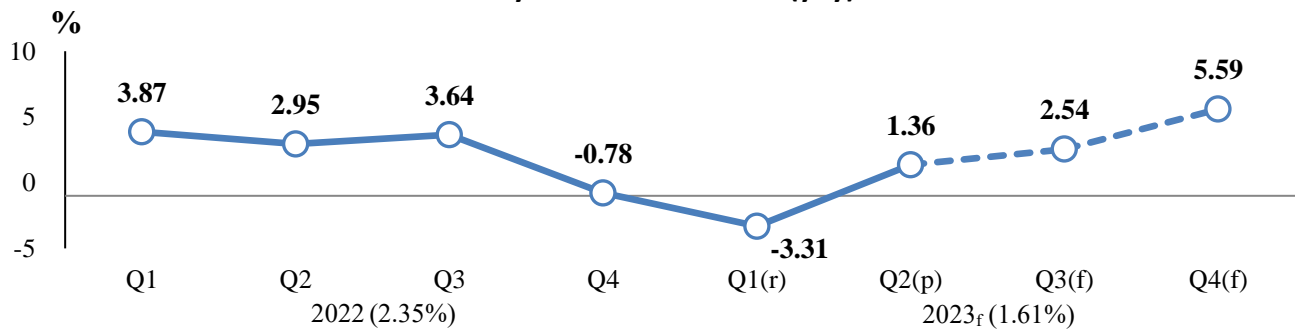




Taiwan's Economic Situation and Outlook

- According to DGBAS latest forecast, the real GDP is projected to grow by 1.61% in 2023, a downgrade from a previous forecast of 2.04% made in May 2023, owing to the weak global demand and the supply chain continues to destock, but momentum may pick up in the second half.
- Taiwan's real GDP will grow by 3.32% in 2024. The Executive Yuan approved the central government's proposed 2024 general budget plan on August 24th 2023. The projected annual revenue is NT\$2.7092 trillion (US\$85.2 billion), a growth of 5% over the 2023 general budget. Projected annual expenditure is NT\$2.8818 trillion (US\$90.6 billion), a rise of 7.2% over 2023. Both figures are historic highs.

Quarterly GDP Growth Rates (yoy)

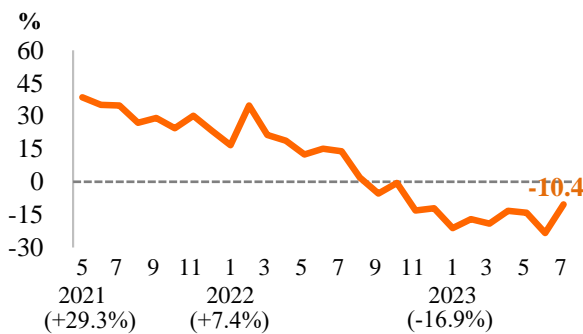


Note: (r) represents revised version; (p) represents preliminary version; (f) represents forecast.

Source: DGBAS.

Main economic indicators

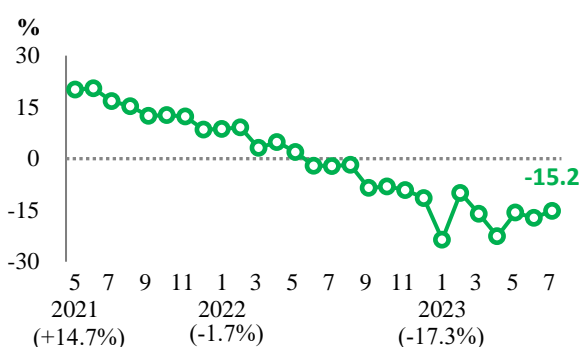
Exports



Exports Continue to Negative Growth

- In July 2023, Taiwan's total exports decreased by 10.4% year-on-year, 11th consecutive month of negative growth, as global economic weakness and high base.
- Exports of the parts of electronic product and the base metals & articles of base metal decreased by 7.9% and 28.1%, respectively.

