

# TAIWAN'S ECONOMIC SITUATION AND OUTLOOK

May 2013

Council for Economic Planning and Development  
Executive Yuan

WELCOME TO C.E.P.D.

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# CONTENTS

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## **I. PREFACE**

## **II. CURRENT DOMESTIC SITUATION**

- Economic Growth
- Foreign Trade
- Domestic Consumption
- Domestic Investment
- Industrial Production
- Employment
- Prices
- Money Supply and Interest Rates
- Stock Price
- Business Indicators

## **III. PROSPECTS FOR 2013**

## **IV. CONCLUSION**

## **STATISTICAL ANNEX TABLES**

# I. PREFACE

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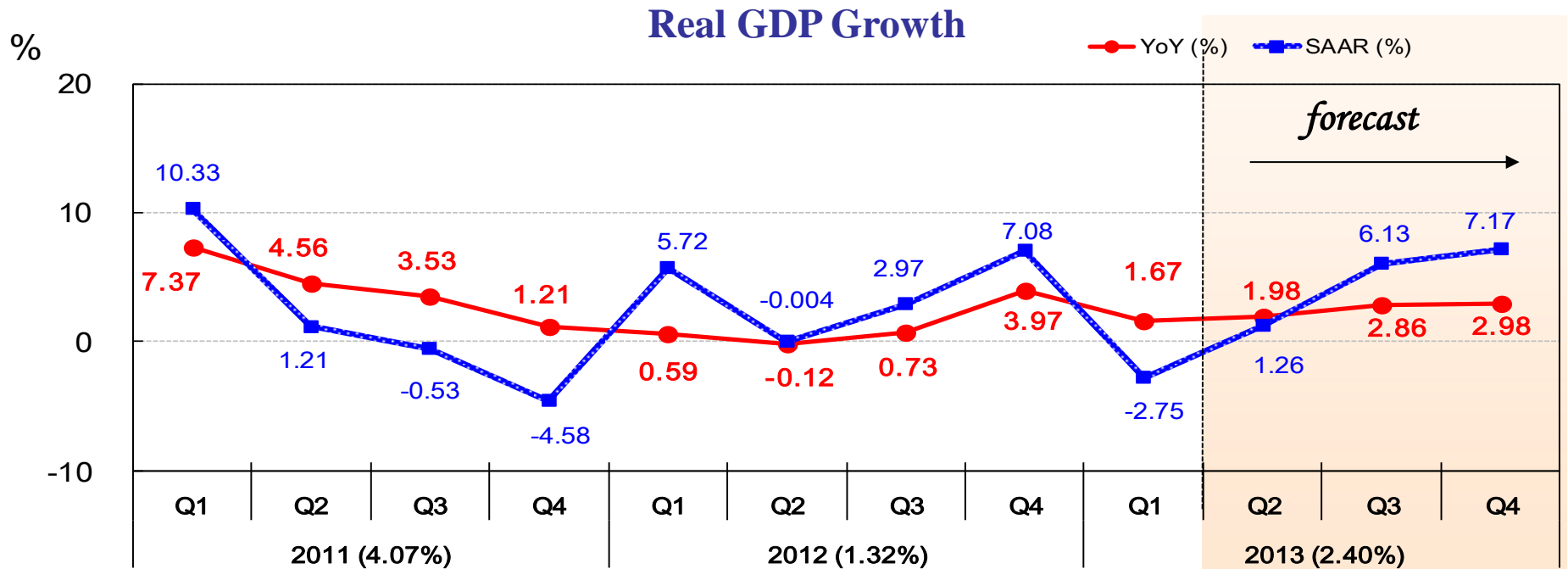
- The *Taiwan's Economic Situation and Outlook* is designed to give domestic and foreign readers concise analysis on Taiwan's current economic situation, including the economic growth, foreign trade, domestic demand, industrial production, employment, prices, and financial aspects. It also provides prospects for 2013.
- The global economic outlook is weaker than expected at the beginning of this year, which has dampened Taiwan's export growth. According to the latest preliminary estimation by DGBAS, the year-on-year (yoy) growth rate of Taiwan's real GDP was 1.67% in Q1 2013. Meanwhile, the 2013 GDP growth forecast has been revised to 2.40%, down 1.19 of a percentage point from February's forecast of 3.59%.

## II. CURRENT DOMESTIC SITUATION

### *Economic Growth*

⇒ In Q1 2013, due to weakened external demand and subdued private consumption, the year-on-year (yoy) growth rate of real GDP was 1.67%, according to the latest preliminary estimation by DGBAS. Meanwhile, the seasonally adjusted quarterly rate (saqr) of real GDP growth decreased from the previous quarter by 0.69%, and the seasonally adjusted annualized rate (saar) fell by 2.75%.

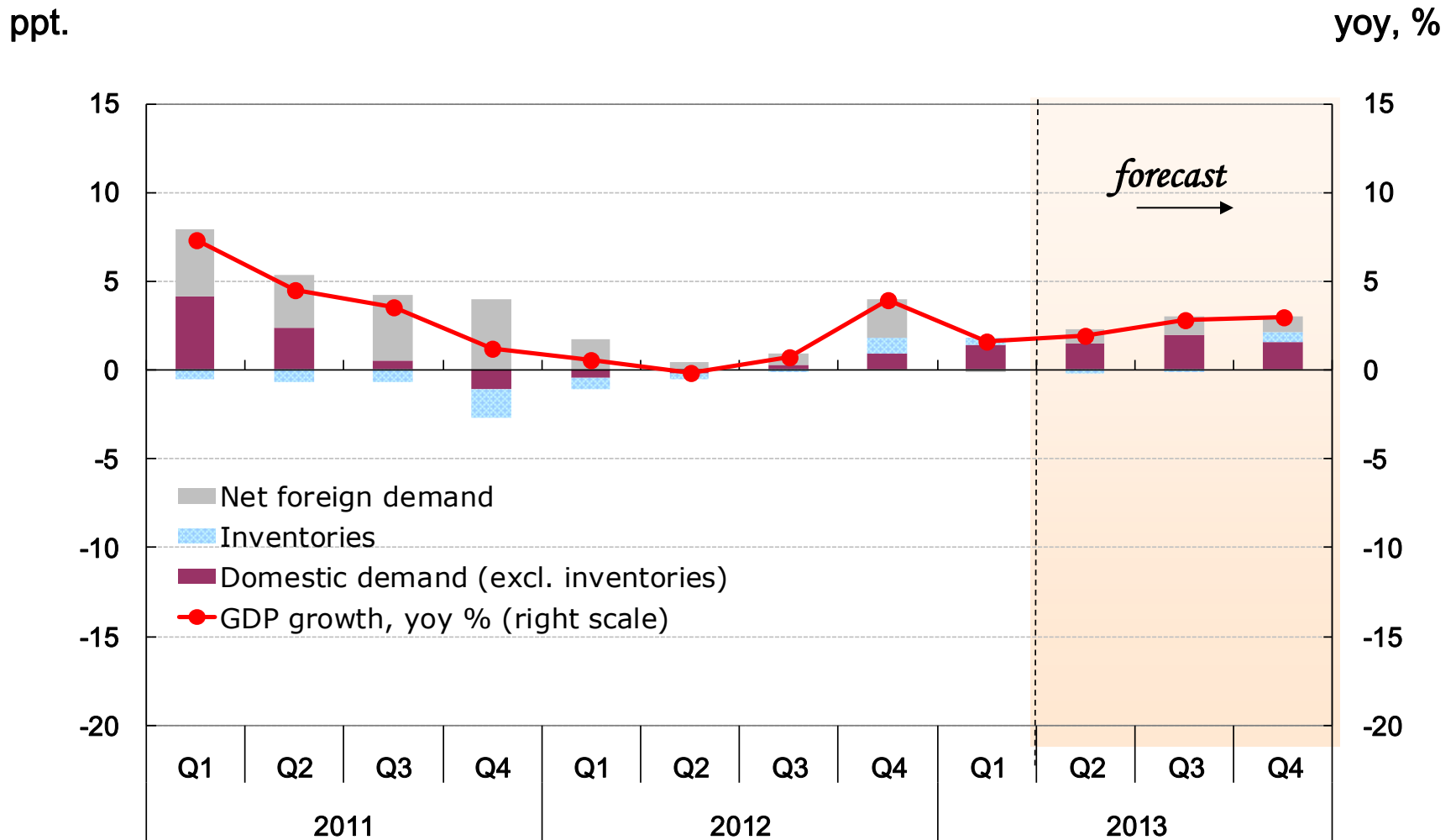
⇒ In the whole of 2013, Taiwan's real GDP is projected to rise by 2.40%.



Source: Directorate-General of Budget, Accounting, and Statistics (DGBAS).

