



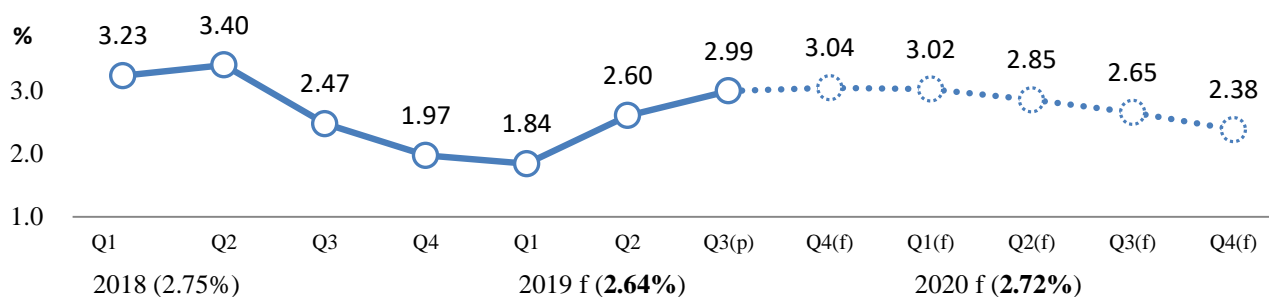
# Taiwan Economy in a Snapshot

2019.12.9

## Taiwan's Economic Situation and Outlook

- For the third quarter of 2019, the real GDP grew by 2.99% (advance estimate), revised upward 0.08 percentage points from the previous forecast, mainly due to the expansion of machinery and equipment expenditures.
- According to DGBAS latest forecast, the GDP is projected to grow 2.64% and 2.72% in 2019 and 2020, respectively. The growth is spurred by semiconductor manufacturing investment in advanced technology and the ongoing reshoring of Taiwan's overseas companies.
- The government continues to strengthen friendly environment for investment, and implements three programs to attract investment in Taiwan, 5+2 Industrial Innovation Plan, AI and 5G action plan. These measures should help improve industrial competitiveness and lay a solid foundation for stable economic growth in Taiwan.

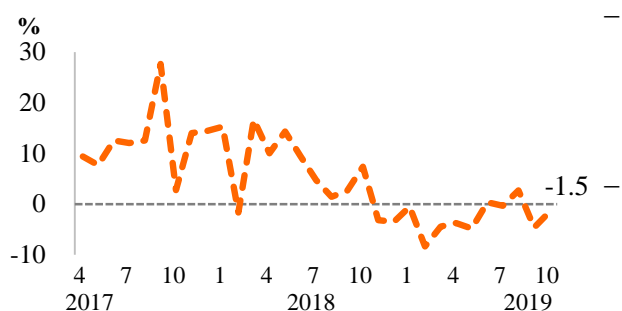
Quarterly GDP Growth Rate (yoy)



Source: DGBAS.

## Main economic indicators

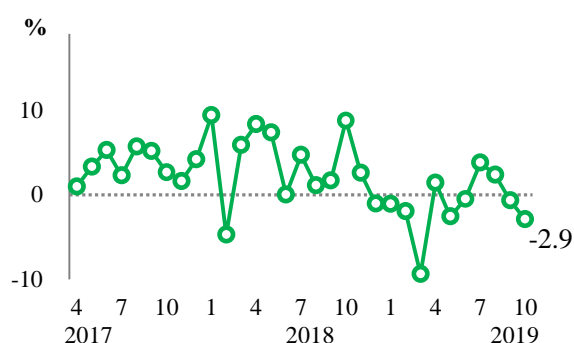
### Exports



### Exports Show a Moderated Drop

- Merchandise exports fell by 1.5% year on year in October 2019, mainly due to the high base effect of previous year and the weak international raw materials markets.
- However, exports of the information, communication and audio-video products, and parts of electronic product grew by 20.8% and 5.3%, respectively.

