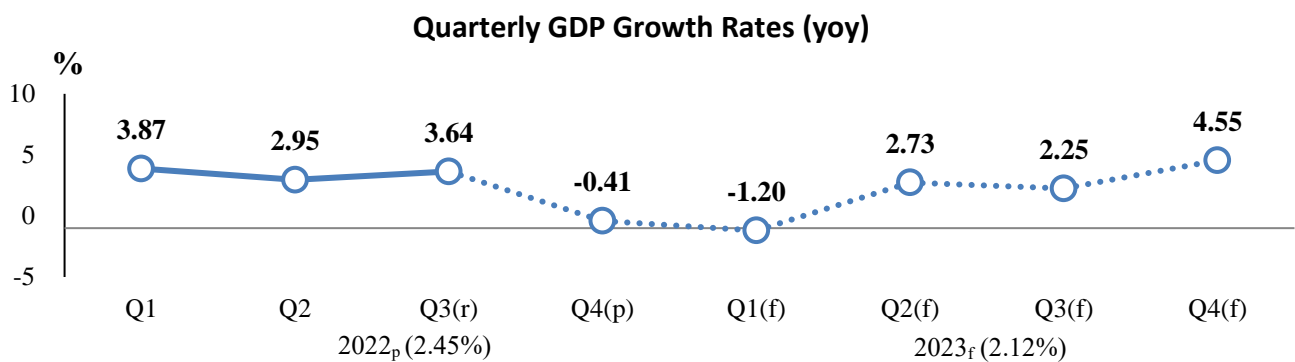




Taiwan's Economic Situation and Outlook

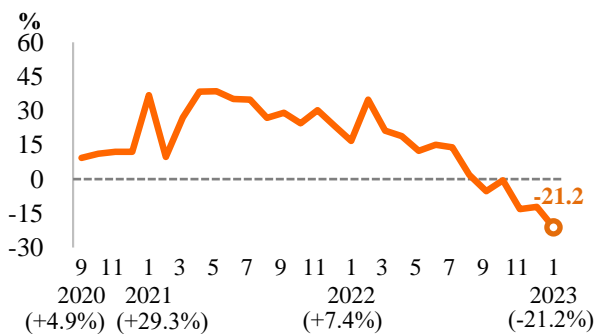
- Taiwan's GDP contracted by 0.41% in the fourth quarter of 2022. For the whole 2022, real GDP grew by 2.45%, a marked slowdown from 6.53% growth in 2021. Meanwhile, the real GDP is projected to grow by 2.12% in 2023, downward revised by 0.63 percentage points from the previous forecast, as global demand weakens.
- To enhance Taiwan's economic and social resilience in the post COVID-19 era, Taiwan's government passed a special budget request to appropriate a NT\$380 billion (US\$12.5 billion) post-pandemic stimulus package, which will include a cash subsidy of NT\$6,000 to Taiwanese citizens and eligible foreign nationals.



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

Main economic indicators

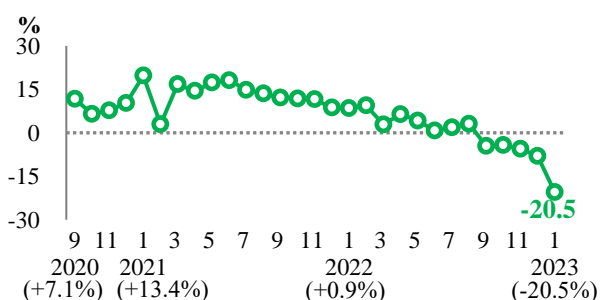
Exports



Export Continue to Negative Growth

- In January 2023, Taiwan's total exports decreased by 21.2% year-on-year, 5th consecutive month of negative growth, as waning global demand for technology products and the long holidays of the Lunar New Year.
- Exports of the parts of electronic product and information, communication and audio-video products decreased by 20.1% and 10.4%, respectively.

