

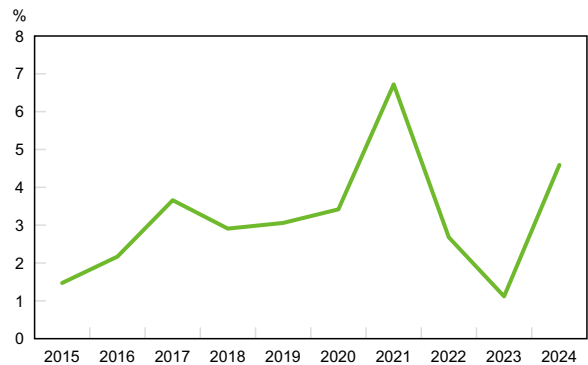
2. National Output and Income

In 2024, Taiwan's economy grew at an annual rate of 4.59%. Domestic demand, driven by steady increases in private consumption and fixed capital formation, contributed 4.76 percentage points to real GDP growth. In terms of external demand, both export- and investment-derived demand caused import growth to outweigh the growth of exports, and thus, net exports contributed -0.16 percentage points to real GDP growth. In the meantime, nominal GNI (gross national income, in US dollars) rose by 5.27%, and GNI per capita increased from US\$33,525 to US\$35,188 over the year 2024.

In the first quarter, real GDP expanded by 6.46%. Private consumption showed robust growth driven by active spending on transportation, dining, accommodation, and entertainment services, while private investment growth was held back by wary business sentiment amid global economic uncertainties. Exports grew significantly owing to higher demand for products related to information and communication technology (ICT). In the second quarter, real GDP grew by 4.89%. Export growth was fueled by improved global end-market demand and the expansion of emerging technology applications. Meanwhile, private consumption remained stable because of improvement in consumer confidence and steady employment, and private investment grew as firms increased production capacity in response to better economic conditions.

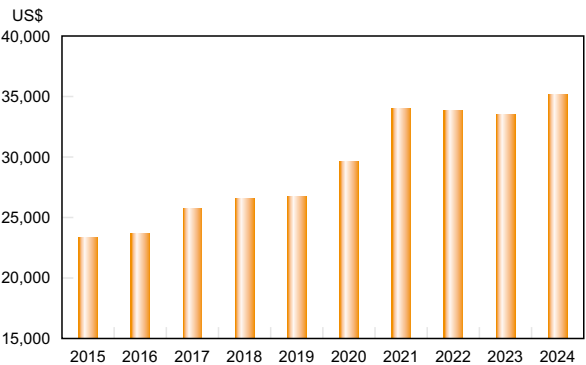
In the third quarter, real GDP growth rose to 4.21%. Exports gained further growth momentum owing to strong demand for ICT products. Against this backdrop, ICT-related supply chains increased capital expenditures, which in turn stimulated growth in private investment. Private consumption growth remained solid, supported by higher consumer confidence and wage hikes in the corporate sector. In the fourth quarter, real GDP expanded by 2.90%. Exports continued to thrive, fueled by robust growth in

Real Growth Rate of GDP



Source: Statistical Abstract of National Income, DGBAS, Executive Yuan, February 2025.

Per Capita GNI



Source: Statistical Abstract of National Income, DGBAS, Executive Yuan, February 2025.

advanced integrated circuits (ICs), servers, and related supply chain goods. Furthermore, in response to the booming demand for emerging technology applications, firms increased domestic production capacity, leading to a significant rise in private investment. Private consumption, on the other hand, saw moderate growth, driven by a continued increase in real wages.

Expenditure Components of GDP

Of all expenditure components of GDP, exports of goods and services were the primary source of economic growth and contributed 5.37 percentage points to real GDP growth for 2024. Private consumption, on the other hand, contributed 1.37 percentage points to real GDP growth. Gross fixed capital formation and government consumption contributed 1.36 percentage points and 0.34 percentage points to real GDP growth, respectively. With respect to shares of GDP, exports of goods and services continued to account for the largest share of GDP at 63.47%, followed by private consumption at 47.07% and gross fixed capital formation at 25.44%.

GDP by Expenditure

Unit: %

	2024			2023		
	Share	Real Growth Rate	Contribution to Real Growth Rate of GDP*	Share	Real Growth Rate	Contribution to Real Growth Rate of GDP*
Private Consumption	47.07	2.81	1.37	48.66	7.90	3.62
Government Consumption	13.29	2.46	0.34	13.70	0.42	0.06
Gross Fixed Capital Formation	25.44	5.30	1.36	25.63	-7.76	-2.18
Change in Inventory	1.02	--	1.69	-1.12	--	-0.66
Exports of Goods and Services	63.47	8.71	5.37	61.61	-4.08	-2.75
(Less: Imports of Goods and Services)	50.30	11.41	5.53	48.47	-5.49	-3.03
Expenditure on GDP	100.00	4.59	4.59	100.00	1.12	1.12

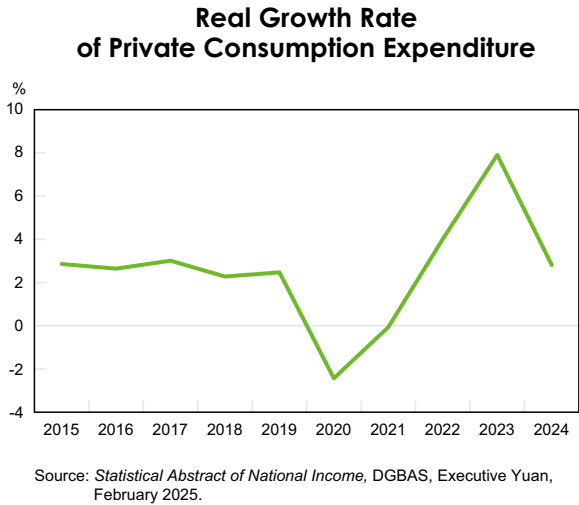
Note: * Percentage point.