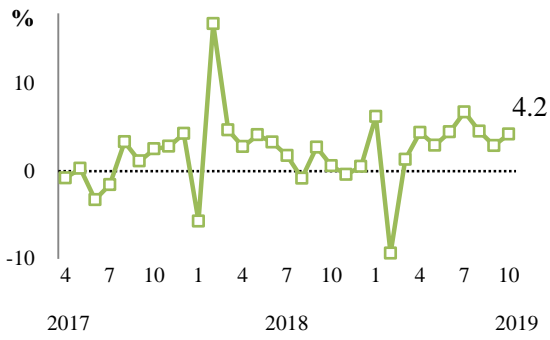
### Industrial Production



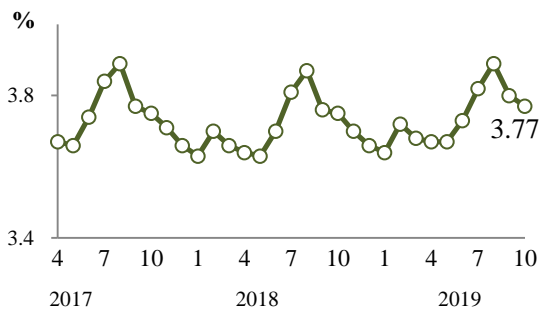
### Industrial Production Weakens

- Industrial production index decreased 2.9% year-on-year in October 2019, mainly due to the weakening global demand.
- However, production of computers, electronic and optical products grew 17.9% year-on-year, mainly due to the expansion of domestic production capacity.

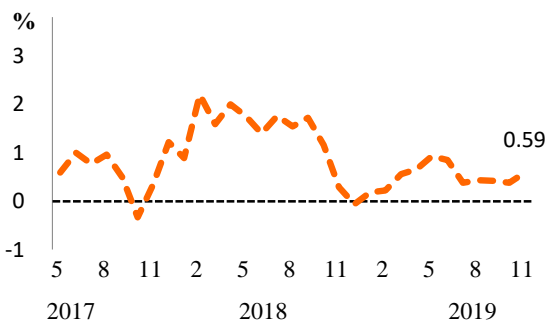
• **Retail Sales**



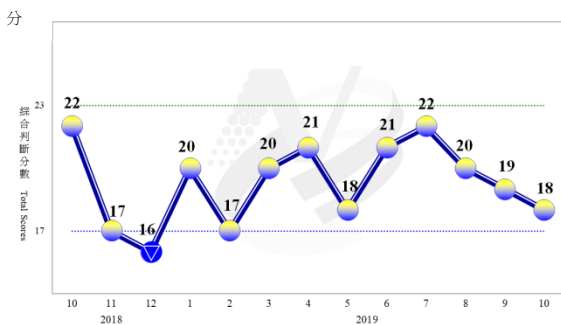
• **Unemployment Rate**



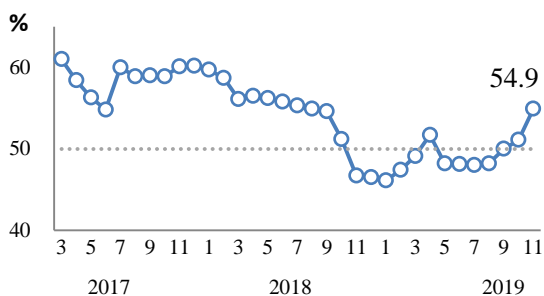
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



**Retail Sales Increases Continually**

- Retail Sales increased 4.2% year-on-year in October 2019, spurred by new car launches and rising demand during the national day holiday and department stores' anniversary-sales.
- The sector of autos, motorcycles and related parts and accessories grew 17.4%, and general merchandise stores increased 4.5%.

**Labor Market Remains Stable**

- The unemployment rate fell by 0.03 percentage points to 3.77% in October 2019.
- For the first nine months of 2019, the average real regular earnings of all employees was NT\$40,755, up 1.72% from the same period of last year.

**Inflation Remains Low**

- The CPI in November 2019 increased 0.59%, as the prices of vegetables and fruits rose 9.65% and 7.20%, respectively. The core CPI increased 0.55%.
- For the first eleven months of 2019, the CPI increased 0.51% over the same period of the previous year.

**The Monitoring Indicator Flashes Yellow-Blue Signal**

- In October 2019, the overall monitoring indicator continued to flash the "yellow-blue" signal.
- The trend-adjusted leading index picked up for ten consecutive months and the coincident index increased for six consecutive months.

**Manufacturing PMI Returns to Expansion**

- The seasonally adjusted Taiwan Manufacturing PMI went up 3.8 percentage points to 54.9 percent in November, expanding at the fastest rate since September 2018.