

# Taiwan's Economic Situation Summary

In June 2011, Taiwan's exports and imports increased by 10.8% and 12.5% year-on-year, lifted by the steady improvement of global economic conditions. Consumer prices (the CPI) increased by 1.73%, and the unemployment rate rose slightly to 4.35% as a wave of new graduates entered the job market. On the financial side, June's M2 monetary aggregate fell to 5.99% from 6.14% in May, and the average of the stock price index declined to 8,749 points. The overall light signal of the monitoring indicators remained "green" through June, in continuing indication of stable economic recovery.

According to the latest "World Economic Climate" report issued by Germany's ifo Institute, the general evaluation of Taiwan's overall economic performance by survey subjects is satisfactory, and the expectation for the second half of the year is slightly up. Looking ahead to the remainder of 2011, global economic indexes continued climbing in the second quarter, showing ongoing stable growth that will help Taiwan maintain its export momentum. With the government's continued global promotion of foreign investment and work on the "Industries for homes, homes for industries" plan, which will further stimulate private investment and job creation, Taiwan's economic outlook is cautiously optimistic.

% change on previous year	Historical Data				Current Data (2011)				
	2007	2008	2009	2010	Mar.	Apr.	May.	Jun	Jan.-Jun.
GDP	5.70	0.12	-1.93	10.88	6.55*	-			-
CPI	1.80	3.53	-0.87	0.96	1.40	1.31	1.65	1.73	1.45
Unemployment rate	3.91	4.14	5.85	5.21	4.48	4.29	4.27	4.35	4.45
Exports	10.1	3.6	-20.3	34.8	16.6	24.6	9.5	10.8	16.9
Imports	8.2	9.7	-27.5	44.2	16.7	25.7	19.3	12.5	20.3
Export orders	15.5	1.7	-8.33	20.56	13.37	10.14	11.53	9.18	10.63
Industrial production	7.8	-1.8	-8.1	26.9	13.7	7.2	7.6	3.6	10.2
Monetary aggregate (M2)	4.3	2.7	7.2	4.59	5.97	5.88	6.14	5.99	5.95
Stock market**	8,510	7,024	6,460	7,950	8,575	8,861	8,911	8,749	8,799

Note: \* The DGBAS forecasts that Taiwan's real GDP will grow 5.06% in 2011.

\*\* Stock index (monthly average).

Sources: The Central Bank of China (CBC), Directorate-General of Budget, Accounting and Statistics (DGBAS), Ministry of Economic Affairs (MOEA), and Ministry of Finance (MOF)