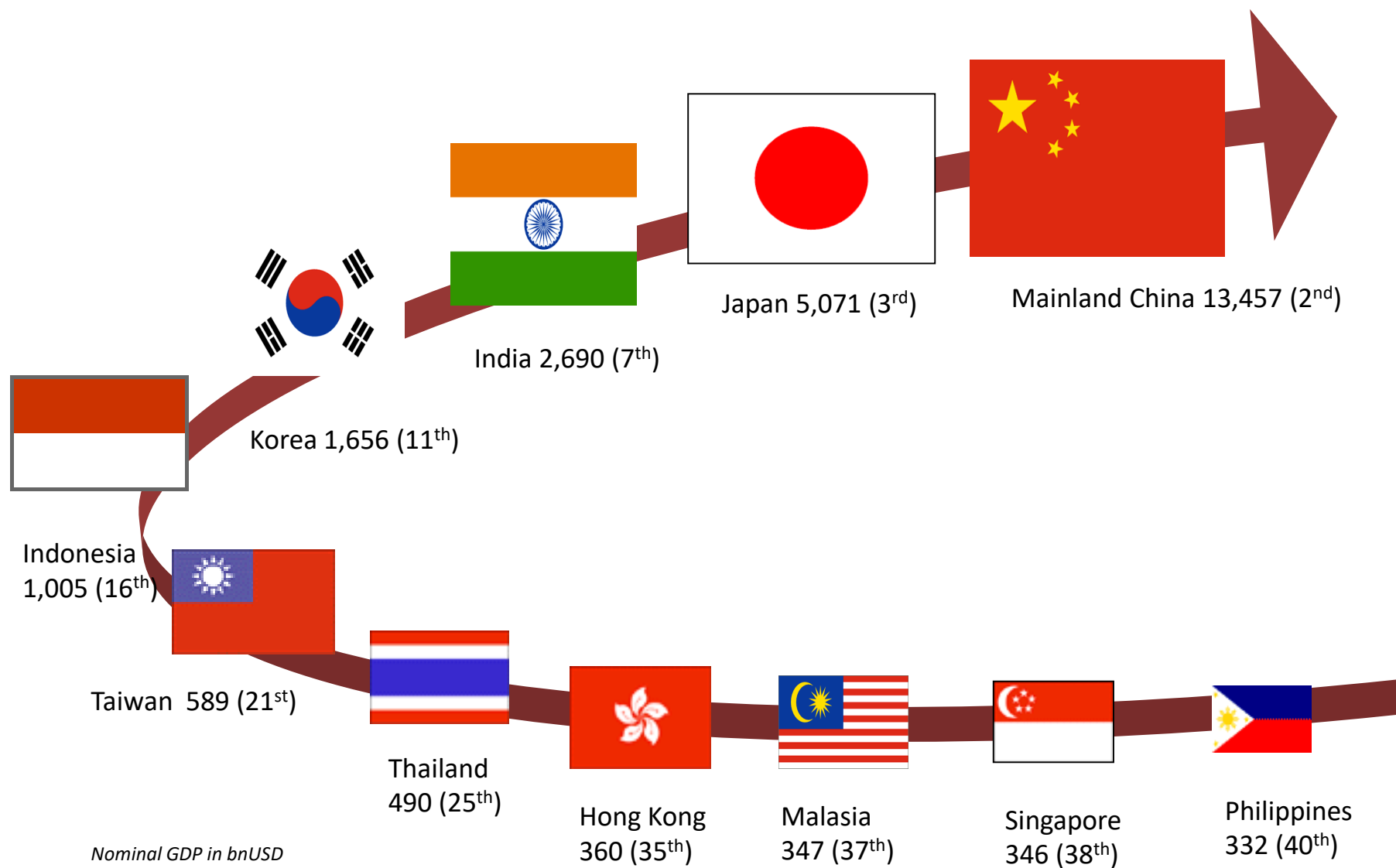


# Update on Taiwan's economic situation

CCIFT General Assembly  
April 10<sup>th</sup> , 2019

# Taiwan is still the 6<sup>th</sup> largest Asian economy



Nominal GDP in bnUSD  
Source: IMF, 2018

# Some key figures about the Taiwanese economy

## A SIZEABLE ECONOMY

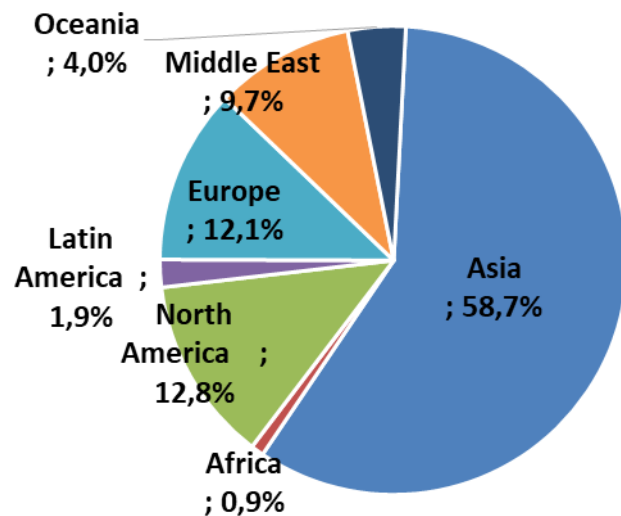
- Taiwan GDP in 2018 : 589 Md USD (+2,63%)
- World's 21<sup>st</sup> largest economy
- World's 5<sup>th</sup> largest foreign currency reserve : 464 bn USD (CBC)
- Foreign currency deposited in domestic banks : 1 trillion USD (2019)
