m over the next five years), and increasing commercial opportunities in offshore wind, Fintech and technology sectors.

In 2018, the UK was the 2nd most popular destination for Taiwanese investors in Europe, attracting £52.9m of investment. Going the other way, the UK's annual investment in Taiwan was valued at £468m, making the UK the 5th largest investor globally in Taiwan.

¹ IMF World Economic Outlook April 2019.

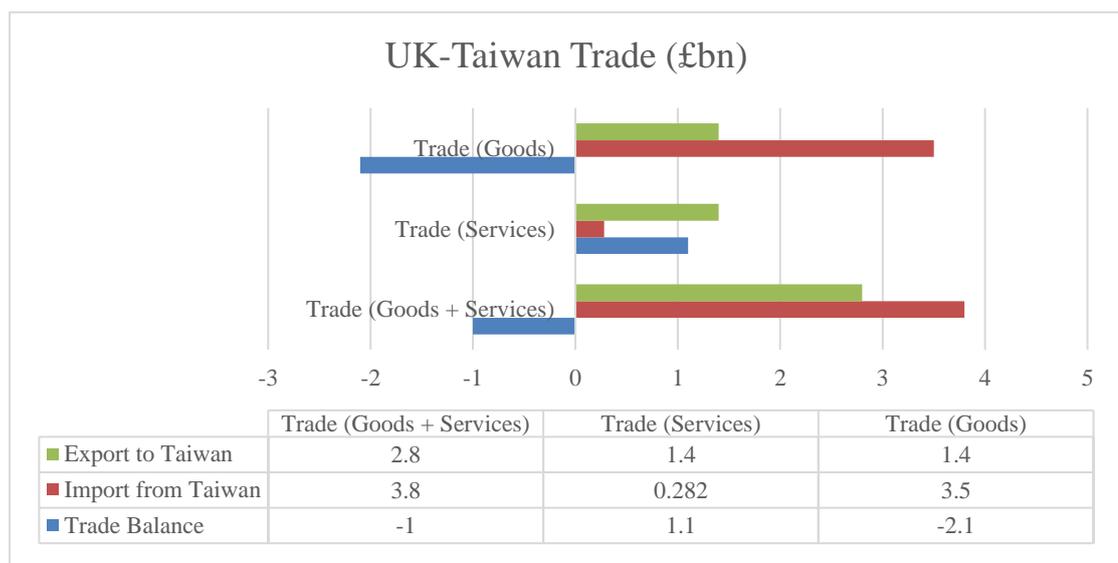
² Trade figures in this report are from the UK Office for National Statistics. These figures are provisional, without seasonal adjustment. Final figures will be released in October 2019, and this report will be updated accordingly.



UK-Taiwan Trade Performance: Goods and Services in 2019³



1. Taiwan's export-oriented economy saw its trade volumes rise as a result of favourable global macroeconomic conditions, despite the slowdown of global economic activity in Q3-Q4. Overall, Taiwanese exports were valued at US\$336bn in 2018 (up 5.8% from 2017). Accounting for 1.7% of the world total export, Taiwan was the 18th largest exporter globally.⁴
2. According to UK's Office for National Statistics (ONS), **UK-Taiwan bilateral trade in goods and services in 2018 amounted to £6.6bn, a rise of 16.4% from £5.6bn recorded in 2017.**



³ UK ONS UK total trade: all countries, non-seasonally adjusted (24 April 2019). These figures are provisional, without seasonal adjustment. Final figures will be released in October 2019, and this report will be updated accordingly.

⁴ WTO Statistics Database.

