ABSTRACT

This research studies the impacts to Taiwan's paper industry after Taiwan has joined the World Trade Organization (WTO). Industry characteristics and structure analysis are also part of this research. The research does in depth case study on one company in the paper industry and thoroughly analyzes its data. The objective is to use those results to predict the future trends of the paper industry and generate some global business operation strategies. Due to lack of data in the global paper industry, this research only uses the information provided by Taiwan Paper Industry Association to identify the relationship between the source of raw materials and the production and sale in Taiwan. This research has concluded the following future trends in the paper industry:

1. Increase the abilities to manage oversea investments.
2. Develop vertical integration.
3. Emphasize the importance of strategic alliance.
4. Increase the accuracy of the market price predictions.
5. Collect information on international businesses and foster international businesses talents.

This research has suggested several future business strategies for the businesses in the paper industry:

1. Increase the product lines aggressively.
2. Achieve economy of scale.
3. Develop bottom-up management.
5. Phase out family businesses and strengthen internal management.

Since Taiwan lacks many natural resources and has limited amount of raw materials, it is better for the businesses to invest aboard. The resources are easily accessible with such investment; hence achieve the economy of scale. Existing businesses in Taiwan have many competitive advantages in Taiwan because they are in the paper industry for long time. However, those competitive advantages are due to erode after Taiwan has joined WTO. Therefore, businesses must continuously develop new competitive strategies to compete successfully with the global competitions in the future.

Keywords: Paper Industry; World Trade Organization (WTO); International Strategy; Vertical Integration.


