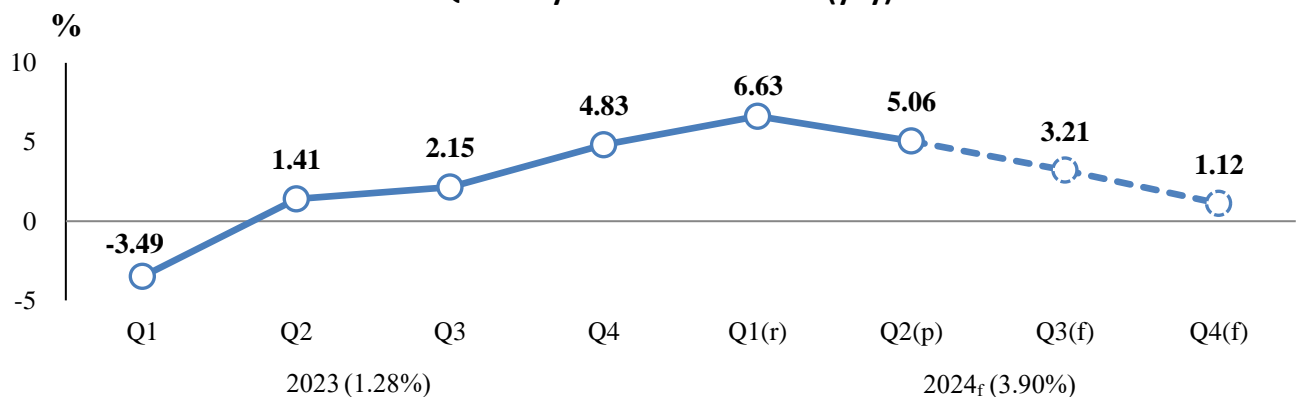




Taiwan's Economic Situation and Outlook

- In the months since midyear, Taiwan's exports have recorded solid growth, supported by robust demand for artificial intelligence and other emerging technology applications. With regard to domestic demand, private investment gained stronger with capital equipment imports increasing significantly recently, and private consumption continued growing. Therefore, the main economic institutions forecast that Taiwan's real GDP growth in 2024 will be above 3.5%.
- The Executive Yuan announced the "Action 101 Strategy" centered around the twin pillars of "care" and "development". The strategy puts forth eight major administrative goals to concretely realize President Lai's visions of a new Taiwan with innovation-driven prosperity, just sustainability and democratic peace.

Quarterly GDP Growth Rates (yoy)

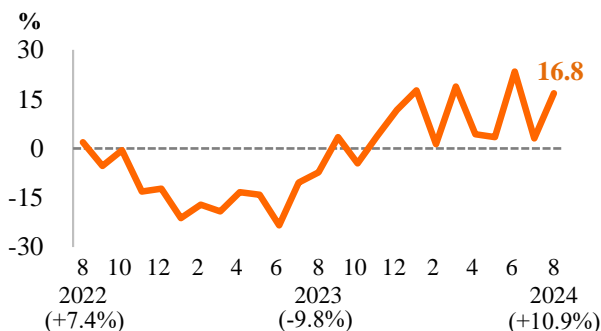


Note: (r) represents revised version; (p) represents preliminary version; (f) represents forecast.

Source: DGBAS.

Main economic indicators

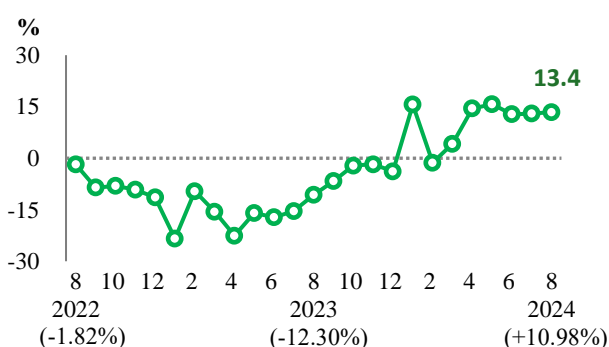
Exports



Exports Continue to Grow

- In August 2024, Taiwan's total exports increased by 16.8% year-on-year, marking the 10th consecutive month of positive growth, on the back of robust AI and HPC demand.
- Exports of the parts of electronic product and information, communication and audio-video products grew 0.1% and 71.3%, respectively.