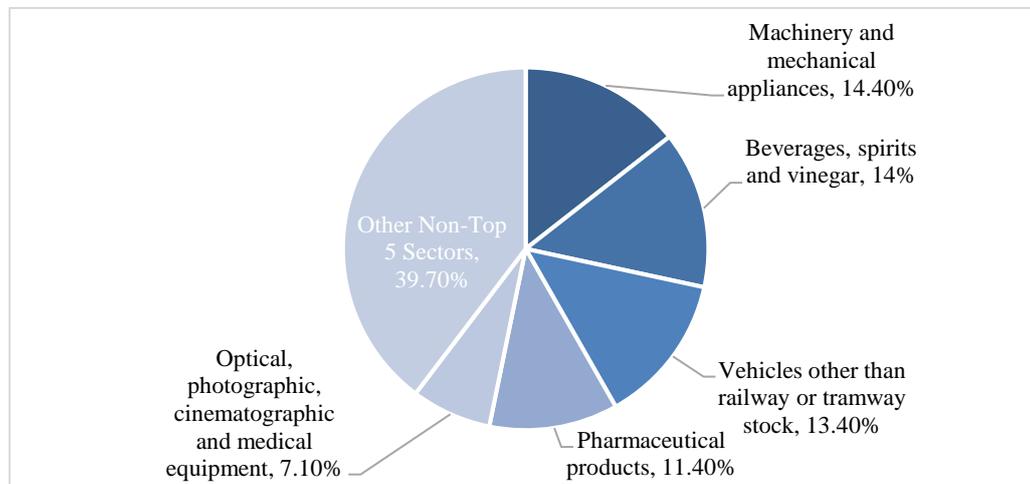


3. **The increase in bilateral trade can be attributed to the growth of UK exports to Taiwan, which rose by 40.8% year-on-year (£800m).** Services exports were the main driver for this growth, increasing 75% from £800m to £1.4bn. The increase of services exports also meant that the ratio between goods and services in UK exports is now 50:50 (from 59:41 in 2017).
4. While Taiwan continued to enjoy an overall trade surplus in 2018, the surplus fell from £1.7bn in 2017 to £1bn in 2018 (a 41% decrease). The UK's surplus in services trade more than doubled from 0.5bn in 2017 to £1.1bn in 2018, while the UK's goods trade deficit decreased from £2.3bn to £2.1bn.
5. Taiwan was the UK's 32nd largest trading partner globally (up from 34th in 2017) and the 7th largest in Asia Pacific in 2018 (up from 8th in 2017).⁵ For Taiwan, the UK was its 17th largest trading partner globally and its 3rd largest trading partner in Europe, after Germany and the Netherlands in 2018.
6. Highlights of UK-Taiwan trade relations included the introduction of British pork products to the Taiwanese market (an estimated worth of £50m over the next five years), and signing of two important MoUs to promote UK-Taiwan co-operation in the offshore wind and Fintech sectors.

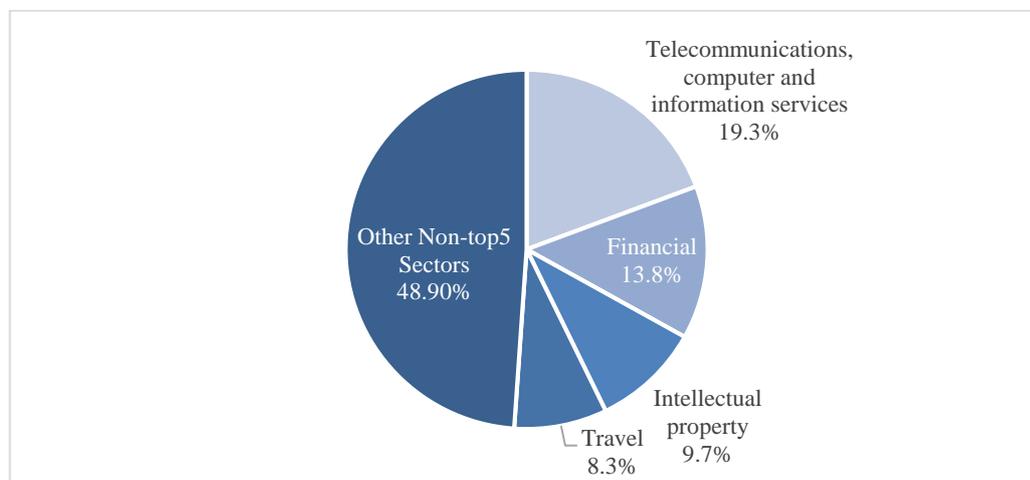
UK Exports to Taiwan

7. In 2018, UK's goods exports to Taiwan amounted to £1.4bn (a 17.6% increase from £1.2bn in 2017). The top 5 export sectors accounted for 60.3% of UK goods exports to Taiwan. The table below shows the breakdown of the top 5 UK goods exports to Taiwan.

⁵ UK Department of International Trade – Fact Sheet (10 May 2019).



8. During the same period, Taiwan's demand for UK services was £1.4bn, a 75% increase from £800m in 2017. The top 5 exports sectors accounted for 51.1% of total UK service exports to Taiwan. The table below shows the breakdown of the top 5 UK service exports to Taiwan.



9. The fastest growing services sectors in 2019 included computer services, intellectual property, and technical, trade-related and other business services. In 2019 Q4, computer services exports amounted to £196m.

Investment overview

10. According to the Taiwan's Investment Commission, Taiwan's total outbound investments in 2018 amounted to US\$22.8bn (£17.4bn), with 37% going to



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China. This was an increase from US\$20.8bn in 2017.

11. Taiwan's annual investment in Europe rose to US\$1.3bn (£985m) in 2018 from US\$200m in 2017, or 5.5% of the total overseas investment. Of the total investment in Europe, the UK attracted US\$69.1m (£52.9m), a 38.7% increase from US\$49.8m in 2017. The UK attracted the most investment from Taiwan in Europe, after the Netherlands. The UK is the 12th most popular destination globally among Taiwanese investors with US\$ 3.1bn (£2.4bn) cumulative investment.
12. According to Taiwan Investment Commission, the UK was Taiwan's 5th largest investor with £468m annual investment in 2018.

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