



# Taiwan: Succession Behind the Precision Economy

Taiwan

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COUNTRY SPOTLIGHT

First Edition | March 2026

English Edition (also available in Russian and Chinese)



**Brandmine**



## COUNTRY SPOTLIGHT

# Taiwan: Succession Behind the Precision Economy

*Taiwan has 23.5 million consumers, a pineapple cake market worth NT\$25 billion annually, and a generation of consumer-brand founders who built their businesses during a single democratic revolution -- then kept building across WTO accession, cross-strait turbulence, and the rise of Chinese competition. Fewer than 15% will successfully hand their businesses to the next generation. Almost none has a plan. The succession wave is not approaching. It has been running for decades.*

### QUICK FACTS

<b>Market Size</b>	\$790B GDP (2025 est.) • 23.5M consumers • one of Asia's highest per-capita incomes • deep brand loyalty across tea, food, and artisan goods
<b>Unique Advantage</b>	Asia's deepest multi-generational founder culture • business press (天下雜誌, 商業周刊, 經濟日報) has documented succession events in granular detail for decades
<b>Biggest Challenge</b>	二代不接班 ("second generation won't take over") so pervasive it generated government programs – yet ~980,000 businesses need succession within a decade
<b>Timing Factor</b>	Entered "super-aged society" in 2025 • 50% of SME owners over 50 • over-55 cohort tripled since 2002 – demographic compression is structural

*“Only 15 percent of businesses successfully transfer to the second generation.”*

**Small and Medium Enterprise Administration**, Taiwan SME Succession Study

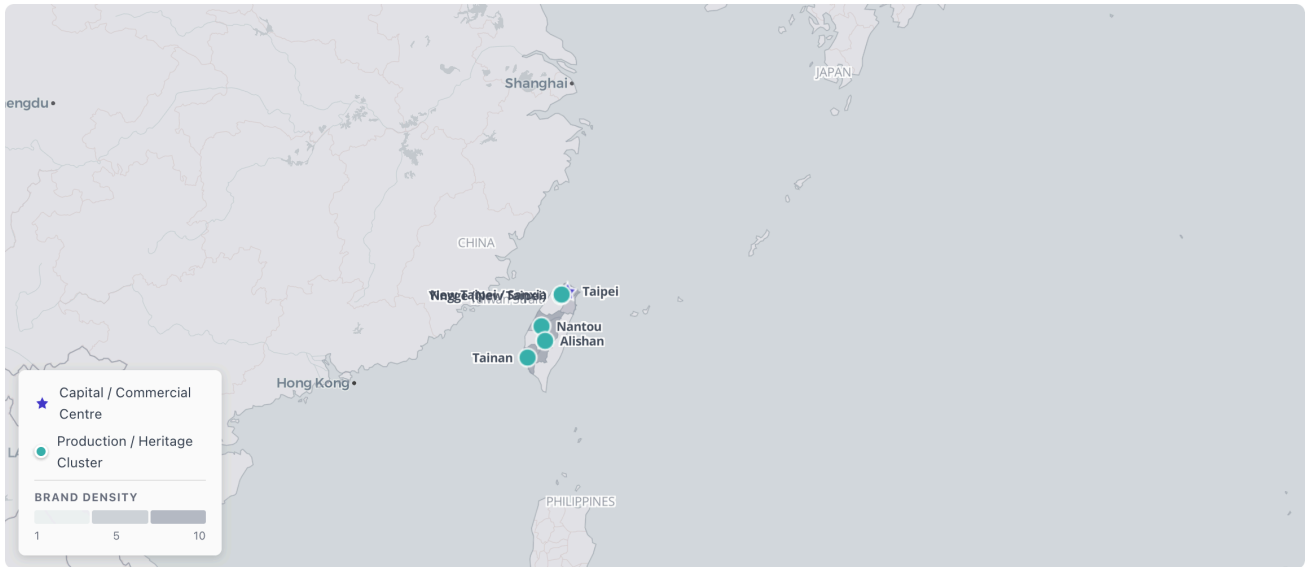
SMEA, Ministry of Economic Affairs, Taiwan

**MARKETS:** Taiwan

**SECTORS:** Confectionery · Food Processing · Boutique Hospitality · Artisan Ceramics · Tea & Coffee · Heritage Textiles & Fabrics

## GEOGRAPHIC CONTEXT

# North-south corridor, mountain terroir: Taiwan's founder-owned brand geography



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Founder-owned brands follow two axes — the north-south commercial corridor from Taipei through Tainan, and the east-west terrain gradient where mountain tea estates in Nantou, Alishan, and Yingge ceramics district face simultaneous succession pressure; a chronic wave decades in the making now reaching critical mass.