- Industry still accounts for 35% of GDP (services: 63%)
- Exports (USD 394 bn) amounts to 67% of GDP

## A LARGE POTENTIAL MARKET

- Relatively high revenues
  - Asia's 6<sup>th</sup> GDP per capita: 25,004 USD (France: 42,930 USD)
  - In PPP terms: 49,827 \$ / capita (France: 43,550 \$)
- World's 18<sup>th</sup> largest exporter and 19<sup>th</sup> largest importer of goods



# Taiwan's Foreign Trade Partners

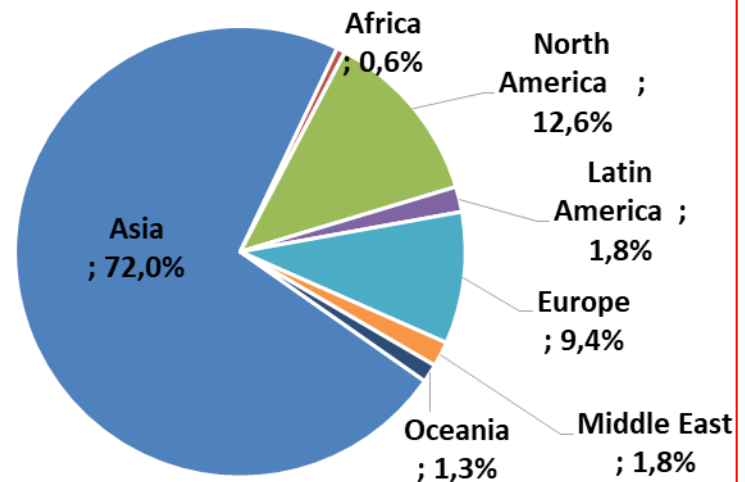


## Taiwanese imports by origin in 2018

- ❖ Mainland China & HK: 19,3%
- ❖ Japan: 15,4%
- ❖ Asean-6: 12,0%
- ❖ EU 28: 9,7%
- ❖ USA: 12,1%

