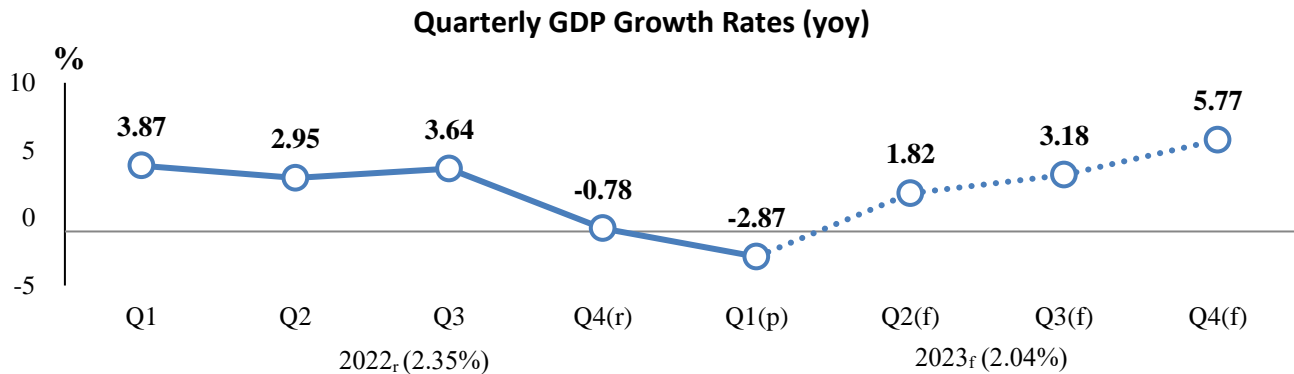




## Taiwan's Economic Situation and Outlook

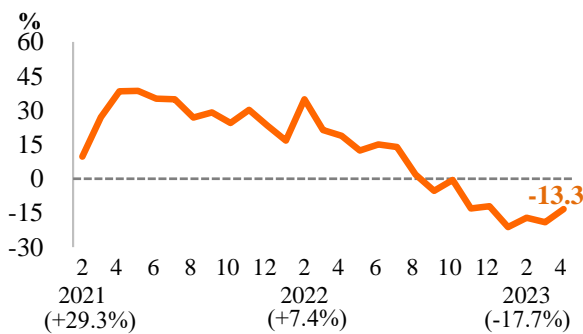
- For the first quarter of 2023, the real GDP contracted by 2.87%, revised upward 0.15 percentage points from the previous forecast. According to DGBAS latest forecast, the real GDP is projected to grow by 2.04% in 2023, a downgrade from a previous forecast of 2.12% made in February 2023, as investment and export growth may slow down due to the weakening global demand and inventory adjustment.



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

## Main economic indicators

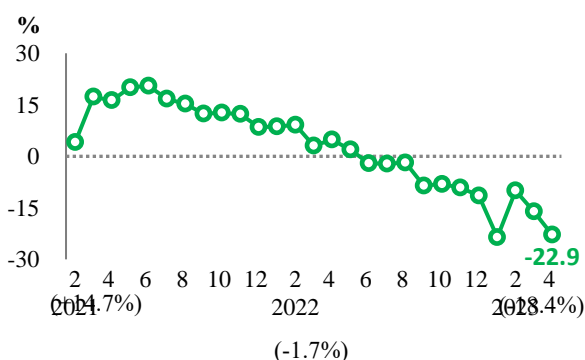
### Exports



### Exports Continue to Negative Growth

- In April 2023, Taiwan's total exports decreased by 13.3% year-on-year, 8<sup>th</sup> 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 Base Metals and Articles of Base Meta decreased by 8.6% and 25.2%, respectively.

