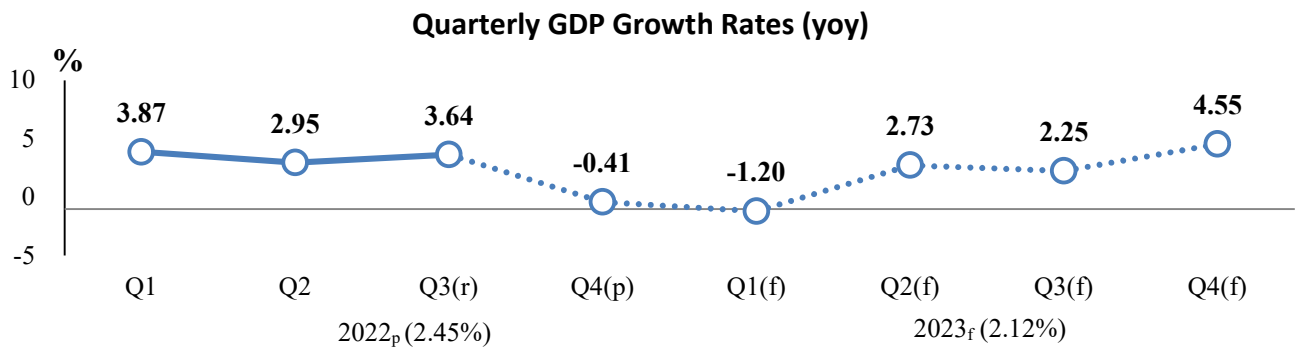


Taiwan's Economic Situation and Outlook

- Global economic growth is projected to slow down due to the ongoing war in Ukraine and tightening monetary policies against inflation in many countries. According to the IMF, the world trade volume is projected to grow by 2.4% in 2023, lower than 5.4% in 2022.
- According to DGBAS latest forecast, the real GDP grew by 2.12% in 2023, mainly driven by consumption growth. As domestic COVID-19 control measures are eased, consumption is returning to normality. However, investment and export growth may slow down due to the uncertainty toward the global outlook.
- The Legislative Yuan passed the government's a special budget of NT\$379.9 billion (US\$12.51 billion) on 24th March, which will be helpful to enhance Taiwan's economic and social resilience in the post COVID-19 era.

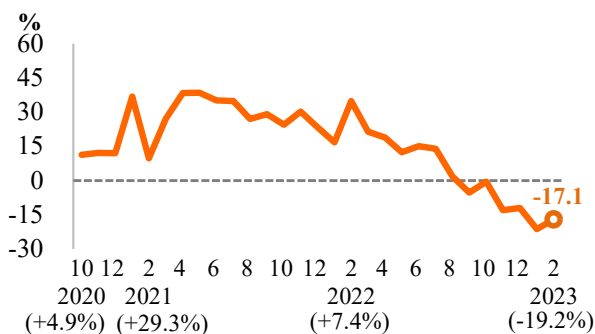


Note: (p) indicates preliminary version, (f) indicates forecasts.

Source: DGBAS.

Main economic indicators

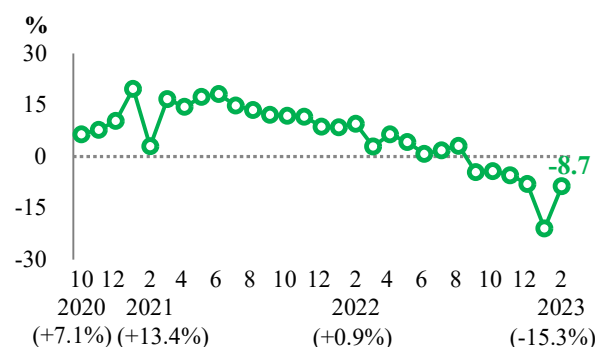
Exports



Export Continue to Negative Growth

- In February 2023, Taiwan's total exports decreased by 17.1% year-on-year, 6th consecutive month of negative growth, as global demand slow down and the industry chain continues to adjust inventory.
- Exports of the parts of electronic product and information, communication and audio-video products decreased by 17.8% and 9.0%, respectively.

