
Economic Report 2025

Taiwan

June 2025

Executive Summary

In 2024, Taiwan¹ demonstrated **strong economic resilience**, with GDP expanding by 4.3% amid a rebound in exports and private investment, especially in the semiconductor and AI-related sectors, as well as robust private consumption. While inflation and unemployment remained stable, industrial upgrading and the net-zero transition drove new opportunities for foreign cooperation. President Lai Ching-te's administration prioritized **innovation, economic security, and sustainability** through large-scale investments in **five trustworthy industries**: semiconductors, AI, green energy, defence, and next-generation communications. In 2025, Taiwan's growth is expected to weaken and reach 2.85%, reflecting global uncertainties, including renewed US tariff risks and a fragile recovery in China.

Taiwan's semiconductor industry continues to anchor its economic competitiveness. With more than 60% of global foundry output and over 90% of advanced process capacity, Taiwan remains central to global supply chains. Taiwan's foreign economic policy emphasizes diversification away from economic dependence on China and strengthening ties with democratic partners.

Switzerland continues to benefit from its **strong brand reputation and longstanding expertise**, particularly in high-value sectors like pharmaceuticals, precision machinery and high-end consumer goods. Taiwan's evolving digital ecosystem and industrial diversification offer fertile ground for Swiss companies in cleantech, automation, medtech, and R&D.

In 2024, bilateral trade between Switzerland and Taiwan reached CHF 3.86 billion. Total Swiss exports reached CHF 2.63 billion (a 35.3% increase), and total imports from Taiwan amounted to CHF 1.23 billion (a 13.2% decrease). Switzerland maintained its position as **an important investor in Taiwan** (7th largest European investor, 15th largest overall).

¹ Switzerland pursues a One China policy and does not recognise Taiwan under international law. The terminology used in this report does not call into question Switzerland's One China policy.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Taiwan maintained its position as **one of Asia's most resilient and innovation-driven economies in 2024**. After a subdued 1.12% growth in 2023, Taiwan's GDP expanded by 4.30%, driven by robust private consumption, a recovery in exports, and a surge in investments tied to advanced manufacturing and AI technologies. Inflation remained moderate at 2.18%, while unemployment stayed low at 3.39%. Taiwan's sound macroeconomic fundamentals and prudent fiscal management continued to provide a stable operating environment for both domestic and foreign businesses.

The semiconductor industry remained central to Taiwan's economic performance. Output reached USD 164.8 billion² in 2024 - up 22% year-on-year, largely fuelled by demand for AI chips, automotive semiconductors, and high-performance computing³. Taiwan's continued dominance in advanced nodes (3nm and below) reinforced its strategic importance in global supply chains. Public policy - including the "Taiwan Chip-based Industrial Innovation Program"⁴ - has supported R&D, workforce development, and upstream supply localization, which are areas of potential collaboration for Swiss firms involved in precision machinery, metrology, and materials.

The digital economy advanced on several fronts. Taiwan's ICT sector capitalized on global demand for edge AI, cybersecurity, and smart systems. Authority policy prioritized AI and next-generation communications under the "Five Trustworthy Industries"⁵ initiative, reinforcing synergies for Swiss companies in automation, robotics, and digital health. The rise of corporate power purchase agreements (PPAs) and clean energy commitments from tech firms also aligned with ESG (Environmental, Social, Governance) trends important to Swiss investors.

Taiwan's industrial diversification continued, but exposure to geopolitical and trade risks persisted. The termination of several ECFA (Economic Cooperation Framework Agreement) tariff concessions by China notably impacted Taiwan's chemical exports, prompting a shift toward high-value-added and ESG-aligned production⁶. The machine tool sector declined by nearly 15%⁷, highlighting vulnerabilities in external demand, but benefited from targeted subsidies for smart machinery upgrades. These programs may offer business opportunities for Swiss equipment providers and component suppliers.

According to the Directorate General of Budget, Accounting and Statistics (DGBAS), **foreign trade**, including both goods and services, **rebounded in 2024**, with exports rising 8.71% and imports up 11.41% in real terms⁸. Strong demand for AI-related electronics, semiconductor equipment, and green infrastructure inputs underpinned this recovery. Switzerland remains an important supplier of advanced machinery, optical instruments, and pharmaceuticals to Taiwan, and stands to benefit from renewed investment cycles.

Private consumption grew by 2.81%⁹, supported by stable employment, rising wages, and a buoyant stock market. This strengthened retail expansion and overseas travel, both sectors where Swiss brands - especially in consumer goods and tourism - maintain a strong presence.

Investment momentum was a major growth driver in 2024, with overall capital formation up 12.45%. Private investment rose by 4.51%¹⁰, centred on chip manufacturing and AI hardware. Public-owned enterprise investment also increased significantly, with a focus on infrastructure, defence, and green transition. These trends suggest new openings for Swiss firms in public procurement, particularly in energy, mobility, and smart infrastructure.

