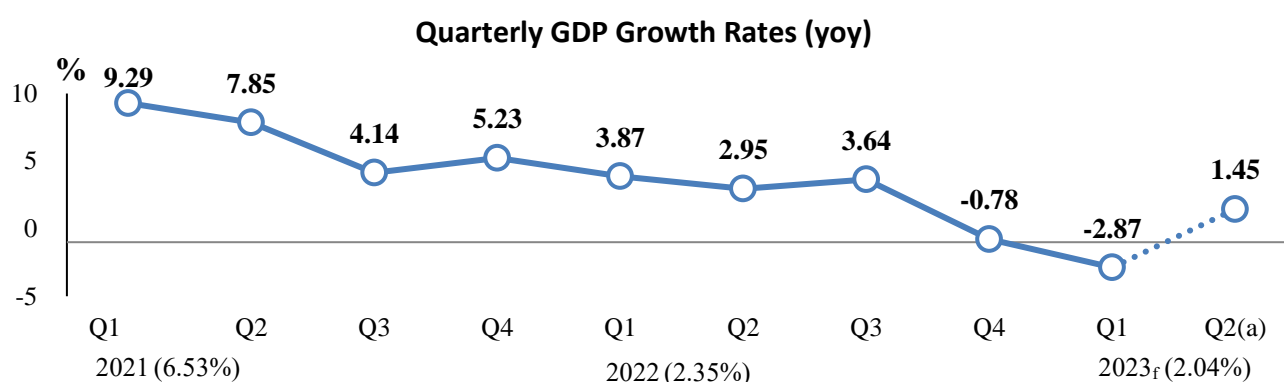




# Taiwan Economy in a Snapshot

## Taiwan's Economic Situation and Outlook

- Global economic growth is projected to slow down due to the demand crunch caused by the inflation, interest-rate hikes and the ongoing Russia's war in Ukraine. Besides, with the end of pandemic, the consumer spending has shifted from goods to services, and the adjustment period of commodity inventories is prolonged.
- For the second quarter of 2023, the real GDP grew by 1.45%, revised downward 0.37 percentage points from the previous forecast. Global economic and trade growth remains slow, impacting Taiwan's export and industrial production momentum. However, the consumption returns to normality after the pandemic along with strong gains in shopping, travel, and food services. The growth also benefits from the government's universal cash remittance launched since this April.

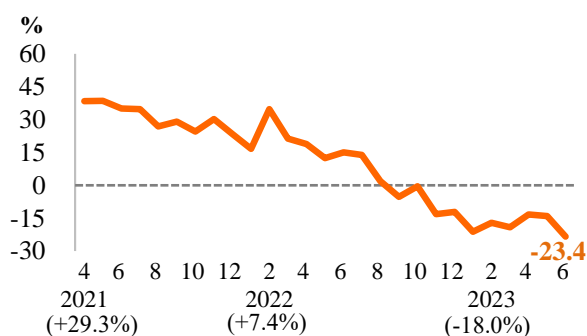


Note: (a) advance estimate; (f) represents forecast.

Source: DGBAS.

## Main economic indicators

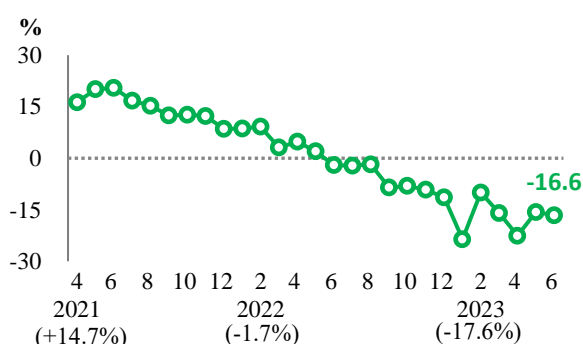
### Exports



### Exports Continue to Negative Growth

- In June 2023, Taiwan's total exports decreased by 23.4% year-on-year, 10<sup>th</sup> consecutive month of negative growth, as global economic weakness and industry chain continues to adjust inventory.
- Exports of the parts of electronic product and information, communication and audio-video products decreased by 21.3% and 6.2%, respectively.