## II. CURRENT DOMESTIC SITUATION

Contributions to GDP Growth (in percentage points)



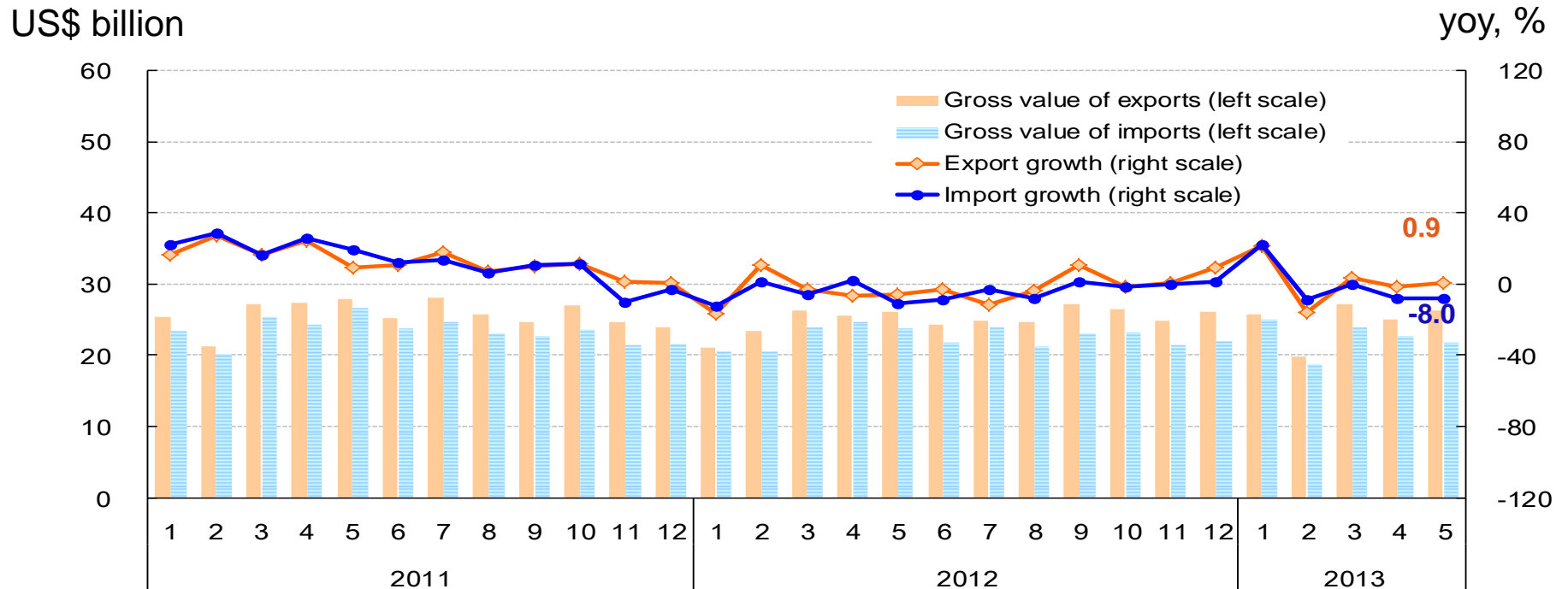
Source: Directorate-General of Budget, Accounting and Statistics (DGBAS), May 2013.

## II. CURRENT DOMESTIC SITUATION

### Foreign Trade

⇒ In May 2013, exports expanded 0.9% year on year, mainly due to increased export of electronic products, and plastics & rubber and articles thereof. Imports fell 8.0%, with chemicals the main contributor to the decrease. The month's foreign trade yielded a balance of US\$4.46 billion in Taiwan's favor.

⇒ Exports for the January through May 2013 period were up 1.2% from the same period a year ago.



Note: Trade data are adjusted according to the United Nations IMTS Compilers Manual (2004). Total exports include “exports” and “re-exports,” and total imports include “imports” and “re-imports.”

Source: Ministry of Finance, June 2013.

## II. CURRENT DOMESTIC SITUATION

### Major trade partners

⇒ China (including Hong Kong) and ASEAN have become increasingly important trade partners to Taiwan since 2000.

### Changes in Two-Way Trade with Major Trading Partners (yoy %)

|                   | Exports  |             |            |             |                         |             | Imports  |             |             |             |                         |             |
|-------------------|----------|-------------|------------|-------------|-------------------------|-------------|----------|-------------|-------------|-------------|-------------------------|-------------|
|                   | Total    | USA         | Japan      | Europe      | China (incl. Hong Kong) | ASEAN 6*    | Total    | USA         | Japan       | Middle East | China (incl. Hong Kong) | ASEAN 6*    |
| 2002              | 7.1      | -2.7        | -5.0       | -5.9        | 29.4                    | 7.4         | 4.9      | -0.8        | 5.5         | 9.8         | 24.2                    | 3.7         |
| <b>2002 Share</b> | <b>-</b> | <b>20.2</b> | <b>9.1</b> | <b>13.9</b> | <b>32.1</b>             | <b>11.9</b> | <b>-</b> | <b>16.1</b> | <b>24.2</b> | <b>6.4</b>  | <b>8.7</b>              | <b>14.7</b> |
| 2003              | 11.3     | -3.0        | 0.5        | 10.4        | 23.6                    | 10.5        | 13.0     | -6.9        | 19.6        | 43.7        | 30.9                    | 5.2         |
| 2004              | 21.1     | 8.3         | 11.1       | 14.7        | 28.8                    | 33.0        | 31.8     | 28.2        | 33.6        | 34.6        | 47.7                    | 16.2        |
| 2005              | 8.8      | 1.3         | 9.4        | -0.8        | 12.2                    | 13.8        | 8.2      | -2.8        | 5.3         | 36.5        | 16.2                    | 3.8         |
| 2006              | 12.9     | 11.2        | 7.9        | 10.5        | 14.8                    | 13.8        | 11.0     | 7.1         | 0.5         | 30.1        | 20.1                    | 10.4        |
| 2007              | 10.1     | -0.9        | -2.2       | 9.7         | 12.6                    | 16.7        | 8.2      | 17.0        | -0.8        | 11.7        | 11.9                    | 1.7         |
| 2008              | 3.6      | -4.0        | 10.2       | 4.6         | -0.8                    | 7.3         | 9.7      | -0.7        | 1.2         | 39.9        | 10.2                    | 8.0         |
| 2009              | -20.3    | -23.5       | -17.4      | -24.6       | -15.9                   | -21.5       | -27.5    | -31.0       | -22.1       | -42.2       | -22.3                   | -22.8       |
| 2010              | 34.8     | 33.6        | 24.2       | 30.1        | 37.1                    | 37.2        | 44.1     | 39.8        | 43.3        | 39.4        | 47.1                    | 45.6        |
| 2011              | 12.3     | 15.6        | 1.2        | 6.2         | 8.1                     | 22.7        | 12.0     | 1.5         | 0.5         | 14.7        | 20.5                    | 13.4        |
| 2012              | -2.3     | -9.3        | 4.2        | -7.8        | -4.4                    | 9.8         | -3.9     | -8.4        | -8.9        | 20.2        | -3.8                    | -3.9        |
| <b>2012 Share</b> | <b>-</b> | <b>10.9</b> | <b>6.3</b> | <b>9.6</b>  | <b>39.4</b>             | <b>18.5</b> | <b>-</b> | <b>8.7</b>  | <b>17.6</b> | <b>16.0</b> | <b>16.1</b>             | <b>11.6</b> |
| 2013 Jan.-May     | 1.2      | -0.8        | 4.7        | -11.5       | 3.4                     | 4.5         | -0.9     | 12.4        | -8.1        | 3.3**       | 0.2                     | -0.7        |

\*ASEAN 6 refers to Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

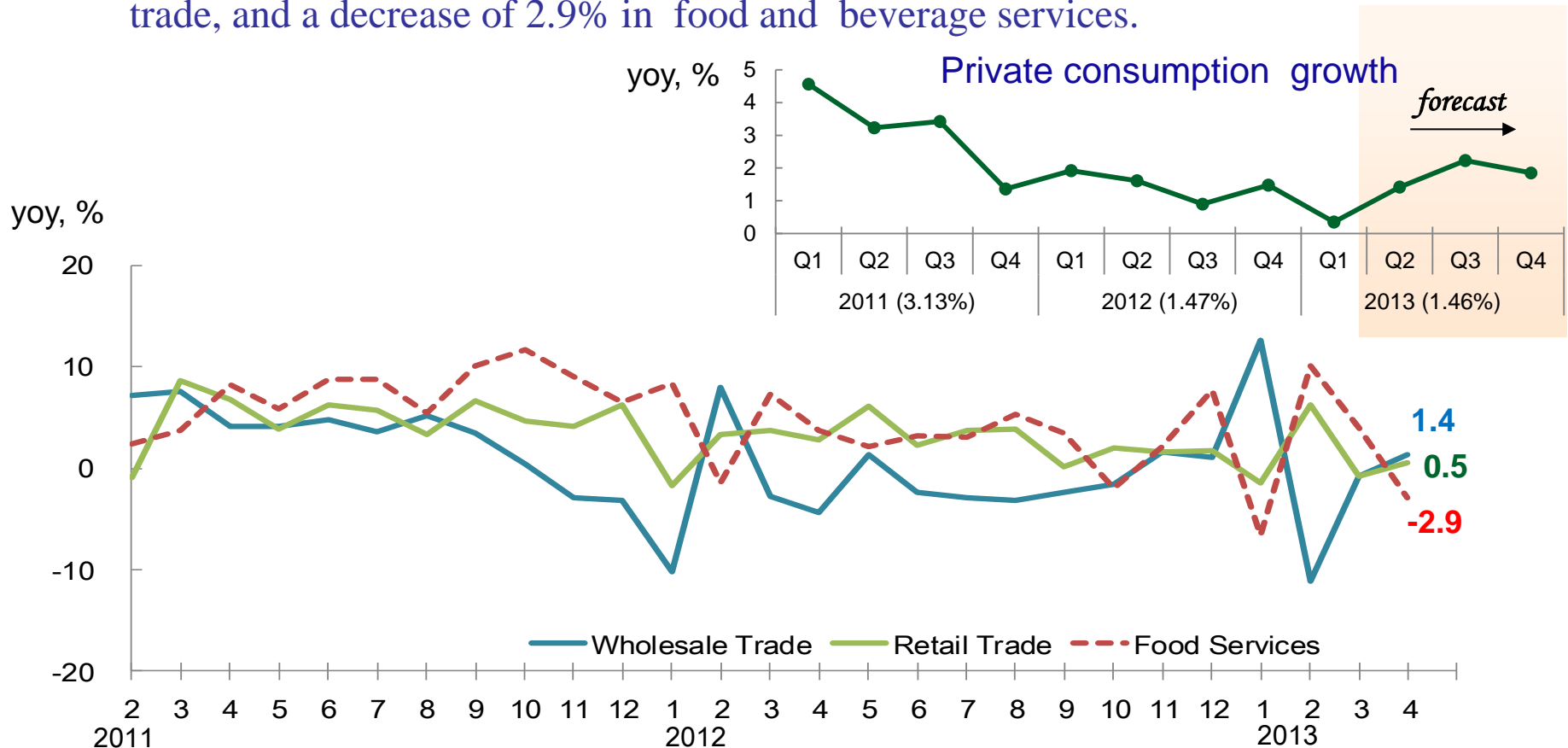
\*\* The first four months of 2013 compared with the same period of previous year (%).