² Exchange Rate: USD 1 : TWD 32.16 / Source: Central Bank in Taipei <https://www.cbc.gov.tw/tw/cp-523-975-DEE11-1.html>

³ Industrial Technology Research Institute https://www.itri.org.tw/ListStyle.aspx?DisplayStyle=18_content&SiteID=1&MmmID=1036452026061075714&MGID=1255443175521044730

⁴ National Science & Technology Council <https://www.nstc.gov.tw/folksonomy/detail/021bf1c5-75e6-4103-a2b1-54814f53788b?l=en>

⁵ Executive Yuan <https://www.ev.gov.tw/Page/5A8A0CB5B41DA11E/2c8a7598-da1f-4596-a63c-8371b36190db>

⁶ Ministry of Economic Affairs https://www.moea.gov.tw/MNS/populace/news/News.aspx?kind=1&menu_id=40&news_id=113397

⁷ Taiwan Machine Tool & Accessory Builder's Association <https://www.tmba.org.tw/zh-TW/news/traditionandbusiness/1777>

⁸ Directorate General of Budget, Accounting and Statistics <https://ws.dgbas.gov.tw/001/Upload/463/refile/10980/234637/news11402.pdf>

⁹ Directorate General of Budget, Accounting and Statistics <https://ws.dgbas.gov.tw/001/Upload/463/refile/10980/234637/news11402.pdf>

¹⁰ Directorate General of Budget, Accounting and Statistics <https://ws.dgbas.gov.tw/001/Upload/463/refile/10980/234637/news11402.pdf>

Policy-wise, President Lai Ching-te's administration emphasized **innovation, sustainability, and strategic autonomy**. In his May 2025 address marking one year in office¹¹, President Lai reaffirmed Taiwan's commitment to industrial upgrading, net-zero transformation, and economic security. He outlined efforts to strengthen **five trustworthy industries**: semiconductors, AI, green energy, defence, and next-generation communications. Notably, the administration committed over USD 31.09 billion to support net-zero transition policies, targeting a 38±2% emissions reduction by 2035 and introduced a formal carbon fee system in 2024¹². These efforts are expected to mobilize an additional USD 155.47 billion in private green investment. Opportunities may arise for Swiss firms in clean technology, green materials, and carbon management.

The administration also launched the USD 1.52 billion "Healthy Taiwan Deepening Program" and expanded the National Health Insurance budget by USD 2.21 billion¹³, creating favourable conditions for Swiss companies in biopharma, diagnostics, and digital health. A newly announced USD 12.75 billion special budget - partly aimed at enhancing industrial and infrastructure resilience - includes USD 4.66 billion in targeted support for power grid stability and industrial upgrading¹⁴, which may attract Swiss participation in energy systems, automation, and engineering.

Internationally, Taiwan advanced cooperation with the US via the "Initiative on 21st-Century Trade" and reaffirmed interest in joining the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership). The authority also promoted diversification through the New Southbound Policy. These moves reflect Taiwan's intent to reduce overdependence on specific markets while expanding ties with democratic economies. Amid concerns over renewed US tariffs in 2025, Taiwan's leadership has called for solution-oriented bilateral trade talks and emphasized fair, rules-based economic partnerships.

Fiscal policy remained supportive but disciplined, with a central government deficit contained at 0.77% of GDP, according to IMF. Monetary policy held steady, with the benchmark interest rate at 2%, balancing inflation control with economic stimulus. Taiwan's foreign exchange reserves stood at USD 576.7 billion¹⁵, reinforcing financial stability.

In 2025, Taiwan's GDP is expected to grow by 2.85%, moderated by global uncertainties such as US tariff policy and China's slow recovery. However, sustained export strength, infrastructure investment, and stable consumption are likely to support continued economic engagement for Swiss companies active in high-tech, industrial, and sustainability-focused sectors.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Taiwan's economy remains deeply rooted in high-value manufacturing and services. In 2024, the primary sector contributed just 1.47% of GDP and 4.26% of employment, reflecting a continued decline in agricultural reliance. Manufacturing increased its share of GDP to 39.79%, up from 36.63% in 2019, while its employment share declined slightly to 34.94%, indicating productivity gains driven by automation and smart manufacturing. The services sector, though seeing a slight decrease in GDP share to 58.74%, increased its employment share to 60.81%, underscoring growing labour intensity in retail, logistics, healthcare, and finance. This evolution reflects Taiwan's twin focus on industrial upgrading and workforce adaptation.

Taiwan's semiconductor industry continues to anchor its economic competitiveness. With more than 60% of global foundry output and over 90% of advanced process capacity (5nm and below)¹⁶, Taiwan remains central to global supply chains. The authority continues to prioritize the semiconductor sector through targeted support for R&D, workforce development, and supply chain resilience. Swiss companies in precision tools, metrology, vacuum systems, and materials science can find opportunities in equipment supply, yield enhancement, and sustainable manufacturing initiatives. Collaboration on decarbonization, where Swiss firms excel, is also gaining traction.