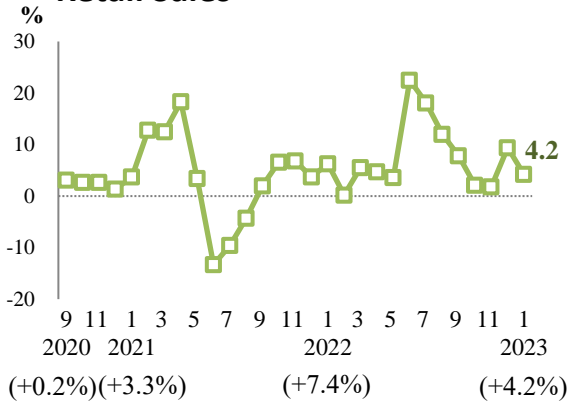
Industrial Production



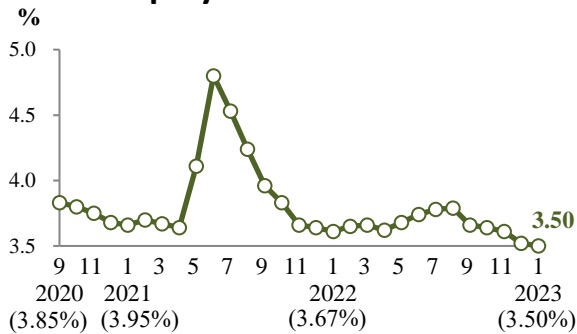
Industrial Production Slumps

- The industrial production index decreased 20.5% year-on-year in January 2023, due to semiconductor supply chain inventory adjustments and fewer working days.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products decreased by 19.7% and 12.23%, respectively.

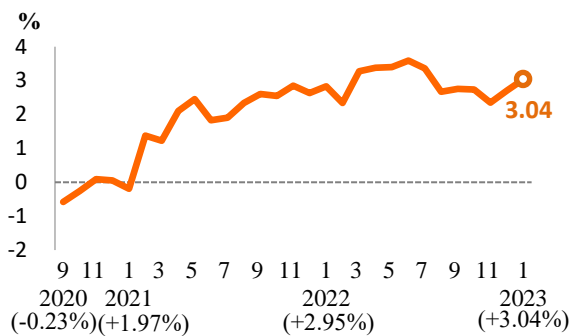
• Retail Sales



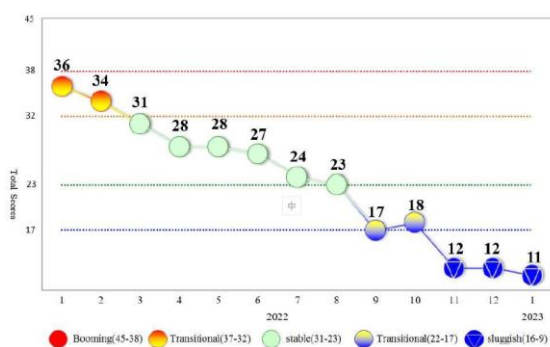
• Unemployment Rate



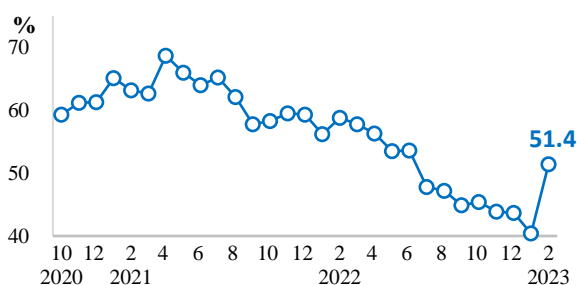
• Inflation



• Business Indicators



• Manufacturing PMI



Retail Sales Continue to Increase

- Retail sales rose 4.2% year-on-year in January 2023 to post the 17th consecutive month of growth, backed by peak consumer spending ahead of the Lunar New Year holiday and sales of thermal products due to cold weather.
- The sector of other general merchandise stores and textiles and clothing in specialized stores grew 16.3% and 22.8%, respectively.

Labor Market Remains Stable

- The unemployment rate fell 0.02 percentage points from a month earlier to 3.50% in January 2023, the lowest level for January in 22 years, as fewer people lost their jobs due to business downsizing or closures.
- The overall labor market has recently remained stable.

CPI Rises Moderately

- The CPI rose by 3.04% year-on-year in January 2023, due to soaring vegetable price and seasonal factors influenced by the Lunar New Year holiday.
- The core CPI expanded 2.98%.

The Monitoring Indicator Flashes Blue Signal

- In January 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score decreased 1 point to 11. The trend-adjusted leading index increased for three consecutive months and the coincident index decreased for twelve consecutive months.

Manufacturing PMI Returns to Expansion Mode

- The Taiwan manufacturing sector turned to growth following seven consecutive months of contraction as the seasonally adjusted Taiwan Manufacturing PMI increased 11.0 percentage points to 51.4 percent in February.