

Update 2: Taiwan - Economy Contracts by 0.73% in Q2 2020 Amid COVID-19 Pandemic

- Taiwan's economy contracted 0.73% in the second quarter this year due to the global slowdown stemming from the COVID-19 pandemic
- It was the first time Taiwan's GDP had posted negative growth in a quarter since the first quarter of 2016, when the local economy contracted by 0.09% from a year earlier
- For the first half of 2020, Taiwan's economy grew 0.41%
- The COVID-19 pandemic has sent ripples through the global raw materials market, affecting the value of exports of non-tech industrial sectors
- Rising demand for devices used for remote work and online learning led to a surge in exports of such equipment, offsetting the decline in exports of industrial products
- Total merchandise and service exports in the second quarter fell 3.68% while imports were down 4.24% YOY
- Private consumption fell 5.13% from a year earlier in the second quarter, with retail sales down 5.76%, airline revenue down 92.86% and sales generated by food and beverage vendors down 12.36%
- As of now, Taiwan has reported 474 confirmed COVID-19 cases with seven deaths
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Ministry of Health and Welfare (<https://www.mohw.gov.tw/>) for the latest information on COVID-19 in Taiwan

Source(s)

<https://focustaiwan.tw/business/202007310017>
<https://asia.nikkei.com/Economy/Taiwan-s-GDP-falls-surprise-0.73-in-Q2-as-global-economy-slows>
<https://www.taiwannews.com.tw/en/news/3978492>

Targets Affected:

Taiwan

Guidance

Actions to consider:

- Consider implementing suggested actions related 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

June 17, 2020

Medium

[Update 1: Taiwan - Plans to Ease
Border Controls and Allow Some
Business Travelers from Next Week](#)

June 12, 2020

Low

[Taiwan - Announces Stimulus Package
to Boost Domestic Tourism Amid
COVID-19 Pandemic - ~US\\$130 M](#)

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.