Source: Ministry of Finance.

## II. CURRENT DOMESTIC SITUATION

### *Domestic consumption*

- ⇒ In Q1 2013, private consumption grew by 0.35% from a year earlier, while government consumption grew by 0.40%. In the whole of 2013, private consumption is projected to rise by 1.46%.
- ⇒ In April 2013, sales of trade and food services posted an annual increase of 1.0%. This included an increase of 1.4% in wholesale trade, an increase of 0.5% in retail trade, and a decrease of 2.9% in food and beverage services.

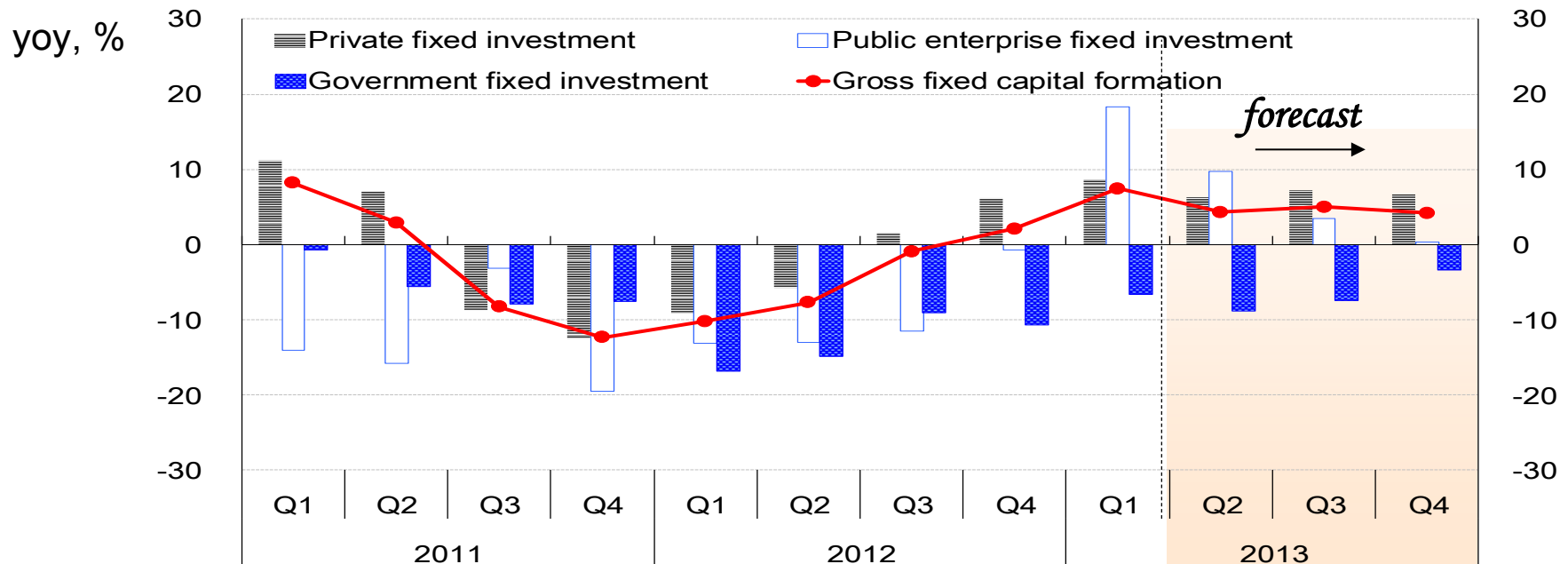




## II. CURRENT DOMESTIC SITUATION

### *Domestic Investment*

⇒ In Q1 2013, gross fixed capital formation was up 7.44% yoy, with private enterprises' gross fixed capital formation increasing 8.67%, mainly generated by new investment in semiconductor production, driven by the successive release of new ICT products. According to DGBAS's forecast, gross fixed capital formation is projected to increase by 5.17% in 2013.

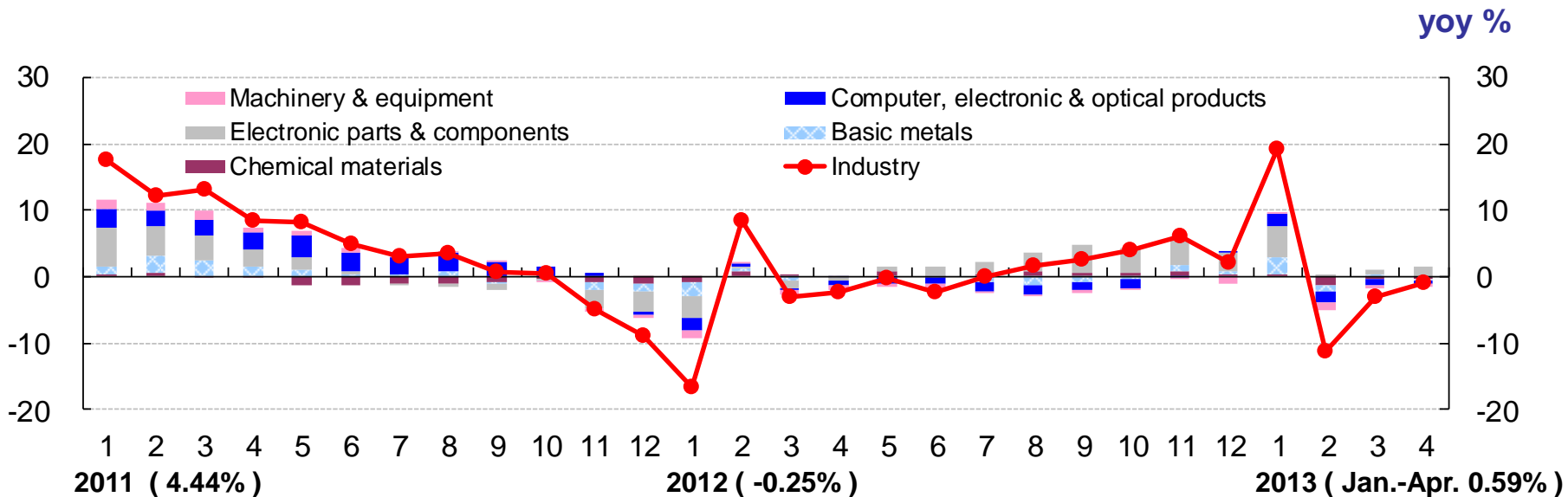


|                   | 2011         | 2012         | 2013        |
|-------------------|--------------|--------------|-------------|
| <b>Total</b>      | <b>-3.10</b> | <b>-4.19</b> | <b>5.17</b> |
| Private           | -1.26        | -2.11        | 7.21        |
| Government        | -5.93        | -12.51       | -6.36       |
| Public enterprise | -14.39       | -8.27        | 5.90        |

## II. CURRENT DOMESTIC SITUATION

### *Industrial Production*

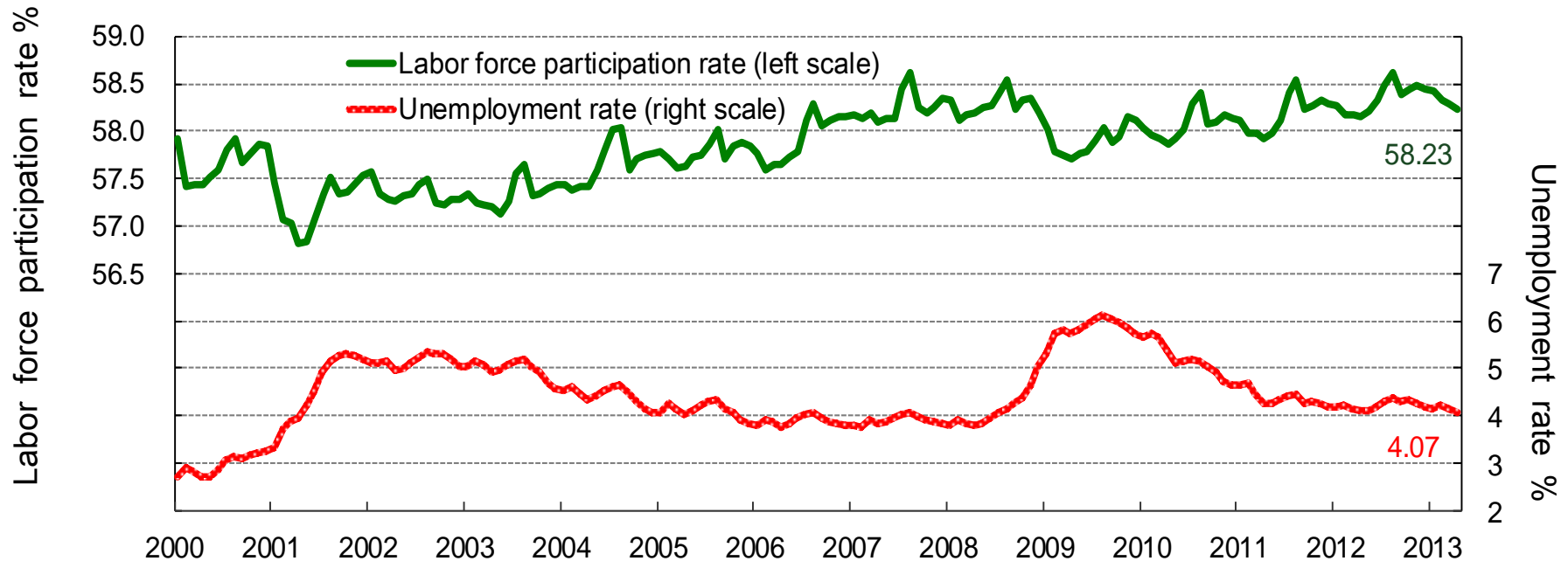
- ⇒ In April 2013, the industrial production index posted an annual decrease of 0.88%, with manufacturing output down 1.18% and building construction down 14.72%.
- ⇒ The decrease in manufacturing output came largely from decreasing production of machinery and equipment, while new orders suffered a negative impact from the sluggish recovery of the world economy and the depreciation of the yen.
- ⇒ Industrial production for the January through April 2013 period were up 0.59% from the same period a year ago.



