

# Taiwan's technology trade offers great opportunity

BY RICHARD EDWARDS

You may not immediately think of Taiwan as a force in the automotive trade but you'd be surprised.

**The industry there is worth NZ\$20.8 million a year but, with relatively modest car sales, two-thirds of the production is focused on aftermarket parts, electronics and components – around 70% of them for export.**

Want your parts depart-

ment to check out those replacement headlights? Taiwan controls 60% of the global market for those.

Its Government knows the value of the trade to the country and is hugely behind it, offering business support, coordinated research and development programs and international marketing.

A jewel in its promotion crown is the annual Taipei International Auto Parts and Accessories Show which



is teamed with subsidiary events EV Taiwan, AutoTronics Taiwan and Motorcycle Taiwan in a giant trade experience held across two massive exhibition centres.

The numbers are staggering - 3772 booths housing 1361 companies. Alongside local visitors, 6700 will come to the show from overseas.

**Everything automotive is on show, from floor mats to specialist wheel repair machines, components for vehicle manufacturing and electronic control units.**

While traditional components continue to be developed, the shift is turning to electronics and software, two aspects of the industry that can only grow.

Taiwan's Telematics Industry Association secretary-general **Paul Chou** says the move is logical as the country already leads the world in the development of semiconductors and consumer electronics. Some of the first smartphones came from Taiwan, under the HTC brand, and it continues to be a market leader.

**Chou says the industry receives substantial government backing and was quick to establish standards and align them with international markets.**

"The international market is very important to us."

It also has an established test bed for telematics and

driver assistance systems.

Ten years ago the Government started subsidising the cost of fitting telematics and camera equipment into all trucks, buses and taxis in the country, now covering a fleet of nearly 200,000.

## ADAS for the aftermarket

Taiwan already has working autonomous driving platforms but its current focus appears to be more on ADAS – Advanced Driver Assistance Systems.

**That covers technology usually only found in new vehicles – front and rear collision warnings, adaptive cruise control, blind spot detection, lane departure warning, heads-up displays and smart camera systems.**

We were part of a demonstration of one system's talent for picking out other cars, pedestrians and cyclists. Once identified, the system's processing unit can decide whether alerts or other intervention is required.

Taiwanese companies developing the technologies, including those under the Taiwan Autotronics Collaborative Alliance, are mostly doing so to supply vehicle manufacturers, predominantly in China, but they are also packaging them for the aftermarket.

A representative of Cub

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 Elecparts says its systems can be installed in a dealership environment within a couple of hours. But it is going even further than most and working on retrofitting autonomous emergency braking and adaptive cruise control, with an initial focus on the American commercial vehicle first.

Cub has been working in the United States for years. It takes a significant stand at the massive annual SEMA show and has worked with both General Motors and Chrysler on its technology, particularly tyre pressure measurement systems.

**Why should traders in New Zealand care? As safety becomes a higher priority, there's an opportunity to offer equipment typically provided in more premium vehicles as an in-dealership option.**

The technology is complex but the installations relatively straightforward so there's a potential margin in both the importation of the system and the installation process.

**Why Taiwan?**

It's Taiwan's small size, Chou says.

Having 27 million people in a country just a few hundred kilometres end-to-end is a huge advantage.

"We have a one-day supply ecosystem," he explains.

"Every single component, design and assembly are normally within a two-hour radius."

**Taiwan's speciality is rapid launch and production. Tooling that would take two months in most western markets can happen in two days – but is still done to a good quality level.**

Chou cites the example of a German brand operating in China that required a USB adaptor. Production was

underway within a week and the failure rate for the unit was less than one in a million.

**But if Taiwan needs one thing, it's partners. Walking around the shows, we saw products that were amazing in execution but were in need of a market.**

And it appears the successful players are aware of that, with the most advanced in their overall packages fronted by managers with



foreign experience or by overseas-based business partners.

This is a tremendous opportunity for businesses here to generate business from the technology and parts Taiwan provides.

Next month: We look at ten

award-winning Taiwan developed and produced automotive parts and components.

• **Auto Media Group managing editor Richard Edwards visited Taiwan with the kind assistance of the Taiwan External Trade Development Council. ■**

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