

Addressing forced  
labor risks  
in Taiwan's  
bicycle industry

# Speeding Up



# Purpose

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Taiwan is one of the world's 25 largest economies, known for its sizable electronics industry, while other manufacturing industries - including bicycles and car parts - also contribute to exports.

Majority of Taiwan's 750,000 registered migrant workers are employed in manufacturing, where risking debt bondage is the rule and not the exception, as many incur high debt to pay recruiters exorbitant fees to get jobs. For decades, Taiwanese civil society groups have campaigned against punitive migrant worker conditions, including recruitment fees, but next to no factory cases have reached the international public domain. Until recently.

In March 2025, the report **Speed Up! – Addressing forced labor risks in Taiwan's car, bicycle and electronics industries** was published which contained a compilation of such factory cases. The cases were extracted from investigations done between 2022 and 2025 by investigative journalist Peter Bengtsen and team, including around 200 migrant worker interviews. Its purpose was to illustrate how migrant's conditions in Taiwan are directly connected to companies and consumers worldwide, and to illustrate that change-making is possible even on a shoestring budget.

More than \$15 million has been repaid to workers to date following the investigations, along with

several million more in fee exemptions, with more to come. However, remediation means failed prevention.

Since the publication of *Speed Up!*, the bicycle industry has been *Speeding Up* at a significant scale. This contrasts the apparent absence of comparable industry-wide efforts in the electronics, automotive or any other manufacturing industries in Taiwan.

Key drivers of the bicycle industry's accelerated progress include the investigative article '**The Bicycle Industry's Dirty Secret**' published by Le Monde diplomatique (February 2025), the **U.S. import ban** on Taiwan-made products by Giant Manufacturing (September 2025), and in particular the attention and response this ban has received in Taiwan.

This report has two objectives, both aimed at contributing to the ripple effects of the U.S. import ban. First, it highlights developments within Taiwan's bicycle industry since the ban was introduced in 2025. Second, it seeks to encourage continued progress. While the largest manufacturers are introducing stronger measures, most industry-wide developments remain at the policy level, consisting primarily of commitments and audits. The industry is speeding up, but reaching the finish line will require translating policies into practice.

## THE AUTHOR

Peter Bengtsen is an investigative journalist and historian of ideas from Denmark. He continuously leads on-the-ground investigations based on his 15 years of field experience in Asia, Africa and the Middle-East.

His work on global supply chains contributes to financial compensations for workers, corporate sanctions, human rights litigation, exposés of flawed audits, improved supply chain due diligence and public procurement.

The US Department of Labor, the US Department of Homeland Security, the UN's labor agency ILO, the Global Slavery Index and other authorities on forced labour use his work. So do human rights lawyers, ESG investors, auditors and academics.

Peter's investigations are published in 15 languages and 20 countries by media such as The Guardian, Le Monde diplomatique, Der Spiegel, The Diplomat, and more.

More information: [peterbengtsen.com](https://peterbengtsen.com)

# Summary

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## The bicycle industry

Taiwan is the largest exporter of bicycles to Europe, accounting for around 40% of imports. A larger share of bicycles sold in Europe contain Taiwan-made components, often marketed under local brands. The U.S. is the top export destination. American, Dutch, German, and British consumers account for two-thirds of annual exports. The Taiwan Bicycle Association (TBA) represents export-oriented companies and reported 379 members in 2018.

## The investigation

First interviews with Giant's migrant employees in Q1 2024. Company and government engagement initiated in Q2 2024, prior to **first article**. Outreach to workers and manufacturers extended to Merida, Maxxis, and Fritz Jou in Taiwan, as well as Trek, Specialized, Scott, Pinarello, Cycleurope, Cervélo, Canyon, Cannondale, Bianchi. **Second article** in Q1 2025.

Built on investigations since 2022 documenting endemic debt bondage risks at Taiwanese suppliers to major global electronics, automotive, and retail brands. Contributed to forced labor petitions to the U.S. government, requesting import ban assessments of Taiwanese manufacturers, including Giant and Merida. In Q1 2025, most of these cases were summarized in the *Speed Up!* report, which was also put on the **U.S. Department of Labor's** website.

