

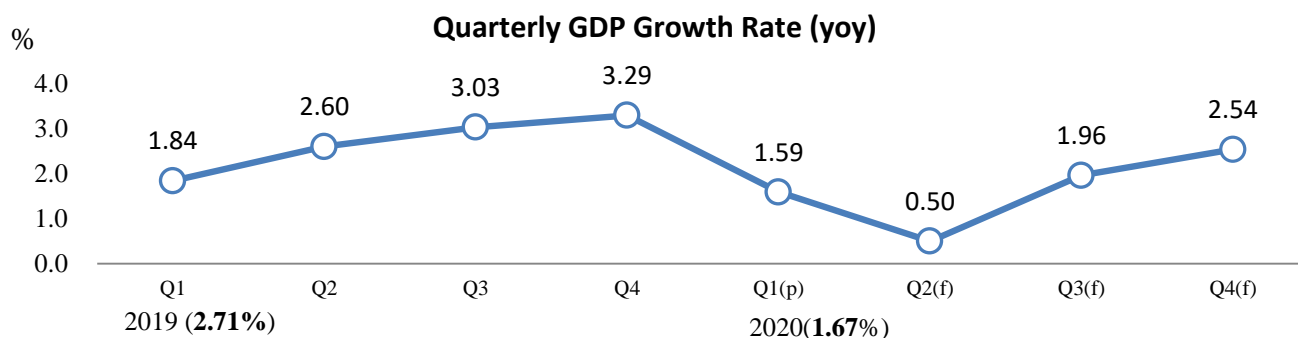


# Taiwan Economy in a Snapshot

2020.7.3

## Taiwan's Economic Situation and Outlook

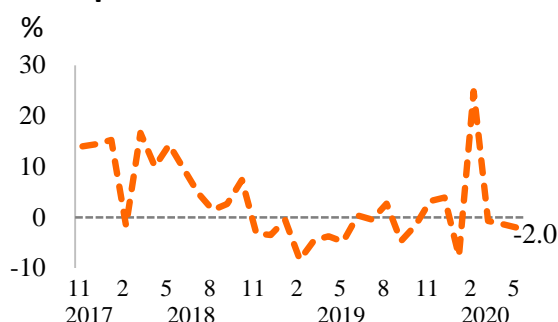
- According to the DGBAS' latest forecast, for the first quarter of 2020, real GDP grew by 1.59%. Furthermore, real GDP is projected to grow by 1.67% in 2020.
- The global COVID-19 pandemic has caused severe impacts to economic activities around the world. However, Taiwan's economy has been less affected because there have been no curfew or lockdown measures so far. Moreover, the relief and stimulus measures, emergence of e-commerce, food delivery services, and other stay-at-home demand have partly offset the impact of COVID-19.
- Taiwan's government is set to launch the "triple stimulus" voucher program that allows people to purchase NT\$3,000 worth of vouchers for just NT\$1,000. By encouraging spending and stimulating the economy, the program will help Taiwan to turn crisis into opportunity and safely weather the coronavirus pandemic.



Source: DGBAS.

## Main economic indicators

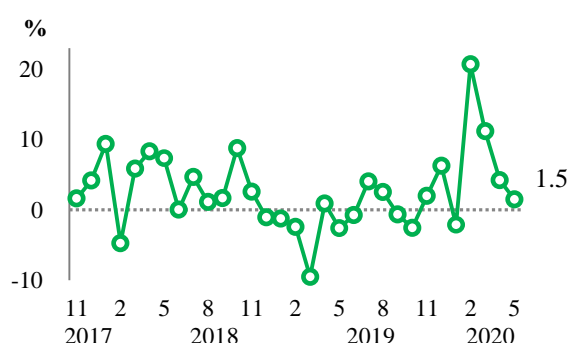
### Exports



### Exports Down for the 3rd Consecutive Month

- Total exports in May declined 2.0% year on year amid lower demand from overseas economies throttled by the COVID-19 pandemic.
- However, the product of the parts of electronic product grew by 13.2% in May, benefited from the strong global demand for electronics and semiconductors.

