

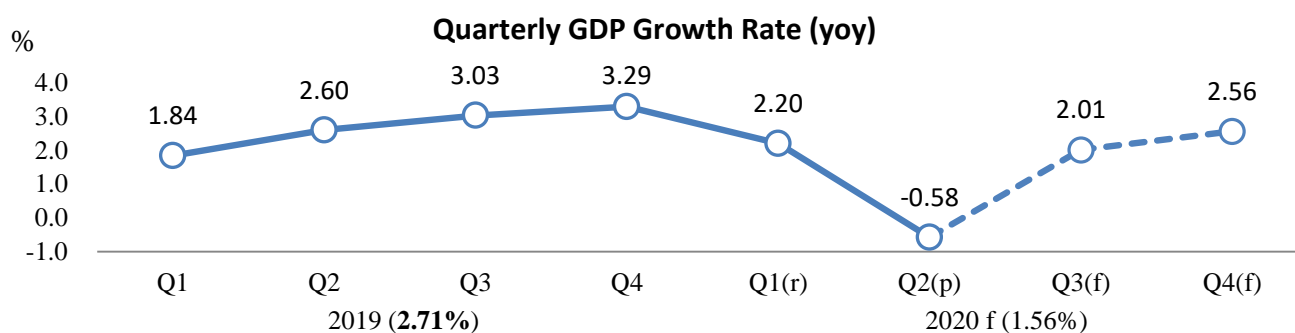


Taiwan Economy in a Snapshot

2020.10.7

Taiwan's Economic Situation and Outlook

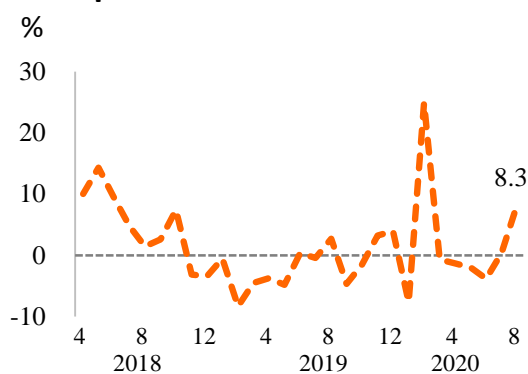
- According to the IHS Markit's latest forecast, the global economic growth rate is expected to contract by 4.8% in 2020, caused largely by the rapid and uncontrolled spread of COVID-19 globally in the first half of 2020. However, with the achievements in disease prevention, Taiwan's real GDP is projected to grow by 1.56% and 3.92% in 2020 and 2021, respectively.
- Taiwan government's relief efforts have effectively cushioned the blow of the pandemic and helped to shore up the economy and stabilize the job market. The government will also maintain a good investment environment, actively promote the six core strategic industries, transform Taiwan into a global high-tech R&D center, and other strategies to accelerate domestic industrial innovation and digital transformation to enhance investment opportunities and promote economic growth.



Source: DGBAS.

Main economic indicators

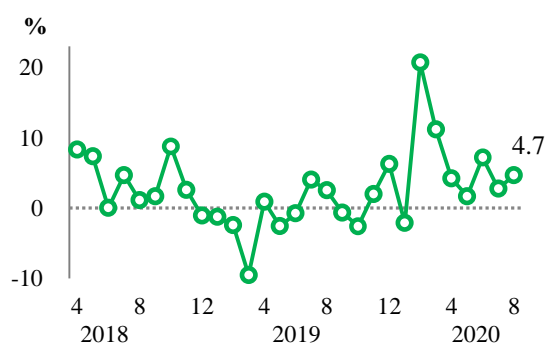
Exports



Exports Increased in August

- In August 2020, Taiwan's total exports increased by 8.3% year-on-year, supported by the recent spike in remote work and online learning, as well as outbound shipments for the consumer electronics industry's upcoming peak season.
- Exports of the information, communication and audio-video products, and parts of electronic products grew 21.0% and 19.1%, respectively.