Source: *Statistical Abstract of National Income*, DGBAS, Executive Yuan, February 2025.

(1) Moderate Growth in Private Consumption

The domestic economy showed signs of improvement in 2024. Increases in the minimum wage and basic living expenses per person, as well as upward salary adjustments by companies, boosted disposable income. The labor market remained stable, and consumers' willingness to spend stayed strong. As a result, private consumption grew at an annual rate of 2.81% and contributed 1.37 percentage points to real GDP growth in 2024.

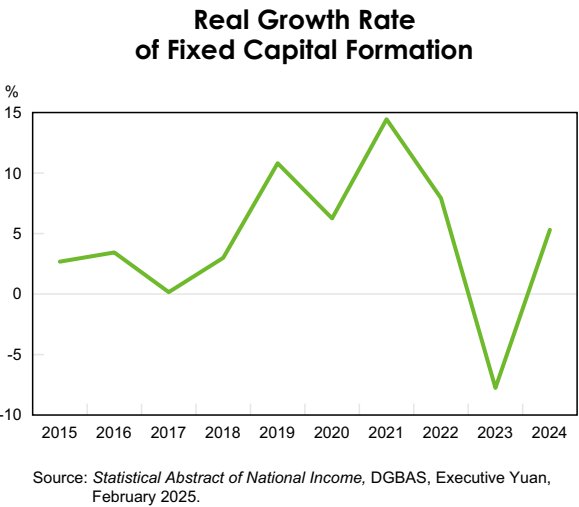
In the first quarter of 2024, rising consumer confidence spurred an increase in spending, leading to a 4.04% growth in private consumption. The second quarter saw continued economic recovery, with a buoyant stock market driving up securities transaction fees. Meanwhile, strong demand for travel and vibrant spending on dining, accommodation, and entertainment services pushed the private consumption growth rate to 2.94%. During the summer vacation period in the third quarter, both domestic consumption and outbound travel surged, contributing to a 1.84% increase in private consumption. By the fourth quarter, continued growth in real wages supported domestic spending, while sustained enthusiasm for outbound travel helped maintain a solid 2.49% growth rate in private consumption.



(2) Robust Growth in Gross Fixed Capital Formation

The expansion of advanced IC production capacity and a rise in research and development expenditures in the semiconductor industry, along with ongoing growth in green energy-related investments, resulted in a 5.30% growth rate in gross fixed capital formation, contributing 1.36 percentage points to real GDP growth in 2024.

Machinery and equipment investment fell in the first quarter owing to the weak global economic recovery, caused by persistent inflation and high interest rates. In the second quarter, both machinery and equipment investment and construction investment regained growth momentum as market demand picked up. The gross fixed capital formation growth rates for the first two quarters of the year were -3.73% and 6.90%, respectively. A favorable investment outlook for technology businesses further accelerated machinery and equipment investment growth in the second half of the year, while construction investment remained stable. As a result, gross fixed capital formation grew by 7.13% and 11.00% in the last two quarters of the year, respectively.



In terms of the type of fixed capital formation, both machinery and equipment investment and construction investment benefited from the expansion of production capacity in the semiconductor industry, increasing by 9.45% and 4.38%, respectively, in 2024. In contrast, transportation investment contracted by 4.18% owing to a higher base effect. Lastly, investment in intellectual property remained relatively stable, growing by 3.60% for the entire year.

(3) Significant Increase in Real Exports

Stronger-than-expected demand for emerging technology applications led to a significant surge in exports of goods and services, which grew by 8.71%, contributing 5.37 percentage points to real GDP growth in 2024.

The pace of recovery varied across industries throughout 2024. Exports of ICT products outperformed those of traditional manufacturing goods amid strong demand for emerging technology applications. This sustained demand helped maintain export growth throughout the year. As a result, Taiwan's exports of goods and services grew by 9.44%, 7.65%, 8.88%, and 8.90% in the first through fourth quarters, respectively.

As for imports, higher export- and investment-derived demand resulted in a notable 11.41% increase in imports for the year.

Real Growth Rates of Exports and Imports

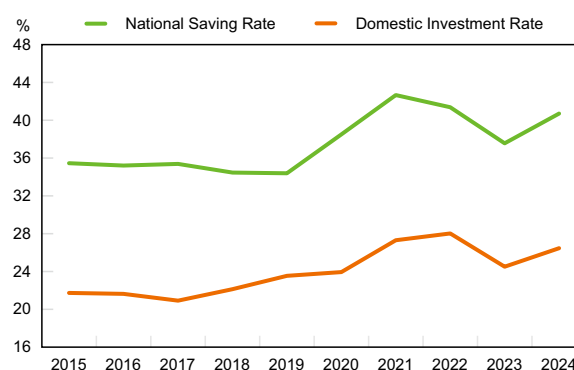


Source: Statistical Abstract of National Income, DGBAS, Executive Yuan, February 2025.

Substantial Gains in National Saving Rate and Domestic Investment Rate

The national saving rate (the ratio of national savings to GNI measured at current prices) rose from 37.56% in 2023 to 40.71% in 2024, reflecting higher national income amid economic expansion. Meanwhile, an upward adjustment in capital expenditures by the semiconductor industry caused the domestic investment rate (the ratio of domestic investment to GDP measured at current prices) to climb from 24.51% in 2023 to 26.47% in 2024.

National Saving Rate and Domestic Investment Rate



Source: Statistical Abstract of National Income, DGBAS, Executive Yuan, February 2025.