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## Rice, Pasta, and Noodles in Taiwan

### 2020 Impact

#### Taiwanese Consumers Make Sure Home Supplies are Instant

In response to the arrival of COVID-19, demand for instant noodles, the largest category within the rice, pasta, and noodles, increased significantly in Taiwan, with brief stockpiling occurred. Compared with other countries, the pandemic has been well controlled in Taiwan, with everyday life largely carrying on as normal without any quarantine required or new regulations. With panic-buying in the spring that lasted only a couple of weeks, instant noodles were stockpiled the most, and the category posted the most retail volume growth. Some brands and products even went out of stock and whole instant noodle shelves were empty during the panic-buying spell. There have also been a slight acceleration in volume sales growth for rice and dried pasta. It gave the staple nature of rice in the Taiwanese diet and the longevity of both rice and dried pasta, which can be stored easily at home for many weeks.

Despite that Taiwan has gone many months without any newly recorded cases of COVID-19, most people are still very conscious about the possibility of another outbreak. As such, instant noodles remain in steady demand as they are standard household packaged food products for consumers.

#### Rice Consumption Beginning to Dwindle

Rice's central role in the traditional Taiwanese diet means that demand remained stable over the review period. However, the low-carb trend continues to gain traction and more young consumers are generally having fewer carbohydrate staples, such as rice and noodles, in their diet, in favor of eating more vegetables and meat. Other consumers are looking for alternatives to traditional rice and noodles, such as frozen cauliflower rice or konjac noodles.

### Highlights

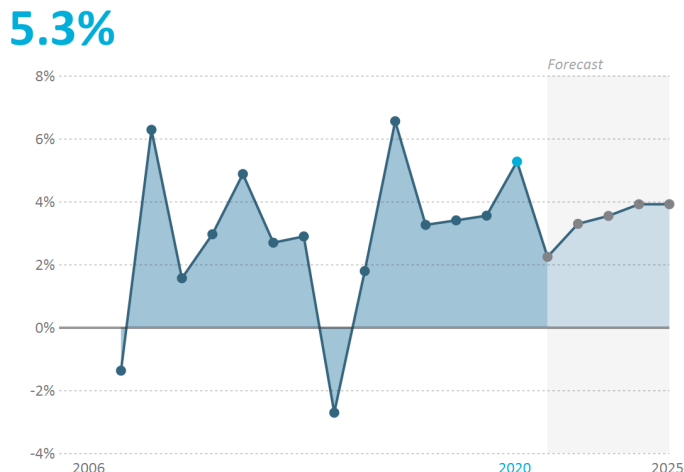
- This issue provides insights on the consumption of rice, pasta, and noodles in Taiwan and the impact of the COVID-19 on the industry.
- This report also discusses the healthier noodle trend that is increasing in Taiwanese consumers. There are also growing trends such as supporting small farm-owned brands and celebrity marketing, among others.

Although rice is still highly popular in foodservice, the rise in the number of people eating out, before the pandemic, has been increasing, resulting in fewer purchases of packaged rice in retail. More consumers are buying retail rice less frequently or buying smaller packs. Small packs below 5kg are becoming more popular, 1-3kg versions in particular.

#### Uni-President is Still at the Top, but International Rivals are Gaining Ground

Uni-President continues to lead the instant noodles category in 2020. The company constantly reinvents itself through innovative marketing campaigns, partnering with Ning Xia Night Market in Taipei to serve exclusive meals made from its minced pork noodles in 2018, for example. In May 2019, it collaborated with Feng Chia Night Market in Taichung to conduct similar pop-up promotional activity, further consolidating its connection with younger consumers. In January 2019, Uni-President Enterprises Corp launched a new premium instant noodle product with upmarket packaging in collaboration with National Palace Museum in Taipei. The new product is only sold in two Carrefour outlets.

Sales Performance of Rice, Pasta and Noodles in Taiwan  
% Y-O-Y Retail Value RSP Growth 2006-2025



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However, despite a slight share gain in the year, thanks to consumers stockpiling the most familiar and trusted brands, the company faces increasing competition from more international brands gaining popularity in Taiwan. Korean brand Nong Shim has been performing particularly well in Taiwan with the continuing popularity of Korean drama and pop culture. Meanwhile, Indonesian instant noodles are also quite popular among the young generation recently owing to their low prices and relatively sweet and spicy flavors.

