Major Indicators of Taiwan Economy

Period	Economic growth rate(%)	GNP (at current prices) Amount (million US$)	GNP (at current prices) Per capita (US$)	Unemployment rate(%)
2003	3.43	309,300	13,752	4.99
2004	6.15	342,100	15,156	4.44
2005	4.16	364,000	16,113	4.13
2006	4.89	374,500	16,494	3.91
2007	5.70	394,800	17,294	3.91
2008. f	4.32	428,100	18,693	3.86

Period	Foreign trade (custom statistics) (Million US$) Exports	Imports	Balance	Annual Rate of change(%) Exports	Imports
2003	144,240	127,258	16,982	10.4	13.1
2004	174,034	167,895	6,139	20.7	31.9
2005	189,394	181,606	7,788	8.8	8.2
2006	224,017	201,596	22,421	18.2	11.0
2007	246,723	219,346	27,377	10.1	8.8
2008.4	22,590	21,590	1,000	14.0	17.7

Period	Foreign exchange reserves (end of period, US$ million)
2005	253,290
2006	266.100
2007	270,310
2008.4	289,380

Period	Consumer price index (Annual rate of change)(%)	Wholesale price index (Annual rate of change)(%)
2005	2.30	0.60
2006	0.6	5.64
2007	1.8	6.45
2008.4	3.86	6.18

Period	Exchange Rate (NT dollars per foreign currency) USD	JPY	EUR
2008.4	30.449	0.2927	46.97

Period	Interest rate(%) Rediscount rate	Money market rate
2008.4.30	3.5	2.028

* f: forecast

TDCC Completes System Enhancement for Compiling Interest Rate Indexes of Short-Term Bills

In order to improve the effectiveness of beneficial securities information disclosure, the Banking Bureau of the Financial Supervisory Commission (FSC), Executive Yuan, has entrusted TDCC to plan and organize information disclosure for quotations and concluded transactions of beneficial securities with a maturity of less than one year and asset-backed commercial papers (ABCP). The Taiwan Futures Exchange, also, is planning to launch 90-day interest rate futures, using board interest rate indexes as underlying products and referring to the board interest rate indexes compiled by TDCC as the settlement price. The R.O.C. Bills Finance Association, in the meantime, also recommends that relevant institutions establish a designated interest rate indexes interface for bill dealers, to ensure that interest rates quoted in the secondary market truly reflect market status and meet the requirements of bill dealers. The contents of this interface should include board interest rates quoted by exclusively-operated bill dealers to the primary and secondary short-term bills markets, as well as relevant interest rate information such as periodic trading interest rate indexes of concluded transactions computed by TDCC in accordance with the concluded interest rate input by the bill dealers.

Based on instructions from and relevant requirements of the competent authority, TDCC incorporated additional interest rate information into the existing "Short-Term Bills Interest Rate Indexes Compiling System" (hereinafter referred to as "the System"). On September 28th, 2007, TDCC invited representatives from exclusively-operated bill dealers for discussions on this issue, and started implementation based on the conclusions of the meeting. TDCC has completed development of the System which was launched on March 24th, 2008.

Before 9:00 am of each business day, all exclusively-operated bill dealers input the board interest rate of the day for the primary and secondary markets into the System, which is transmitted to TDCC accordingly. Information on transactions concluded is also transmitted to TDCC on a real-time basis within business hours. TDCC then classifies the interest rate information in accordance with the transaction period, and, based on 15-minute periods, compiles and announces the periodic trading short-term interest rate indexes and the accumulated periodic trading short-term interest rate indexes for concluded transactions of short-term bills, as well as other market information such as the board rates of short-term beneficial securities in the secondary markets and information on concluded transactions, etc.

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Mr.Yamashita, president & CEO of JSCC, led delegates visited Chairman Ju on 30th April, 2008.

Delegates from State Street Bank and HSBC visited President Sherman Lin on 28th April, 2008.

TDCC Sends Representatives to Japan to Research Operations of Corporate Action in JASDEC

To enhance the management of dematerialized securities registration and to better understand proxy voting systems for shareholders' meetings, TDCC dispatched representatives, together with Professor Jerry G. Fong of National Chengchi University, to research operations at JASDEC (Japan Securities Depository Center) and at other relevant organizations in Japan during April 21st to 26th, 2008.

On July 1st, 2006, the competent authorities announced that initial and secondary public offerings (IPO and SPO, respectively) for all stocks and corporate bonds of listed companies should be issued in dematerialized format, as should bank debentures issued by financial institutions. TDCC has enforced continuous enhancement on various dematerialized operations including the establishment and maintenance of shareholder information, account transfer information for custody securities, distribution and classification information, etc., so as to minimize operational risk of securities transferred by issuing companies and to strengthen the management of dematerialized securities registration. If a company is disqualified from dematerialized issuance, it must be removed from TDCC's dematerialized issuance system and physical securities certificates must be printed under shareholders' names. In practice, this will require the operational support of the issuing company.

Due to scattered investors structures and massive numbers of shareholders, companies currently need to invest considerable effort and resources into handling the complicated administrative work and consequently high cost involved in convening shareholders' meetings. In order to reduce such burdens, TDCC has been actively studying the feasibility of implementing a proxy-voting system for shareholders' meetings, endeavoring to provide a fair and secured system while ensuring privacy in the voting process.

In order to further corporate action services for issuer participants, TDCC dispatched five representatives, along with Professor Jerry G. Fong, to visit JASDEC from April 21st to 26th, 2008. Representatives gained an in-depth understanding of the mechanism regarding the dematerialization as well as proxy-voting systems in Japanese securities markets. TDCC representatives also visited transfer agencies in Japan as well as ICJ (Investor Communications Japan), Inc., an electronic voting platform, to exchange views on business. It is hoped that TDCC will be able to provide feasible improvement recommendations for the securities markets in Taiwan by researching prevailing systems in Japan.

Editorial Note:
After our February newsletter article about TDCC's CMMI Level II certification, we learned from our colleagues at The Depository Trust & Clearing Corporation (DTCC) that DTCC was assessed at CMMI Level II across its application development organization back in 2005 while TDCC achieved its certification in 2007, the first among securities institutions in Taiwan.