

Summary

of Taiwan's Economic Situation

In April 2014, owing to the growth of exports, industrial production index and consumption, the Taiwan Business Indicators showed that a significant recovery was underway. Among the indicators compiled by the National Development Council (NDC), the overall monitoring indicator flashed the "green" signal for the third consecutive month. Moreover, export orders totaled US\$388.7 hundred million, up by 8.9% on the same month of last year, and the unemployment rate dropped by 0.12 percentage point to 3.91% during the period March-April. However, the annual growth rate of the Consumer Price Index (CPI) was 1.65%. On the financial side, the yearly growth of monetary aggregate M2 was 6.24%, while the stock price index averaged 8,900 points.

The global economy seems set for a moderate pace of recovery, but concerns about issues such as the economic slowdown in Mainland China, tapering of Quantitative Easing (QE), the geopolitical risks of the situation in Ukraine, and Japan's sales-tax increase 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				Current Data (2014 ^a)			
	2010	2011	2012	2013	Feb.	Mar.	Apr.	Jan.-Apr.
% change on previous year								
GDP	10.76	4.19	1.48	2.09	-	3.14	-	-
CPI	0.96	1.42	1.93	0.79	-0.04	1.61	1.65	1.01
Exports	34.8	12.3	-2.3	1.4	7.9	2.0	6.2	2.3
Imports	44.1	12.0	-3.9	-0.2	4.9	7.5	5.8	0.2
Export orders	26.1	7.2	1.1	0.4	5.7	5.9	8.9	4.3
Industrial production index	24.2	4.4	-0.3	0.7	6.8	3.2	4.8	3.0
Monetary aggregate(M2 ^b)	4.53	5.84	4.18	4.78	5.61	5.89	6.24	5.93
Unemployment rate(%)	5.21	4.39	4.24	4.18	4.09	4.03	3.91	4.01
TWSE Stock Index ^c	7,950	8,156	7,481	8,093	8,496	8,687	8,900	8,675

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).