## II. CURRENT DOMESTIC SITUATION

### *Unemployment Rate and Labor Force Participation Rate*

- ⇒ In April 2013, the unemployment rate stood at 4.07%, the lowest reading since August 2008, down 0.10 of a percentage point from the previous month. The seasonally adjusted unemployment rate was 4.19%.
- ⇒ The labor force participation rate decreased by 0.05 of a percentage point from the previous month to 58.23%, up 0.08 of a percentage point from a year earlier.

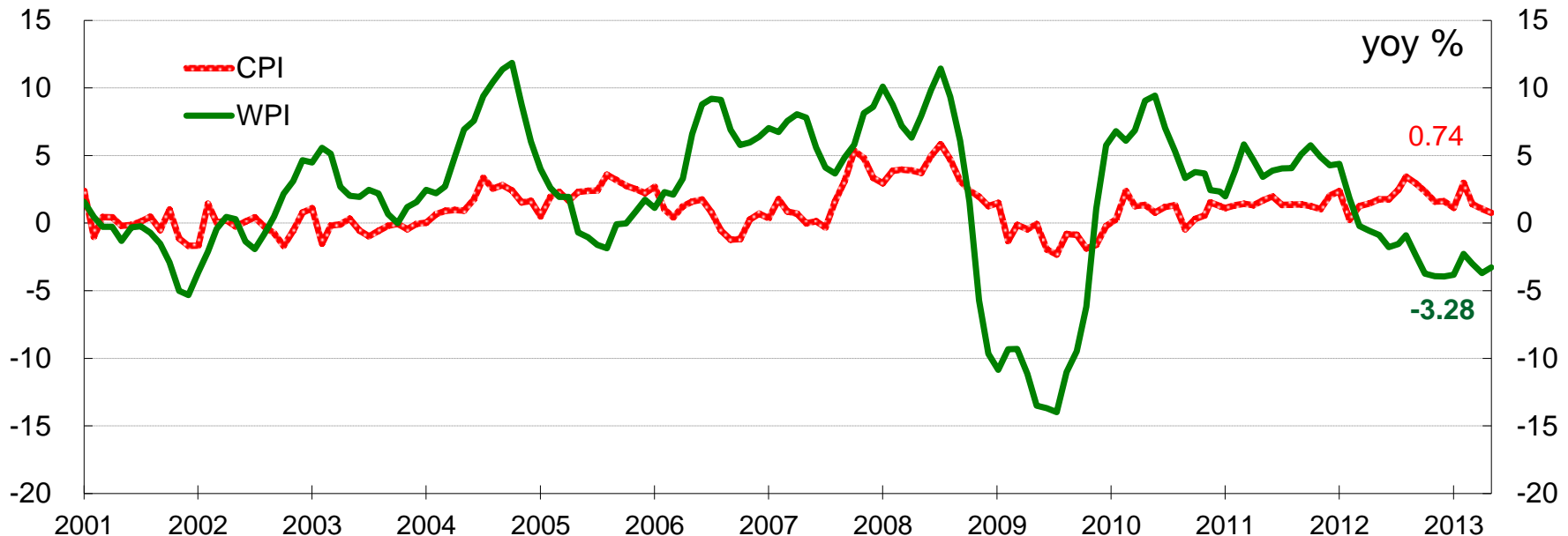


Source: DGBAS, May 2013.

## II. CURRENT DOMESTIC SITUATION

### Prices

- ⇒ In May 2013, Taiwan's CPI increased by 0.74% from the same month last year (with the CPI measured from a baseline of 100 in 2011). The increase was mainly due to upward movement in the prices of vegetables, meat and water, and electricity & gas supply. Core prices (excluding fruits, vegetables and energy prices) increased 0.61%.
- ⇒ In the same month, the WPI fell by 3.28% year on year, mainly because of drops in the prices of basic metals, petroleum & coal products and chemical materials.



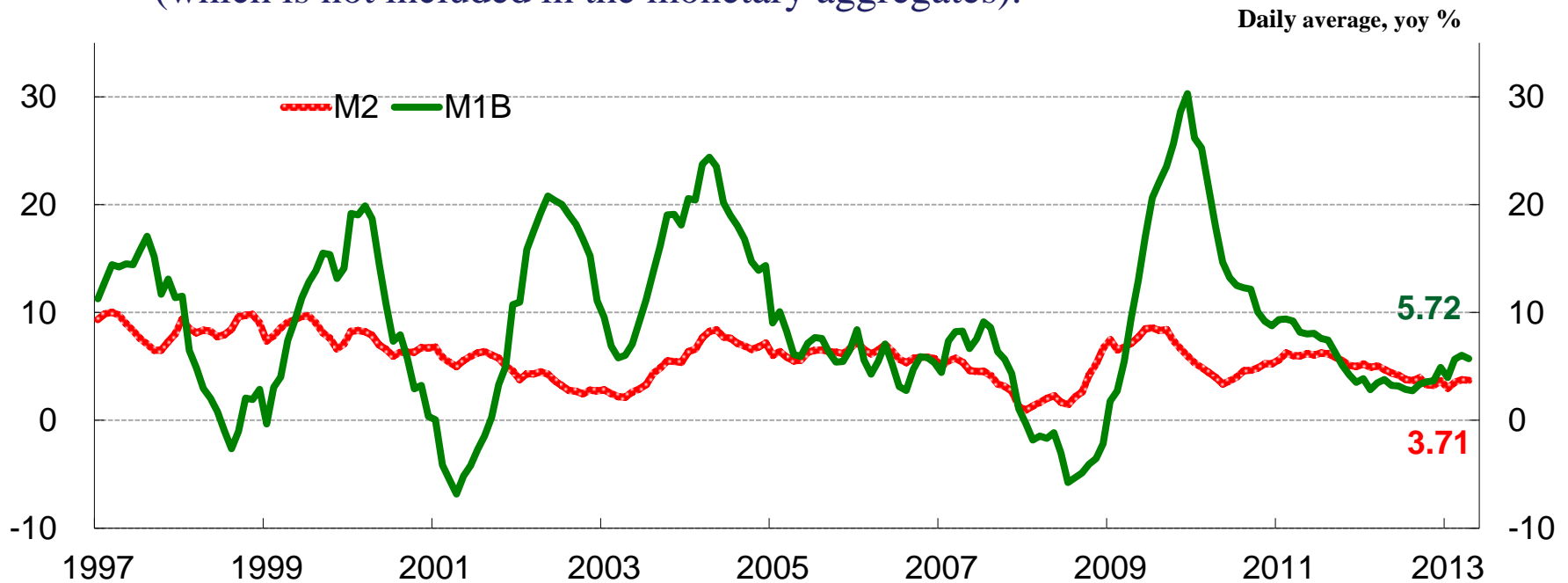
Note: The 2011-base revisions of the CPI and WPI have been completed.

Source: DGBAS, June 2013

## II. CURRENT DOMESTIC SITUATION

### *Money Supply*

⇒ In April 2013, the annual growth rate of M1B and M2, measured on a daily average basis, fell to 5.72% and 3.71%, respectively. This was mainly due to slower growth of bank loans and investments, plus the effect of a major deposit transfer by the Taiwan Insurance Guaranty Fund to a life insurance company (which is not included in the monetary aggregates).

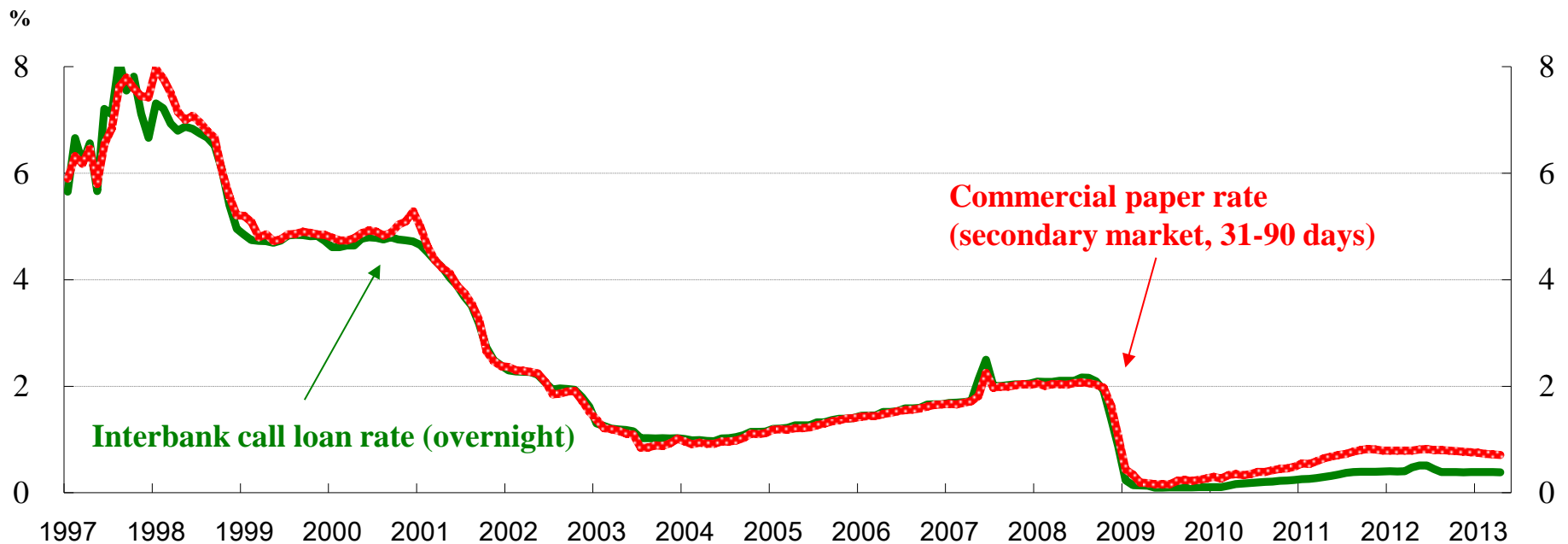


Source: Central Bank of China (Taiwan).

