

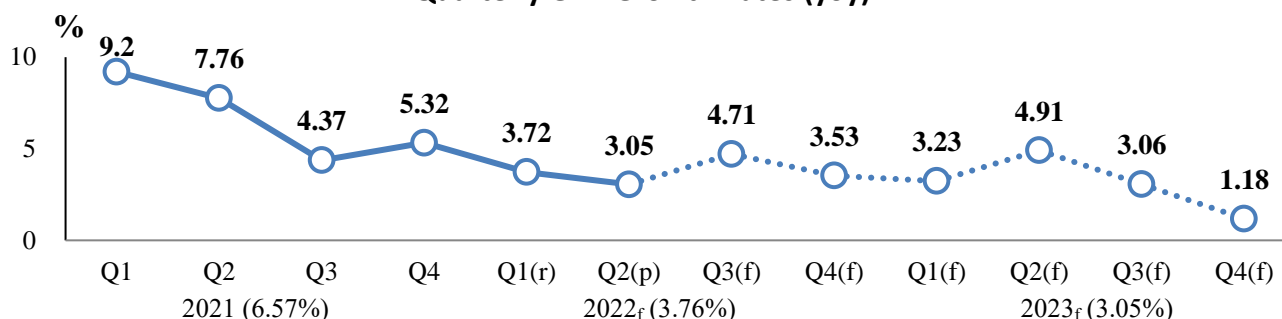


Taiwan Economy in a Snapshot

Taiwan's Economic Situation and Outlook

- According to the latest forecast by DGBAS in August, the real GDP is projected to grow by 3.76% in 2022 and 3.05% in 2023 respectively, a downgrade from the previous forecast in 2020, owing to the supply chain disruption caused by the Russo-Ukrainian war and lockdowns in China, ubiquitous hikes in interest rates, and expectations on moderate growth of the global economy in 2023.
- As the Central Bank has lifted interest rate 3 times totally by 50 basis points in 2022, in order to reduce the burden on the borrowers, the Executive Yuan continues to provide interest subsidy to outstanding loans, including loans for startup funding for young entrepreneurs, student loans, and those COVID-19 related loans. The government is committed to support those in need through the difficulties.

Quarterly GDP Growth Rates (yoy)

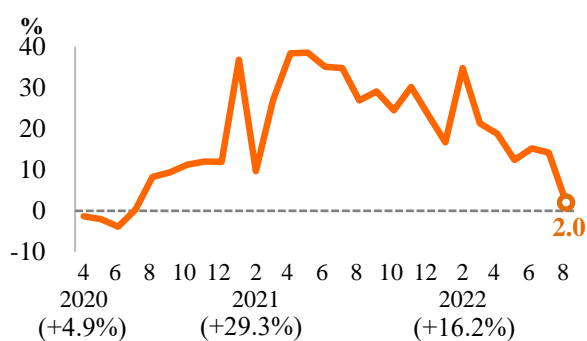


Note: (r) represents revised version; (p) represents preliminary version; (f) represents forecast.

Source: DGBAS.

Main economic indicators

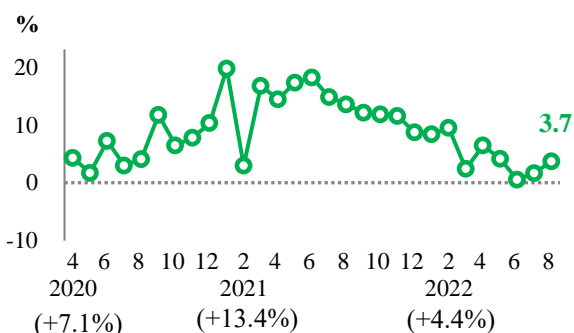
Exports



Exports Growth Slows Down

- In August 2022, Taiwan's total exports increased by 2.0% year-on-year as the demand for electronic and mineral products remained strong, balanced by the contraction of base metals and plastics.
- Exports of the parts of electronic products and mineral products grew by 12.0% and 91.9%, respectively.

