Tainan trip provides inside look at supply chain

A journey discovering Taiwan's impact on the powersports industry

BY LIZ KEENER

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Speedometers, LED lights, goggles, scooter brake discs, continuously variable transmissions (CVTs), ATVs and more are all

manufactured for the global powersports market by Taiwanese companies.

That's the message the Taiwan External Trade Development Council (TAITRA) is sharing with the world as it prepares for its 2016 Taiwan International Motorcycle Industry Show, which is set for April 6-9 at the World Trade Center in Taipei.

TAITRA invited Powersports Business on an exclusive pre-show tour of Taiwan to meet five 2016 exhibitors with manufacturing facilities in the country. The trip included three days in Tainan City and meetings with five Taiwanese powersports manufacturers.

After arriving in Taipei late the night before, my first day in Taiwan began with a high-speed train ride to Tainan. Covering more than 300 kilometers (about 186 miles) in less than two hours, the train at times reached speeds on excess of 250 kph (more than 155 mph). I rode south with Pauline Tu and Jo Tseng of TAITRA; both served as my guides throughout the trip.

Our first stop was Tong Yah Electronic Technology Co. Ltd. The company is known for is OEM and original design and manufacturing (ODM) meters, LED lights and heated grips as well as for its Koso brand of aftermarket products. Domestically, Tong Yah also produces scooter parts.

Tong Yah has an 8,000-square-foot facil-

Chi • nese les • son {les-uh n}

As a native English speaker who has never studied Chinese, I was lost most of the time Chinese was spoken, but after three days, I picked up a few words and phrases:

謝謝 or Xièxiè — Meaning "Thank you" in English, this phrase was often said during and after our visits to the five companies that welcomed us during our trip.

(Yī), $\stackrel{\sim}{=}$ (Èr), $\stackrel{\sim}{=}$ (Sān) — With a variety of native Chinese speakers taking our photos at the factories and tourist attractions, I quickly learned to smile after hearing "San," which means "three." "One, two, three. Smile!"

你好 or Nǐ hǎo — Meaning "hi," "Nǐ hǎo" was said frequently throughout my visit.

ity in Tainan that employs 170. It also has a branch in Germany, as well as one in Montreal that serves North America. Michael Chang, who works in sales for Tong Yah, explained that the company's strengths lie in its own design center, tool-making department and production line. Tong Yah also performs full environmental testing in-house.

Tong Yah supplies meters, indicator lights and some electronic switches to one major North American OEM, and its Koso parts are distributed through Hi-Performance Engineering, Parts Unlimited and Western Power Sports in the U.S., as well as DL Performance, Importations Thibault, Kimpex, Recreation Supply Co. and Trans Can Imports in Canada. Much of Tong Yah and Koso's products are currently in the ATV, snowmobile, scooter and metric motorcycle segments, but I learned they'll be showcasing new product at the V-Twin Expo in Cincinnati in February.

Following the visit to Tong Yah, Pauline, Jo and I stopped for lunch at EZ.KON Restaurant, where I was treated to my first Taiwanese meal. Nothing says Taiwan like hot pot and pearl

After filling up on an abundance of pork, seafood and rice, we were off to Prohero, a manufacturer of goggles and eyewear. After walking through the company's amusement room complete with arcade games and a bar designed to make its clients feel at home, we toured the various showcases and walked through the entire factory.

In the U.S., Europe and Japan, all of Prohero's products are private-label OEM or ODM See Taiwan, Page 9



From left: Teresa Cheng (Prohero), Pauline Tu (TAITRA), Toby Wang (Prohero), Jo Tseng (TAITRA), Liz Keener (PSB) and Vic Wei (Prohero) pose for a photo following the Prohero factory tour in Tainan.



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TAIWAN

eyewear. In Taiwan, however, Prohero produces its own ZIV brand.

Toby Wang, Vic Wei and Teresa Cheng walked us through the full production line, from injection molding to hand polishing and assembling. We also visited the R&D and engineering departments, as well as sales. In total, Prohero employs 260 people in Tainan, 80 of which are office employees, and 180 work in production. Prohero's eyewear and goggle categories include: snow/moto, sports and men's fashion, along with accessories such as eyewear cases and water bottles.

Though we had had a busy day visiting both companies, Pauline and Jo wanted to make sure I experienced a few tourist sites in Tainan. On Tuesday afternoon we visited Anping Old Fort (also known as Old Fort Zeelandia), which was a Dutch fort built between 1624 and 1634. After a tour of that site, I visited the first Buddhist temple I've ever stepped foot in, while Pauline explained Buddhist traditions to me. After that we tucked in for the night at the Tayih Landis Hotel.

DAY 2

Our first stop on Day 2 was Chian-Yie Industrial Co., Ltd., home of NCY, a scooter parts company. Most impressive about NCY is the growth it has experienced in the 18 years since its 1997 founding. Launched as a company that fixed and modified scooters, NCY has since become a parts producer with R&D, testing and assembly completed on-site.

In 2005, NCY moved to its current location in Tainan, and it's already anticipating future growth, with plans to add another building to its campus in the next year or so. NCY develops a wide variety of scooter parts from shocks to brake discs to forks to transmission parts to grips and much more for a variety of scooter brands including Genuine, Honda,





Top: Day 2 concluded with a visit to FU-AN Optoelectronics-Technology Co., Ltd. Above: Liz had the opportunity to visit a few tourist attractions during her visit to Tainan City, including Chikan Lou, also known as Fort Provintia.