## The import ban

In Q3 2025, the U.S. banned imports of products made in Taiwan by Giant Manufacturing. Taiwan's Ministry of Economic Affairs responded on the same day. In Q4 2025, the Minister of Labor addressed migrant worker recruitment in parliament. Local media widely covered the U.S. ban on Giant, with **Business Today** reporting on all 17 company cases in the *Speed Up!* report. By the end of 2025, Giant, Merida and Maxxis had reimbursed an estimated \$8-9m to migrant workers.

In Q1 2026, Taiwan committed under a new **U.S.-Taiwan trade deal** to prohibit worker-borne recruitment fees. In Q2 2026, the **Control Yuan**, a governmental oversight body, concluded that the Ministry of Labor and the Ministry of Economic Affairs require further improvements in addressing forced labor risks.

## The tracker

In Q4 2025, **the tracker** was launched. It provides continuous updates on developments within Taiwan's bicycle industry and among public authorities following the U.S. import ban on Giant Manufacturing's Taiwan-made products. Where possible, information provided by bicycle companies is verified through worker contacts. In Q1 2026, Tracker updates were increasingly cited by consumer and bicycle industry media outlets.

## The stakeholder dialogue

Constructive communication with Giant since mid-2024, later extended to Merida. In early Q4 2025, the Taiwan Bicycle Association (TBA) launched an industry-wide Supply Chain Due Diligence Initiative focused on human rights. From Q4 2025, regular meetings took place between the TBA, the Cycling Alliance for Sustainability (BAS) and Peter Bengtsen, covering topics such as supply chain due diligence, transparency and grievance mechanisms. From Q1 2026, local civil society groups have been introduced to TBA and BAS to facilitate communication between worker and company perspectives.

In late Q1 2026, TBA said that all larger bicycle and component manufacturers are participating in its due diligence initiative, and that participants account for 85% of its members' production capacity.

## The survey

In Q2 2026, a survey was launched. It covers due diligence and ethical recruitment among more than 30 bicycle and component manufacturers in Taiwan. Results are included on the next page. In Q3-4 2026, spot checks via worker contacts will be initiated. Unresponsive companies will be prioritized.

# Addressing debt bondage risks in the bicycle industry

## AT A GLANCE

- An estimated \$10 million reimbursed to migrant workers in 2025 and early 2026.
- At least 10 manufacturers in Taiwan adopted no-fee policies in 2025.
- Additional companies adopted and plan to adopt no-fee policies in 2026.

## 2025 AND EARLY 2026

- Giant, Merida, Maxxis, and Fritz Jou adopted no-fee policies and reimbursed migrant workers.
- Fox Factory strengthened its policy and practices and launched reimbursement.
- Taiwan Bicycle Association (TBA) launched industry-wide human rights due diligence initiative.

## 2026 SURVEY RESPONSES

- No-fee recruitment policies adopted in 2022 by VP; in early 2025 by Tektro Technology; in late 2025 by SRAM, Novatec/Joy Tech, and Glory Wheel; and in 2026 by Sunrise Bicycles and Metal Upward.
- Adoption planned for 2026 by KMC Chain, Kenda Rubber, and Fairly Bike, and at an unspecified time by Velo and Sanfa Bike. Formula Engineering is considering adoption.
- Companies that were unresponsive, or that responded but did not consider adopting no-fee policies, include Pacific Bicycles, Sunrace/Sturmey-Archer, IDEAL Bike, Wellgo Pedal, A-Pro Tech, SR Suntour, Taya Chain, Acecycles, Co-union Industry, and Winning Enterprise.

## Forced labor risks

Taiwan's around 750,000 registered migrant workers arrive from four main countries - Indonesia, Vietnam, The Philippines and Thailand. The majority, around 480,000, are employed in manufacturing industries, where Vietnamese account for almost 50% of migrant employees. Most are employed in industries, where suppliers of car and bike parts - including fabricated metal products, electronics parts, electrical equipment, motor vehicles and parts - are found, according to detailed statistics by Taiwan's Ministry of Labor.

