

## Summary

In July 2017, the overall monitoring indicator flashed the "yellow-blue" signal for the fourth consecutive month, and the trend-adjusted leading index increased by 0.18%, while the trend-adjusted coincident index decreased by 0.09% from previous month.

Taiwan's exports increased by 12.5% and imports by 6.5% year over year in July. The annual growth rates of export orders and Industrial Production Index were 10.5% and 2.4% (YoY), respectively. On the financial side, July's M2 monetary aggregate climbed 3.6%, while the stock price index averaged 10,426 points. The Consumer Price Index (CPI) annual growth rate went up by 0.77%, and the unemployment rate rose to 3.84% in July from 3.74% a month earlier.

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 accelerating measures to restructure the economy and expanding infrastructure investment across-the-board. Furthermore, the government will vigorously promote the New Southbound Policy, and conduct more diverse exchanges and interaction with the countries of Southeast Asia, India, New Zealand, and Australia. Meanwhile, the government will press full speed ahead to implement economic development strategies such as the 5+2 industrial innovation program, as well as to promote forward-looking infrastructure plan and expand public investment in aquatic environments, green energy, digital technology, urban and rural facilities, railways, food safety, child care, and human resources development this year. These initiatives should build a strong foundation for Taiwan to achieve a vigorous and sustainable economy in years to come.

	Historical Data				Data for Recent Months			
	2013	2014	2015	2016	May	June	July	Jan. – July.
% Change over previous year.								
GDP	2.20	4.02	0.72	1.48	-	2.13 <sup>a</sup>		2.11(f) <sup>a</sup>
CPI	0.79	1.20	-0.31	1.40	0.59	1.00	0.77	0.69
Exports	1.6	2.8	-10.9	-1.8	8.4	13.0	12.5	12.5
Imports	0.3	1.4	-15.8	-2.7	10.2	3.7	6.5	14.9
Export orders	0.4	6.7	-4.4	-1.6	9.1	13.0	10.5	11.1
Industrial Production Index	0.7	6.4	-1.8	1.5	0.9	3.1	2.4	3.2
Monetary Aggregate (M2) <sup>b</sup>	4.78	5.66	6.34	4.51	4.07	3.71	3.60	3.7
Unemployment rate (%)	4.18	3.96	3.78	3.92	3.66	3.74	3.84	3.76
TWSE Stock Index <sup>c</sup>	8,093	8,992	8,959	8,763	9,994	10,259	10,426	9,900

Note : <sup>a</sup> Q2 Preliminary Estimation, the projected economic growth is 2.11% for the whole 2017.

<sup>b</sup> Daily Average

<sup>c</sup> Monthly Average TAIEX

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