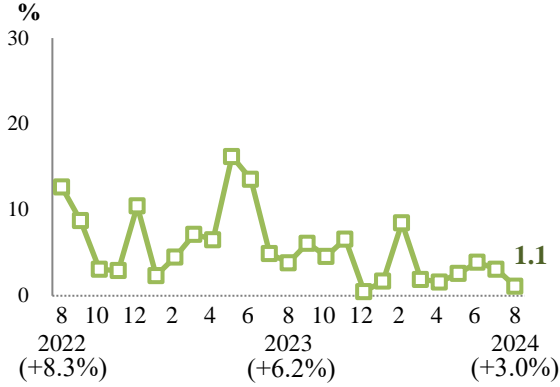
Industrial Production



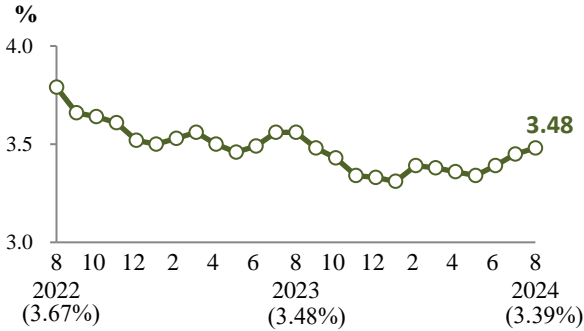
Industrial Production Increase Continually

- The industrial production index increased by 13.4% year-on-year in August 2024, marking the 6th consecutive month of annual growth, mainly driven by strong demand for emerging technologies such as AI applications, HPC devices and cloud services.
- By sector, the index for the electronic parts & components and the computers, electronic & optical products increased by 22.24% and 42.56%, respectively.

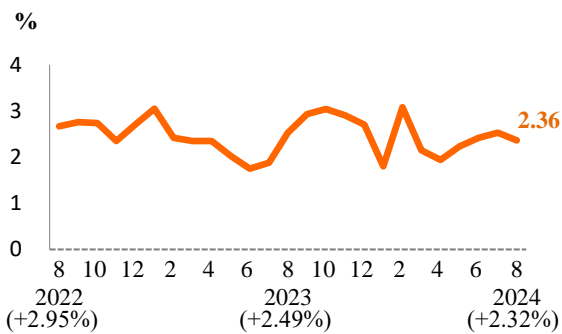
• **Retail Sales**



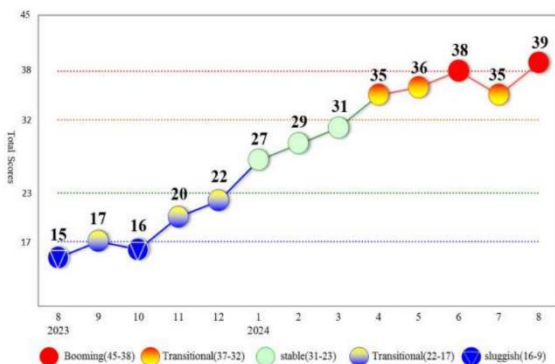
• **Unemployment Rate**



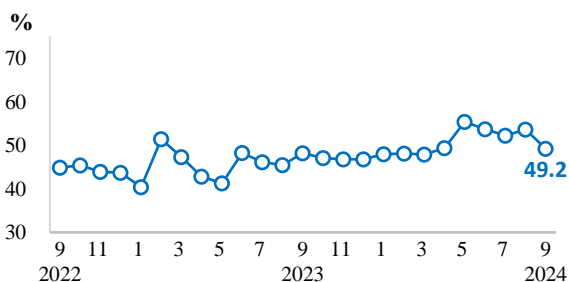
• **Inflation**



• **Business Indicators**



• **Manufacturing PMI**



Retail Sales Continue to Positive Growth

- Retail sales rose by 1.1% year-on-year in August 2024 to post the 36th consecutive month of growth, due to the business opportunities brought by anniversary and festival celebrations of some department stores, as well as the active promotion by operators in conjunction with Olympic topics.
- The sector of department stores increased 4.9% and motor vehicles & motorcycles decreased 5.0%, respectively.

Labor Market Remains Stable

- The unemployment rate increased by 0.03 percentage points from a month earlier to 3.48% in August 2024, due to an increase in first time jobseekers.
- The overall labor market remains stable recently.

CPI Rises Moderately

- The CPI rose by 2.36% year-on-year in August 2024, as Typhoon Gaemi destroyed fruit and vegetable crops, driving up food prices, coupled with higher residential rents and medical cost.
- The core CPI expanded 1.97%.

The Monitoring Indicator Flashes Red Signal

- In August 2024, the overall monitoring indicator changed to flash the “red” signal, the total score increased 4 points to 39. The trend-adjusted leading index increased for ten consecutive months and the coincident index increased for sixteenth consecutive months.

Manufacturing PMI Turns to Contraction

- The Taiwan manufacturing sector broke four consecutive months of expansion and turned to contraction while the seasonally adjusted Taiwan Manufacturing PMI decreased 4.4 percentage points to 49.2 percent in September.