### Recovery and Opportunities

#### Sales Normalization Predicted in 2022, with Healthier Noodles Set to Create a Stir

Regarding sales of rice, pasta, and noodles, the larger foodservice channel has taken a hit in 2020 because consumers have frequented dining establishments less often amid the threat of COVID-19, often preferring to cook at home. Sales in the channel are not expected to bounce back until 2022, while retail sales are poised for a slight but consistent decline over the forecast period, as the dining-out trend resumes (though 2021's decrease will also be a result of the stockpiling early in the pandemic). The rising preference for low-carb diets will continue to challenge retail sales.

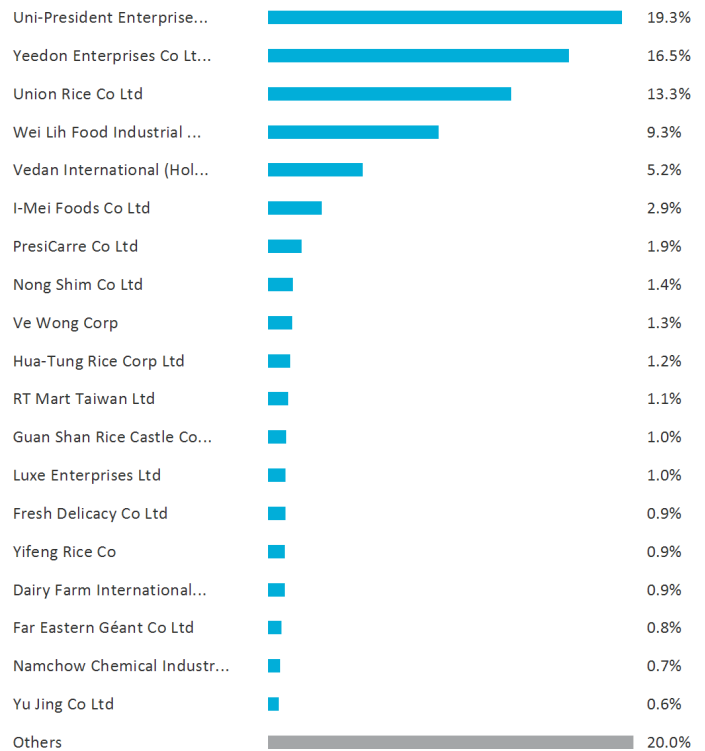
The health trend, strengthened by the advent of COVID-19, with the Taiwanese looking to improve their nutritional intake and follow healthier diets, will influence new product development (NPD) to a greater degree. Dry-stirred noodles are predicted to generate demand in an otherwise stagnant noodles category. Dry-stirred noodles are considered healthier than regular instant noodles as they are hand-made plain noodles and need to be cooked before being served. As a result, they are popular among health-conscious housewives, who perceive them as staple products like rice or plain noodles, and over the forecast period are increasingly likely to opt for them over regular instant noodles, which are only considered as a quick snack.

#### Farmers' Brands Offer the Opportunity for Premiumization

The blooming cultural and creative industry is likely to keep creating opportunities for local farmers' brands over the forecast period. More local farmers can leverage cultural and creative elements to market and promote their rice, pasta, and noodle products. With appealing packaging and brand stories of how local farmers grow the best-quality rice, these products are often welcomed in department stores or special markets that emphasize artisanal-orientated products, such as Eslite or MAJIMAJI. In Eslite, there is a whole section specifically for local farmers' ranges.

Also, these small farm-owned brands are particularly appealing to young families or white-collar consumers with higher incomes. Not only are they willing to spend more on better-quality products for themselves, but the premium packaging and premium nature of the items also make them popular choices as gifts for others.

**Company Shares of Rice, Pasta and Noodles in Taiwan**  
% Share (NBO) - Retail Value RSP - 2020



### Celebrity Marketing a Growing Trend in Noodles

Over the forecast period, intensive marketing efforts and aggressive in-store promotional activity are expected to continue driving sales in instant noodles, though little volume growth is predicted overall. Consumers' desire for new experiences will likely be a key innovation driver for manufacturers. The forecast period is set to see a growing range of new flavors and varieties of instant noodles derived from trending items within foodservice, as well as from lesser-known regions. The main target group will continue to be the younger generation.

At the end of the review period, there was a growing range of dried products appearing on the market, as manufacturers worked to reduce the use of artificial additives and target demand for convenience in cooking. The most famous brands in this area are A-sha and Tseng Noodles, which started to attract consumers via active online marketing campaigns. A-sha performed so well that it extended its reach to other markets, including the US, Canada, Australia, and Singapore. Tseng Noodles is a product named after Taiwanese television host Sam Tseng, and following the brand's success more celebrities, and even key opinion leaders, have launched their brands of dry-stirred noodles. From 2018 to 2020, more than 15 celebrity dry-stirred noodles brands were launched in the Taiwanese market. ■

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