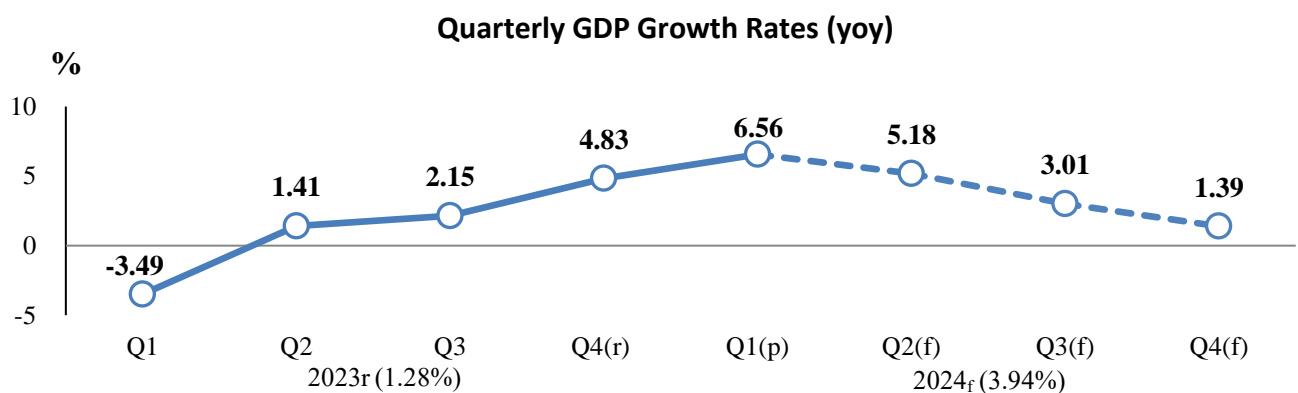


## Taiwan's Economic Situation and Outlook

- According to the latest DGBAS forecast, real GDP is projected to grow by 3.94% in 2024, mainly driven by exports of goods and services growth. The strong demand for new technological applications will boost exports. Additionally, consumption and investment will continue to growth, supported by the strong labor market and wage lift and domestic companies expanding their production capacity in advanced processes.
- The Investment Promotion and Protection Agreement between Taiwan and Thailand was signed on June 27 2024, marking an important milestone in bilateral economic and trade relations between Taiwan and Thailand. Following the Philippines, India, Vietnam and Canada, Thailand has become the fifth country to sign an investment agreement with Taiwan since 2016.

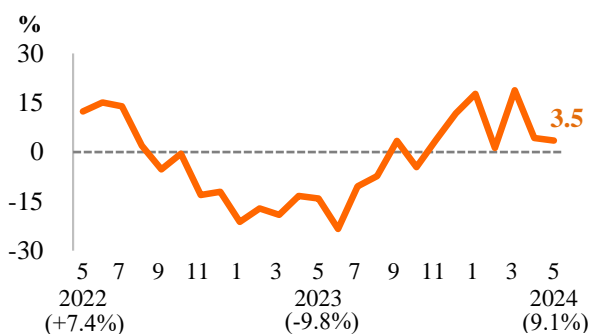


Note: (r) represents revised version, (p) indicates preliminary version, (f) indicates forecasts.

Source: DGBAS.

## Main economic indicators

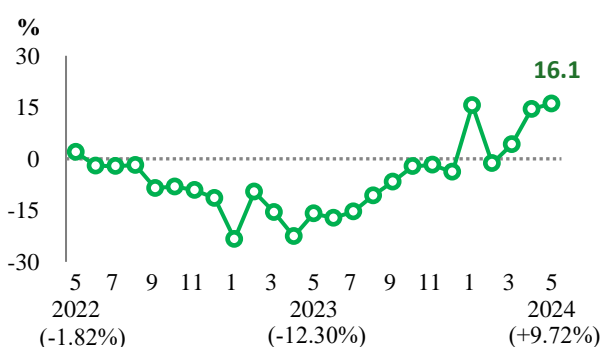
### • Exports



### Exports Continue to Increase

- In May 2024, Taiwan's total exports increased by 3.5% year-on-year, 7<sup>th</sup> consecutive month of growth, due to bolstered demand for emerging applications such as AI and HPC.
- Exports of the parts of electronic product and information, communication and audio-video products grew -11.0% and 62.4%, respectively.