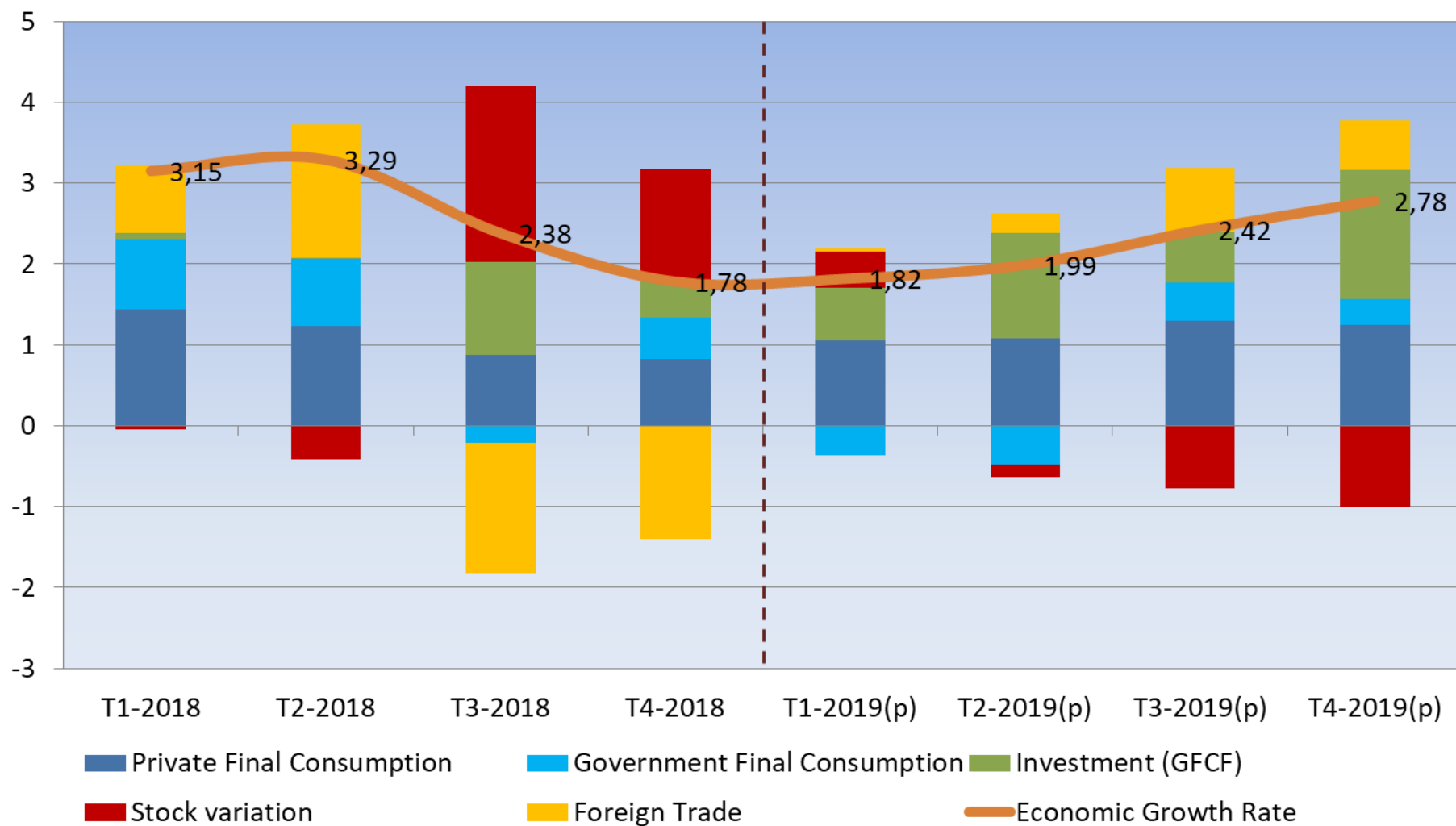
## Taiwanese exports by destination in 2018

- ❖ Mainland China & HK: 41,2%
- ❖ Asean-6: 17,3%
- ❖ Japan: 6,9%
- ❖ EU 28: 8,8%
- ❖ USA: 11,8%



