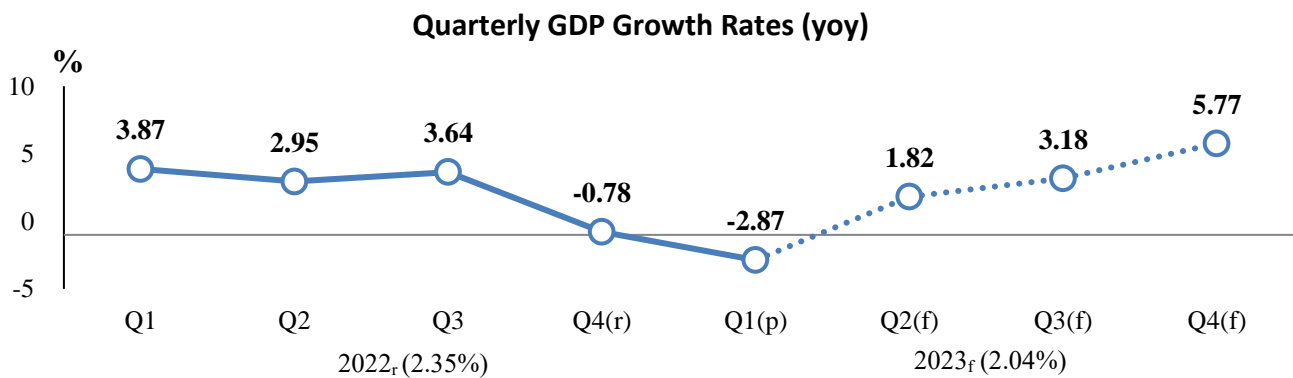




Taiwan's Economic Situation and Outlook

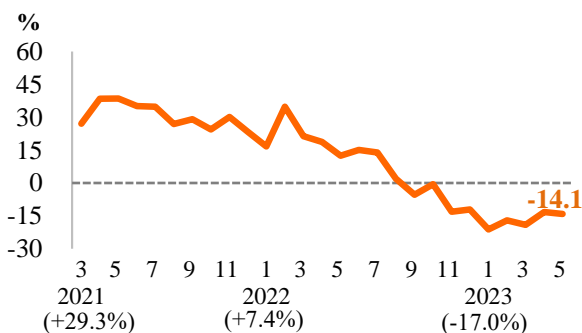
- Global economic and trade growth remains slow, impacting Taiwan's export and industrial production momentum. Private investment turns cautious. However, as people gradually return to normal life and with stable labor markets and the government's universal cash remittance, domestic consumption is expected to expand steadily. In addition, the main economic institutions forecast that Taiwan's real GDP growth in 2023 between 1.0% and 2.3%.
- On June 1, 2023, Taiwan and the U.S. signed the first agreement under the U.S.-Taiwan Initiative on 21st-Century Trade. This initiative marks the most comprehensive trade agreement signed between Taiwan and the U.S. since 1979 and represents a critical step towards signing similar trade agreements with other major trading countries.



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

Main economic indicators

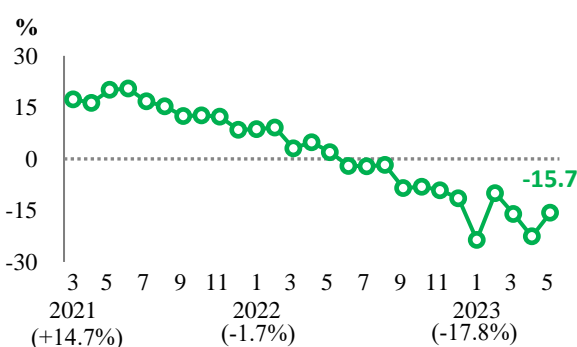
Exports



Exports Continue to Negative Growth

- In May 2023, Taiwan's total exports decreased by 14.1% year-on-year, 9th consecutive month of negative growth, as demand for electronics and non-tech products remained tepid amid a low season and global economic weakness.
- Exports of the parts of electronic product and the base metals & articles of base metal decreased by 9.9% and 24.6%, respectively.

