

Major Indicators of Taiwan Economy

Period	Economic growth rate(%)	GNP (at current prices)		Unemployment rate(%)	Period	Foreign trade (custom statistics) (Million US\$)			Annual Rate of change(%)	
		Amount (million US\$)	Per capita (US\$)			Exports	Imports	Balance	Exports	Imports
2003	3.43	309,300	13,752	4.99	2003	144,240	127,258	16,982	10.4	13.1
2004	6.15	342,100	15,156	4.44	2004	174,034	167,895	6,139	20.7	31.9
2005	4.16	364,000	16,113	4.13	2005	189,394	181,606	7,788	8.8	8.2
2006	4.89	374,500	16,494	3.91	2006	224,017	201,596	22,421	18.2	11.0
2007	5.70	394,800	17,294	3.91	2007	246,723	219,346	27,377	10.1	8.8
2008. f	4.78	438,400	18,585	3.81	2008.5	23,600	21,380	2,220	20.5	17.6

Period	Foreign exchange reserves (end of period, US\$ million)	Period	Consumer price index (Annual rate of change)(%)	Wholesale price index (Annual rate of change)(%)
2005	253,290	2005	2.30	0.60
2006	266,100	2006	0.6	5.64
2007	270,310	2007	1.8	6.45
2008.5	290,070	2008.5	3.71	7.72

Period	Exchange Rate (NT dollars per foreign currency)			Period	Interest rate(%)	
	USD	JPY	EUR		Rediscount rate	Money market rate
2008.5	30.413	0.2883	47.31	2008.4.30	3.5	2.042

* f: forecast

TDCC Successfully Completes Interest Payments on the Second Issue of Formosa Bonds (AUD Denominated)

As part of its services for redemptions and interest payments on Formosa Bonds registered with overseas depository institutions and held by domestic investors. TDCC successfully completed the first interest payments on the second issue of Formosa Bonds, denominated in AUD, through the Payment Service Platform (PSP), which was established collaboratively by TDCC and a number of banks.

Backed by aggressive promotional efforts of the government, the first issue of USD-denominated Formosa Bonds, which are issued in Taiwan by foreign issuers, was listed on November 1st, 2006. The second, AUD-denominated, Formosa Bond was listed on April 10th, 2007. As a result of these issuances, local investors are able to purchase foreign currency bonds through a transaction platform provided by GTSM, thus contributing to the internalization of capital markets. Since the successful registration of these two bonds in

Euroclear, TDCC has been responsible for relevant operations including distribution, delivery, cross-border funds transfer and book-entry settlement services as well as redemption and interest payments.

To improve its payment services, TDCC completed installation of a Payment Services Platform (PSP) that went live on November 1st, 2007. Through a server-to-server connection with Mega International & Commercial Bank, TDCC has already completed interest payments for the first Formosa Bond denominated in USD. Banks may effect payment through the PSP online connection with TDCC, directly crediting the investor's account through an automatic process and updating account status immediately. The service improves the efficiency of foreign-currency fund transfers for domestic investors and reduces handling charges on investors' funds transfer.

To further expand its business and service scope, TDCC is promoting the PSP online system to all banks. As of the end of May 2008, TDCC has completed the signing of PSP contracts with seven banks, amongst which Mega International & Commercial Bank, Bank of Taiwan, Taiwan Cooperative Bank and the Shanghai Commercial & Savings Bank have already started online operations in April. In addition, as mentioned above, TDCC successfully completed the first interest payment for the second Formosa Bond (AUD denominated). The total amount processed for the first interest payment was AUD11,499,600, comprising 3,107 transactions. 87% of the transactions were processed through the four banks having PSP connections with TDCC. This enabled the majority of investors in Formosa Bonds to enjoy a speedy credit of their accounts as well as lower cost for redemption and interest payment services.

TDCC Signs MOU with Vietnam Securities Depository (VSD)

TDCC signed a Memorandum of Understanding (MOU) with the Vietnam Securities Depository (VSD) on May 13th, 2008, witnessed by Mr. Tang-Chieh Wu, Director-General of the Securities & Futures Bureau, FSC, and Mr. Nguyen Hoang An, Deputy Director of the International Cooperation Department, State Securities Commission (SSC) of Vietnam. The signing of this MOU confirms the future cooperative mechanism between the two parties and contributes to the internationalization of both parties' business.

Witnessed by Mr. Tang-Chieh Wu, Director-General of the Securities & Futures Bureau, FSC, and Mr. Nguyen Hoang An, Deputy Director of the International Cooperation Department, State Securities Commission (SSC) of Vietnam, the MOU was signed by Mr. Sherman Lin, President of TDCC, and Ms. Phuong Hoang Lan Huong, CEO of VSD. To celebrate this significant event, the signing ceremony was also attended by many senior executives from relevant securities and futures authorities.

The securities market in Vietnam started business in July 2000 with the establishment of the Ho Chi Minh Stock Exchange (HOSE), the first stock exchange in Vietnam. The Hanoi Securities Trading Center (HASTC) began operations as the second stock exchange in Vietnam in early March 2005. As of February 2008, the market value of HOSE was USD18.39 billion, with 150 listed companies and a daily trading volume of USD32.74 million. The market value of HASTC was USD5.8 billion, with 129 listed companies and a daily trading volume of USD29.28 million.

In a speech during the ceremony, Director-General Wu indicated that the government has made great efforts to expedite the internationalization of Taiwan's capital markets in recent years. Securities related organizations of the securities industry, therefore, have been encouraged to promote business exchanges with relevant international organizations. TDCC, as a result, has been aggressively strengthening its cooperation with related overseas organizations. The signing of an MOU with VSD signifies another milestone in TDCC's internationalization process.

Following the signing of an MOU with CDSL (India) in February, TDCC has now completed the signing of an MOU with the VSD, the thirteenth securities depository institution that has established an MOU with TDCC.

VSD is the only securities depository institution in Vietnam's securities market. Formally beginning operations on May 1st, 2006, VSD offers a variety of services including securities registration, depository services, transaction clearing, settlements, and related corporate actions. It is responsible for the securities settlement and depository operations for the two stock exchanges, respectively, through its headquarters in Hanoi and its branch office in Ho Chi Minh City.

It is hoped that, through the sharing of experiences, the two parties may work to promote cooperation between the securities and financial markets of Taiwan and Vietnam and contribute to the internationalization of the two countries.

In this issue:

- TDCC Signs MOU with Vietnam Securities Depository (VSD)
- TDCC & Market Statistics
- Major Indicators of Taiwan Economy
- TDCC Successfully Completes Interest Payments on the Second Issue of Formosa Bonds (AUD Denominated)



Witnessed by Mr. Tang-Chieh Wu, Director-General of the SFB of FSC and Mr. Nguyen Hoang An, Deputy Director of the International Cooperation Department of SSC of Vietnam, TDCC signed MOU with VSD on May 13th, 2008.



Mr. Nguyen Doan Hung, Vice Chairman of State Securities Commission, Mr. Nguyen Hoang An and VSD delegates visited Chairman Ju on May 13th, 2008.

