

Summary

In July, Taiwan's exports increased by 1.2% from the same month in 2015, while imports decreased by 0.2%. Export orders were down 3.4% year over year. The industrial production showed a decline of 0.3% from July 2015. The consumer price index (CPI) annual growth rate increased by 1.23% and the unemployment rate rose from 3.92% in June to 4.02% in July. On the financial side, July's M2 monetary aggregate increased by 4.70%, while the stock price index averaged 8,900 points.

In the same month, the overall monitoring indicator flashed the "green" signal, and the trend-adjusted leading index increased by 0.63%, while the trend-adjusted coincident index increased by 1.04% from the previous month.

Given that the global economy remains fragile and faces several downside risks which may weigh on Taiwan's economic recovery, the government will build a "New Model for Economic Development" for Taiwan. This will be done by reinforcing Taiwan's global and regional connections, and by promoting a "New Southbound Policy". Furthermore, the government will prioritize to promote five major innovative industries, with the goal of reshaping Taiwan's global competitiveness. Moreover, to improve investment climate, the government will actively implement the "Investment Expansion Program" by investing more in public and state-owned enterprises and spurring private-sector involvement. These initiatives should help endow Taiwan with a vigorous and sustainable economy.

	Historical Data				Data for Recent Months			
	2012	2013	2014	2015	May	Jun.	Jul.	Jan. – Jul.
% Change over previous year.								
GDP	2.06	2.20	3.92	0.65	0.70 ^a		-	
CPI	1.93	0.79	1.20	-0.31	1.23	0.91	1.23	1.51
Exports	-2.1	1.6	2.8	-10.9	-9.5	-2.1	1.2	-7.7
Imports	-3.7	0.3	1.4	-15.8	-3.4	-10.0	-0.2	-9.2
Export orders	1.1	0.4	6.7	-4.4	-5.8	-2.4	-3.4	-6.8
Industrial Production Index	-0.3	0.7	6.4	-1.8	1.9	1.1	-0.3	-2.0
Monetary Aggregate (M2) ^b	4.18	4.78	5.66	6.34	4.14	4.42	4.70	4.79
Unemployment rate (%)	4.24	4.18	3.96	3.78	3.84	3.92	4.02	3.91
TWSE Stock Index ^c	7,481	8,093	8,992	8,959	8,235	8,595	8,900	8,453

Note : ^a Q2 Preliminary Estimation

^b Daily Average

^c Monthly Average TAIEX

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