Annual External Trade Report in 2024

STATISTICS DEPT., MOF
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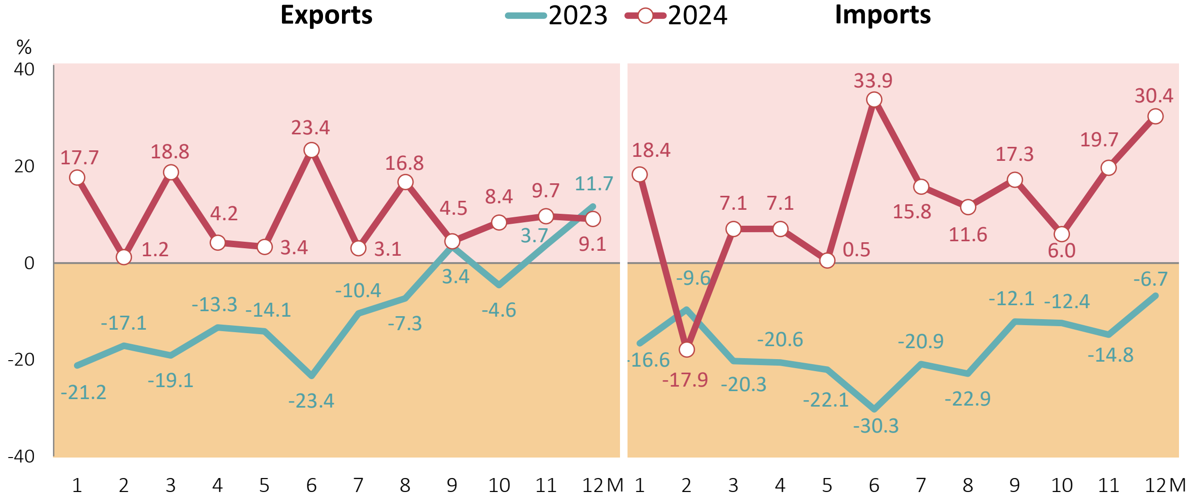
1. Introduction

In 2024, global trade gradually emerged from the downturn, benefiting from easing inflationary pressures and major countries entering rate-cutting cycle. The global economy showed resilience, continuing the moderate pace of expansion seen in 2023. On the other hand, in response to international geopolitical developments and changes in trade policies, the global supply chain continued to adjust. Additionally, with the expansion of artificial intelligence (AI) applications, Taiwan's semiconductor and information & communication industries, which have strong competitive advantages, seized these business opportunities in time. As a result, the total value of Taiwan's exports and imports in 2024 reached the second highest level, with both growing by about 10% due to the low base period. The following summary analyzes the trends and underlying factors behind these changes.

2. In 2024, exports increased by 9.8% year-on-year, while imports grew by 12.2%

Taiwan's exports showed an upward trend in each month of 2024. Due to fluctuations in the base of comparison, the annual growth rate ranged from 1.2% to 23.4% per month. On a quarterly basis, exports in the first quarter grew by 12.9% year-on-year, benefiting from a relatively low base period. The second to fourth quarters also recorded single-digit growth rates of over 8%. Imports grew in all months except February, which was affected by the Spring Festival. Overall, exports amounted to US$475.0 billion, while imports reached US$394.4 billion, both marking the second highest in the past year, with increases of 9.8% and 12.2% respectively, compared to 2023.

Figure 1 Annual Growth Rate of Imports and Exports, 2023-2024



Compared with major countries/regions, Taiwan's annual export growth rate was better than that of South Korea (8.1%), Singapore (6.2%), Mainland China (5.9%), the United States (2.3%), Germany (-1.1%), and Japan (-1.4%), second only to Hong Kong (11.5%). In terms of imports, Taiwan showed double-digit growth due to the low base period, with Singapore and Hong Kong increasing by 8.3% and 6.7%, respectively, while Japan and South Korea decreased by 5.5% and 1.6% respectively.

3. Major export commodities

Compared to the previous year, three of the 11 major export commodities grew in 2024, while eight declined.