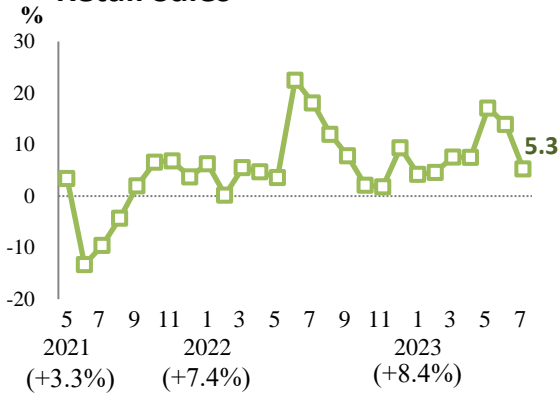
Industrial Production



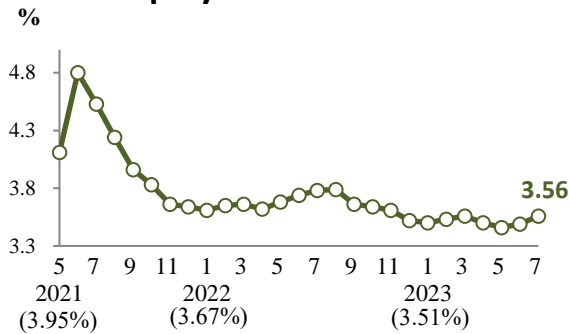
Industrial Production Slows

- The industrial production index decreased 15.2% year-on-year in July 2023, as sluggish demand for terminal products and supply chain inventory adjustments.
- By sector, the index for the electronic parts & components and machinery & equipment decreased by 22.9% and 18.6%, respectively.

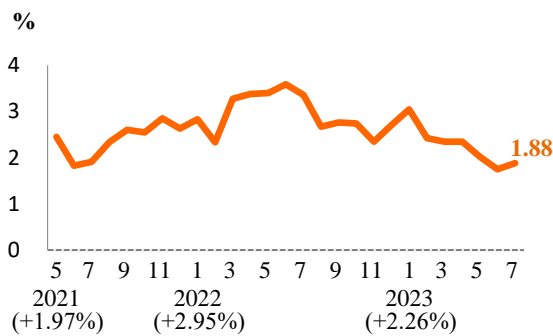
• **Retail Sales**



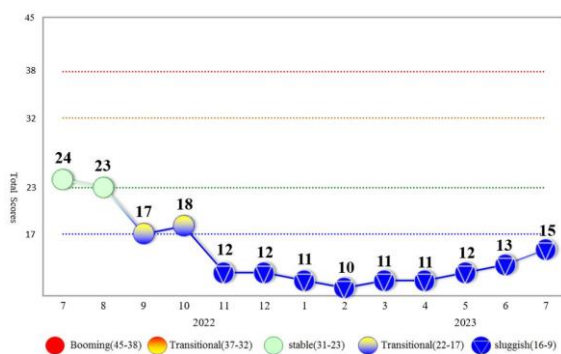
• **Unemployment Rate**



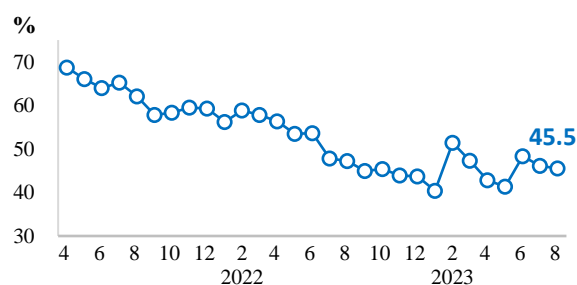
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



Retail Sales Continue to Increase

- Retail sales rose 5.3% year-on-year in July 2023 to post the 23th consecutive month of growth, mainly because people's willingness to go out and consume increase.
- The sector of department stores and motor vehicles and motorcycles grew 11.1% and 15.8%, respectively.

Labor Market Remains Stable

- The unemployment rate rose by 0.07 percentage points from a month earlier to 3.56% in July 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 1.88% year-on-year in July 2023, which is less than 2% for the second consecutive month, mainly due to the drop in international commodity prices and the high comparison base from the same period last year.
- The core CPI expanded 2.73%.

The Monitoring Indicator Flashes Blue Signal

- In July 2023, the overall monitoring indicator continued to flash the “blue” signal, the total score increased 2 points to 15. The trend-adjusted leading index decreased for four consecutive months and the coincident index increased for four consecutive months.

Manufacturing PMI Remains in Contraction Zone

- Taiwan's manufacturing sector contracted for the sixth consecutive month while the seasonally adjusted Taiwan Manufacturing PMI fell by 0.6 percentage points to 45.5 percent in August.