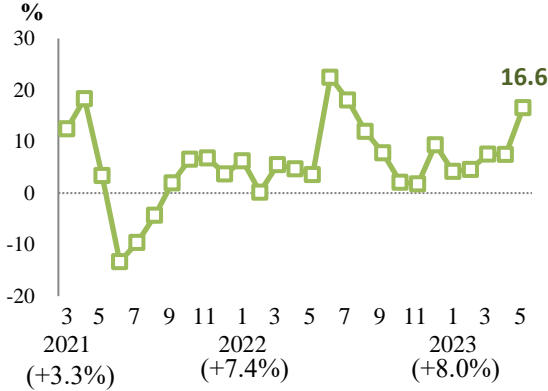
Industrial Production



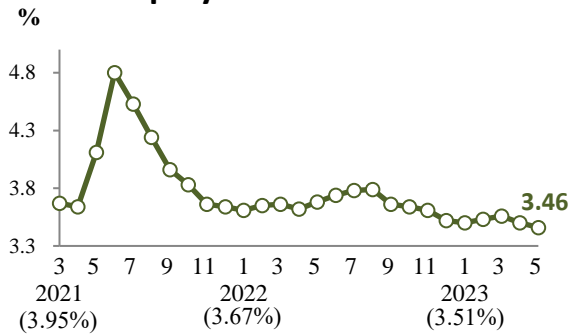
Industrial Production Slows

- The industrial production index decreased 15.7% year-on-year in May 2023, as sluggish global demand and inventory adjustments in supply chains.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products decreased by 24.4% and 0.8%, respectively.

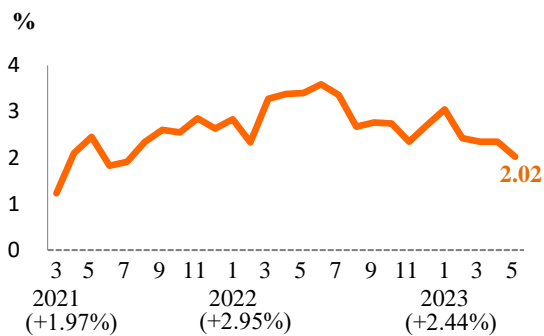
• **Retail Sales**



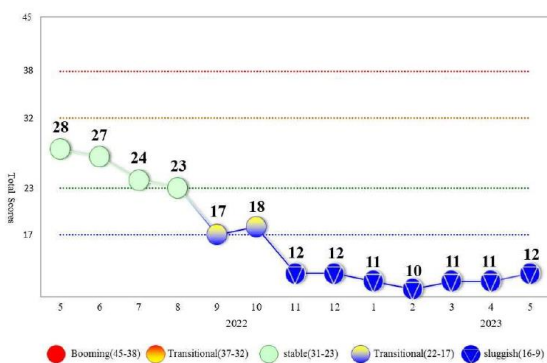
• **Unemployment Rate**



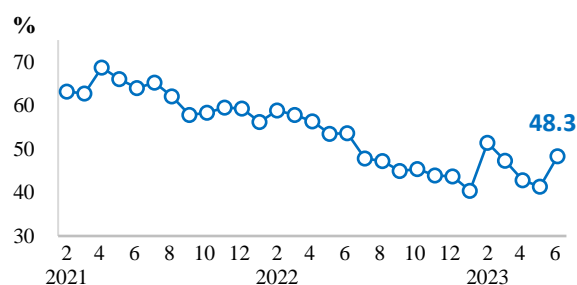
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



Retail Sales Continue to Increase

- Retail sales rose 16.6% year-on-year in May 2023 to post the 21th consecutive month of growth, backed by the effects of Mothers’ Day celebrations and a relatively lower comparison base last year.
- The sector of other general merchandise stores and textiles and clothing in specialized stores grew 18.0% and 46.0%, respectively.

Labor Market Remains Stable

- The unemployment rate fell 0.04 percentage points from a month earlier to 3.46% in May 2023, the lowest level for May in 23 years, supported by a recovery in domestic demand and the service sector’s revival.
- The overall labor market has recently remained stable.

CPI Rises Moderately

- The CPI rose by 2.02% year-on-year in May 2023, marking the slowest annual rate since July 2021, due to stable weather and the high comparison base from the same period last year.
- The core CPI expanded 2.57%.

The Monitoring Indicator Flashes Blue Signal

- In May 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score increased 1 point to 12. The trend-adjusted leading index decreased for two consecutive months and the coincident index decreased for sixteen consecutive months.

Manufacturing PMI Remains in Contraction Zone

- The Taiwan manufacturing sector contracted at a much slower rate as the seasonally adjusted Taiwan Manufacturing PMI rose 7.0 percentage points to 48.3 percent in June.