*Brand geography divides along two axes: the north-south commercial corridor (Taipei-Taichung-Tainan) and the east-west terrain gradient, where mountain tea and ceramics clusters in Nantou, Alishan, and Yingge contrast with coastal food processing and hospitality brands. Unlike larger emerging markets, Taiwan's geographic concentration means succession pressure in one city can affect an entire sector.*

\* \* \*

## COUNTRY NARRATIVE

*Taiwan has been building the world's best pineapple cakes since before anyone outside the island thought to ask. 舊振南 (Jiu Zhen Nan) has been making them since 1890, through Japanese colonisation, two world wars, martial law, and the democratic revolution that finally opened its market to the world. 佳德糕餅 (Chia Te), founded by a man who started his business at twenty-six, became Taiwan's most famous pineapple cake brand on nothing except quality and a willingness to rebuild after a typhoon flooded the kitchen. 微熱山丘 (SunnyHills) opened a flagship store on Tokyo's Omotesando – the address where Apple and Dior have their Japanese flagships – and charges what a luxury brand charges, for a pineapple cake.*

None of these brands is visible in PitchBook, Crunchbase, Bloomberg, or any database that institutional investors use to find consumer brands. The founders who built them are in their sixties and seventies. Fewer

than 15% of Taiwanese businesses successfully transfer to the second generation. The 二代不接班 (“second generation won’t take over”) phenomenon has been documented in the business press, studied by academics, and acknowledged by the government with its own program. Chia Te’s founder has no documented succession plan. Jiu Zhen Nan’s fourth-generation CEO, who rescued the brand from the brink in the 1990s, is now preparing the fifth-generation transition. SunnyHills was founded by agricultural community members now in their sixties and seventies.

The intelligence gap is not a gap in information. It is a gap in synthesis. The material is all there – in 天下雜誌, 商業周刊, 經濟日報, and forty years of Taiwanese business journalism. It simply has not been assembled into a form that a Dubai family office or a Hong Kong private equity fund can act on.

Whitepaper № 1 documents the synchronised transition wave forming across emerging markets: reform-era founders ageing out simultaneously, institutional investors unprepared. Taiwan is the market where that thesis finds its most chronic expression – not a single compressed event, but a decades-long accumulation that is only now reaching critical mass. What follows is the beginning of the synthesis that has been missing.

## A chronic wave, not a coming event

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Taiwan’s succession wave has a different structure from any other market in Brandmine’s coverage. It is not Argentina’s layered wave – two founding cohorts created by two distinct crises. It is not Mongolia’s compressed event – an entire generation of entrepreneurs created within three years of 1990. Taiwan’s is a chronic wave: it has been running since the late 1990s, it is accelerating now, and it will peak within the next five to ten years as the island crosses into super-aged society demographics.

The wave originates in a single inflection point: 1987, when Taiwan’s martial law ended after thirty-eight years. The political liberalisation that followed released decades of suppressed entrepreneurial energy. Founders who had been excluded from the KMT-aligned business establishment – provincial families, small traders, artisans – could finally build consumer businesses at scale. The 1986–2000 reform window, which also included trade liberalization cutting average tariffs by 44%, the Fair Trade Act of 1994, and full democratization by 1996, produced the cohort that built the brands Brandmine is documenting. Those founders are now 55 to 78 years old.

