

Summary

of Taiwan's Economic Situation

In June 2014, Taiwan's exports and imports expanded by 1.2% and 7.5%, respectively, on the same month in 2013. Moreover, the annual growth rate of export orders and industrial production index were 10.6% and 8.6%, respectively. The unemployment rate rose by 0.07 percentage points to 3.92 %; in contrast, the seasonally adjusted unemployment rate fell by 0.02 percentage points to 3.97 %. The annual change of CPI, compared with the same month of last year, rose 1.64%, mainly owing to the price of food. On the financial side, the month's M2 monetary aggregate grew by 5.74%, and the stock price index averaged 9,229 points. Among the indicators compiled by the National Development Council, the trend-adjusted leading index decreased by 0.19%, the trend-adjusted coincident index increased by 0.22% from the previous month, and the overall monitoring indicator flashed the "green" signal for the fifth consecutive month.

The global economy seems set for a moderate pace of recovery, but concerns about issues such as the tapering of Quantitative Easing in America, increasing risk in the financial system and the property market in Mainland China, Japan's sales-tax increase, and the geopolitical risks of the situation in the Middle East and Ukraine 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 government initiatives should ensure that sound progress is maintained toward endowing Taiwan with a vigorous and sustainable new economy.

	Historical Data							
	2010	2011	2012	2013	Apr.	May.	Jun.	Jan.-Jun.
% change on previous year								
GDP	10.76	4.19	1.48	2.09	-	-	3.84 ^a	-
CPI	0.96	1.42	1.93	0.79	1.66	1.62	1.64	1.21
Exports	34.8	12.3	-2.3	1.4	6.2	1.4	1.2	2.0
Imports	44.1	12.0	-3.9	-0.2	5.8	-2.3	7.5	1.1
Export orders	26.1	7.2	1.1	0.4	8.9	4.7	10.6	5.4
Industrial production index	24.2	4.4	-0.3	0.7	5.3	5.4	8.6	4.5
Monetary aggregate(M2 ^b)	4.53	5.84	4.18	4.78	6.24	5.91	5.74	5.89
Unemployment rate(%)	5.21	4.39	4.24	4.18	3.91	3.85	3.92	3.97
TWSE Stock Index ^c	7,950	8,156	7,481	8,093	8,900	8,936	9,229	8,815

Note : ^a Q2 Advance estimate.

^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).