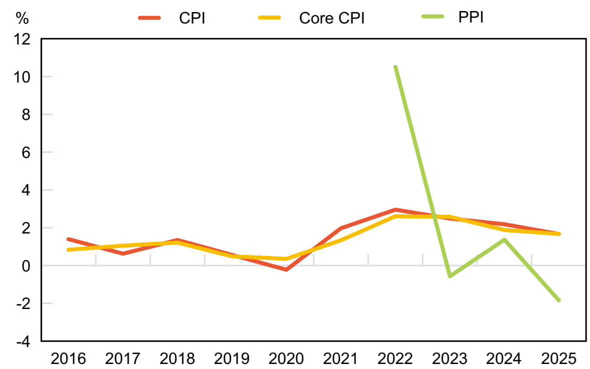
4. Prices

For the year 2025, amid uncertainty surrounding U.S. tariff policy changes and increased crude oil supply from OPEC+, prices of international crude oil and other raw materials declined. As a result, Taiwan's import price index and producer price index (PPI), both measured in NT dollars, decreased by 4.84% and 1.79%, respectively, over the previous year. Headline inflation, measured by the CPI, continued to drop from 2.18% a year earlier to 1.66% in 2025, primarily reflecting a slower increase in fruit and vegetables prices and a large decline in fuel and lubricant fees. Excluding fruit, vegetables, and energy, the core CPI moderated further from a 1.88% increase in 2024 to 1.66%.

Inflation Rates



Note: As the PPI was first compiled in January 2021, the annual PPI growth rate was calculated from January 2022.

Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.

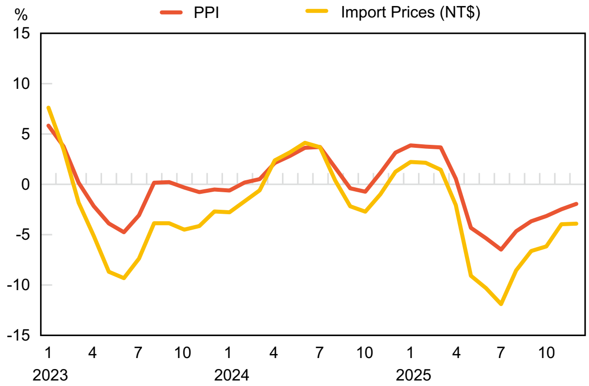
Decline in Producer Prices

In 2025, heightened uncertainty surrounding U.S. tariff policy changes, together with increased production from OPEC+, led to declines in prices of international crude oil and other raw materials. Combined with an NT dollar appreciation against the US dollar, this helped ease import cost pressures on domestic firms. Accordingly, Taiwan's import price index in NT dollar terms decreased by 4.84%, reversing from an increase of 0.25% in 2024. In terms of monthly movements, the annual growth rate of the import price index trended down month by month from January, reaching a yearly low of -11.99% in July. Subsequently, amid rising prices of animal products and of machinery, electrical equipment, TV image, parts, etc., the decrease in import prices abated, with the annual growth rate narrowing to -3.98% in December.

The PPI decreased by 1.79% in 2025, down from an increase of 1.37% in 2024. As for monthly movements, the annual PPI inflation rate went down in tandem with falling import prices and recorded -6.57% in July. Afterwards, with price rises in livestock and related products (including pork) and in electrical equipment, the annual PPI inflation rate showed a slower decline and posted a year-on-year decrease of -2.00% in December.

Among the components of the basic groups, prices of manufacturing products dropped by 2.53%, contributing 2.27 percentage points to the PPI decrease. This was mainly because prices of the following three categories experienced declines: (1) chemical material, other chemical products, and pharmaceuticals, (2) petroleum and coal products, and (3) base metal products. However, prices of water, electricity, and gas supply, prices of agriculture, forestry, fishing, and animal husbandry products, and prices of quarrying and mining products went up by 5.10%, 3.82%, and 0.64%, respectively.

Annual Growth of Import Prices and PPI



Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.

Broken down by the two major components of the PPI, prices of domestic sales excluding imports and prices of exports slid by 0.76% and 2.72% year on year, respectively.

In 2025, prices of domestic sales excluding imports slightly fell by 0.76%, as the downtrend in prices of crude oil, grains, and other raw materials, along with the appreciation of the NT dollar against the US dollar compared with 2024, helped alleviate import cost pressures for domestic firms. In terms of prices of domestic sales excluding imports by basic group, prices of manufacturing products went down by 2.21%, reflecting decreases in prices of chemical material, other chemical products, and pharmaceuticals, prices of petroleum and coal products, and prices of base metal products. On the other hand, prices of water, electricity, and gas supply, prices of agriculture, forestry, fishing, and animal husbandry products, and prices of quarrying and mining products rose by 5.09%, 3.88%, and 0.64%, respectively.