¹¹ President Office <https://english.president.gov.tw/News/6956>

¹² Ministry of Environment <https://www.moe.gov.tw/en/news/press-releases/30237.html>

¹³ Executive Yuan <https://www.ey.gov.tw/Page/5A8A0CB5B41DA11E/f1618406-1ed7-4e72-bd4f-d1b6faaf8381>

¹⁴ Executive Yuan <https://www.ey.gov.tw/Page/5A8A0CB5B41DA11E/cbc7872e-083a-4f65-b87a-4a6e175b57c4>

¹⁵ Central Bank in Taipei <https://www.cbc.gov.tw/tw/cp-523-975-DEE11-1.html>

¹⁶ Taiwan News <https://www.taiwannews.com.tw/news/6047753>

Digital transformation is another major pillar of Taiwan's development strategy. The "Five Trustworthy Industries" initiative prioritizes AI, and next-generation communication. Taiwan's ICT ecosystem - featuring strong OEMs, public research institutes, and an adaptive workforce - is actively integrating AI into healthcare, logistics, and manufacturing. Partnerships in edge computing, green ICT, and smart city development are also expanding. These trends enable synergies for Swiss firms specializing in embedded systems, secure connectivity, and AI-integrated solutions.

Taiwan's **machinery and smart manufacturing sector** is undergoing rapid change. With the support of the "Smart Machinery Industry Promotion Program¹⁷," factories are upgrading to Industry 4.0 standards through AI, robotics, and IoT. For Swiss suppliers of automation technology, industrial sensors, and energy-efficient systems, Taiwan's evolving production base offers subcontracting, licensing, and integration opportunities - particularly as green manufacturing gains momentum.

In **renewable energy**, Taiwan is striving to reach 15% of its power supply from renewables by 2025¹⁸. Solar installations surpassed 14 GW in 2024¹⁹, while offshore wind projects attracted foreign investment. The rise of corporate power purchase agreements (PPAs) reflects growing demand for green energy among tech manufacturers. Swiss cleantech providers can offer solutions in grid integration, battery storage, floating PV, hydrogen, and building energy systems.

Healthcare and biopharma sectors are also evolving. The authority launched the USD 1.52 billion "Healthy Taiwan Deepening Program²⁰" and expanded the National Health Insurance budget, signalling strong support for innovation in diagnostics, AI-assisted care, and medical devices. Swiss high-tech-firms in this sector with regulatory experience can find opportunities in joint R&D, clinical trials, and digital health platforms.

In **biotech and pharmaceuticals**, Taiwan is pivoting from generics to innovation in oncology, cell therapy, and biologics. Biomedical parks offer incubator space and facilitate partnerships. Swiss life sciences companies can engage across the value chain - from discovery to commercialization - backed by streamlined regulatory pathways and active cross-border cooperation.

Digitalization extends to logistics, fintech, and education. Taiwan is building intelligent logistics parks and smart mobility networks to enhance supply chain resilience. Open banking and AI-driven analytics are reshaping the financial sector, while edtech (education technology) is advancing AI-enabled and bilingual learning platforms. Swiss firms in logistics software, regtech (regulatory technology), e-learning, and digital content can find scalable partnership models.

Large-scale infrastructure efforts continue under Taiwan's green and digital transformation agenda. Public investment has focused on energy infrastructure, smart transportation, and industrial resilience - supported by the USD 12.75 billion "Resilience Special Budget²¹." This opens the door for Swiss subcontractors in civil engineering, environmental services, and automation systems.

Overall, Taiwan's sectoral transformation - driven by innovation, sustainability, and openness - aligns strongly with Swiss strengths. Whether through equipment exports, R&D partnerships, or infrastructure participation, Swiss companies are well-equipped to deepen their role in Taiwan's next phase of development.

3 FOREIGN ECONOMIC POLICY

3.1 Taiwan's policy and priorities

Taiwan's foreign economic policy remains proactive and adaptable, **aiming to deepen global economic integration despite the challenges of limited diplomatic recognition.** Taiwan is a WTO member since 2002 - under the name of "Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)" -, and actively participates in multilateral institutions such as Asia-Pacific Economic

¹⁷ Executive Yuan <https://english.ey.gov.tw/News3/9E5540D592A5FECDD/3c23b712-63df-4af0-9195-26ca35856042>

¹⁸ European Chamber of Commerce Taiwan <https://euroview.eect.com.tw/category-inside.php?id=2247>

¹⁹ TaiPower www.taipower.com.tw/2764/2826/2842/2845/25140/normalPost

²⁰ Executive Yuan https://www.ey.gov.tw/Page/448DE008087A1971/1f7b4b9e-6dbe-4b4e-8d91-a8255c1ac12f?utm_source=chatgpt.com

²¹ Executive Yuan <https://english.ey.gov.tw/News3/9E5540D592A5FECDD/0f5aa6e2-7ef3-47ce-ae00-90b23ae9b3fe>

Cooperation (APEC), Asian Development Bank (ADB), and Pacific Economic Cooperation Council (PECC), using economic diplomacy as a tool for international engagement²². Taiwan remains committed to joining the CPTPP. Despite geopolitical complexities, Taiwan continues to align its trade practices with CPTPP requirements and maintain informal engagement with member states. The island also currently has over 30 Double Taxation Agreements (DTAs), including one with Switzerland signed in 2011²³.

Over the past two decades, Taiwan has expanded its network of bilateral and plurilateral agreements, including trade deals with countries in Latin America and the Pacific, and economic cooperation agreements with China (2010), New Zealand (2013) and Singapore (2013).

