

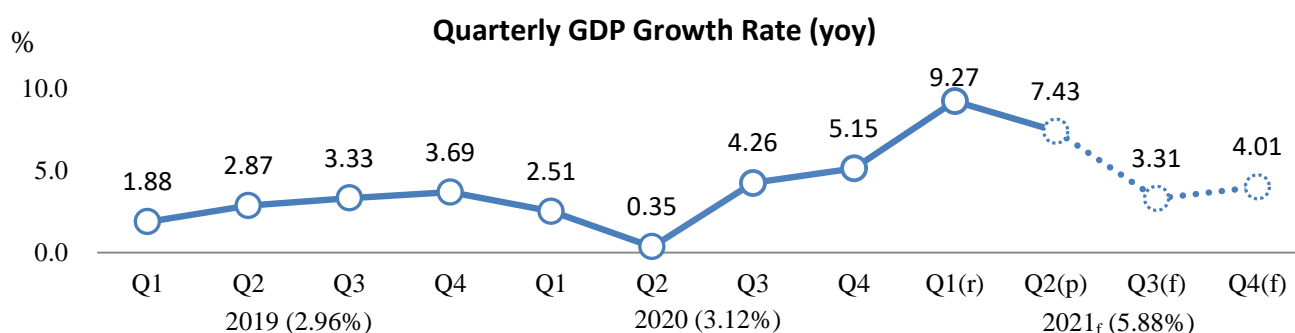


2021.9.13

Taiwan Economy in a Snapshot

Taiwan's Economic Situation and Outlook

- For the second quarter of 2021, the real GDP grew by 7.43%. With better-than-expected exports and investment, as well as the easing domestic COVID-19 alert level, rapid rollout of vaccines, and effective economic relief/stimulus packages, the annual growth forecast of GDP for 2021 is upwardly revised to 5.88% by the DGBAS.
- As global trade has been recovering its momentum and the demand for high-end technological goods and electronic parts, Taiwan's monthly export continues to break historical record. Despite the US-China political tension and resurgence of pandemic due to the Delta variant, the international trend of digital and green transformation is expected to be the strength of trade expansion, which helps Taiwan keep a steady pace to impressive economic growth.

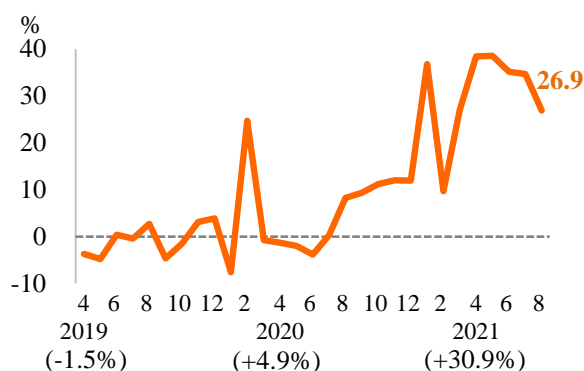


Note: (r) revised; (p) preliminary estimates; (f) forecasts

Source: DGBAS.

Main economic indicators

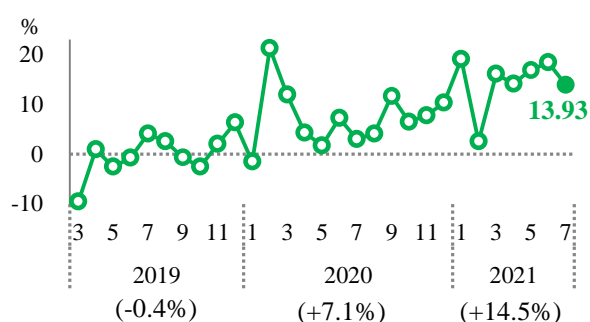
Exports



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.