Export prices increased slightly by 0.20% in US dollar terms in 2025. Nevertheless, as the NT dollar appreciated against the US dollar compared with 2024, export prices in NT dollar terms shifted into an annual decrease of 2.72%. Among the components of export prices in NT dollar terms, prices of raw materials moved down by 2.88% with a contribution of -2.35 percentage points to the annual change in export prices. The decrease primarily reflected lower prices of mineral products, chemical products, plastics and rubber products, as well as base metal products. Prices of capital goods and consumer goods also decreased by 2.15% and 1.91%, respectively.

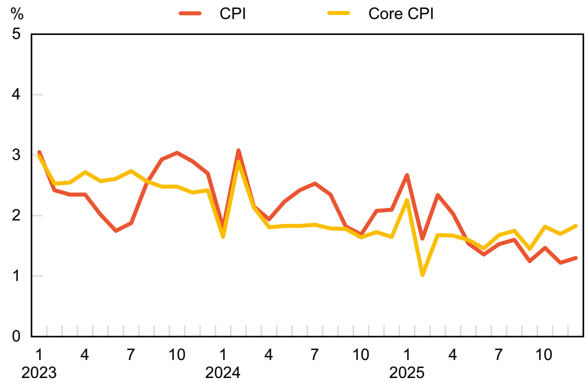
Continuous Easing in Consumer Prices

The CPI rose by 1.66% in 2025, moderating from 2.18% in 2024, marking the lowest increase since 2021 and the first time since 2022 that it fell below 2%. In the first two months of the year, the annual

CPI inflation rate experienced greater fluctuations on account of the seasonal factor of the Lunar New Year holidays. In March, the annual CPI inflation rate swung up by 2.34% because of larger increases in prices of food such as fruit and food away from home. From April onwards, the rate trended down, mainly owing to slower growth in food prices and a widened decrease in fuel and lubricant fees, and fell to 1.22% in November. In December, the annual CPI inflation rate edged back up to 1.30%, reflecting larger price increases in personal effects and entertainment services.

The core CPI grew at an average pace of 1.66% year on year in 2025, down from 1.88% the previous year. In the first two months of the year, the annual core CPI inflation rate fluctuated markedly owing to the calendar timing of the Lunar New Year. From March onwards, the annual core CPI inflation rate remained relatively stable, ranging between 1.45% and 1.83%, and staying below 2.00% before standing at 1.83% in December.

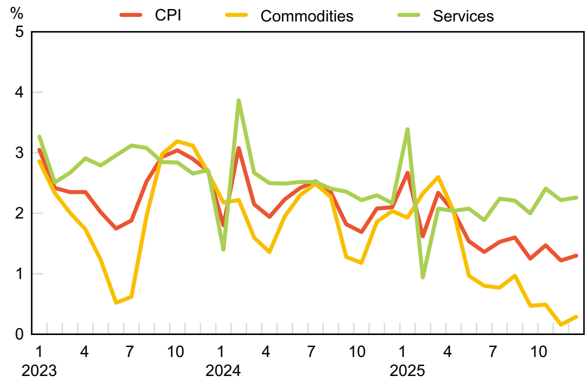
Annual CPI Growth Rates



Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.

By type of items, the annual growth rate of commodity prices eased further from 1.89% in 2024 to 1.14% in 2025, primarily attributable to slower growth in prices of vegetables and fruit and a larger decrease in domestic fuel and lubricant fees. Domestic services prices came down to 2.14%, lower than 2.45% the previous year, reflecting slower price increases in residential rent, medical care services, and education services.

Annual Growth of CPI and Prices of Commodities and Services



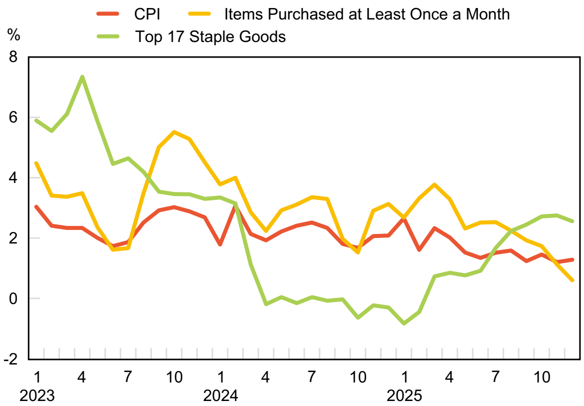
Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.

By frequency of purchase, prices of the top 17 staple goods went up at a faster pace in 2025 than in 2024, whereas prices of the items purchased at least once a month showed a slower increase.