In recent years, Taiwan's trade policy has emphasized **value-based partnerships and economic resilience**. Under the US-Taiwan Initiative on 21st-Century Trade, an "Agreement Regarding Trade" was signed in 2023, focussing on customs, SME support, anti-corruption, and regulatory transparency. Further rounds of negotiation are expected in areas like labour, agriculture, and the environment. Arrangements on economic cooperation and/or investments have also been signed with the United Kingdom (2023), Canada (2023) and Thailand (2024). Simultaneously, Taiwan has intensified economic dialogues with the European Union, including a third Trade and Investment Dialogue in December 2024 covering digital trade, green energy, and economic security. These moves demonstrate Taiwan's strategic effort in engaging with developed economies beyond traditional diplomatic allies.

Under President Lai, Taiwan's foreign economic policy emphasizes **diversification away from economic dependence on China** and strengthening ties with democratic partners. The New Southbound Policy remains central to this vision, expanding engagement with Southeast Asia, South Asia, and Australasia across trade, education, and sustainability.

In April 2025, new US tariff policies - including a proposed 32% tariff on Taiwanese exports (excluding semiconductors) - sparked concern. However, a revised measure reduced tariffs to 10% temporarily and included a 90-day negotiation window. An exemption list covering high-tech products was also issued, benefiting Taiwanese firms like TSMC. President Lai responded by advocating for a zero-tariff treatment between the two sides, offering to increase procurement of US goods, encourage Taiwanese investment in the US, and address non-tariff barriers²⁴. This approach reflects Taiwan's broader strategy to **institutionalize trade ties and reduce long-term vulnerability**. So far, two rounds of in-person talks between Taiwan and the US have taken place with no concrete outcome yet.

Taiwan's foreign economic agenda under Lai is characterized by sectoral modernization, strategic alliance-building, and resilience-building. By investing in the **five trustworthy industries** - semiconductors, AI, green energy, defence, and next-generation communications - Taiwan aims to boost competitiveness, secure supply chains, and deepen economic ties with like-minded partners.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Taiwan's dynamic foreign economic policy and growing number of preferential trade arrangements increase competition for market access. Although Switzerland currently has no formal free trade agreement with Taiwan, the two economies maintain long-standing commercial ties.

There is no evidence of direct discrimination against Swiss firms. However, as Taiwan's foreign economy becomes increasingly structured around bilateral or regional frameworks and dialogues (e.g., US, EU, CPTPP), the absence of such instruments may gradually limit Swiss comparative access in strategic sectors.

Despite this, Switzerland continues to benefit from its strong brand reputation and longstanding expertise in precision industries. Taiwanese stakeholders value Swiss contributions in pharmaceuticals, automation, finance, sustainability technologies and high-end consumer goods.

²² Int'l Trade Administration, US Dept. of Commerce <https://www.trade.gov/country-commercial-guides/taiwan-trade-agreements>

²³ InvestTaiwan, Ministry of Economic Affairs <https://investtaiwan.nat.gov.tw/faqQContent?lang=eng&search=77>

²⁴ President Office <https://english.president.gov.tw/News/6935>

4 FOREIGN TRADE

4.1 Developments and general outlook

In 2024, Taiwan's foreign trade rebounded significantly following a subdued 2023. Exports grew by 9.9% year-on-year to USD 475.07 billion, while imports rose by 12.2% to USD 394.44 billion. The trade surplus narrowed slightly to USD 80.63 billion. The recovery was driven by strong global demand for high-tech products, particularly semiconductors, AI-related hardware, and high-performance computing infrastructure.

Taiwan's trade structure remains highly concentrated in goods exports, especially in electronic components and ICT products. The island's role as a global hub for advanced manufacturing - particularly for semiconductors - has shielded it from some global downturns, but it has also exposed Taiwan to rising geopolitical pressures and supply chain vulnerabilities. In recent years, Taiwan has intensified efforts to reduce overreliance on China and to diversify trade flows toward the US and Southeast Asia, while seeking more active participation in international frameworks such as the CPTPP and bilateral dialogues with the EU and the US.

The outlook is cautiously optimistic. Taiwan is well-positioned to benefit from trends such as green technology transition, industrial digitalization, and global AI deployment. However, the economy faces headwinds including shifting trade rules, high energy costs, export controls, and the growing complexity of cross-border compliance. Continued investment in industrial upgrading, infrastructure resilience, and trade diplomacy will be key to sustaining momentum.

4.1.1 Trade in goods

Taiwan's 2024 export growth was underpinned by a surge in shipments to the US, which rose by over 40%, making it Taiwan's second-largest export market after China and Hong Kong. This shift reflects increasing US efforts to reduce dependence on China and strengthen semiconductor and ICT supply chains. The expansion of export controls by both Washington and Beijing has accelerated regional reconfiguration, in which Taiwan plays a central role.

The information, communication, and audio-video products category recorded exceptional growth, surging nearly 60% year-on-year²⁵. Semiconductors remained the largest export category. Traditional sectors such as base metals, machinery, and chemicals saw minimal or negative growth.