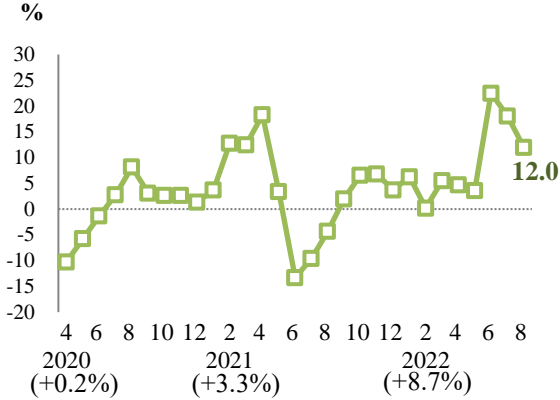
Industrial Production



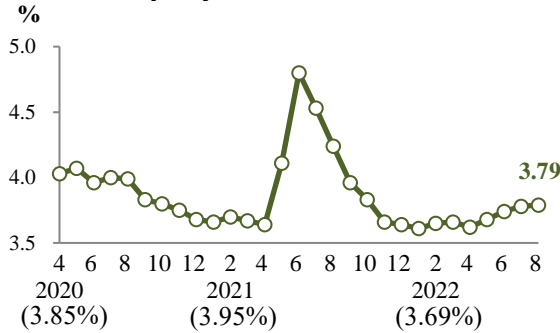
Industrial Production Increases Continually

- The industrial production index increased 3.7% year-on-year in August 2022, marking the 31st consecutive month of annual growth, owing to the demand for innovative technology and digital transformation.
- The indices for the electronic parts & components and the computers, electronic & optical products rose by 14.5% and 19.3%, respectively.

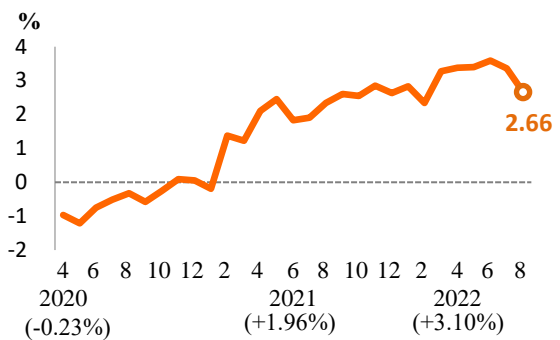
• **Retail Sales**



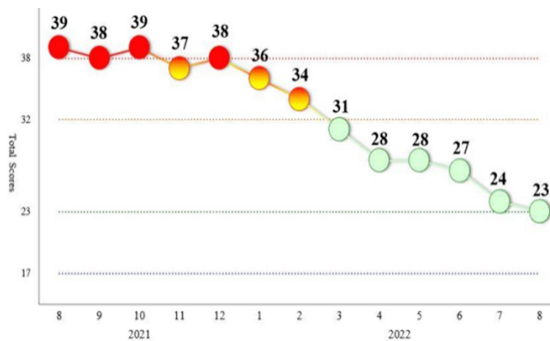
• **Unemployment Rate**



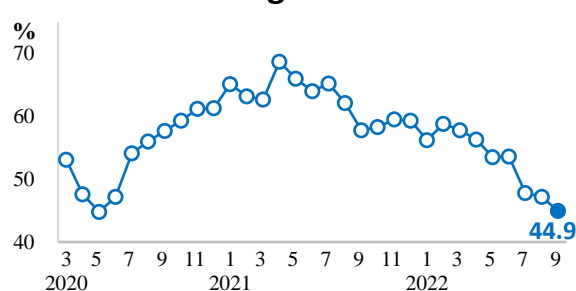
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



Retail Sales Continue to Increase

- Retail sales rose 12.0% year-on-year in August 2022 to post the 12th consecutive month of growth, thanks to the promotion activities, low base effect, and strong demand for high-end clothing.
- The sector of department stores and textiles and clothing in specialized stores grew 30.2% and 30.2%, respectively.

Labor Market Remains Stable

- The unemployment rate slightly increased by 0.01 percentage point from the previous month to 3.79% in August 2022, driven by an increase in first-time jobseekers.
- The overall labor market has recently remained stable.

Inflation Starts to Moderate

- The CPI rose by 2.66% year-on-year in August 2022, mainly driven by higher prices of fruits, meats, eggs, fuels, rents, and housewares. Growth in CPI has moderated for 2 months in a row.
- The core CPI expanded 2.73%, remaining the same as in July.

The Monitoring Indicator Remains Green Signal

- In August 2022, the overall monitoring indicator continued to flash the “green” signal, the total score decreased by 1 point to 23.
- The trend-adjusted leading index decreased for ten consecutive months and the coincident index decreased for seven consecutive months.

Manufacturing PMI Continues to Contract

- Taiwan's manufacturing sector contracted for 3 consecutive months as the seasonally adjusted PMI further decreased by 2.3 percentage points to 44.9 percent in September.
- Although all the six industries reported contraction this time, the decrease seems to be on the way to stability in these two months.