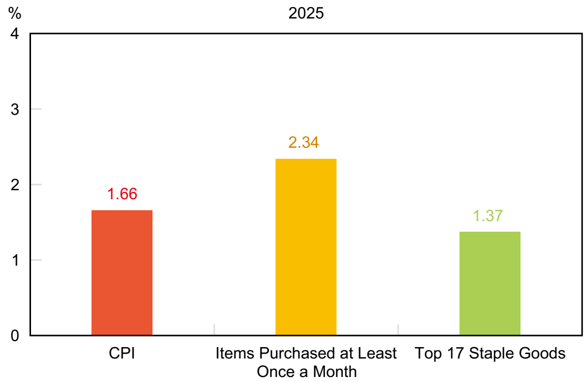
In 2025, the annual growth rate of prices of the top 17 staple goods rose to 1.37% from 0.52% in the previous year. The increase was mainly driven by larger price rises in meats and bread, a shift from price declines to increases in household paper products such as toilet paper, facial tissue, and paper towels, as well as a narrower price decrease in eggs. Nonetheless, the rise in prices of the top 17 staple goods remained lower than the overall CPI inflation of 1.66%.

Meanwhile, the annual growth rate of prices of the items purchased at least once a month slid from 2.93% in 2024 to 2.34% in 2025, mainly reflecting a smaller increase in fruit and vegetables prices and a widened decline in fuel and lubricant fees. Nevertheless, as the rise in prices of the items purchased at least once a month still exceeded the overall CPI inflation, consumers continued to feel a noticeable impact from the price uptrends.

Annual Growth of CPI, Prices of Top 17 Staple Goods, and Prices of Items Purchased at Least Once a Month



Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.



Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.

In 2025, Taiwan's CPI grew by 1.66%. Around 81% of this increase came from rising food prices, higher residential rent, and a price increase in personal effects, with a combined contribution of 1.35 percentage points to the annual CPI inflation rate.

The main factors contributing to the rise of CPI inflation in 2025 were as follows:

(1) Prices of food went up by 3.02% and accounted for 0.82 percentage points of the annual CPI inflation rate. Among the components of the food group, prices of food away from home increased by 3.39%, contributing 0.37 percentage points to CPI inflation. With supply restrained by typhoons and torrential rain in July and August, prices of fruit moved up by 8.62%, contributing 0.21 percentage points to CPI inflation.

Meanwhile, affected by rising feed and production costs, prices of meats and prices of cereals and cereal products rose by 4.61% and 2.53% and accounted for 0.11 and 0.04 percentage points of CPI inflation, respectively.

(2) Elevated housing prices, coupled with higher prices of maintenance and repair of dwellings, pushed up prices of residential rent by 2.30%, contributing 0.34 percentage points to CPI inflation.

(3) Rising international gold prices drove up prices of gold ornaments and jewelry, leading prices of personal effects to climb by 8.79%, thereby contributing 0.19 percentage points to CPI inflation.

(4) As providers of travel and entertainment services raised prices of accommodation, group travel, and amusement park admissions, entertainment services prices moved up by 1.82%, accounting for 0.11 percentage points of CPI inflation.

(5) Higher registration fees at clinics and hospitals, along with increased charges for dentures and orthodontic services, brought prices of medical care services higher by 2.50%, adding 0.07 percentage points to CPI inflation.

(6) Increased prices of vehicle parts and higher wages for vehicle maintenance workers led prices of vehicle parts and maintenance to go up by 3.37%, accounting for 0.06 percentage points of CPI inflation.

(7) With supply reduced owing to unstable weather conditions in betel nut producing areas, prices of tobacco and betel nuts grew by 3.24%, contributing 0.06 percentage points to CPI inflation.

(8) Rising fees for elementary after-school care, high school tutoring, and supplementary courses such as language and computer classes led to a 1.94% increase in prices of education services, adding 0.06 percentage points to CPI inflation.

(9) As residential management fees were adjusted upward to reflect higher personnel, electricity, and miscellaneous costs, prices of household operations rose by 4.25%, accounting for 0.05 percentage points of CPI inflation.

The main factors contributing to downward pressure on the CPI in 2025 were as follows:

(1) Domestic fuel and lubricant fees dropped by 4.81% year on year because of the decline in global oil prices, subtracting 0.12 percentage points from CPI inflation.

(2) Following the implementation of reduced commodity taxes on vehicles from September 2025, together with additional price discounts offered by businesses, prices of vehicles fell by 1.05% for the year, deducting 0.04 percentage points from CPI inflation.

Percentage Changes in the Major Components of the CPI in 2025

Item	Annual Rate of Change (%)	Contribution to CPI Inflation Rate (Percentage Point)
CPI	1.66	1.66
Food	3.02	0.82
Food Away from Home	3.39	0.37
Fruit	8.62	0.21
Meats	4.61	0.11
Cereals & Cereal Products	2.53	0.04
Residential Rent	2.30	0.34
Personal Effects	8.79	0.19
Entertainment Services	1.82	0.11
Medical Care Services	2.50	0.07
Vehicle Parts & Maintenance	3.37	0.06
Tobacco & Betel Nuts	3.24	0.06
Education Services	1.94	0.06
Household Operations	4.25	0.05
Total		1.76
Fuel & Lubricant Fees	-4.81	-0.12
Vehicles	-1.05	-0.04
Total		-0.16
Others		0.06

Source: *Price Statistics Monthly* (January 2026), DGBAS, Executive Yuan.