

Part 3

Results of Studies in Taiwan

Chapter 4

International Competitiveness of Taiwan Mold and Die Industry

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1. Introduction

With some 23,000,000 population and 36,000km² area, Taiwan is one of the most crowded areas in the world. Mold and die industry is very energetic and active in Taiwan. Like many other industries in Taiwan, most companies of mold and die industry are of small-medium enterprises, which are generally with employee less than 200 people.

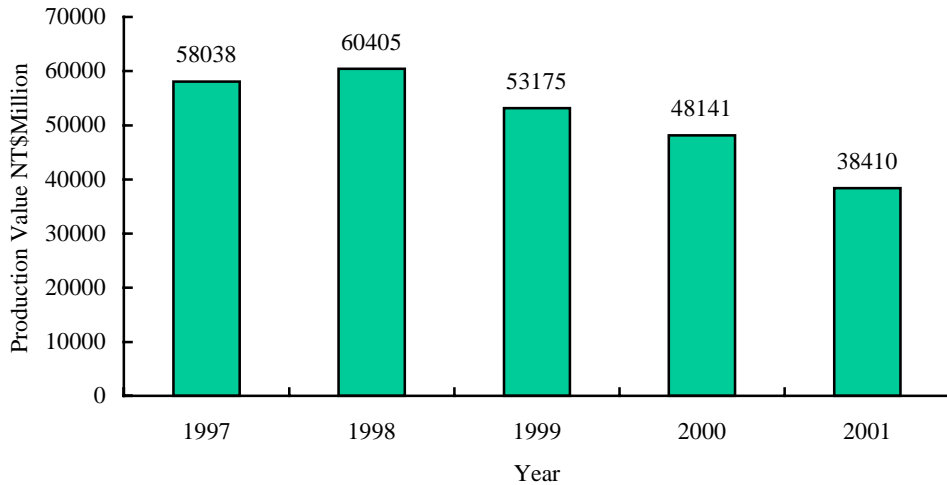
Taiwan mold and die industry clusters mainly around an industrial city Shulin, which locates about 10Km south to Taipei. This situation provides a controversial but excellent environment for learning, competing and cooperating among them. Market and technical information are diffused fluently through many channels in the area. One of channels is Taiwan Mold and Die Industry Association (TMDIA), which works as a platform for mold and die companies. TMDIA keeps good relationship with government, especially industrial section. Government's industrial section often provides special program to help companies to upgrade their technologies or to enrich their skill in marketing and management. Normally those programs are designed to fit their real needs. Hence TMDIA plays an important role as bridge between government and industry. This arrangement makes promotion program practical and industries' performance upgraded.

The other important unit in mold and die industry is Metal Industrial Research and Developing Center (hereinafter referred to as MIRDC), which is a non-profit organization and locates in Kaoshiung, an important industrial city in southern Taiwan. By contract with government, MIRDC carries out major research projects in mold and die technologies. Also, MIRDC has very close relationship with companies in industries. Industry may access a lot of technical information from the organization, including training and sublicensing technologies.

Lately, some universities have their own incubation center for local industries. Among the topics they offer, mold technology is likely the one often matched between industry and university. More and more, this trend will grow as expected.

The production value of Taiwan mold and die industry 1997~2001 is shown in Fig. 1.1. Production of 2001 is an estimation based upon the first eight months data. The unit

Fig.1.1 Production Value of Taiwan Mold and Die Industry



Source: Industrial Statistics Monthly/TMDIA

of currency used is NT\$ dollar, with some rate variation in those years. Till 1999, 1US\$=27NT\$, and 1US\$=35NT\$ now. From the above data, the production declines by approximately 10% per year. On the one hand, this situation is the result of many causes internally and externally. On the other hand, it will drive the whole industry to take action to change in order to survive.

A variety of actions based upon individual company condition have been taken to cope with the problems. Unfortunately, some companies did not have enough strength and luck to solve the problems blocked ahead. Consequently, the fact in the past several years in the industry is improve or perish. Moving to Mainland China seems to be the most popular action under taken. Therefore, not only capital is transferred to Mainland China, but also skillful employee accompanying with technology is. The production value by the manufacturing factory of this type does not enter into the account of the above-mentioned data in Fig. 1.1. This point can not be ignored when trying to understand the status of Taiwan mold and die industry. Similarly, the same situation happens to nearly all industries in any domains. Now, we only study the data coming out from Taiwan. The part of Mainland China is not taken into consideration.