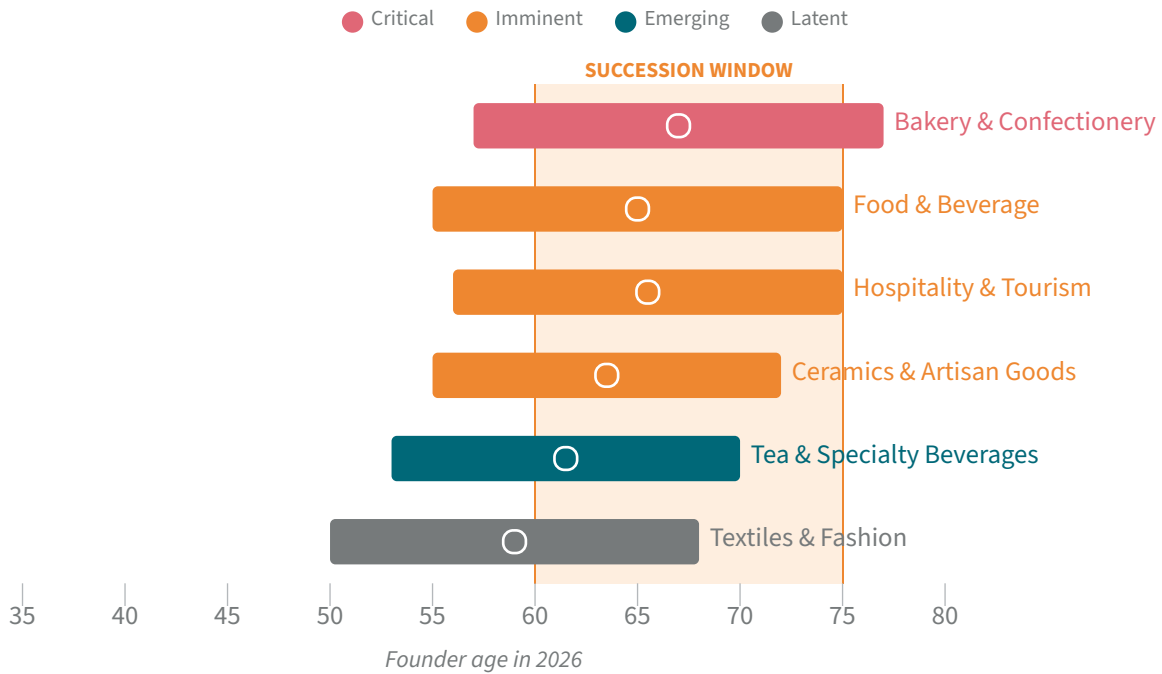
What made Taiwan’s succession wave chronic rather than acute is the same thing that made it easy to miss: the island’s SME backbone. Taiwan’s economy is 97% small and medium enterprises. The brands that matter for Brandmine’s purposes – founder-owned, \$5M to \$50M revenue, never institutional-capital-backed – are not visible from the outside. They operate through domestic channels, export through trading companies, and never produce an English-language press release. They are the businesses whose founders fill the waiting rooms at SMEA’s succession programs, whose children are the subject of 二代不接班 studies, and whose eventual fate – sale, closure, or lucky generational transfer – will determine what survives of Taiwan’s consumer brand heritage.

WTO accession in 2002 hardened the survivors. The founders who made it through the sudden competition of the post-WTO decade have documented crisis responses that are the foundation of Narrative Due Diligence. But WTO also accelerated the demographic compression: the brands that couldn’t scale enough to compete with imported goods were already struggling when the succession window opened. The ones that remain – Kimlan, Black Bridge, Hotel Royal, the Yingge ceramics cluster – are the ones worth documenting.

FOUNDER AGES BY SECTOR

## Where Taiwan's Founders Stand in 2026

Four sectors, one window — and almost no succession plans



Age ranges based on sector mapping research and industry profiles. Succession window (60–75) based on PwC Global Family Business Survey and INSEAD family business research. Source: Brandmine analysis.

## Four sectors where 二代不接班 meets critical mass

Brandmine’s sector mapping identified twelve candidate sectors in Taiwan. Eight show meaningful founder-owned brand activity at commercial scale. The top four – bakery and confectionery, food and beverage, hospitality and tourism, and ceramics – collectively contain an estimated 75 to 110 founder-owned brands meeting transition wave criteria. The succession pressure concentrates here.

### The pineapple cake sector with no succession plan

Taiwan’s bakery and confectionery sector is the highest priority in Brandmine’s Taiwan coverage: succession urgency rated Critical. The pineapple cake category alone generates NT\$25 billion annually and is Taiwan’s number-one souvenir export. Fifteen or more identifiable branded players operate above the \$5M revenue threshold. The three case studies above the threshold – Jiu Zhen Nan, Chia Te, and SunnyHills – illustrate three different succession states that exist simultaneously in the same sector.

Jiu Zhen Nan is a documented model case. Fourth-generation CEO 李雄慶 took over in 1995 when the brand was near collapse – he had been working in construction, not pastry – and rebuilt it into a NT\$400M business with twenty sales points and international expansion led by his sons 李立元 and 李博元. This is the rarest outcome in Taiwanese succession: a deliberate, documented, successful transition across three generations in a traditional craft sector. It is exceptional precisely because it is exceptional.