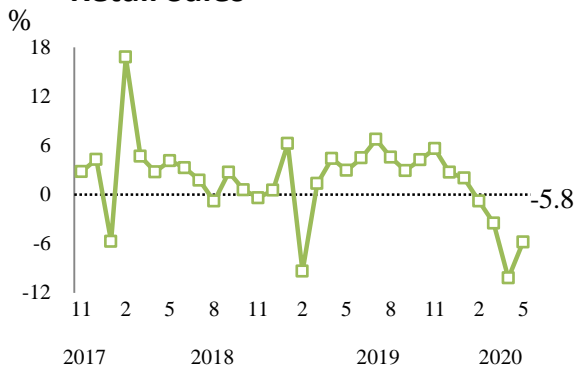
### Industrial Production



### Industrial Production Up for 4th Straight Month

- Industrial production index increased 1.5% year-on-year in May, mainly due to the demand for 5G networks, high-performance computing devices and demand for home-working equipment.
- By sector, the index for the electronics component industry rose by 22.15% yoy in May, while computers and optoelectronics makers increased 9.80%.

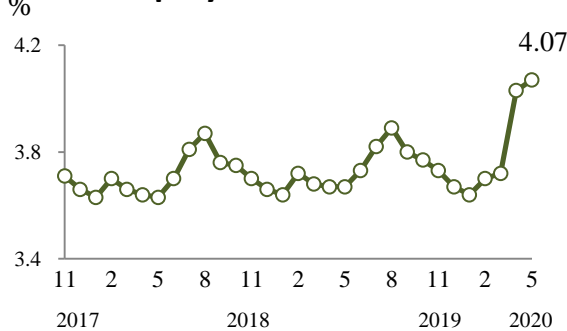
**• Retail Sales**



**Retail Sales Fall at a Slower Pace**

- Retail sales declined 5.8% year-on-year in May 2020, following a 10.2% slump in the previous month.
- The sector of general merchandise stores fell 1.9%, while electronic shopping and mail-order houses grew 22.2%.

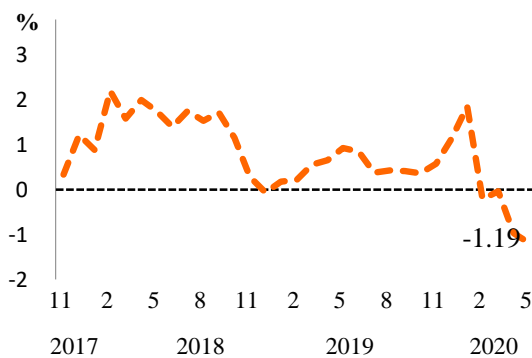
**• Unemployment Rate**



**Unemployment Rate Continues to Increase**

- The unemployment rate rose by 0.04 percentage points from a month earlier to 4.07% in May 2020.
- Although the number of people without jobs climbed, the pace somewhat flattened, indicating that the pinch of the virus outbreak is losing steam.

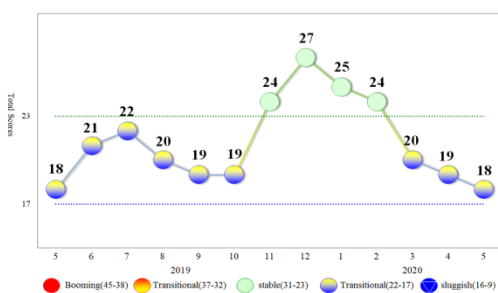
**• Inflation**



**CPI Falls for 4rd Straight Month**

- The CPI in May 2020, compared with the same month of 2019, decreased 1.19%, mainly because the price of fuels and lubricants fell 35.28%. The core CPI increased 0.08%, remaining in positive territory.
- Prices of vegetables, water, electricity and gas, as well as communication fees also fell 14.92%, 6.22%, and 4.63%, respectively.

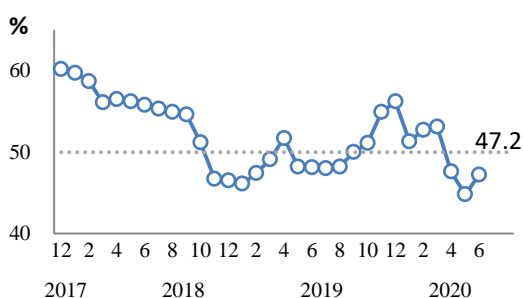
**• Business Indicators**



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

- In May 2020, the overall monitoring indicator continued to flash the “yellow-blue” signal, as the total score decreased one point to 18.
- The trend-adjusted leading index decreased for seven consecutive months and the coincident index decreased for six consecutive months.

**• Manufacturing PMI**



**Manufacturing PMI Remains in Contraction Zone**

- The manufacturing sector remained in contraction territory in June 2020 as the Taiwan Manufacturing PMI further rose 2.4 percentage points to 47.2%.