



News Releases

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ECONOMIC PERFORMANCE IN Q3 OF 2004, OUTLOOK FOR 2004-2005, AND THE BENCHMARK REVISION OF THE NATIONAL ACCOUNTS

ECONOMIC PERFORMANCE IN 2004

The strong expansion of capital formation in the private sector helped support the robust growth of Taiwan's economy in the third quarter of 2004. Real gross domestic product (GDP) increased by 5.27%, compared with the same quarter of the previous year. Real domestic demand increased by 5.47% and contributed 4.94 percentage points to the growth of real GDP. Net exports contributed 0.33 percentage point to the change in real GDP.

After the strong recovery in the first half of 2004, the momentum of the global economy seems to slow down gradually in the second half. However, the yearly growth of the world economy is still more substantial than in 2003, and has led to brisk increases of Taiwan's export in 2004. Meanwhile, the steady progress in the huge new-building projects of semi-conductor and thin film transistor liquid crystal display (TFT-LCD) industries will keep the capital formation in the private sector booming. For 2004 as a whole, real GDP is projected to expand 5.93% from the previous year. Real domestic demand increased 5.66%, and contributed 5.07 percentage points to the change of real GDP. Net exports contributed 0.86 percentage points to the change in real GDP.

OUTLOOK FOR TAIWAN ECONOMY IN 2005

The rate of growth of the global economy is expected to decrease in 2005. Thus Taiwan's export expansion will in turn also slow down. Simultaneously, the domestic sector will not grow as solid as in 2004 either, due to the high level of growth achieved in 2004 and the less-favorable global economy. The GDP is projected to increase by 4.56% in 2005. The domestic demand will increase by 3.42%, and will contribute 3.06 percentage points to the GDP growth rates. At the same time, the net export will contribute 1.50 percentage points.

BENCHMARK REVISION OF THE NATIONAL ACCOUNTS

DGBAS, the highest administration of statistics, has also released the benchmark revision of the National Accounts during 1997-2003. The rebasing National Accounts to reference year 2001 has been completed. All real terms (in constant price) are revised backwards to 1961. According to the revision, the GDP grew 3.84% on average during 1997-2002, 0.05 percentage points lower than the original growth (3.89%).

For further information:

Statistics Database:

<http://www.stat.gov.tw/main.htm>

DGBAS news releases on the Internet:

<http://www.dgbas.gov.tw/>

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Gross Domestic Product in 2004 (Preliminary)

Table 1 Economic Performance during 2003-2005

	2003 r	2004 f					2005 f
			2004Q1r	2004Q2r	2004Q3p	2004Q4f	
	(Percent change from a year earlier)						
Expenditures on Real GDP	3.3	5.9	6.7	7.9	5.3	4.1	4.6
Domestic Demand	0.6	5.7	6.8	5.8	5.5	4.6	3.4
Private Consumption	0.8	2.9	3.7	4.3	1.4	2.3	2.6
Government Consumption	0.7	-1.0	0.6	-0.9	-1.6	-1.7	0.2
Gross Fixed Capital Formation	-2.0	13.9	13.6	19.4	13.7	10.0	8.1
General Government	-1.8	-3.5	-0.6	-3.8	-8.0	-1.1	3.1
Public Sector	-4.7	-11.8	-12.1	-9.5	-13.1	-12.1	9.4
Private Sector	-1.6	24.9	21.8	33.1	26.4	19.6	9.3
Increase in Stocks	-	-	-	-	-	-	-
Net Exports	-	-	-	-	-	-	-
Exports of Goods and Services	10.9	16.1	20.3	25.0	15.1	6.2	5.5
Imports of Goods and Services	6.7	17.8	23.6	24.8	17.4	7.6	3.8
	(Contributions to Percent Change in Real GDP)						
Expenditures on Real GDP	3.3	5.9	6.7	7.9	5.3	4.1	4.6
Domestic Demand	2.7	5.1	6.1	5.2	4.9	4.1	3.1
Private Consumption	2.0	1.8	2.4	2.6	0.9	1.3	1.5
Government Consumption	1.0	-0.1	0.1	-0.1	-0.2	-0.2	0.0
Gross Fixed Capital Formation	-0.5	2.3	1.9	3.2	2.3	2.0	1.5
General Government	-0.1	-0.1	0.0	-0.1	-0.3	0.0	0.1
Public Sector	-0.1	-0.2	-0.2	-0.2	-0.3	-0.4	0.2
Private Sector	-0.2	2.7	2.1	3.6	2.8	2.4	1.2
Increase in Stocks	0.1	1.1	1.8	-0.5	2.0	1.0	0.0
Net Exports	0.6	0.9	0.6	2.7	0.3	0.0	1.5
Exports of Goods and Services	3.5	9.4	11.0	14.7	8.5	3.9	3.5
Imports of Goods and Services	2.9	8.5	10.4	12.0	8.2	3.9	2.0
	(Other Indicators)						
CPI (%)	-0.3	1.8	0.5	1.2	2.9	2.6	1.9
WPI (%)	2.5	7.2	2.5	6.4	10.4	9.4	2.0
Exports (Custom Basis) (%)	10.4	20.9	22.3	28.8	21.6	12.5	7.4
Imports (Custom Basis) (%)	13.1	30.0	31.2	39.7	31.9	19.5	5.8
Net Exports (Bil. US \$)	16.9	8.8	1.9	1.9	2.5	2.4	12.0
GDP (Bil. US \$)	2,860	3,052	779	716	762	795	3,278
Per Capita GDP (US \$)	12,715	13,524	3,456	3,174	3,377	3,517	14,475

Table 2 The Revision of GDP Growth Rates during 1997-2003

	GDP Growth Rates						
	1997	1998	1999	2000	2001	2002	2003
Revised (%)	6.37	4.33	5.32	5.78	-2.22	3.94	3.33
Original (%)	6.68	4.57	5.42	5.86	-2.18	3.59	3.31
Difference (percentage points)	-0.31	-0.24	-0.10	-0.08	-0.04	0.35	0.02