Taiwan has one of the world's lowest birth rates and is expected to increase its intake of migrant workers, potentially from other countries such as India.

Migrant workers are vulnerable to forced labor due to several factors of which high recruitment fees and related costs, as well as limited freedom to change employers, are key. For decades, workers hired from abroad have paid exorbitant fees to home-country recruiters and Taiwanese labor brokers for jobs and services. As a result, workers borrow significantly from banks and money lenders, often at excessive interest rates, and thereby risk debt bondage while working in Taiwan to pay off loans.

Debt bondage risks vary across migrant nationalities. Vietnamese workers pay the most to recruiters, often up to \$6,500 which equals around three years of Vietnam's minimum wages and often results in mortgaging family land to obtain a bank loan to finance the fees. Filipino workers pay less, but are often tricked into paying off double the borrowed amount due to high interest rates.

Other migrant vulnerabilities include language barriers, lack of knowledge of laws and rights, lack of support measures or knowledge hereof, lack of organization and representation. Fear of repatriation for speaking up adds to the vulnerabilities.

These issues have been covered for years in reports by e.g. the International Labor Organization (ILO) and the U.S. State Department and are well known to the Taiwanese government. The U.S. Department of Labor includes Taiwan's distant-water fishing industry on its 2024 List of Goods Produced by Child Labor and Forced Labor, but not manufacturing sectors. In 2025, it also included the *Speed Up!* report in its online submissions portal. However, public attention on supply chain cases connecting foreign buyers to exploitative practices at Taiwanese suppliers has been missing until recently.

## INDICATORS OF FORCED LABOR

ILO's indicators of forced labor are useful to identify and investigate cases. The indicators are based on the definition of forced labor specified in the ILO Forced Labor Convention 1930 (No. 29).

The 11 indicators are:

Abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime.

More information:

**ILO indicators of forced labor.**



## Recommendations

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Avoiding forced labor requires robust prevention and effective workplace monitoring, not just remediation after damage is done. Excellent guidance and good practice already exist and should form a core part of human rights due diligence for any company sourcing from Taiwan or other contexts, where exploitative migrant worker recruitment practices are commonplace.

Key guidance and frameworks:

- **Guidance on responsible recruitment practices** by the Fair Labor Association (FLA) and Andy Hall.
- **Guidance on reimbursement** of worker-paid recruitment fees and related costs by The Consumer Goods Forum and Impactt.
- **Global framework agreements safeguarding workers' rights, including freedom of association**, developed by multinational companies and IndustryALL.

Calls on governments:

- The government of Taiwan to change laws to prohibit worker-borne fees, regardless of where they are charged or collected, including monthly service fees paid to Taiwanese labor brokers, and to strengthen the protection and promotion of migrant workers' freedom of association.
- Governments in Europe and other countries to adopt and effectively implement import ban legislation prohibiting goods produced with forced labor. The US Tariff Act of 1930 (2015) and the EU Forced Labor Regulation of 2024 provide important reference points.
- Governments to increase transparency of customs and trade data. In countries such as the U.S., Mexico, India and parts of South America, company-level import and export data is already accessible and could serve as a model.

Calls on companies:

- Companies to publicly disclose supplier lists and supply chain audit findings to strengthen accountability and enable independent scrutiny.
- Companies to adopt and implement no-fee recruitment policies in line with the Employer Pays Principle.
- Companies to establish effective and accessible grievance mechanisms for all workers.
- Companies to respect workers' right to freedom of association and engage in meaningful dialogue with unions, worker representatives and civil society organizations.

# Tracking developments

The following pages provide a month-by-month overview of developments among Taiwan's bicycle industry and public authorities following the U.S. import ban on Giant Manufacturing's Taiwan-made products.



## Tracking developments

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September 24. US bans import from **Giant** Manufacturing in Taiwan.

September 24. Taiwan's **Ministry of Economic Affairs** issues a press release about the US import ban on **Giant**.

## Tracking developments

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October 2025

October 1. **Merida** Bicycles adopts a zero-fee recruitment policy and commits to reimburse migrant employees' recruitment costs.

