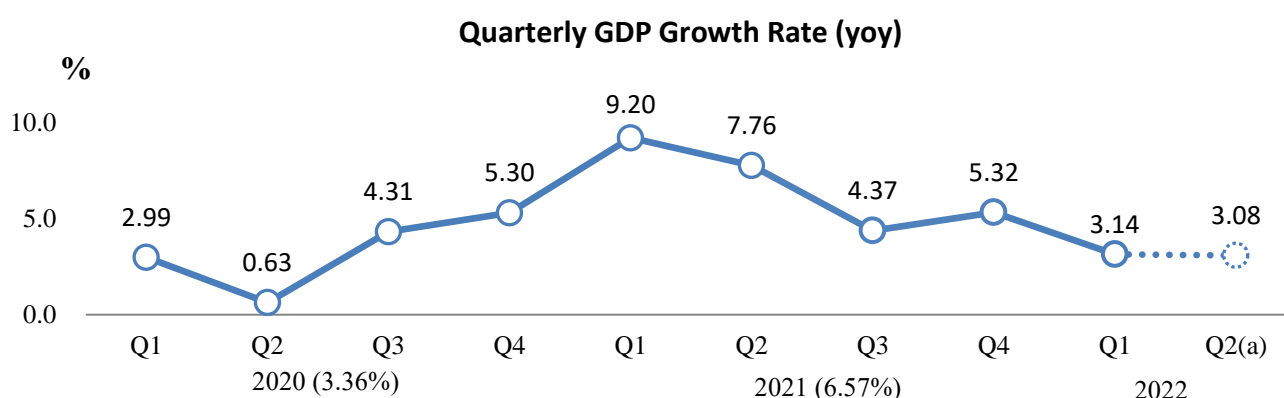




Taiwan's Economic Situation and Outlook

- For the second quarter of 2022, the real GDP grew by 3.08%, revised downward 0.23 percentage points from the previous forecast, mainly due to supply chain woes and a domestic surge in COVID-19 cases.
- Following the impact of the Russia-Ukraine war, soaring worldwide inflation and tight monetary policies adopted by major countries, global economic growth has clearly slowed. However, Taiwan's economy will remain solid mainly because of the growing domestic investment and anticipated strong demand due to the improving COVID-19 situation in Taiwan, as well as the rollout of a domestic tourism stimulus package in July and the benefit from summer vacations on consumption.

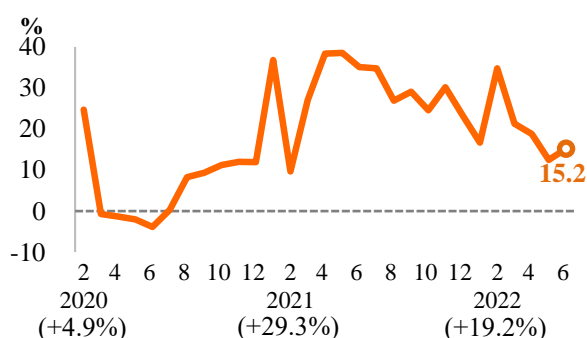


Note: (a) advance estimate.

Source: DGBAS.

Main economic indicators

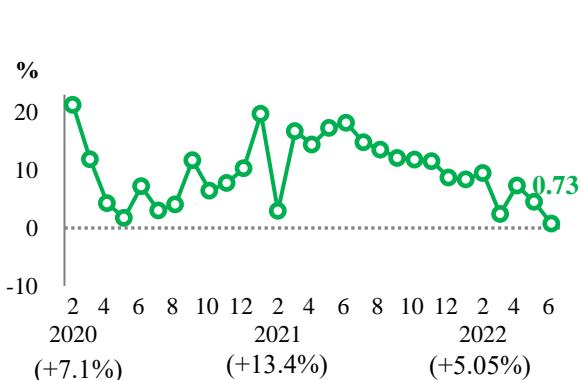
Exports



Exports Expands for 24th Straight Month

- In June 2022, Taiwan's total exports increased by 15.2% year-on-year, mainly supported by strong technology demand, especially for chips, with supply chain problems easing.
- Exports of the parts of electronic products and information, communication and audio-video products grew 19.0% and 9.1%, respectively.

