

Taiwan Country Report

September 6, 2011

A. Taiwan Key Economic and Employment Indices

Data Reference Date: August 2011

Items	2006	2007	2008	2009	2010	2011 (Projection)
Economic Growth Rate ⁽¹⁾	5.44%	5.98%	0.73%	-1.93%	10.88%	4.81%
Per Capita GNP (US\$) ⁽¹⁾	16911	17596	17833	16895	19,155	21,280
Consumer Price Index (%) ⁽¹⁾	0.60%	1.80%	3.53%	-0.87%	0.96%	1.59%
Local Company Salary Increase (%) ^{(1) (3)}	0.97%	1.70%	0.24%	-2.56%	1.58%	- 0.15%
Government Employee Salary Increase (%) ⁽¹⁾	0%	0%	0%	0%	0%	3%
Labor Force ⁽¹⁾	10.52M	10.71M	10.85M	10.91M	10.49M	10.66M
Unemployment Rate (NT\$) ⁽¹⁾	3.91%	3.91%	4.14%	5.85%	5.21%	4.45%
Employee Turnover Rate ^{(2) (3)} –Taiwan High Tech	10%	14%	11%	10%	17%	12%
Employee Turnover Rate ^{(2) (3)} –Financial	18%	13%	12%	8%	12%	8%

⁽¹⁾ Data source for Economic Indicators come from Directorate General of budget, Accounting & Statistics, 3rd & 4th Department (as of January 2011)

⁽²⁾ Data come from Tower Watson Taiwan total Reward Survey, 2011 January HR Trend Update

⁽³⁾ Data reference date as of August 2011

B. Major Taiwan HR events

1. The Three Laws of Labor: The Legislative Yuan passed an amendment on June 1st last year to the Labor Union Law. The law is officially in effect on may 1st this year in concordance to the Collective Bargaining Agreement Act (passed January of 2008) and the amendment to Settling Labor Disputes Law (passed July of 2009), which collectively is referred to as the “Three Laws of Labor”.
2. Labor’s minimum wage increased from NT\$17,880 to NT\$18,780, effective January 1, 2011.
3. According to UBS's 2011 "Prices and Earnings" report, the capitol city Taipei ranked 44 in Price levels and 33 in Domestic purchasing power.
4. In the IMD business school “World Competitiveness Yearbook 2011”, Taiwan ranked 6th in the world, and 3rd in the Asia, next to Hong Kong and Singapore.
5. The Directorate General of Budget, Accounting and Statistics reported that the domestic poverty gap ratio for the year 2010 was 6.19; although lower than 2009’s 6.34, it is still rank third highest in record.
6. In the interest of protecting work rights of foreign spouses, the Council of Labor Affairs announced that not only do foreigners in marriage with R.O.C. citizens are able to work without the need of a work permit, those with a change in marital status due to an annulment or death of spouse, yet retain residency through permission by the Ministry of Interior will also be permitted to work without the

need of a work permit, effective August 20, 2011.

7. Last year, the Council of Labor Affairs and the Institute of Occupational Safety and Health completed an evaluation study on occupational mental stress of domestic workers; the top 5 stress inducing events in the workplace were, ranking from high to low were: company going under, uncertainty of the company's future, forced retirement or lay off, unpaid leave of absence, and being held responsible for an incident that had occurred. The top 5 stress inducing events at home were, ranking from high to low were: decrease in income, sickness and health concerns to family members, sudden loss of fortune or a sudden surge of expense, loan payments, and the loss of close family members. Also, the study showed that females experience higher stress than males.

C. Major Accomplishment of CHRMA in 2011

1. Vice Chair Chung of CHRMA represented the association in the Taipei City employment advisory foundation for the mentally and physically disabled.
2. Visitation by the Ningxia Human Resource Association on January 20, 2011
3. Interview by the 30 magazine on the topic: "Certification, the ticket to the workplace", also collaborated with Cheers magazine on a survey on internet job banks.
4. Sponsored airfare to this year's SHRM annual conference, also organized sharing events after the attendees have returned.
5. Co-hosted the seminar on "How HR can create new opportunities with government resources" with the Council of Labor Affairs
6. Received the Silver Award from the National TrainQuali Prize.
7. Co-hosted the seminar on the "Response Measure for Listed Companies on the Enforcement of Salary Committees" with the Chinese Professional Management Association.
8. Assisted the Industrial Development Bureau, Ministry of Economic Affairs on a survey on the topic of "Measures on the Effects of Free Trade on Women's Employment" with the National Taiwan University Graduate Institute of National Development.
9. Cooperating with the Tze Chiang Foundation of Science & Technology in hosting the 2011 Summit on Globalization of Human Capital & Asia Pacific Federation Human Resources Management Congress.