2014 Taiwan Market Report

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AGENDA

I • The Development of the Taiwan Capital Market

II • The Future of the Taiwan Capital Market

III • Conclusion
The Development of the Taiwan Capital Market
Macro Economy

Real GDP Growth

Note: The DGBAS also revised the national accounts for 2014Q1.
Source: Directorate-General of Budget, Accounting and Statistics (DGBAS), Aug. 2014.
Exports and Imports

Note: Trade data adjusted according to the United Nations IMTS Compilers Manual (2004). Total exports include “exports” and “re-exports,” and total imports include “imports” and “re-imports.”
Source: Ministry of Finance, Sep. 2014.
Measures to Boost the Stock Market

• Securities dealers could buy and sell securities at their limit-up or limit-down price – this is to improve securities dealers in undertaking hedging trades and trading flexibility

• Expanding securities that may be sold short at prices below the previous day’s close to all securities eligible for margin purchase or short sale

• Allowing investors to conduct either long (buy-first) or short (sell-first) day trading
## Comparison of Trading Value in Major Stock Markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Trading Value 2013 (Jan-Aug)</th>
<th>Trading Value 2014 (Jan-Aug)</th>
<th>Percent change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>414.8</td>
<td>503.9</td>
<td>21%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>874.8</td>
<td>958.9</td>
<td>10%</td>
</tr>
<tr>
<td>Korea</td>
<td>890.1</td>
<td>875.1</td>
<td>-2%</td>
</tr>
<tr>
<td>Shanghai</td>
<td>2356.4</td>
<td>2339.3</td>
<td>-1%</td>
</tr>
<tr>
<td>Singapore</td>
<td>205.6</td>
<td>142.5</td>
<td>-31%</td>
</tr>
<tr>
<td>Japan</td>
<td>4410.1</td>
<td>3589.8</td>
<td>-19%</td>
</tr>
<tr>
<td>New York</td>
<td>9087.3</td>
<td>9980.7</td>
<td>10%</td>
</tr>
</tbody>
</table>

Unit: USD Billion
II. The Future of the Taiwan Capital Market
Offshore Financial Center

- Tax Incentives
- Asset management businesses
- Relaxation of laws and regulations
Expanding Overseas Business in Asia

- Taiwan FSC actively promote and assist the securities industry in expanding overseas business in Asia to expand the business scope of the securities industry.
Offshore RMB Center

RMB Deposit in Taiwan

unit: RMB$ Billion
Conclusion
Internationalization of Capital Market

- Offshore Financial Center
- Offshore RMB Center
- Expanding Overseas Business in Asia