

## **Appendix**

### **Explanatory notes on the M2 growth target for year 2017**

1. For the year of 2017, the domestic economy is expected to recover moderately along with subdued inflationary pressures. Meanwhile, monetary policy stances among major central banks have diverged, inducing volatile cross-border capital movements. Moreover, the potential impact of policies announced by the incoming US administration has yet to be assessed, whereas China's rebalancing may have spillover effects on other economies. These uncertainties may dampen the strength of Taiwan's economic recovery. Based on the above assessment, as well as recommendations made by scholars and experts, the M2 growth target range for 2017 is set at 2.5% to 6.5%, with easy monetary conditions to sufficiently meet funding needs and foster economic growth.
2. Given the uncertainties surrounding international and domestic economic and financial developments in 2017, the CBC will, as usual, review and assess the M2 growth target in mid-year and adjust the target range if necessary.