

Taiwan's Economic Situation

Summary

In November 2013, Taiwan's exports increased by 0.04% from the same month in 2012, while imports decreased by 0.5%. The annual growth rate of the industrial production index swung from positive to negative. Export orders increased by 0.8% year on year. The consumer price index (the CPI) went up 0.67%, and the unemployment rate decreased to 4.16%. On the financial side, the month's M2 monetary aggregate grew by 6.05%, while the stock price index averaged 8,237 points. The November Taiwan Business Indicators showed the economic recovery remaining on a slower track. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the trend-adjusted leading index increased by 0.19%, the trend-adjusted coincident index increased by 0.07% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

With recent leading indicators in main countries maintaining an upward trend, and most Purchasing Managers' Indexes (PMIs) in expanding territory (above 50 points), the global economy seems set on a moderate pace of recovery. However, sizeable short- and long-term downside risks still remain, such as political stalemate in the United States and a tough employment situation in the eurozone, which may threaten the fragile recovery of the global economy, and represent a negative factor for Taiwan's exports.

In order to ease the impact of weakness in the global economy, the government will actively promote export to emerging markets. For the internal sector, the government will accelerate the implementation of the project to strengthen promotion of investment in Taiwan by overseas Taiwanese businesses and the development of Free Economic Pilot Zones (FEPZs). These and other government initiatives should ensure that Taiwan's economy gradually improves.

% change on previous year	Historical Data				Current Data (2013)			
	2009	2010	2011	2012	Sep.	Oct.	Nov.	Jan.-Nov.
GDP	-1.81	10.76	4.19	1.48	1.66	-	-	-
CPI	-0.86	0.96	1.42	1.93	0.84	0.64	0.67	0.83
Unemployment rate	5.85	5.21	4.39	4.24	4.24	4.24	4.16	4.19
Exports	-20.3	34.8	12.3	-2.3	-7.0	-1.5	0.04	0.9
Imports	-27.5	44.1	12.0	-3.9	-0.7	-2.8	-0.5	-1.1
Export orders	-8.3	26.1	7.2	1.1	2.0	3.2	0.8	-0.2
Industrial production	-7.9	24.2	4.4	-0.3	0.6	0.8	-0.1	0.4
Monetary aggregate (M2)	7.45	4.53	5.83	4.17	5.54	5.99	6.05	4.69
Stock market**	6,460	7,950	8,156	7,481	8,193	8,366	8,237	8,060

Note: * The DGBAS has provisionally estimated that Taiwan's real GDP grew 1.74% in 2013.

** Stock index (monthly average) .

Sources: The Central Bank of China (CBC) and the Directorate-General of Budget, Accounting and Statistics (DGBAS).