



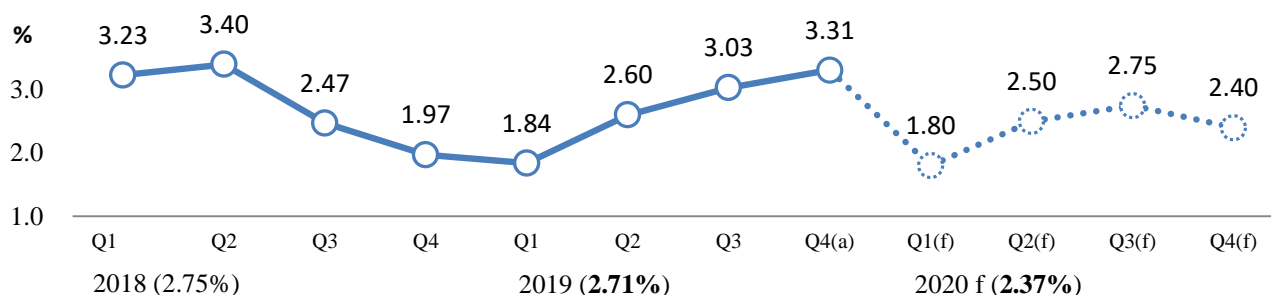
Taiwan Economy in a Snapshot

2020.3.5

Taiwan's Economic Situation and Outlook

- Taiwan's GDP grew by 3.31% in the fourth quarter of 2019. For the whole 2019, real GDP grew by 2.71%. Meanwhile, the real GDP is projected to grow by 2.37% in 2020, a downgrade from previous forecast of 2.72% made in November 2019, as the spread of the Coronavirus Disease 2019 (COVID-19) has increased the domestic and international economic uncertainties.
- Despite the challenges from the COVID-19, and the international trade disputes, Taiwan's economy looks set to continue growing at a moderate pace in 2020. To mitigate COVID-19 impact, the Cabinet approved a special budget proposal up to NT\$60 billion (US\$1.97 billion) to fund the central government's fight against the outbreak of COVID-19 together with economic stimulus and relief measures.

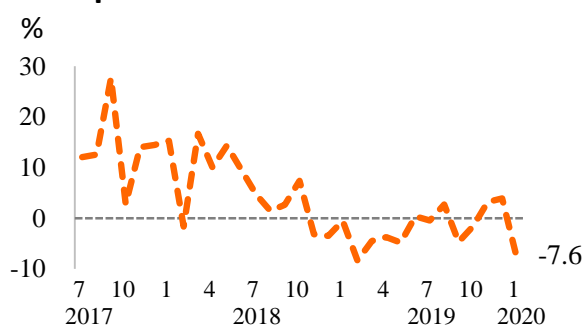
Quarterly GDP Growth Rate (yoy)



Source: DGBAS.

Main economic indicators

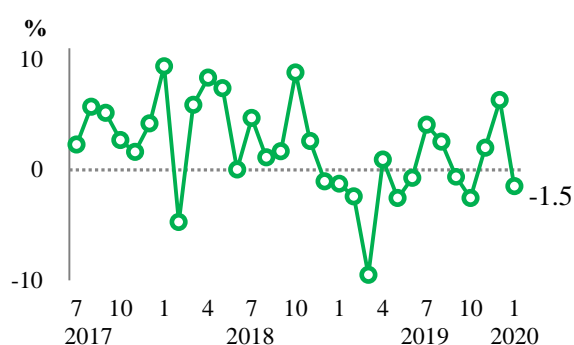
Exports



Exports Decrease in January

- In January 2020, total exports fell 7.6% year on year, as Taiwan's exports were affected by a reduced number of working days due to the long Lunar New Year holiday.
- By product, mineral products, the plastics & rubber and articles, base metals & articles of base metal declined 26.2%, 18.8% and 17.6% respectively.

