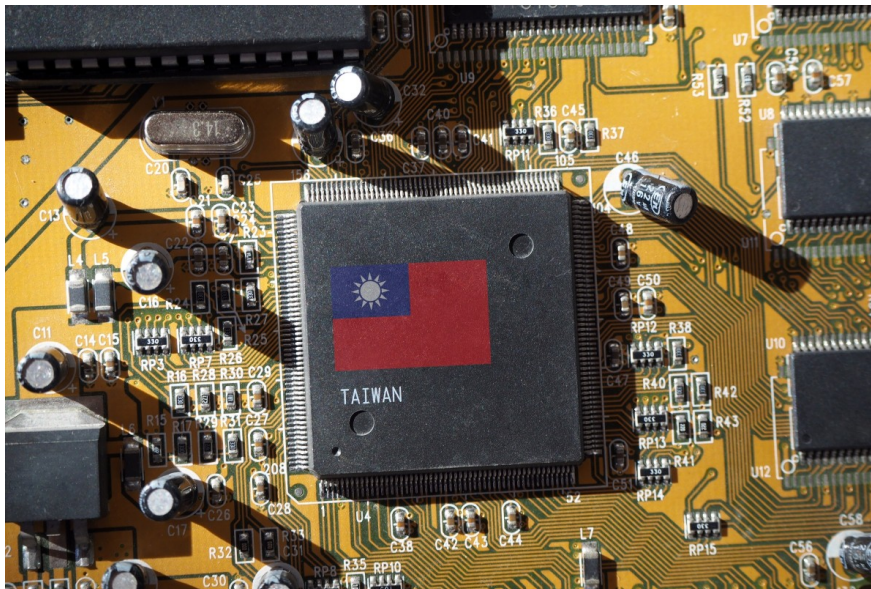


## Taiwan's exports see a rare miss in April

Taiwan's export growth slowed to "just" 39.0% year-on-year in April, falling short of consensus forecasts but still showing solid growth overall, while imports also missed at 29.2% YoY despite a spike in oil import prices



Taiwan's exports slowed sharply in April though AI chip demand remained strong

# USD14.35bn

Taiwan's April trade surplus

Lower than expected

### Exports cool in April mostly on slower computer exports

Taiwan's export growth slowed to 39.0% YoY in April, down from 61.8% YoY in March, and falling well short of market forecasts on the month.

By product, Taiwan's semiconductor exports moderated to 40.5% YoY, which was down only slightly from March's 45.7% YoY growth, as AI chip demand remained strong. The computer and accessories category, which has been one of the leading subcategories in recent months, saw exports slow from triple digit growth to 76.5% YoY. The broader machinery and electrical

equipment category, which accounts for around 84% of Taiwan's total exports, grew 48.7% YoY in April, decelerating from the 66.6% YoY growth we saw over the first quarter. Most of Taiwan's other export categories continued to see relatively sluggish growth, leading to the softer headline export growth.

By export destination, exports generally slowed across the board. However, exports to the US slumped sharply to 63.8% YoY, down from 124.0% YoY in March. While this growth certainly is still very impressive, the drop is a major factor behind the export data miss. Exports to the US fell from 35.6% to 31.8% of the total. Exports to Mainland China & Hong Kong, the second-largest destination, saw a more modest 15.8% YoY gain.

One area where Taiwan is continuing to see positive signs is the export price index, which continued to accelerate for an eighth consecutive month to 18.0% YoY, reaching a multi-year high. As long as the demand for top-end AI chips remains robust, Taiwan's trade prospects remain bright.

## Imports miss too but higher oil prices start to appear in data

On the other side of the trade equation, imports grew by 29.2% YoY in April, down from 38.3% YoY, also falling short of market forecasts.

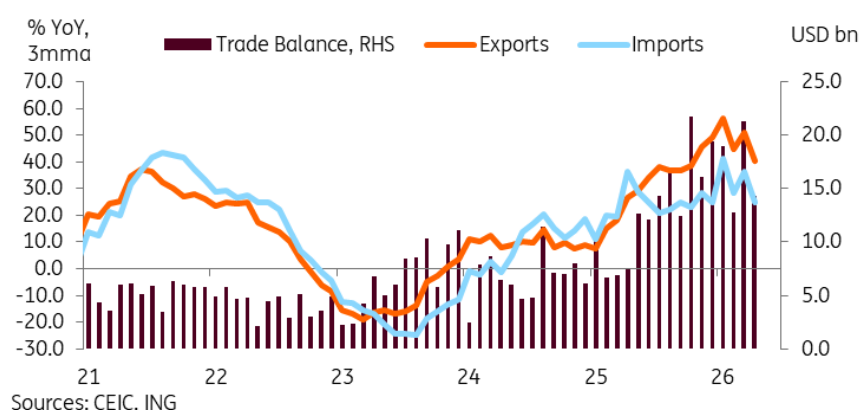
Taiwan's petroleum imports rose 18.3% YoY in April, bringing the year-to-date levels up to -14.6% YoY. The oil import price index began to capture the impact of rising crude oil prices in April, surging 47.4% YoY, compared to March's -8.5% YoY level. It should be noted that petroleum only accounts for under 4% of Taiwan's imports, though broader mineral products account for around 10% of imports. Higher energy prices are likely to feed through to boost Taiwan's imports.

However, the overall trajectory is still more likely to be impacted by the broader machinery & electrical equipment category which accounts for just under two thirds of Taiwan's imports. This category saw a solid 41.9% YoY rate of growth in April.

Taiwan's trade surplus fell to USD 14.35bn in April. Other than the Lunar New Year-impacted February data, this was the lowest level of any month since last June, as the miss in exports was steeper than imports. While the April data was the first miss for Taiwan's trade data in a while, both exports and imports are still growing strongly, and export orders data suggests that this momentum should continue for some time at least. Even so, export growth may moderate later this year, particularly as more challenging base effects come into play, especially in the fourth quarter.

Still, Taiwan is well positioned to see another strong year of economic growth this year, and after a strong start to the year, we think risks are still balanced to the upside for our current 2026 GDP forecast of 8.2% YoY.

## Trade balance misses as exports slow more than imports



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