Source : MOF, BOFT

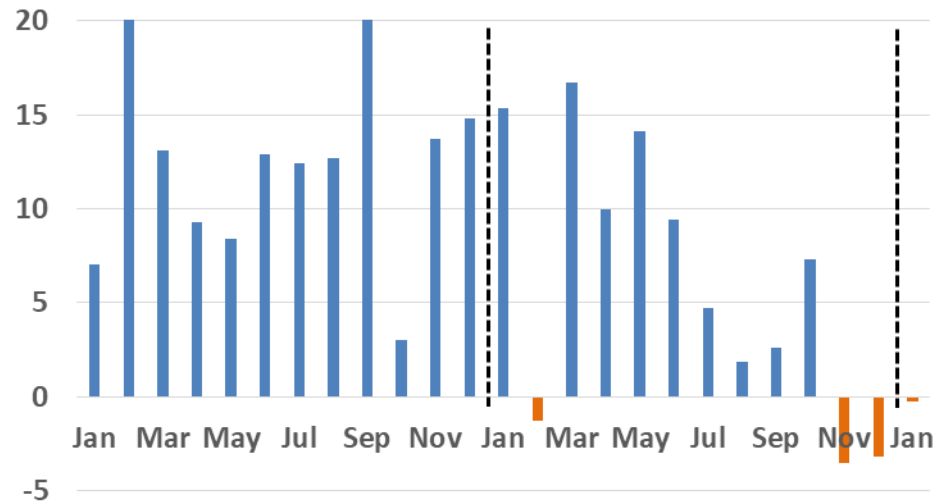
# The growth dynamic in 2018-2019



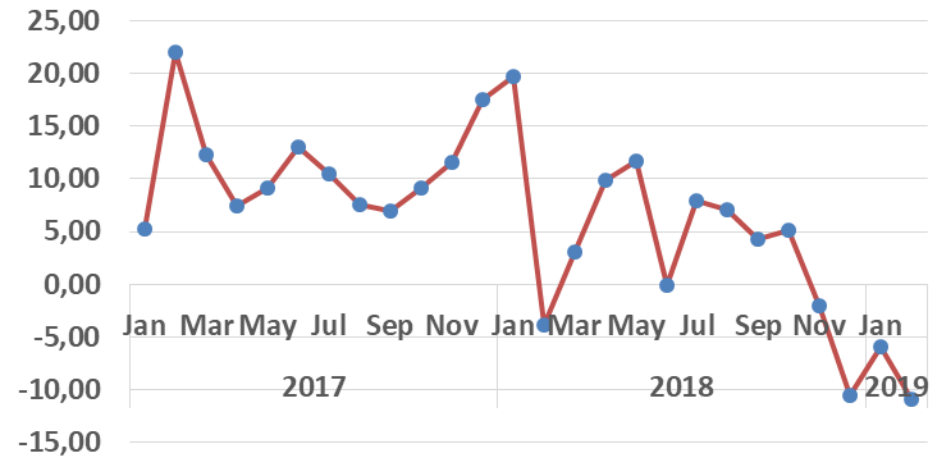
Source : DGBAS

# Where are we going? Short term perspectives

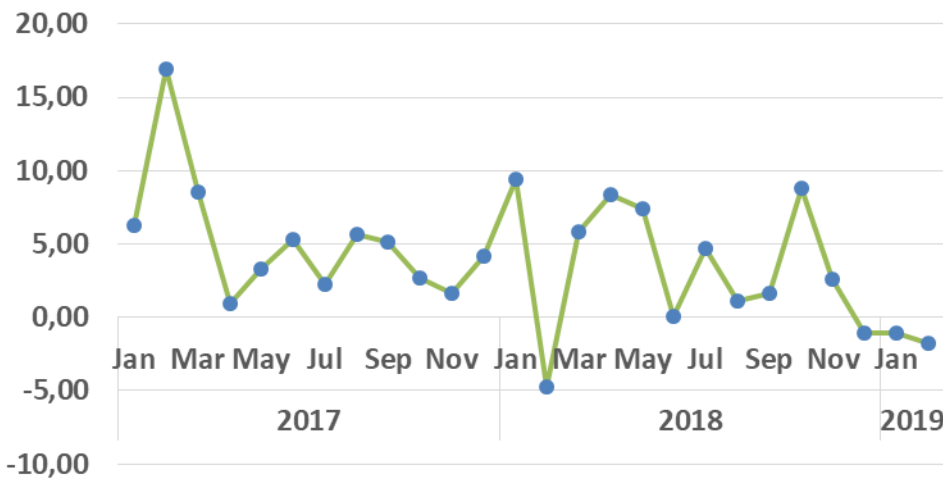
Exports (y-o-y variation)