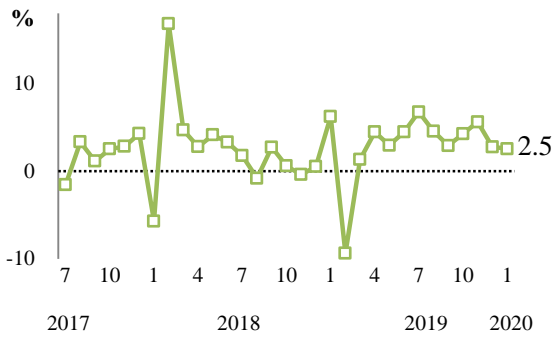
Industrial Production



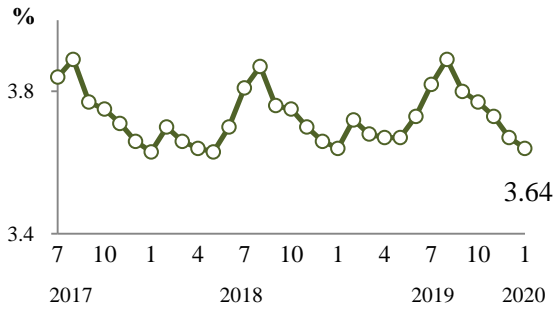
Industrial Production Decline

- Industrial production index decreased 1.5% year on year in January 2020.
- The sector of machinery & equipment fell 30.2%, and motor vehicles & parts sector fell 20.2%; however, the production of the electronic parts & components increased 17.7%, mainly due to the deployment of 5G infrastructure.

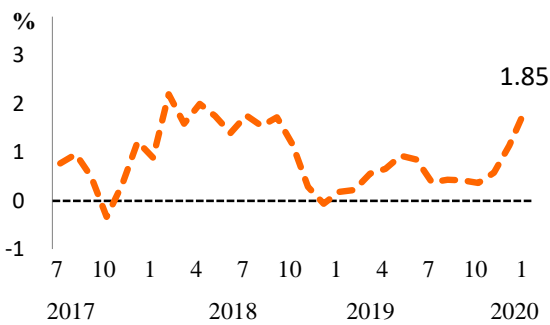
• Retail Sales



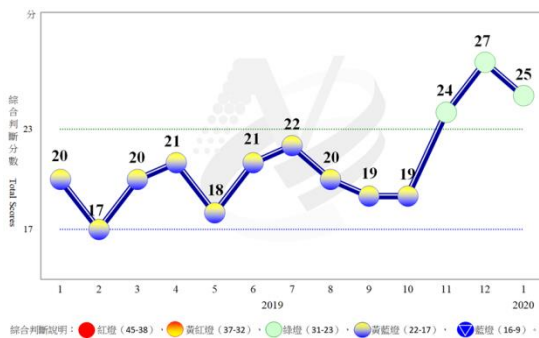
• Unemployment Rate



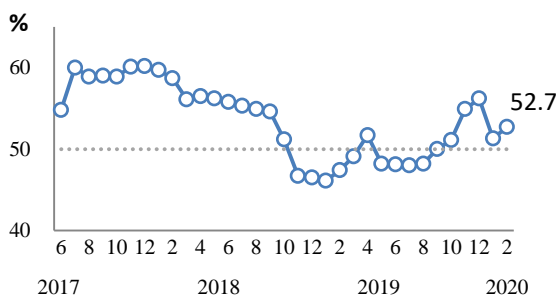
• Inflation



• Business Indicators



• Manufacturing PMI



Retail Sales Remain Growing

- Retail sales increased 2.5% year-on-year in January 2020, spurred by Lunar New Year holiday shopping rush.
- The sector of textiles & clothing increased 15.2%, and general merchandise stores grew 13.4%.

Labor Market Remains Stable

- The unemployment rate fell 0.03 percentage points to 3.64% in January 2020.
- Over the year of 2019, the average real earnings was NT\$52,333, increased by 1.84% from 2018.

Inflation Rises

- The CPI in January 2020 increased 1.85%, mainly because Chinese New Year fell in January in 2020 while in February in 2019. Prices of services for nursery and nursing care, as well as entertainment expenses rose 29.21% and 4.60%, respectively.
- In January 2020, the core CPI increased 1.33%.

The Monitoring Indicator Flashes Green Signal

- In January 2020, the overall monitoring indicator continued to flash the “green” signal, as the total score decreased two points to 25.
- The trend-adjusted leading index decreased by 0.11%, while the coincident index increased for nine consecutive months.

Manufacturing PMI Remains in Expansion Territory

- The seasonally adjusted Taiwan Manufacturing PMI remains in expansion for five consecutive months, pushed up mainly by the subindices on delivery time and unfinished orders, as the virus disrupted shipments.