## II. CURRENT DOMESTIC SITUATION

### *Short-term Interest Rates*

- ⇒ In April 2013, interest rates remained at low levels, with the commercial paper rate at 0.71%, down from 0.72% in March, and the interbank rate remaining at 0.386%.
- ⇒ Since global economic uncertainties remain and Taiwan's economy is experiencing a mild recovery along with muted inflationary pressures, the CBC decided to keep policy rates unchanged in March 2013. In the future, the CBC will continue to closely monitor the evolution of economic conditions.

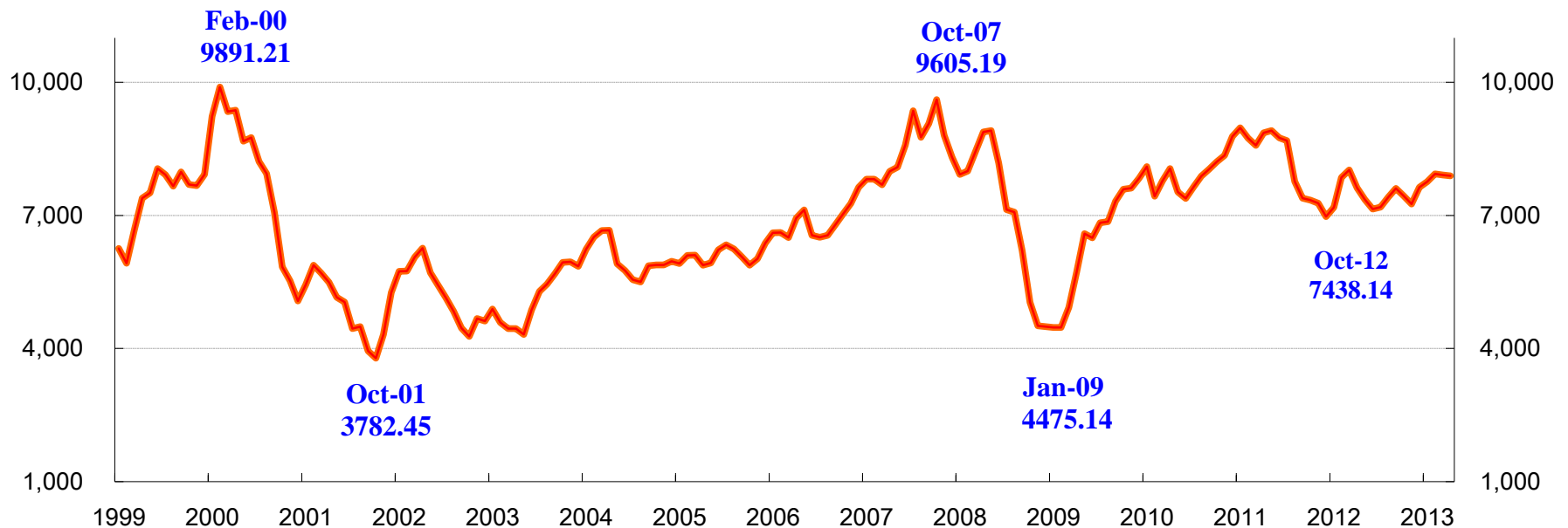


Source: Central Bank of China (Taiwan).

## II. CURRENT DOMESTIC SITUATION

### *Stock Price*

- ⇒ In April 2013, the average closing level of Taiwan's stock exchange index was 7,893, down by 0.17% from March 2013.
- ⇒ In May, stock market activity rallied on the back of recent developments indicating a likely revision of the capital gains tax on domestic stock transactions, and increased inward remittances of foreign investment.

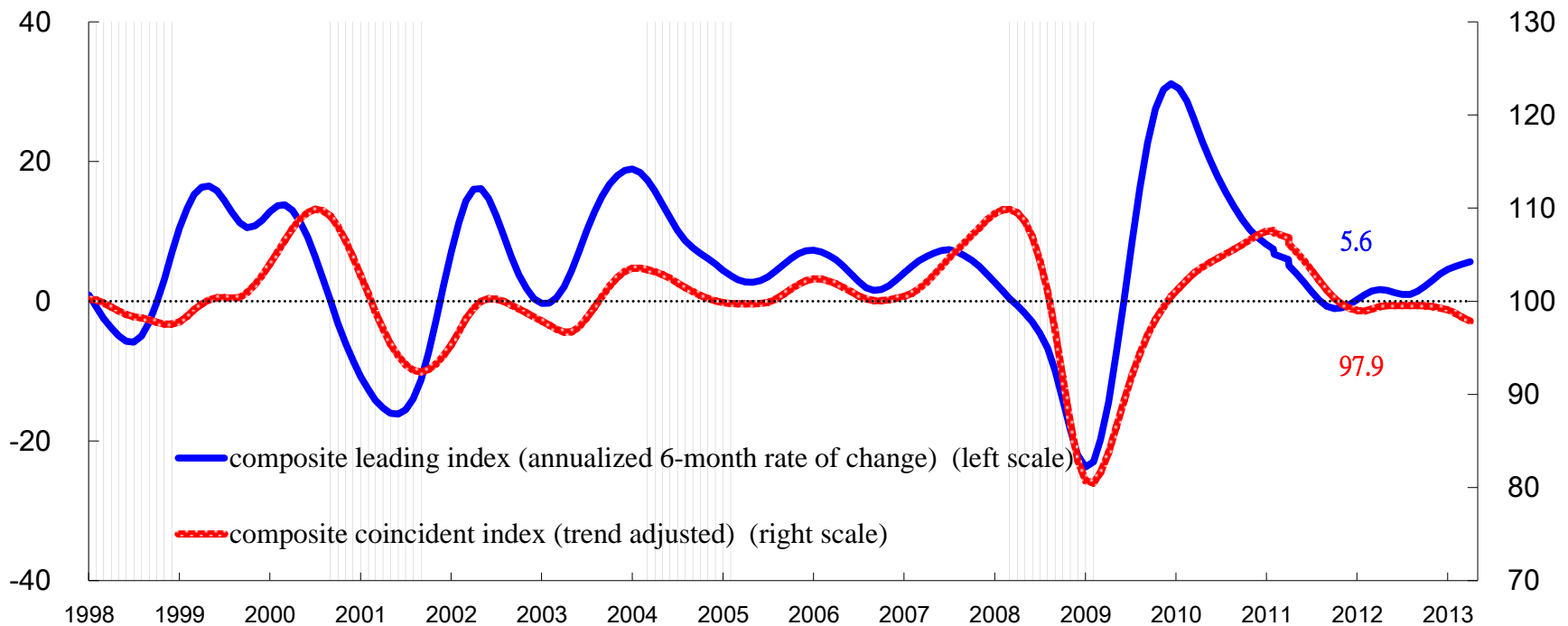


Source: Taiwan Stock Exchange.

## II. CURRENT DOMESTIC SITUATION

### *Taiwan Business Indicators*

- ⇒ In April 2013, the Taiwan Business Indicators showed that the domestic economy still faced many challenges.
- ⇒ The annualized six-month rate of change of the leading index was 6.53%, up by 0.08 of a percentage point from March 2013, while the trend-adjusted coincident index decreased by 0.4% to 97.9.



Note: The shaded areas represent recessions.

Source: Council for Economic Planning and Development (CEPD).



## II. CURRENT DOMESTIC SITUATION

### Monitoring Indicators

⇒ The total score of the monitoring indicators in April 2013 fell by one point to 17, but the overall monitoring indicator still flashed the "yellow-blue" signal for the eighth consecutive month.

|  |       | 101(2012) |    |    |    |    |    |    |    |    |    | 102(2013) |    |    |    |                   |
|--|-------|-----------|----|----|----|----|----|----|----|----|----|-----------|----|----|----|-------------------|
|  |       | 3         | 4  | 5  | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 1         | 2  | 3  | 4  |                   |
| Total  | Light |           |    |    |    |    |    |    |    |    |    |           |    |    |    |                   |
|  | Score | 14        | 14 | 15 | 15 | 16 | 15 | 20 | 19 | 21 | 22 | 19        | 20 | 18 | 17 |                   |
| Monetary Aggregates M1B                          |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | 5.8               |
| Direct and Indirect Finance                      |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | 4.4               |
| Stock Price Index                                |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | 3.6               |
| Industrial Production Index                      |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | -1.8              |
| Nonagricultural Employment                       |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | 1.1               |
| Customs-Cleared Exports                          |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | -1.1              |
| Imports of Machineries and Electrical Equipments |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | -3.3              |
| Manufacturing Sales                              |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | -4.5 <sub>p</sub> |
| Sales Index of Trade and Food Services           |       |           |    |    |    |    |    |    |    |    |    |           |    |    |    | 4.7               |