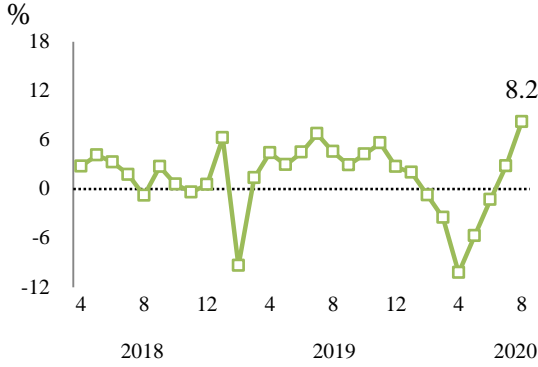
Industrial Production



Industrial Production Rebounded in August

- Industrial production index increased 4.7% year-on-year in August to post a seventh consecutive month of growth, mainly due to the strong international demand for 5G applications and high-performance computing (HPC) devices.
- By sector, the index for the electronics component and computers and optoelectronics rose by 17.9% and 4.2% in August, respectively.

• **Retail Sales**



Retail Sales Surprisingly Strong

- Retail sales rose 8.2% year-on-year in August 2020, benefited from the government’s ‘triple stimulus’ voucher program and the Ghost Month effect.
- The sector of motor vehicles, motorcycles stores and general merchandise stores grew 33.5% and 5.7% in August, respectively.

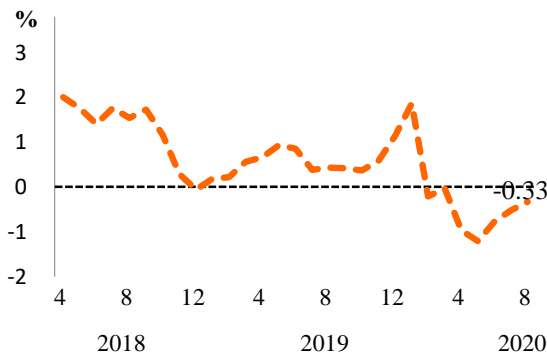
• **Unemployment Rate**



Unemployment Rate Edged Down Slightly

- The unemployment rate decreased by 0.01 percentage points from a month earlier to 3.99% in August 2020, as domestic economic activity accelerated amid eased concerns over the COVID-19 pandemic.

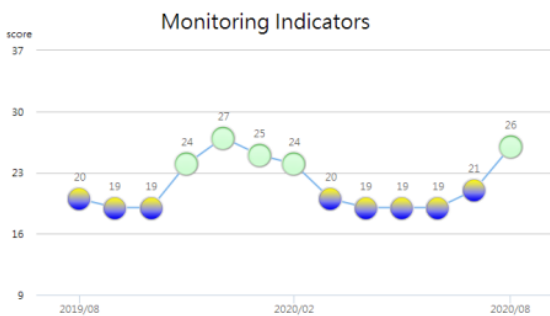
• **Inflation**



CPI Down for 7th Straight Month

- The CPI in August 2020, compared with the same month of 2019, decreased by 0.33%, mainly due to the economic impact of COVID-19 and a fall in international oil prices, while the core CPI increased 0.31%.
- Prices of fuels and lubricants, as well as entertainment expenses fell 15.03% and 2.92%, respectively.

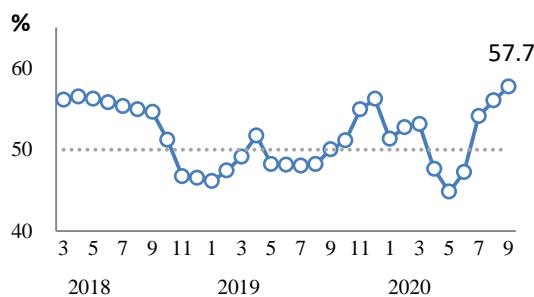
• **Business Indicators**



The Monitoring Indicator Flashed Green Signal

- In August 2020, the overall monitoring indicator changed to the “green” signal from the “yellow-blue” signal last month, as the total score increased five points to 26.
- The trend-adjusted leading index increased for five consecutive months and the coincident index increased for three consecutive months.

• **Manufacturing PMI**



Manufacturing PMI Reached 30-Month High

- Taiwan manufacturing sector expanded at the fastest pace since March 2018. The seasonally adjusted Taiwan Manufacturing PMI further increased 1.7 percentage points to 57.7 percent in September, indicating Taiwan manufacturing sector growing for three consecutive months.