

Summary

Taiwan's economy kept on-year growth in the second quarter after first quarters of increase, as the expansion in exports. The annual real GDP growth rate was 3.30% in the second quarter of 2018. In the first half of the year, Taiwan's exports and imports increased by 10.9% and 10.8% year over year, while export orders were up 6.6% year over year. The industrial production showed an expansion of 4.6% in the first half of the year. The consumer price index (CPI) annual growth rate increased by 1.60% in the first half of the year and the unemployment rate declined from 3.75% of 2017 to 3.66% in the first half of the year. On the financial side, Monetary Aggregate(M2) increased by 3.70% in the first half of the year, while the stock price index averaged 10,883 points.

In June 2018, the overall monitoring indicator flashed the "yellow-blue" signal, and the trend-adjusted leading index decreased by 0.34%, while the trend-adjusted coincident index decreased by 0.43% on the previous month.

To respond to Taiwan's low birth rate and ensure that the nation has the professional talent and workforce to meet the needs of ongoing industrial development, the Cabinet announced in May 2018 major elements of a proposed new economy immigration bill, which aims to provide for the active recruitment and retention of the talent and labor necessary to carry forward continued national development. In addition, the government will continue to implement deregulation work, and to provide industries with steady supplies of land, water, electricity, manpower and professional talent. These initiatives will all help to strengthen investment growth momentum and to build long-term economic growth, thereby improving wages and the economic wellbeing for the people of Taiwan.

	Historical Data				Data for Recent Months			
	2014	2015	2016	2017	Apr.	May	June	Jan. – June
% Change over previous year.								
GDP	4.02	0.81	1.41	2.89	-		3.30	3.20
CPI	1.20	-0.30	1.39	0.62	2.00	1.64	1.31	1.60
Exports	2.8	-10.9	-1.8	13.2	10.0	14.2	9.4	10.9
Imports	1.4	-15.8	-2.8	12.4	4.9	12.0	15.4	10.8
Export orders	6.7	-4.4	-1.6	10.9	9.8	11.7	-0.1	6.6
Industrial Production Index	6.4	-1.3	2.0	5.0	8.8	7.1	0.4	4.6
Monetary Aggregate (M2) ^b	5.66	6.34	4.51	3.75	3.59	3.73	4.10	3.70
Unemployment rate (%)	3.96	3.78	3.92	3.76	3.64	3.63	3.70	3.66
TWSE Stock Index ^c	8,992	8,959	8,763	10,208	10,796	10,818	10,987	10,883

Note : ^a 2018 Q1 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).