October 3. Taiwan's **Control Yuan** - a governmental watchdog or public ombudsman that investigates government failures and rights abuses - says it will launch an investigation.

October 9. Taiwan's **Minister of Labor** and members of the Legislative Yuan - Taiwan's parliament - discuss migrant worker recruitment, including overseas recruitment centers, at a parliament committee meeting.

October 15. **Giant** commits to reimbursing migrant employees' recruitment costs and transfers the first tranche. Migrant workers confirm receipt: Vietnamese receive 50,000 NTD (\$1,625), and Thai receive 30,000 NTD (\$975).

October 15. **Giant** says that relocation of 400 workers to new dorms is completed. Migrant workers confirm the move and share photos of their previous dormitories with up to 32 beds per room.

October 17. **Taiwan Bicycle Association** (TBA) launches an industry-wide Supply Chain Due Diligence Initiative focused on human rights. TBA subsidizes the first batch of 50 member companies to undergo due diligence.

October 25. **Merida** completes its reimbursements process in one transfer. Currently employed migrant workers are reimbursed. Former migrant employees who have left the company since July 15 are reimbursed too. Migrant workers confirm receipt of reimbursements.

### Late October

**Giant** meets with US CBP officials in Washington DC to discuss the import ban.

An estimated \$2-2.25 million is compensated by **Merida** and **Giant** to migrant workers in October.

## Tracking developments

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November 2025

### Early november

The WRO petition on **Merida** is no longer active at the US CBP.

Taiwan's **Bicycling Alliance for Sustainability** (BAS) launches human rights audits at selected members.

**November 1. Maxxis** (Cheng Shin Rubber), the world's largest bicycle tire manufacturer, adopts a zero-fee recruitment policy and commits to reimbursing migrant employees' recruitment costs in three phases, to be completed by the second quarter of 2026.

**November 6. Taiwan Bicycle Association** (TBA) signs a memorandum of understanding with WRAP, a certification standard, and convenes member companies for a briefing on due diligence, auditing procedures and TBA's subsidy program.

**November 25.** First meeting between the **Taiwan Bicycle Association** (TBA), the **Bicycling Alliance for Sustainability** (BAS) and Peter Bengtsen to discuss supply chain due diligence.

## Tracking developments

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December 2025

December 1. **Giant** completes its reimbursement process with a second and final transfer. Migrant employees confirm receipt.

December 3. Taiwan's **Ministry of Economic Affairs** conducts a seminar for companies across all sectors on US forced labor regulation.

December 17. Taiwan's **Ministry of Economic Affairs** conducts a seminar for companies across all sectors on the upcoming EU forced labor regulation.

December 19. To remove the US import ban, **Giant** announces completion of Phase 2 of its Corrective Action Plan and submits its WRO Petition for Modification with supporting documents to CBP.

December 19. **Fritz Jou**, a major OEM bicycle manufacturer, commits to reimbursing migrant workers' recruitment costs in several tranches by March 2028, and transfers first tranche. Workers confirm receipt. **Fritz Jou** also clarifies that as of October 1, 2025, monthly service fees paid by migrant workers are also covered under its no-fee recruitment policy, which took effect on January 1, 2025.

### Late december

**Giant, Merida** and **Maxxis** have reimbursed an estimatedly \$8-9 million to migrant workers. **Maxxis** says that its reimbursement process was completed ahead of time.

Taiwan's **Ministry of Labor** says that Taiwan's first cross-border recruitment center will open in the Philippines in Q1 2026, enabling employers to hire workers directly without labor brokers. The Ministry first announced the plan in October, 2025.

## Tracking developments

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January 2026

January 13. Second meeting between the **Taiwan Bicycle Association** (TBA), the **Bicycling Alliance for Sustainability** (BAS), and Peter Bengtsen to discuss supply chain due diligence, including grievance mechanisms and transparency.

### Late January

Bicycle manufacturer **Fritz Jou** commits to completing reimbursement of migrant workers' recruitment costs by February 2026, rather than March 2028.

