

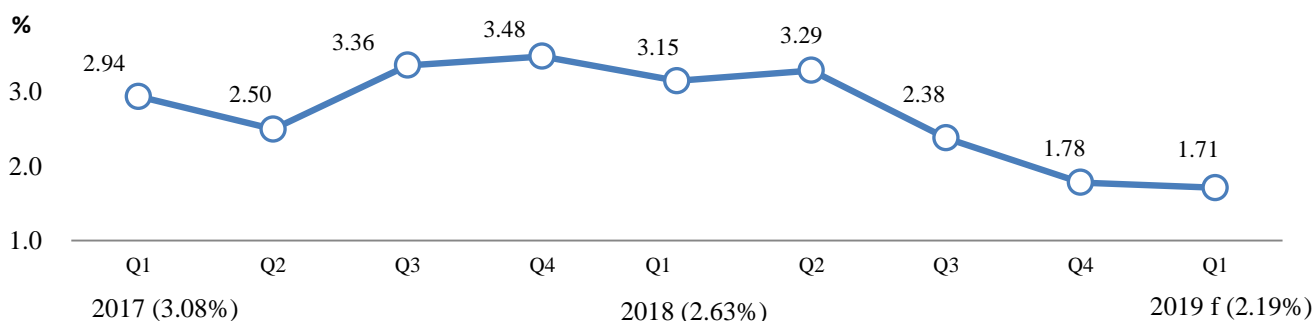


Taiwan Economy in a Snapshot

Taiwan's Economic Situation and Outlook

- The real GDP grew by 2.19% in 2019, with domestic demand remained the main driver supporting the GDP growth. Export growth momentum slowed down due to the inventory adjustments in the semiconductor industry and worldwide weaker demand for mobile devices.
- The government will pursue measures aimed at drawing investment and encouraging consumer spending, including “forward-looking infrastructure development program”, three major investment programs designed to attract investments, and the tax breaks for energy-saving home appliances.

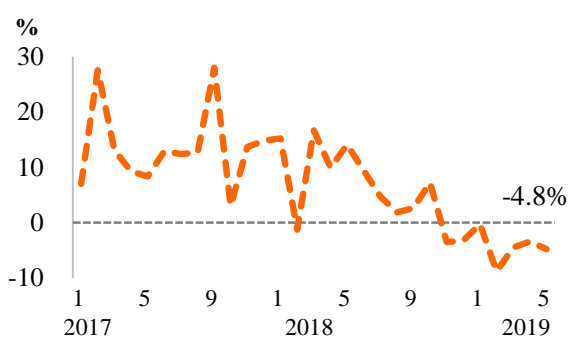
Quarterly GDP Growth Rate (yoy)



Source: DGBAS.

Main economic indicators

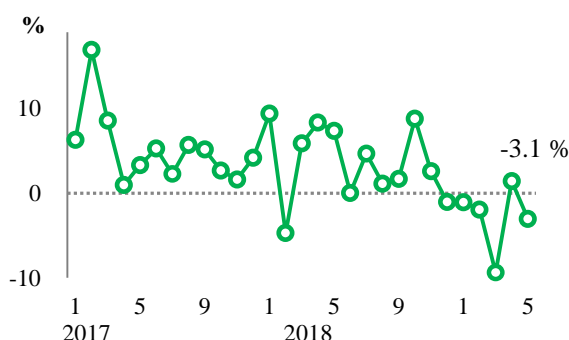
Exports



Momentum of Exports Slowdown

- Merchandise exports fell by 4.8% year on year in May 2019. The main drag continued to come from falling shipments to China and Hong Kong, down 6.9%. The other hand, the exporting to the US continued to surge, up 8.6%.
- The exports of base metals and articles of base metal, machinery declined 20.1%, 12.8% respectively.

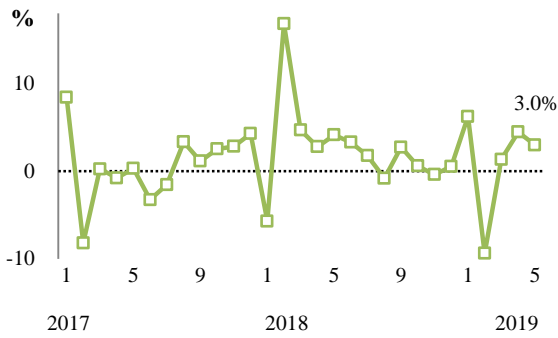
Industrial Production



Industrial Production Decline

- Industrial production index for May decrease 3.1% from a year earlier, mainly due to the weak market demand for semiconductor and machinery-and-equipment.
- By sector, Electronic Parts & Components decreased 5.5%, Machinery & Equipment decreased 16.9%.