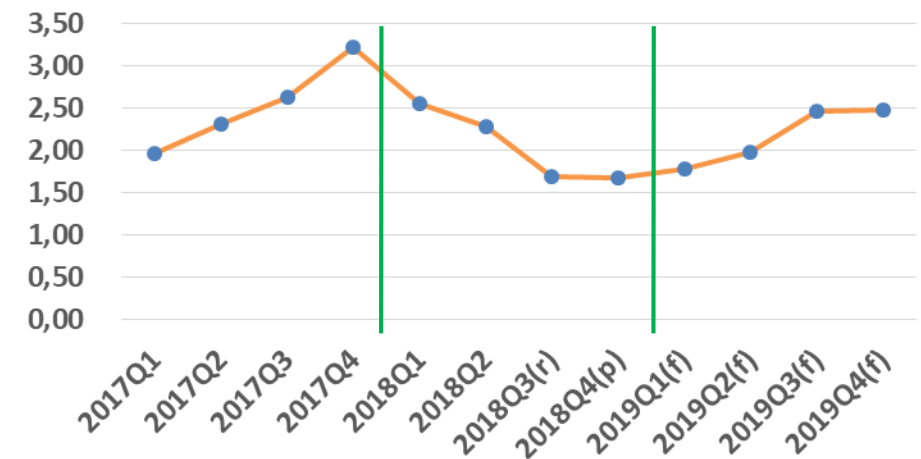
Export Orders (yoy variation in %)



Industrial Production Index (y-o-y variation in %)



Private consumption (y-o-y variation in %)



# Official Forecast for 2019

	2016	2017	2018	2019(f)*
<b>Economic Growth</b>	<b>+1,51%</b>	<b>+3,08%</b>	<b>+2,63%</b>	<b>+2,27%</b>
Inflation	1,39%	0,62%	1,35%	0,73%
Unemployment	3,92%	3,76%	3,71%	-
Private final consumption (yoy)	+2,37%	+2,54%	+2,05%	+2,18%
Investment (GFCF) (yoy)	+2,36%	-0,12%	+2,10%	+5,00%
Government final consumption (yoy)	+3,60%	-0,63%	+3,51%	-0,03%
Exports (FOB)	-1,76%	+13,17%	+5,92%	+0,19%
Imports (CIF)	-2,80%	+12,45%	+10,55%	-0,95%
Balance (Bn USD)	49,7	57,9	49,4	52,7

Source : DGBAS (\*) : forecast for 2019 (updated on February 13th 2019)

# Taiwan in international rankings 2018

- **Competitiveness** : 13th most competitive economy according to WEF (SGP : 2<sup>nd</sup> ; HK: 7th).
- **Business Environment**: 13th best in WB's Doing Business 2019 (SGP: 2<sup>nd</sup> ; HK: 4th ; SK: 5th).
- In the **Heritage Foundation's Index of Economic Freedom** for 2019, Taiwan **ranked 10<sup>th</sup>** out of 186 countries, ahead of South Korea (27), Japan (30), and Israel (31) but behind HK(1), SGP(2).
- Taiwan's **GINI Index** (which measures the income gap between rich and poor) indicates it actually ranks in the **top third of countries with the smallest gaps** (112th place according to **World Factbook**).
- Taiwan ranked **6th in 2018 in number of patents granted by USPTO** and also ranked 5th in 2017 in **USPTO nanotechnology patents**.
- Taiwan maintained its **global lead in integrated circuit 200mm-equivalent wafer fab capacity** for the 4th consecutive year: as of **December 2018, Taiwan enjoyed a global share of 21.8%, ahead of South Korea (21.3%), Japan (16.8%), North America (12.8%), and China (12.5%)**.
- According to the InterNations survey, **Taiwan ranked 2nd in 2018 in a survey of “Best Countries for Expats.”**
- The InterNations survey also gave **Taipei a 1st place ranking in 2018** for the general **friendliness of the Taiwanese and their positive attitude toward foreign residents**.



# Conclusion

- ❑ Taiwan's GDP per capita exceeded, for the first time, 25 000 USD in 2018.
- ❑ Nothing actually changed in 2018 but Taiwan is still facing major challenges in 2019 with global demand slowing down.
- ❑ Time to change the “economic model”.
- ❑ Promotion of Forward-Looking Infrastructure Development Program and action plan to welcome investments by Taiwanese companies abroad, both public and private investment, may continue to expand.
- ❑ Need to upgrade Taiwanese industries and to diversify trade partners.
- ❑ Solving Energy supply challenge should be a top priority.
- ❑ Tackling social challenges both in the short term (housing, low salaries,...) and the long term (demographics).
- ❑ Help foreign startups and SMEs to get financing from Taiwanese banks.

