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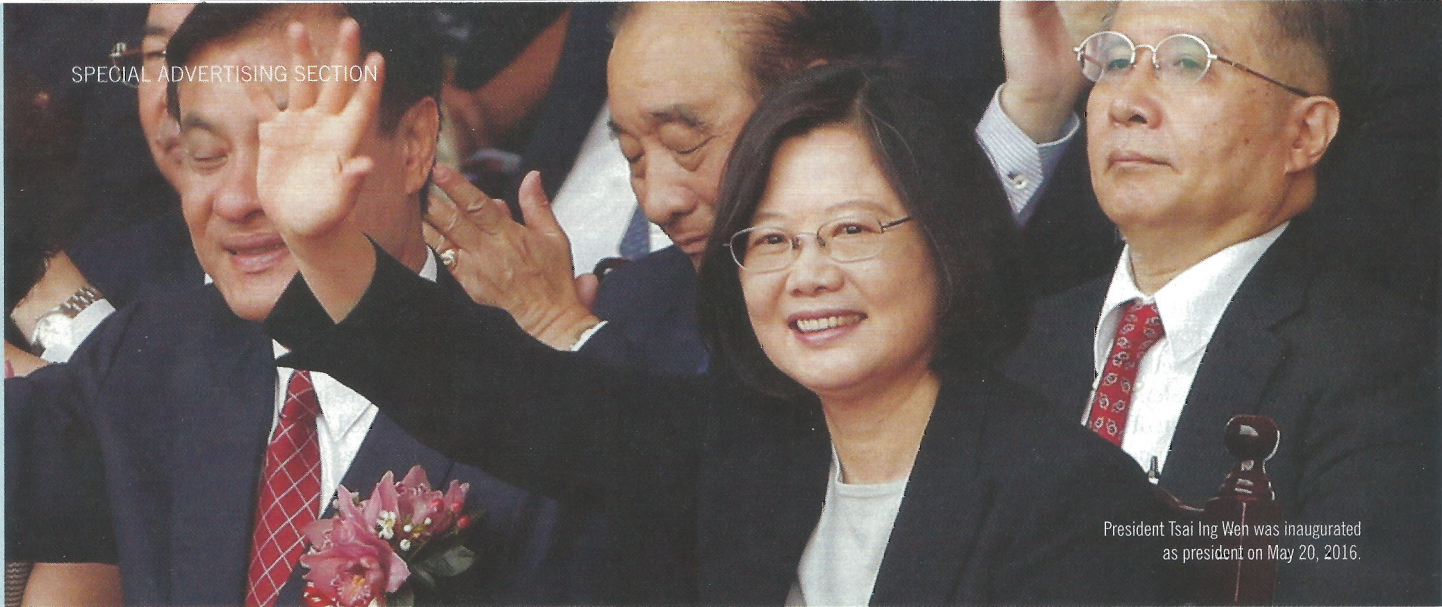
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**THE ACCOUNTANT:
PWC'S QUIET
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President Tsai Ing Wen was inaugurated as president on May 20, 2016.

TAIWAN Asia's Silicon Valley

Back in the 1970s, the phrase “Made in Taiwan” was regarded as shorthand for cheap, poor-quality electronic consumer goods. How that has changed!

Thanks largely to a series of government initiatives; the legendary Taiwanese work ethic and entrepreneurial spirit have now been overlaid with technical expertise, a commitment to quality and a level of inward foreign investment that is the envy of the developed and the developing world.

The goods and components that come out of Taiwan these days are literally the cogs that run the engine of the 21st century global economy. Many of the precision machinery tools, passive components and LED technologies that are driving advances in the world of manufacturing, automotive and ICT sectors today now originate on this small island off the Chinese mainland.

Although this change in both perception and attitude has been building for well over 20 years, the process is now accelerating under the watchful eye of the country's first female President, Tsai Ing-wen, who took the reins of office last May. She has wasted no time in giving new impetus to the island's industrial, technical and technological revolutions by introducing her own Five Innovative Industries initiative, which will focus on the country's resources in biomedicine, smart machinery, green energy technology, Taiwan's national defense industries and its so-called “Asian Silicon Valley” Plan.

“We want to encourage more overseas companies and investors to bring capital, technology and talent and to work together with us to build an industrialized environment for the development of innovation-oriented industries,” she explains.

Precision machinery is a field where Taiwan has been strong for many years. Yet many in the West may still be unaware of the staggering contribution Taiwan's companies play in producing the detailed components that underpin so many of the things we take

for granted in our everyday lives. An example of one such giant is the Yageo Corporation, the world's leading total service provider of passive electronic components. Yageo's product technologies are widely used in all kinds of electronic applications, including automotive, industrial, alternative energy, telecommunications, computers and peripherals, power supplies, and consumer electronics. What's more, the company extends its innovative practices to its remuneration structure, with its employees owning 6% of the issued share capital, which Yageo believes motivates them to be committed to creating value for the company.