This sectoral polarization suggests that Taiwan's export competitiveness is becoming more narrowly focused on a few cutting-edge industries. While this enhances value-added performance, it also increases vulnerability to technology cycles and market concentration risks. A more diversified product mix may be needed to mitigate future shocks.

Imports also expanded significantly, particularly in electronics and semiconductor-related inputs. China/Hong Kong and the US were Taiwan's top import sources, reflecting a dual reliance on advanced equipment and basic components. Imports from Southeast Asia also increased, indicating continued regional integration and supply chain adjustments.

Taiwan's 2024 import structure reveals its role not just as a high-tech exporter, but as a deeply integrated global manufacturer dependent on a wide range of upstream imports. While this reflects healthy industrial dynamism, it also underscores the importance of supply chain diversification and the strategic management of sourcing risks.

Taiwan introduced several measures to enhance import governance. The Ministry of Economic Affairs revised import regulation codes to simplify classification and reduce administrative burdens. Additionally, Taiwan eased restrictions on selected Japanese food imports from Fukushima and nearby regions, contingent on origin and radiation test documentation, demonstrating a shift toward science-based, internationally consistent regulation.

²⁵ Ministry of Finance

https://service.mof.gov.tw/public/Data/statistic/trade/news/11312/11312_%E8%8B%B1%E6%96%87%E6%96%B0%E8%81%9E%E7%A8%BF.pdf

4.1.2 Trade in services

Taiwan's services trade expanded in 2024, with service exports rising to USD 58.75 billion and imports reaching USD 71.16 billion, resulting in a record services trade deficit of USD 12.41 billion²⁶. Growth in service exports was driven by digital services, including IT outsourcing and financial services. Service imports rose sharply due to increased overseas travel and growing payments for foreign intellectual property, especially software and digital platforms.

The imbalance in Taiwan's trade profile underscores the need to strengthen the competitiveness and exportability of its service sector, particularly in high-value areas such as digital content, software as a service (SaaS), and R&D services. As manufacturing-led economies evolve toward knowledge-based industries, Taiwan must accelerate investment in education, creative industries, and service-sector productivity.

4.2 Bilateral trade

4.2.1 Trade in goods

In 2024, bilateral trade between Switzerland and Taiwan reached CHF 3.86 billion, based on economic trade flows that include gold bars and other precious metals, currencies, and works of art. Total Swiss exports reached CHF 2.63 billion (a 35.3% increase), and total imports from Taiwan amounted to CHF 1.23 billion (a 13.2% decrease)²⁷.

Even excluding gold bars and other precious metals, currencies, and works of art, Swiss export growth was robust, supported by a strong performance in high-value-added sectors. **Pharmaceuticals and chemicals** continued to lead, totalling 45.5% of exports to Taiwan, with a year-on-year increase of 10.5% in value. **Watches** accounted for a share of 21.3%, growing modestly by 2.5% in value. **Machinery, appliances, and electronics** made up 13.8% of exports (+13.3% in value), while **metals exports surged by 20.3% in value** to a share of 4.9%. These trends reflect Switzerland's competitiveness in specialized manufacturing and innovation-intensive industries, which align well with Taiwan's ongoing industrial upgrading and post-pandemic investment cycle.

On the import side, the overall decline reflects a combination of softening global demand and inventory adjustments across key sectors. Taiwanese shipments to Switzerland of **machinery, appliances, and electronics** - which accounted for 58.3% of imports - declined by 8.1% in value, indicating a cooling in demand for industrial components. **Bicycle imports** (vehicles), once a standout category, fell sharply amid growing competition and market saturation (-27.4% in value to a share of 10.8%). Imports of **precision instruments, clocks, and watches** also contracted by 16.2% in value to a 9.2% share. In contrast, **imports of metals from Taiwan surged by 154.2% in value**, rising to 12.7% of total imports, suggesting a structural shift in industrial sourcing or price effects in raw materials. This sharp increase partially offset declines in other sectors but also reflects the volatility of commodity-driven trade.

Swiss exports to Taiwan continue to benefit from Switzerland's strength in high-precision and high-value sectors that appeal to Taiwan's demand for quality, reliability, and innovation. Opportunities persist in sectors such as life sciences, automation, and green technologies. As Taiwan intensifies its focus on sustainability and high-tech innovation, Swiss companies are well-positioned to contribute meaningfully.

In contrast, Taiwan's exports to Switzerland remain concentrated in mid-value industrial and consumer goods, which are more susceptible to external shocks and shifting consumer trends. Nevertheless, Taiwan remains a relevant supplier for Switzerland in electronics and industrial components.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

In 2024, Taiwan's foreign direct investment (FDI) landscape **remained resilient** amid ongoing global uncertainties. The total stock of approved foreign investments reached USD 225.78 billion, representing a 3.7% increase from the previous year. This growth underscores Taiwan's continued attractiveness

²⁶ Central Bank in Taipei <https://www.cbc.gov.tw/tw/cp-538-2336-A55F0-1.html>

²⁷ Federal Office for Customs and Border Security <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/query.xhtml>

as an investment destination, particularly in strategic sectors such as semiconductors and green energy. The total inflows over the past year amounted to USD 8.15 billion.

