

Location Spotlight – Taiwan

August 2020: Complimentary Abstract / Table of Contents



Our research offerings for global services

<div>▶ Market Vista™ Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available</div>	
▶ Application Services	▶ Finance & Accounting
▶ BPS Banking & Financial Services	▶ Human Resources
▶ BPS Healthcare & Life Sciences	▶ ITS Banking & Financial Services
▶ BPS Insurance	▶ ITS Healthcare
▶ Catalyst™	▶ ITS Insurance
▶ Cloud & Infrastructure	▶ IT Services Executive Insights™
▶ Customer Experience Management Services	▶ ITS Life Sciences
▶ Contingent Workforce Management	▶ Locations Insider™
▶ Data & Analytics	▶ PricePoint™
▶ Digital Services	▶ Procurement
▶ Engineering Services	▶ Recruitment Process Outsourcing
▶ Enterprise Platform Services	▶ Service Optimization Technologies

Membership information

- This report is included in the following research program(s)
 - [Locations Insider™](#)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Contents

Research methodology	4
At a glance	5
Overview	6
Market activity	7
Talent and cost overview	8
Global services delivery overview	10
Risk profile	11
Research calendar	13

Parul Jain, Practice Director


Surbhi Gupta, Senior Analyst

Shashwat Konar, Senior Analyst

This report provides perspectives on key aspects of the global sourcing market in Taiwan

Location Spotlight – Taiwan

Taiwan | At a glance



Emerging location for delivery of digital and R&D services with favorable operating and business environment

KEY FACTOIDS

300,000-310,000 annual tertiary graduates

Annual operating cost per FTE 55-60% savings over Dallas

Current overview

- Leveraged by both service providers and in-house Global Business Services (GBS) centers primarily for delivery of technology services with an increasing number of R&D centers
- Taipei is the major location leveraged for services delivery in Taiwan followed by Kaohsiung
- Opportunity to strengthen proposition to be an emerging location for global services delivery as companies look to relocate from China due to rising anti-China sentiment

Key drivers

- High existing leverage of digital solutions such as AI and ML which is a growing industry globally
- Favorable overall risk profile especially across parameters such as ease of doing business, infrastructure, and safety & security
- Growing government support for technology companies through multiple initiatives such as tax credits, setting aside land for technology companies, etc.

Key challenges

- Limited multilingual capabilities present some concerns for the delivery of non-native languages such as English
- Relatively more expensive as compared to neighboring locations such as China (38-42%) and India (>70%)
- The sovereignty and democratic virtues of the current political system are under threat from China currently
- Prone to disruptions by natural disasters such as typhoons and earthquakes

KEY PLAYERS:

Everest Group[®] PROPRIETARY & CONFIDENTIAL. © 2020, Everest Global, Inc. | EGR-2020-37-R-3910

Location Spotlight – Taiwan

Taiwan | Risk profile (page 1 of 2)

Stable macroeconomic environment and availability of excellent infrastructure; presence of a democratic government but there exist some concerns due to external geopolitical threat from China

Highly favorable

Favorable, some concerns

Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	<div></div>	<ul style="list-style-type: none">Taiwan has a stable, democratic government. It is ranked 31 out of 167 countries in the Democracy Index compiled by the Economist Intelligence UnitThere are concerns around recognition of Taiwan's sovereignty. Only 17 countries recognize Taiwan's democratic government. Taiwan's biggest ally, the United States, as well as the United Nations, do not recognize Taiwan as a countryTaiwan was ranked as the 28th least corrupt nation out of 180 countries according to the 2019 Corruption Perceptions Index reported by Transparency International
Macroeconomic	<div></div>	<ul style="list-style-type: none">GDP is expected to grow at around 2.50% during 2021-2022. It is estimated to have slowed to a four-year low in Q1 2020 as the domestic economy felt the pinch of pandemic-related curbs on activityMoody's has maintained an A3 rating and has a stable outlook towards TaiwanInflation rate, currently negative, is expected to go up in the upcoming quarters and become positiveUnemployment rate and interest rates are low and are expected to remain stable over the next few quarters
Infrastructure	<div></div>	<ul style="list-style-type: none">Taiwan is ranked 12 out of 137 countries for the quality of its infrastructure by The Global Competitiveness Report of the World Economic ForumThe infrastructure is well built including a well-planned and efficient transport network and is comparable to many European and North American locationsTaiwan has one of the fastest internet speeds in the world. In May 2020, it was ranked 20 out of 190 nations tested in terms of broadband download speeds by Speedtest Global Index

Source: Everest Group (2020), inputs from recruitment firms, market players, and investment agencies

Everest Group[®] PROPRIETARY & CONFIDENTIAL. © 2020, Everest Global, Inc. | EGR-2020-37-R-3910

Research calendar

Locations Insider™

Published Planned Current release

Flagship Locations Insider reports

Release date

Location Spotlight – Trivandrum, India	October 2019
Location Spotlight – Mumbai	February 2020
Global Locations State of the Market Report 2020	March 2020
Location Spotlight – Bulgaria	April 2020
Location Spotlight – Indonesia	April 2020
Location Spotlight – Slovakia	May 2020
Location Spotlight – Georgia	June 2020
Locations Spotlight – Guatemala	June 2020
Location Spotlight – Wuxi, China	August 2020
Location Spotlight – Taiwan	August 2020
Location Spotlight – San Antonio, Texas	Q3 2020

Thematic Locations Insider reports

Release date

Global Handbook – Focus on Language Skills Availability Across the World	November 2019
Global Handbook – Focus on Cloud Skills Across the World	June 2020
Africa: Emerging IT-BP Delivery Force	July 2020
Engineering Services Skills Handbook: Preparing for Next Wave of Growth in R&D	July 2020

Note: For a list of all our published Locations Insider™ reports, please refer to our [website page](#)





Everest Group is a consulting and research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global enterprises, service providers, and investors. Through our research-informed insights and deep experience, we guide clients in their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at [everestgrp.com](https://www.everestgrp.com).

Stay connected

Website

[everestgrp.com](https://www.everestgrp.com)

Social Media

 @EverestGroup
 @Everest Group
 @Everest Group
 @Everest Group

Blog

[everestgrp.com/blog](https://www.everestgrp.com/blog)

Podcast

DigitalRealITy



Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.