Chin Poon is another example of a giant corporation whose tiny components play a vital role in the cars we drive. The company manufactures printed circuit boards (PCBs) featured in millions of automotive on-board computer systems around the world. As Chin Poon Chairman Weijin Huang explains, it is the quality and reliability of their product that drives demand and the company's phenomenal success, “With automotive PCBs, reliability and stability are most important, because if you have problems with them, they can cost lives. I am delighted to say that when people think about buying a reliable product, they think about Chin Poon.”

AS WELL AS EXCELLING IN THE PRESENT ECONOMIC CLIMATE, President Tsai believes the country is perfectly placed to take advantage of future demographic trends: “Considering the aging population in many parts of Asia, there is significant potential for foreign investors to take advantage of Taiwan's geographical location, its biotech parks and the tax breaks and R&D subsidies available from the Taiwanese government to use investment in our nation as a way to develop the rapidly growing Asia Pacific biomedicine market.”

The future looks very bright indeed for Taiwan as its government is seeking to strengthen collaboration with international R&D capabilities to stimulate innovation in Internet of Things (IoT) applications and related key components, along with cloud computing, big data and other key technologies. Taiwan's

existing strengths in areas such as “smart” logistics, automotive manufacturing, healthcare, robotics applications, and “smart city” development should attract investment from both domestic and international corporations to IoT-related development.

For such a tech-savvy nation, it is unsurprising that its telecom players are world leaders in innovative products. FarEasTone Telecommunications (FET), which reaches over 7 million consumers, a third of the Taiwanese population, is riding high on the growth of the nation’s electronic-payment market. Under the leadership of President Yvonne Li, FET introduced an electronic wallet service called the friDay wallet, which integrates credit cards, retailers’ reward cards and public transportation cards. The service already has more than one million subscribers. In a world where new technology cycles are rapidly changing the way we work and live, it is estimated that by 2020 more than 80% of payments in Taiwan will be done by such electronic transaction.

The impact of that technology on financial transactions clearly has huge ramifications for traditional banks. One of the best performing banks for many years in Taiwan is First Commercial Bank (FCB). Despite being established back in 1899, the bank remains at the forefront of new industry technological trends and changes. As FCB President Po-Chiao Chou states, “we have transformed 20 branches into digital banking units, and equipped 40 more branches with the first virtual teller machines. We are also introducing intelligent human shaped robots to greet the customers.” FCB’s commitment to modernity extends to its working spaces, with its headquarters being



the first Taiwanese bank to earn the green building award. “With our global network spanning Asia, North America, Europe and Oceania, we are the most internationalized bank in Taiwan,” continues Chou, who has every right to proudly claim “FCB are the benchmark for our banking peers.”

From banking to manufacturing the Taiwanese business community is now reaping the rewards of its strong industrial foundations and abundance of high-quality human talent. And this combined with an ever strengthening intellectual property legislation, first-class R&D capabilities and its geographic location, means the future looks very bright indeed for the continued success of this island nation.

Today, there is justifiably a great deal of pride behind the three little words “Made in Taiwan.” They are now synonymous with innovation, high-tech leadership, and world-class quality. ●

CHIN POON—Reliability Guaranteed

These days, you don’t have to be turned on by horsepower or four-stroke engines to marvel at the range of new technologies at your disposal every time you buy a new car— everything from automatically folding wing mirrors and GPS systems to the parking sensors and computerized braking systems.



敬鵬 CHIN POON INDUSTRIAL CO., LTD.

Since its establishment in Taipei in 1979, CHIN POON has carved out a formidable reputation as one of the most reliable suppliers of high-quality PCBs to the global automotive industry, but also, increasingly, to the medical, telecommunications and several other industrial sectors.

“In the PCB field, reliability and trust are very important. For the automotive industry in particular, stability is also very important, because if there are problems then it can end up costing lives,” explains CHIN POON’s Chairman and CEO Weijin (Vincent) Huang. “That is why we operate as a service provider rather than as manufacturers. Consequently, when people think about buying something like an engine brake that must be reliable, they think of us.” At last count, CHIN POON’s sales were evenly distributed among North America, Europe and Asia.

With even human-operated - let alone driverless - cars certain to need more and more PCBs for the foreseeable future, CHIN POON is not going to run out of customers any time soon, but Huang’s ambitions extend further than that. Earlier this year, the company completed construction of a new factory that has doubled production capacity for its higher wiring density HDI boards and increased its ability to develop new technologies required by the next generation of electric vehicles and self-driving cars.

Along with its mindset hard-wired for quality, this will surely reinforce CHIN POON’s position as the automaker’s partner of choice in the decades ahead. ●

These are no longer optional extras, but rather the standard in new models rolling off the production lines of any respectable automotive plant.

Each of these features have one thing in common: their reliance on the printed circuit boards (PCBs) that drive all the computerized functionality of today’s cars, trucks and other motorized vehicles. And, with a client base that includes most of the top 30 auto electronics makers, many of today’s new cars are likely to be fitted with boards that started out in one of Chin Poon Industrial’s manufacturing facilities in Taiwan, Thailand or on the Chinese mainland.