Chia Te is the counter-case. Founded by 陳堂彭 at twenty-six in 1975, built into Taiwan's most famous pineapple cake brand by surviving the Nari typhoon flooding and rebuilding from zero, now generating revenue well above the threshold – and with no documented succession plan as its founder, now in his late seventies,. The intelligence exists in 天下雜誌 and 商業周刊. The succession plan does not.

SunnyHills sits between these poles: founded in 2008 by an agricultural community whose members – 許勝銘, 許銘仁, 藍沙鐘, 藍宏仁 – are now in their sixties and seventies. The brand has achieved something rare: a 45-day shelf life that enables global distribution, stores in Tokyo, Singapore, and Shanghai, and coverage in the Financial Times. Its founders have built a global-ready brand. The succession question is unanswered.

## The soy sauce dynasty and the boardroom shooting

Taiwan's food and beverage sector contains an estimated 25 to 40 founder-owned brands at commercial scale, with founders aged 55 to 75 – succession urgency: Imminent. The sector's most dramatic story also happens to be the most instructive. 金蘭食品 (Kimlan) is Taiwan's best-known soy sauce brand. In 1985, founder's son 鍾秋桂, his wife, his eldest son, and his mother all died from a parasitic infection after eating raw snails. Only the third son, 鍾德亨 – who was studying in the United States at the time – survived and returned to run the company. The brand that is now in its fourth generation, with 鍾淳名 as chairman, began its succession history with a tragedy that would have ended most businesses. Instead, it became the founding myth of one of Taiwan's most resilient consumer brands.

黑橋牌 (Black Bridge) is the Tainan sausage brand that 陳文輝 founded in 1957 and built into a business of some 400 employees and a 5,000-ping factory. Revenue is estimated at \$30M to \$50M. Heritage Tainan brand, strong cultural identity, national distribution – and a succession profile that has not been publicly documented. The firm's 70-year history is the story that makes NDD material rich here.

The sector's extreme case – 美福食品 (Mayfull) – is the kind of story that confirms the succession gap is structural, not incidental. Founder 黃榮圖 built a \$3 billion food empire. His six sons fought over it. The dispute escalated to a boardroom shooting that killed two brothers. CNBC documented it. It was the Taiwanese succession story that broke through to international press – and it was the worst-case version. The intelligence gap is not that these stories don't exist. It is that no one has been systematically documenting the version before the crisis, when a brand is still intact and its founder is still alive.

## The hotel group at key-person risk

Taiwan's hospitality and tourism sector contains an estimated 15 to 25 founder-owned brands at commercial scale – succession urgency: Imminent. The crown jewel is Hotel Royal Group (老爺酒店集團), founded in 1977 by 林慶波 (Lin Ching-Po) with fourteen properties across three sub-brands. Lin received Japan's Order of the Rising Sun in 2024 and Taiwan's Tourism Special Contribution Award in 2017. He is likely in his late seventies. Fourteen properties. One founder. The classic key-person risk profile that PE due diligence is designed to identify – and that almost none of the firms with Taiwan exposure have documented.

福華飯店 (Forte Hotel Group) represents the more evolved succession state. The Liao family is managing a second-to-third generation transition: 3rd-generation Benjamin Liao now runs a ten-hotel group with approximately NT\$700M in revenue, and the 2015 board restructuring – documented in 經濟日報 and 商業周刊 – was a governance milestone. Benjamin is pursuing an IPO. This is succession that has been managed – and it created the documented governance record that makes NDD research possible.

煙波飯店 (Lakeshore Hotel Group) – six properties, twenty-plus years of history, mid-size operation with scale and geographic diversity – represents the \$15M to \$30M sweet spot for intelligence products. Big enough to be worth documenting. Small enough to be entirely invisible to international capital.

## The ceramics district that organised itself

Taiwan's ceramics and artisan goods sector has the most explicit collective succession signal in any Taiwanese sector: six heritage brands in Yingge district have formed a succession cooperative. This is the kind of

documented succession acknowledgment that almost never happens – founders in Taiwan’s SME sector rarely organise around shared vulnerabilities. The fact that the Yingge ceramics cluster did so is evidence that the transition pressure has become undeniable even to the founders experiencing it.

LIULI and tittot – Taiwan’s two internationally visible studio glass and crystal brands – have succession urgency rated Imminent. Both have achieved international exhibition and retail presence. Both were founded during the reform wave. The intelligence on their succession states exists in the Taiwanese press. The NDD synthesis does not.