Table 1 Exports of Leading Export Commodities, 2024

Unit: US$ billion, %

Item	Total	Parts of Electronic Product	Information, Communication and Audio-video Products	Base Metals and Articles of Base Metal	Machinery	Plastics & Rubber and Articles Thereof
Amount	475.0	177.2	132.5	28.5	24.1	19.6
As % of All Exports	100.0	37.3	27.9	6.0	5.1	4.1
YoY Growth Rate	9.8	-0.8	59.0	-0.7	-0.4	-1.9
H1	11.3	-5.6	108.8	-3.9	-1.6	-2.8
H2	8.6	3.6	31.0	2.6	0.7	-0.9

Item	Chemicals	Mineral Products	Electrical Machinery Products	Optical and Precision Instruments [1]	Transport Equipments [2]	Textiles and Textile Articles
Amount	18.3	14.0	13.3	11.3	10.9	6.7
As % of All Exports	3.8	2.9	2.8	2.4	2.3	1.4
YoY Growth Rate	-0.7	-4.6	1.3	-13.2	-12.6	1.4
H1	-0.5	-2.1	-2.5	-26.5	-18.2	1.1
H2	-0.9	-7.0	5.2	3.6	-6.2	1.8

Note:(1)Since June 2023, liquid crystal devices and parts have been reclassified from "Optical and Precision Instruments" to "Information, Communication and Audio-video Products". Excluding the classification adjustment effect, exports of Optical and Precision Instruments in 2024 increased by 3.9%, and 4.1% in the first half of the year.

(2)Transport Equipments refers to Vehicles, Aircraft, Vessels and Associated Transport Equipments.

3.1 Some electronic components were transferred from export to domestic use, resulting in a 0.8% decrease in annual exports of Parts of Electronic Product

With the restructuring of the global supply chain and the expansion of production scale by major Taiwanese ODM and EMS manufacturers in Taiwan, some electronic components have shifted from export to meeting domestic processing and assembly needs. Exports of Parts of Electronic Product declined by 5.6% in the first half of the year. However, with the traditional peak season approaching in the second half and robust demand for high-end chips, exports increased by 3.6%. The total exports of Parts of Electronic Product reached US$177.2 billion in 2024, with a decrease of US$1.5 billion (-0.8%).

3.2 Exports of Information, Communication Products increased by nearly 60% with AI business opportunities booming

With the boom in AI technology and applications, US cloud service providers and institutions in Europe, Asia and the Middle East increased capital expenditures significantly, driving Taiwan’s exports of Information, Communication Products to reach a new record high, with exports of US$132.5 billion in 2024, an annual increase of US$49.1 billion (+59.0%), as well as contributing 11.4 percentage points to the total export growth (+9.8%).

The combined export value of Information & Communication Products and Parts of Electronic Product exceeded US$300 billion, with an annual increase of US$47.7 billion (+18.2%), accounting for 65% of the total exports.

3.3 Exports of Mineral, Plastic and Chemical Products decreased by 2.2% due to the drag of huge output from Mainland China

The impact of the continuous decline in oil prices and the sluggish demand, Taiwan’s Mineral Products (mainly Petroleum Refined Products) exported US$14 billion in 2024, with an annual decrease of 4.6%. Due to a large amount of new production capacity in Mainland China and low-priced sales overseas, exports of Chemicals as well as Plastics & Rubber and Articles Thereof also declined by 0.7% and 1.9%, respectively. These products have been in recession for 2 to 3 consecutive years. If the above three were combined, the total exports in 2024 amounted to US$ 51.8 billion, a 2.2% decrease year-on-year.

3.4 Exports of Machinery decreased by 0.4% year-on-year, reaching the lowest level in nearly 4 years

Due to the dumping of Mainland China's machinery at low prices in the market, Japan's seizure of the high-end market at a low exchange rate, and geopolitical conflicts, Taiwan's Machinery exports in the first half of 2024 decreased slightly by 1.6%, a slight increase of 0.7% in the second half of the year, and the cumulative annual decrease of 0.4%. The total export value of US$ 24.1 billion was the lowest level in nearly 4 years.