Taiwan continued to **implement incentive policies to attract foreign capital**, including R&D tax credits, low-interest loans for smart automation and energy-saving projects, and tax holidays for firms in science parks such as Hsinchu and Southern Taiwan. Its focus on **five trustworthy industries** — semiconductors, AI, green energy, defence, and next-generation communications — has further enhanced its appeal for high-tech and strategic investors.

In terms of investment origin, the British Overseas Territories (e.g., British Virgin Islands) remained the largest source, accounting for 19.4% of total FDI stock, followed by the Netherlands (17.1%), the US (11.9%), Japan (11.8%), and the United Kingdom (6.2%). Notably, UK investment stock recorded a year-on-year growth rate of 12.5%.

Investment from China, including Hong Kong, accounted for 5.6% of total investment stock, amounting to USD 12.59 billion. Inflows of USD 454.9 million in 2024 reflect a moderate rebound compared to the previous year marked by historic lows. The modest recovery was likely driven by reinvestment in non-sensitive sectors such as e-commerce logistics, consumer products, and certain IT services. However, the political and regulatory environment remains restrictive.

5.2 Bilateral investment

Overall, Switzerland - Taiwan bilateral investment relations in 2024 continued to deepen, **supported by complementary industrial strengths and mutual trust**. According to the Department of Investment Review, Switzerland maintained its position as an important investor in Taiwan (7th largest European investor, 15th largest overall). By the end of 2024, Swiss cumulative FDI stock in Taiwan reached USD 1.098 billion across 412 approved projects. In 2024 alone, Swiss companies invested USD 28.07 million through 14 new projects, mainly in wholesale, retail, and transport equipment manufacturing.

An estimated 125 Swiss companies currently operate in Taiwan, primarily in the pharmaceuticals, medical devices, machinery, chemicals, logistics, and consumer goods sectors, contributing to the local economy through technology transfer, supply chain integration, and employment. Most have sustained long-term operations in Taiwan. Over the past few years, there were several investment/expansion projects across different sectors, but no known withdrawals. The medtech and life sciences sectors remain particularly dynamic due to Taiwan's skilled workforce and its growing focus on innovation.

On the other side, Taiwanese investment in Switzerland has reached a cumulative USD 426.65 million across 33 projects. In 2024, one new investment was approved in the financial and insurance sector, totalling USD 1.54 million. **About 20 Taiwanese companies** maintain a presence in Switzerland, particularly in IT, integrated circuits, machinery, and medical products. Some use Switzerland as a gateway to the European market and the European Free Trade Association (EFTA) zone, often to enhance branding, access technology, and develop local partnerships.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

The Trade Office of Swiss Industries (The Trade Office) plays a key role in promoting economic, educational, scientific, and cultural cooperation between Switzerland and Taiwan. While there is no Swiss Business Hub in Taiwan, the Trade Office maintains a strong partnership with **Switzerland Global Enterprise (S-GE)**, and it also carries out a mandate for **Switzerland Tourism**.

The Trade Office supports Swiss companies in accessing/expanding in the Taiwanese market by **organizing Swiss pavilions at key trade exhibitions** such as Taipei Int'l Machine Tool Show (TIMTOS), Taiwan Int'l Machine Tool Show (TMTS), and BioAsia Taiwan - showcasing Swiss excellence in sectors like precision engineering, advanced manufacturing, and life sciences. These events also provide opportunities for networking and visibility enhancement for Swiss exporters. For Switzerland Tourism, the Trade Office participates in events such as the Taipei International Travel Fair and engages in outreach to local travel agencies and media. **Presence Switzerland** contributes branding materials and narratives promoting Swiss innovation, sustainability, and quality of life.

The Trade Office also works closely with **Swiss companies in Taiwan** by conducting regular company visits, hosting business lunches, and facilitating intercompany dialogue. These efforts help maintain a responsive and supportive business environment for Swiss firms. Additionally, the Trade Office organizes the "Swiss Innovation Talk Taipei" event series. This forum brings together Swiss innovators and Taiwanese industry representatives to exchange ideas and promote cooperation. On **digital platforms** such as Facebook and LinkedIn, the Trade Office shares updates on trade, investment, innovation, as well as cultural initiatives, effectively raising the visibility of Swiss achievements and engagement in Taiwan.

Swiss companies active in Taiwan often maintain membership in the influential **European Chamber of Commerce Taiwan (ECCT)**, which enables their participation in policy discussions and coordination with broader European trade interests in the region. They are the second largest group by country in the ECCT, behind Germany and on par with France. In 2024, the **Swiss-Taiwan Business Alliance** was established in Taipei as a business-networking platform and a committee of the Swiss-Asian Chamber of Commerce.

6.2 Taiwan's interest in Switzerland

Tourism

Switzerland remains a desirable destination for Taiwanese travellers. According to Switzerland Tourism, overnight stays by Taiwanese visitors exceeded 264,000 in 2024 - surpassing pre-pandemic levels by 1%, and 2023 levels by 30%. Younger Taiwanese travellers increasingly favour independent travel, also in winter, while older guests still prefer guided group tours. This development builds on Switzerland's reputation for scenic beauty, safety, high service standards, and diverse appeal.