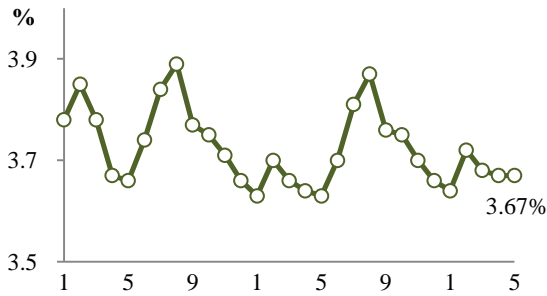
• Retail Sales



Retail Sales Increases Continually

- Retail Sales increased 3.0% year-on-year in May 2019, showing the third month growth.
- The sector of general merchandise stores increased 5.1%, and autos, motorcycles and related parts and accessories increased 6.9%.

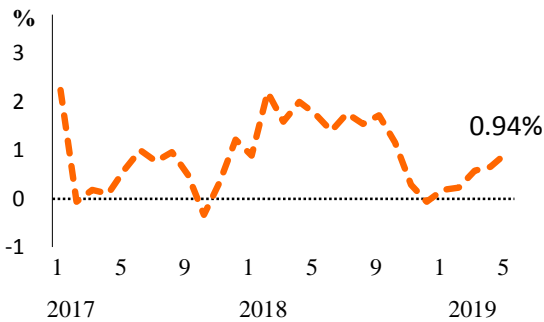
• Unemployment Rate



Labor Market Stays Healthy

- The unemployment rate remained at 3.67% in May 2019.
- The average real regular earnings of all employees since January 2019 was NT\$41,589, 2.27% more than same period of last year.

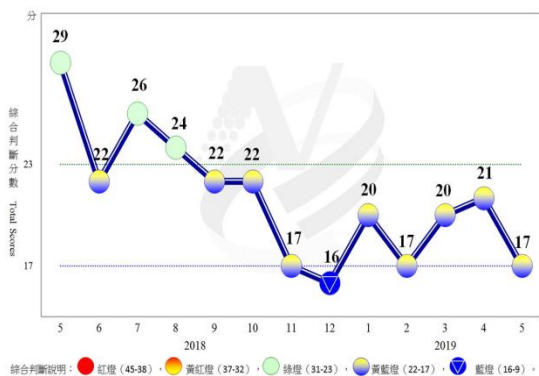
• Inflation



Inflation Remains Low

- CPI increased by 0.94% in May 2019. It was due to the prices of vegetables and fruits rose 26.2% and 1.93% owing to heavy rains. The core CPI increased 0.62%.
- For the first five months of 2019, the CPI increased 0.51% over the same period of the previous year.

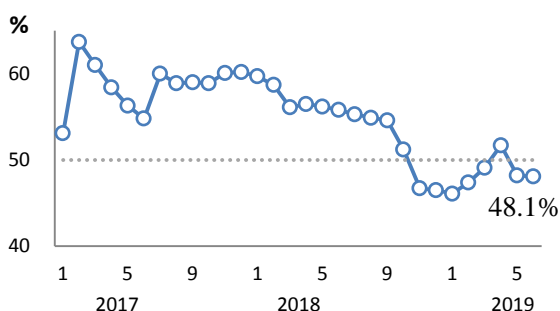
• Business Indicators



The Monitoring Indicator Flashes Yellow-Blue

- In May 2019, the overall monitoring indicator continued to flash the “yellow-blue” signal.
- The trend-adjusted leading index increased by 0.52%, while the trend-adjusted coincident index declined by 0.44% from the previous month.

• Manufacturing PMI



Manufacturing PMI Shows Contraction

- The manufacturing sector contracted at a moderate faster rate as the seasonally adjusted Taiwan Manufacturing PMI further decreased 0.1 percentage points to 48.1 % in June 2019.