3.5 Influenced by Mainland China's overproduction of steel, Taiwan's exports of Basic Metals and Articles of Basic Metal have remained sluggish

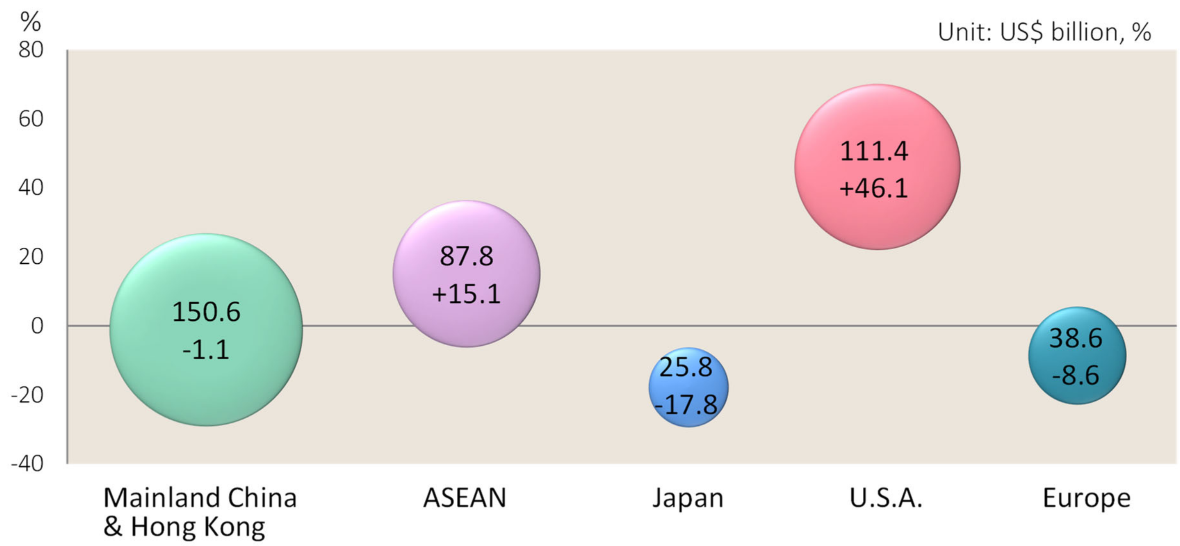
Mainland China's overproduction of steel has seriously disrupted the market of neighboring countries. In 2024, Taiwan's exports of Basic Metals and Articles of Basic Metal amounted to US$28.5 billion. On the already low level in 2023 (a sharp drop of 22%), a further decrease of US$0.2 billion (-0.7%).

4. Major export markets

4.1 Exports to the U.S.A. and ASEAN reached a new high, with exports to the U.S.A. exceeding US$100 billions

In 2024, exports to Mainland China and Hong Kong reached US$150.6 billion, a five-year low and a decrease of 1.1% from the previous year. This decline was due to the impact of the US-China trade conflict and Mainland China's economic downturn, which have resulted in persistently weak domestic consumption and investment momentum. Exports to the U.S.A. reached a record high of US$111.4 billion, up 46.1% year-on-year, marking the eighth consecutive year of growth. The surge is mainly due to supply chain restructuring and AI applications expanding. Exports to ASEAN reached US$87.8 billion, also a record high, with an annual increase of 15.1%. Exports to Europe were US$38.6 billion, down 8.6% year-on-year. Exports to Japan were dragged down by the sharp decline in exports of Parts of Electronic Product, with exports valued at US$25.8 billion, a year-on-year decrease of 17.8%, the lowest in nearly 15 years.

