

Taiwan's Economic Situation

Summary

In September 2013, Taiwan's exports decreased sharply by 7.0% from the same month in 2012, while imports decreased by 0.7%. The annual growth rate of the industrial production index swung from negative to positive. Consumer prices (the CPI) went up 0.83%, and the unemployment rate fell slightly to 4.24%. On the financial side, the month's M2 monetary aggregate grew by 5.54%, while the stock price index averaged 8,193 points. The September 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 0.33%, the trend-adjusted coincident index increased by 0.01% from the previous month, and the overall monitoring indicator flashed the "yellow-blue" signal.

The outlook for the global economy is still uncertain as the growth momentum of many emerging markets, including mainland China, falters. Nevertheless, with the US and Japan economies improving, plus the Eurozone's long recession ending, the global economy is expected to recover gradually, representing a favorable factor for Taiwan's export.

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. 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	Jul.	Aug.	Sep.	Jan.-Sep.
GDP	-1.81	10.72	4.03	1.26	-	-	1.58	-
CPI	-0.87	0.96	1.42	1.93	0.06	-0.80	0.83	0.88
Unemployment rate	5.85	5.21	4.39	4.24	4.25	4.33	4.24	4.18
Exports	-20.3	34.8	12.3	-2.3	1.6	3.6	-7.0	1.3
Imports	-27.5	44.2	12.1	-3.8	-7.6	-1.2	-0.7	-0.9
Export orders	-8.3	20.6	7.2	1.1	0.5	0.5	2.0	-0.8
Industrial production	-8.1	26.9	4.6	-0.1	2.1	-0.6	1.1	0.3
Monetary aggregate (M2)	7.2	4.6	5.8	4.17	5.42	5.41	5.54	4.39
Stock market**	6,460	7,950	8,155	7,468	8,102	7,932	8,193	8,002

Note: * The DGBAS has provisionally estimated that Taiwan's real GDP grew 2.31% in 2013.

** Stock index (monthly average).

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