

Taiwan's Economic Situation

Summary

In September 2012, Taiwan's exports and imports increased by 10.4% and 1.3%, respectively from the same month in 2011, fueled by the revival of the global economy. Industrial production increased by 3.0% year on year for three consecutive months of positive growth. Consumer prices (the CPI) declined by 2.96%, and the unemployment rate declined slightly to 4.32%. On the financial side, September's M2 monetary aggregate growth climbed to 3.96%, and the stock price index average climbed to 7,610 points. September's Taiwan Business Indicators showed the economic situation still faces many challenges. The overall light signal of the monitoring indicators has improved to "yellow-blue" after continuously flashing blue since last November.

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 Project to Push up the Economy 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	June	July	August	September	Jan.-Sep.
GDP	0.12	-1.81	10.72	4.03	-0.16	-	-	-	-
CPI	3.53	-0.87	0.96	1.42	1.77	2.46	3.42	2.96	1.96
Unemployment rate	4.14	5.85	5.21	4.39	4.21	4.31	4.40	4.32	4.23
Exports	3.6	-20.3	34.8	12.3	-3.2	-11.6	-4.2	10.4	-3.9
Imports	9.7	-27.5	44.2	12.1	-8.4	-3.2	-7.6	1.3	-5.0
Export orders	1.7	-8.3	20.6	7.2	-2.6	-4.4	-1.5	1.9	-1.1
Industrial production	-1.8	-8.1	26.9	4.6	-2.2	-0.10	1.4	3.0	-1.5
Monetary aggregate (M2)	2.7	7.2	4.6	5.8	4.2	3.80	3.69	3.96	4.43
Stock market**	7,024	6,460	7,950	8,155	7,143	7,187	7,410	7,610	7,496

Note: * The DGBAS estimated that Taiwan's real GDP will grow 1.66% in 2012.

** Stock index (monthly average).

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