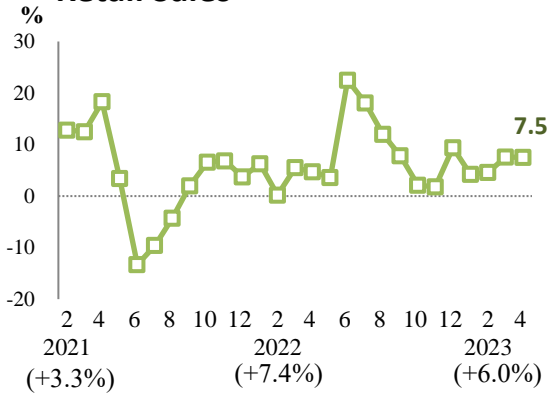
### Industrial Production



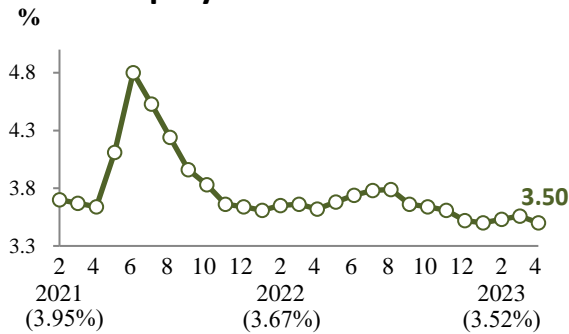
### Industrial Production Slows

- The industrial production index decreased 22.9% year-on-year in April 2023, mainly due to the demand for terminal products is sluggish and supply chain inventory adjustments.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products decreased by 31.1% and 14.0%, respectively.

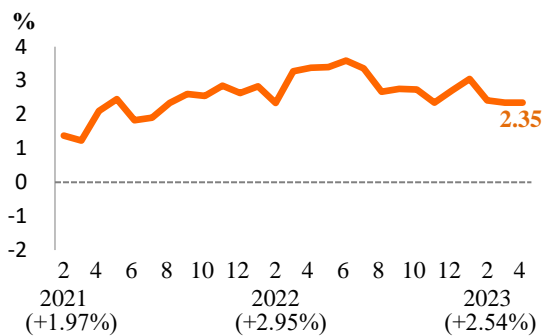
• **Retail Sales**



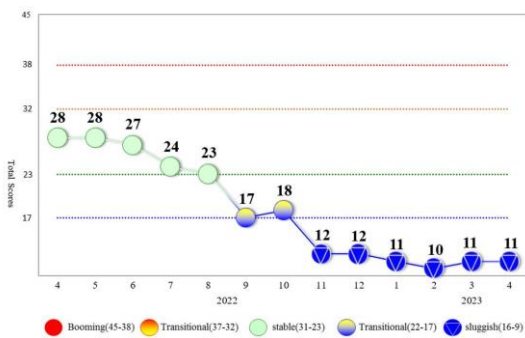
• **Unemployment Rate**



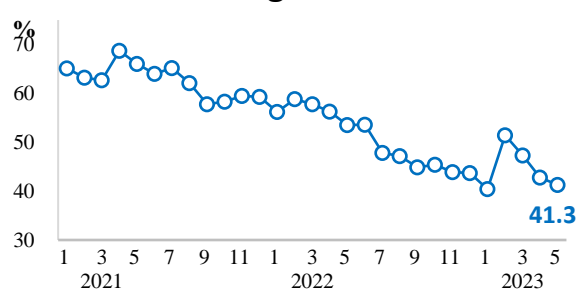
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



**Retail Sales Continue to Increase**

- Retail sales rose 7.5% year-on-year in April 2023 to post the 20<sup>th</sup> consecutive month of growth, mainly driven by sales of general merchandise stores, especially department stores.
- Other growth drivers were rising consumption of textiles and clothing, and vehicles, motorcycles and related parts.

**Labor Market Remains Stable**

- The unemployment rate fell 0.06 percentage points from a month earlier to 3.5% in April 2023, the lowest level for April in 23 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 2.35% year-on-year in April 2023, mainly because the indices for eggs and meats rose 29.51% and 8.54%, respectively. The index for services for entertainment also rose 5.26% due to the increase in demand.
- The core CPI expanded 2.72%.

**The Monitoring Indicator Flashes Blue Signal**

- In April 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score same as the last month is 11. The trend-adjusted leading index increased for six consecutive months and the coincident index decreased for fifteen consecutive months.

**Manufacturing PMI Continues to Contract**

- Taiwan's manufacturing sector contracted for the third consecutive month while the seasonally adjusted Taiwan Manufacturing PMI fell by 1.5 percentage points to 41.3 percent in May.