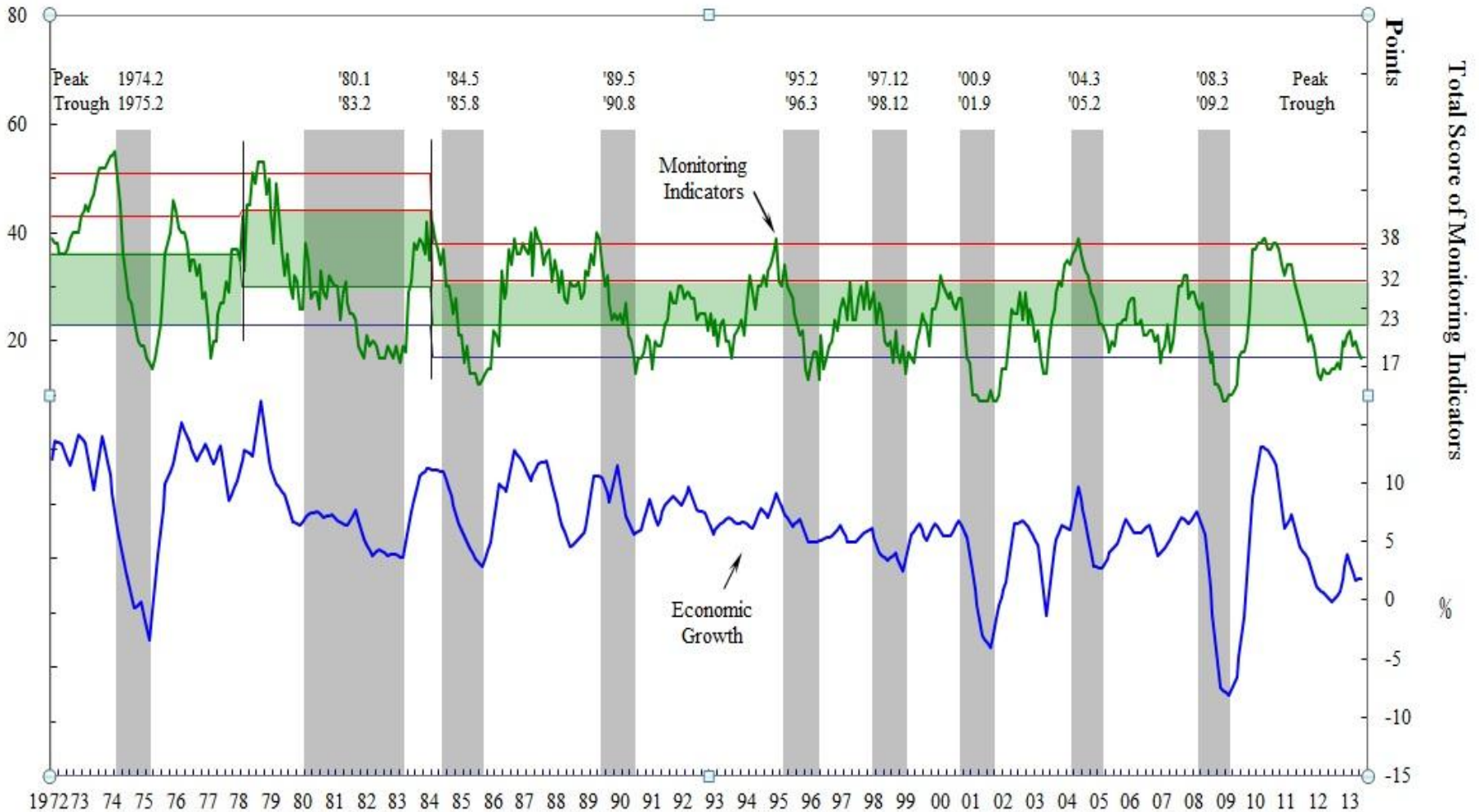
● Booming   ● Transitional   ● Stable   ● Transitional   ● Sluggish

\*Components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.

Source: CEPD.

# II. CURRENT DOMESTIC SITUATION

## Monitoring Indicators and Economic Growth



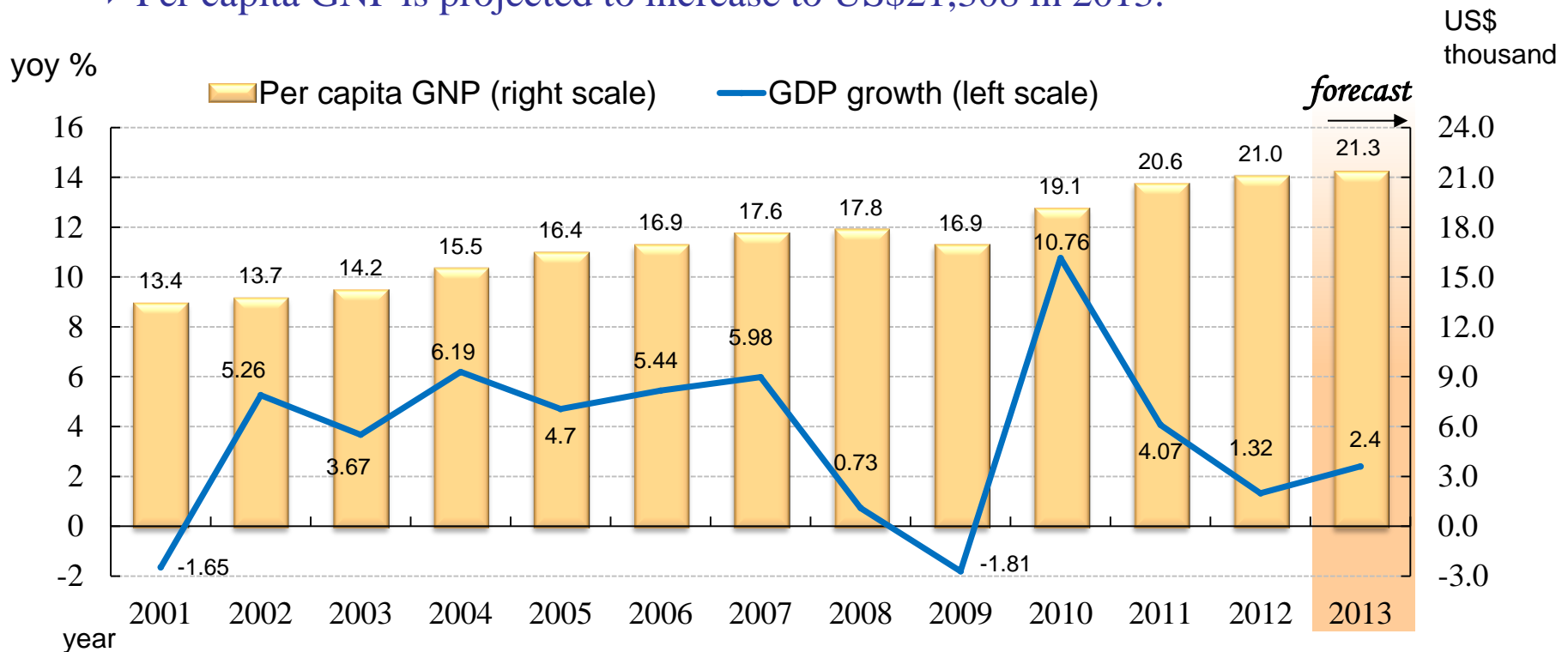
Source: CEPD.

# III. PROSPECTS FOR 2013

## Taiwan's Economy Expected To Recover Gradually

⇒ Mainly due to the global economic outlook being weaker than expected at the beginning of this year, the 2013 GDP growth forecast has been revised to 2.40% in the DGBAS's latest estimation, down 1.19 of a percentage point from February's forecast of 3.59%. However, the GDP growth should improve in the second half of this year.

⇒ Per capita GNP is projected to increase to US\$21,308 in 2013.



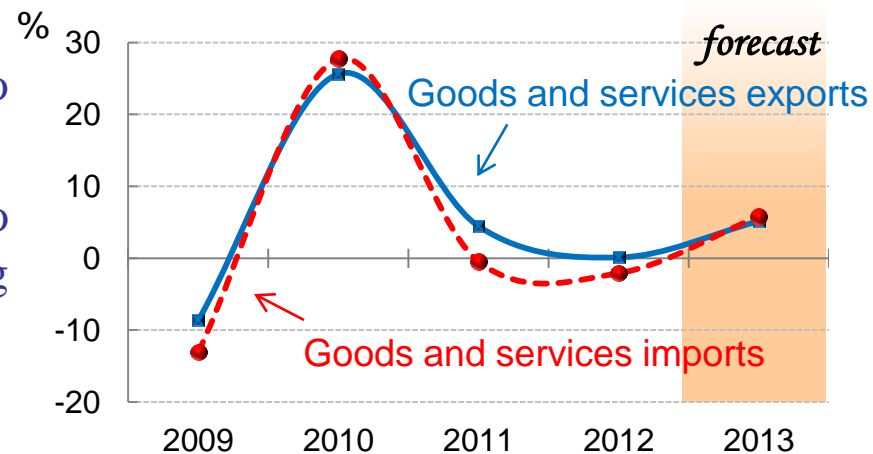
Source: Directorate-General of Budget, Accounting and Statistics (DGBAS), May 24, 2013.

### III. PROSPECTS FOR 2013

#### *Export Growth Momentum Limited By Weaker Global Economy*

- ⇒ The global economy has encountered soft patches amid the recession in the eurozone and the slow and bumpy growth in the U.S. and mainland China, which may limit Taiwan's export performance. In addition, with the impact of decreasing demand for laptop and desktop PCs, in which Taiwan holds a position of advantage in OEM manufacture, and the gradual localization of supply chains in mainland China, Taiwan's enterprises face greater competitive stress.
- ⇒ However, the increasing demand for advanced semiconductor wafers induced by mobile communication products, plus the growing export of panels driven by rising demand for large LCD TVs, represent favorable factors for the export sector. In addition, the government's active measures to promote export to emerging markets and to gain entry to regional economic integration should help boost Taiwan's export performance.

- ⇒ Goods and services exports are projected to increase in real terms by 5.15% in 2013.
- ⇒ Goods and services imports are projected to grow by 5.80% in 2013 on the back of rising demand induced by export and investment.



