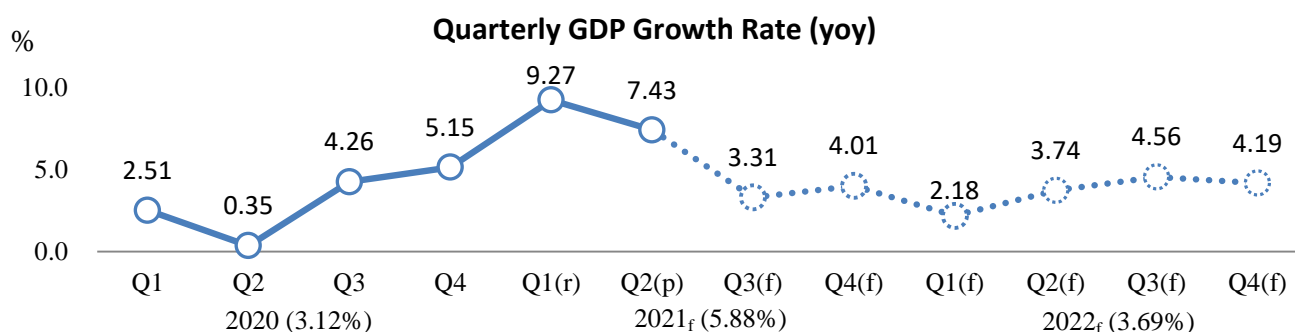




Taiwan Economy in a Snapshot

Taiwan's Economic Situation and Outlook

- According to the OECD's latest forecast, the global economic growth rate is projected to rise by 5.7% in 2021, backed by strong stimulus measures, the deployment of effective vaccines and the resumption of many economic activities. In addition, with the gradual recovery of the global economy and an outbreak of domestically transmitted COVID-19 cases contained, Taiwan's real GDP is projected to grow by 5.88% and 3.69% in 2021 and 2022, respectively.
- Due to the recent local COVID-19 outbreak have been more severe compared with 2020 and have had a significant impact on domestic demand industries, Taiwan's government is seeking to raise the relief special budget by NT\$160 billion (US\$5.8 billion), to protect the livelihoods of affected businesses and workers.

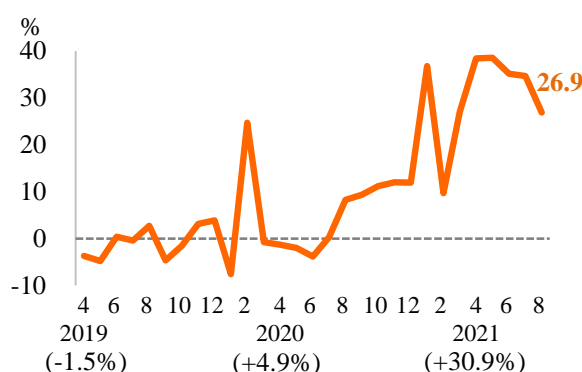


Note: (r) revised; (p) preliminary estimates; (f) forecasts

Source: DGBAS.

Main economic indicators

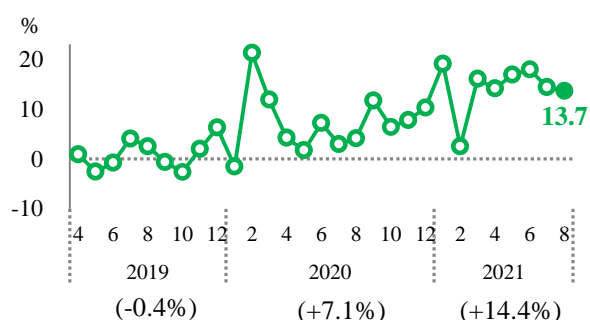
Exports



Merchandise Exports Keep Gathering Steam

- In August 2021, Taiwan's total exports expanded 26.9% year-on-year, buoyed by robust recovery in global economy and international trade. Besides, the trend in digital transformation has also accelerated the export momentum of related products.
- Exports of the parts of electronic products and information, communication and audio-video products grew 21.9% and 17.2%, respectively.