## Why this wave is harder to see than it looks

Taiwan’s succession wave has been running for decades, which means it has developed a specific camouflage: the appearance of normalcy. Unlike the Argentine wine sector’s three public succession failures in a single year, or Mongolia’s single-year compression event, Taiwan’s transitions happen one at a time, in businesses that never issue press releases, in a language that non-Chinese-reading investors cannot access. The Kimlan tragedy happened in 1985 and the brand is now in its fourth generation. Black Bridge has been operating for almost seventy years without a documented succession event. The Yingge ceramics cooperative is the exception – a collective problem acknowledgment – not the rule.

The wave is also harder to see because Taiwan’s government has responded to it. SMEA’s 二代大學 program, the succession matching platform, the tax incentives for intergenerational transfer – these policy responses create the impression that the problem is being managed. It is not being managed. It is being acknowledged. The coverage gap between 980,000 businesses needing succession and the thin infrastructure of succession programs is the intelligence gap that Brandmine is documenting.

What makes Taiwan distinctive among Brandmine’s covered markets is the quality of the NDD material that already exists. The Taiwanese business press has documented founder careers and succession events in granular detail for decades. 天下雜誌 has cover stories on soy sauce founders. 商業周刊 profiles the Jiu Zhen Nan succession. 今周刊 covers the hotel group governance transitions. The material is there. It is scattered. It has not been assembled.

## The window and who is watching it

Taiwan has no equivalent of L Catterton’s Argentine portfolio or Mongolia’s single institutional buyer who moved early. The institutional investors who are active in Taiwan are focused on technology: semiconductors, electronics, the TSMC ecosystem. CDIB Capital Group, Baring PE Asia/EQT, and international PE firms including Carlyle, CVC, KKR, and MBK Partners all maintain Taiwan exposure – but virtually none of them target the mid-market founder-owned consumer brand segment where Brandmine’s intelligence has highest value.

This is the asymmetry. The brands are there. The succession pressure is acute. The NDD material is rich. The buyers who would value this intelligence are in Taiwan – they just have not turned their attention to the consumer brand segment that is, quietly, entering the succession window.

The brands that Taiwan’s founder cohort built – during the democratic revolution, through WTO competition, across cross-strait turbulence – are not boutique projects. SunnyHills sells pineapple cakes in Tokyo and Singapore. Kuo Yuan Ye has been making pastry for 157 years and is in its fifth generation. Black Bridge has 400 employees and a factory the size of a city block. These brands exist at commercial scale, with genuine quality foundations, in a market where the business press has documented their founders’ careers in detail. The intelligence to find them is being assembled. But once a domestic consolidator moves on the pineapple cake sector, once TSMC-focused PE funds notice the consumer segment and price it accordingly, once the Yingge succession cooperative dissolves for lack of successors willing to continue – the brands do not disappear. They consolidate under buyers with no interest in founder intelligence access. Taiwan’s founders are not preparing for a succession event. They are already inside one.

**KEY TAKEAWAY**

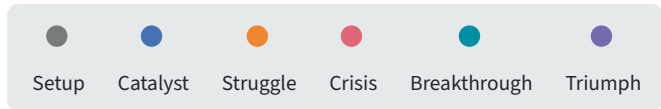
**Taiwan's succession wave is structurally different from every other market in Brandmine's coverage -- it is not a coming event, it is a chronic condition that has been running since the 1990s and is only now reaching critical mass.**

\* \* \*

**TRANSFORMATION TIMELINE**

# The precision-economy generation, 1987–2025

From the 1987 end of martial law to Taiwan entering super-aged society in 2025 — a chronic succession wave formed over four decades is now reaching critical mass across four sectors simultaneously.



- SETUP** 1987

**Martial law lifted after 38 years**

The end of the longest martial law in the world unleashes decades of suppressed entrepreneurial energy. A generation of founders -- many from provincial families without connections to the KMT establishment -- launches consumer businesses for the first time. The pineapple cake, the soy sauce factory, the ceramics studio -- their origin stories begin here.
- CATALYST** 1991

**Cross-strait restrictions ease; indirect mainland China trade begins**

Taiwanese manufacturers and consumer brand founders gain access to mainland Chinese supply chains and, later, distribution channels. Brands that navigate this opening build scale that would have been impossible in Taiwan's domestic market alone -- and create the cross-strait complexity that will later complicate succession planning.
- CATALYST** 1994

**Fair Trade Act establishes competitive market framework**

Market liberalization accelerates. The founders who launch businesses in this window face competition for the first time -- and the ones who survive build brands with genuine quality foundations rather than regulatory protection. This cohort is now aged 60 to 75, squarely in the succession danger zone.
- STRUGGLE** 2002

**WTO accession exposes domestic brands to global competition**

Foreign brands enter. Average tariffs fall. Some sectors consolidate rapidly. But the strongest domestic brands -- Kimlan soy sauce, Black Bridge sausages, the Yingge ceramics cluster -- prove that quality built during protection can survive exposure. The brands that emerge from this decade are hardened. Their founders are now 55 to 72.