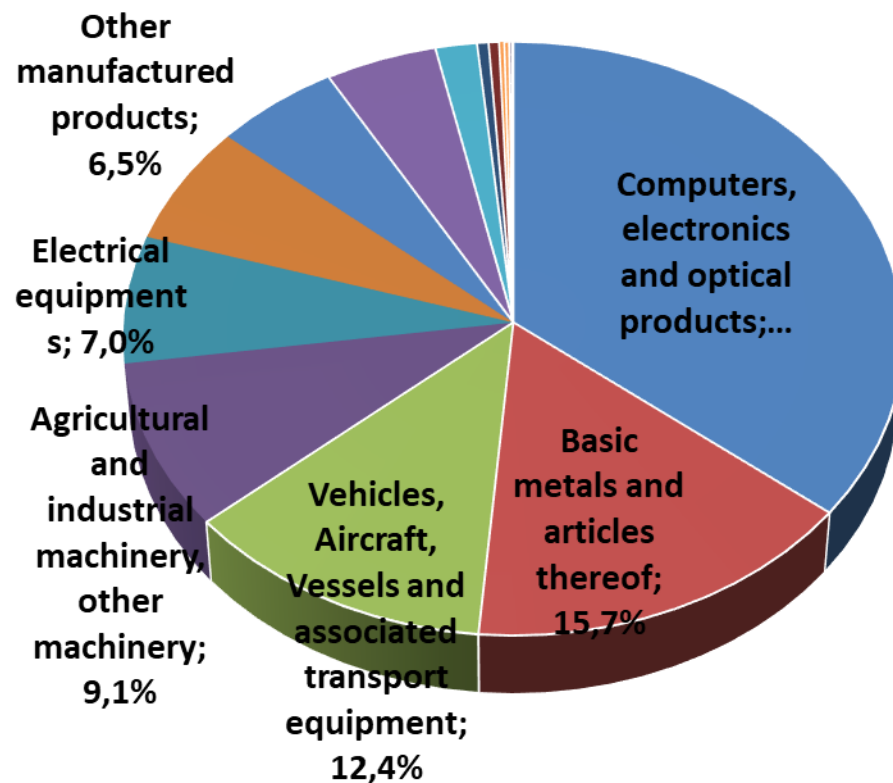
THANKS FOR YOUR ATTENTION

# France's foreign trade with Taiwan

## French imports from Taiwan in 2018

- ❖ **Total Trade in 2018 : 4,7 bn EUR ( France, 20<sup>th</sup> trade partner of TW)**
- ❖ **French imports : 2,52 bn EUR (20<sup>th</sup> client of TW)**
- ❖ **French Exports : 2,18 bn EUR (16<sup>th</sup> supplier of TW)**

Commodities	Value K euros (growth yoy)	
Computers, electronics and optical products	899 621	-32,3%
Basic metals and articles thereof	395 356	+6,2%
Vehicles, Aircraft, Vessels and associated transport equipment	311 944	-6,5%
Agricultural and industrial machinery, other machinery	228 857	-5,7%
Electrical equipments	175 356	-1,4%
Other manufactured products	164 452	-5,6%
Rubber and plastic products, other mineral products	137 718	+1,6%
Chemicals, Perfumes and Cosmetics	122 924	+9,7%
Textile, Clothes, Leather, Shoes	45 819	-17,8%
Agroprocessing Industry	12 603	+3,9%



# France's foreign trade with Taiwan

## French exports to Taiwan in 2018

Commodities	Value K euros (growth yoy)	
Vehicles, Aircraft, Vessels and associated transport equipment	583 448	(-58,2%)
Computers, electronics and optical products	333 548	(+41,8%)
Agroprocessing Industry	283 283	(-0,1%)
Chemicals, Perfumes and Cosmetics	276 883	(+6,6%)
Pharmaceutical products	141 462	(+5,9%)
Textile, Clothes, Leather, Shoes	125 608	(+2,6%)
Agricultural and industrial machinery, other machinery	119 249	(+45,0%)
Basic metals and articles thereof	68 460	(+9,1%)
Electrical equipments	49 771	(+7,3%)
Rubber and plastic products, other mineral products	39 953	(-4,9%)
<b>Total</b>	<b>2 182 492</b>	<b>(-21,3%)</b>