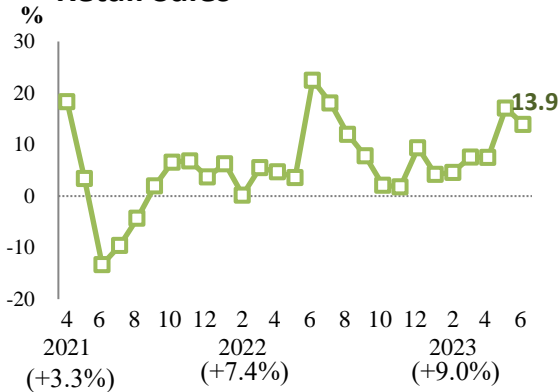
### Industrial Production



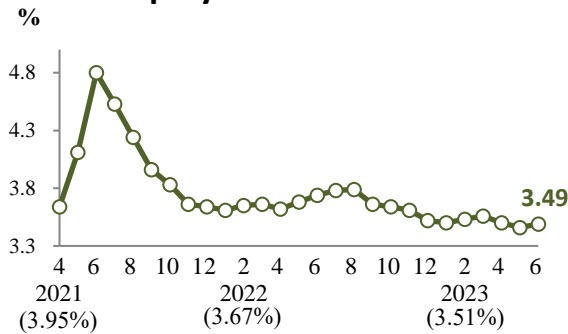
### Industrial Production Slows

- The industrial production index decreased 16.6% year-on-year in June 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 22.4% and 11.1%, respectively.

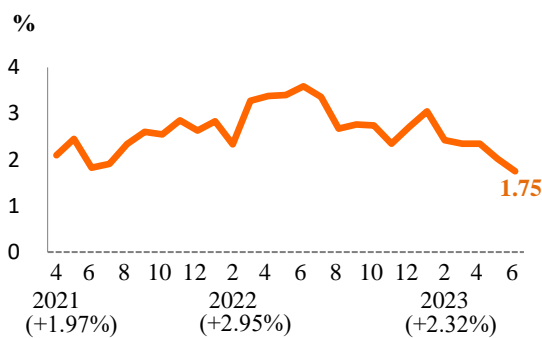
• **Retail Sales**



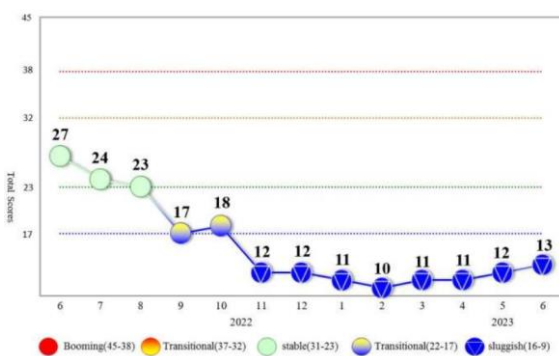
• **Unemployment Rate**



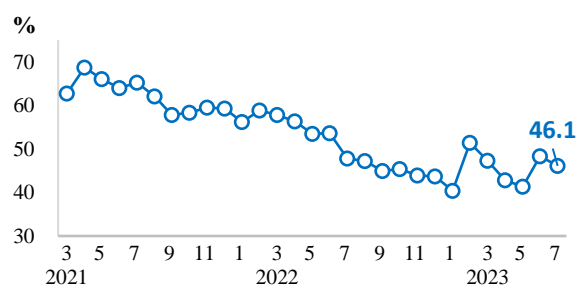
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



**Retail Sales Continue to Increase**

- Retail sales rose 13.9% year-on-year in June 2023 to post the 22<sup>th</sup> consecutive month of growth, mainly because the increase in domestic tourism, as well as department store mid-year celebration and Dragon Boat Festival.
- The sector of department stores and textiles and clothing in specialized stores grew 30.4% and 22.2%, respectively.

**Labor Market Remains Stable**

- The unemployment rate rose by 0.03 percentage points from a month earlier to 3.49% in June 2023, mainly because first-time jobseekers increase as fresh graduates entered the workplace.
- The overall labor market has recently remained stable.

**CPI Rises Moderately**

- The CPI rose by 1.75% year-on-year in June 2023, marking the slowest annual rate since April 2021, due to stable weather and the high comparison base from the same period last year.
- The core CPI expanded 2.61%.

**The Monitoring Indicator Flashes Blue Signal**

- In June 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score increased 1 point to 13. The trend-adjusted leading index decreased for four consecutive months and the coincident index increased for two consecutive months.

**Manufacturing PMI Remains in Contraction Zone**

- Taiwan's manufacturing sector contracted for the fifth consecutive month while the seasonally adjusted Taiwan Manufacturing PMI fell by 2.2 percentage points to 46.1 percent in July.