## Tracking developments

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February 2026

### Early February

**Giant** commits to reimburse recruitment fees to former workers, who left after September 2023; former workers confirm. Workers also report reimbursements of dorm fees previously deducted despite living in non-**Giant** dorms.

US-headquartered **Fox Factory** states that it will reimburse recruitment fees and related costs paid by migrant workers at its factory in Taiwan, with repayments to begin in February and to be completed within 12 months. Migrant workers will no longer pay monthly service fees to Taiwanese labor brokers.

February 13. **Taiwan's government** commits to prohibit worker-borne recruitment fees and related costs under the new US-Taiwan trade agreement. The implementation time is 3 years. No legislation adopted yet.

February 24. Third meeting between the **Taiwan Bicycle Association** (TBA), the **Bicycling Alliance for Sustainability** (BAS), and Peter Bengtsen to discuss supply chain due diligence.

February 24. Taiwan's **Ministry of Labor** published guidelines for companies on preventing forced labor. The guidelines emphasize fair recruitment practices, including no-fee recruitment, as important preventive measures, because recruitment-related debt bondage is presented as a central forced labor risk factor in Taiwan.

## Tracking developments

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March 2026

March 26. The **Bicycling Alliance for Sustainability** (BAS) ESG Global Initiative Forum was held during the **Taipei Cycle Show** to demonstrate BAS's progress on due diligence.

March 26. Fourth meeting (and the first in-person) between the **Taiwan Bicycle Association** (TBA), the **Bicycling Alliance for Sustainability** (BAS), and Peter Bengtsen.

March 26. Meetings and talks between Peter Bengtsen and bicycle manufacturers at the **Taipei Cycle Show**, including **Giant**, **Merida**, Darfon/Kenstone Metal and more.

## Tracking developments

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April 2026

**April 15.** **Taiwan Bicycle Association** (TBA), the **Bicycling Alliance for Sustainability** (BAS) and **DueSphere** sign a Memorandum of Understanding as a first step toward developing a grievance mechanism to promote industrial sustainability, strengthen labor and human rights protections, and advance responsible supply chain governance.

**April 23.** Taiwan's **Control Yuan** - a governmental watchdog or public ombudsman that investigates government failures and rights abuses - publishes a summary of its investigation into the US import ban on **Giant**. The **Control Yuan** has reviewed the **Taiwan's government's** actions following my first media piece on **Giant** and other bicycle brands in mid-2024 and concludes that there is scope for improvement within both the **Ministry of Labor** and **Ministry of Economic Affairs**.

**Late april**

**A survey on ethical recruitment and due diligence** among more than 30 bicycle and component manufacturers in Taiwan is launched by Peter Bengtsen.

## Tracking developments

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May 2026

### Early May

The **Bicycling Alliance for Sustainability** (BAS) in Taiwan is not responsive to questions about why its Human Rights Code of Conduct does not address responsible recruitment.

### Early May

**The German Bicycle Industry Association** (ZIV), with around 140 company members and one of Europe's largest, launches a Code of Conduct that explicitly says companies should ensure no-fee recruitment. The Code does not say that companies should reimburse workers if fees have been paid.

### Early May

The revised Code of Conduct by the **World Federation of the Sporting Goods Industry** (WFSGI) now explicitly says that companies should ensure no-fee recruitment and refund workers who paid fees to obtain their jobs. Giant, Trek, Scott, Specialized, Canyon, Pinarello and Cycleurope are members of WFSGI. In 2025, following the publication of *The Bicycle Industry's Dirty Secret*, WFSGI committed to reviewing the recruitment-related language in its Code.

# Explore the series “Addressing Forced Labor Risks in Taiwan”

## Published titles

Speed Up! – Addressing forced labor risks in Taiwan’s car, bicycle and electronics industries (2025)

Speeding Up – Addressing forced labor risks in Taiwan’s bicycle industry (2026)

## Planned titles

Short-circuiting – Addressing forced labor risks in Taiwan’s electronics industry

Sustainable? – Addressing forced labor risks in Taiwan’s green transition

Snail-speed – Addressing forced labor risks in Taiwan’s car industry

