

Taiwan's Economic Situation

Summary

In October 2012, Taiwan's exports and imports decreased by 1.9% and 1.8% respectively from the same month in 2011, affected by the uncertainties of the global economy. However, industrial production increased by 4.6% year on year for a fourth consecutive month of positive growth. Consumer prices (the CPI) declined by 2.36%, and the unemployment rate rose slightly to 4.33%. On the financial side, October's M2 monetary aggregate growth decreased to 3.29%, and the stock price index average went down to 7,438 points. While October's Taiwan Business Indicators showed the domestic economy was starting to rally from its downturn, economic activity remained weak, with the overall light signal of the monitoring indicators staying at yellow-blue.

To respond to changes in the international economic situation after the 2008 financial tsunami, the Executive Yuan on February 6 this year (2012) set up the International Economic Climate Response Committee under the convenership of a minister without portfolio, and charged the CEPD with completing the compilation of the Economic Power-Up Plan. Attaching due balance of weight to short-term and mid-term economic development, the project has the aims of improving the constitution of industry and uplifting the driving forces of economic growth, to create heightened capacity for responding to economic conditions. At the same time, the government will closely monitor prices and take active price stabilization measures to avoid price fluctuation influenced by gasoline and electricity price adjustments.

Furthermore, the government will carry out the next wave of measures for reshaping Taiwan's economic structure, including strengthening technological innovation, bolstering cultural & creative enterprise, enhancing R&D and innovation, promoting the revitalization of traditional industries, and emphasizing the development of service industries, especially those that export services. At the same time, the government will promote the expansion of exports to emerging markets and diversification of export products. These initiatives should ensure that sound progress is kept up toward endowing Taiwan with a vigorous and sustainable new economy.

% change on previous year	Historical Data				Current Data (2012)				
	2008	2009	2010	2011	Jul.	Aug.	Sep.	Oct.	Jan.-Sep.
GDP	0.12	-1.81	10.72	4.03	-0.12	-	-	0.98	-
CPI	3.53	-0.87	0.96	1.42	2.46	3.42	2.96	2.36	1.96
Unemployment rate	4.14	5.85	5.21	4.39	4.31	4.40	4.32	4.33	4.23
Exports	3.6	-20.3	34.8	12.3	-11.6	-4.2	10.4	-1.9	-3.7
Imports	9.7	-27.5	44.2	12.1	-3.2	-7.6	1.3	-1.8	-4.7
Export orders	1.7	-8.3	20.6	7.2	-4.4	-1.5	1.9	3.2	-0.6
Industrial production	-1.8	-8.1	26.9	4.6	-0.10	1.4	3.0	4.6	-0.9
Monetary aggregate (M2)	2.7	7.2	4.6	5.8	3.80	3.69	3.96	3.29	4.32
Stock market**	7,024	6,460	7,950	8,155	7,187	7,410	7,610	7,438	7,490

Note: * The DGBAS estimated that Taiwan's real GDP will grow 1.13% in 2012.

** Stock index (monthly average).

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