SYM, Yamaha, TGB and KYMCO, along with others. In the U.S. NCY parts are distributed by Scooterworks. In addition to expanding its facility, NCY plans to expand its line of parts for Vespas, as well as grow its European presence in the near future.

After touring the plant, Aki, Annie and Emily from NCY treated Pauline, Jo and me to an eight-course lunch that included a variety of seafood, along with rice, vegetables, soup and fruit.

With full stomachs again, we headed off to FU-AN Optoelectronics-Technology Co., Ltd. Founded in 1958, FU-AN manufactures lighting systems for motorcycles, ATVs, snowmobiles, cars and electric wheelchairs.

Though FU-AN might not be a household name in the U.S., OEMs know FU-AN well. The company counts Yamaha, KYMCO, SYM and Piaggio among its larg-

est OEM clients. In fact, FU-AN lights 80 percent of the scooters coming out of Taiwan. A few well-known aftermarket companies, like BikeMaster and Rizoma, also call upon FU-AN for its technology.

About 98 percent of FU-AN's products are private-label OEM or ODM lights. In 2004, FU-AN created a photoelectric design center, and FU-AN was the first manufacturer to develop high-intensity discharge (HID) headlights for the motorcycle market. Discipline, R&D and high quality are the cornerstones of FU-AN, which has earned a number of certifications worldwide along with supplier awards from Yamaha. In the coming years,

MORE FROM TAIWAN

Liz soaked up so much knowledge from the companies that she visited in Tainan that it didn't all fit in this issue. Keep an eye out for features on some of these companies in the coming issues of PSB.

FU-AN looks to continue to expand its company globally.

Though we had another packed day, we again found some time to tour Tainan, visiting a century-old temple and Chikan Lou (also known as Fort Provintia). Fort Provintia was a sister stronghold to Fort Zeelandia. Both were eventually conquered by Zheng Chenggong, known as the hero of Taiwan.

See Taiwan, Page 10





SCOOTERS EVERYWHERE!

Scooters easily outnumbered cars in Taiwan. Liz took video to show just how many scooters take off when a light turns green in Taiwan. View that video, as well as one from the high-speed train from Taipei to Tainan, at YouTube.com/PowersportsBusiness1.

TAIWAN CONTINUED FROM PAGE 9

DAY 3

Day 3 was dedicated to Taiwan Golden Bee (TGB), an ATV and UTV manufacturer. TGB staff had visited the *Powersports Business* office in September, so the visit was a reunion of sorts.

Jack Huang, senior marketing planning leader of TGB, who had not visited the U.S. in September, picked us up from the hotel. Jack drove us all the way from the beach to the mountains, stopping to show us the ocean oyster farms and pointing out sites such as

watermelon farms during the trip. We even made a quick stop to a 7-Eleven along the way.

Our journey brought us to Flora Lakes, a former resort in part of the mountains referred to as Moon World because of its resemblance to photos of the moon. TGB rents space at Flora Lakes for its ATV and side-by-side testing. After TGB's test riders gave me a tour of the test site, I took the 1000cc utility ATV for a ride. The unit traversed through whoops, rocks, logs and other obstacles with ease, and being in the Taiwanese mountains made the experience one of the most unique ATV rides I've ever been on. I was impressed with the acceleration and power demonstrated by the unit.

Before leaving Flora Lakes, we stopped to talk to the husband and wife team that owns the facility. Though Flora Lakes isn't the resort it once was, it's still used as a campsite for Taiwanese youth. The owners didn't speak English, so Jack translated, explaining to me that the owner and his wife have been running the place for 18 years. Previously the man raised horses in Taipei. Though there was a language barrier, this visit was my favorite stop during the week. The owner served the most amazing, fresh mountain tea, assuring our cups were never empty, and the location was beautiful and serene.

We then left Moon World to head to the TGB plant. After a presentation from Jack, reconnecting with president George Lin and Daniel Hsieh, meeting Julia Wang and eating a catered lunch, we toured the TGB factory. I watched as some of TGB's ATVs and engines were assembled and witnessed some of the testing and quality control processes. TGB employs 300 at its assembly plant and another 200 staffers at its nearby CVT facility. Following the factory tour, I sat down with George and learned more about TGB's plans for North America, which include finding a distributor partner.

By that afternoon, the Tainan tour was complete. Pauline, Jo and I then took the train back to Taipei, so I could prep for my flight home the next day.

LESSONS LEARNED

One of the most surprising things I noticed immediately was the number of scooters on the road in Taiwan. There were easily three to five scooters for every car on the road. Pauline informed me that many people, herself included, own scooters because scooters require less parking space, and parking spots are hard to



Liz was given the opportunity to ride TGB's 1000cc utility ATV at the TGB test site in the Taiwanese mountains

come by in such a populated country.

Also, although I had known of a few Taiwan-based ATV, UTV and scooter manufacturers, I was unaware of just how many OEM and aftermarket components come out of Taiwan. Those companies that I visited are just a small selection of those powersports companies with headquarters in Taiwan.

In fact, the Taiwan International Motorcycle Industry Show attracts companies that produce motorcycles, scooters, ATVs, engines and parts, motorcycle frames, motorcycle P&A, manufacturing equipment for components and accessories, custom bikes, noise and emission inspection equipment and maintenance equipment. The show also draws vendors from other nearby countries, including Japan, China and Malaysia, and buyers from throughout the world will be in attendance. The show will take place in Taipei, and TAITRA's 60 worldwide offices will be attracting exhibitors and attendees alike between now and the show's April opening.





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