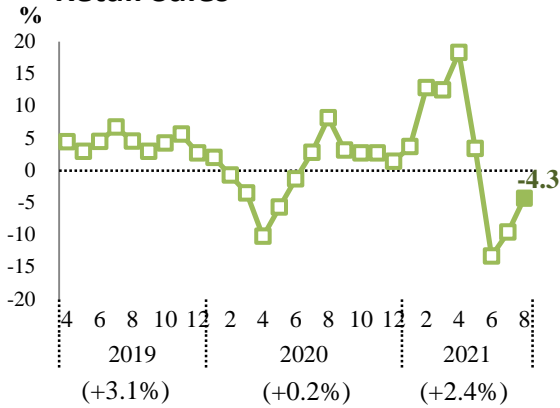
Industrial Production



Industrial Production Continues to Strengthen

- The industrial production index rose by 13.7% year-on-year in August 2021, marking the 19th consecutive month of year-on-year increase, driven by strong global demand for new technology and old economy items along with a general global recovery.
- By sector, the index for the electronic parts & components, the machinery & equipment and the motor vehicles & parts rose by 14.9%, 31.6% and 29.9%, respectively.

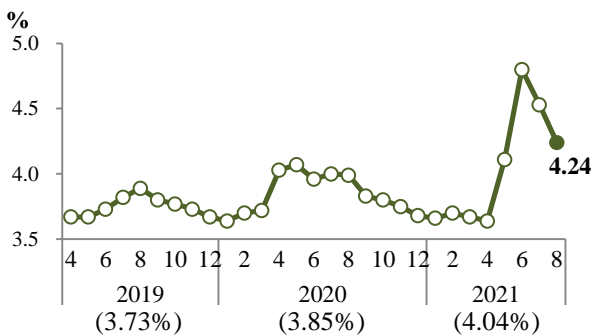
• **Retail Sales**



Retail Sales Gradually Recover

- Retail sales dropped by 4.3% year-on-year in August 2021. Domestic consumption weakened due to the level 3 alert constraints and the Ghost Month effect, as well as the effect of a high base last year; however with the easing of measures, the rebound is expectable.
- On the other hand, sales in e-commerce, supermarkets and hypermarkets increased from the restriction, at rate of 17.6%, 10.6%, and 4.1% respectively, which partly offset the impact of COVID-19.

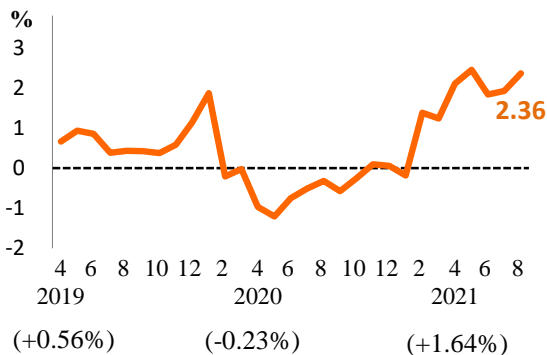
• **Unemployment Rate**



Unemployment Rate Improves

- The unemployment rate decreased by 0.29 percentage points from a month earlier to 4.24% in August 2021, falling for 2nd straight month, as the impact of an outbreak domestically transmitted COVID-19 subsides.

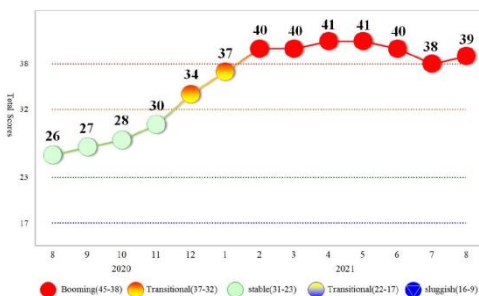
• **Inflation**



Prices Rose Moderately

- The CPI rose 2.36% year-on-year in August 2021, mainly owing to the price increases in vegetables and fruits due to Typhoon Lupit and Ghost Festival. The core CPI expanded 1.33%.
- Although it was the third time that CPI rose by over 2% in 2021, the main reason is the low base effect.

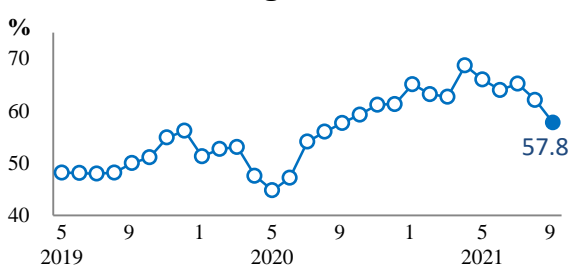
• **Business Indicators**



The Monitoring Indicator Remains Red Signal

- In August 2021, the overall monitoring indicator continued to flash the “red” signal, the total score increased one point to 39.
- The trend-adjusted leading index increased for the first time in eight months and the coincident index decreased for five consecutive months.

• **Manufacturing PMI**



Manufacturing PMI Keeps Expansionary Pace

- The seasonally adjusted Taiwan Manufacturing PMI expanded for fifteen consecutive months while the index further decreased 4.3 percentage points to 57.8 percent and registered the slowest growth rate since October 2020.