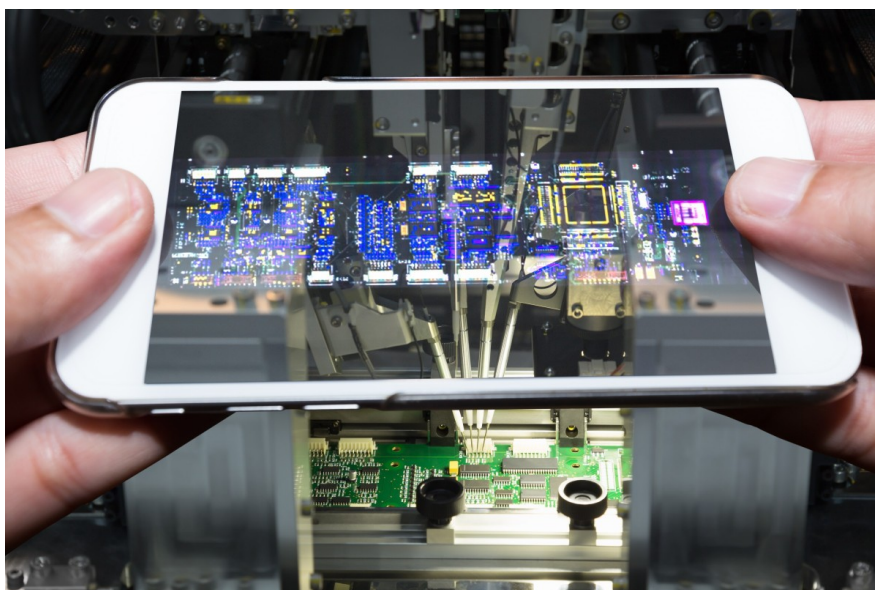


Taiwan: Industrial production recovers

Taiwan's industrial production continued to recover due to urgent demand for semiconductors from Mainland China, as the US restricted some technology companies from doing business with US firms



Source: Shutterstock

Taiwan benefits from the technology war

Taiwan's industrial production rose 4.7% year-on-year in August, with integrated circuits increasing more than 22% YoY. This was partly due to the US decision to tighten restrictions on companies doing technology related business with the US. Taiwan semiconductor manufacturers benefited from urgent demand from Mainland China companies before the restrictions became effective. Though this is good news for Taiwan's manufacturers, it is a one-off effect.

Just like global manufacturers, Taiwan has a contingency plan for Covid

Manufacturers, in general, are building up inventories to prepare for a revival of Covid-19 in the winter, as shipping and production could be disrupted. Taiwan's manufacturers are no exception. This phenomenon is dynamic, depending on Covid-19 cases in overseas markets. As Taiwan production specialises in integrated circuits and optical products, its industrial production could be more sensitive to the Covid-19 situation in US.

Production growth is expected to be faster in September than in August.