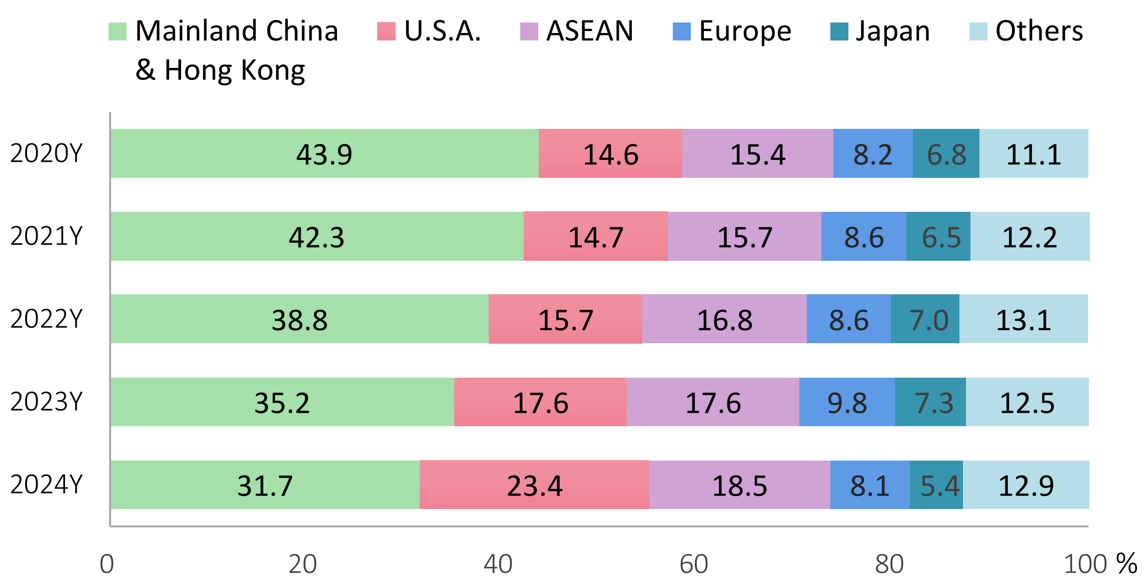
Figure 2 Export Value and Growth Rate of Major Markets, 2024



4.2 The export proportion to the U.S.A. and Mainland China & Hong Kong is the highest and the lowest in the past 24 and 23 years, respectively

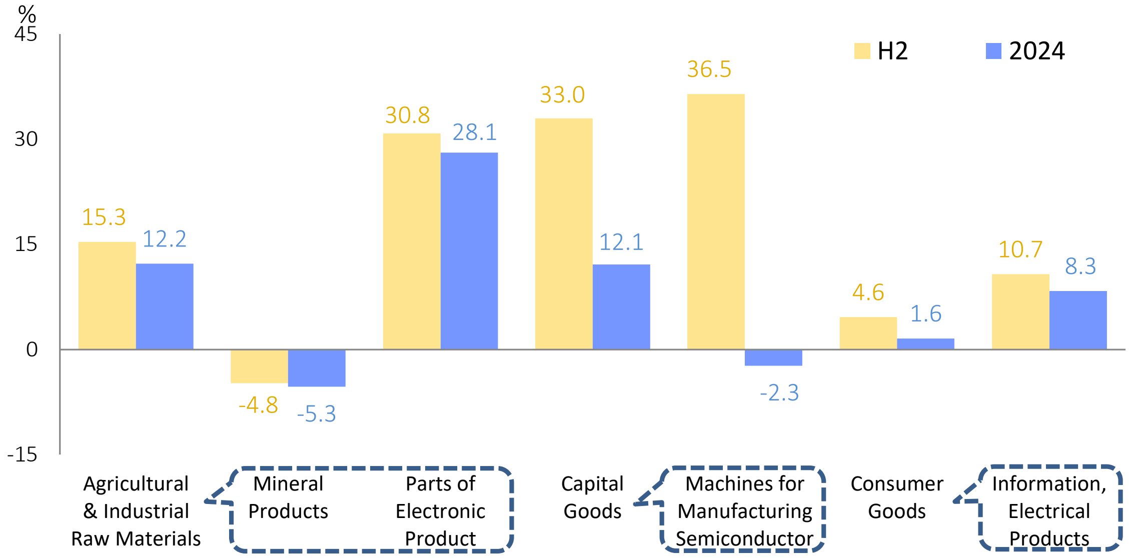
In 2024, the proportion of exports to Mainland China and Hong Kong fell to 31.7%. It still ranks first in Taiwan's export market, but its share has dropped to a 23-year low. The U.S.A. surpassed ASEAN to take the second largest export partner for the first time since 2007, with the proportion of 23.4% the highest in 24 years. Exports to ASEAN accounted for 18.5%, the highest in the past 7 years. Exports to Europe and Japan accounted for 8.1% and 5.4%, both falling to historical lows.