**CATALYST** 2010**Cross-strait Economic Cooperation Framework Agreement (ECFA) signed**

The ECFA opens direct trade and investment with mainland China. Taiwanese consumer brands gain access to a market twenty times the size of their own. The response is mixed: some expand aggressively, others pull back on sovereignty grounds. The brands that navigate this tension demonstrate the specific kind of resilience that NDD methodology is built to document.

**STRUGGLE** 2019**"Second generation won't take over" becomes a policy crisis**

SMEA launches the 二代大學 ("Second Generation University") program to mentor successor-generation entrepreneurs. The program's existence confirms what the business press has reported for years -- the succession gap is structural, not individual. Government policy is reacting to a crisis that has already arrived.

**CRISIS** 2025**Taiwan enters super-aged society**

With 20%+ of the population aged 65 or older, Taiwan crosses the "super-aged society" threshold. For the SME sector, this is the demographic moment the succession researchers have been warning about for two decades. The ~980,000 businesses needing succession within a decade are now competing for a shrinking pool of qualified successors -- and an even smaller pool willing to take over.

**BREAKTHROUGH** 2026**The succession window reaches critical mass**

Brandmine's sector mapping identifies four sectors where succession urgency has shifted from Imminent to Critical or near-Critical: bakery and confectionery (pineapple cake founders in their 70s with no documented succession plans), food processing (heritage brands across generations of documented crisis management), boutique hospitality (hotel groups at key-person risk with 14-property portfolios), and ceramics (the Yingge district's six-brand succession cooperative -- a rare case of founders acknowledging the problem collectively). The window is not a future event. It is the present condition.

# Outreach quick reference

Metric	Reference
Dialing	+886
Currency	New Taiwan dollar (NT\$ / TWD) — managed float; rates: cbc.gov.tw
Time Zone	UTC+8 (no daylight saving)
Working week	Mon–Fri
Capital	Taipei (Taipei)
Internet	.tw (country TLD); .com.tw common
Messaging	LINE dominant (essential for local business); WhatsApp for internationally-oriented contacts
Payment	LINE Pay dominant (embedded in LINE); JKOPay (街口支付) strong in physical retail/night markets; cards widely accepted; Taiwan Pay QR growing
Banking	Full international access via SWIFT; sophisticated banking; cards and wire both work; major tech-export economy
Languages	Mandarin Chinese (official); English used in business
Entry	Visa-free for EU/UK/US (90 days)



# About this research

This report draws on 0 verified sources across 1 language — primary documents, founder interviews, and trade press. Every figure and claim is cross-validated against independent references.

Full methodology at [brandmine.ai](https://brandmine.ai).

## ABOUT BRANDMINE

Exceptional founder-owned brands. Proven resilient. Ready now.

Brandmine delivers structured discovery intelligence on founder-owned consumer brands in emerging markets — researched in local languages, structured for investment decisions, delivered as focused reports.

Contact: [hello@brandmine.ai](mailto:hello@brandmine.ai) Intelligence reports: [brandmine.ai/intelligence/](https://brandmine.ai/intelligence/)

## ALSO AVAILABLE FROM BRANDMINE

### BRAND RESILIENCE PROFILE

Complete transformation arc, location intelligence, and business snapshot for a single brand. 15 pages of verified research.

### FOUNDER RESILIENCE PROFILE

The founder's personal arc from origin to breakthrough. Verified through native-language research and primary source analysis.

### MARKET MAP

Profiles all verified brands in a sector at snapshot depth — geographic distribution, market timeline, and founder spotlights. 25–40 pages.

### SECTOR INTELLIGENCE REPORT

Comprehensive sector intelligence. All brands profiled at snapshot depth, plus full transformation arcs for six brands — each representing a distinct crisis archetype. 90–120 pages.

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Published simultaneously in English, Russian, and Chinese.  
Researched in English sources.  
First Edition · March 2026*

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