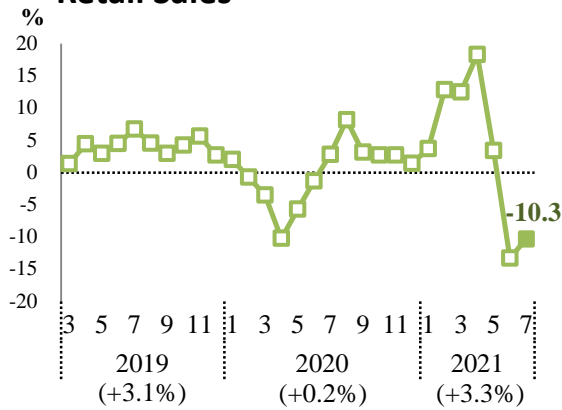
Industrial Production



Industrial Production Continues to Strengthen

- Industrial production index rose by 13.93% year-on-year in July 2021, marking the 18th consecutive month of year-on-year increase, with the sub-index for the manufacturing sector up 15.02%.
- By sector, the index for the electronic parts & components, the machinery & equipment and the motor vehicles & parts rose by 16.80%, 29.02% and 22.06%, respectively.

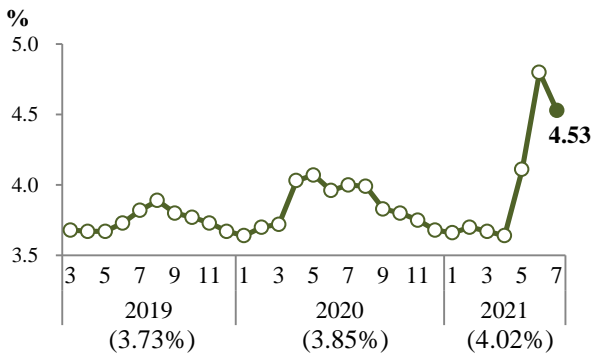
• **Retail Sales**



Retail Sales Gradually Recover

- Retail sales dropped by 10.3% year-on-year in July 2021. Domestic consumption weakened due to the level 3 alert constraints; 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 23.4%, 19.9%, and 9.1% respectively, which partly offset the impact of COVID-19.

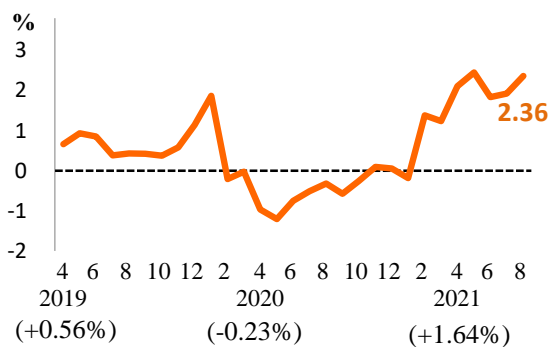
• **Unemployment Rate**



Unemployment Rate Improves

- Since the mid-May domestic COVID-19 outbreak, the unemployment rate has been increasing. However just like retail sales, unemployment will be improved in the foreseeable future, just as a slight fall to 4.53% in July.
- The number of the unemployed decreased by 29,000 from June, with gradual falling domestic COVID-19 cases and easing measures.

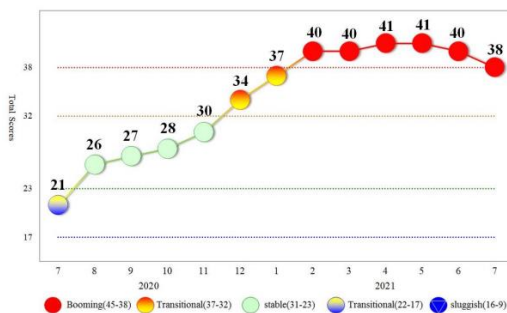
• **Inflation**



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.

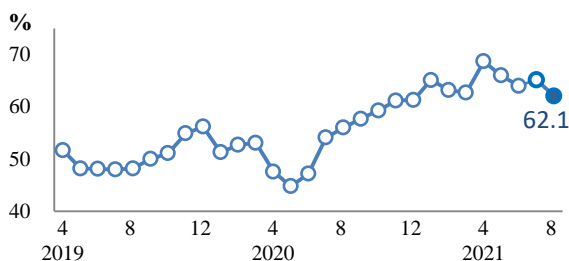
• **Business Indicators**



The Monitoring Indicator Remains Red Signal

- In July 2021, the overall monitoring indicator continued to flash the “red” signal, with the total score falling two points to 38.
- The trend-adjusted leading index dropped for six consecutive months and the coincident index decreased for four consecutive months.

• **Manufacturing PMI**



Manufacturing PMI Keeps Expansionary Pace

- The seasonally adjusted Taiwan Manufacturing PMI decreased with a 3.1-percentage-point fall to 62.1% in August and has been remaining above 60.0% for ten consecutive months.