



News Release

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DGBAS, Taipei

TAIWAN'S ECONOMIC PERFORMANCE IN THE SECOND QUARTER OF 2006 AND OUTLOOK FOR 2006-2007

Economic Performance in the Second Quarter of 2006 and Forecasts for 2006

In the second quarter of 2006, the brisk growth of real exports of goods and services (12.4%) indicated the strong performance of external sector. However, the weakened private consumption, caused by the negative effects of credit and cash cards' insolvent loans, and the trimmed private fixed investment pressed the real domestic demand to shrink by 0.92%. Taking all situations as a whole, Taiwan's real gross domestic products (GDP) increased by 4.57% from the same quarter of one year ago.

Looking ahead the second half of 2006, the propelling strength of external sector may sustain, helped by the expanding capacity of electronic products and enhancing global business operation. Meanwhile, the contribution of domestic sector might recover. For 2006 as a whole, real GDP is expected to grow by 4.28%.

Outlook for 2007

According to the latest world economic outlook, the growth of global economy may be moderate in 2007. Taiwan's export is anticipated to mildly increase. Combining the ameliorative domestic sector, real GDP is predicted to grow by 4.13% in 2007.

For further information:

Statistics Database:

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

DGBAS news releases on the Internet:

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

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Next release – Not Later Than Nov 24, 2006, for:

Third Quarter Gross Domestic Products in 2006 (Preliminary).