Education and Academic Exchange

Switzerland is viewed positively as an educational destination. Taiwanese students pursue degrees at Swiss universities, ETH Zurich, EPFL, and universities of applied sciences, particularly in engineering, business, and hospitality. Swiss boarding schools and hospitality management programs also attract interest.

The Trade Office supports academic exchanges, including facilitating study tours from Swiss institutions to Taiwan. These exchanges often include company visits, dialogue with think tanks, and networking events that strengthen the relationship between Swiss education and the local business community. The Trade Office also participated at the 2024 European Education Fair Taiwan to promote the Swiss education landscape.

Innovation and R&D Collaboration

Switzerland's status as a global innovation leader resonates strongly with Taiwanese policy shapers, academics, and businesses. Areas such as biotech, fintech, clean energy, and precision engineering are considered promising for cooperation. Swiss research excellence is seen as complementary to Taiwan's tech manufacturing base.

Collaboration includes joint university projects, start-up partnerships, and institutional R&D initiatives. The Trade Office actively fosters such linkages through events and introductions. As Taiwan looks to expand its own innovation ecosystem, Switzerland is perceived as a valuable and trustworthy partner.

Finance and Investment

While Switzerland's role as a financial hub is respected in Taiwan, institutional engagement in the finance sector remains limited. However, Taiwan's growing wealth management sector and interest in ESG-compliant investment vehicles provide new opportunities for Swiss financial institutions, especially those with a presence in Asia.

ANNEX 1 – Economic structure

Economic structure of Taiwan

| | 2019 | 2024 |
|----------------------------|---------------|---------------|
| Distribution of GDP | | |
| Primary sector | 1.70% | 1.47% |
| Manufacturing sector | 36.63% | 39.79% |
| Services | 61.67% | 58.74% |
| - of which public services | 5.85% | 5.20% |

| | | |
|-----------------------------------|---------------|---------------|
| Distribution of employment | | |
| Primary sector | 4.86% | 4.26% |
| Manufacturing sector | 35.58% | 34.94% |
| Services | 59.55% | 60.81% |
| - of which public services | 3.20% | 3.25% |

Source(s): Directorate-General of Budget, Accounting and Statistics, Executive Yuan
<https://www.stat.gov.tw/cp.aspx?n=2674>

ANNEX 2 – Main economic data

Taiwan's main economic data

| | 2023 | 2024 | 2025 |
|--|---------------|---------------|---------------|
| GDP (USD bn)* | 757.3 | 782.4 | 804.9 |
| GDP per capita (USD)* | 32,337 | 33,437 | 34,426 |
| Growth rate (% of GDP)* | 1.12 | 4.30 | 2.85 |
| Inflation rate (%)* | 2.49 | 2.18 | 1.78 |
| | | | |
| Unemployment rate (%)* | 3.48 | 3.39 | 3.39 |
| Fiscal balance (% of GDP)* | -2.5 | -0.77 | -0.84 |
| Current account balance (% of GDP)* | 13.98 | 15.71 | 18.46 |
| | | | |
| Total external debt (% of GDP)** | 29.0 | 26.2 | 24.0 |
| Debt-service ratio (% of exports)** | 3.95 | 3.48 | N/A |
| Reserves (months of imports)** | 19.47 | 17.54 | N/A |

* Source: IMF, World Economic Outlook (indicate the month and year of publication)
www.imf.org/external/pubs/ft/weo

** Source: Central Bank in Taipei <https://www.cbc.gov.tw/tw/cp-538-2336-A55F0-1.html>

Ministry of Finance

<https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=d4ea42a9513a401186122e6f7938fc27>

ANNEX 3 – Trade partners

Trade partners of Taiwan Year: 2024

| Rank | Country | Exports from Taiwan (USD million) | Share | Change ²⁸ | Rank | Country | Imports to Taiwan (USD million) | Share | Change |
|------|----------------------------------|---|-------------|----------------------|------|----------------------------------|---------------------------------------|---------------|--------------|
| 1 | Mainland China & Hong Kong | 150,619.9 | 31.7% | -1.1% | 1 | Mainland China & Hong Kong | 80,623.1 | 20.4% | 12.4% |
| 2 | U.S.A. | 111,369.4 | 23.4% | 46.1% | 2 | U.S.A. | 46,488.3 | 11.8% | 13.7% |
| 3 | Singapore | 33,741.6 | 7.1% | 13.5% | 3 | Japan | 46,452.2 | 11.8% | 4.8% |
| 4 | Japan | 25,841.8 | 5.4% | -17.8% | 4 | S. Korea | 43,710.9 | 11.1% | 53.8% |
| 5 | S. Korea | 20,793.7 | 4.4% | 14.2% | 5 | Australia | 14,722.6 | 3.7% | -15.1% |
| 6 | Malaysia | 19,919.4 | 4.2% | 31.3% | 6 | Malaysia | 14,618.7 | 3.7% | 50.9% |
| 7 | Viet Nam | 14,278.0 | 3.0% | 21.8% | 7 | Germany | 13,533.7 | 3.4% | -2.6% |
| 8 | Thailand | 11,836.5 | 2.5% | 9.0% | 8 | Singapore | 9,715.4 | 2.5% | 2.0% |
| 9 | Netherlands | 9,692.0 | 2.0% | -25.0% | 9 | Saudi Arabia | 8,443.1 | 2.1% | -7.6% |
| 10 | India | 7,892.4 | 1.7% | 31.3% | 10 | Viet Nam | 7,910.6 | 2.0% | 28.5% |
| 37 | Switzerland | 588.9 | 0.1% | -18.3% | 22 | Switzerland | 2,860.1 | 0.7% | 35.7% |
| | EU | 33,471.2 | 7.0% | -9.1% | | EU | 35,298.3 | 8.9% | -4.8% |
| | Total | 475,069.0 | 100% | 9.9% | | Total | 394,444.0 | 100.0% | 12.2% |