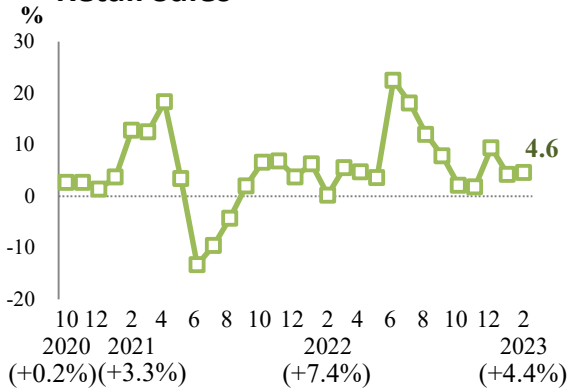
Industrial Production



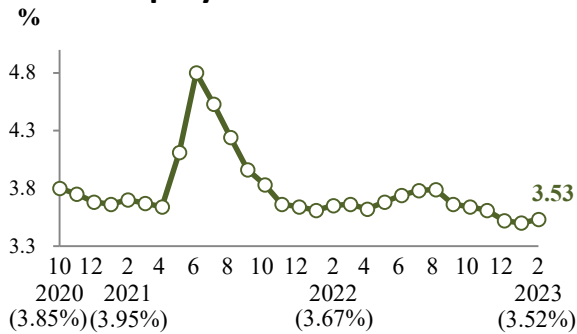
Industrial Production Slows

- The industrial production index decreased 8.7% year-on-year in February 2023, as the momentum of global demand slows, which led to supply chain inventory adjustments and industry plans to reduce production.
- By sector, the index for the electronic parts & components decreased by 18.74% and the computers, electronic & optical products and increased by 11.79%, respectively.

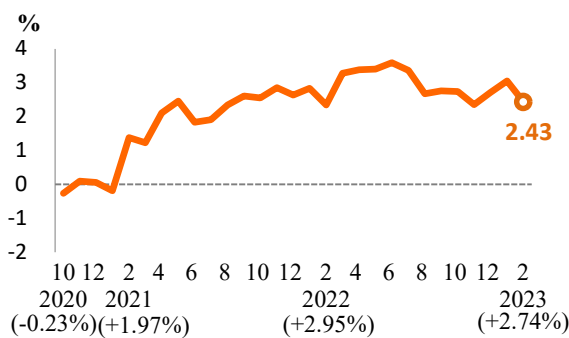
• **Retail Sales**



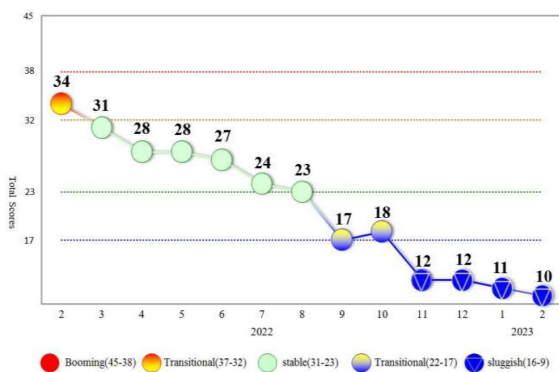
• **Unemployment Rate**



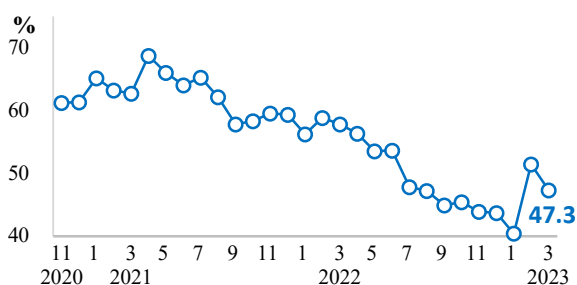
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



Retail Sales Continue to Increase

- Retail sales rose 4.6% year-on-year in February 2023 to post the 18th consecutive month of growth. However, some retail industries showed negative growth due to the high base period of Lunar New Year last year.
- The sector of Motor Vehicles, motorcycles and related parts and accessories in specialized stores grew 26.9%.

Labor Market Remains Stable

- The unemployment rate rose by 0.03 percentage points from a month earlier to 3.53% in February 2023, mainly because some workers change careers after Lunar New Year and end of temporary work.
- The overall labor market has recently remained stable.

CPI Rises Moderately

- The CPI rose by 2.43% year-on-year in February 2023, mainly because the indices for meats and food away from home rose 5.13% and 3.85%, respectively.
- The core CPI expanded 2.55%.

The Monitoring Indicator Flashes Blue Signal

- In February 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score decreased 1 point to 10. The trend-adjusted leading index increased for four consecutive months and the coincident index decreased for thirteen consecutive months.

Manufacturing PMI Turns to Contraction

- Taiwan's manufacturing sector fell to contraction in March, ending a month expansion.
- The seasonally adjusted Taiwan Manufacturing PMI fell 4.1 percentage points to 47.3 percent in March 2023.