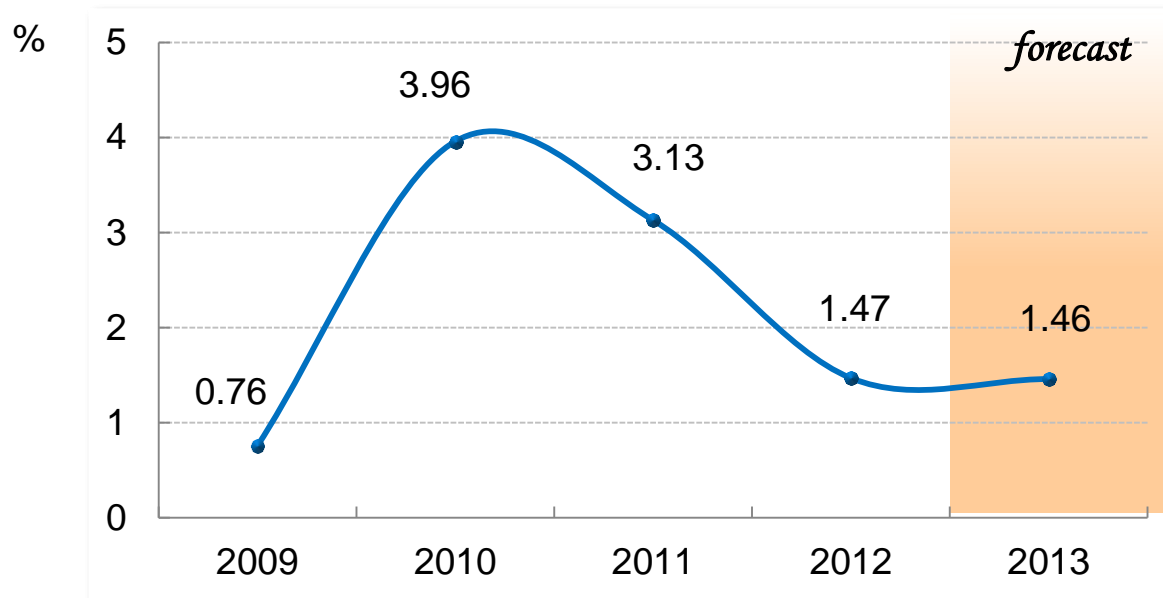
Source: DGBAS, May 24, 2013.

# III. PROSPECTS FOR 2013

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## *Flat Growth Forecast For Private Consumption*

⇒ Although equity markets have rebounded recently and the labor market has slightly improved, consumers are still cautious on spending due to the stagnation of real wages and the uncertainty of the pension reform. Private consumption is projected to rise by 1.46% in 2013.



Source: DGBAS, May 24, 2013.

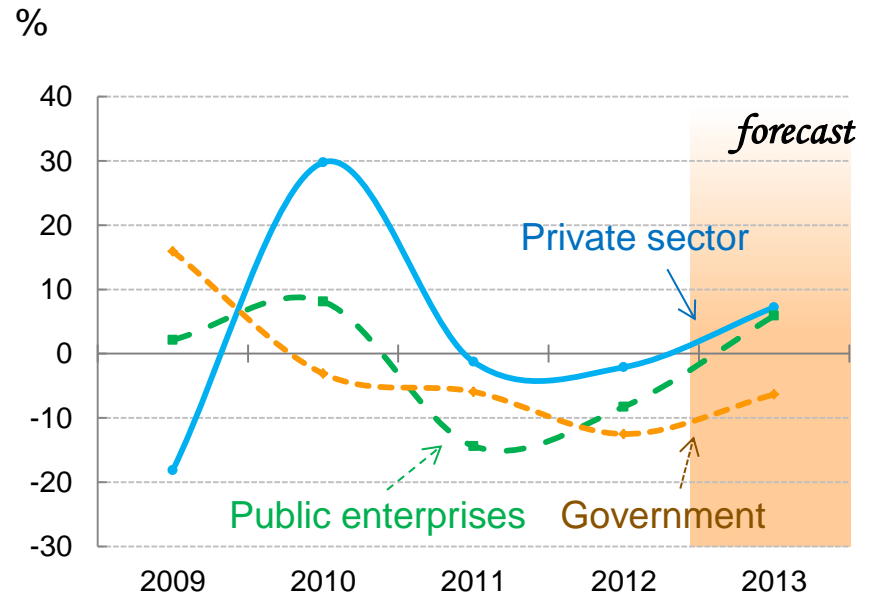
# III. PROSPECTS FOR 2013

## *Domestic Investment Picking Up Growth Momentum*

⇒ In 2013, there are some favorable factors for private investment, such as (1) plans by technically advantaged semiconductor manufacturers to accelerate the expansion of investment in advanced technologies, (2) the telecom industry increasing capital expenditure on cloud technology, wireless communications and digital channels, and (3) the government's efforts to encourage overseas Taiwanese businesses to invest back in Taiwan. Private fixed investment is projected to increase by 7.21% in the year.

⇒ Owing to the reduced public budget, government fixed investment is projected to decline by 6.36% in 2013. Public enterprise investment is expected to rise by 5.9%, mainly due to Taiwan Power Company's active implementation of investment in the Dalin Power Plant project.

⇒ Total fixed investment by the private sector, government and public enterprises is forecast to rise by 5.17% in 2013.



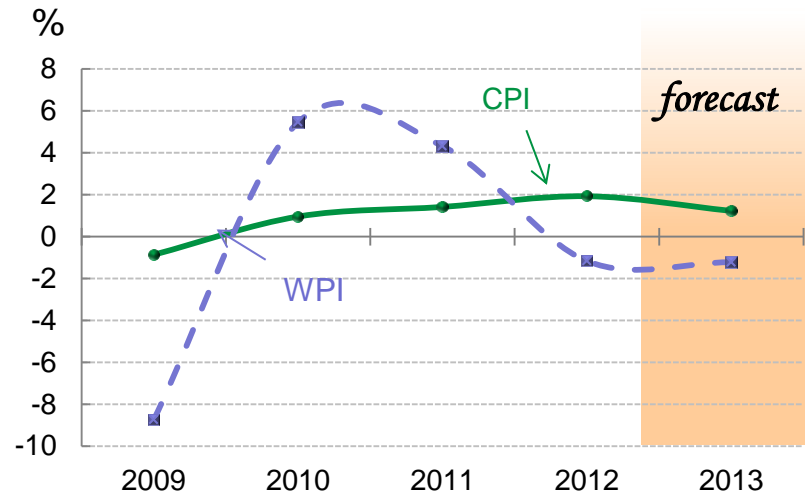
Source: DGBAS, May 24, 2013.



# III. PROSPECTS FOR 2013

## *Inflation Expected To Be Stable*

⇒ Oil prices have recently fallen substantially due to a combination of the weak global economy and a stronger oil supply. At the same time, prices of base metals and chemical materials have been depressed by overcapacity. Consequently, the WPI is forecast to decrease by 1.22% in 2013.



Source: DGBAS, May 24, 2013.

⇒ The weakness of commodity prices is helping to stabilize domestic prices. In addition, the import prices of some Japanese products are gradually reflecting the depreciation of the yen. Under these conditions, the CPI is forecast to rise by only 1.23% in 2013.

# Forecasts for Taiwan's Economy

|                                | Real GDP<br>(yoy, %) |                   | Consumer Prices<br>(yoy, %) |                   |
|--------------------------------|----------------------|-------------------|-----------------------------|-------------------|
|                                | 2012 <sub>r</sub>    | 2013 <sub>f</sub> | 2012 <sub>r</sub>           | 2013 <sub>f</sub> |
| <b>DGBAS (2013.5)</b>          | 1.32 [1.26]          | 2.40 [3.59]       | 1.93 [1.93]                 | 1.23 [1.37]       |
| <b>TIER (2013.4)</b>           |                      | 3.71 [3.49]       |                             | 1.51 [1.53]       |
| <b>CIER (2013.4)</b>           |                      | 3.63 [3.60]       |                             | 1.60 [1.57]       |
| <b>Yuanta-Polaris (2013.3)</b> |                      | 3.65 [3.48]       |                             | 1.53 [1.41]       |
| <b>TRI (2013.6)</b>            |                      | 2.14              |                             | 1.33              |
| <b>IEAS (2012.12)</b>          |                      | 3.05              |                             | 1.40              |
| <b>Global Insight (2013.5)</b> |                      | 3.0 [3.6]         |                             | 1.4 [1.6]         |
| <b>EIU (2013.5)</b>            |                      | 2.5 [3.2]         |                             | 1.5 [1.5]         |
| <b>World Bank (2012.12)</b>    |                      | 4.0 [4.4]         |                             | -                 |
| <b>IMF (2013.4)</b>            |                      | 3.0 [3.9]         |                             | 2.0 [2.0]         |
| <b>ADB (2013.4)</b>            |                      | 3.5 [3.8]         |                             | 1.6 [1.8]         |

DGBAS = Directorate-General of Budget, Accounting and Statistics, ROC (Taiwan); TIER = Taiwan Institute of Economic Research, Taipei; CIER = Chung-Hua Institution for Economic Research, Taipei; IEAS = Institute of Economics, Academia Sinica; Yuanta-Polaris = Yuanta-Polaris Research Institute; TRI = Taiwan Research Institute; EIU = Economist Intelligence Unit; IMF = International Monetary Fund; ADB = Asian Development Bank.

[ ] indicates the value of previous forecasts.

P = preliminary; f = forecast



## IV. CONCLUSION

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- The persisting high global uncertainties such as the eurozone recession and the US budget sequestration may still weigh on export growth. In order to ease the impact of weakness in the global economy, the government will actively promote export to emerging markets. For the internal sector, the government will accelerate the implementation of the project to strengthen promotion of investment in Taiwan by overseas Taiwanese businesses and the planning of Free Economic Pilot Zones.
- In addition, in order to enliven Taiwan's economy, premier Jiang Yi-huah in May of this year unveiled a 4-pronged set of 13 action measures, aimed at achieving the four key goals of increasing domestic consumption, stimulating domestic investment, encouraging innovative startups, and revising the capital gains tax on securities transactions.
- Looking forward, many international economic institutions have projected that the global economy will brighten in the second half of this year. In addition, the government's relevant initiatives should ensure that Taiwan's economy gradually improves.