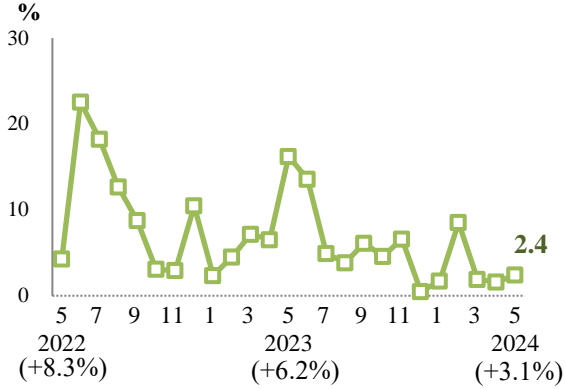
### • Industrial Production



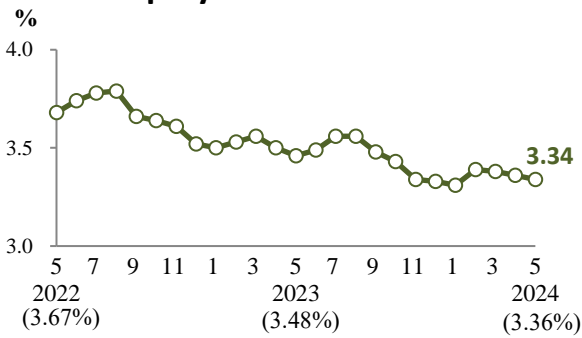
### Industrial Production Continue to Increase

- The industrial production index increased by 16.1% year-on-year in May 2024, due to the demand of AI, HPC and cloud service increase. Moreover, some traditional industries replenish inventory.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products increased by 29.31% and 31.84%, respectively.

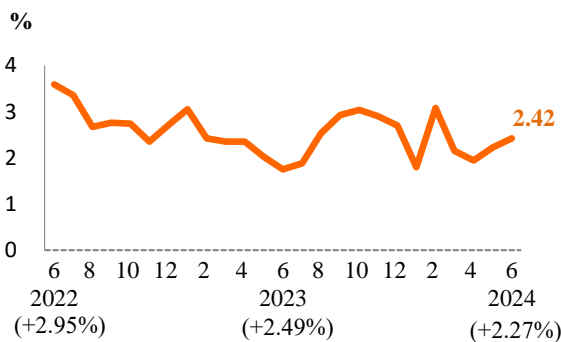
**• Retail Sales**



**• Unemployment Rate**



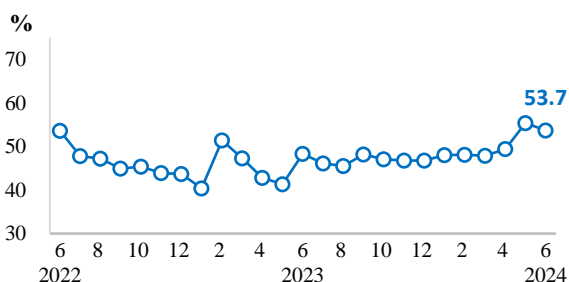
**• Inflation**



**• Business Indicators**



**• Manufacturing PMI**



**Retail Sales Continue to Increase**

- Retail sales rose by 2.4% year-on-year in May 2024 to post the 33<sup>th</sup> consecutive month of growth, due to summer beverage business, holiday promotions and the hot sales of new car.
- The sector of motor vehicles & motorcycles and Textiles and Clothing in Specialized Stores grew 6.9% and 4.7%, respectively.

**Labor Market Remains Stable**

- The unemployment rate decreased by 0.02 percentage points from a month earlier to 3.34% in May 2024, due to unemployment of the end of seasonal or temporary employment declined. Moreover, fewer people lost work to business downsizing and closure.
- The overall labor market remains stable recently.

**CPI Rises Moderately**

- The CPI rose by 2.42% year-on-year in June 2024, mainly because the indices for fruits, edible oil, vegetables as well as food away from home rose 22.60%, 6.23%, 4.55% and 2.78%, respectively. However, the index for eggs fell 15.52% due to oversupply, offsetting part of the increase.
- The core CPI expanded 1.83%.

**The Monitoring Indicator Flashes Yellow-Red Signal**

- In May 2024, the overall monitoring indicator continued to flash the “yellow-red” signal, the total score maintains to 35. The trend-adjusted leading index increased for eight consecutive months and the coincident index increased for fourteen consecutive months.

**Manufacturing PMI Remains Turns to Expansion**

- The Taiwan manufacturing sector grew for two consecutive months but decelerated as the seasonally adjusted Taiwan Manufacturing PMI registered 53.7 percent, decreasing 1.7 percentage points from the fastest growth rate of 55.4 percent since May 2022.