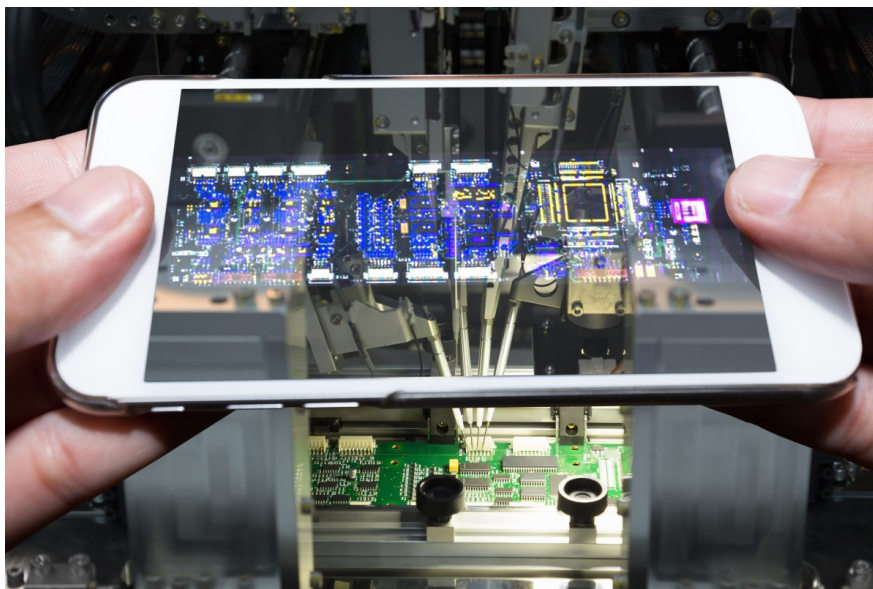


Taiwan's smartphone sales can't alone rescue falling exports

Taiwan continues to suffer from the contraction in yearly export orders even though smartphone sales have been better than expected



Source: Shutterstock

Taiwan export orders contracted by 4.9% year on year in September after contracting by 4.6% in the previous month. It was the eleventh consecutive contraction in a row.

Smartphone sales can only do so much

Smartphone-related equipment sales fell by 1% this month in Taiwan, which is less than last month. This has helped overall export orders on a monthly basis grow by US\$5.479 billion in September, which is higher than the monthly growth of US\$4.182 billion seen in September 2018.

But can this trend last? Given that sales of new smartphones and related equipment tends to dull after three months, Taiwan's monthly growth in export orders might have reached its peak in September. We don't expect a repeat of such strong monthly growth in October 2019.

Therefore, it is quite likely, Taiwan's export orders will continue to contract on a year-on-year basis, which will, in turn, put negative pressure on industrial production and the economy after this round of smartphone sales fades.