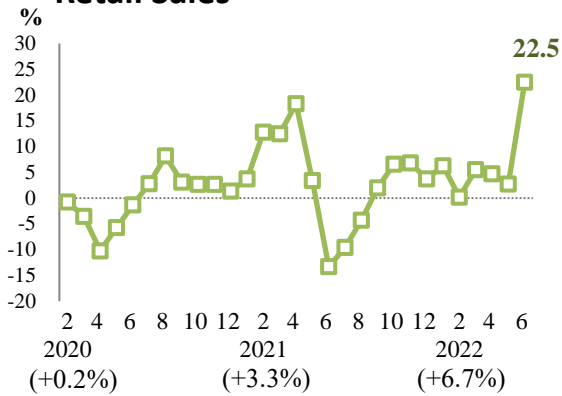
Industrial Production



Industrial Production Increases Continually

- The industrial production index increased 0.73% year-on-year in June 2022, marking the 29th consecutive month of annual growth, mainly driven by strong demand for new technological applications and enterprise digitalization.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products rose by 3.54% and 19.05%, respectively.

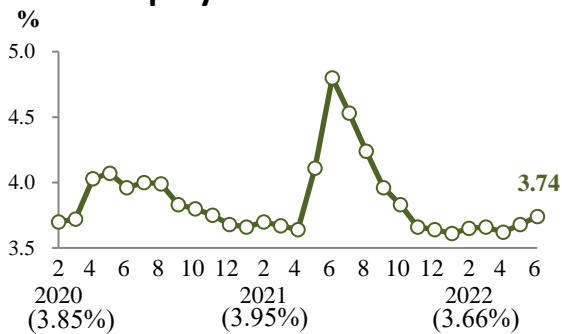
• **Retail Sales**



Retail Sales Hit High

- Retail sales rose 22.5% year-on-year in June 2022. The record growth rate reflected low base year effects and the return of consumers to shops amid a slowing local pandemic.
- The sector of department stores and textiles and clothing in specialized stores grew 173.8% and 130.7%, respectively.

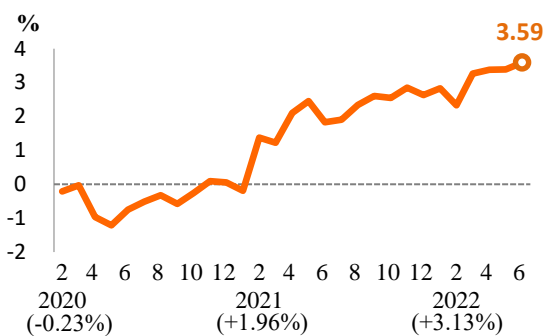
• **Unemployment Rate**



Labor Market Remains Stable

- The unemployment rate rose by 0.06 percentage points from a month earlier to 3.74% in June 2022, driven by an increase in first-time jobseekers, business downsizing and closures, as well as lingering COVID-19 infections also weighed on the job market.

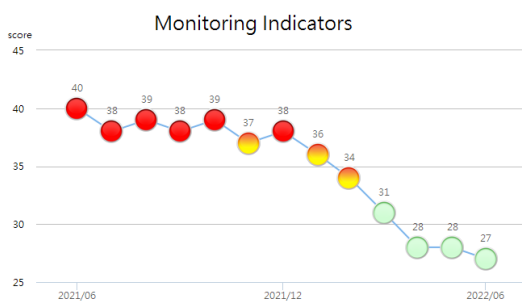
• **Inflation**



Inflation Pressure Rises

- The CPI rose by 3.59% year-on-year in June 2022, mainly due to continuous increases in food prices, such as fruit and restaurant meal prices, coupled with higher rent, fuel cost, and rises in electricity rates.
- The core CPI expanded 2.77%, indicating higher pressure of inflation.

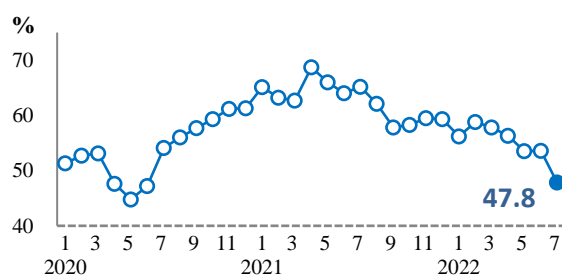
• **Business Indicators**



The Monitoring Indicator Remains Green Signal

- In June 2022, the overall monitoring indicator continued to flash the “green” signal, the total score same as the last month is 27.
- The trend-adjusted leading index decreased for eight consecutive months and the coincident index decreased for five consecutive months.

• **Manufacturing PMI**



Manufacturing PMI Turns to Contract

- Taiwan's manufacturing sector fell to contraction mode in July, ending a 24-month expansion streak.
- The seasonally adjusted Taiwan Manufacturing PMI fell 5.8 percentage points to 47.8 percent in July 2022, marking the steepest month-on-month fall since the tally began in July 2012.