Figure 3 The proportion of Major Export Markets



5. Major import commodities and markets

Figure 4 Growth Rate of Import Commodities, 2024



5.1 Imports of Parts of Electronic Product increased by 28%, boosting imports of Agricultural & Industrial Raw Materials by 12.2%

Driven by the international division of labor in the AI industry chain, Taiwan's demand for high-bandwidth memory (HBM) increased, and imports of Agricultural & Industrial Raw Materials amounted to US$266.1 billion in 2024, an annual increase of US$29.0 billion (+12.2%), of which imports of Parts of Electronic Product reached a new high of US$104.3 billion, an increase of US$22.9 billion (+28.1%). In addition, Base Metals increased by 16.9%, Plastic & Chemical Raw Materials increased by 5.3%, and Mineral Products decreased by 5.3%.

5.2 Imports of Information & Communication Equipment surged by nearly 80%, driving imports of Capital Goods up by 12%

Due to the boom in AI business applications and international collaboration frameworks, coupled with the recovery of Machines for Manufacturing Semiconductor purchases from the low point in the second half of the year, imports of Capital Goods in 2024 were US$69.9 billion, an annual increase of US$7.6 billion (+12.1%), of which Information & Communication Equipment increased by US$6.7 billion (+78.6%), Machines for Manufacturing Semiconductor decreased by US$4.2 billion in the first half of the year and increased by US$3.7 billion in the second half, and decreased by US$0.6 billion (-2.3%) for the whole year.

5.3 The import demand for Consumer Goods fluctuated, mutual rise and fall, resulting in an overall increase of 1.6% in 2024

In 2024, imports of Consumer Goods increase of US$0.7 billion (+1.6%), of which Storage Device increased by US$0.5 billion (+31.8%), Passenger Cars increased by US$0.2 billion (+2.9%), and Food decreased by US$0.3 billion (- 2.3%).

5.4 Imports from the U.S.A. and South Korea both set new records

In 2024, Taiwan imported US$80.6 billion from Mainland China and Hong Kong, up 12.4% year-on-year; US$49.3 billion from ASEAN, up 20.1% year-on-year; US$46.5 billion from Japan, up 4.8%; US$43.7 billion from South Korea, a new record, up 53.8% year-on-year, mainly due to the significant growth in Parts of Electronic Product imports; US$46.5 billion from the U.S.A., also a new high, up 13.6% year-on-year; and US$46.0 billion from Europe, down 1.3%. Among the major import markets in 2024, imports from South Korea increased by 3.0 percentage points, which was the most significant.

Table 2 Overview of Imports from Major Markets, 2024

Unit: US$ billion, %

	Asia	Mainland China & Hong Kong	ASEAN	Japan	Korea	U.S.A.	Europe
Amount	247.0	80.6	49.3	46.5	43.7	46.5	46.0
H1	113.8	38.0	23.8	22.2	17.9	26.2	22.1
H2	133.2	42.6	25.5	24.3	25.8	20.2	23.9
YoY Growth Rate	20.5	12.4	20.1	4.8	53.8	13.6	-1.3
H1	14.5	14.1	14.3	-3.8	37.1	26.7	-8.3
H2	26.2	11.0	26.1	14.0	68.0	0.3	6.3
As % of All Imports	62.6	20.4	12.5	11.8	11.1	11.8	11.7
Percentage Points Change	+4.3	+0.0	+0.8	-0.8	+3.0	+0.2	-1.6

6. Conclusion

With the gradual global economic recovery and the boom in AI applications, the total value of Taiwan's exports and imports in 2024 reached the second-highest levels in the history, increasing by 9.8% and 12.2%, respectively, compared to 2023. Overall, factors such as global supply chain restructuring, companies' diversified risk mitigation strategies, the AI boom, and the divergence in economic performance between the U.S.A and Mainland China have led to differing export momentum across major goods and markets, indicating that growth has not been universal.

Looking ahead, the steady growth of the global economy, the continued expansion of world trade volume, and ramping up investment in AI applications by large cloud service providers are expected to further stimulate expansion of emerging technology and demand for related products. These factors are expected to further bolster Taiwan's exports. However, it is necessary to continue to pay attention to future developments due to geopolitical risks and uncertainties arising from the tariff policies of the new U.S. administration.