

Summary

of Taiwan's Economic Situation

In May 2014, Taiwan's exports ,export orders ,and industrial production index expanded by 1.4%, 4.7% ,and 5.2% from the same month in 2013, while imports fell 2.3% year on year. Moreover, the unemployment rate decreased to 3.85% from 3.91% in April.The annual change of CPI, compared with the same month of last year, rose 1.61%, mainly because prices of meat, fruit, fish, seafood, and food away from home rose.On the financial side, the month's M2 monetary aggregate grew by 5.91%, and the stock price index averaged 8,936 points. Among the indicators compiled by the National Development Council, the trend-adjusted leading index decreased by 0.18%, the trend-adjusted coincident index increased by 0.10% on the previous month, and the overall monitoring indicator flashed the "green" signal for the fourth consecutive month.

The global economy seems set for a moderate pace of recovery, but concerns about issues such as high unemployment and low inflation in the euro zone, the economic slowdown and the potential financial risk in Mainland China, Japan's sales-tax increase, and Iraq crisis may weigh on global economic trends, and even influence Taiwan's exports.

In order to ease the impact of the weakness of the global economy, the government of Taiwan will accelerate the development of Free Economic Pilot Zones (FEPZs) and speed up pre-participation in the Trans-Pacific Partnership Agreement (TPP) and Regional Comprehensive Economic Partnership (RCEP). Furthermore, to create a sound business and investment environment, the government will move forward with the implementation of market liberalization and deregulation. These, and other government initiatives, should ensure that sound progress is maintained toward endowing Taiwan with a vigorous and sustainable new economy.

	Historical Data				Mar.	Apr.	May	Jan.-May
	2010	2011	2012	2013				
% change on previous year								
GDP	10.76	4.19	1.48	2.09	3.14	-	-	-
CPI	0.96	1.42	1.93	0.79	1.62	1.66	1.61	1.14
Exports	34.8	12.3	-2.3	1.4	1.9	6.2	1.4	2.1
Imports	44.1	12.0	-3.9	-0.2	7.4	5.8	-2.3	-0.3
Export orders	26.1	7.2	1.1	0.4	5.9	8.9	4.7	4.4
Industrial production index	24.2	4.4	-0.3	0.7	3.1	4.8	5.2	3.6
Monetary aggregate(M2 ^b)	4.53	5.84	4.18	4.78	5.89	6.24	5.91	5.92
Unemployment rate(%)	5.21	4.39	4.24	4.18	4.03	3.91	3.85	3.98
TWSE Stock Index ^c	7,950	8,156	7,481	8,093	8,687	8,900	8,936	8,717

Note : ^a The DGBAS estimates that Taiwan's real GDP will grow 2.98% in 2014.

^b Daily Average.

^c Monthly Average TAIEX.

Sources : The Central Bank of China(CBC), Financial Supervisory Commission(FSC), Directorate-General of Budget, Accounting and Statistic(DGBAS).