Source(s): Ministry of Finance

<https://www.mof.gov.tw/singlehtml/384fb3077bb349ea973e7fc6f13b6974?cntId=d4ea42a9513a401186122e6f7938fc27>

International Trade Administration, Ministry of Economic Affairs

<https://publicinfo.trade.gov.tw/cuswebo/FSC3000C?table=FSC3210F>

²⁸ Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Taiwan

| | Export (CHF million) | <i>Change (%)</i> | Import (CHF million) | <i>Change (%)</i> | Balance (CHF million) | Volume (CHF million) |
|-------------|--------------------------------|-------------------|--------------------------------|-------------------|---------------------------------|--------------------------------|
| 2019 | 2'061.4 | 0.0 | 1'292.7 | -4.5 | 768.7 | 3'354.1 |
| 2020 | 2'371.5 | 15.0 | 1'270.4 | -1.7 | 1'101.2 | 3'641.9 |
| 2021 | 2'442.9 | 3.0 | 1'600.4 | 26.0 | 842.5 | 4'043.3 |
| 2022 | 2'528.3 | 3.5 | 1'763.2 | 10.2 | 765.1 | 4'291.6 |
| 2023 | 1'943.3 | -23.1 | 1'417.2 | -19.6 | 526.1 | 3'360.5 |
| (Total 1)* | 1'727.6 | -15.6 | 1'369.4 | -19.6 | 358.2 | 3'087.0 |
| 2024 | 2'629.5 | 35.3 | 1'229.9 | -13.2 | 1'399.6 | 3'859.4 |
| (Total 1)* | 1,903.6 | 10.2 | 1,217.4 | -11.1 | 686.2 | 3,121.0 |

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

| Exports | 2023 (% of total) | 2024 (% of total) |
|---|-----------------------------|-----------------------------|
| 1. Chemical and pharmaceutical industry | 45.3 | 45.5 |
| 2. Watches | 22.9 | 21.3 |
| 3. Machines, appliances, electronics | 13.4 | 13.8 |
| 4. Metals | 4.5 | 4.9 |

| Imports | 2023 (% of total) | 2024 (% of total) |
|--|-----------------------------|-----------------------------|
| 1. Machines, appliances, electronics | 56.3 | 58.3 |
| 2. Metals | 11.9 | 12.7 |
| 3. Vehicles | 13.2 | 10.8 |
| 4. Precision instruments, clocks & watches | 9.8 | 9.2 |

Source: Federal Office for Customs and Border Security

<https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/query.xhtml>

ANNEX 5 – Main investing countries

Main investing countries in Taiwan

Year: 2024

| Rank | Country | Direct investment (USD 1,000, stock) | Share | Variation (stock) | Inflows over past year (USD 1,000) |
|------|---|---|--------|----------------------|--|
| 1 | British Overseas Territories in the Caribbean | 43,715,626 | 19.4% | 6.0% | 2,487,185 |
| 2 | Netherland | 38,691,385 | 17.1% | 1.0% | 381,052 |
| 3 | US | 26,951,241 | 11.9% | 3.6% | 935,294 |
| 4 | Japan | 26,740,110 | 11.8% | 1.7% | 452,048 |
| 5 | UK | 13,935,228 | 6.2% | 12.5% | 1,544,909 |
| 6 | China & Hong Kong | 12,585,182 | 5.6% | 3.8% | 454,901 |
| 7 | Singapore | 11,837,654 | 5.2% | 2.8% | 326,803 |
| 8 | Samoa | 6,951,521 | 3.1% | 2.3% | 154,298 |
| 9 | Germany | 6,120,066 | 2.7% | 0.9% | 57,558 |
| 10 | Australia | 4,025,560 | 1.8% | 0.5% | 19,834 |
| ... | EU | 59,523,130 | 26.4% | 2.3% | 1,351,212 |
| 15 | Switzerland | 1,098,026 | 0.5% | 2.6% | 28,072 |
| | Total | 225,782,880 | 100.0% | 3.7% | 8,145,004 |

Source(s): Department of Investment Review, Ministry of Economic Affairs

https://www.moea.gov.tw/Mns/dir/news/News.aspx?kind=1&all=1&menu_id=42807&news_id=118371