# STATISTICAL ANNEX TABLES

## I. Real GDP Growth (change from a year ago)

|                         | Economic growth | Domestic demand |             |              |                               |                |                    |               |                       | Net foreign demand |                             |                                   |
|-------------------------|-----------------|-----------------|-------------|--------------|-------------------------------|----------------|--------------------|---------------|-----------------------|--------------------|-----------------------------|-----------------------------------|
|                         |                 | Total           | Consumption |              | Gross fixed capital formation |                |                    |               | Increase in inventory | Total              | Exports of goods & services | Less: Imports of goods & services |
|                         |                 |                 | Private     | Gov't        | Subtotal                      | Private sector | Public enterprises | Gov't         |                       |                    |                             |                                   |
| 2005                    | 4.70            | 1.83            | 2.90        | 0.19         | 2.66                          | 1.53           | 14.77              | 2.82          | --                    | --                 | 7.78                        | 3.16                              |
| 2006                    | 5.44            | 0.97            | 1.49        | -0.71        | 0.07                          | 3.31           | -8.61              | -11.21        | --                    | --                 | 11.41                       | 4.57                              |
| 2007                    | 5.98            | 1.42            | 2.08        | 2.09         | 0.55                          | 1.36           | 1.57               | -4.46         | --                    | --                 | 9.55                        | 2.98                              |
| 2008                    | 0.73            | -2.35           | -0.93       | 0.83         | -12.36                        | -15.58         | -1.98              | 1.18          | --                    | --                 | 0.87                        | -3.71                             |
| 2009                    | -1.81           | -3.71           | 0.76        | 4.01         | -11.25                        | -18.15         | 2.14               | 15.94         | --                    | --                 | -8.68                       | -13.10                            |
| 2010                    | 10.76           | 9.45            | 3.96        | 0.44         | 21.12                         | 29.76          | 8.11               | -3.10         | --                    | --                 | 25.63                       | 27.70                             |
| 2011                    | 4.07            | 0.58            | 3.13        | 2.25         | -3.10                         | -1.26          | -14.39             | -5.93         | --                    | --                 | 4.45                        | -0.47                             |
| <b>2012<sub>r</sub></b> | <b>1.32</b>     | <b>0.09</b>     | <b>1.47</b> | <b>0.46</b>  | <b>-4.19</b>                  | <b>-2.11</b>   | <b>-8.27</b>       | <b>-12.51</b> | --                    | --                 | <b>0.11</b>                 | <b>-2.08</b>                      |
| Q1                      | 0.59            | -1.33           | 1.92        | 2.10         | -10.21                        | -9.10          | -13.19             | -16.89        | --                    | --                 | -3.37                       | -7.23                             |
| Q2                      | -0.12           | -0.69           | 1.61        | 2.50         | -7.69                         | -5.71          | -13.07             | -14.92        | --                    | --                 | -2.54                       | -4.09                             |
| Q3                      | 0.73            | 0.11            | 0.90        | -0.70        | -0.95                         | 1.54           | -11.51             | -9.12         | --                    | --                 | 2.28                        | 1.88                              |
| Q4 <sub>r</sub>         | 3.97            | 2.24            | 1.48        | -1.47        | 2.07                          | 6.18           | -0.72              | -10.65        | --                    | --                 | 3.90                        | 1.29                              |
| <b>2013<sub>f</sub></b> | <b>2.40</b>     | <b>2.17</b>     | <b>1.46</b> | <b>-0.07</b> | <b>5.17</b>                   | <b>7.21</b>    | <b>5.90</b>        | <b>-6.36</b>  | --                    | --                 | <b>5.15</b>                 | <b>5.80</b>                       |
| Q1 <sub>p</sub>         | 1.67            | 2.17            | 0.35        | 0.40         | 7.44                          | 8.67           | 18.36              | -6.60         | --                    | --                 | 4.79                        | 6.59                              |
| Q2 <sub>f</sub>         | 1.98            | 1.48            | 1.42        | -0.09        | 4.30                          | 6.27           | 9.67               | -8.89         | --                    | --                 | 4.87                        | 5.08                              |
| Q3 <sub>f</sub>         | 2.86            | 2.28            | 2.23        | -0.22        | 4.98                          | 7.25           | 3.42               | -7.41         | --                    | --                 | 5.24                        | 5.20                              |
| Q4 <sub>f</sub>         | 2.98            | 2.71            | 1.85        | -0.28        | 4.21                          | 6.63           | 0.34               | -3.40         | --                    | --                 | 5.63                        | 6.37                              |

P = preliminary; f = forecast; r = revised. Source: Directorate-General of Budget, Accounting, and Statistics (DGBAS), May 24, 2013.

# STATISTICAL ANNEX TABLES

## II. Contributions to GDP Growth (in percentage points)

|                         | Economic growth | Domestic demand |             |              |                               |                |                    |              |                       | Net foreign demand |                             |                                   |
|-------------------------|-----------------|-----------------|-------------|--------------|-------------------------------|----------------|--------------------|--------------|-----------------------|--------------------|-----------------------------|-----------------------------------|
|                         |                 | Total           | Consumption |              | Gross fixed capital formation |                |                    |              | Increase in inventory | Total              | Exports of goods & services | Less: Imports of goods & services |
|                         |                 |                 | Private     | Gov't        | Subtotal                      | Private sector | Public enterprises | Gov't        |                       |                    |                             |                                   |
| 2005                    | 4.70            | 1.85            | 1.81        | 0.03         | 0.64                          | 0.28           | 0.25               | 0.11         | -0.63                 | 2.86               | 4.86                        | 2.00                              |
| 2006                    | 5.44            | 0.95            | 0.92        | -0.09        | 0.02                          | 0.59           | -0.16              | -0.42        | 0.10                  | 4.49               | 7.34                        | 2.85                              |
| 2007                    | 5.98            | 1.34            | 1.23        | 0.25         | 0.12                          | 0.24           | 0.02               | -0.14        | -0.27                 | 4.65               | 6.49                        | 1.85                              |
| 2008                    | 0.73            | -2.11           | -0.53       | 0.10         | -2.61                         | -2.62          | -0.03              | 0.03         | 0.94                  | 2.84               | 0.61                        | -2.23                             |
| 2009                    | -1.81           | -3.24           | 0.43        | 0.46         | -2.07                         | -2.56          | 0.03               | 0.45         | -2.05                 | 1.42               | -6.11                       | -7.53                             |
| 2010                    | 10.76           | 8.07            | 2.28        | 0.05         | 3.51                          | 3.49           | 0.12               | -0.10        | 2.23                  | 2.69               | 16.78                       | 14.09                             |
| 2011                    | 4.07            | 0.49            | 1.69        | 0.25         | -0.56                         | -0.17          | -0.22              | -0.17        | -0.89                 | 3.58               | 3.30                        | -0.28                             |
| <b>2012<sub>r</sub></b> | <b>1.32</b>     | <b>0.07</b>     | <b>0.79</b> | <b>0.05</b>  | <b>-0.71</b>                  | <b>-0.28</b>   | <b>-0.10</b>       | <b>-0.33</b> | <b>-0.06</b>          | <b>1.25</b>        | <b>0.08</b>                 | <b>-1.17</b>                      |
| Q1                      | 0.59            | -1.12           | 1.07        | 0.21         | -1.75                         | -1.30          | -0.10              | -0.34        | -0.65                 | 1.71               | -2.52                       | -4.23                             |
| Q2                      | -0.12           | -0.57           | 0.85        | 0.26         | -1.36                         | -0.78          | -0.17              | -0.41        | -0.32                 | 0.45               | -1.94                       | -2.40                             |
| Q3                      | 0.73            | 0.09            | 0.48        | -0.08        | -0.16                         | 0.20           | -0.13              | -0.23        | -0.15                 | 0.64               | 1.67                        | 1.02                              |
| Q4 <sub>r</sub>         | 3.97            | 1.78            | 0.77        | -0.18        | 0.34                          | 0.69           | -0.01              | -0.34        | 0.85                  | 2.19               | 2.88                        | 0.69                              |
| <b>2013<sub>f</sub></b> | <b>2.40</b>     | <b>1.75</b>     | <b>0.78</b> | <b>-0.01</b> | <b>0.83</b>                   | <b>0.91</b>    | <b>0.07</b>        | <b>-0.15</b> | <b>0.14</b>           | <b>0.65</b>        | <b>3.79</b>                 | <b>3.14</b>                       |
| Q1 <sub>p</sub>         | 1.67            | 1.79            | 0.20        | 0.04         | 1.14                          | 1.12           | 0.13               | -0.11        | 0.41                  | -0.11              | 3.44                        | 3.56                              |
| Q2 <sub>f</sub>         | 1.98            | 1.21            | 0.76        | -0.01        | 0.70                          | 0.81           | 0.11               | -0.21        | -0.25                 | 0.78               | 3.64                        | 2.86                              |
| Q3 <sub>f</sub>         | 2.86            | 1.84            | 1.19        | -0.02        | 0.82                          | 0.96           | 0.03               | -0.17        | -0.15                 | 1.02               | 3.88                        | 2.86                              |
| Q4 <sub>f</sub>         | 2.98            | 2.11            | 0.94        | -0.03        | 0.67                          | 0.76           | 0.01               | -0.09        | 0.53                  | 0.86               | 4.16                        | 3.30                              |

P = preliminary; f = forecast; r = revised. Source: Directorate-General of Budget, Accounting, and Statistics (DGBAS), May 24, 2013.

# Thank you

This summary is prepared by the Department of Economic Research of the Council for Economic Planning and Development (CEPD). Quarterly updates can be found on the CEPD's website at <http://www.cepd.gov.tw/encontent>. For inquiries send an e-mail to [bci@cepd.gov.tw](mailto:bci@cepd.gov.tw).